



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, February 11, 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 Michael Sharp stated that this Regular meeting is being fed live over the internet and that 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: Directors Epstein, Smith and Dornbrook.
Directors O'Grady and Richert, participating via teleconference.
Staff Present: Manager Michael Sharp, Kelly McBride and Sandy McKay.
Others Present: Community and Operations Committee Member Howard Hoffman.
Michelle Gamble, RCI (via teleconference).

Manager Sharp noted that due to two Board members participating offsite, all motions and approved actions will be by voice vote.

4. **COMMENTS FROM THE AUDIENCE:** None.

5. **CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR**
Manager Sharp requested to defer on Agenda Item 8.e Fire Service Master Plan; 8.f Caples Ecological Restoration Project; 8.j Electric Vehicle Charging, and 10. Operations Report, due to recent weather events pulling staff from working on these issues. He also requested that Agenda Item 9. General Manager Report, be moved to the beginning of Section 8. Items for Board Action.

Moved Dornbrook / Second Smith / Epstein Yes / O'Grady Yes / Richert Yes / Dornbrook Yes / Smith Yes to approve the noted changes to the Agenda.

6. **ADOPTION OF CONSENT CALENDAR**
- a. **Regular Board Meeting Minutes of January 14, 2017**
Approve January 14, 2017 Board Meeting Minutes.
 - b. **Current Consent for Claims**
Approve Current Consent for Claims
 - c. **Receivables / Shut Offs**
Review current Receivables/Shut Offs Report.

Moved Smith / Second Dornbrook / Epstein Yes / O'Grady Yes / Richert Yes / Smith Yes / Dornbrook Yes to adopt the Consent Calendar as presented.

7. CONSENT ITEMS BROUGHT FORWARD FOR SEPARATE DISCUSSION / ACTION

None.

9. GENERAL MANAGER REPORT

Manager Sharp provided an update on weather related impacts, information the Board will need for possible action items under the Capital Plan and Out Valley update. Staff continues to collect expenses associated with January's flooding and blizzard, fire, avalanche and Out Valley outage, estimating costs could exceed \$120,000 including repair of the East Lift Pumps, Wastewater Treatment Plant components, snow removal, powerhouse labor and diesel, and electric line repairs, noting it took over two days to get men and equipment mobilized to repair the 34.5kv line. Lessons learned from January include: the need to purchase additional equipment as discussed under Agenda Item 8.b.iv. Capital Plan; continue to provide District housing, staff Fire Department daily, continue to closely monitor Powerhouse radiator area and other ventilation issues due to heavy snowfall, and continue to provide customers with updates as needed via Emergency Notification System, website and email.

January 2017 holds the record, since 1971 at least, for most snowfall recorded in a single month in Kirkwood, 296 inches, almost 25 feet; October-January ranks as the third snowiest, recording 426 inches or 35.5 feet, a few inches shy of last year's season total.

January's weather pattern continues well into February, and challenges facing the District this month include the Out-Valley telecommunications line, flooding, and a PG&E related Out Valley outage. The T-1 line failed on 1/25 at Bear River Reservoir, requiring Staff to shovel 7 feet down to reach the vaults; Edge Communications completed installation of direct-bury shielded cable and restored service within the week. During the first ten days of February, Kirkwood received 52 inches of snow and 5 inches of rain, causing significant flooding over SR88 at the Kirkwood Inn. For the first time since 1997, water impacted the wastewater collection system and quickly filled storage capacity, prompting the District to shut down Resort operations for one day, advising customers to restrict water usage or not come up until further notice. On 2/8 the community lost Out-Valley power again, this time due to a PG&E problem with their Salt Springs line. During this outage, the District staffed the Powerhouse two shifts per day, spending approximately \$4,200 in diesel before Out-Valley power was restored on 2/10 at 6pm. February has highlighted the need to find a solution to recurring issues with the T-1 communication line; improve the wastewater collection system, research upgrades to the Wastewater Treatment Plant; protect the propane vaporizers and keep the Powerhouse in top shape, and continue providing timely communication updates as needed.

Manager Sharp also advised the Board that pursuant to Senate Bill (SB) 415, governing board elections are being moved from odd-year to even-year elections, which extends Board member terms by one year, and is meant to improve voter turnout in conjunction with statewide elections, and reduce costs. This topic will be on the March 11 meeting agenda for discussion and possible action in the form of a Board Resolution.

8. ITEMS FOR BOARD ACTION**a. Discussion and Possible Action Regarding the District's Financials. Accounting Manager McBride****Lead: Finance Committee**

Accounting Manager McBride presented the December Financials, January Prelims and Cash Flow, noting known budget variances, and answered questions from the Board.

b. Discussion and Possible Action Regarding the First Presentation of the District's 2018-2022 Financial Budget including:**Lead: Finance Committee**

- i. Timeline. Manager Sharp reported that an overall budget template, 1-year income statement and revised projections will be provided at the March 11 Board meeting.
- ii. Assumptions. Added cushion for emergencies will be included.

