



KIRKWOOD MEADOWS
PUBLIC UTILITY DISTRICT

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, June 8, 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

President Smith

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

2. ROLL CALL

Secretary Dornbrook

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

President Smith, Directors Richert, Dornbrook, and Epstein
Director O'Grady
General Manager Erik Christeson, Assistant General Manager
Rick Ansel, Operations Manager Brandi Benson, Administrative
Manager Kelly McBride, Clerk of the Board Jessica Gillies, and
Technology Specialist Drew Meter
Others Present:
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 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. CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR

Director Richert requested to pull the May 11, 2019 Board Meeting Minutes.

5. COMMENTS FROM THE AUDIENCE

Bertrand Perroud, Kirkwood Meadows Association.

6. ADOPTION OF CONSENT CALENDAR

- a. **Regular Board Meeting Minutes of May 11, 2019**
Approve April 13, 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 Richert motioned to adopt the Consent Calendar except the May 11, 2019 Board Meeting Minutes. Director Dornbrook seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Dornbrook, and Epstein
 NOES: None
 ABSENT: Director O’Grady
 ABSTAINING: None

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

Director Richert requested clarification to the May 11, 2019 Board meeting minutes, Item 15. Closed Session. Changes to future employee health benefits and future employee retiree health benefits is pending review and approval by California Public Employee Retirement System (CalPERS).

Director Richert motioned to approve the Board Meeting Minutes of May 11, 2019 with the requested change included. Director Dornbrook seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, and Dornbrook
 NOES: None
 ABSENT: Director O’Grady
 ABSTAINING: Director Epstein

8. ITEMS FOR BOARD ACTION

a. Finances. Discussion and Possible Action Regarding the District’s Financials. *Administrative Manager McBride*

- i. April Actuals. Assistant Manager McBride presented the April Balance Sheet, noting that Total Operating is up from plan when netted with the Cushion of Credit Variance. New on the Balance Sheet, the revenue account operation break-out was detailed. The Combined Income Statement was summarized, noting year-to-date total revenues are up from plan and total operating is up from plan. It was noted, that Rural Utility Service (RUS) approved property tax allocations to the electric department to be allocated as operating revenue, which accounts for \$100,000 of the current electric operating revenue. Income Statements for each department were presented noting the overage in Wastewater is due to repair of the Hycore machine. The overage in Snow Removal in Operations and Maintenance is due to miscellaneous parts for Trackless repairs. The overage in Propane is due to the purchase of service parts for the water bath. Discussion ensued regarding GASB 68.
- ii. May Preliminaries. Operating revenues are up from plan. Year-to-date total operating revenues are up from plan.
- iii. Cash Waterfall. Cash flow is better than plan through May.
- iv. Budget Variance Tracking. Updates to the known Budget Variances include year-to-date Snow Removal wages and benefits, cost of General Manager training, miscellaneous Snow Removal equipment repairs, miscellaneous shop supplies, Hycore machine repair at the Wastewater Treatment Plant, and Propane water bath service parts were added to Budget Variances.

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

Assistant Manager McBride noted the latest iteration of the 2019/20 Draft Budget was reviewed in detail during the Finance Committee meeting and took questions regarding specific details of the Budget. General Manager Christeson detailed changes to the Capital Budget from the last

iteration. Discussion ensued regarding details of the Capital Budget and upcoming repairs at the Wastewater Treatment Plant.

- c. **Windows 7 & Computer Upgrades.** Discussion and possible action. *General Manager Christeson*

General Manager Christeson detailed the IT Committee discussion regarding upgrading District computers in order to upgrade to Windows 7. This item will be included in the FY 2019/20 Budget.

- d. **Trackless Financing.** Discussion and possible action. *General Manager Christeson*

General Manager Christeson summarized the funding option chosen for the lease-purchase of a new Trackless machine and the Board actions needed in order to secure funding, including adoption of a Resolution stating the Boards direction.

Director Dornbrook motioned to approve Resolution 19-02 Authorizing the Execution and Delivery of a Master Governmental Lease-Purchase Agreement and Supplement No. 13523-400 Thereto with Respect to the Acquisition, Purchase, Financing and Leasing of Certain Equipment for the Public Benefit; Authorizing the Execution and Delivery of Documents Required in Connection Therewith; and Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution.

