



BOARD OF DIRECTORS
KIRKWOOD MEADOWS PUBLIC UTILITY DISTRICT
33540 Loop Rd., P.O. Box 247, Kirkwood, CA 95646
Telephone (209) 258-4444

SPECIAL MEETING OF THE BOARD OF DIRECTORS
Saturday, February 3, 2018 – 8:00am

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 8:00 am.

2. ANNOUNCEMENTS

General Manager Christeson

General Manager Christeson welcomed members of the public and Alpine County Supervisor Terry Woodrow. This Special Board 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 should identify themselves when making comments. Director Richert added that he requested Closed Session take place at the beginning of the meeting under Item 8. due to a family emergency and apologized for any inconvenience this may have caused.

3. ROLL CALL

Secretary Dornbrook

Board of Directors Present: President Smith, Directors Epstein and Dornbrook. Director Richert attended via teleconference.
Board of Directors Absent: Director O'Grady
Staff Present: General Manager Erik Christeson, Assistant General Manager Ansel, Assistant Manager Administration Kelly McBride, Assistant Manager Operations Brandi Benson, Clerk of the Board Jessica Austin and IT Representative Drew Meteer
Others Present: Kirkwood Property Services General Manager John Reiter and Alpine County Supervisor Terry Woodrow.

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 January 13, 2018**
Approve January 13, 2018 Board Meeting Minutes

Director Dornbrook motioned to approve the Regular Board Meeting Minutes of January 13, 2018. Director Epstein seconded the motion and it carried by the following roll call vote:

AYES: President Smith, Directors Dornbrook, Epstein and Richert

NOES: None

ABSENT: Director O'Grady

ABSTAINING: None

b. **Current Consent for Claims**

Approve Current Consent for Claims

Director Epstein motioned to approve the Current Consent for Claims. Director Dornbrook seconded the motion and it carried by the following roll call vote:

AYES: President Smith, Directors Dornbrook, Epstein and Richert

NOES: None

ABSENT: Director O'Grady

ABSTAINING: None

c. **Receivables/Shut Offs**

Review current Receivables/Shut Offs Report

Director Dornbrook motioned to approve the Receivables/Shut Offs Report. Director Epstein seconded the motion and it carried by the following roll call vote:

AYES: President Smith, Directors Dornbrook, Epstein and Richert

NOES: None

ABSENT: Director O'Grady

ABSTAINING: None

7. **CONSENT ITEMS BROUGHT FORWARD FOR SEPARATE DISCUSSION / ACTION:** None

8. **CLOSED SESSION**

a) **Closed Session significant exposure to litigation involving one potential case concerning the KMPUD/PG&E Interconnection Agreement.**

i. **Government Code section § 54956.9(d)(2)**

The meeting adjourned for Closed Session at 8:07am

The meeting reconvened for Open Session at 8:47am.

President Smith reported on the Closed Session discussion regarding significant exposure to litigation involving one potential case concerning the KMPUD/PG&E Interconnection Agreement. The Board directed the General Manager and the Ad-hoc Committee to review and pursue RUS and COP Funding to fund a one-time, lump sum Operations & Maintenance payment to PG&E versus a monthly payment in perpetuity per the Interconnection Agreement with PG&E. Further, the Board directed the General Manager and the Ad-hoc Committee to analyze the one-time payment to determine the best benefit to District customers.

9. **ITEMS FOR BOARD ACTION**

a. **Finances. Discussion and Possible Action Regarding the District's Financials.**

Assistant Manager, Administration McBride

Lead: Finance Committee

Assistant Manager McBride presented the December Financials, Income Statements, Cash Waterfall, and Known Budget Variances. General Manager Christeson and Assistant Manager McBride answered questions throughout the presentation.

