



**BOARD OF DIRECTORS**  
**KIRKWOOD MEADOWS PUBLIC UTILITY DISTRICT**  
33540 Loop Rd., P.O. Box 247, Kirkwood, CA 95646  
Telephone (209) 258-4444

**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**Saturday, November 12, 2016 – 8:00am**

**BOARD MEETING MINUTES**

Eric Richert, Vice President  
Peter Dornbrook, Secretary

**BOARD MEMBERS**  
Robert Epstein, President

Standish O'Grady, Treasurer  
Geoffrey Smith, Assistant Secretary

1. **CALL TO ORDER** *President Epstein*  
Determining a quorum present, President Epstein called the meeting to order at 8:00 am.
2. **ANNOUNCEMENTS** *Manager Sharp*  
Manager Sharp reported that Olga Darlington from Moss Adams is calling in regarding Agenda Item 8.a Audit, and Ray Crabtree/Volcano, Doug Pierini/KMR, and John Reiter/KCP/KPS are attending this meeting to address agenda items specific to their interests. Manager Sharp stated that this Regular meeting is being fed live over the internet and that the public can view this meeting by going to our website, [www.kmpud.com](http://www.kmpud.com) and following the appropriate link. If the public would like to make a comment they may send an email to [msharp@kmpud.com](mailto:msharp@kmpud.com) and the Board will respond. Members of the public should identify themselves when making comments.
3. **ROLL CALL** *Secretary Dornbrook*  
Board of Directors Present: Directors Epstein, Richert, O'Grady, Dornbrook and Smith.  
Staff Present: Manager Michael Sharp, Rick Ansel, Brandi Benson, Kelly McBride and Sandy McKay.  
Others Present: Doug Pierini/Vail Resorts; John Reiter/KCP/KPS/KCA; Ray Crabtree and Jonathan James/Volcano Vision; Community Members Cheryl Stern, Judy Flinn and Caroline Scott.
4. **COMMENTS FROM THE AUDIENCE**  
Community Member Caroline Scott referred to the November Newsletter article regarding the use of orange recycling bags supplied by the District. She requested that the bags be provided directly to the HOAs and property managers, rather than have individual homeowners pick up at the District offices.
5. **CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR**  
Manager Sharp requested to pull Agenda Item 6.d Job Descriptions, as they are not ready. President Epstein stated that he will take the liberty to rearrange the order of agenda items to accommodate the guests present.
6. **ADOPTION OF CONSENT CALENDAR**
  - a. **Regular Board Meeting Minutes: October 8, 2016**  
Approve October 8, 2016 Board Meeting Minutes.
  - b. **Current Consent for Claims**  
Approve Current Consent for Claims
  - c. **Receivables / Shut Offs**  
Review current Receivables/Shut Offs Report.
  - d. **Approve Revised Job Descriptions to be Included in Employee Handbook**
  - e. **Approve Appointment of Doug Pierini to Planning Committee**
  - f. **Approve IT Committee Charter**

**Moved O'Grady / Second Dornbrook / Epstein Yes / Richert Yes / Smith Yes / O'Grady Yes / Dornbrook Yes** to adopt Consent Calendar Items 6.a, 6.b, 6.c, 6.e and 6.f, and defer on Item 6.d.

**7. CONSENT ITEMS BROUGHT FORWARD FOR SEPARATE DISCUSSION / ACTION**

None.

**8. ITEMS FOR BOARD ACTION****a. Presentation and Possible Action on Proposal from Moss Adams for a Three-Year Contract to Complete Audit Services. *Manager Sharp and Olga Darlington/Moss Adams*****Lead: Finance Committee**

With Olga Darlington of Moss Adams on the conference line, Manager Sharp presented a table of audit expenses beginning in 2014, when the District first began using Moss Adams, and included projected costs through 2019 based on their 3-year proposal and scope of work. After some discussion, Staff recommended the District continue to retain Moss Adams for FY 2017 at a cost of \$53,693. Director O'Grady, as Treasurer of the Board, concurred with this recommendation.

**Moved Richert / Second Smith / Epstein Yes / O'Grady Yes / Dornbrook Yes / Richert Yes / Smith Yes** to approve Moss Adams' proposal to provide audit services for Fiscal Year 2017 at a cost of \$53,693.

**b. Discussion and Possible Action Regarding the District's Financials. *Accounting Manager McBride*****Lead: Finance Committee**

Accounting Manager McBride presented the September Financials, October Prelims and Cash Flow, noting known budget variances, and answered questions from the Board.

