



KIRKWOOD MEADOWS
PUBLIC UTILITY DISTRICT
ANNUAL REPORT

JULY 1, 2017 – JUNE 30, 2018

P.O. Box 247, 33540 Loop Road

Kirkwood, California 95646

www.kmpud.com

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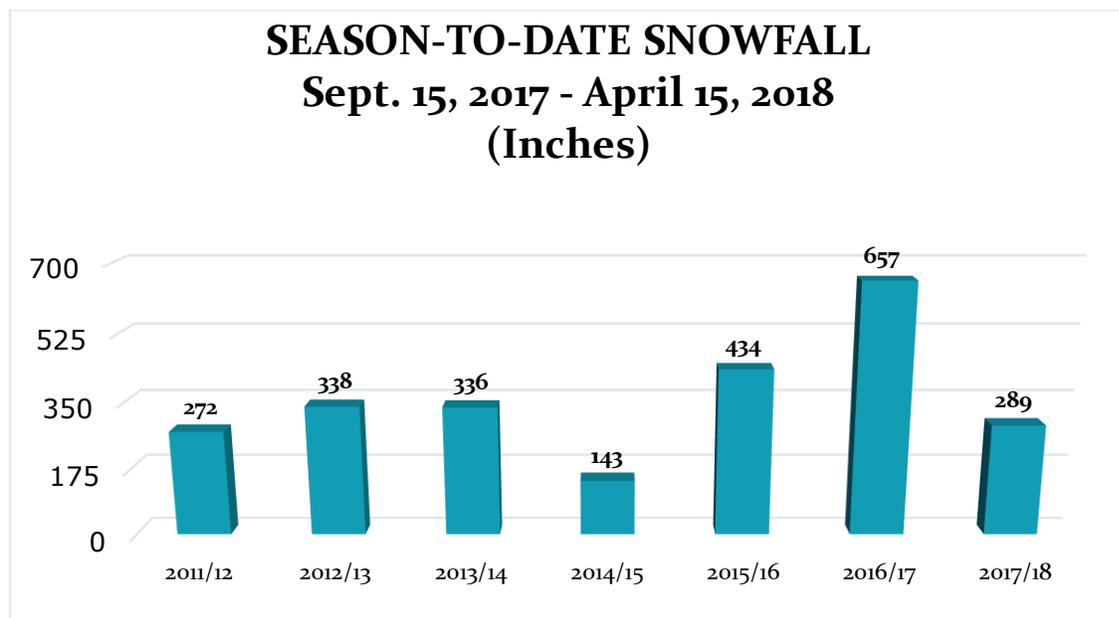
November 2018

To Our Valued Customers:

The Kirkwood Meadows Public Utility District (District) is pleased to present the 2017-2018 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 report covers the period of July 1, 2017 through June 30, 2018.

The District's audited financial results show total revenues of \$9,918,154 and net income of \$448,422. This is \$1,111,394 better than plan despite a poor early winter season. The positive result was primarily due to a \$365,034 reimbursement from FEMA for storm related loses the prior year and greater than expected electricity and water revenue in January and February as of result of Vail's snow making activities.

As has historically been the case, the weather once again tops the list of the main stories coming out of the year. The winter produced below-average snow fall (289 inches) as compared to the last six years, with 196 inches (68%) arriving in March.



The lack of snow between November and March caused many issues throughout the Kirkwood community. Although Kirkwood Mountain Resort had fewer groomed trails than in years past, it had more and better quality snow than other resorts in the greater Lake Tahoe area, resulting in strong skier interest in Kirkwood. Good visitor numbers combined with Vail's snow-making operations through February resulted in better than expected electricity and water sales.

Then, in the month of March, Kirkwood received 16 feet of snow, an accumulation that tested the District's and Vail's snow removal efforts. A rain-on-snow event on April 6th and 7th saw 8 inches of rain over these two days which inundated the Wastewater Treatment Plant with stormwater and caused a 50,000 gallon wastewater spill.

