



**KIRKWOOD MEADOWS
PUBLIC UTILITY DISTRICT**

ANNUAL REPORT

JULY 1, 2021 – JUNE 30, 2022

TABLE OF CONTENTS

Letter from the President	2
District Operations	5
Financials	5
Water Operations	6
Wastewater Operations	7
Electric Operations	7
Propane Operations	9
Snow Removal Operations	10
Solid Waste Removal Operations	10
Kirkwood Volunteer Fire Department	11
Other District-Provided Services	12
Additional Resources	12

December 2022

To Our Kirkwood Community

The Kirkwood Meadows Public Utility District (District) is pleased to present this 2021-2022 Annual Report, a synopsis of the year just passed and important issues the District will be focusing on moving forward. The District operates on a fiscal year basis, and the financial data in this report covers the period of July 1, 2021 through June 30, 2022. Our non-financial information cover activities through 2022. The District's priorities are to safely provide reliable utilities and control costs in our challenging environment all while considering our environmental impact.

Financial Results July 2021 - June 2022

The District had a strong financial year in all respects. The District's audited financial results are available on kmpud.com and can be found [here](#). Total operating revenues were \$9.3 million, an increase of \$500,000 over the previous year. Property taxes and investment income was \$937,000. District net income for 2022 was \$371,000.

Revenues were better than the previous year in part due to better snow. The 2021-2022 season had 311 inches versus 222 in the previous year. In addition, Vail stayed open through the end of April. We understand the longer ski season is something they intend to continue.

Operating expenses were well managed - providing a small, positive net income. Interest on our debt from construction of our utilities is a large expense. In 2022 the total interest payments were \$1.7M. We continue to pay down our long-term debt. Long-term debt declined \$3.2M in 2022 to \$53.5M.

Some non-cash expenses related to our participation in retirement and benefits systems are beyond our control and cause large fluctuations from year to year. This year we received a credit of \$136K as compared to \$864K for the previous year.

Staffing

The District budgets for 18 full-time staff and 5 seasonal staff for snow removal. We want to acknowledge the extraordinary efforts performed by staff during the almost three years of Covid. Working on critical infrastructure with larger than normal staff shortages due to Covid put extra burden on our employees. The District provides a broad range of utilities and services including electricity, propane, water, wastewater treatment, solid waste, snow removal, fire department and parks and recreation. We maintained full, continuous operations for all utilities throughout the entire year and thank our staff for making that happen.

We also welcomed many new full-time staff members to KMPUD as we also said goodbye to staff that moved out of the area or chose new opportunities. We welcome the following staff who joined since July 1, 2021:

Amanda Fowler: Administrative Assistant
Brittnie Morris: Accounting Specialist 2 and Clerk of the Board
Chris Williams: Technology Specialist
Jon Campbell: Electric/Propane Project Manager

We also promoted from within and congratulate Tommy Baggett in his new position as Administrative Manager. We encourage staff to advance through education and certification and several new licenses and certifications were received this year.

Fire Safety

The Caldor fire of 2021 is still fresh in our minds as efforts this year were focused on assisting the community in fire fuel reduction and supporting the community led and operated [Kirkwood Firewise USA](#). The District provided green waste bins during the summer season and purchased a new woodchipper which performed chipping operations to residents and HOAs. We want to acknowledge the generous donations from the community that provided the funding. Our main fund-raising event is the annual summer festival. It raises funds for our volunteer fire department. We thank our many volunteers for making this event so successful every year. Please save the date - July 1, 2023 for the next festival.

In our long term plans we are evaluating options for expanding fire safety operations, replacing our main fire engine and potentially increasing the full-time fire and emergency services staffing. We anticipate public hearing on this topic in Spring of 2023.

The District has almost completed the propane enclosure safety project. The project is a challenging project for the District and customers, but essential to prevent potential propane-related property damage and personal injury. The project also protects the District staff from potentially dangerous situations. The District would like to thank all of the customers working with us to make our valley a safer place.

Wastewater Treatment

The District has hired an engineering firm to develop construction plans to renovate the Wastewater Treatment Plant. We anticipate soliciting construction bids this Spring with some projects starting this Summer. We secured \$7.4 million of long-term, low interest financing with the Rural Utilities Service (RUS) which will replace bridge financing once the Treatment Plant project is completed. The project will replace or renovate a significant amount the Plant's key components. The construction will occur over a 3-year period.