i. December Financials. Assistant Manager McBride reviewed the balance sheet noting there was a \$1MM transfer from Operating to the Operating Reserve, as budgeted, in January as noted in Cash Flow. Reviewing the Combined Income Statement, it was noted the overage in Other Revenue is due to the Greenhouse Gas Allowances the District receives annually. Year-to-Date net loss is up from planned due to reimbursement funds received from the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES) for the weather-related emergencies experienced during January and February 2017. The overage in Cost of Goods Sold in the Electric Department for December is due to the purchase of diesel to operate the powerhouse during an unexpected two-day PG&E power outage on December 4th and 5th due to unknown causes.

ii. Cash Flow. Due to the early timing of the Board Meeting only December numbers were presented. January Preliminaries and Cash Flow will be calculated and sent to the Board and Finance Committee members later this week.

iv. Budget Variance Tracking. The iPad App development was updated through January.

b. **FY 18/19 Budget**. *General Manager Christeson*

General Manager Christeson presented the updated 2018/2019 Budget noting discussions with the Operations Committee are ongoing regarding details of the Key Assumptions. It was noted that a decreased budget assumption in Mosquito Abatement is due to a lapse in operator certification and anticipated non-renewal of said certification. An increased assumption in Snow Removal is due to the upcoming purchase of a new CAT loader. Discussion ensued regarding mosquito abatement and options for performing mosquito abatement in the Valley. The Board requests staff evaluate the cost effectiveness of hiring a contractor to perform mosquito abatement. General Manager Christeson will evaluate options and bring back the mosquito abatement topic to the Operations Committee for consideration. The only substantive change to the Key Assumptions is the revision of the Capital Budget to accommodate needed repairs at the Wastewater Treatment Plant and anticipated satisfaction of the District's Interconnection Agreement with PG&E. Director Epstein asked a question regarding the use of the term Equivalent Fixture Units (EFUs) versus Equivalent Dwelling Units (EDUs). Discussion ensued regarding Equivalent Dwelling Units (EDUs). Director Epstein requests staff develop a plan on how to calculate EDU values moving forward. General Manager Christeson will develop and present a plan to the Finance Committee.

Director Richert asked a question regarding the timing of some projects on the Capital Plan. Discussion ensued regarding timing of specific projects on the Capital Plan.

c. **Wastewater Systems. Update Regarding Recent Collection, Plant and Disposal Issues.**

General Manager Christeson gave an update on problems experienced with wastewater collection, treatment, and disposal systems during the last six months, summarizing a total of \$121K in unanticipated expenses. Deferred maintenance and aging infrastructure are predominantly responsible for the problems experienced, requiring emergency response and repair by District staff. Discussion ensued regarding the Wastewater Treatment System and funding options available to repair and/or replace failing infrastructure. Director Dornbrook provided historical knowledge and comments on current degradation of the Wastewater Treatment Plant (WWTP). Superintendent Dornbrook is giving a tour of the WWTP to Operations Committee and Board members on Tuesday, February 6th.

d. **Wastewater Feasibility Study. Discussion and Possible Action Regarding Retaining a Consultant to Perform a Feasibility Study Relative to Short and Long-Term Solutions for the Wastewater Treatment Plant.** *GM Christeson*

General Manager Christeson summarized staff recommendation to retain an Engineering Consultant who specializes in wastewater to perform a feasibility study on the WWTP and draft a preliminary design for repairs and/or replacement of the WWTP and infrastructure. The results

of the feasibility study will be used as a planning tool and aid in securing possible grants and low interest loans. Options will not be implemented until the District has secured funding.

Director Dornbrook motioned to authorize General Manager Christeson to pursue bids and award a contract, not to exceed \$45K, to perform a feasibility study as outlined in the Wastewater System Feasibility Study Staff Report. Director Epstein seconded the motion and it carried by the following roll call vote:

AYES: President Smith, Directors Dornbrook, Epstein and Richert

NOES: None

ABSENT: Director O'Grady

ABSTAINING: None

e. Performance Reporting & Aquifers Levels. Discussion of Efficiencies/ Losses of Each Department and Production Well Levels.