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

AYES: President Smith, Directors Richert, Epstein, and Dornbrook

NOES: None

ABSENT: Director O'Grady

ABSTAINING: None

- e. **Employee Housing Financing.** Discussion and possible action. *General Manager Christeson*

General Manager Christeson summarized the Board actions needed to secure funding to purchase additional employee housing. Adoption of a Resolution reaffirming authorized District signatories is required.

Director Epstein motioned to adopt Resolution 19-01 Approving Credit Requests with Bank of the West and Reaffirming Authorized District Officers and Signatories on Bank Accounts. Director Dornbrook seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Epstein, and Dornbrook

NOES: None

ABSENT: Director O'Grady

ABSTAINING: None

- f. **Reserve Guidelines.** Discussion and possible action. *General Manager Christeson*

General Manager Christeson summarized reserve guideline requirements for California Special Districts and outlined the draft policy to govern District reserves and that the Finance Committee recommends adoption of Policy Statement No. 695 Operating and Capital Reserves Policy. Director Richert motioned to adopt Policy Statement No. 695 Operating and Capital Reserves Policy. Director Epstein seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Epstein, and Dornbrook

NOES: None
ABSENT: Director O'Grady
ABSTAINING: None

g. **Investment Guidelines.** Discussion and possible action. *General Manager Christeson*

General Manager Christeson summarized investment requirements for California Special Districts and outlined a draft policy to govern District investments, including details of the draft policy.

Director Richert motioned to adopt Policy Statement No. 380 Investment Policy. Director Epstein seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Epstein, and Dornbrook
NOES: None
ABSENT: Director O'Grady
ABSTAINING: None

h. **AB 1234 Reimbursement Policy.** Discussion and possible action. *General Manager Christeson*

General Manager Christeson detailed the need to update the District's current Reimbursement Policy and summarized the updated Reimbursement Policy draft. Director Epstein noted that under car rental reimbursement the car rentals should have 4-wheel drive capability if needed. General Manager Christeson suggested adding verbiage to the Rental Cars section of the Reimbursement Policy to accommodate the possibility for need of a 4-wheel drive vehicle. Director Richert motioned to adopt Policy Statement No. 330 Expense Reimbursement Policy with the change made to the Rental Cars section. Director Epstein seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Epstein, and Dornbrook
NOES: None
ABSENT: Director O'Grady
ABSTAINING: None

The Rental Cars section of Policy Statement No. 330 Expense Reimbursement Policy will state: "All rentals must be for intermediate size cars or smaller unless 3 or more people are traveling together or unless a 4-wheel drive vehicle is needed."

i. **SCBA Notice of Award.** Discussion and possible action. *Assistant General Manager Ansel*

Assistant General Manager/Fire Chief Ansel detailed the Assistance to Firefighters Grant awarded to the Kirkwood Volunteer Fire Department (KVFD) from the Department of Homeland Security to purchase Self-Contained Breathing Apparatus (SCBA). The Notice Inviting Bids for purchase of the SCBAs closed on May 30, 2019, with the District receiving two bids.

Director Richert motioned to direct staff to issue the Notice of Award and Notice to Proceed to L.N. Curtis and Sons for an amount not to exceed \$65,208 for the purchase of Self-Contained Breathing Apparatus. Director Dornbrook seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Epstein, and Dornbrook
NOES: None

ABSENT: Director O’Grady

ABSTAINING: None

j. **Board Election.** Discussion and possible action. *Clerk of the Board Gillies*

Clerk of the Board Gillies detailed the upcoming District election to be held on November 5, 2019 and reviewed required Board decisions regarding declaration of the election, candidate’s statements, and the method of deciding a winner in the case of a tie vote. Required decisions and staff recommendations are detailed in Resolution 19-03 Declaring a General District Election. Director Dornbrook motioned to adopt Resolution 19-03 Declaring a General District Election. Director Epstein seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Epstein, and Dornbrook

NOES: None

ABSENT: Director O’Grady

ABSTAINING: None

k. **Performance Reporting and Aquifer Levels.** Discussion. *Operations Manager Benson*

Operations Manager Benson presented Performance Reporting for the month of May for each department. Discussion ensued regarding losses at the Wastewater Treatment Plant.

l. **Power Source Disclosure.** Discussion and possible action. *Operations Manager Benson*

Operations Manager Benson detailed the District’s annual reporting requirements as part of the California Energy Commission’s Power Source Disclosure Program and presented the 2018 Power Source Disclosure Report and 2018 Power Content Label for Board approval for distribution to District ratepayers. Discussion ensued regarding specific sources of electricity and reporting requirements.