Snow Removal

Snowfall continues to lag behind historic averages but seems to come in bigger events. From October through December 29, 2022 we received 15 feet of snow with almost 4 feet falling on a single day on December 10. KMPUD [publishes](#) snow fall data at [kmpud.com](#) . To better cope with the large snow days, we were able to institute repairs, so we now have three operational loaders to handle the streets. We also ordered a new trackless for the driveways but unfortunately, we have yet to see the machine due to supply chain issues.

Long Term Planning

The District is developing multi-year, long term plans for each of our utilities. The plans include both maintenance of existing facilities as well as being prepared for new residential construction activities in the valley. Each of the utility plans will be presented in turn at one of our monthly Board meetings. Board meetings occur on the second Friday of each month at 2PM and can be attended in person and on zoom. Our tentative schedule is:

Electric Master Plan - February 2023
Water Master Plan - June 2023
Wastewater Master Plan - September 2023
Propane Master Plan - December 2023

The plans focus on repair and replacement of aging infrastructure, capacity, reliability, and where possible, reductions in operating costs. For Propane our plans are to service existing commitments and to encourage all-electric buildings for future neighborhoods. During 2022, several home remodels and new homes installed electric heat pumps rather than propane heating. A portion of the District's building was recently converted from propane to a heat pump (see [December newsletter](#)).

In Conclusion

On behalf of the Staff and Board of the Kirkwood Meadows Public Utility District, we thank you for being part of the Kirkwood community. As a small, remote utility we depend on working together to make Kirkwood a great community. Your comments, ideas and suggestions are welcome.

Bob Epstein, President
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Kirkwood Meadows Public Utility District Board of Directors

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DISTRICT OPERATIONS

The Kirkwood Meadows Public Utility District (District) was formed in June 1985 as a public municipal corporation under the California Public Utilities Code, after detachment from the El Dorado Irrigation District. The District serves 252 single family homes and 385 multifamily residential units, in addition to 196 commercial facilities owned and operated by the ski resort and others. The 2003 Kirkwood Specific Plan allows for a total of 1,413 residential units at build out.

Since the purchase of Mountain Utilities in 2011, the District provides the following services to the community and commercial enterprises in Kirkwood:

- Electric
- Propane
- Water
- Wastewater
- Snow Removal
- Solid Waste Removal
- Fire Protection
- Cable Television Administration
- Parks and Recreation Services

FINANCIALS¹

In fiscal year ending (FYE) 2022 operating, property tax and investment revenues totaled \$10,221,479. Operating expenses totaled \$8,097,936. Interest, retirement related costs and other expenses totaled \$1,636,680. Net income was \$371,299. Our total unrestricted cash increased over the year by about \$129,000 to a total of \$3,851,343. Accumulation of cash allows us to absorb unexpected costs; to fund some of our capital needs without borrowing; and to pay off debt as it comes due. This past year, we continued to pay off another of a number of loans from RUS, associated with the construction of the out-valley electric line.

The District's audited financial statements for FYE 2021 can be found at: <https://www.kmpud.com/wp-content/uploads/Kirkwood-Meadows-PUD-2022-Financials.pdf>

¹ Our auditor's classifications of certain operating revenues and expenses differ from how our monthly financial statements are presented. The numbers here more closely reflect our normal monthly format. The net results are the same as reported in the audit.

Property Taxes

The District receives property tax revenue collected in Kirkwood from each of the Counties as follows: Alpine 20% of the base year (1985) and 20% of the growth, Amador 10% of the base year and 20% of the growth, and El Dorado 0% of the base year and 22.596% of growth. Property tax revenue is distributed by the Board to enterprise funds as required to make up for operating deficits. The Board’s goal is to have all enterprise funds (Water, Wastewater, Electric and Propane) be primarily funded through service charges paid by customers, so that property taxes can be used to assure compliance with our RUS loan requirements, repay indebtedness for the WWTP rehabilitation, augment Kirkwood Volunteer Fire Department operations, and to help fund capital projects. Following is a breakdown of how these property taxes were allocated for the 2021-2022 fiscal year:

DEPARTMENT	PROPERTY TAX ALLOCATION
Water	\$0
Wastewater	\$199,768.12
Electric	\$450,000.00
Fire	\$154,866.62
Parks & Recreation	\$31,314.17
Employee Housing	\$33,022.74
Cable	\$0
TOTAL	\$868,971.65

WATER OPERATIONS

Description

The District’s domestic water is supplied by four groundwater wells located throughout the Kirkwood Valley, with a combined capacity of 225 gallons per minute or 324,000 gallons per day. The system includes two storage tanks with a capacity of 950,000 gallons, and the distribution system consists of approximately five miles of pipelines ranging from six to ten inches in diameter.

Capital Improvements in FY 2021-2022

Capital improvements for the Water Department included the installation of a Pressure Recorder to augment data from the system-wide water model.

Future Water Needs

Total water demand for the District varies from 12 to 15 million gallons per year at the current 50% build-out of the community, or approximately 700 equivalent dwelling units. The District will complete a Hydrology Study and Water Master Plan this year to help plan for future supply, treatment, storage, and distribution needs.

WASTEWATER OPERATIONS

Description

The District's wastewater collection system consists of approximately 8.3 miles of 6-inch gravity-flow wastewater collection lines and approximately 3,600 feet of 8-inch force main sewer lines. Two lift stations transfer the wastewater to the Wastewater Treatment Plant (WWTP), which uses a Membrane Bioreactor (MBR) process to treat and then discharge the wastewater to effluent absorption beds. The MBR process is used to produce a discharge effluent of very high quality.

WWTP

Throughout the year, various components failed at the WWTP and required repair or replacement. The current plant is about 40 years old and much of the equipment has reached the end of its useful life.

Recognizing this, a Feasibility Study was completed in 2018 by Stantec Consulting Services Inc. to investigate alternatives for improvements to the existing District WWTP. A 2020 Preliminary Engineering Report analyzed and improved findings from the Feasibility Study and provide supplemental information used to secure a United States Department of Agriculture (USDA) funding for the WWTP Repair and Rehabilitation Project which will ensure reliable operation and full compliance with the State Regional Water Quality Control Board (SRWQCB) waste discharge requirements. The design is scheduled to be complete by early Spring and the project publicly bid by late Spring.

Capital Improvements in FY 2021-2022

The District made repairs to numerous facilities damaged by the Caldor fire defensive measures. Safety features at the WWTP were also completed.

Future Wastewater Needs

The Capital Plan for 2022-2023 includes commencement of the WWTP Repair & Rehabilitation Project, described above. In addition, work will continue on inflow and infiltration repairs to leaking manholes and collection mains.

ELECTRIC OPERATIONS

Distribution (In Valley)

Description

The Kirkwood In-Valley electric system was acquired from Mountain Utilities in 2011 and includes 170 transformers, six circuit routing switches, 37 underground electric vaults, approximately 11.5 miles of underground circuits, and 13 aboveground line junction enclosures.

Capital Improvements in FY 2021-2022

No significant projects were budgeted.

Future Needs

The Capital Plan for 2022-2023 includes installation of new riser vaults.

Generation (Powerhouse)

Description

The District owns and operates a 5-megawatt standby Powerhouse for use when the Out- Valley electric line is down. There were two Out-Valley outages during the year. The Powerhouse is equipped with three 950-kilowatt CAT generators and five 430-kilowatt Volvo generators.

Capital Improvements in FY 2021-2022

The District replaced some of Programmable Logic Controls and Emission Monitoring Equipment at the Powerhouse and upgraded the diesel fuel tank manifold used to supply fuel to District back-up generators.

Future Needs

The Capital Plan for 2022-2023 includes installation of security systems at the Powerhouse as required by the State regulators.

Transmission (Out-Valley)

Description

The District officially began providing its customers with power supplied from the Western electric grid on November 1, 2014 after completing construction of two substations, 25 miles of underground power line and over 3 miles of overhead line, connecting to PG&E facilities at Salt Springs Reservoir.