The District identified the wastewater collection system and the 40-year old wastewater treatment plant as priorities that need to be addressed immediately. This summer the District performed repair and rehabilitation of 12 critical manholes in the meadow to attempt to reduce the inflow and infiltration of stormwater and groundwater into the wastewater system, which contributes to the cost of operating the system and can lead to spills such as the one we had this April. Also, the District retained a consultant to prepare a Feasibility Study to investigate options for repair, rehabilitation and prolonging the life of our aging wastewater treatment plant.

The District, in cooperation with the Forest Service and PG&E, continues to annually survey trees along our Out Valley 34.5 kV electrical line, thinning out any trees that appear damaged or diseased. Once again, the District experienced no power outages during lift operations, for the fourth year in a row! Kirkwood is the only resort in California with 100% backup in the event of a power failure on the grid.

After four years, the District finally concluded negotiations with PG&E to resolve the cost of ownership of the 115kV overhead line at Bear River Reservoir. The Interconnection Agreement with PG&E provides KMPUD the option to build a 115kV line and deed it to PG&E or construct a point of interconnection (Switch Station) at Salt Springs Reservoir to isolate the PG&E electric system from the District's system. The prolonged negotiation with PG&E sought to determine the transfer cost of the 115kV line constructed by the District versus the District's cost to construct the Switch Station. The District updated the 2015 Switch Station construction estimate and determined it would now cost \$5,895,453 to construct. In addition to the construction cost the terms of the Interconnection Agreement would require the District to pay PG&E \$163,000 annually for O&M costs until the Switch Station construction is complete, estimated to be 2020. Following construction, the District's O&M payments to PG&E would increase to \$465,000 annually, to be paid in perpetuity. Thus, the total estimated cost of the Switch Station option would have been \$6,826,917, plus continued annual O&M payments of \$465,776 to PG&E in perpetuity. During negotiations with PG&E the parties concluded that a "one-time equivalent lump sum payment" in lieu of annual O&M payments would be \$5,281,524, plus \$1,129,657 in Federal ITCC tax for a total of \$6,461,231. After review of these two options, the District concluded it would less costly to deed the 15kV line to PG&E and to pay a "one-time equivalent lump sum payment" in lieu of annual O&M costs of \$465,000 in perpetuity. The return on investment of the transfer of the facilities and one-time payment was a better option for District customers than constructing the Switch Station.

Position tracking snow removal equipment via GPS continued this year enabling the District to track equipment throughout the valley. GPS data, in conjunction with operator feedback, is used to equitably adjust snow removal contracts based on actual time spent by location and enables homeowners to receive automatic notification when their driveways are plowed. We believe the GPS technology allows for more accurate billing but acknowledge that the change to GPS tracking has produced some customer complaints and questions. To address these concerns the District held an informational meeting on October 13 to explain snow removal operations and to answer customer questions and concerns. As a result of this meeting some

operational changes will be implemented this season to improve efficiency and to further refine GPS accuracy for billing purposes.

If you haven't done so already, we highly recommend you sign up at www.kmpud.com/register as an account holder where you will be able to access your monthly billings and current meter information, receive emergency notifications, newsletters and agendas, and be part of and access the Kirkwood Directory.

The District relies on five Standing Committees established by the Board of Directors (Finance, Operations, Planning, Information Technology, and Personnel) to help guide its operations and make strategic recommendations. Community participation and input is a vital component to the performance and results achieved from the District's Committees, and we are actively seeking Kirkwood residents, landowners and ratepayers to provide perspective and expertise otherwise not readily available to the Board. The District encourages your participation. Much more information on the Standing Committees can be found at www.kmpud.com.

Our General Manager, Erik M. Christeson, P.E., assumed his position in September 2017 upon the retirement of the prior General Manager, Michael Sharp. Erik quickly became acquainted with the District's operations and has implemented a number of beneficial changes to improve employee safety and productivity, as well as overall District performance in all service categories. The Board is pleased that the change of General Managers was a nearly seamless transition for the Board, staff, and community. If you have not met Erik, we encourage you to stop by the District offices to say hello and to introduce yourself.

In summary, the District had a sound financial and operational year. Each year brings new challenges to address, but the Board believes the District is on a solid and well considered path to continue to provide reliable services to the Kirkwood community. Arguably, our number one challenge—to improve the affordability of services—remains difficult to achieve in the face of stagnant customer growth and an aging District infrastructure. Be assured, however, that the Board is committed to this effort and continues to investigate all reasonable strategies to reduce ratepayer costs while ensuring safe and reliable services for the Kirkwood community.

