



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, August 12, 2017 – 8:00am

BOARD MEETING MINUTES

Eric Richert, Vice President
Peter Dornbrook, Secretary

BOARD MEMBERS
Robert Epstein, President

Standish O'Grady, Treasurer
Geoffrey Smith, Assistant Secretary

1. CALL TO ORDER

President Epstein

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

2. ANNOUNCEMENTS

Manager Sharp

General Manager Sharp welcomed members of the public and stated this Regular 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 msharp@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:
Staff Present:

President Epstein, Directors Smith, Dornbrook, O'Grady and Richert
General Manager Michael Sharp, Assistant General Manager Rick Ansel, Accounting Manager Kelly McBride, Assistant Manager Brandi Benson, HR Representative Kim Norton and Drew Meteer

Others Present:

John Reiter: Kirkwood Property Services, Jack Longinotti: President, Kirkwood Community Association, Community Members Nancy Trevett and Cheryl Stern

4. COMMENTS FROM THE AUDIENCE: None

5. CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR:

Manager Sharp requested that the General Manager Report and the Operations Report be moved to take place before the Closed Session.

President Epstein requested that the Standing Committee Reports be moved to take place before the Closed Session as well.

6. ADOPTION OF CONSENT CALENDAR

a. **Special Board Meeting Minutes of July 2, 2017**

Approve July 2, 2017 Board Meeting Minutes

b. **Current Consent for Claims**

Approve Current Consent for Claims

c. **Receivables/Shut Offs**

Review current Receivables/shut Offs Report

d. **Approve Bruce Lawler as a Community Member of the District's IT Committee**

Community Member Nancy Trevett asked a question regarding the Receivable/Shut Offs Report and Accounting Manager McBride responded.

Director Dornbrook motioned to approve the Adoption of the Consent Calendar as noted. Director Richert seconded the motion and it carried by the following voice vote:

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

NOES: None

ABSENT: None

ABSTAINING: None

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

8. ITEMS FOR BOARD ACTION

- a. **Finances. Discussion and Possible Action Regarding the District’s Financials.**
Accounting Manager McBride Lead: Finance Committee

Accounting Manager McBride presented the June Financials, reviewing the Balance Sheet and Combined Income Statement including GASB 68, overages, specific department funds and operating expenses. June Preliminaries, Cash Waterfall including known variances, and the extended cash forecast were presented and questions from the Board were answered. Manager McBride presented a comparison of June 2016 and June 2017 Balance Sheets. Discussion ensued, Manager Sharp and Manager McBride answered questions from the Board and the public. No action was taken.

- b. **Property Tax Allocations. Discussion and Possible Approval of Final Property Tax Allocations for the 2016-2017 Fiscal Year.** *Manager Sharp Lead: Finance Committee*

Manager Sharp reviewed the sources of property tax revenue and the amount of property tax revenue the District received for Fiscal Year 2017. Manager Sharp detailed plans for property tax allocation. Discussion ensued and Manager Sharp answered questions from the Board.

Director Richert motioned to approve to allocate property taxes as shown. Director O’Grady seconded the motion and it carried by the following voice vote:

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

NOES: None

ABSENT: None

ABSTAINING: None

- c. **Connection Fees Rate Adjustments. Discussion and Possible Action on Study to Update and Revise Connection Fee Charges for all Departments.** *Manager Sharp Lead: Finance Committee*

Manager Sharp reviewed current set connection fees and the process for determining connection fees. He also summarized discussions with Kirkwood Resort Development regarding connection fees. Discussion ensued and Manager Sharp answered questions from the Board. Staff will develop a timeline for a Board work session for the Board to consider unanswered questions.

- d. **Base Rates on Destroyed Houses. Discussion and Possible Action on Requests From Homeowners to Suspend Base Rate Charges on Residences Destroyed by Fire.**
Manager Sharp Lead: Finance Committee

Manager Sharp summarized requests from homeowners to have Base Rate Charges suspended due to their homes being destroyed by fire. He reviewed several options for possible Base Rate Charge reduction emphasizing the need to maintain District infrastructure through Base Rate Charges. Manager Sharp detailed neighboring utility companies policies, District legal counsel recommendation and Staff's recommendation to follow current District policy. Director O'Grady summarized the Finance Committee discussion.

Director O'Grady motioned to approve Staff's recommendation to follow current District policy. Director Smith seconded the motion and it carried by the following voice vote:

AYES: President Epstein, Directors O'Grady and Smith

NOES: None

ABSENT: None

ABSTAINING: Directors Richert and Dornbrook

- e. **Fire Service Master Plan. Discussion and Possible Action Regarding the Update of the Fire Service Master Plan.** *Assistant Manager Ansel*
Lead: Planning Committee

Assistant Manager Ansel presented a current draft of the Fire Service Master Plan, including formatting changes and planned next steps. Director Richert summarized the Planning Committee discussion. A final draft of the Fire Service Master Plan will be ready for Board review at the October 14, 2017 Board Meeting, including a recommended implementation plan with next steps identified. Discussion ensued and Manager Ansel answered questions from the Board and the public. No action was taken.