- iii. Preliminary Summary Sheets
- iv. Capital Plan. As noted earlier in the General Manager Report, extreme weather has stressed District facilities and the following items have been identified to include in the 5-year Capital Plan:
 - Additional propane tank
 - Continue snow removal equipment purchases
 - Snowcat for Out Valley
 - Tugger for T-1 line
 - Protection for propane vaporizers
 - Replacement components for wastewater collection system
 - Integrate SCADA system and increase Wastewater Treatment Plant capacity

A lengthy discussion ensued regarding priorities in Year 1 of the 2018-2022 Budget, with Manager Sharp noting that these allocations still require Board approval on an individual basis. It was noted that the District's capital plan is dependent on the success of commercial operations, and climate change is a factor with warm storm events becoming more common. Staff will continue to refine the capital projects list.

With the impacts from road and resort closures this year, Community Member Howard Hoffman suggested a look at funding snow sheds over Carson Pass and the Spur, as seen in Colorado and British Columbia, and over many railroads.

c. Presentation and Possible Action on the Draft Rate Study, Ordinance, Regulation and Notice of Public Hearing to be Used in Adjusting the Calculation Methodology and Adjustment of Water, Wastewater, Solid Waste, and Irrigation Water Rates Effective July 1, 2017. Manager Sharp

Lead: Finance Committee

Manager Sharp advised that the timeline has shifted and the target effective date of implementing new water and wastewater rates is now August 1, 2017. Noting the Water and Wastewater departments are budgeted to lose \$400K this year, he summarized the sections as presented in the draft Rate Study, and after some discussion it was agreed to:

- Determine if water/wastewater (W/WW) rate increases should be usage-only or both usage and base rate.
- Clearly communicate the District's reluctance to use property taxes to subsidize enterprise departments, and that the Board will have flexibility to adjust an increase so that these funds are not pre-committed.
- Determine the incremental margin for W/WW.
- Determine the percentage of a full-time resident's W/WW bill.

Manager Sharp is working with the Finance Committee for final recommendations and presentation at the March 11 Board meeting.

d. Discussion and Possible Action Regarding Resource Concepts, Inc. Proposal to Provide the District with General Engineering Services. Michelle Gamble/Manager Sharp

Lead: Operations Committee

The services of a qualified engineering firm are needed to assist the District with planning and development projects. Currently the District contracts with Bennett Engineering Services (BE) in Sacramento to produce the quarterly and annual reports required for compliance with Waste Discharge Requirement (WDR) Order 2007-0125, and contracts with Resource Concepts, Inc. (RCI) to provide Out-Valley environmental compliance reporting and other related issues as needed.

Manager Sharp introduced Michelle Gamble, participating on the phone, who presented two separate proposals, one to produce the compliance reports stated above for a total of \$12,250, slightly less than BE's current cost, and one proposal to continue to provide ongoing environmental permit compliance monitoring with the Out-Valley for total estimated fees of \$19,250 in 2017. RCI is a full service civil engineering firm and can be available as needed on a

specific task order and on call for engineering questions on a T&M basis. In addition to RCI's experience with the Out-Valley, their capabilities include projects related to propane siting & permitting, the T-1 fiber optic line, and collection system improvements. Considering the benefits of consolidating engineering services and having a dedicated District Engineer, Staff recommends approval of RCI's proposal for WDR reporting, in addition to renewing their contract for continued Out-Valley environmental compliance monitoring for total estimated fees of \$19,250 in 2017. District staff also recommends retaining RCI on an as needed, task order basis to provide general engineering services per their Fee Schedule for labor and material.

Moved Epstein / Second Smith / O'Grady Yes / Dornbrook Yes / Richert Yes / Epstein Yes / Smith Yes to approve RCI's proposal to complete four quarterly reports and one annual report for 2017 in the amount of \$12,250.

Moved Dornbrook / Second Smith / Epstein Yes / O'Grady Yes / Richert Yes / Dornbrook Yes / Smith Yes to approve retaining RCI for Ongoing Environmental Permit Compliance Monitoring of the Out-Valley, estimated at \$19,250 annually.

e. Discussion and Possible Action Regarding the Update of the Fire Service Master Plan.

Assistant General Manager Ansel

Lead: Planning Committee

Deferred to 3/11/17 Board Meeting. A meeting will be scheduled with Directors Richert and Smith to discuss financial aspects of the Plan beforehand.

f. TIMED ITEM 9:00AM Presentation by Rick Hopson, District Ranger, USDA Forest Service, Amador Ranger District and Possible Action on the Caples Ecological Restoration Project (Prescribed Burn) Impacting the Forest to the North of Kirkwood. *Manager Sharp*

Deferred to a later Board meeting.

g. Discussion and Possible Action Regarding the Condition, Ongoing Repairs and Maintenance Activities Associated with the District's Out-Valley Electrical Line.

