



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, October 14, 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

General Manager Christeson

General Manager Christeson 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 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:
Staff Present:

President Epstein, Directors Smith, Dornbrook, O'Grady and Richert
General Manager Erik Christeson, Assistant General Manager Rick Ansel, Accounting Manager Kelly McBride, Assistant Manager Brandi Benson, Clerk of the Board Jessica Austin and IT Representative Drew Meteer

Others Present:

Community Members Nancy Trevett and Cheryl Stern

4. COMMENTS FROM THE AUDIENCE: None

5. CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR:

Director Richert requested to review Item 6b. Current Consent for Claims, as a separate Item. President Epstein recommended to move items 9 through 12 to take place before item 8k. Closed Session. Accounting Manager McBride requested to move Items 8b. and 8c., presentations by Olga Darlington of Moss Adams on the Audit and GASB68 Pension, to take place before item 8a., Finances. All requests were accommodated.

6. ADOPTION OF CONSENT CALENDAR

- a. **Regular Board Meeting Minutes of September 3, 2017**
Approve September 3, 2017 Board Meeting Minutes
- b. **Current Consent for Claims**
Approve Current Consent for Claims
- c. **Receivables/Shut Offs**
Review current Receivables/Shut Offs Report

Director O'Grady motioned to approve Item 6a. Regular Board Meeting Minutes of September 3, 2017. 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

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

Director Richert asked two questions regarding payments made to CalPERS and AT&T Broadband listed in item 6b., Current Consent for Claims, which were addressed by Manager McBride. Director O'Grady motioned to approve item 6b. Current Consent for Claims. 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

Community Member Nancy Trevett asked a question regarding Item 6c. Receivables/Shut Offs Report, which was answered by District Staff. Director Richert motioned to approve Item 6c. Receivables/Shut Offs Report. 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

8. ITEMS FOR BOARD ACTION

- b. **Audit. Presentation and Possible Action on the 2017 Kirkwood Meadows Public Utility District Financial Audit.** *Olga Darlington/Moss Adams, Accounting Manager McBride*
Lead: Finance Committee

President Epstein welcomed Olga Darlington of Moss Adams. Olga presented results of the Kirkwood Meadows Public Utility District financial audit completed in August 2017, stating that Moss Adams will issue a modified opinion on Financial Statements of the District, including Governmental Funds, Proprietary Funds and Fiduciary Funds. In addition to audit opinions Moss Adams will issue two reports including a communication letter on internal controls for managements consideration and a required RUS management letter. Highlighted in the audit results were audit of internal controls, management estimates, capital plan, RUS and other debt balances.

- c. **GASB 68 Pension. Presentation by Moss Adams.** *Olga Darlington/Moss Adams*
Lead: Finance Committee

Olga Darlington of Moss Adams provided a detailed explanation of GASB 68 Pension, answering questions from the Board and the public throughout her presentation. Included in Olga's report

were the net pension liability items and assumptions, deferred inflow and outflow of resources, pension expense to the District and lessons learned regarding the pension expense.

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

Accounting Manager McBride presented the August Financials, reviewing the consolidated balance sheet, combined income statement, year-to-date total operating expenses from each department, August EBITDA, cash waterfall and known budget variances. Discussion ensued regarding the timing of the closing of the books each month and Manager McBride answered questions from the Board. She continued her presentation reviewing preliminary revenue estimates for September including metered vs. budget and historical metered kwh for September.

d. **Kirkwood 5/10K/ Chili Cook Off. Recap and Possible Action on the District's Annual Kirkwood 5/10K Run and Chili Cook Off.** *Assistant General Manager Ansel*
Lead: Operations Committee

Assistant General Manager Ansel thanked Cheryl Stern for all her hard work in the planning of the 2017 Chili Cook Off and presented total revenue for the event including expenses and net revenue. Cheryl Stern provided planning and operation details. Assistant Manager Ansel also presented revenue, expenses, and net revenue for the Kirkwood 5K/10K and Kids Fun Run. Discussion ensued, including the issue of tracking District Staff time associated with the event, and Assistant Manager Ansel and Manager McBride answered questions from the Board. No action was taken.

e. **iPad Project. Presentation on the on-going iPad Project.** *Assistant General Manager Ansel*
Lead: IT Committee

Assistant Manager Ansel gave an introduction to the iPad project and introduced IT Representative Meteer to provide details and give a brief demonstration of the App, including recent additions and the functionality for the Operations staff in the field. Assistant Manager Ansel emphasized the value to the District of having infrastructure details in the Operators hands at all times. President Epstein provided details regarding the programming of the App. Discussion ensued and questions were answered by IT Representative Meteer, President Epstein, Assistant Manager Ansel and General Manager Christeson.

f. **Propane Safety. Update on the District's Efforts Relative to Propane Meter Protection.**
Assistant Manager Benson Lead: Finance Committee

Assistant Manager Benson gave an update on the District's efforts to have customers upgrade protection of propane meters. She provided a list of customers that have been contacted and customers that have completed work to-date. Examples of protective structures that have been completed were shown and the completion deadline for customers that have not completed work was provided. Discussion ensued and Manager Benson answered questions from the Board and the public.

g. **Utility Rules and Regulations. Discussion of Revised Electric, Propane, Water and Wastewater Rules and Regulations.** *Assistant Manager Benson*
Lead: Operations Committee