Below is greater detail regarding some of the subjects touched on above, and other topics, as well. Please do not hesitate to contact the Board or General Manager for further details.

Sincerely,

Geoff Smith
President

Kirkwood Meadows Public Utility District Board of Directors

Geoff Smith, President - gsmith@kmpud.com

Eric Richert, Vice President – erichert@kmpud.com

Standish O'Grady, Treasurer – sogrady@kmpud.com

Peter Dornbrook, Secretary – pdornbrook@kmpud.com

Bob Epstein, Assistant Secretary – bepstein@kmpud.com

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's service area encompasses 1.875 square miles and includes approximately 239 single family homes and 475 multifamily residential units, in addition to 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 covering 732 acres of privately held land.

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
- Employee Housing
- Cable Television Administration
- Parks and Recreation Services

Following is an update on the District's Financials and all the services that the District provides.

FINANCIALS

In fiscal year ending (FYE) 2018 total operating revenues (\$9,492,974) including property tax topped \$9 million for the third year in a row. (Total operating revenues for FYE 2017 were \$9,448,525). This continued good performance can be attributed to Vail's snow-making efforts in January and February, reimbursement from FEMA for prior year storm damage, as well as Kirkwood having the best snow in the greater Lake Tahoe region.

Managing operating expenses for FYE 2018 was a difficult task given the lack of early season snow and unforeseen storm related expenses at the Wastewater Treatment Plant. Below, is a table listing some of the unbudgeted expenses.

Centrifuge Repair - Centrysis	\$30,100
Hycore Brush Assembly	\$1,450
Leach Field Pump	\$6,590

The table below is a snapshot of the District's revenues and expenses for this reporting period compared to the prior year:

	FYE 2017	FYE 2018	Change
Operating Revenues	\$8,622,376	\$8,638,997	\$16,621
Property Taxes	\$826,148	\$853,977	\$27,829
Operating Expenses	\$8,516,050	\$7,436,496	(\$1,079,554)
Non-Operating Revenues	\$905,012	\$425,180	(\$479,832)
Non-Operating Expenses	\$1,703,465	\$2,033,236	\$329,771
Net Income	\$134,021	\$448,422	\$314,401

The decrease in non-operating revenues from FYE 2017 to FYE 2018 in the table above is due to reimbursement from FEMA for last year's storms predominantly occurring in FYE 2017, with \$365,034 in FYE 2018, while the decrease in operating expenses is largely due to significantly less rain on snow events, as well as operational changes. Operating Revenues are the payments that the District receives for the nine services that it provides to its customers: electricity, propane, water, wastewater, snow removal, solid waste, fire protection, employee housing and cable television. Operating Expenses are the direct expenses (primarily cost of goods sold and salaries & wages) and the General and Administrative overhead expenses for providing these services including depreciation. Non-Operating Revenues include payments for Connection Fees, Investment Income and Contribution Revenues (contribution revenues are

infrastructure additions that are deeded to the District from any new developments as well as any donated equipment) received by the District. Non-Operating Expenses consist of Interest and Amortization expenses.

The District’s Cushion of Credit account has earned over \$60,000 in interest for this fiscal year. This account, with the U.S. Department of Agriculture’s Rural Utilities Service (RUS), allows the District to make advance deposits for interest and principal payments on our RUS loans while earning 5% on those advance deposits. The District’s goal is to keep a balance of \$700,000 in this account for future payments while maintaining a minimum amount of \$1 million in our regular Operating Account.

The District’s audited financial statements ¹ for FYE 2017 can be found at: <https://www.kmpud.com/wp-content/uploads/Kirkwood-Meadows-PUD-2018-Audit-Issued.pdf>

Property Tax

The District receives property tax revenue collected in Kirkwood from each of the Counties as follows: Alpine 20% of the base year 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 departments 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 tier requirements, augment Kirkwood Volunteer Fire Department operations, and to help fund capital projects. Following is a breakdown of how these property taxes are to be allocated for the 2017-2018 fiscal year:

DEPARTMENT	PROPERTY TAX ALLOCATION
Water	\$85,096
Wastewater	\$394,472
Electric	\$150,000
Fire	\$136,847
Mosquito Abatement	\$21,672
Parks & Recreation	\$16,537
Employee Housing	\$49,353
TOTAL	\$853,977

Connection Fees

Connection fees are fees paid by new development for infrastructure needed to service that development. A “Schedule of Connection Fees and Services” can be found on the District’s website at <https://www.kmpud.com/new-development/>.

