



KIRKWOOD MEADOWS
PUBLIC UTILITY DISTRICT

BOARD OF DIRECTORS
KIRKWOOD MEADOWS PUBLIC UTILITY DISTRICT
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Telephone (209) 258-4444

SPECIAL MEETING OF THE BOARD OF DIRECTORS

Friday, December 9, 2016 – 1:00pm

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

Determining a quorum present, President Epstein called the meeting to order at 1:00 pm.

President Epstein

2. ANNOUNCEMENTS

General Manager Michael Sharp stated that this Special meeting is being fed live over the internet and that the public can view this meeting by going to our website, 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 and the Board will respond. Members of the public should identify themselves when making comments.

Manager Sharp

3. ROLL CALL

Board of Directors Present:
Board of Directors Absent:
Staff Present:

Directors Epstein, Richert, O'Grady, Dornbrook and Smith.
None.

Others Present:

Manager Michael Sharp, Rick Ansel, Brandi Benson, Kelly McBride and Sandy McKay.
Doug Pierini/Vail Resorts; Nate Whaley/KCP/KPS; Frank Leschinsky and Bill Harder/Volcano Vision; Community Member Judy Flinn.

Secretary Dornbrook

4. COMMENTS FROM THE AUDIENCE

None.

5. CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR

Manager Sharp requested to pull Agenda Item 6.a November 12, 2016 Board Minutes, as they are not ready. Director Richert asked to bring forward Item 6.d for discussion.

6. ADOPTION OF CONSENT CALENDAR

a. Regular Board Meeting Minutes: November 12, 2016

Approve November 12, 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

Moved Richert / Second O'Grady / Epstein Yes / Smith Yes / Dornbrook Yes / Richert Yes / O'Grady Yes to adopt Consent Calendar Items 6.b and 6.c, and defer on Item 6.d for separate discussion/action.

7. CONSENT ITEMS BROUGHT FORWARD FOR SEPARATE DISCUSSION / ACTION

6.d. Revised Job Descriptions. Director Richert asked that the job description for Accounting Manager be revised, under Qualifications, to require knowledge of government accounting principles.

Moved Richert / Second Smith / Epstein Yes / O'Grady Yes / Dornbrook Yes / Richert Yes / Smith Yes to approve the Job Descriptions as amended.

8. ITEMS FOR BOARD ACTION

President Epstein requested to move Agenda Item 8.d Volcano Vision, to discuss first.

8.d. 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*

Manager Sharp stated that the District has had a good relationship with Volcano over the years but felt concerns raised at the November 12 Board meeting remain. Frank Leschinsky, Public Sector Manager and Bill Harder, Director of IT/Customer Service for Volcano Communications Group attended to address recent complaints regarding television reception and quality of picture. Frank explained the benefits of Volcano's decision to eliminate cable TV (now known as Video Service) by consolidating all of their services (phone/TV/internet) over one fiber optic transmission, providing an unlimited amount of bandwidth and improving the telecommute experience in the Valley. Apart from Video Service, the upgrade has gone smoothly. Volcano is working diligently with their software manufacturer to resolve and are responding to individual customer complaints. After some discussion and concerns expressed with the anticipated population surge over the holidays, Staff was directed to arrange a Special Board Meeting in two weeks to review Volcano's progress, and Staff and Board members agreed that Volcano be given a 30-day notice to correct per the District's obligations provided in the DIVCA (Digital Infrastructure and Video Competition Act), and place this topic on the January Board Agenda for follow-up and resolution.

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

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

b. Discussion and Possible Action on the Procedures Required and the Presentation of a Time Line for the District to Analyze Adjusting the Calculation Methodology and Amount of Water, Wastewater, Solid Waste, Irrigation and Construction Water Rates Effective July 1, 2017. *Manager Sharp*

Manager Sharp stated that two of the GM's Objectives for this fiscal year are to (1) revise the methodology for calculating Base Rates for the Water and Wastewater departments to make consistent with the Electric and Propane departments; and (2) to increase Water, Wastewater, Irrigation, Fire and Solid Waste rates as little as possible while achieving the operating results in the 2016-2017 Budget. The goal is to make these departments self-sufficient and eliminate the current need to subsidize them from another fund. Manager Sharp presented a timeline leading up to a July 1, 2017 effective date, as well as property tax allocations and Water/Wastewater rates through 2021, and noted Prop. 218 rules in this regard. Staff will proceed per the timeline, with the January Finance Committee and Board meetings to include discussion on alternatives, and review of a draft public hearing notice and enabling ordinance.

c. Discussion and Possible Action Regarding the Update of the Fire Service Master Plan. *Assistant General Manager Ansel***Lead: Planning Committee**

Assistant General Manager Ansel provided a revised draft of the Fire Service Master Plan per comments received over the last month. This month the focus is on Future Needs, Costs and Funding, and Manager Ansel presented a spreadsheet that had been reviewed by the Planning Committee. After some discussion, the Board requested Staff continue to update and revise the Plan with further clarification on costs and numbers by making the costs incremental thru build-out. Director Richert noted that the Planning Committee is addressing funding sources for the Fire Department, but does not believe there is adequate time to address Fire in the current timeline. KCP's Nate Whaley, also a member of the Planning Committee, noted that the Fire Department is less dependent on growth than some of the other departments. The next draft of this document will be available for review at the January Finance Committee meeting with a final draft ready at the February Board meeting.

