

**ALPINE SPRINGS COUNTY WATER DISTRICT
MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING**

Pursuant to notice given, the regular meeting of the Board of Directors, Alpine Springs County Water District, was held Friday, November 9, 2012, at 8:30 a.m., District Board Room, 270 Alpine Meadows Road.

1 **1. CALL TO ORDER**

2 Vice President Nungester called the meeting to order at 8:30 a.m.

3 **PLEDGE OF ALLEGIANCE**

4 Those attending joined in reciting the Pledge of Allegiance.

5 **ROLL CALL**

6 Directors Present: Charles Nungester, Vice President; Janet S. Grant; Jon
7 Northrop; Don Priest; Virginia Quinan.

8 Directors Absent: None.

9 Staff Present: John Collins, General Manager; Mike Dobrowski, CPA (by
10 telephone); Buz Bancroft, Operations & Maintenance; Jancis Martin, Recording
11 Secretary.

12 Guest Present: Tim Alameda/NTFPD; Mike Schwartz/NTFPD.

13 **2. PUBLIC PARTICIPATION**

14 None.

15 **3. ITEMS FOR BOARD DISCUSSION & ACTION**

16 **A. Financial Reports:**

17 Mike Dobrowski, District CPA, participated in discussion of this agenda
18 item by telephone.

- 19 • The District's net income was favorable to budget by \$64K on a year-
20 to-date basis and its cash position increased by \$250K over the prior
21 fiscal year. The increase is largely due to capital projects that were
22 budgeted for the current fiscal year but not yet completed; their
23 completion will deplete some of the cash before the end of the fiscal
24 year.
- 25 • The auditors completed their fieldwork and are preparing the reports.
- 26 • Director Grant asked why the "Benefits – O&M" category was
27 substantially different for the last two months. Vice President
28 Nungester said it was because one was a two-pay-period month and
29 the other a three-pay-period month, noting that the budgeted amounts
30 for the two months were mistakenly switched. Mike added that on a
31 year-to-date basis, the District was under budget in that category.
- 32 • Director Grant asked if Fedex sent invoices as soon as service was
33 provided so that the District received more than one per month. Vice
34 President Nungester confirmed that Fedex sends in more than one bill
35 per month, but said they do not submit their bills promptly.
- 36 i. **October Month-end Financial Statements:** Director Quinan made a
37 MOTION that the Board accept the October 31, 2012 month-end
38 financial reports. Director Grant **SECONDED** the motion. Directors
39 Grant, Northrop, Priest and Quinan being in favor, the motion was
40 **APPROVED**.
- 41 ii. **October Expenses Paid & Payable:** The Directors reviewed the
42 monthly check register. Director Grant made a MOTION that the
43 Board approve the Expenses Paid & Payable (the debits for payroll
44 and checks 26520 through 26563). Director Northrop **SECONDED**
45 the motion. Directors Grant, Northrop, Priest and Quinan being in
46 favor, the motion was **APPROVED**.

47 **B. Approval of Minutes:**

48 Director Grant made a MOTION that the Board approve the minutes of
49 the October 12, 2012, Regular Board of Directors Meeting. Director

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1 Northrop SECONDED the motion. During discussion, Director Priest
2 asked about the cost of Troy Caldwell's pipeline. Vice President
3 Nungester said the cost was still under discussion, as Troy had submitted
4 an overly high cost estimate; Troy used a ~\$250 per foot unit cost, when
5 he should have used a unit cost of ~\$19 per foot. Director Priest
6 requested that "May" be changed to "April" on line 29 of page 6. Director
7 Grant amended her MOTION to include Director Priest's proposed
8 change. Director Northrop SECONDED the amended motion. Directors
9 Grant, Northrop, Priest and Quinan being in favor, the amended motion
10 was APPROVED.