Assistant Manager Benson reported on the process to update the District's Rules, Regulations and Design Standards, including a target completion date. Discussion ensued, Assistant Manager Benson and General Manager Christeson answered questions from the Board and took comments from the public.

h. **ACES Solid Waste Contract. Continued Discussion and Possible Action on Proposal by ACES Waste Management.** *Assistant General Manager Ansel*

Assistant General Manager Ansel provided an update on the solid waste service the District receives from ACES Waste Management and gave a brief update on a second proposal from South Lake Tahoe Refuse to provide solid waste service. Assistant General Manager Ansel informed the Board that Paul Molinelli of ACES Waste Service had withdrawn the proposed amendment. General Manager Christeson stated that he has asked Assistant General Manager Ansel to oversee contract negotiations with ACES Waste Service to avoid the appearance of impropriety due to his long-time personal relationship with owners of ACES Waste Service. District Staff recommended a formal Request for Proposal process, to begin Spring 2018. Discussion ensued, Assistant General Manger Ansel answered questions from the Board and the public.

i. **General Manager Contract. Formal Approval of General Manager Contract**
Lead: Personnel Committee

President Epstein stated that the General Manager Contract with Erik Christeson has been signed by President Epstein, Director Dornbrook and General Manager Christeson but requires formal approval from the Board.

Director O'Grady motioned to approve the General Manager Contract. 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

j. **Former General Manager Interim Agreement. Possible Action on Transition Process and Interim Agreement.** *General Manager Christeson*
Lead: Personnel Committee

General Manager Christeson gave an update on the work performed to-date by former General Manager Michael Sharp.

Director Richert motioned to approve the Interim Agreement Contract with former General Manager Sharp. 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

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

General Manager Christeson reported on:

1. Out of area service requests including possible connections to the District's Out Valley Electric Line by CalTrans at their Peddler Hill Maintenance Station and the El Dorado Irrigation District at Silver Lake West Campground.

2. Possible Grant opportunities identified by Michelle Gamble at RCI. General Manager Christeson also noted that he has subscribed to numerous grant programs on behalf of the District, including grants from State Water Resources Control Board, Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES).
3. Analysis by District Engineer Michelle Gamble on Absorption Bed Pumps and the Variable Frequency Drive, including installation of a new pump by Mark Frederick.
4. Upgrading safety equipment and implementing safety training in various departments
5. The Economic Development Meeting that took place at the District on October 13, 2017, including specifics about the content of the meeting and the process for future Economic Development Meetings.
6. Loop Road paving update.
7. The storm drain system and options available for the District to assist with maintenance.

There was discussion on various items throughout the report. General Manager Christeson answered questions and took comments from the Board and the Public.

10. OPERATIONS REPORT *Assistant General Manager Ansel*

Assistant General Manager Ansel reported on:

1. A planned 6-day PG&E outage expected from October 30th through November 4th in order to perform maintenance at Tiger Creek. District preparations to accommodate the outage were detailed.
2. Wastewater Collections System repairs completed to-date, highlighting repairs performed on Manhole 99.
3. The annual site visit by Senior Risk Manager Scott Wood of ACWA/JPIA, including his recommendations regarding drones.
4. Centrifuge repairs performed by Centrisys, including a completion timeline.

11. STANDING COMMITTEE REPORT

a. Finance Committee

Director O'Grady reported on the discussion at the Finance Committee meeting regarding the request to FEMA for reimbursement of funds spent during the federally declared disaster in January 2017.

b. Planning Committee

Director Richert reported on the discussion at the Planning Committee meeting including an update given by Assistant Manager Benson on the Western Area Power Association application, the housing ordinance, the proposed fee-in-lieu ordinance and the timing of the expected draft of the Fire Service Master Plan.

c. Operations Committee

Director Smith reported that the purchase of SCBA's will be delayed pending research on possible matching grant funding.

d. Personnel Committee

President Epstein reported on discussions at the Personnel Committee meeting regarding future staff training, particularly focused on management training, team building and communications.

e. IT Committee

President Epstein reported on discussions at the IT Committee meeting regarding the iPad Project and server upgrade. Also noted was the communications failure that affected internet, cellular and land-line phone service experienced at the District on Thursday, October 12.

12. GENERAL DISCUSSION

President Epstein discussed expanding sales of electricity, focusing on electric vehicle charging stations and encouraging owners of commercial buildings to convert to electric heating sources. Director Richert commented that Tesla is currently performing a feasibility study to install electric vehicle charging stations at Kirkwood Station. General Manager Christeson elaborated on the Planning Committee discussion regarding the Tesla feasibility study.

k. Closed Session

- i. **Closed session conference with legal counsel regarding anticipated litigation – Significant exposure to litigation involving one potential case**
1. **CSAA (Government Code Section 54956.9(d)(2))**

Director Richert motioned to direct District Staff to request Donahue Davies, via ACWA-JPIA, draft a rejection letter to be sent to the interested party. President Epstein seconded the motion and it carried by the following voice vote:

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

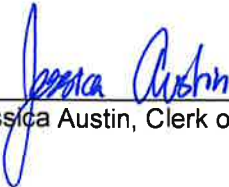
NOES: None

ABSENT: None

ABSTAINING: None

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:10am
(The next Special Board Meeting is Saturday, November 11, 2017 at 8:00am)



Jessica Austin, Clerk of the Board



Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District