- e. **Discussion and Possible Action on Developing a Program to Install GPS Tracking Units on Snow Removal Equipment to Gather Data for Customer Service, Productivity and Confirming Contract Rates.** *Manager Sharp*
Lead: Information Technologies Committee
Manager Sharp stated that Staff is continuing to collect real-time data tracking of equipment, and is working closely with President Epstein to refine the process and enable customer requests and auto notifications.
- 8.f. **General Update and Possible Action Regarding Ongoing Issues with PG&E:** *Manager Sharp*
Lead: PG&E Ad Hoc Committee
- ii. **Continued Discussion of Possible Alternatives to the Construction of a Potential Switch Station Project Including an Update on Obtaining Appraisals on the Value of the 115kV Line.**
Manager Sharp reported on the two remaining issues: Cost of Ownership charge from PG&E on the KM Green substation work; and the Switch Station project. While the existing agreement is to construct a new substation at the point of demarcation at Salt Springs, the District is considering whether to deed the 115Kv line to PG&E as an alternative remedy. Ernst & Young (EY) has prepared a draft Statement of Work (SOW) to include in the District's agreement with PG&E to complete an appraisal of the 115Kv line. Manager Sharp underscored the importance to EY that the appraisal is for the 115-line only, at the cost it would have been to complete without the 12Kv under-build which impacted the height of the poles and size of the foundations at additional expense. After review of EY's draft SOW, Staff does not believe this critical distinction was adequately addressed, and provided a redline version of the SOW to better reflect the intent of an appraisal agreement with PG&E. Manager Sharp noted that David Rubin, the most senior PG&E representative involved with the District, has been transferred and his replacement, to be named, will need time before rendering any opinion in these matters.
- iii. **Discussion and Possible Action on PG&E's Planned Outage from April 10 through May 15, 2017.**
Manager Sharp reported that on November 10 the District was notified by PG&E of a planned 5-week outage for April 10-May 15, 2017, requiring Staff to operate the Powerhouse 24/7 during this extended period of time. Staff has asked PG&E to explain the reason for this lengthy outage, which was unplanned at this time last year, and also expressed concern about the overlap with Resort operations. Last year's PG&E maintenance outage lasting three weeks cost the District about \$60K in diesel and added labor expense. Manager Sharp stated that Exponential Engineering and PG&E are conducting a study to determine if PG&E's Salt Springs generation could provide District power.
- 8.g. **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 stated that Staff are always aware of dead or dying trees that may pose a hazard to life or property. Two trees recently identified behind the Powerhouse and next to Employee Housing are slated to be felled on December 12 by the District's arborist. A third tree located at Pole 27 along the 34.5kV portion of the Out-Valley is more concerning due to its size and potential threat to the overhead lines. This tree, along with many others, has been marked for removal by both the Forest Service and PG&E, however the District is obtaining an estimate to remove this particular one in the event PG&E delays its removal much longer.
- 8.h. **Discussion and Possible Action Regarding the Impacts Associated with the Use of Grindings on Parking Areas Throughout Kirkwood.** *Manager Sharp*
Lead: Operations Committee
Vail Resorts has completed remediation work on areas adjacent to their parking lots where asphalt grindings were discovered earlier this year. They have modified their snow removal plans for this season and provided the District with maps of each of their parking areas, clearly delineating where snow storage is dedicated and areas that are prohibited from any snow storage. For traction purposes, sand is now being used by both the Resort and District.

- 8.i. Review and Possible Action on the Status of Vail's Installation of Electric Vehicle Charging Station in Kirkwood and Potential Further Action by the District.** *Manager Sharp*
Lead: Planning Committee
As previously noted, Vail has begun installation of four Tesla and two Universal charging stations, located in their VIP parking lot against the stairwell leading up to the Plaza. Manager Sharp reported that Staff will continue to work with the Planning Committee on further items of interest, including HOA charging stations, shared charging costs, and possible grant funding.
- 8.j. Update and Possible Action on the Training Conducted by MHN and Plans for the Organizational Development Program and Job Description Revisions.** *Manager Sharp*
Lead: Personnel Committee
In 2016 the District moved forward with training provided by MHN to assist the managers in their overall development and with the District's succession planning efforts. A new MHN trainer located in South Lake Tahoe will be used for future training sessions, in place of Marilyn Irvine who was located in Sacramento. Several more management training courses have been scheduled on December 13 and January 27.
- 8.k. 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*
Lead: Operations Committee
Electric/Propane Manager Benson reported November 2016 usage as follows:
Total kWh production was 825,560 in November; metered was 680,717 with a 14% unidentified system loss.
Propane usage, actual metered, was 2,141,731 cf.
Water production was 882,591 gallons, of which 799,635 was metered for a unidentified system loss of 8%.
Wastewater actual metered was 509,807 gallons, a 54% unidentified system loss.
Staff will continue to focus on Electric meters and the Wastewater collection system.
- 8.l. Discussion and Possible Action Regarding Recent Problems and Outages of the District's Out-Valley Telecommunications Line at the Silver Lake Bridge.** *Manager Sharp, Electric/Propane Manager Benson*
Lead: Operations Committee
Electric/Propane Manager Benson reported on recurring problems with ice build-up at the Silver Lake and Bear River bridge crossings, which impact the high-speed communication relays at KM Green. Staff is working with Edge on an antifreeze gel system, and will also regularly inspect vaults for water seepage, particularly after significant storms.

