



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

MEETING OF THE BOARD OF DIRECTORS
Saturday, November 10, 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. ROLL CALL

Secretary Dornbrook

Board of Directors Present:
Board of Directors Absent:
Staff Present:

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

Others Present:

Terry Woodrow (Alpine County Supervisor), Frank Dixon
(Kirkwood Property Services General Manager)

Community Members Present:

Nancy Trevett (Kirkwood Meadows Association (KMA)), Judy
Flynn (KMA)

3. ANNOUNCEMENTS

General Manager Christeson

General Manager Christeson welcomed members of the public to this regular board meeting and stated that due to technical difficulties this meeting is not being fed live over the internet. A recording of the Board meeting will be posted on kmpud.com. Members of the public are asked to identify themselves when making comments.

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 October 13, 2018**
Approve October 13, 2018 Board Meeting Minutes
- b. **Special Board Meeting Minutes of September 3, 2018**
Approve September 3, 2018 Special Board Meeting Minutes
- c. **Current Consent for Claims**
Approve Current Consent for Claims
- d. **Receivables/Shut Offs Report**

Review Receivables/Shut Offs Report

Director Richert motioned to adopt the Consent Calendar as presented. Director O'Grady seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Dornbrook, 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. **Finances. Discussion and Possible Action Regarding the District's Financials.** *Assistant Manager, Administration McBride*

- i. September Actuals. Assistant Manager McBride presented the Consolidated Balance Sheet, noting the variance in restricted cash is due to the timing of the receipt of RUS (Rural Utilities Service) reimbursement loan funds. Combined Income Statement was presented for each department, noting operating revenues for September were slightly down from planned and year-to-date revenues are up from planned. The significant variance in operating expenses in the General Fund is due to a billing adjustment received from SDRMA (Special District Risk Management Association). Fire Department revenues are slightly under planned and include revenue from Amador County fire call reimbursements and the Annual 5K/10K and Kids Fun Run. Wastewater has a large variance from budget in wages and benefits due to extra staff time spent performing maintenance and repairs at the Wastewater Treatment Plant and on the collection system. Salaries, wages and benefits for Snow Removal are significantly up from planned due to contract negotiations and GPS testing. Balance Sheet comparison was presented noting the reserve is up from last year due to preparations for a PG&E payment. September EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is better than planned and year-to-date EBITDA is better than planned.
- ii. October Preliminary. October and year-to-date Operating revenues are up from planned. The increase in other revenue is due to a reimbursement check received from FEMA (Federal Emergency Management Agency).
- iii. Cash Waterfall. Bank of the West loan funds were removed from the cash flow due to a boundary line adjustment in progress that could have an effect on potential financing.
- iv. Budget Variance Tracking. Snow removal wages and benefits were added to budget variances.

b. **Budget Adjustment. Discussion and Possible Action.** *Assistant Manager, Administration McBride*

Assistant Manager McBride requested Board approval of a budget adjustment in order to account for a one-time cost of ownership payment to PG&E and payment of the ITCC (Income Tax Component of Contribution) Tax, which were not included in the original budget.

Director O'Grady motioned to approve the budget adjustment as presented. Director Richert seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Dornbrook, and O'Grady
NOES: None
ABSENT: Director Epstein
ABSTAINING: None

- c. **Employee Housing Rental Rates. Discussion and Possible Action.** *Assistant Manager, Administration McBride*

Assistant Manager McBride summarized Finance Committee discussions regarding a possible increase for employee housing rental rates. Average rental rates for comparable units in the Kirkwood Valley were presented. Discussion ensued regarding average rental rates and utility costs. This topic will be brought back before the Finance Committee and the Board.

- d. **Bad Debt Policy. Discussion and Possible Action.** *Assistant Manager, Administration McBride*

Assistant Manager McBride summarized the need for a Bad Debt Policy in order to address existing and/or future bad customer debt, primarily from customers that no longer own property within District boundaries. Draft Policy No. 260, Bad Debt/Uncollectible Accounts was presented, including a request to adopt the policy. Director O'Grady summarized Finance Committee discussions and unanimous recommendation to adopt Policy No. 260.

Director O'Grady motioned to adopt Policy No. 260 Bad Debt/Uncollectible Accounts. Director Richert seconded the motion and it carried by the following voice vote:

AYES: President Smith, Directors Richert, Dornbrook, and O'Grady
NOES: None
ABSENT: Director Epstein
ABSTAINING: None

- e. **Performance Reporting & Aquifer Levels. Discussion.** *Assistant General Manager Ansel*

Assistant General Manager Ansel presented performance reporting for each department for the month of October, noting water losses were more than anticipated. Water loss is attributed to system flushing and leaks that have been repaired.

- f. **WWTP Feasibility Study. Discussion.** *General Manager Christeson*

General Manager Christeson presented the final Wastewater Treatment Plant Feasibility Study (Study) report prepared by Stantec Consulting Services Inc., noting highlights of the Study. Discussion ensued regarding details of the Study, next steps, and securing potential financing to complete necessary repairs at the Wastewater Treatment Plant.

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

General Manager Christeson reported on:

1. Meadow manhole project
2. Roof repairs at Lava Rock Lodge and the Community Service Building
3. Meeting with Amador Fire Protection District Chief
4. CSDA (California Special District Association) Financial Management seminar
5. Surplus equipment

6. Operational issues with District vehicles.

10. OPERATIONS REPORT Assistant General Manager Ansel

Assistant General Manager Ansel reported on:

1. Aquifer level update
2. Water leak repairs
3. East Lift update
4. Electric projects update

11. STANDING COMMITTEE REPORT

a. Planning Committee

Director Richert reported on Committee discussions regarding:

1. Discussion with Dane Wadlé, CSDA (California Special Districts Association), regarding LAFCO (Local Agency Formation Commissions) representation in Alpine County.
2. The District's Mission Statement
3. The Kirkwood Summer Festival

b. Finance Committee

Director O'Grady reported on Committee discussion regarding finalization of the USDA RUS (United States Department of Agriculture Rural Utility Service) loan and payment to PG&E.

c. Operations Committee

Director Dornbrook reported on an item placed on the November 28 Agenda to discuss proposed additional quality control measures for snow removal operations.

d. Personnel Committee

President Smith reported on Committee discussions regarding:

1. General Manager, staff, and Board training
2. Employee discipline

12. TEMPORARY ADVISORY COMMITTEE REPORT

Director Richert reported the Temporary Fire Funding Advisory Committee is researching various funding options.

13. GENERAL DISCUSSION

None

14. CLOSED SESSION

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

No action taken.

15. GENERAL DISCUSSION

None

16. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:46am.

(The next Special Board Meeting is Friday, December 7, 2018 at 1:00pm)



Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District

Jessica Gillies, Clerk of the Board