¹ The District’s audited financials differ from our operating results (including all interest, taxes, depreciation and amortization expenses) due to formatting and to the recently required application of GASB 68: http://www.gasb.org/jsp/GASB/Pronouncement_C/GASBSummaryPage&cid=1176160219492.

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.

Operations

The District is permitted to operate its water system based on certifications from the California Regional Water Quality Control Board and issues an annual Consumer Confidence Report with test results from samples taken throughout the Valley to ensure water quality for our customers continues to exceed standards as set forth in the Federal Safe Drinking Water Act.

2015 & 2016 Perchlorate Monitoring Requirements

District staff failed to monitor for a specific contaminant as required for drinking water standards during the calendar years of 2015 and 2016 and, therefore the District was in violation of the regulations.

The District is required to monitor your drinking water for specific contaminants on a regular basis. Results of regular monitoring are an indicator of whether District drinking water meets health standards. During the calendar years of 2015 and 2016, District staff did not monitor and report a perchlorate sample result from Well 2, Well 4, and Well 5 and therefore, cannot be sure of the quality of our drinking water relative to this one constituent during that time.

Clerical oversight caused the failure to sample perchlorates at the designated sampling sites within the compliance monitoring period. Samples taken in 2017 from these sites were non-detect for perchlorate as were all samples taken in previous years. The District has made changes to ensure annual compliance with all monitoring requirements mandated by the water permit and Title 22 California Code of Regulations.

Capital Improvements in FY 2017-18

Capital improvements for the Water Department included the routine replacement of some fire hydrants.

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 Services Capacity Analysis completed in 2014 predicts the District will have a deficit of 217,400 gallons per (peak) day at build out. The District has been exploring the ability to develop additional water sources to augment its supply, including drilling additional wells and obtaining surface water rights from Caples Lake.

The Services Capacity Analysis finds that the District has a current water storage deficit of 161,250 gallons for operational, emergency and fire flow requirements. At build-out, the system will require an additional 553,400 gallons of storage. The District is investigating the installation of an 800,000-gallon water storage tank, or consolidating tanks to a single larger tank, to meet these 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 a relatively recent innovation in wastewater treatment where membrane microfiltration is used to produce a discharge effluent of very high quality. Other advantages of MBRs over conventional processes include a small footprint and easy retrofit to upgrade older wastewater treatment plants.

Operations

The District provides sanitary wastewater collection, treatment and disposal for the community of Kirkwood. The WWTP is permitted under the jurisdiction of the Regional Water Quality Control Board under Waste Discharge Requirements (WDR) Order No. R5-2007-0125. The WDR contains monitoring and reporting requirements, which include quarterly and annual sampling of groundwater at nine locations around the Kirkwood Valley. Additionally, the District is also required to prepare, implement, and update every five years a Sanitary Sewer Management Plan (SSMP) to describe the maintenance and repair efforts to our Collection System.

Rain on Snow Event Leads to 50,000 gallon Wastewater Spill

In late April 2018, a severe rainstorm caused catastrophic flooding which inundated the wastewater collection system to levels with which the WWTP could not keep up. The District prepared for this event by proactively emptying all storage and staffing for the anticipated event. Despite utilizing all storage and disposing of all treated effluent at maximum rates, the WWTP was overwhelmed and Manhole 69 backed up resulting in a 50,000 gallon spill. The District is implementing repairs and rehabilitation of some of the most susceptible elements in the collection system in an effort to avoid similar incidents in the future.

Failure of WWTP Components

Throughout the year, numerous components failed at the WWTP and required repair or replacement. These included multiple repairs of the Centrifuge, replacement of the Hycore Brush Assembly and replacement of a leachfield pump. The current plant is over 40 years old and much of the equipment has reached the end of its useful life.