**8.e. Presentation by Volcano Vision and Possible Action on the Fiber Installation in Kirkwood, Reports of Poor Television Reception and a General Update on the DIVCA Agreement with Volcano Vision. *Manager Sharp***

Ray Crabtree, Cable TV Operations Manager, and Jonathan James, Technician from Volcano Telecommunications attended to provide an update on the fiber installation in Kirkwood, and to address television picture quality concerns. Volcano is in their fourth year installing fiber for TV, phone and internet, and should be complete by next year. Director Dornbrook asked if they had received many customer complaints regarding poor quality TV reception, as he had no issues before fiber installation began and suggested a connection between the two. Ray Crabtree reported they had been troubleshooting for the last three weeks to narrow down a potential cause and are working with the software manufacturer of the digital system to isolate the problem. He noted they have received very few service calls from Kirkwood, but with the population expected to dramatically increase over winter, Volcano is confident the main issues have been resolved and has two fulltime staff members in the Valley to provide excellent response time. Anyone having issues with television reception should call 209-296-2280.

Manager Sharp gave a history of the District's involvement with Cable. The Board expressed their concern over reception complaints and Volcano's planned response. One of the District's responsibilities as Franchisee is to ensure that Volcano meets customer service standards. Volcano agreed to provide their service call log to the District, and stated they believe the overall problem is corrected, and moving forward they will be able to address any issues on an individual basis. Staff will continue to monitor the quality of service since changing over to fiber and report back to the Board.

**8.n. Consideration and Possible Action Regarding Mountain Club Homeowner Association's Request for Reconsideration of an Under-Charge Adjustment Billing. *Manager Sharp***

Manager Sharp reported that the Mountain Club HOA requested reconsideration of the District's billing in the amount of \$79,963 for unmetered usage over a 3-year period starting in March 2012. John Reiter, on behalf of the Mountain Club, stated they performed their own investigation to determine how and when the meter was put in a maintenance mode, and found no evidence of when or how it occurred. He noted it was difficult to discern from the billings when usage dropped off. He asked the Board to consider the flow meter as malfunctioning, and to calculate a 1.5-year lookback rather than 3 years. Manager Sharp noted the District provided a credit when a multiplier error was found in the Mountain Club's favor in January 2015, and District Electric/Propane Rules & Regulations are clear regarding meter malfunctions; the power was provided and used. Staff recommendation is to continue to adhere to the current Electric/Propane Rules & Regulations as adopted by Ordinance 11-03.

**Moved O’Grady / Second Smith / Epstein Yes / Richert Yes / Dornbrook Yes / O’Grady Yes / Smith Yes** to continue to bill the Mountain Club in the amount of \$79,963 over 36 installment payments.

Manager Sharp asked John Reiter to provide an update on recent KPS/KCA changes. John noted that two key members of the KCA have resigned, George Stahl, Executive Director of KPS, and Abi May, KCA Club Manager. He thanked them both for their terrific service and positive contributions made during their time in Kirkwood. In the transition period, John will serve as the interim Executive Director of KPS possibly through the winter season, and a KCA Club Manager has been identified and will be announced upon confirmation next week. The Rec Center is anticipated to open in conjunction with the Resort opening. John also announced that Gary Derck, previously CEO of KMR, including resort operations and real estate development in the late 1990’s and early 2000’s, has started his own real estate development consulting business recently after working many years at Durango/Purgatory for Chuck Cobb, and will now be advising Chuck Cobb on real estate matters in Kirkwood, in addition to clientele located around the southwest region. Kirkwood Village Development is the umbrella company, owned by Chuck Cobb and his partners, with subsidiaries consisting of Kirkwood Capital Partners, Kirkwood Resort Development and Kirkwood Property Services. Director Smith requested an org chart showing the different entities.

**8.i. Discussion and Possible Action Regarding the Impacts Associated with the Use of Grindings on Parking Areas Throughout Kirkwood.** *Manager Sharp*

**Lead: Operations Committee**

Manager Sharp reported that Vail Resorts continues remediation efforts adjacent to their parking lots where grindings were previously used, and showed photos of completed areas. Photos were also presented that show preparations underway for snow storage areas at Red Cliffs and between Sun Meadows and Meadowstone. Manager Sharp also showed recent maps prepared by Vail’s consultant, Kennedy/Jenks, that indicate green areas allocated for Vail’s snow storage, orange areas where snow storage will be shared by Vail and the District, and red areas where snow storage is not allowed. Doug Pierini stated that they are nearly finished with revegetation, and hydro seeding is scheduled next week. He also advised that the groundwater assessment report was complete, which concluded that grindings had no impact on water quality. The testing sites were determined by the agencies involved and included a sample taken from the Meadow among other locations. Staff will continue to monitor and report back to the Board.