Most of the District's Out Valley power line is on United States Forest Service (USFS) Property and the District operates under a Special Use Permit. Approximately 7 miles of the underground portion of the line is in the Caltrans Highway 88 Right of Way and falls under an Encroachment Permit. The District performs routine inspections of the Out Valley power line, including invasive weed inspections, erosion control and needed tree removal.

Capital Improvements in FY 2021-2022

The District continued to review and remove hazard trees along the Out Valley transmission lines and replaced batteries at the KM Blue substation, which is part of the Out Valley project. The District purchased a utility vehicle with snow-tracks to enable safe transport of staff and equipment to Substation Green (located above Salt Springs Reservoir) and along the 1.7 miles of overhead powerline, even in deep snow.

Future Needs

No significant projects were budgeted.

PROPANE OPERATIONS

Description

The District's propane assets include approximately 5 miles of underground distribution lines ranging in diameter from 2-6 inches and are located throughout the Kirkwood Valley. Propane assets include two storage tanks (one 20,000-gallon and one 30,000-gallon capacity), the underground piping and associated valves, propane meters and numerous other miscellaneous tools and equipment required to operate the Propane Enterprise and to transport propane to customers.

As residential use in Kirkwood increases, our storage tanks are close to or at capacity. The tanks, if full, currently provide 5 days of storage during the heaviest days of use in Kirkwood. Recognizing this, as well as the environmental impacts of propane usage, the Board adopted Resolution No. 22-01 which eliminated propane service to any new developments and imposed a deadline for any lots within an existing subdivision not currently connected to apply for service.

Finally, during December 2021, Kirkwood experienced a significant snow event which closed Highway 88 both to the west and east and delayed propane deliveries. The District notified customers of the low level of propane and requested conservation. Fortunately, a propane delivery arrived just as the tanks reached critically low levels.

Meter Protection

After the two propane related home explosions and various other dangerous propane failures and leaks due to insufficient propane meter protection, the Board adopted Ordinance 21-10 which determined that every propane meter, regulator, and gas piping installed at or attached to any building or structure in the District shall be protected from physical damage by an appropriate snow and ice protection enclosure approved by the District. In consideration of delays due to COVID and the Caldor Fire, the District extended the deadlines for construction of adequate protection by one year, but kept the requirement for completion of indemnification agreements. As of this report, two-thirds of all residential customers and one-half of commercial customers are in compliance.

Capital Improvements in FY 2021-2022

The District continued with its annual replacement of 10% of the propane meters.

Future Needs

Future plans include continued meter replacement and construction of a roof over the vaporizer.

SNOW REMOVAL OPERATIONS

Description

The District has performed Snow Removal services for various Homeowner Associations and private homeowners for the past 16 years. Beginning with the 2021-2022 winter season, the District opted to only provide services through contracts with Homeowner Associations and incorporated private driveways under these contracts. This significantly reduced staff time, billing and collection, and paperwork.

During snow events, the District will typically commence services when conditions warrant, with the day crew starting at 4:00 AM and working an 8-hour to 12-hour shift depending on staffing and snowfall. During a major snow event, the District may operate a night shift to ensure it keeps up with the demand. Kirkwood can experience severe storms where the rate of snowfall exceeds the ability of District equipment and staff to remove it. During these extreme conditions Snow Removal Operators will implement emergency plowing and use all available equipment and staff to help clear the roadways to maintain at least one lane width of emergency access. After roads are clear staff will begin to focus on clearing occupied residences and parking pads. During severe storm events it is imperative that customers mark their vehicles with stakes as vehicles can become completely buried and invisible overnight. District staff wants you to enjoy your time in Kirkwood and makes every effort to clear snow from the roads, parking pads and driveways. Please remember that snow removal equipment is dangerous, and operators can't always see you, your children, your pets, or your cars, so please do not approach the equipment or block operators with your vehicles.

Capital Improvements in FY 2021-2022

The District continued reconditioning trackless units to defer the need for replacement and to prolong their useful lives.

Future Needs

The District placed an order for our first new trackless machine in many years to replace the oldest unit in the fleet. The District plans to replace one unit bi-annually until all 6 have been replaced.

