



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, March 14, 2020 – 8:00 AM

BOARD MEETING MINUTES

Robert Epstein, Vice President
Peter Dornbrook, Secretary

BOARD MEMBERS
Eric Richert, President

Standish O'Grady, Treasurer
Bertrand Perroud, Assistant Secretary

1. CALL TO ORDER

President Smith

Determining a quorum present, President Richert called the meeting to order at 8:01am.

2. ROLL CALL

Secretary Dornbrook

Board of Directors Present:

President Richert, Directors Epstein, Dornbrook, O'Grady and Perroud

Board of Directors Absent:

None

Staff Present:

General Manager Erik Christeson, Operations Manager Brandi Benson, Administrative Manager Kelly McBride, Clerk of the Board Jessica Gillies, and Technology Specialist Drew Meteer
Bruce Gianola (President, Kirkwood Community Association), Terry Hughes (Chief, Eastern Alpine Volunteer Fire Department), Terry Woodrow (Alpine County Supervisor, District 4)

Others Present:

3. ANNOUNCEMENTS

Assistant General Manager Ansel

General Manager Christeson welcomed members of the public to this regular board meeting, stating this meeting is being fed live over the internet and the public can view this meeting by going to our website and following the appropriate link. If the public would like to make a comment, they may send an email to echristeson@kmpud.com and the comments will be read under the public comment portion of the associated agenda item.

4. CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR

Item 8a. USFS Presentation is postponed.

5. COMMENTS FROM THE AUDIENCE

Bruce Gianola announced the Kirkwood Community Association has closed the Recreation Center due to COVID-19.

6. ADOPTION OF CONSENT CALENDAR

- a. **Special Board Meeting Minutes of February 1, 2020**
Approve February 1, 2020 Special Board Meeting Minutes
- b. **Current Consent for Claims**
Approve Current Consent for Claims
- c. **Communications and Planning Charter Updates**

- Approve Communications and Planning Charter Updates
- d. **Receivables/Shut Offs Report**
Review Receivables/Shut Offs Report.

Director Epstein motioned to approve the Consent Calendar as presented. Director Dornbrook seconded the motion and it carried by the following voice vote:

AYES: President Richert, Directors Epstein, Dornbrook, O’Grady, and Perroud

NOES: None

ABSENT: None

ABSTAINING: None

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

None

8. ITEMS FOR BOARD ACTION

- a. **USFS Presentation.** Discussion. *District Ranger Hopson*
Postponed.

- b. **Economic Development.** Discussion *Bruce Gianola*

Bruce Gianola, Kirkwood Community Association President, presented background of the Economic Development Group and gave an overview of the group’s activities to-date including goals for future meetings. Directors O’Grady and Perroud volunteered to join the Economic Development Group to represent KMPUD.

- c. **Finances.** Discussion and possible action regarding the District’s financials. *Administrative Manager McBride*

- i. **January Financials** Balance Sheet was presented noting the variance in Accounts Receivables is due to the timing of receipt of Alpine County property tax allocations. Revenue Account by Fund was presented noting G&A, Fire, Parks, and Employee Housing are negative. Combined Income Statement was presented noting operating revenues are down from plan and year-to-date revenues are down from plan. Income Statements for each department were presented noting total operating for Parks and Recreation is down and the variance in Operations and Maintenance in Wastewater is due to a CPU Card replacement. The large variance in Operations and Maintenance in the Solid Waste Fund is due to new contract pricing.
- ii. **February Preliminaries** Residential and commercial February revenues are down from plan.
- iii. **Cash Flow** Total operating cash is up from plan.
- iv. **Budget Variance Tracking** Additions to Budget Variances include the 950F Engine Rebuild, fundraising efforts for the Playground through January 31, and the Tesco CPU Card. Snow Removal Salaries and Wages were removed.

Discussion ensued throughout Manager McBride’s presentation.

- d. **Fiscal Year 2020/21 Budget Assumptions.** Discussion. *Administrative Manager McBride*

General Manager Christeson summarized changes to the Fiscal Year 2020/21 Budget Assumptions including a change from a 1% to 0% growth model, Water/Wastewater Rate Study

(Study) assumptions included and contingent on Study approval, and adjustment of timing of receipt of property tax allocations. Discussion ensued.

- e. **REC Purchases.** Discussion and possible action. *Operations Manager Benson*

Operations Manager Benson detailed the Renewable Portfolio Standard (RPS) requirement for the current Compliance Period 3 to match a certain percentage of electric sales with renewable sources, achieved through the purchase of Renewable Energy Credits (RECs). To meet this requirement a proposal was obtained from Shell Energy. Manager Benson detailed a second RPS requirement to procure long-term contracts for Compliance Period 4 and future compliance periods. A Shell Energy proposal outlining various RPS procurement strategies was presented. Staff recommends executing a contract with Shell Energy to purchase RECs needed to meet the requirements of RPS Compliance Period 3 and pursuing RPS Procurement Strategy 3 to meet the long-term contracts requirement.

Director O'Grady made a two-part motion to:

1. Approve REC purchases as presented including one modification to purchase voluntary homeowner RECs purchased through the Renewable Electricity and Propane Offset Program in addition to the RPS required purchase; and
2. Adopt RPS Procurement Strategy 3 – Long-Term Compliance.

