



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
Friday, December 7, 2018 – 1:00pm

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 1:00pm

2. ROLL CALL

Secretary Dornbrook

Board of Directors Present:

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

Staff Present:

General Manager Erik Christeson, Assistant General Manager Rick Ansel, Assistant Manager, Administration Kelly McBride, and IT Representative Drew Meteer

Others Present:

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

3. ANNOUNCEMENTS

General Manager Christeson

General Manager Christeson welcomed members of the public to this special board meeting and stated 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 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 November 10, 2018**
Approve November 10, 2018 Board Meeting Minutes
- b. **Current Consent for Claims**
Approve Current Consent for Claims
- c. **Receivables/Shut Offs Report**
Review Receivables/Shut Offs Report

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

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

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.** *Assistant Manager, Administration McBride*

- i. October Actuals. Assistant Manager McBride presented the Consolidated Balance Sheet, noting the variance in capital reserve is due to the upcoming ITCC (Income Tax Component of Contribution) tax payment to be made in conjunction with the one-time cost of ownership payment to PG&E, as budgeted. Combined Income Statement was presented for each department, noting operating revenues for October were up from planned and year-to-date revenues are up from planned. Other Revenue includes a reimbursement check received from FEMA (Federal Emergency Management Agency) and CalOES (California Office of Emergency Services), due to a recalculation from two years ago when the District required emergency use of the generators due to a tree falling on the Out Valley electric line. Fire Department revenue includes a four thousand-dollar donation from the KCA (Kirkwood Community Association). Snow Removal operating revenue is down from planned due to expenses accrued in contract negotiations and GPS testing prior to posting October revenue. Balance Sheet comparison was presented noting the large variance under total unamortized debt expenses from October 2017 through October 2018 is due to the upcoming one-time payment to PG&E. October EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is better than planned and year-to-date EBITDA is better than planned.
- ii. November Actuals. November and year-to-date Operating revenues are up from planned.
- iii. Cash Waterfall. Cash flow is better than planned.
- iv. Budget Variance Tracking. Nothing additional for October budget variance tracking.

Discussion ensued on various topics through-out the Finance presentation.

b. **Sewer System Management Plan Audit.** Discussion and possible action. *Assistant General Manager Ansel*

Assistant General Manager Ansel summarized the requirement for Board review of the Sewer System Management Plan (SSMP) Audit Report bi-annually in order to comply with waste discharge requirements set by the California State Water Resources Control Board. Staff and the Operations Committee recommend approval of the SSMP 2018 Audit Report.

Director Dornbrook motioned to approve the SSMP 2018 Audit Report as presented. Director Richert seconded the motion and it carried by the following voice vote:

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

NOES: None

ABSENT: None

ABSTAINING: None

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

Assistant General Manager Ansel presented performance reporting for each department for the month of November, noting system losses for Water may be due to an accounting error that will be corrected in the December report.

d. **RUS Loan Maturity / Rollover.** Discussion and possible action. *Assistant Manager, Administration McBride*

Assistant Manager McBride summarized RUS (Rural Utility Services) Loan #3370, originally funded on October 17, 2014 and due to mature on December 31, 2018. Staff and the Finance Committee recommend this loan be rolled over with a new maturity date of December 31, 2025 in accordance with the previous loan rolled over in December 2017.

Director O'Grady motioned to rollover RUS Loan #3370 with a new maturity date of December 31, 2025. Director Epstein seconded the motion and it carried by the following voice vote:

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

NOES: None

ABSENT: None

ABSTAINING: None

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

General Manager Christeson reported on:

1. Mountain Access Agreement with Vail
2. Snow Removal Operations

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

Assistant General Manager Ansel reported on:

1. Ambulance donation from Alpine County to the Kirkwood Volunteer Fire Department and next steps.
2. Well 4/5 power outage.
3. Propane tank valve issue.
4. The length of the District's overhead electric line.

11. **STANDING COMMITTEE REPORT**

a. **Planning Committee**

Director Richert reported the Planning Committee meeting was cancelled due to a lack of Agenda items and reported the Mission Statement will be discussed and brought back before the Board.

b. **IT Committee**

Director Epstein reported the IT Committee has not met since the last Board meeting and in earlier IT meetings password security was discussed.

c. **Operations Committee**

Director Dornbrook reported all items were covered.

d. **Finance Committee**

Director O'Grady reported on discussions regarding employee housing rental rates. This topic will be brought before the Board at the January 12 Board meeting.

e. **Personnel Committee**

President Smith reported the Personnel Committee did not meet.

12. TEMPORARY ADVISORY COMMITTEE REPORT

Director Richert reported the Temporary Fire Funding Committee hopes to have new information in January regarding possible ideas from Alpine County and Eastern Alpine Fire to aid in fire department funding. An update will be provided to the Board at the January 12, 2019 Board meeting.

13. GENERAL DISCUSSION

Director Richert asked if the transfer deed with PG&E, one-time cost of ownership payment to PG&E and ITCC (Income Tax Component of Contribution) tax payment will be complete before rates go up. General Manager Christeson detailed the final steps and the process with RUS to complete transfer deed and payment to PG&E.

Director Epstein expressed concern regarding possible PG&E bankruptcy and how that could affect the District.

The Board adjourned to Closed Session at 9:10am.

14. CLOSED SESSION

a) **Closed session regarding fringe benefits**

i. **CSAA Government Code § 54957.6**

Annual employee bonuses were reviewed and approved as budgeted.

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:30am.

(The next Regular Board Meeting is Saturday, January 12, 2019 at 8:00am)



Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District

Jessica Gillies, Clerk of the Board