Recognizing this, the District retained an engineering consultant to perform a WWTP Feasibility Study that will investigate repair, rehabilitation, and possible replacement of the WWTP, its equipment, and processes. This report should be complete by November 2018 and will present a "game plan" for the future of the WWTP.

Capital Improvements in FY 2017-2018

During the year the District made various collection system repairs and repaired Manhole 99, which was the source of significant leaks. The repair of the manhole was somewhat successful, but further improvements will be made as part of FYE 2019's capital projects. The District

previously videoed multiple collection lines and identified potential sources of inflow and infiltration of storm and groundwater into the wastewater system. The District has planned on-going repairs of the most critical issues over the next 5 years.

Future Wastewater Needs

The Capital Plan for 2018-2019 includes continued work on inflow and infiltration repairs to leaking manholes and collection mains, repairs to the WWTP roof, completion of the WWTP Feasibility Study, and investigation of funding of necessary improvements as identified by the Study.

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.

Operations

The District is inspected regularly by the CPUC (California Public Utilities Commission) Safety Unit and conforms to the provisions found in General Order 165. The District's system and maintenance records were inspected by the CPUC in 2017, and only minor infractions were noted.

The District is nearing completion of the Circuit Project, to trace and map out the District's main circuit lines. The Commercial and Lift Circuits have been completed, and a portion of the Residential Circuit is complete.

Capital Improvements

The District installed tested and replaced numerous commercial meters that were reading usage incorrectly and the District was able to recoup significant lost revenue as a result. The District also replaced two damaged riser vaults.

Future Needs

The Capital Plan for 2018-2019 includes continued commercial meter testing and CT testing.

Generation (Powerhouse)

Description

The District constructed and operates a 5-megawatt standby Powerhouse for use when the Out-Valley electric line is down, which occurred twice this winter. During the January rain-on-snow event, the Out-Valley transmission line was damaged, and the Powerhouse was needed for a period of eight days. Then, in February, a PG&E outage required that the Powerhouse be in operation for an additional two days. The Powerhouse is equipped with three 950-kilowatt CAT generators and five 430-kilowatt Volvo generators.

Operations

The Powerhouse operates under permit with the Great Basin Air Pollution Control District (GBUAPCD) and is required to complete regular testing and reporting to maintain good standing.

Capital Improvements

The District plans to perform maintenance of the Continuous Emission Monitoring System.

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.

Operations

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. An annual Work Plan is developed and approved by the USFS which details the necessary operations and maintenance proposed by the District. 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

Significant drainage structures at the two T1 communication line conduit crossings were constructed to eliminate recurring freeze-thaw issues that regularly disrupted communications between Kirkwood and the Out-Valley project.

The issue involving the delineation of PG&E and District's responsibility has at long last been resolved. The Point of Interconnection of the 115 kV line is currently located at Salt Springs Reservoir. PG&E either requires the District to build a Switch Station at the Salt Springs Reservoir at a cost of approximately \$6.8 million or the District to deed the 115Kv line to PG&E by October 26, 2018 in accordance with our contract with PG&E. Additionally, the District currently pays approximately \$163,000 in annual Operation & Maintenance (O&M) payments which will increase to approximately \$465,000 after the October deadline. Instead of O&M payments to PG&E in perpetuity, the District has opted for a one-time equivalent O&M payment at a negotiated price of \$6.4 million.

Future Needs

The Capital Plan for 2018-2019 includes replacement of access gates along the Out Valley alignment that were destroyed during the 2016-2017 winter, and replacement of key Out Valley cabinets and relay programming.

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.

Operations

The District is regularly inspected by the CPUC (California Public Utilities Commission) Safety Unit. Their last inspection was completed on September 11, 2013.

District inspected and identified meters with inadequate protection and worked with homeowners to rectify the issues.

Capital Improvements

The District will be performing a leak survey on the distribution system and identifying needed repairs. At the same time, the District will attempt to replace at least 10% of all propane meters, as per CPUC requirements. Finally, the District will be replacing 1950 vintage, failing valves on its bulk storage tanks and installing piping that will allow staff to isolate each tank if necessary.