Assistant Manager, Operations Benson

Assistant Manager Benson presented the January Performance Report noting that some wastewater was metered twice, accounting for the unidentified loss. General Manager Christeson noted that storm drain manhole covers have been used in some areas that require sanitary sewer manhole covers, allowing inflow to occur. Staff is currently working to correct this issue. Aquifer levels for January were presented including annual data from 2016 and 2017.

9. GENERAL MANAGER REPORT *General Manager Christeson*

General Manager Christeson reported on:

1. Employee Housing Ordinance meetings with Vail and Kirkwood Resort Development. A revised draft will be presented to the Planning Committee.
2. Violation/deficiency update relative to the water and wastewater notices of deficiency that the District received from the State Water Resources Control Board. All documents that were required to be submitted and/or resubmitted have been sent to the State via email, certified mail and the District's testing lab has submitted test results as well.
3. The Tesla Charging station to be located at Kirkwood Station on Highway 88 has been put on hold by Tesla.

Director Epstein requested an update on the Parking Master Plan. There is a four-month schedule for Vail's consultant to prepare a Parking Master Plan.

10. OPERATIONS REPORT *Assistant General Manager Ansel*

Assistant General Manager Ansel reported on:

1. Scheduled PG&E power outage that took place from January 22 to January 29 in order for PG&E to perform maintenance. Assistant Manager Benson reported on a power quality issue experienced on January 29 when PG&E switched the District back to grid power.
2. A roadway safety analysis currently being conducted by Amador, Alpine, and Calaveras Counties.
3. Assistance Firefighter Grant application submitted to FEMA to aid in the purchase of ten (10) Self Contained Breathing Apparatus' (SCBAs).

Questions were answered, and discussion took place throughout the presentation. President Smith offered past experience with grant applications and awards.

11. STANDING COMMITTEE REPORT

a. **Planning Committee**

The Planning Committee has not met since the last Board meeting, therefore no update.

b. **Operations Committee**

Director Dornbrook reported that all Committee items were covered.

c. **Personnel Committee**

President Smith reported on Committee discussions regarding:

1. Board member training.
2. Staff training accomplishments.
3. Financial training options for the General Manager.
4. Team building for staff and Board members to take place in May 2018.
5. The formation on an Ad-hoc Committee to discuss confidential personnel items as the need arises.
6. President Smith reported his appointment of an Ad-hoc Fire Services Funding Committee reporting to the Finance Committee and tasked to source, evaluate and recommend funding strategies to meet current and future Fire Department operations and capital needs. Funding options in the KVFD Master Plan will guide without limiting the Committee's study.
Committee members are: Eric Richert (Chair), John Reiter, Alan Sapp, Toni, Sarrica, and Bruce Gianola. The first meeting of the Fire Services Funding Ad-hoc Committee will be held on February 14, 2018 at 2:00pm.
7. Director Epstein added that the Personnel Committee recommends providing an annual summary on the use of Ad-hoc Committees.

d. **Finance Committee**

Director Richert reported the Finance Committee has not met since the last Board meeting, therefore no update.

e. **IT Committee**

Director Epstein reported on Committee discussions regarding managing cyber security on all District devices and staff efforts to come into compliance with Section 508, a federal law mandating that all government websites be accessible to people with disabilities.

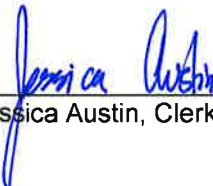
12. GENERAL DISCUSSION

Director Richert had comments/questions regarding:

1. The availability of Proposition 1 funding for water systems. General Manager Christeson stated that some funds may still be available.
2. Public Utility Commission's (PUC) Fire Risk Map noting that the District's overhead line is located in an elevated and extreme fire risk area. General Manager Christeson stated the District is aware of the Fire Risk Map and will use it as one of the many tools to determine needed tree removal. Discussion ensued regarding the location of the District's overhead line.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:10am
(The next Special Board Meeting is Saturday, March 17, 2018 at 8:00am)



Jessica Austin, Clerk of the Board



Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District