

**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, January 11, 2008, at 8:30 a.m., District Board Room, 270 Alpine Meadows Road.

1 **1. CALL TO ORDER**

2 President Danz 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: Barbara Danz, President; Charles Nungester, Vice President;
7 Janet S. Grant; Jon Northrop; Virginia Quinan

8 Directors Absent: None.

9 Staff Present: John Collins, General Manager; Mike Dobrowski, District CPA;
10 Jancis Martin, Recording Secretary

11 Guests Present: Andy Smith/property owner; Todd Conradson/NTFPD; Ron
12 Ley/Damore, Hamric & Schneider; David Kasperik/Damore, Hamric & Schneider

13 **2. PUBLIC PARTICIPATION**

14 None.

15 **The numbering of the following items matches the original order of the**
16 **scheduled items in the meeting agenda. However, to take best advantage**
17 **of meeting participants' time, the items were dealt with in a different order**
18 **during today's meeting, as seen below.**

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

20 **A. Financial Reports:**

21 Mike Dobrowski, District CPA, participated in discussion of this agenda
22 item by telephone. He reported that:

- 23 • Following receipt of \$285K in property tax revenue, the District paid its
24 first installment on the NTFPD contract, in the amount of \$128K. The
25 District must make two more payments this fiscal year, each payable
26 within 45 days of the District's receipt of its property tax allocation
27 from Placer County, for a total of \$320,000.
- 28 • On a year-to-date basis, the District's net income is more than \$100K
29 over budget.
- 30 • The number of accounts receivable is reduced from last month. Mike
31 said the most recent delinquency notices seem to have had an effect.
32 One more notice will be sent and after that the unpaid accounts will go
33 to the County for collection. Between 20 and 30 accounts are
34 delinquent.
- 35 i. **December 2007 Financial Statements:** Director Northrop made a
36 MOTION that the Board approve the financial statements, dated
37 January 7, 2008, as presented. Director Grant SECONDED the
38 motion. All Directors being in favor, the motion was APPROVED.
- 39 ii. **Annual Forecast:** Manager Collins presented a forecast of the
40 District's revenues and expenses for the remainder of the fiscal year.
41 Total revenue is expected to be \$1,294,417 which is slightly more
42 than the budgeted \$1,255,704. Expenses will be as expected, except
43 for 1) Legal expense will probably be more than \$13,000, vs. \$7,500
44 which was budgeted and 2) Maintenance Water and Sewer expense
45 is expected to be under budget, since the tanks will probably not be
46 inspected this fiscal year. In summary: net income is expected to be
47 \$139K rather than the budgeted \$42K. The last COP payment will be
48 in April.

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1 iii. **December Expenses Paid & Payable:** The Directors reviewed the
2 monthly check register. Director Grant made a MOTION that the
3 Board approve the Expenses Paid & Payable (checks 23441 through
4 23491). Director Nungester SECONDED the motion. All Directors
5 being in favor, the motion was APPROVED.

6 **B. Approval of Minutes of Regular Board Meeting Held on December**
7 **14, 2007:**

8 Director Northrop made a MOTION that the Board approve the minutes of
9 the December 14, 2007, Regular Board of Directors Meeting. Director
10 Nungester SECONDED the motion. All Directors being in favor, the
11 motion was APPROVED.

12 **C. Standing Committees:**

13 The Board discussed whether or not the Long Range Planning
14 Committee should be a standing committee of the Board:

- 15 • Currently the standing committees are: Administration & Personnel;
16 Budget & Finance; Park, Recreation & Greenbelt; and Long Range
17 Planning. The Long Range Planning Committee has not met in about
18 a year. President Danz asked if the Board felt the Committee's status
19 should be changed from standing to ad hoc or inactive. Manager
20 Collins pointed out that the Long Range Plan will be brought back to
21 the Board for review. The Board agreed that the Long Range
22 Planning Committee could remain active until after the Long Range
23 Plan is reviewed again.
- 24 • Director Grant suggested that the Committee membership should
25 change from time to time so the Directors will have better visibility into
26 different areas of Board responsibility. Director Quinan suggested
27 that only one Director on each Committee be changed so as to
28 maintain continuity of leadership but to postpone any change until
29 next year. The Board agreed.