- f. **Kirkwood Summer Festival/ Chili Cook Off. Recap and Possible Action on the District's Annual Kirkwood Summer Festival and Chili Cook Off.** *Assistant Manager Ansel*
Lead: Operations Committee

Assistant Manager Ansel reviewed attendance, total revenue, expenses and net revenue from the 2017 Kirkwood Summer Festival. He thanked the Board, District Staff, Vail Resorts Epic Promise Program and especially community member Cheryl Stern for a successful event. Manager Ansel summarized the planning of the upcoming 5K/10K and Kids Fun Run and the Chili Cook Off. Cheryl Stern provided planning details of the Chili Cook Off regarding advertising, chili makers and community support. No action was taken.

- g. **Self-Contained Breathing Apparatus. Discussion and Possible Purchase of Six Self-Contained Breathing Apparatus for the Kirkwood Volunteer Fire Department Utilizing Proceeds From the Kirkwood Summer Festival.** *Assistant Manager Ansel*
Lead: Operation Committee

Assistant Manager Ansel detailed plans to purchase six Scott Self-Contained Breathing Apparatus (SCBA) using funds raised at the 2017 Kirkwood Summer Festival. He detailed how the SCBAs work including recent industry improvements. This item will be brought back before the Operations Committee and the Board for final approval.

- h. **Wastewater Absorption Bed Pumps. Discussion and Possible Action on the Replacement of the Absorption Bed Pumps to Transport Effluent From the Wastewater Treatment Plant to the Absorption Beds.** *Assistant Manager Ansel*
Lead: Operations Committee

Assistant Manager Ansel reviewed absorption bed pump issues experienced over the winter and detailed a proposal from Mark Frederick to upgrade one of the pumps. Manager Ansel summarized Staff's recommendation to defer the pump upgrade until October, allowing District Engineer Michelle Gamble time to review the proposal. Director Dornbrook summarized the Planning Committee discussion and recommendation regarding deferring the absorption bed pump upgrade until October. Discussion ensued and Manager Ansel answered questions from the Board and the public. No action was taken.

- i. **ACES Solid Waste Contract. Discussion and Possible Action on Proposal by ACES Waste Management for a Five-Year Contract Extension.** *Manager Sharp*

Manager Sharp summarized discussions with ACES Waste Management regarding an extension of their current contract, including details of the proposed contract extension. Manager Sharp reported that Staff is working with ACES to finalize the contract proposal and will bring this item back before the Board at the September 3, 2017 Board Meeting. No action was taken.

- j. **Wastewater Collection System. Presentation and Possible Action as to the District's Progress on Finding and Repairing Issues with the Wastewater Collection System in 2017 and Plans for the Future.** *Manager Sharp*
Lead: Operations Committee

Manager Sharp summarized issues with the wastewater collection system regarding infiltration and the impacts on the Wastewater Treatment Plant. He detailed repairs completed to date by Summit Plumbing and future plans. Discussion ensued and Manager Sharp answered questions from the Board. No action was taken.

- k. **Performance Reporting. Discussion and Possible Action Related to District's Research and Efforts to Improve the Efficiencies and Minimize the Losses of Each Department as Measured in Performance Reporting.** *Assistant Manager Benson*
Lead: Operations Committee

Assistant Manager Benson presented performance reporting for fiscal year end 2017 and for the month of July for each department including unidentified losses, overages, expenses and future goals. Discussion ensued and Manager Benson answered questions from the Board and the public. No action was taken.

- l. **Propane Tank. Update and Possible Action on the District's Efforts to Purchase and Install an Additional Propane Storage Tank This Year.** *Manager Sharp/ Assistant Manager Benson*
Lead: Operations Committee

Assistant Manager Benson reviewed the road closures that happened over the 2016-2017 winter season and the updated capacity analysis including the need for more storage. She reviewed the publishing of the Notice of Accepting Bids, presented the bids received and a tank installation timeline. Manager Sharp stated it is Staff's recommendation to reject all bids on the basis of time constraints, pointing out that the timetable didn't allow for installation before it starts to snow. Discussion ensued and Manager Benson answered questions from the Board and the public.

Director Dornbrook motioned to reject all bids on the basis of time constraints. Director Smith seconded the motion and it carried by the following voice vote:

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

NOES: None

ABSENT: None

ABSTAINING: None

- m. **Propane Safety. Presentation and Possible Action on the District's on the District's Efforts to Require Safe, Protected Locations for Propane Meters.** *Assistant Manager Benson*
Lead: Operations Committee

Assistant Manager Benson provided an update on continuing efforts to have customers comply with directives to improve propane meter protection and presented an example letter sent to homeowners with unsafe meter protection. She presented several photographs of unsafe installations that resulted in meter damage due to snow load. Discussion ensued, Manager Benson and Manager Sharp answered questions from the Board and the public. No action was taken.

- n. **General Manager Replacement. Update and Possible Action on Efforts to Secure a Replacement for the General Manager Position.**
Pam Derby, CPS HR Consultants/ President Epstein
Lead: Personnel Committee

Manager Sharp provided a timeline for his retirement. President Epstein gave an update on the search for the General Manager replacement and stated the Board will continue the discussion in Closed Session. No action was taken.

