



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, May 12, 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 and announced the annual regular meeting of the Kirkwood Volunteer Fire Department, a Nonprofit Public Benefit Corporation, will take place at 10:00am and the annual regular meeting of the KMPUD Public Facilities Corporation, a Nonprofit Public Benefit Corporation, will take place at 10:15am.

2. ANNOUNCEMENTS

General Manager Christeson

General Manager Christeson welcomed members of the public to this Regular Board meeting. 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 should identify themselves when making comments.

3. ROLL CALL

Secretary Dornbrook

Board of Directors Present:	President Smith, Directors Dornbrook, and O'Grady
Board of Directors via Teleconference:	Director Richert
Board of Directors Absent:	Director Epstein
Staff Present:	General Manager Erik Christeson, Assistant General Manager Rick Ansel, Assistant Manager Administration Kelly McBride, Assistant Manager Operations Brandi Benson, Clerk of the Board Jessica Austin and IT Representative Drew Meteer
Others Present:	Alpine County Supervisor Terry Woodrow, Kirkwood Property Services General Manager John Reiter, Resource Concepts (RCI) Principal Joe Cacioppo, Community Member Bertrand Perroud

4. COMMENTS FROM THE AUDIENCE:

Bertrand Perroud had comments and questions regarding snow removal contracts. President Smith requested that Bertrand address the Board during Agenda Item 8g. Snow Removal Contracts FY 2018/2019.

Joe Cacioppo, RCI Principal, introduced himself and thanked the Board for renewing RCI's contract for Environmental and Civil Engineering services.

5. CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR:

None

6. ADOPTION OF CONSENT CALENDAR

- a. **Regular Board Meeting Minutes of April 14, 2018**
Approve April 14, 2018 Board Meeting Minutes
- b. **Current Consent for Claims**
Approve Current Consent for Claims
- c. **Updated Operations Committee Charter**
Approve updated Operations Committee Charter
- d. **Appointment of Paul Pfothenauer to Finance Committee**
Approve Appointment of Paul Pfothenauer to Finance Committee
- e. **Resolution 18-02 Updating Bank of the West Account Signatories**
Approve Resolution 18-02 Updating Bank of the West Account Signatories

Director Dornbrook motioned to approve the Adoption of the Consent Calendar as presented. Director O'Grady seconded the motion and it carried by the following roll call vote:

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

NOES: None

ABSENT: Director Epstein

ABSTAINING: None

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

None

8. ITEMS FOR BOARD ACTION

- a. **Review Receivables/Shut Offs Report. Discussion and Possible Action.** *Assistant Manager, Operations Benson*

Assistant Manager Benson presented information for two commercial electric meters, Chair 11 and Snowmaking Pumphouse, that have been underbilled for several years due to faulty wiring. The meter reading errors were discovered by District staff through comparative testing during the 2017/18 winter season. District Contractor, Trimark, tested and confirmed that meters for Chair 11 and the Snowmaking Pumphouse were not reading correctly. Trimark has repaired the faulty wiring and confirmed the meters in question are now reading correctly. District Policy allows for back billing the customer up to six months for undercharged usage. District staff recommends approval by motion, billing Chair 11 for underbilled usage per District Policy and to advise the customer that the District reserves the right to bill the Snowmaking Pumphouse per District Policy, based on six months from when staff discovered the error and subject to verification once snowmaking resumes.

Director Dornbrook motioned to approve the Receivables/Shut Offs Report, including billing for underbilled usage for Chair 11 and to advise the customer that the District reserves the right to bill the Snowmaking Pumphouse per District Policy, based on six months from when staff discovered the error and subject to verification once snowmaking resumes. Director O'Grady seconded the motion and it carried by the following roll call vote:

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

NOES: None

ABSENT: Director Epstein

ABSTAINING: None

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

Assistant Manager, Administration McBride

- i. March Financials. Assistant Manager McBride presented the Consolidated Balance Sheet, noting total operating cash and total cushion of credit are up from planned. Reviewing the Combined Income Statement, it was noted the overage in Other Revenues is due to a transfer of funds from the KVFD 501c3 account to the KVFD account, in order to cover the cost of employing a seasonal firefighter for the 2017/18 winter season. Continuing review of the Combined Income Statement for each department, total revenues are up from planned and include reimbursement funds received from the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES). It was noted the Fire Department operates at a loss, highlighting the need to find alternative sources of funding. Water is showing an overage in Operations and Maintenance due to an instrument purchase classification error that has since been corrected. Water continues to show down from planned due to a budgeting error in base rate revenue that was discussed at the April 14 Board meeting. Snow Removal is showing an overage in Salaries and Wages due to overtime hours paid in March as a result of receiving above average snow fall. March EBITDA is up from planned and does not include funds received from FEMA and CalOES.
- ii. April Preliminary Financials. April operating revenues are down from planned due to the early closure of Kirkwood Mountain Resort. Year-to-date total April revenues are up from planned.
- iii. Cash Waterfall. It was noted that \$500,000 was transferred to the reserve. Discussion ensued regarding transfer of funds to the reserve and anticipated PG&E payments.
- iv. Budget Variance Tracking. Two changes to Budget Variance Tracking are the purchase of the Hi-Cor Brush Assembly at the Wastewater Treatment Plant and an update to payments made to contractor Corey Jackson for development of the iPad App. General Manager Christeson noted that costs of the Centrifuge repair at the Wastewater Treatment Plant will be added.