11 **C. Fire Department Report:**

12 Chief Schwartz and Tim Alameda from NTFPD were in attendance and
13 reported the following:

- 14 • Personnel changes: NTFPD held a retirement party October 26 for
15 Chief Poe. Dave Ruben retired a couple of days later and Frank
16 Watts resigned on November 1.
- 17 • Chipping program: Due to a budget shortage, NTFPD shut down its
18 chipping program early this year. Dave Zaski has been charged with
19 re-inventing the program for next year. Director Grant reminded Chief
20 Schwartz to include Alpine Meadows in their planning for next year.
21 Chief Schwartz said Dave Zaski was including Alpine Meadows in his
22 planning, adding that NTFPD would be applying for grants that were
23 not restricted to specific locales, unlike the grants that funded the
24 chipping program this past season and which prohibited NTFPD from
25 being able to provide Alpine Meadows with chipping services.
- 26 • California Fire Prevention Fee: The fee was not implemented by
27 NTFPD, nor will they receive the funds from it. NTFPD directs
28 concerned members of the public to consult the NTFPD website for
29 an explanation of the fee and for information on how to file a protest,
30 along with a link to CalFire's official "Fire Prevention Fee" website.
- 31 • Station 51 (the old Tahoe City main fire station): NTFPD is currently
32 using it for storage. It is owned by Placer County. The NTFPD Board
33 and Placer County Board of Supervisors are currently working
34 together to figure out what to do with the building.
- 35 • Green Waste Drop-off: NTFPD is operating a green waste drop-off
36 site at Cabin Creek today and tomorrow. They hope to run more
37 green waste drop-off days next spring and fall.
- 38 • NTFPD Activities in the Valley:
 - 39 ○ NTFPD responded to 1 dispatch call in the valley (a false alarm).

40 **D. General Manager's Report:**

41 John Collins, General Manager, provided a written report on his activities
42 during the month of October, with discussion on the following topics:

- 43 • Sierra Nevada Conservancy (SNC) Grant: The fuels-thinning project
44 is complete. SNC released the District's retention funds (\$12,174.79)
45 this week.
- 46 • Alpine Meadows Bridge: There was no activity in October.
- 47 • Alpine Sierra Subdivision: There was no activity in October.
- 48 • Alpine Meadows Road Pipeline Project:

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- 1 ○ Manager Collins received a draft agreement from Troy Caldwell
- 2 and his attorney addressing pertinent issues, forwarded it to
- 3 District Counsel for review and is researching how water and
- 4 sewer mains were constructed and under what agreements.
- 5 ○ Director Priest asked if there was a dollar figure for the
- 6 compensation of Troy's pipeline. Manager Collins said not yet.
- 7 Troy used the amount awarded to Longo and divided it by the
- 8 number of feet in his pipe to come up with a \$255 per foot unit
- 9 cost, resulting in a compensation price of about \$500,000.
- 10 Manager Collins explained to Troy why his price was inappropriate
- 11 (for instance, it included the cost of non-pertinent expenses like a
- 12 pressure reducing valve station) and will calculate an amount for
- 13 Troy to use in the agreement.
- 14 ○ Manager Collins said he was surprised that nobody had ever
- 15 offered to dedicate the pipe to the District in the 1980s, back when
- 16 it was built. Plans were made available to the District at that time
- 17 and ASCWD personnel inspected it.
- 18 ○ Manager Collins said he had notified all the contractors that the
- 19 project was on hold, pending a successful agreement between the
- 20 District and Troy. Further work on the project will not take place
- 21 until the spring.
- 22 ● AME Well Re-drill: Manager Collins received the amended water
- 23 permit from the California State Department of Public Health. He met
- 24 with Tom Butler from Stantec and reviewed the project in the field. He
- 25 also met with Fredrick Drilling (the driller who drilled Wells R-1 and R-
- 26 2) in the field, reviewed the project and now awaits a bid. Snow may
- 27 or may not hold up the project.
- 28 ● 1783 Deer Park Drive sewer easement: Manager Collins submitted
- 29 the signed grant of sewer easement to the County Recorder.
- 30 ● New Utility Rate: Manager Collins prepared a draft schedule of dates
- 31 for a public hearing to adopt utility rates for the next fiscal year,
- 32 coordinated with Shawn Koorn (the rate study author from HDR) on
- 33 his availability and started to draft a rate increase resolution.
- 34 ● Snow Crest Sewer Line Relocation: Manager Collins met with Peter
- 35 Henry and his contractor. They reviewed the proposed project,
- 36 alternatives and engineering cost estimate. They will get bids from
- 37 several contractors. He also met with Dan Goodrich and Tim Longo
- 38 separately and reviewed the project scope.
- 39 ● Manager Collins transferred funds from checking into CD, LAIF and
- 40 Placer County, per Board approval. Director Grant asked if he
- 41 generally transferred funds from the lowest interest-earning account
- 42 when the District needed more money in checking and he said yes.
- 43 **E. Operations & Maintenance Department Report:**
- 44 Buz presented a written report for the month of October that included
- 45 status updates on water, sewer, garbage and other services provided by
- 46 the District.
- 47 ● Staff closed the Park after the first snow.