Future Needs

A project to investigate the options for additional 30,000-gallon storage will be evaluated.

SNOW REMOVAL OPERATIONS

Description

The District has been performing Snow Removal services for various Homeowner Associations and private homeowners for the past 14 years. During the 2017-2018 winter season, the District removed snow for 22 Homeowner Associations and 58 private homeowners.

After the 2016-2017 snow year in which Kirkwood received 657 inches of snow and 42 inches of rain, 2017-2018 was quite the contrast with only 289 inches of snow and 8 inches of rain, with 68% of the snow in March.

The rain-on-snow events in April brought challenges including flooding and a resultant wastewater spill.

Operations

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. The District also spreads traction sand to icy roadways when needed.

Capital Improvements

The District continued use of GPS devices on all Snow Removal Equipment for the second year. These devices are tied into a software package that can identify:

- Where each piece of equipment is in one-minute intervals, with all turns recorded.
- Areas that have been plowed, and length of time to plow each area.

The data collected will be used to make sure we are optimizing our resources to help keep costs down and to fairly allocate costs across customers.

The District also acquired a new 950 Loader for snow removal that will continue to improve the efficiencies of snow removal efforts.

Future Needs

New Trackless machines are budgeted every two years starting in 2020 as our existing fleet continues to age. Other planned improvements include a small snowcat.

SOLID WASTE OPERATIONS

Description

The District provides a central, well maintained Solid Waste Transfer 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 a variety of locations in Kirkwood's commercial zone. The ski resort manages its own solid waste collection service via South Tahoe Refuse.

Operations

District staff inspect and maintain all collection facilities daily and coordinate weekly off-site hauling operations with ACES Waste Services (ACES). District staff also conduct routine maintenance and repair of all District collection dumpsters. 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

There were no capital improvements to Solid Waste Operations during FYE 2017-2018.

No Service Interruptions Due to Road Closures

Despite multiple highway closures, there were no interruptions in solid waste services to District customers. This was due in large part to cooperative efforts between District staff and ACES Waste Services, which included hand-transfer of the waste stream between facilities, and flexible hauling schedules.

Future Needs

Solid waste demand is currently being met by the District, but it is anticipated that at build-out, more dumpsters and collection facilities will be required. District staff is currently researching this issue and potential sites for development.

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 wild land fires, search and rescue, hazardous materials spills and vehicle accidents in Kirkwood, as well as covering an area east to Carson Pass and west to Tragedy Springs Road along SR 88. The KVFD also works in partnership with the Eldorado National Forest, Alpine and Amador Counties, and many other agencies to promote fuels 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 three major annual fundraisers to benefit the fire department are the Kirkwood Summer Festival, the Labor Day 5K/10K/Kid's Fun Run and the "Thin Air" Chili Cook Off. 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. The 2018 Summer Festival raised over \$34,000 (excluding District labor) which has been allocated to purchase new self-contained breathing apparatus (SCBA) equipment for the volunteer firefighters, and to hire a seasonal firefighter during the busy winter months. In 2017, KVFD hosted the 'Thin Air' Chili Cook Off, which helped the fire department to raise additional funds. In 2018, Kirkwood Community Association returned as the host, with 50% of the proceeds going to benefit KVFD.

Operations

The Fire Department's volunteers report to the Chief, with an established command structure. The KVFD Chief and Captains train and direct volunteer members in all fire department and Emergency Medical Service (EMS) activities. During this report period, there were ten active volunteer firefighters, with various firefighting and EMS skills who responded to calls.

The Fire Department's existing apparatus consists of two Type 1 pumpers, (E-93 and E-193) both capable of delivering 1,250 gallons per minute of water. E-93 is the front-line apparatus and is now 11 years old and remains in very good condition. The E-193 is the reserve apparatus and is now 31 years old and still in good condition. The KVFD also has several other utility type vehicles that it shares with other District departments daily.

The District also administers a free roadside chipping program, from June through October, through the Defensible Space Chipping Program. To participate, stack cut brush and limbs up to 4 inches in diameter within 5 feet of the road edge, with cut ends facing toward the road, no higher than 4 feet. District staff monitors roadways and completes chipping as needed.

