



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, March 11, 2017 – 8:00am

BOARD MEETING MINUTES

Standish O'Grady, Treasurer
Eric Richert, Vice President

BOARD MEMBERS
Robert Epstein, President

Peter Dornbrook, Secretary
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. ROLL CALL

Secretary Dornbrook

Board of Directors Present:

Directors Epstein, Richert, Smith and Dornbrook.

Directors O'Grady participating via teleconference.

Staff Present:

Manager Michael Sharp, Kelly McBride and Brandi Benson.

Others Present:

Community Member Judy Flinn and Community and Operations Committee Member Howard Hoffman.

3. ANNOUNCEMENTS

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.

4. COMMENTS FROM THE AUDIENCE

Community and Operations Committee Member Howard Hoffman stated that possible endorsements regarding the work of the Citizens Climate Lobby were discussed at the Planning Committee, and asked that the Board consider an endorsement at the Board level.

5. CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR

Manager Sharp requested to defer on Agenda Item 6.a Approve Regular Board Meeting Minutes: February 11, 2017 and Agenda Item 10. Operations Report. He also requested that Agenda Item 6.f Adopt Resolution 17-02 to Transition Governing Board Elections to Even Years per Senate Bill 415 be brought forward for separate discussion.

6. ADOPTION OF THE CONSENT CALENDAR

- a. **Approve Regular Board Meeting Minutes: February 11, 2017**
February 11, 2017 Board Meeting Minutes deferred until next meeting.
- b. **Approve Current Consent for Claims**
Approve Current Consent for Claims
- c. **Review Receivables/Shut Offs Report**
Review current Receivables/Shut Offs Report.
- d. **Approve Appointment of Greg McManus to Operations Committee**
Approve Greg McManus as a member of the Operations Committee

- e. **Approve Agreement for Engineering Services with HydroScience Relating to Emergency Capacity Upgrades at the Wastewater Treatment Plant**
Approve Agreement for Engineering Services with HydroScience.
- f. **Adopt Resolution 17-02 to Transition Governing Board Elections to Even Years per Senate Bill 415**
Resolution 17-02 to Transition Governing Board Elections to Even Years per Senate Bill 415 removed from the Consent Calendar and brought forward for separate discussion.

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

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

NOES: None

ABSENT: None

ABSTAINING: None

7. CONSENT ITEMS BROUGHT FORWARD FOR SEPARATE DISCUSSION/ACTION

Agenda Item 6.f Resolution 17-02 to Transition Governing Board Elections to Even Years per Senate Bill 415.

Manager Sharp stated that Alpine and Amador counties requested that this item be added to the agenda, which would move District elections to even years to coincide with general elections per Senate Bill 415. Anticipated benefits for such a move would be improved voter turn-out and cost savings. However, further review by Alpine county indicated potential problems due to the multi county jurisdiction, and the counties have withdrawn their request. A discussion ensued regarding compliance with Senate Bill 415 and the duties of the counties. The District’s elections will remain on odd years.

8. GENERAL MANAGER REPORT

a. Wastewater Treatment Plant Capacity

Manager Sharp stated that for the period July-February of this year, 8 million more gallons had been treated at the Wastewater Treatment Plant than for the same period last year. Additional membrane capacity may be needed during the next scheduled membrane replacement. He also reported that staff will begin work on updating the permit capacity.

b. Wastewater Collection System

Manager Sharp reported that an internal infiltration study has been started to confirm areas most impacted by inflow and infiltration.

c. Wastewater Absorption Beds

Manager Sharp stated that the absorption beds are designed to handle 420,000 gallons and that we need to pressure test the beds to ensure that they can handle design flows. A discussion ensued. It was noted that the absorption bed lots have been raised approximately 6 feet since installation. Investigation is needed to determine impact of additional fill on top of beds and whether an additional layer of beds can be added.

d. **Snow Removal/ Snow Storage/ Parking**

Manager Sharp stated that the limited snow storage has impacted the District as well as Vail. He noted that this highlighted the need for the District to have the ability to ramp snow without resort assistance. A discussion followed regarding the State Water Board snow storage restrictions and the resort's parking plan.

Other Discussion:

Water Citation. Manager Sharp stated that the District received a citation from the State Water Board for 3 chloroform hits in January. All hits were followed by negative tests, and could have been caused by operator error, lab error, the flooding of Well 2 or insufficient levels of chlorine in the system. He stated that a notice must be sent to customers and a Level 1 assessment must be completed.

Propane Patrol. Manager Sharp reported that a patrol had been done of the propane system and that a list of upgrades to protective structures is being compiled.

Out-Valley Overpayment. Manager Sharp reported that a possible overpayment to Wilson Construction is being investigated.

Powerhouse Depreciation. Manager Sharp stated that staff was revisiting the issue of powerhouse depreciation with RUS since the powerhouse has been in operation for 5 years.

Workman's Compensation. Manager Sharp reported that staff is investigating options for Workman's Compensation Insurance.

Ice Box. Manager Sharp reported that a meeting, with county supervisors, Caltrans, and other parties, is planned for April.

9. **ITEMS FOR BOARD ACTION**

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

Accounting Manager McBride presented the January Financials, February Preliminaries, and Cash Flow, noting known budget variances, and answered questions from the Board. Director Dornbrook requested that a separate line item be added to show fuel for Snow Removal.