Director Perroud seconded the motion and it carried by the following voice vote:

AYES: President Richert, Directors Epstein, Dornbrook, O'Grady, and Perroud

NOES: None

ABSENT: None

ABSTAINING: None

- f. **Alpine County LAFCO Membership.** Discussion and possible action.
General Manager Christeson

General Manager Christeson summarized requirements and direct costs to the District to join Alpine County LAFCO (Local Agency Formation Commission) and summarized the steps needed to complete membership, including working with California Special Districts Association (CSDA), Markleeville PUD, and Bear Valley Water District towards representation on Alpine County LAFCO. Director Perroud stated the Planning Committee has reviewed and concurs with staff's recommendation. Discussion ensued.

Director Dornbrook motioned to direct staff to proceed with obtaining an agreement with Markleeville PUD and Bear Valley Water District affirming their desire to become Alpine County LAFCO members, to contribute 75% of the total costs, and once confirmed the Board shall consider a Resolution of Support to deliver to Alpine County. Director Perroud seconded the motion and it carried by the following voice vote:

AYES: President Richert, Directors Epstein, Dornbrook, O'Grady, and Perroud

NOES: None

ABSENT: None

ABSTAINING: None

- g. **General Manager Employment Contract Amendment #1.** Discussion and possible action. *President Richert*

President Richert detailed amendments to the 2017 General Manager Employment Agreement. Discussion ensued. Director Epstein stated the Personnel Committee has reviewed and recommends adoption.

Director Epstein motioned to adopt General Manager Employment Contract Amendment #1. Director O'Grady seconded the motion and it carried by the following voice vote:

AYES: President Richert, Directors Epstein, Dornbrook, O'Grady, and Perroud

NOES: None

ABSENT: None

ABSTAINING: None

- h. **Kirkwood Volunteer Fire Department.** Discussion and possible action. *President Richert*

President Richert summarized a potential merger or contract agreement between Kirkwood Volunteer Fire Department and Eastern Alpine Volunteer Fire Department including financial details and current negotiations with Alpine County staff. Eastern Alpine Volunteer Fire Department Chief, Hughes detailed the Memorandum of Understanding and the working relationship between Eastern Alpine Volunteer Fire Department and Lake Valley Fire Department, located in the Lake Tahoe Basin. Discussion ensued. It was the consensus of the Board for Kirkwood Volunteer Fire Department Chief, Ansel and Eastern Alpine Volunteer Fire Department Chief, Hughes to negotiate an agreement and bring back to the Board for consideration.

- i. **Water & Wastewater Rate Study.** Discussion and possible action. *Mark Hildebrand*

Mark Hildebrand, Hildebrand Consulting presented the Draft 2020 Water and Wastewater Rate Study (Study). Discussion ensued throughout the presentation and Mr. Hildebrand answered questions.

Director O'Grady motioned:

1. Direct staff to make the following structural changes to the Study:
 - Use Fiscal Years 2016 through 2019 to calculate Equivalent Dwelling Units (EDUs).
 - Change each residential irrigation connection to one EDU.
2. To in the future, update Regulation 610.01 Rates – Water and Sewer Service, to consider a temporary suspension of service policy for irrigation customers.
3. Work with Planning to investigate methods to promote conservation in irrigation.
4. Complete the Study and issue 218 Notices, including representations for individual accounts of the proposed rate increases printed on the Notices.

President Richert seconded the motion and it carried by the following voice vote:

AYES: President Richert, Directors Epstein, Dornbrook, O'Grady, and Perroud

NOES: None

ABSENT: None

ABSTAINING: None

9. GENERAL MANAGER'S REPORT*General Manager Christeson*

General Manager Christeson reported on:

1. CMUA Legislative Visit
2. ACWA Legislative Symposium
3. Highway 88 Electrical Connections

10. OPERATIONS REPORT

Assistant General Manager Ansel reported on:

1. Summer Projects Planning
2. COVID-19
3. Kirkwood Summer Festival, Saturday, July 4th, 2020

11. STANDING COMMITTEE REPORT**a. Planning Committee**

Director Perroud reported on Committee discussions regarding:

- Alpine County Excise Tax
- Heat Pump Study
- LAFCO Membership
- Bio-Mass Heating Feasibility Study
- Electric Vehicle Charging Stations

b. Communications Committee

Director Epstein stated, in the interest of time, he will pass his notes along to General Manager Christeson.

c. Operations Committee

Director Dornbrook reported on Committee discussions regarding the easement surrounding the 34k electric line and hazard tree removal.

d. Finance Committee

Director O'Grady noted the Finance Committee has met twice since the Board meeting and discussions included:

- REC Purchases
- Water/Wastewater Rate Study
- General Manager Goals and Objectives
- Budget Assumptions

e. Personnel Committee

President Richert reported on Committee discussions regarding staff training, and legislative conferences.

12. TEMPORARY ADVISORY COMMITTEE REPORT

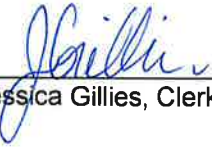
Director O'Grady summarized the Playground Committee's activities to date, including conclusions from the Community Meeting held on January 18, 2020, proposed playground equipment to be purchased, and the playground Budget and funding proposal. Members of the Playground Committee include Director O'Grady, Director Epstein, community members Cheryl Stern, and Anne O'Grady, and staff members Erik Christeson, and Brandi Benson.

13. GENERAL DISCUSSION

President Richert reported that he was contacted by East Meadows HOA homeowner, Caroline Tucher regarding a conservation easement that she would like to sell.

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 1:20pm.
(The next Regular Board Meeting is Saturday, April 11 at 8:00am)



Jessica Gillies, Clerk of the Board



Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District