Doug also reported that the Resort opening date is still undetermined, but they are making as much snow as possible leading up to an opening date. Chair 6 is awaiting concrete testing of the Tower 7 footing, and is anticipated to run as soon as conditions allow.

**8.j. Review and Possible Action on the Request from Vail Resorts that the District Participate in the New Electric Vehicle Charging Station.** *Manager Sharp*

Manager Sharp reported that Vail has been in discussions with Tesla, who have agreed to provide four Tesla charging stations and two universal charging stations. These stations will be installed in the VIP lot, against the south facing wall of the staircase leading up to the Village Plaza. Logistics are TBA regarding access outside of normal hours, pricing, and other details. Staff will review Vail’s electrical plans while they await a permit from the County to begin work, and provide an estimate on costs to install a new meter and the connection fee. An existing meter that was originally installed for the ice rink may meet the service requirements.

Manager Sharp thanked everyone who participated in the EV Customer Survey, the results indicating that convenience is most important, and that this amenity should not be subsidized.

**8.c. Presentation and Possible Approval of the District’s First Annual Report, Covering Fiscal Year 2015-2016.** *Manager Sharp*

Manager Sharp reported that Staff has been working with President Epstein on producing an Annual Report to provide customers with a snapshot of District operations and financials from the last Fiscal Year. Several comments on the draft version were noted, and Staff recommended Board approval of this inaugural version once comments have been incorporated, and subject to final approval by the Board President. Once approved, the Report will be distributed electronically and posted on the District website. It was agreed that this will be an excellent introduction to the District for new homeowners and a communication tool for the entire Valley.

**Moved Richert / Second O’Grady / Epstein Yes / Dornbrook Yes / Smith Yes / Richert Yes / O’Grady Yes** to approve the 2015-16 Annual Report, subject to final approval by President Epstein.

**8.d. Discussion and Possible Action Regarding the Update of the Fire Service Master Plan.**

*Assistant General Manager Ansel*

**Lead: Planning Committee**

Assistant General Manager Ansel presented the latest draft of the Fire Service Master Plan which is divided into three sections (Description, Future Growth and Financing), and thanked those who have provided comments so far. Now focused on Financials that are based on a 1% and 3% growth factor, it was suggested to calculate a “no growth” scenario in the event of no new construction, and to understand its current position. A growth rate of 1% equates to 7 additional units each year. Staff was directed to redo the Financial and long range planning sections, switching from a time-based growth projection to number of new units. Staff will revise and redistribute with a more realistic completion date in January/February.

**8.f. Discussion and Possible Action on Developing a Trial Program to Install GPS Tracking Units on Snow Removal Equipment to Gather Data for Customer Service, Productivity and Confirming Contract Rates.** *Manager Sharp***Lead: IT Committee**

Manager Sharp reported that GPS units have been placed in all District snow removal equipment which will allow staff to:

1. Identify where each piece of equipment is in one-minute intervals with all turns recorded.
2. Set up targets so staff know when areas have been plowed, and how long it takes to plow each area.
3. Help evaluate contract amounts and efficiency of operations.

Staff has been working with President Epstein on a new tracking and report system where homeowners can electronically ask that their driveway be plowed and receive automatic notification when work is done. This will assist in setting expectations and enable a fair allocation of costs to each contract.

**8.g. General Update and Possible Action Regarding Ongoing Issues with PG&E:** *Manager Sharp***Lead: PG&E Ad Hoc Committee**

Manager Sharp reported that Ernst & Young are preparing a Statement of Work which will be included in the agreement with PG&E to complete an appraisal of the 115kV line to determine the value as a standalone, without the 12kV under-build, which impacts the height of the poles and size of the foundations. Staff will memorialize the District's understanding with PG&E regarding an extension of the timeline described in the Interconnection Agreement. Michelle Gamble/RCl is compiling a list of grievances on the District's behalf.

Manager Sharp also reported that he received notice from PG&E of a planned maintenance outage from April 10 to May 14, 2017 (5 weeks) to work on the 12kV underbuild. Issues to consider during this period include: (i) the Resort may still be open; (ii) the Forest Service is planning prescribed burns in the area; and (iii) last year's 3-week PG&E outage cost of the District about \$56K in added labor and diesel costs. The IA's language regarding scheduled outages include “mutually agreed upon”, and Manager Sharp will discuss alternatives with PG&E and report back to the Board next month.

**8.h. Review and Possible Action Regarding District Response to Potentially Hazardous Trees at the Out-Valley Power Line, at the Powerhouse, and at Lava Rock Lodge.** *Manager Sharp*

Manager Sharp reported that two in-valley trees have been identified as potential threats to safety and property, one located uphill behind the Powerhouse and one next to Lava Rock Lodge. Along the 35kV Out-Valley overhead line, a third tree, estimated at 120' tall that died very quickly, has been identified as a threat to the Overhead lines. Manager Sharp reminded everyone that overhead lines are not insurable, so a tree falling and damaging a line would have to be repaired through District reserves. An arborist has been contacted for a quote to take down the trees. Both the Forest Service and PG&E have also marked several trees along the Out-Valley line. The District will continue to monitor and update the Board.