SOLID WASTE OPERATIONS

Description

The District provides residents a central, Solid Waste facility for the collection of solid waste, recyclables and hot ash, located adjacent to the Wastewater Treatment Plant at 40 Loop Road. Additionally, the District manages collection facility dumpsters at condominium units in Kirkwood's central zone. Vail manages its own solid waste collection service.

District staff inspect and maintain all collection facilities daily and coordinate weekly off-site hauling operations with ACES Waste Services (ACES). The District takes an aggressive approach to solid waste management by ensuring that only full dumpsters are emptied, and that the dumpsters are protected from bears and other wildlife by locking them and providing wildlife clips for customers. During snow season, District staff ensures customer access to dumpsters by removing snow from in front of and on top of their access lids.

Capital Improvements in FY 2021-2022

No significant projects were budgeted.

Future Needs

No significant projects were budgeted.

KIRKWOOD VOLUNTEER FIRE DEPARTMENT

Description

Since 1972, the Kirkwood Volunteer Fire Department (KVFD) has provided life safety services to the Kirkwood community and its visitors, responding to medical calls, structural and wildland fires, search and rescue, hazardous materials spills, and vehicle accidents in Kirkwood, as well as providing mutual aid in the areas along SR 88 east to Carson Pass and west to Silver Lake. The KVFD also works in partnership with the Eastern Alpine Fire District and Amador Fire Protection District, and many other agencies to promote fuel reduction and fire safety efforts.

The KVFD is a 501(c)3 nonprofit public benefit corporation and participates in several community fundraising events during the year. The largest annual fundraiser that benefits the fire department is the Kirkwood Summer Festival. The Kirkwood Summer Festival, held over the fourth of July weekend, is the Fire Department's signature event that draws homeowners and visitors alike to enjoy an afternoon of wine and beer tasting, fine food, live music, and a very popular and successful silent auction organized by community members.

In 2021 the Kirkwood Summer Festival returned to an in-person event! The money raised from the 2021 Summer Festival enabled the purchase of a woodchipper and reserves towards purchase of a new Type 1 Fire Engine/Pumper.

Capital Improvements in FY 2021-2022

The District attempted to obtain funding for the Fire Engine/Pumper through the State budgeting process. Despite support from our legislators, the budget item was removed in the final days of the budgeting process. The District will attempt to fund it through the State once again this year.

Future Needs

The District is investigating the formation of a new Special Tax assessment district to fund the department as its needs are outpacing available funding. Looks for special notices and public meetings on this important topic in 2023.

OTHER SERVICES PROVIDED BY THE DISTRICT

In addition to supplying Water, Wastewater, Electric, Propane, Snow Removal, Solid Waste, and Fire Protection services, the District provides lesser known services:

Cable Television Administration

In accordance with the Digital Infrastructure and Video Competition Act of 2007 (DIVCA), the District is authorized to collect a state franchise fee from Volcano Vision in the amount of 5% of its gross revenues that are derived from the operation and exercise of its franchise within the District's service area. These funds are used to support the Public Television Station, Channel 19. The District is also tasked to monitor the reception quality and customer service support provided by Volcano Vision.

Parks and Recreation Services

A small portion of property tax receipts are allocated to maintain the playground as a community service.

The District qualified for an Office of Grants and Local Services ("OGALS") grant to fund new recreational facilities in the District. Based on a recommendation from community members, the District will build a picnic area near the meadow, on District property, that will include picnic tables, a disc-golf practice hole, corn-hole stations, and a bear proof trash can. We anticipate that this new area will be ready for use by Fall 2023.

More information on any of these services can be found at the District's website, www.kmpud.com.

ADDITIONAL RESOURCES:

For more information about the District, please refer to the following resources:

Audited Financials:

<https://www.kmpud.com/wp-content/uploads/Kirkwood-Meadows-PUD-2022-Financials.pdf>

5-Year Budget:

<https://www.kmpud.com/wp-content/uploads/Operating-Budget-FY-22-26-1.pdf>

Board and Committee Meeting Schedule:

<https://www.kmpud.com>

Consumer Confidence Report

<https://www.kmpud.com/wp-content/uploads/Consumer-Confidence-Report-2021-1.pdf>

On-line Signup for Utility Use Information:

<https://www.kmpud.com/register/>