30 **F. General Manager's Report:**

31 John Collins, General Manager, provided a written report on his activities
32 during the month of December 2007 with discussion on the following
33 topics:

- 34 • Modification of Well R-1: The Department of Health Services (DHS)
35 brought to the District's attention that the Well R-1 project needs to go
36 through a CEQA (California Environmental Quality Act) process. The
37 project will be treated as a remodel, meaning the District can request
38 a categorical exemption to avoid the environmental issues. If the
39 categorical exemption is not approved, the District will have to file a
40 Negative Declaration, which will require a resolution from the Board.
41 Resource Development Associates has made comments on the
42 Lumos plan. Manager Collins is awaiting comments from the
43 electrical subcontractor on the plan. The project plan will go to DHS
44 for approval in the latter part of February, with approval expected from
45 DHS by the end of March. A contract will then be presented to the
46 Board for approval in April, with construction expected to begin in
47 May.
- 48 • Fire services: The Notice of Completion for the Alpine Meadows Fire
49 Station addition was filed with Placer County. The 30-day review

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- 1 period will be over on January 26, at which time the retention funds
2 can be released.
- 3 • Defensible space clearance on District properties: Manager Collins
4 completed and submitted the Sierra Nevada Conservancy grant
5 application. He subsequently spoke with Conservancy personnel
6 about it and communicated comments from them to Stewart
7 McMorrow. Manager Collins received a letter from the Conservancy
8 which indicates that the grant application is still being considered for
9 acceptance. The Conservancy may schedule an on-site review next
10 month. Manager Collins also received a letter from John Moise
11 conveying the information that Alpine Meadows has been designated
12 as a Firewise Community; Manager Collins will send this information
13 to the Conservancy, with the hope that it will favorably affect the
14 Conservancy's view of the District's grant application.
 - 15 • Easement encroachment agreement for Lot 228 Alpine Meadows
16 Estates: District counsel approved the change suggested by the
17 Board last month. The agreement has been modified, notarized and
18 will be re-recorded.
 - 19 • Easements: Staff resubmitted two easement documents to Placer
20 County for recording. Manager Collins expects to be able to refocus
21 on the issue of recording easements in the spring. A plan has been
22 submitted to the District for approval which will probably require an
23 encroachment permit.
 - 24 • Buz currently has Distribution 2 certification and would like to gain
25 Distribution 3 certification. Manager Collins completed and submitted
26 Technical, Managerial and Financial Capacity worksheets to the State
27 in exchange for free distribution certification training material, which
28 Buz will be able to use to study for his certification.
- 29 **I. Well R-1 Connection:**
30 Discussed during the General Manager's Report (agenda item 3F).
- 31 **K. Operations & Maintenance Department Report:**
32 Manager Collins presented a written report from Buz for the month of
33 December 2007 that included status updates on water, sewer, garbage
34 and other services provided by the District. In addition to the information
35 on the written report, the following was discussed:
- 36 • Manager Collins is hoping to learn how to generate mass balances
37 from the information provided by the pilot remote-read meter program.
- 38 **L. Committee Reports:**
- 39 i. **Budget & Finance Committee:** President Danz presented a written
40 report of the Committee's December 13, 2007, meeting with detailed
41 discussion of the following items:
 - 42 a. **Status of investments/cash:** The \$100,000 CD was rolled over
43 to a one-year \$100,000 CD at an interest rate of 4.6%, due in
44 January 2009.
 - 45 b. **Need for District credit card:** The Committee could not reach a
46 consensus on the advisability of having a District credit card.
47 They will revisit the topic in two or three months.
 - 48 c. **Requests from customers for adjustments to their bills:** The
49 District received one letter from a customer who asked that late

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- 1 fees and penalties be waived because she had moved and the bill
2 was sent to the prior address. Since it appeared that the
3 customer had received the bill in time to pay before late fees and
4 penalties were assessed, the Committee denied the request.
5 d. **Requests for unbudgeted expenses:** None.
6 e. **Next meeting:** Scheduled for Thursday, February 7, at 11:30 a.m.
7 ii. **Long Range Planning Committee:** There was no meeting.
8 iii. **Park, Recreation & Greenbelt Committee:** There was no meeting.
9 iv. **Administration & Personnel Committee:** There was no meeting.