- o. **Assistant General Manager Interim Position. Discussion and Possible Approval of Resolution No. 17-12 Appointing PERS Retiree Michael Sharp to the Position of Assistant General Manager and Approving the Related Employment Contract.**
Human Resources Representative Kimberly Norton
Lead: Personnel Committee

Human Resources Representative Kimberly Norton detailed a contract with Michael Sharp to provide interim General Manager Services during the new General Manager transition. President Epstein provided a summary of the contract.

Director O'Grady motioned to approve Resolution No. 17-12 Appointing PERS Retiree Michael Sharp to the position of Assistant General Manager and Approving the Related the Related Employment Contract.

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

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

NOES: None

ABSENT: None

ABSTAINING: None

p. **Annual Report. Presentation and Possible Action on Draft of the District's Annual Report for 2016-2017.** *Manager Sharp*

Manager Sharp reviewed changes and improvements to the 2016-2017 Annual Report and requested input from the Board and Committees be received by August 22, 2017. The Annual Report will be brought back before the Board at the September 3, 2017 Board Meeting for Final Board Approval.

q. **iPad Project. Presentation and Possible Action on the New iPad Project, Designed to Give Emergency Personnel and Operations Staff Critical Site-Specific Information in the Field with the use of an iPad.** *President Epstein/ Drew Meteer*

Drew Meteer provided an update, including visual examples, on the mobile app currently being created by President Epstein, Corey Jackson and District staff. The app will identify District infrastructure and pertinent information for the use by field operators and Kirkwood Volunteer Fire Department staff. Discussion ensued, President Epstein, Manager Sharp and Drew Meteer answered questions from the Board and the public. Manager Sharp reported on a possible agreement with Corey Jackson to provide software support, design and development for the District's mobile apps, website and Report Server. Director O'Grady summarized the IT Committee's recommendation. No action was taken.

9. **GENERAL MANAGER REPORT** *Manager Sharp*

Manager Sharp reported on:

1. Concentrated paint discovered in the Wastewater Collection System by Operator Drew Meteer and tracked back to Vail's employee housing where a painting project was taking place. Manager Sharp provided details on a letter sent to Vail requesting information on how they plan to prevent future contamination of the Wastewater Collection System and damage to the Wastewater Treatment Plant.
2. The upcoming District election and the candidates that have filed to run for three open Director seats. Three incumbents have been the only candidates to declared candidacy, meaning that the District will not hold an election on November 7 and Directors will be re-appointed by the Alpine County Board of Supervisors.
3. The Fish Stocking Program, the amount of fish that the District has stocked into Caples and Silver Lakes this year and the dollar amount of funds left in the Fish Stocking Fund provided through a grant.
4. The Out Valley tree inspection.
5. Caltrans slurry work on Highway 88.
6. Vail Resort's plan for a comprehensive sustainability program and having a zero-net operating footprint.
7. A billing error by Wilson Construction and the refund check received by the District.

10. **OPERATIONS REPORT**

Assistant General Manager Ansel reported on the summer project work schedule including the Out Valley work plan, wood chipping and asphalt repairs that will be completed in early September by Colbre Paving. Manager Sharp reported on plans for removing snow around the vaporizers and work currently being done to create improved access.

11. **STANDING COMMITTEE REPORT**

- a. **Finance Committee**
Director O'Grady provided updates on the Audit and Electric Hedging.
- b. **Planning Committee**
Director Richert reported on:

1. Discussions with the California State Water Resources Control Board regarding possible easing of snow storage restrictions
 2. Grant opportunities being researched by Resource Concepts.
 3. Discussions with Kirkwood Resort Development regrading employee housing.
- c. **Operations Committee**
Director Smith reported on discussions regarding Utility Rules and Regulations that Manager Benson is currently updating.
- d. **Personnel Committee**
President Epstein reported on additional staff training during the General Manager transition and gave a Cafeteria Plan update.
- e. **IT Committee**
President Epstein reported on the progress with the SCADA upgrade at the Wastewater Treatment Plant. President Epstein also reported that the Disaster Recovery Plan will be completed by December 2017 and a quote is being sought for a server upgrade.

12. GENERAL DISCUSSION

Director Smith inquired about the opening date for the Kirkwood Inn.
Director Richert suggested staff look into offering a service to the HOAs clearing snow from storm drains and a summertime storm drain vacuum service.

r. Closed Session for

- i. **Closed session conference with legal counsel regarding anticipated litigation – significant exposure to litigation involving one potential case concerning a dispute over compliance with KMPUD/PG&E Interconnection Agreement (Government Code Section 54956.9(d)(2)).**

No reportable action.

- ii. **Closed session for consideration of liability claim against the District by claimants Algonzo Noia and CSAA (Government Code Section 54956.9(d)(2)).**

No reportable action taken.

- iii. **Closed session for public employee appointment or employment of the General Manager position.**

No reportable action taken.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 12:30pm
(The next Special Board Meeting is Sunday, September 3, 2017 at 8:00am)



Jessica Austin, Clerk of the Board


Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District