



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, April 13, 2019 – 8:00 AM

BOARD MEETING MINUTES

Eric Richert, Vice President
Peter Dornbrook, Secretary

BOARD MEMBERS
Geoff Smith, President

Standish O'Grady, Treasurer
Robert Epstein, Assistant Secretary

1. CALL TO ORDER

Vice President Richert

Determining a quorum present, Vice President Richert called the meeting to order at 8:00am.

2. ROLL CALL

Secretary Dornbrook

Board of Directors Present:

Directors Richert, Epstein, Dornbrook, and O'Grady

Board of Directors Via Teleconference:

President Smith

Staff Present:

General Manager Erik Christeson, Assistant General Manager Rick Ansel, Assistant Manager Operations Brandi Benson, Assistant Manager Administration Kelly McBride, Clerk of the Board Jessica Gillies, IT Representative Drew Meteer

Others Present:

Tom Fortune (Vice President/General Manager Kirkwood Mountain Resort), Frank Dixon (General Manager, Kirkwood Property Services), Terry Woodrow (Alpine County Supervisor), Bertrand Perroud (Kirkwood Meadows Association)

3. ANNOUNCEMENTS

General Manager Christeson

General Manager Christeson welcomed members of the public to this regular board meeting and stated this meeting is being fed live over the internet and 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 echristeson@kmpud.com and the Board will respond. Members of the public are asked to identify themselves when making comments.

4. COMMENTS FROM THE AUDIENCE:

None

5. CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR:

None

6. ADOPTION OF CONSENT CALENDAR

- a. **Regular Board Meeting Minutes of March 9, 2019**
Approve March 9, 2019 Board Meeting Minutes
- b. **Current Consent for Claims**
Approve Current Consent for Claims
- c. **Receivables/Shut Offs Report**

Review Receivables/Shut Offs Report.

Director Epstein motioned to adopt the Consent Calendar as presented. Director O'Grady seconded the motion and it carried by the following roll call vote:

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

NOES: None

ABSENT: None

ABSTAINING: None

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

None

8. ITEMS FOR BOARD ACTION

a. Kirkwood Mountain Resort (Vail) Presentation. Discussion.

Vice-President Richert introduced Tom Fortune, Vice President and General Manager, Kirkwood Mountain Resort. Vice President/General Manager Fortune provided a re-cap of Kirkwood Mountain Resort's operations for the 2018-2019 winter season, highlighting current Resort staff, and successes and challenges the Resort faced during the 2018-2019 winter season. A preliminary summer events schedule was presented. Vice President/General Manager Fortune answered questions from the Board.

b. Kirkwood Valley Development Presentation. Discussion.

Vice President Richert introduced Kirkwood Property Services General Manager, Frank Dixon. General Manager Dixon presented a condensed version of Kirkwood Valley Development's Developer Presentation, including the future build-out vision for Kirkwood Valley and employee housing needs.

c. Finances. Discussion and Possible Action Regarding the District's Financials. Assistant Manager, Administration McBride

- i. February Actuals. Assistant Manager McBride presented the Balance Sheet for February. The Combined Income Statement was presented and includes property tax allocations. February revenues are up from planned, year-to-date revenues are up from planned, total year-to-date operating revenues are up from planned, and net income is up from planned. Income Statements were presented for each department noting the overage in Operating Expenses for the Fire Department is due to legal expenses paid for the drafting of the Fire Ordinance. The overage in Operations and Maintenance in the Electric Department is due payment for repair of the T-1 communication line. Salaries and benefits in Snow Removal were over planned for February due to large amounts of snowfall, noting that total operating is down from planned. Year-to-date revenues for Propane are up from planned, noting year-to-date total operating revenues are up from planned. Compared to February 2018 revenues and total operating are up from planned.
- ii. March Preliminaries. March revenues are up from planned and year-to date revenues are up from planned.
- iii. Cash Waterfall. The balance in the cushion of credit will remain in the cushion of credit and no new deposits can be made. The increase to the Reserve is due to receipt of Excess COP Reserve funds as a result of a recalculation by Union Bank.
- iv. Budget Variance Tracking. There are no new additions to Budget Variances

- d. **2019/20 Draft Budget & Assumptions.** Discussion and possible action. *Assistant Manager, Administration McBride*

An updated version of the 2019/20 Draft Budget and Assumptions was provided for review. Discussion ensued regarding finalization of the 2019/20 Budget and Assumptions. An updated draft through April will be reviewed by the Finance Committee and brought back to the Board at the May 11 Board meeting. Final Board approval is anticipated at the July 5 Board meeting. Discussion ensued regarding the Consumer Price Index (CPI) increase and the potential effect on utility rates. Director Richert noted that he believes the CPI should not be applied to the portion of the electric usage rate that covers the District's fixed loan payments to RUS. District Ordinance 16-01, Revising Electric and Propane Gas Service Charges, will be reviewed by District Counsel and brought back to the Board at the May 11, 2019 Board meeting.

- e. **Performance Reporting & Aquifer Levels.** Discussion. *Assistant Manager, Operations Benson*

Assistant Manager Benson presented year-to-date and March 2019 Performance Reporting for each department. Aquifer levels for Well 4/5 were discussed. Discussion ensued regarding system losses in the Water and Wastewater departments.

- f. **Kirkwood Playground.** Discussion and possible action. *General Manager Christeson*

General Manager Christeson summarized historical, contractual, regulatory, financial, and liability issues regarding installation and operation of the Kirkwood Playground. In order to continue to operate the playground the District must enter into an agreement with Vail Resorts to erect the playground equipment at the playground site which sits on Vail property and obtain an inspection of the equipment and playground area by a Certified Playground Inspector. A report will be brought back to the Board at the August 10 Board meeting. Discussion ensued regarding use of the playground and future operation.