c. Fiscal Year 2018/2019 Budget. *Assistant Manager, Administration McBride***i. Updated Draft Budget**

Assistant Manager McBride presented changes made to Fiscal Year 2018/2019 Budget since the last Draft Budget presentation, noting that a detailed presentation was given to the Finance Committee at their May 1 meeting. Discussion ensued regarding specific line items. A final version of the 2018/2019 Budget will be completed by May 31 for approval by the Finance Committee and the Board at the July 1 Board meeting. General Manager Christeson presented changes to the Capital Budget.

d. Performance Reporting and Aquifer Levels. Discussion of Efficiencies and Losses for Each Department and Production Well Levels. *Assistant Manager, Operations Benson*

Assistant Manager Benson presented current aquifer levels and a comparison for the past three years. Production and losses for each department were presented, noting the anticipated back billing of Chair 11 will lower the unidentified losses for Electric. Unidentified losses for Wastewater are directly attributed to high Infiltration and Inflow (I&I) into the Wastewater collection system. Discussion ensued regarding I&I and unidentified losses.

e. Fixed Asset and CWIP Capitalization Policy. Discussion and Possible Adoption. *Assistant Manager, Administration McBride*

General Manager Christeson detailed draft Policy Statement No. 370, Fixed Asset and CWIP Capitalization Policy, written in June 2017 and never formalized. Recommended language from District Auditor, Moss Adams and USDA (U.S. Department of Agriculture) have been added to the draft Policy Statement No. 370 to be consistent with USDA RUS requirements. The Finance Committee has reviewed Policy Statement No. 370 and recommends approval.

Director Dornbrook motioned to adopt Policy Statement No. 370, Fixed Asset and CWIP Capitalization Policy, as written. Director O’Grady seconded the motion and it carried by the following roll call vote:

AYES: President Smith, Directors Dornbrook, Richert, and O’Grady

NOES: None

ABSENT: Director Epstein

ABSTAINING: None

f. **Out of Area Service Rate Structure. Discussion and Possible Adoption.** *General Manager Christeson*

General Manager Christeson explained the need for adoption of an Out of Area Service Rate Structure in order to be prepared for requests from potential customers that are not in the District’s service area. A request for electric service has been made by Caltrans for their Peddler Hill Maintenance Station. In this case, the District would provide facilities and PG&E would provide power. District staff recommends applying the current rate structure to Caltrans with the exception of the per kWh charge which will be charged by PG&E. The Finance Committee has reviewed and recommends adoption of the Out of Area Service Rate Structure. Discussion ensued regarding rates and specific charges. General Manager Christeson and Assistant Manager Benson answered questions.

Director O’Grady motioned to approve the Out of Area Service Rate Structure as presented. Director Dornbrook seconded the motion and it carried by the following roll call vote:

AYES: President Smith, Directors Dornbrook, Richert, and O’Grady

NOES: None

ABSENT: Director Epstein

ABSTAINING: None

g. **Snow Removal Contracts FY 2018/2019. Discussion and Possible Action**
General Manager Christeson

General Manager Christeson detailed the method of determining snow removal contract amounts for the 2018/2019 winter season. A lengthy discussion ensued regarding the history of snow removal contract amounts, the current method of determining snow removal contract amounts and specifics of snow removal operations. Preliminary snow removal contract amounts were provided to the Finance Committee for review. Members of the Finance Committee summarized their discussion. General Manager Christeson responded to comments and questions from Community Members Cheryl Stern and Nancy Trevett sent via email.

At 10:05am President Smith recessed the Regular Board meeting to allow for scheduled meetings to take place for the Kirkwood Volunteer Fire Department, a Nonprofit Public Benefit Corporation and KMPUD Public Facilities Corporation, a Nonprofit Benefit Corporation,

At 10:20am President Smith reconvened the Regular Board meeting. Discussion regarding snow removal contracts continued.