Director Epstein motioned to approve distribution of the 2018 Power Source Disclosure Report and the 2018 Power Content Label as presented. Director Dornbrook seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Epstein, and Dornbrook

NOES: None

ABSENT: Director O’Grady

ABSTAINING: None

m. **Propane Carbon Offset Program.** Discussion and possible action. *Director Epstein*

Director Richert summarized the background of the concept to offer 100% renewable electricity and voluntary Propane Carbon Offset Programs to District customers. Operations Manager Benson detailed the District’s current purchase of Renewable Energy Credits (RECs) in order to meet renewable energy requirements. Director Epstein summarized legal requirements and various options to purchase RECs. Discussion ensued regarding the feasibility and details of offering a Carbon Offset Program. The Planning Committee will continue discussion and research and bring a recommendation back to the Board.

- n. **Snow Removal Budget.** Discussion and possible action. *General Manager Christeson*

General Manager Christeson presented revisions, as directed by the Board, from the last iteration of the Snow Removal Budget. Director Richert summarized the Finance Committee discussion and recommendation. Director Epstein detailed correction of GPS and HOA data errors. Discussion ensued regarding details of the GPS data and correction of errors. The consensus of the Board was that the total Snow Removal Budget amount was appropriate and that the allocation of that amount between HOA/Driveways/District was also appropriate. Calculation methods for driveways (3-year average or EDU buckets) was discussed, with no decision made. Director Epstein will review the 16/17 GPS data related to allocations between HOAs and if any changes are recommended. The Snow Removal Budget will be adjusted, if necessary, and brought before the Board for review and possible approval at the next Special Board Meeting taking place on July 5, 2019 at 5:00pm.

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

General Manager Christeson reported on:

1. Eastern Alpine Volunteer Fire Department Memorandum of Understanding regarding a proposal to provide contract services to Kirkwood Volunteer Fire Department.
2. Wastewater Treatment Plant roof repairs.

10. OPERATIONS REPORT

Assistant General Manager Ansel reported on:

1. Summer projects.
2. Meter inspections
3. Kirkwood Summer Festival.

11. STANDING COMMITTEE REPORT

a. **Planning Committee**

The next meeting of the Planning Committee will take place on Friday, July 5 at 9:00am.

b. **Operations Committee**

Director Dornbrook reported the overhead line clearance update will be provided at the next Operations Committee meeting.

c. **Finance Committee**

Director Richert reported on Committee discussions regarding GASB 75 and the Resolutions that were passed earlier in this Board meeting.

d. **IT Committee**

Director Epstein reported on Committee discussions regarding meter read reporting and customer access to meter reads online.

e. **Personnel Committee**

President Smith reported the Personnel Committee met on May 30 and reviewed ongoing changes to the employee handbook, GASB 75 retiree benefits, and progress on GM goals and objectives. The next meeting of the Personnel Committee will take place on July 5, 2019 at 10:00am.

12. TEMPORARY ADVISORY COMMITTEE REPORT

None

13. GENERAL DISCUSSION

Director Dornbrook proposed honoring ex-Board member, Dick Reuter, for his service to the country and to the Kirkwood community, through a District Resolution. It was the consensus of the Board to pass a Resolution in honor of Dick Reuter and Director Epstein suggested a Newsletter article be written in conjunction with the District Resolution.

General Manager Christeson thanked the Board for rescheduling the July Board meeting to July 5, 2019 at 5:00pm to accommodate time off for staff over the 4th of July weekend and asked the Board to consider rescheduling the September Board meeting to the evening of Friday, August 30 in order to accommodate staff time off over Labor Day Weekend. It was the consensus of the Board to reschedule the September Board meeting to Friday, August 30 at 5:00pm.

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:00am.

(The next Special Board Meeting is Friday, July 5, 2019 at 5:00pm)



Jessica Gillies, Clerk of the Board



Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District