9. GENERAL MANAGER REPORT

- a. Annual Report. The Annual Report was distributed and posted on the District website on December 2. Positive feedback has been received and Staff will work on refining several areas for next year's report.
- b. Recycling. Orange recycling bags have been distributed to the HOA's and Staff will continue to promote the use of these bags.
- c. Chair 6 Tower. Replacement of Tower 7 on Chair 6 is complete, and this high-speed lift began loading public on December 3. Congratulations to Vail for getting this repair completed quickly.
- d. On-Call System. SOP's have been developed for each department to allow for one on-call person per night.
- e. USFS Prescribed Burns. Manager Sharp presented a USFS map showing their 2017 plans for a prescribed burn in the area just north of Kirkwood. A second prescribed burn is in the area of the 34.5kV line. Staff will request a USFS spokesperson attend a Board meeting in the next couple of months to provide more details.
- f. 10-Year Specific Plan Review. No action could be taken at the last TC-TAC meeting on December 9, however Staff will write a letter to TC-TAC on the Planning Committee's comments on the latest Specific Plan review.
- g. Yoga. Yoga classes are now being held in the Board Room here in the Community Facilities Building every Wednesday, 6:45a-7:45a and 5:00p-6:30p.

- h. Board/Committee Meeting Schedule. Staff will produce a revised schedule of Board and Committee meetings based on Board member input. Finance and Planning Committees will continue to meet monthly while the remaining Committees will meet every other month.

Moved Richert / Second Dornbrook / Epstein Yes / O'Grady Yes / Smith Yes / Richert Yes / Dornbrook Yes to approve the 2017 Board and Committee meeting schedule.

10. OPERATIONS REPORT *Assistant General Manager Rick Ansel*

- a. Snow Removal. Operations staff are very busy installing snow stakes and equipment maintenance.
- b. Aquifer Levels. District has been pumping more water but aquifer levels remain steady, likely due to the 20 inches of rain the Valley received in October and November.
- c. Wastewater Treatment Facility.
- d. Temporary Firefighter Position. Tyler Trevett has been hired to fill the seasonal firefighter position.
- e. Caltrans Winter Operations Meeting. Manager Ansel reported attending this meeting last week, where he expressed the District's concerns regarding the Ice Box area. Caltrans is monitoring the conditions closely. The KVFD responded to another injury accident in this area last week.

11. STANDING COMMITTEE REPORTS

- a. Finance Committee. Chair O'Grady reported that the Committee last met on Monday, December 5 where it was agreed to renew the District's Line of Credit with Bank of the West and request an increase to \$500K.
- b. Operations Committee. Chair Dornbrook stated everything has been covered.
- c. Information Technologies (IT) Committee. Chair Epstein reported that the Committee is performing a complete analysis of the District's IT systems with completion expected in April.
- d. Planning Committee. Chair Richert stated everything has been covered.
- e. Personnel Committee. Chair Epstein stated there was nothing to report.

12. GENERAL DISCUSSION

Director Dornbrook stated that should the District conduct another customer survey, it should include questions regarding Volcano and their level of service in Kirkwood.

The Board recommended the District write a letter to Vail Resorts, thanking them for their Epic Promise commitment to the two volunteer fire department fundraisers in 2017.

The Board adjourned to Closed Session at 3:33pm.

13. CLOSED SESSION

- a. Discussion of Performance Reviews for All Employees Pursuant to G.C. 54957.6

14. OPEN SESSION


President Epstein reconvened the meeting at 4:33pm and stated that the District had discussed Performance Reviews. A discussion ensued regarding giving staff members additional compensation. Director Richert moved that a sum of \$11,026 be approved for distribution to staff members at the General Manager's discretion.


Moved Richert / Second O'Grady / Epstein Yes / Dornbrook Yes / Smith Yes / Richert Yes / O'Grady Yes to approve the distribution of additional compensation to staff members in the amount of \$11,026.

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:35pm.

(The next Regular Board Meeting is Saturday, January 14, 2017 at 8:00am)


Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District


Sandy McKay, Clerk of the Board