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- Other maintenance: Staff repaired several leaking meter yokes; repaired Tank 4A water line water leak; completed fire hydrant flushing and water valve maintenance programs.
- All routine water samples were absent coliform bacteria.
- Buz reviewed this year’s SCADA expenses:
 - in the late spring, Sierra Controls had to replace an unreliable antenna at a store-and-forward site at Tank 2 (it collects information from three sites and sends them to the Office’s SCADA computer) – this was not an anticipated expense;
 - the Office’s SCADA computer’s hard drive crashed, possibly due to a Liberty Energy power overage, despite protection via surge protector and battery – this was also not an anticipated expense;
 - this month’s check to SCADA was for standard maintenance, a normal expense every year – it included site upgrades, verification of signals going in and out of each site and software upgrades on the Office SCADA computer.

F. Signature Card for Bank of the West:

Vice President Nungester explained that the Bank of the West told the District they need the Board to approve a motion identifying exactly who is allowed to sign checks for the District. Director Grant suggested that Manager Collins be added to the list of approved signatories; her suggestion was discussed more extensively during agenda item 3G. Director Quinan made the following MOTION: “Alpine Springs County Water District Board of Directors signature card with Bank of the West is being updated to supersede all previous signature cards in existence. The approved signers are now Janet Grant, Jon Northrop, Charles Nungester, Donald Priest and Virginia Quinan. Barbara Danz will be removed from the newest card as she is no longer a member of the Board of Directors.” Director Northrop SECONDED the motion. Directors Grant, Northrop, Priest and Quinan being in favor, the motion was APPROVED. When the minutes from this meeting have been approved, the Directors whose signatures are to be authorized need to go to the bank together and sign the same card.

G. Check Signing and Policy 2.1.0: Bill Paying:

The Board discussed the possibility of modifying the Budget & Finance Committee’s policy regarding bill paying.

- Director Grant said she called other agencies to find out how they handle bill paying and learned that all other agencies have someone authorized to sign checks under a certain amount. She felt it would be appropriate to authorize Manager Collins to sign such checks during the mid-month check issuing process. She said the District’s current bill paying policy was put in place in response to malfeasance in Orange County, not due to any fraud within the District. Manager Collins thanked the Board for the confidence they expressed in him but said he would rather not have the responsibility. He reminded the Board that he was not an employee of the District. If he were, he would be protected by the State of California when signing checks; however, as a contractor he has no such protection. He has no issue

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- 1 with signing the cover sheet, because he is already doing the work
2 required for those who sign the cover sheets.
- 3 • Director Quinan also researched the issue. She said there was quite
4 a range in how agencies deal with the signing of checks: some require
5 only the signature of the general manager, some require the signature
6 of one director, others require the signatures of two directors.
 - 7 • Vice President Nungester contested the notion of requiring a quorum
8 to sign checks. He said he would like the Bill Paying Policy changed
9 to require the signature of two (rather than three) directors, with the
10 General Manager providing the third signature on the cover sheet.
 - 11 • Director Quinan said she liked Director Grant's idea of requiring fewer
12 signatures for checks under a specified limit; she suggested \$10,000.
 - 13 • Director Grant asked Manager Collins what his role was now, with
14 respect to the bill paying process. He said he reviews the checks and
15 questions Buz or Lew or Mike if he doesn't understand something.
 - 16 • Director Grant asked if the District really needed to have one of the
17 two signatories be a member of the Budget & Finance Committee.
18 Vice President Nungester said he was not sure. Manager Collins said
19 he felt it was important because members of the Committee have a
20 much more in-depth understanding of the relationship between the
21 checks and the budget.
 - 22 • Director Northrop said he agreed with the idea of changing the
23 authorization for District checks from three Director signatures to two.
 - 24 • Vice President Nungester said he liked the idea of requiring fewer
25 signatures for checks under a specified amount and agreed with the
26 \$10,000 figure. Director Grant agreed, saying that usually larger
27 amounts have been pre-authorized by the Board anyway. She felt
28 that the Board could put in place a less stringent authorization policy
29 for the day-to-day expenses, which are almost always under \$1,000.
 - 30 • Manager Collins summarized that the Board was discussing changing
31 the Policy for the mid-month checks to require only two Director
32 signatures on the checks, one by a member of the Budget & Finance
33 Committee, for checks under \$10,000 and items over \$10,000 that
34 had already been approved by the Board. He pointed out that the
35 Policy did not currently specify a dollar limit on checks, so doubted the
36 necessity of imposing one now.
 - 37 • Director Grant said she felt the Board should not abandon the quorum
38 represented by the three signatures in the current Bill Paying Policy.
39 Manager Collins, Vice President Nungester and Director Priest felt the
40 signatures did not technically represent a quorum, as there was no
41 vote involved.
 - 42 • Director Priest reminded Manager Collins that he had said he would
43 look into the notion of having vendors agree to abide by the District's
44 timeline for paying invoices. Pam provided an update on the topic.
45 She said this is the second time she has gone to the vendors to
46 attempt to get them to understand and abide by the District's timeline
47 for bill paying and to minimize their imposition of late fees. She said
48 she tries to prepay some accounts (e.g., Fedex) to avoid late fees.
49 Some local companies (e.g., garbage, Swigard, Mountain Hardware)