- b. **2018-2022 District Budget Presentation.** Discussion and Possible Action Regarding the First Presentation of the District's 2018-2022 Financial Budget including:
- i. Timeline
 - ii. Assumptions
 - iii. Preliminary Summary Sheets
 - iv. Capital Plan
- Lead: Finance Committee

Manager Sharp presented the draft budget package and answered questions from the Board. A discussion ensued regarding growth assumptions and the impact of rate changes. Manager Sharp stated that staff will continue to refine the budget package for presentation at the next Board meeting.

- c. **Rate Adjustments.** 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 August 1, 2017.
Lead: Finance Committee

Manager Sharp reviewed the timeline and the proposed change in base rate calculations. Manager Sharp presented examples of increased base rates that showed the effect on year-round residents.

A discussion ensued and it was agreed to:

- Suspend investigation into the Base Rate methodology change.
- Assume that base rates would be adjusted only to keep up with inflation, and adjust usage rates to create the needed revenue increases.
- Update the Public Notice to reduce confusion and point out the compelling reasons for the increase.

Manager Sharp then reviewed the proposed usage rate increases and the goals for rate increases to promote or keep departmental self-sufficiency:

- Raise 7.5% more revenue in Wastewater by raising the usage rate by 19%
- Raise 4% more revenue in Water by raising the usage rate by 34%
- Raise 8% more revenue in Irrigation
- Raise 4% more revenue in Solid Waste

A discussion ensued and it was agreed to:

- Create specific examples of customer accounts for the April Board meeting.
- Clearly communicate the District's requirement to use property taxes to meet the RUS tier ratio and cover GASB 68 expenses for budgeting purposes.

- d. **Resort Closure.** Discussion and Possible Action Regarding Vail Resorts Announced Closure Date of April 16th for Ski Resort Operations.

Manager Sharp reported that the planned closure date for Ski Resort Operations remains April 16th. A discussion regarding the impact of a mid-April closing on District operations ensued. President Epstein suggested a letter to Vail followed by a meeting with Vail management in Colorado.

- e. **School Site Parking.** Discussion and Possible Action Regarding Kirkwood Village Development's Plans to Construct a Parking Lot on the School Site Next to the District's Wastewater Treatment Plant.

Manager Sharp discussed the updated plan for the School Site Parking Lot and noted that emergency egress through Loop Road was the District's primary concern. Director Richert reviewed the Planning Committees discussion and noted that there are still community concerns about the extent of paving and snow storage areas. Director Dornbrook suggested a land exchange with the developer swapping the School Site for the District-owned lot next to Lava Rock Lodge. A discussion ensued.

- f. **Snow Removal Tracking.** Discussion and Possible Action on GPS Tracking Units on Snow Removal Equipment to Gather Data for Customer Service, Productivity and Confirming Contract Rates.

Lead: Information Technologies Committee

Manager Sharp reported that the new snow removal tracking system is live and that customers can enter snow removal requests through the website. Staff will use information gathered to gauge productivity and re-evaluate contract amounts. Community Member Judy Flinn

requested that data be used to give preliminary numbers to HOA's in April for their budgeting process.

- g. **Electric Vehicle Charging.** 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

Assistant Manager of Operations Benson stated that the Planning Committee had considered this topic and that grant funds may be available, but may require outside expertise to pursue. Director Richert summarized the Planning Committee's discussion and recommended that the Proposal for EV Professional Services be placed on the April Board agenda. A discussion followed and staff agreed to follow up on a revised proposal.

- h. **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. *Electric/Propane Manager Benson*
Lead: Operations Committee

Assistant Manager of Operations Benson gave the Performance Report.

10. OPERATIONS REPORT

Assistant General Manager Ansel (Discussion may take place; however, no action will be taken.)

- a. Snow Removal

Agenda Item Deferred.

11. STANDING COMMITTEE REPORTS

- a. Finance Committee

Director Richert reported that all Committee items were covered in the Board Agenda.

- b. Planning Committee

Director Richert summarized the following Planning Committee topics:

- 10-Year Review. The updated 10-year review was accepted by Tri-TAC and will be taken to the county planning committees. The District's comments were incorporated into the updated document.
- Public Safety Officer. Assistant Manager Ansel will work with Alpine County to pursue an MOU for a sheriff's deputy with public safety job duties so that the next hire would be able to assist with public safety and fire duties.
- Snow Storage. Discussion of the impacts of limited snow storage on Resort and District snow removal operations. The Planning Committee recommends that the District assist Vail approach the Water Board about easing restrictions on the perimeter of paved lots.
- Citizen's Climate Lobby (CCL). The Planning Committee requests that CCL endorsements be included on the April Board Agenda.
- Grant Writing. The Planning Committee recommends evaluating an outside service for general grant writing needs.

12. GENERAL DISCUSSION

No general discussion items were brought forward.

13. **CLOSED SESSION** (The Board will adjourn to Closed Session to discuss items identified below. Closed Session is not open to the public, however an opportunity will be provided at this time if members of the public would like to comment on any item listed – three-minute limit.)

- a. **Discussion on Personnel Evaluations for all Employees Pursuant to G.C. 54957.6**

The Board discussed personnel evaluations for employees pursuant to G.C. 54957.6.

14. OPEN SESSION

a. Discussion and Possible Action

President Epstein reconvened the meeting and stated that the Board reviewed personnel evaluations for all employees and gave direction to staff. He also reported that General Manager Sharp gave written notice of his intent to retire in six months.

15. ADJOURNMENT (The next Regular Board Meeting is scheduled for Saturday, April 8, 2017 at 8:00 a.m.)

There being no further business, the meeting was adjourned.
(The next Regular Board Meeting is Saturday, April 8, 2017 at 8:00am)


Michael Sharp, General Manager


Peter Dornbrook, Board Secretary
Kirkwood Meadows Public Utility District