10 **J. Agreement between Alpine Sierra Ventures, LLC, and ASCWD:**

11 The Board reviewed the most recent draft of the agreement:

- 12 • The current document was prepared by District counsel following last
13 month's meeting. Significant changes still remain to be made.
14 President Danz felt it was important for the Board to be familiar with
15 the agreement and to provide any feedback that should be included in
16 future drafts of the agreement. The document is shorter and clearer
17 than the one generated by the ski area's legal counsel. Important
18 issues in the agreement are clarification of actions to be taken in the
19 event of various types of termination and debt payoff. Key to the
20 agreement are: 1) payment of the debt on Wells R-1 and R-2; 2) the
21 provision of snow-making water; and 3) access to easements for
22 maintenance of equipment. President Danz suggested to District
23 counsel, and they agreed, that the avalanche agreement be removed
24 from this document, since this agreement concerns water issues only.
25 President Danz solicited comments and concerns from the Directors.
- 26 • Director Nungester suggested that this was a good time to pay off the
27 District's debt to the ski area. The debt is currently \$133K. Director
28 Grant does not feel we have the resources to pay off the debt without
29 impacting the District's long range plans. Manager Collins said the
30 District has the resources to pay off the debt but that it would draw
31 down the District's cash balance. President Danz agreed with
32 Director Nungester on the advisability of paying off the debt.
33 President Danz asked Manager Collins to have the ski area meter
34 read and to firm up the Well R-1 project budget so that the Board will
35 have a better understanding of the ski area's water usage and of the
36 District's cash balance forecast. Then the Board can make an
37 educated decision as to whether or not to pay off the debt by the end
38 of the 2007-2008 fiscal year.
- 39 • President Danz would like all references to the 1992 Well Agreement
40 removed from this document so that the new agreement is a stand-
41 alone document.
- 42 • Director Grant said it was hard to review the document without access
43 to the cited exhibits, which Manager Collins has not yet prepared.
- 44 • Currently the District bills the ski area for snow-making water at the
45 end of the fiscal year and bills its electrical usage as the District
46 receives its monthly bills from the utility company. The determination
47 of which party pays the ski area's electrical bill in the future may
48 become part of the debt payoff issue.

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- 1 • President Danz asked the Board members to communicate any
2 further comments and concerns to Manager Collins as soon as
3 possible. District counsel will prepare the next draft and will also
4 prepare a matrix indicating the various ways the agreement can be
5 terminated.

6 **D. Fire Department Report:**

7 Todd Conradson was in attendance for NTFPD and discussed the
8 following items with the Board:

- 9 • December 2007 Dispatch Report: There were 17 calls to dispatch, 13
10 of which were for EMS at the Alpine Ski Area.
11 • Fire Station Staffing: The Alpine Meadows station was staffed for all
12 except three of the dispatch calls. NTFPD provided extra staffing for
13 the storms (January 3-6) and holidays (December 21-January 1).
14 Personnel have moved in and are comfortable. Director Nungester
15 asked why the fire engine rolls on EMS calls to the ski area. Todd
16 said the engine only rolls on ski area EMS calls if the response
17 requires an air lift or additional EMS personnel.