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1 give the District 45 days. Other vendors - including District counsel,
2 the copy machine company and Ameripride Uniforms - are not willing
3 to waive late fees. Director Priest said he was suggesting that the
4 vendors be advised that the District can only issue checks on two
5 dates per month - the date of the Board meeting and a date mid-
6 month – and that the vendors agree to wait for those dates before
7 issuing late fees. Pam said the issuance of mid-month checks was
8 instituted to deal with the net 30 day accounts and that there was no
9 problem with checks signed at the Board meetings. Her only problem
10 was with the mid-month checks when she cannot get them signed fast
11 enough.

- 12 • Vice President Nungester said he agreed with the importance of
13 requiring that one of the check signatories be a member of the Budget
14 & Finance Committee.

15 Director Northrop made a MOTION that the Board approve the following
16 changes to Policy 2.1.0: Bill Paying: in the paragraph starting with
17 “Approval of demands and disbursements ...” 1) in the sentence starting
18 with “The General Manager ...”, change “three” to “two”; 2) in the
19 sentence starting with “A Check Authorization Form ...”, delete the word
20 “three”; and 3) in the sentence starting with “Two of the three Directors
21 ...”, change “Two of the three” to “The same two”. Director Quinan
22 SECONDED the motion. Directors Grant, Northrop, Priest and Quinan
23 being in favor, the motion was APPROVED. Director Priest asked that in
24 future a printed draft of proposed changes be provided to the Directors in
25 advance.

26 **H. TTSA Report:**

27 There has been no TTSA Board meeting since the October ASCWD
28 Board meeting. The next TTSA Board meeting is scheduled for
29 November 14. Director Northrop said from now on he will deliver a copy
30 of the TTSA Board meeting agenda to the ASCWD Office on his way
31 back from the meeting each month so that Pam can include it in the
32 following Board meeting packet.

33 **I. Set Public Hearing Date for Utility Rate Increases:**

34 This was taken care of last month.

35 **J. Committee Reports:**

- 36 i. **Budget & Finance Committee:** Vice President Nungester presented
37 a written report of yesterday’s Committee meeting.
 - 38 a. **Non-standard Transactions:** Manager Collins questioned two
39 discrepancies in the prepaid expenses having to do with SDRMA
40 insurance and they were resolved.
 - 41 b. **Investments/cash:** No CDs are maturing this month.
 - 42 c. **Requests from Customers for Adjustments to their Bills:**
43 None.
 - 44 d. **Requests for Unbudgeted Expenses:** None.
 - 45 e. **Next meeting:** Thursday, December 13, at 1:00 p.m.
- 46 ii. **Administration & Personnel Committee:** There was no meeting.
- 47 iii. **Park, Recreation & Greenbelt Committee:** There was no meeting.
- 48 iv. **Long Range Planning Committee:** There was no meeting.

49 **K. Open Items:**

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- 1 • The next regular Board meeting will be held at its normal time and
- 2 date: Friday, December 14, at 8:30 a.m.

3 **L. Correspondence to the Board:** None.

4 **4. DIRECTORS' COMMENTS**

- 5 ▪ Director Priest asked about a withdrawal from Bank of the West for \$77,000
- 6 on the Balance Sheet. Manager Collins said that was the total amount of the
- 7 District checks for the past month. Director Northrop asked if a total could be
- 8 provided at the bottom of the Check Register report in the Board packet.
- 9 Manager Collins said he would look into it.
- 10 ▪ Director Quinan asked Manager Collins if he could estimate the District's
- 11 capital expenses that will be paid out between now and the end of the fiscal
- 12 year. He said he would put a figure together for the Board and that it would
- 13 be close to a million dollars.
- 14 ▪ Vice President Nungester reminded the Directors that any of them can attend
- 15 the Budget & Finance Committee meeting.

16 **5. ADJOURNMENT**

17 There being no further business before the Board, the meeting was adjourned at

18 9:58 a.m.

19
20 Respectfully Submitted,

Approved as submitted 12/14/12

21
22
23
24 Jancis Martin
25 Recording Secretary