**8.k. Update and Possible Action on the Training Conducted by MHN and Plans for the Organizational Development Program and Job Description Revisions.** *Assistant Manager Ansel*

**Lead: Personnel Committee**

Manager Sharp reported that all staff have completed general communications training. Individual manager training has been very productive as part of succession planning to help managers with their overall development. Weekly safety meetings are also being held. Staff will evaluate the District's ongoing training and development needs and report back to the Board after one year. Job descriptions were not available at this time, and have been deferred to the December Board meeting.

**8.l. Discussion and Possible Action Related to District's Research and Efforts to Improve the Efficiencies and Minimize the Losses of Each Department as Measured in Performance Reporting.** *Electric/Propane Manager Benson*

Electric/Propane Manager Benson reported October 2016 usage as follows: Total metered kWh in October was 343,812 with a 15% unidentified system loss. Propane usage, actual metered, was 912,394 cf with a 5% unidentified system loss. Water production was 478,783 gallons, of which 341,731 was metered for an unidentified system loss of 22%. Wastewater actual metered was 326,734 gallons, a 57% unidentified system loss. Staff have been working on collection system issues, including manhole covers, but is very difficult and expensive to solve.

**8.m. Discussion and Possible Action Regarding Improvements Needed to the District's Electric Distribution System.** *Electric/Propane Manager Benson*

**Lead: Operations Committee**

- i. Chair 10 Transformer. Manager Benson reported that installation of the Chair 10 transformer is complete and the meter is working correctly.
- ii. Circuit Project. A total of 23 Fault Circuit Indicators (FCI's) have been purchased. Manager Benson demonstrated the Thumper, a piece of equipment used to detect heat in conduit. The FCI's will allow District staff to locate the general area of a ground fault in a relatively short amount of time.

Manager Benson reported that the Powerhouse passed the most recent Cylinder Gas Audit emissions test conducted biannually by Horizon Air Measurement Services. Staff is currently gathering information on cost v. benefits of this test, and is preparing a request for permit modification with Great Basin Air Quality Control Board to reduce the frequency of testing. It was questioned whether PG&E's planned 5-week outage could violate any conditions of Great Basin's permit.

Manager Benson also reported that the On-Call schedule this winter will have a single operator on-call per 24-hour period, and cross-training is ongoing. An Emergency Response Guide has been developed as a reference tool.

**9. GENERAL MANAGER REPORT**

- a. Algae. Manager Sharp reported that after two testing's, the State Water Board accepted the results and this matter is now closed.
- b. Chair 6 Tower. Manager Sharp updated the Board on the repairs of Chair 6 Tower and showed photos of the downed tower, and flying in the replacement tower and footings.
- c. KVFD Work Comp Insurance. ACWA/JPIA, the District's insurance provider, has sent notification that Work Comp coverage for volunteer firefighters does not fit into their existing risk pool. The District will begin researching alternative coverage.
- d. 2017 Board and Committee Meetings. Manager Sharp stated that the 2017 calendar of meetings will be set at the December Board meeting.

**10. OPERATIONS REPORT** *Assistant General Manager Rick Ansel*

- a. Snow Removal Preparations. Assistant General Manager Ansel reported that they are gearing up for snow removal operations, and with the same staff as last winter, minimal training will be required.
- b. Aquifer Levels. The Aquifer Levels are monitored daily and holding at similar levels as observed last year.
- c. Cal Fire Burn Suspension. Cal Fire lifted the Burn Suspension Notice on October 17<sup>th</sup>.
- d. ACES. The District is working with ACES to have all the dumpsters repainted and repaired.

**11. COMMITTEE MEETINGS**

The next Committee meetings will be held in December.

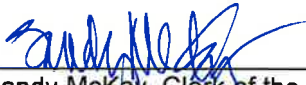
**12. GENERAL DISCUSSION**

Director O'Grady requested that anyone wishing to contact him regarding District matters should email him at [sogrady@kmpud.com](mailto:sogrady@kmpud.com). All Board members have this kmpud.com address as well, using first initial and last name.

**13. ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:45am.

*(The next Special Board Meeting is Friday, December 9, 2016 at 1:00pm)*



Sandy McKay, Clerk of the Board  
Kirkwood Meadows Public Utility District



Peter Dornbrook, Board Secretary  
Kirkwood Meadows Public Utility District