18 **E. Alpine Meadows Fire Ordinance (Ordinance 8-2007):**

19 The Board discussed the substance of the recently adopted Fire
20 Ordinance with particular reference to the sprinkler requirements for new
21 construction:

- 22 • Background: The Board adopted the revised Ordinance in November
23 2007 and it was approved by the Placer County Board of Supervisors
24 at the end of November. It became effective on January 1, 2008. At
25 the public hearing, some members of the community expressed
26 concern about the sprinkler provisions (established in 2002 after a
27 number of public hearings). The Board did not consider revising the
28 sprinkler provisions at that time since it wished to have the Ordinance
29 in place at the beginning of 2008 but agreed to review the sprinkler
30 provisions in January.
31 • Andy Smith, a contractor in the valley for many years, stated that he
32 was opposed to the current sprinkler provisions. One of his clients
33 wanted to build a detached two-car garage with a short breezeway
34 connecting it to the house. During the permit process, he discovered
35 that he would have been required to install fire-suppression sprinklers
36 in the garage if the breezeway had not been part of the plan. He
37 thinks this is an onerous requirement. He also feels that having to put
38 fire-suppression sprinklers in new homes is an onerous requirement.
39 Todd said it was a good idea to have sprinklers as they 1) help people
40 get out of a burning building, 2) buy fire response personnel time by
41 helping to suppress the fire and preserve the property while the fire
42 response personnel are en route to the fire and 3) stop the
43 progression of a structure fire from spreading to neighboring
44 properties. Sprinklering is required in North Tahoe, Northstar and
45 Squaw Valley construction. There are communities in California and
46 other places in the country that require sprinklering for all new
47 construction, regardless of size. Todd said Chief Whitelaw and Dave
48 Ruben will be available for further discussion of the topic at the
49 February Board meeting. Todd said there have been instances of

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1 structures preserved by sprinklers in NTFPD's service area but he
2 does not know of any in Alpine Meadows.

- 3 • Andy said, as a plumber, he is more afraid of the destructive forces of
4 water than of fire. He feels the sprinkler provisions place an additional
5 burden on contractors, on top of all the other permit-induced burdens.
6 Director Northrop said if houses were built from fire-retardant
7 materials, sprinklers would not be required; President Danz and Todd
8 said that even if a house is built from fire-retardant materials, there
9 are still materials within a house that can fuel fires.
- 10 • Todd said he understands that water is damaging but nobody dies
11 from water, whereas they do die from fire. He encouraged the Board
12 to keep the sprinkler provisions in its fire ordinance.
- 13 • Director Grant said the District's sprinkler provisions are more
14 stringent than most other areas. Todd said he felt the District is
15 similar to other neighboring districts.
- 16 • In response to a question from Director Quinan, Andy said it was cost
17 that bothered him most about the sprinkler provisions. He asked what
18 size service was needed to supply water to the sprinkler systems.
19 Manager Collins said the fire people specify the service size; usually
20 1-inch is sufficient but sometimes 1.5-inch is necessary. Two services
21 used to be required for residences (one for domestic usage and one
22 for the sprinkler system) but now only one service is required and it is
23 split into the two supplies after it enters the property.
- 24 • Andy asked why sprinklers are required in an unoccupied property,
25 such as a garage. Todd replied that they save property, reduce the
26 spread of fire to other properties, and allow fire responders to reach
27 the property before the fire has spread. Garages are just as likely to
28 generate fires as occupied structures, due to many fuel ignition
29 sources. Andy said the expense of the sprinkler provisions would
30 have made his client's garage unaffordable.
- 31 • President Danz asked the Board if they wished to discuss the issue
32 further. Directors Grant and Northrop are uncomfortable with the
33 sprinkler provisions. President Danz will put the issue on the agenda
34 in February for further Board discussion.

35 **The Board took a break from 10:05-10:25.**

36 **G. Financial Audit for Fiscal Year 2007:**

37 The Board reviewed the financial audit report for fiscal year 2007. Ron
38 Ley and David Kasperik of Damore, Hamric & Schneider attended the
39 meeting to summarize the audit and to answer questions. Mike
40 Dobrowski, District CPA, was also in attendance for this agenda item.