This year, KVFD hired a seasonal part-time firefighter to help support KVFD during peak call volume periods – Fridays, Saturdays, Sundays and Holidays.

Capital Improvements

The 2018-2023 Capital Plan calls for the continued replacement of radios, hydrant repairs and replacement and minor hose replacements.

Future Needs/Fire Service Master Plan

The Fire Service Master Plan that was created in 1997 was updated and adopted this year and will be used as the foundation for determining future operations, staffing, equipment and funding needs of the KVFD.

Funding

The District updated the 1997 Fire Service Master Plan, with the long-term goal for this project to provide a stable, long term source of funding to meet the additional needs of the Fire Department through build-out, as determined in the revised Fire Service Master Plan. Funding options being reviewed include a local sales tax, Special Tax, Special Assessment District, soliciting voluntary support from Vail, doubling the current assessment, and requesting additional property tax money from the counties.

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 four other 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, picnic tables and barbeque as a community service.

Employee Housing

The District provides an 8-unit building with 12 bedrooms known as Lava Rock Lodge to house employees critical to the 24/7 operations of the District.

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

STAFFING

Current Levels

The District has 19 full time staff members, and up to six seasonal employees depending on snowfall/business levels. The District is proud of its employee retention, and promotes a wellness initiative, ergonomics and other incentives and programs to help maintain a healthy working environment. You can read about our staff at www.kmpud.com/about/staff/.

Training

In FYE 2018, all fulltime employees participated in CPR, confined space, communications with difficult customers, Board-Staff communications, team building, and cyber security awareness training. The Operations staff had additional training on snow removal hazards/safety and precautions for equipment. The Electrical Staff had additional training on electrical distribution and transmission safety training. All employees are encouraged to seek out training opportunities that will benefit both the District and promote personal growth.

STANDING COMMITTEES

Finance Committee

Chair – Standish O’Grady

Members – Eric Richert, Mark Duvall, Jack Longinotti, Allan Sapp, Nancy Trevett, Paul Pfothauer

Current Agenda Topics:

- District’s Financials
- Audit
- Rate Structures
- Grants
- Bad Debt Policy
- Fundraising Accounting

Operations Committee

Chair – Peter Dornbrook

Members – Standish O’Grady, Howard Hoffman, Greg McManus, Caroline Scott

Current Agenda Topics:

- Future Equipment Needs
- Wastewater Master Planning
- Employee Desk Manuals
- Utility Design Standards
- Fire Code
- Hazardous Trees Removal
- Wastewater Collection System, Inflow and Infiltration Issue and Absorption Beds

Planning Committee

Chair – Eric Richert

Members – Bob Epstein, Judy Flinn, Brian Bigley, Cheryl Stern, Nate Whaley

Current Agenda Topics:

- Electric Vehicle Charging Stations
- Will Serve Updates
- Loop Road School site parking
- Snow Storage
- Vail High Voltage Line Replacement
- Grant Administration
- Parking Master Plan
- LAFCO Representation
- Discount Utility Rates

Personnel Committee

Chair – Geoff Smith

Member – Bob Epstein

Current Agenda Topics:

- Wellness Program
- Staff Training and Certifications

IT (Information Technology) Committee

Chair – Bob Epstein

Members – Standish O’Grady, Steve King (Wired Solutions), Bruce Lawler

Current Agenda Topics:

- Disaster Recovery Plan/ Emergency SOP
- Password Management
- Privacy Policy
- Website
- Network communications between District facilities

ADDITIONAL RESOURCES:

For more information about the Kirkwood Meadows Public Utility District, please refer to the following resources:

Audited Financials FY 2017-2018:

<https://www.kmpud.com/wp-content/uploads/Kirkwood-Meadows-PUD-2018-Audit-Issued.pdf>

5-Year Budget:

<https://www.kmpud.com/wp-content/uploads/KMPUD-2019-2023-Budget.pdf>

Board and Committee Meeting Schedule:

<https://www.kmpud.com/community/calendar-of-events/>

Consumer Confidence Report

<https://www.kmpud.com/wp-content/uploads/Consumer-Confidence-Report-2017.pdf>

On-line Signup for Utility Use Information: <https://www.kmpud.com/register/>