Bertrand Perroud will perform his own audit of snow removal data and share his findings.

Director O'Grady motioned to approve offering Snow Removal Services with a 30% maximum increase for both HOAs and Private Driveways. Director Richert seconded the motion and it carried by the following roll call vote:

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

NOES: None

ABSENT: Director Epstein

ABSTAINING: None

h. **Wastewater Inflow/Infiltration in the Meadow. Discussion and Possible Action.** *General Manager Christeson*

General Manager Christeson detailed current problems with infiltration of snow melt and storm water runoff into the manholes in the meadow, staff's inspection of the manholes in the meadow and summarized Operations Committee discussions regarding solutions to mitigate Inflow and Infiltration (I&I). The conclusion of those discussions was to minimize the visual impact to the meadow and avoid raising the manholes as proposed to the Operations Committee. General Manager Christeson presented alternatives to raising the manholes, including replacing and sealing each manhole lid. Discussion ensued regarding timing and costs of sealing each manhole lid. General Manager Christeson will bring a recommendation to the Operations Committee.

At 11:35am Director Richert departed the meeting.

i. **Loop Road Conditions. Discussion and Possible Action.** *General Manager Christeson*

General Manager Christeson detailed Loop Road conditions and discussions with Doug Pierini, Kirkwood Mountain Resort (KMR) General Manager, regarding Loop Road repair and paving. The Reciprocal Easement Agreement was presented, which identifies that KMR is responsible for maintenance of Loop Road and includes remedies for compliance in the event KMR does not meet their obligations. Discussion ensued regarding various options for repair and options for curing non-compliance by KMR, as defined in the Reciprocal Easement Agreement. The Board directed staff to send a Notice of Violation to KMR and seek bids from paving contractors.

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

General Manager Christeson reported on:

1. RUS Loan application progress.
2. Two drinking water citations the District received from the State Water Resources Control Board. Appeals have been filed for both citations.
3. Caltrans Highway 88 meeting regarding issues on Highway 88 during the winter months, attended by General Manager Christeson and Assistant General Manager Ansel.
4. Staff CPR training that took place on Wednesday, May 2.
5. Economic Development meeting that took place at the Community Service Building on Friday, May 11. Vail will facilitate the next the meeting through their newly formed Vail Vision Group.

President Smith reported on specifics of the Economic Development meeting, Vail's Parking Plan relative to the Caltrans Highway 88 meeting, and Tri-Tac's 10-year approval for use of the sprung structures at Timber Creek.

10. **OPERATIONS REPORT** *Assistant General Manager Ansel*

Assistant General Manager Ansel reported on:

1. District summer projects, including, hydrant repair, roof repairs on the well buildings, cleaning of Train 1 at the Wastewater Treatment Plant, Electric and Propane system inspections, and hose testing for the Fire Department.
2. Infrared testing on electrical equipment.
3. Repairs at the Wastewater Treatment Plant, including roof repairs.
4. Kirkwood Summer Festival planning.

11. STANDING COMMITTEE REPORT

a. Planning Committee

The Planning Committee has not met since the last Board meeting.

b. IT Committee

The IT Committee has not met since the last Board meeting.

c. Operations Committee

Director Dornbrook reported all items have been covered.

d. Finance Committee

Director O'Grady reported on review of General Manager Objectives and discussed preparing objectives for next year. The Board directed General Manager Christeson to begin work on a draft of next year's objectives.

e. Personnel Committee

The Personnel Committee has not met since the last Board meeting.

12. TEMPORARY ADVISORY COMMITTEE REPORTS

a. Fire Services Funding. Update of discussion, process and potential costs.

General Manager Christeson reported on three separate fire funding meetings that Director Richert and himself attended with District Counsel Dick Shanahan, Alpine County Supervisor Terry Woodrow, and Amador County Supervisor Lynn Morgan. Various options for funding the Kirkwood Volunteer Fire Department were discussed. Viable options gleaned from those meetings will be discussed at the next meeting of the Fire Services Funding Temporary Advisory Committee taking place on Friday, May 25 at 3:30pm.

13. GENERAL DISCUSSION

None

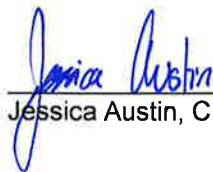
14. CLOSED SESSION

- a. Closed session significant exposure to litigation involving one potential case concerning Tanguy Cossul v. Kirkwood Meadows Public District.**
- i. Government Code section § 54956.9(d)(2)**


No reportable action.

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 12:00pm
(The next Regular Board Meeting is Saturday, May 9, 2018 at 8:00am)



Jessica Austin, Clerk of the Board



Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District