- i. Telecommunications Line. The latest outage of the T-1 line occurred on January 25 at Bear River. Water is intruding through joints in the conduit vaults upstream. RCI has proposed a drainage plan that adds more weepholes, and they will discuss further the pros and cons of this plan with Edge, while continuing to investigate the gel for added protection.
- ii. Update on 34.5kv Repairs.

h. Discussion and Possible Action on Developing a Program to Install GPS Tracking Units on Snow Removal Equipment to Gather Data for Customer Service, Productivity and Confirming Contract Rates. *Manager Sharp*

Lead: Information Technologies Committee

President Epstein reported that customers can now request snow removal via email and receive confirmations automatically, about 35 minutes after plowing is done. Data collected has enabled staff to see that between January 9 and 13, when 125 inches of snow fell, staff spent 635 hours on snow removal. This data will be integrated with customer accounts and allows Snow Removal staff to receive requests via text instead of radio or phone, making their job easier while improving customer service. Staff will research the possibility of installing a fueling station at the Powerhouse to reduce the number of trips back to the WWTP.

i. General Update and Possible Action Regarding Ongoing Issues with PG&E: *Manager Sharp*

Lead: PG&E Ad Hoc Committee

- i. Continued Discussion and Possible Action on the Cost of Ownership Charges on the PG&E Sub Station Work.
- ii. Continued Discussion of Possible Alternatives to the Construction of a Potential Switch Station Project Including an Update on Obtaining Appraisals on the Value of the 115kV Line. Manager Sharp reported staff continues to work with Ernst Young on a Statement of Work for the appraisal of the 115kV line, sharing technical information so EY has a better understanding of District concerns. A meeting has been tentatively scheduled at PG&E's office in San Francisco with District representatives Bob Epstein, Standish O'Grady, Michelle

Gamble and Michael Sharp to meet David Rubin's replacement and get the new V.P. up to speed regarding the District's goals on our issues.

- iii. Discussion and Possible Action on PG&E's Planned Outage from April 10 through May 15, 2017.

Regarding the spring 2017 PG&E power outage, Manager Sharp reported that staff is working with Exponential Engineering and PG&E on this planned outage, and stated that if PG&E were to serve Kirkwood through their Salt Springs hydro station, many issues would be resolved.

- j. Update and Possible Action on the Installation of Electric Vehicle Charging Stations in Kirkwood and Potential Further Action by the District. *Manager Sharp*

Lead: Planning Committee

Director Richert stated that as previously noted, Vail has installed four Tesla and two Universal charging stations, located in the VIP parking lot against the stairwell leading up to the Plaza. Director Richert reported that Staff will continue to work with the Planning Committee on further items of interest that include researching grants from the CEC (California Energy Commission), EPA and other possible sources related to planning for the anticipated increase in demand for additional charging stations in Kirkwood.

- k. 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. *Electric/Propane Manager Benson*

Lead: Operations Committee

Manager Sharp gave the Performance Report.

9. GENERAL MANAGER REPORT

- a. Caltrans – Ice Box Issue. District staff continue to work closely with Alpine Supervisor Terry Woodrow on setting a meeting with Caltrans to discuss safety concerns with this area.
- b. Public Safety Officer. A scheduled meeting with Alpine County officials was postponed due to weather and is being rescheduled for a later date. Staff is also trying to reschedule a meeting with Amador County Supervisor Lynn Morgan regarding Fire Department funding; Director Smith will also attend this meeting.
- c. Telecommunications Line. Staff continue to press Edge Communications for a permanent solution to water/ice intrusion that can take down the T-1 line at Silver Lake Bridge and the Bear River spillway.
- d. Out Valley Tree Removal. At Director Dornbrook's suggestion, staff will coordinate with an arborist to remove the 120-foot tall dead tree in conjunction with PG&E's clearance to repair the 34.5kV line.
- e. California Drought. One year ago, only 3% of California was considered not be in a drought; as of January 10, 42% of California is no longer in drought conditions (Source: U.S. Drought Monitor).
- f. Promotions. With Rick Ansel recently promoted to Assistant General Manager, Manager Sharp was pleased to announce the promotion of Brandi Benson to the position of Assistant Manager, Operations, and Shawn Trevett to Fire Chief. He thanked the Board's support, and stated both promotions are well deserved.

10. OPERATIONS REPORT *Assistant General Manager Rick Ansel*

Deferred due to weather.

11. STANDING COMMITTEE REPORTS

The Finance and Planning Committees meet monthly; Operations, Personnel and IT Committees meet every other month.

- a. Finance Committee. Chair O'Grady reported that the Finance Committee met on January 10 and everything has been covered herein.
- b. Planning Committee. Chair Richert reported the Planning Committee met on January 12, and stated everything has been covered herein.

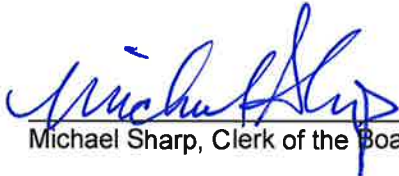
12. GENERAL DISCUSSION

Director O'Grady requested staff email Board Members a summary of lessons learned from the first 14 days of this January.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:00am.

(The next Regular Board Meeting is Saturday, March 11, 2017 at 8:00am)


Michael Sharp, Clerk of the Board


Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District