- g. **Snow Removal Action Plan.** Discussion and possible action. *General Manager Christeson*

General Manager Christeson presented several policy items that will impact the budget and require Board action. Time for questions and comments was allowed after explanation of each item.

Item 1.a.ii: Add referral incentive? Amount of incentive?

The consensus of the Board is to add a referral incentive and follow staff recommendation of \$100 per referral hired that is employed at least 30 days.

Item 1.b: Confirm tiers and salary ranges.

The consensus of the Board is to proceed with the tier structure and salary ranges as presented.

Item 1.c.ii: Add additional incentives? Amounts?

General Manager Christeson summarized the incentive program currently in place to encourage seasonal employees to seek seasonal employment with the District each subsequent season. The consensus of the Board is to offer the current incentives and not add additional incentives.

Item 2.: Confirm desired staffing model or create a 5th option.

It is the consensus of the Board is to maintain Snow Removal staffing levels at:

- Two full-time, year-round Supervisors
- Two full-time, seasonal Operators
- Five part-time, seasonal Operators
- One full-time, year-round mechanic

The contract period will remain from October 15 through May 15. Timing of hiring will be at management's discretion. Discussion ensued regarding staffing levels and timing of hiring.

Item 3.: Housing

General Manager Christeson summarized the housing shortage in Kirkwood and presented possible solutions for the District's housing needs. The consensus of the Board is to authorize staff to purchase two condominium units, contingent on financing, for a total not to exceed \$500,000.

Item 5.b.i: Affirm proposed Capital equipment replacement purchase timing.

General Manager Christeson summarized the District's mechanic recommendation for equipment replacement. The consensus of the Board is to authorize staff to replace equipment as recommended.

Item 5.b.ii: Affirm proposed Capital equipment reconditioning timing.

The consensus of the Board is to recondition equipment as recommended.

The Board meeting was adjourned at 10:00am in order to hold Kirkwood Meadows Public Utility District, Public Facilities Corporation and Kirkwood Volunteer Fire Department, Nonprofit Public Benefit Corporation annual meetings.

The Board meeting reconvened at 10:20am. Snow Removal Action Plan discussion continued.

General Manager Christeson presented equipment purchase options. Discussion ensued regarding specific equipment and purchase options.

Director Epstein motioned that the acquisition of a new Trackless will be decided by the General Manager in consultation with the Board Treasurer. Director Dornbrook seconded the motion and it carried by the following roll call vote:

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

NOES: None

ABSENT: None

ABSTAINING: None

Item 6.a: Decide if HOAs are offered two contract models (with & without driveways).

General Manager Christeson presented two HOA contract pricing models. The consensus of the Board is the HOA contract pricing model remain in the current contract structure, allowing individual HOAs to decide to include or exclude private driveways in their contract.

Item 6.b: Affirm the proposed use of Driveway EDU model with 4 levels.

General Manager Christeson detailed a driveway pricing model with four levels of driveway pricing. Director Epstein detailed the process to determine each level of pricing. The consensus of the Board is to use a driveway EDU model with no more than four levels.

Item 6.c: Affirm the proposed shortening of Contract removal period.

The consensus of the Board is that the contract removal period will remain from October 15 through May 15.

Item 7: Provide direction to replace, upgrade, or keep the existing GPS system.

General Manager Christeson summarized results of testing of a 4G GPS unit. Discussion ensued regarding specific uses of GPS tracking. The consensus of the Board is to upgrade to 4G GPS units and continue use of the existing tracking software program.

Item 8.a.i: Affirm the District will utilize a single HOA contract template.

The consensus of the Board is to use the 2018/19 HOA contract templates.

Item 8.a.ii: Affirm the use of automatic renewal clause in contracts.

General Manager Christeson detailed the proposed addition of an automatic renewal clause to private driveway Snow Removal contracts. Discussion ensued regarding specific clauses in the Snow Removal contracts. The consensus of the Board is to add the automatic renewal clause to private driveway contracts only.

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

General Manager Christeson reported on:

1. Propane Patrols
2. New Department Vehicles
3. Amador County Vacation Rentals Ordinance

10. OPERATIONS REPORT

Assistant General Manager Ansel reported on:

1. New District Mechanic
2. Electric T-1 Line Repairs
3. Water – Well 4/5 Relay Issues
4. Monitoring Well Sampling in the Meadow
5. Powerhouse Radiators

11. STANDING COMMITTEE REPORT

a. Finance Committee

Director O'Grady reported on draft policies in progress to address debt, reserves guidelines, reimbursements, and investments.

b. Operations Committee

Director Dornbrook reported all items were covered.

c. Planning Committee

Director Richert reported the Planning Committee has not met since the last Board meeting. He gave an update on progress of a letter to Caltrans regarding Highway 88 conditions and closures. Director Epstein gave an update on progress of a potential heat pump feasibility study to be performed this summer.

d. IT Committee

Director Epstein reported the IT Committee has not met since the last Board meeting.

e. Personnel Committee

President Smith reported the Personnel Committee has not met since the last Board meeting.

12. TEMPORARY ADVISORY COMMITTEE REPORT

Alpine County officials will meet internally regarding a potential merger between Kirkwood Volunteer Fire Department and Eastern Alpine Volunteer Fire Department.

13. GENERAL DISCUSSION

None

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:40am.

(The next Regular Board Meeting is Saturday, May 11, 2019 at 8:00am)



Jessica Gillies, Clerk of the Board



Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District