- 41 • Ron Ley summarized the audit. He said the financial statements in
42 the audit are the responsibility of the District's management and that
43 the auditors' responsibility is to audit the financial statements and to
44 present an opinion on the statements. The auditors' opinion is that
45 the statements present fairly the operating results of the District for
46 the year ending June 30, 2007. The auditors performed the audit in
47 accordance with governmental auditing standards. Ron went through
48 the audit, page by page, explaining the auditors' findings.

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- 1 • Director Grant asked why page 8 of the report shows profit and loss
2 compared to last year, by fund; Manager Collins said, last year, Staff
3 was asked by the auditors to provide these numbers. It allows the
4 District and Board members to understand that some of the funds
5 actually operate at a loss. The improvement in allocation of revenues
6 and expenses among the enterprise funds has been responsible for
7 some of the differences in the bottom lines of the funds since last
8 year. Next year, the depreciation schedule will be allocated more
9 accurately among the funds.
- 10 • There was discussion about whether the Park Fund should be
11 designated as a governmental fund (with debt service and fire) rather
12 than its current designation as an enterprise fund (along with water,
13 sewer and garbage). Ron said it could be included in either fund but
14 that it was unusual to have a business-type fund that was so largely
15 supported by property tax revenues. He said the District could
16 change the Park Fund's designation in fiscal year 2007-2008 if it
17 wished. If the District decides to change the designation of the Park
18 Fund, Dave said there would be some changes in accounting for fixed
19 assets and in long-term debt. He said the prior year financial
20 statements would have to be restated to be able to compare the
21 results. The audit report would state the change in the accounting for
22 the Park Fund and the numbers in next year's audit report would be
23 substantially different.
- 24 • President Danz thanked the auditors for their continuing good work
25 and asked them to submit a proposal to perform next year's audit.
26 She asked them to give a proposal that would include the cost
27 difference between including the Park Fund in the general fund and
28 keeping it in the enterprise fund category. Director Nungester asked
29 for the rationale of designating the Park Fund as a general fund.
30 President Danz said it was because enterprise funds are supposed to
31 be self-supporting and Park is definitely not self-supporting. President
32 Danz thanked Mike Dobrowski for his assistance over the years in
33 making the District financial statements clean and usable. Mike
34 Dobrowski thanked the auditors and suggested that the District
35 continue to use their services.
- 36 • Dave recommended that the Board review the financial statements
37 (primarily the income statement and budget vs. actual reports) on a
38 fund basis either monthly or quarterly.

39 Director Northrop made a MOTION that the Board accept the audited
40 financial statements for fiscal year 2007 as presented. Director Quinan
41 SECONDED the motion. All Directors being in favor, the motion was
42 APPROVED.

43 **H. Appropriations Limit Schedules:**

44 The Board reviewed the independent accountant's Report on Agreed
45 Upon Procedures Applied to Appropriations Limit Schedules:

- 46 • Ron summarized how the auditors review the appropriations limit
47 schedules calculated by Manager Collins, as required by law. As part
48 of the auditors' report to the State Controller's office each year, the
49 auditors report the budget number and the appropriations limit and the

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1 State Controller determines that the District is operating within its
2 allocations limit.

3 • Mike asked if the District still had to file tax returns. Ron said no.

4 **P. Open Items:**

5 None.

6 **Q. Correspondence to the Board:**

7 None.

8 **4. DIRECTORS' COMMENTS**

- 9 • President Danz said the Board and Committees need to review and
10 potentially revise their policies, in particular the following:
11 ○ The Board should review 1.2 Water Conservation, 1.0 Board of Directions
12 Policy of Operations and 1.1 Facility Maintenance. Policies 4.18 (Water
13 Treatment) and 8.5 (Emergency Response Plan) should also be reviewed
14 by the Board.
15 ○ The Budget & Finance Committee should review 2.0 through 2.24 and
16 also 5.0 (Capital Outlay).
17 ○ The Administration & Personnel Committee should review 4.0 through
18 4.17.
19 ○ The Long Range Planning Committee should review 8.0 through 8.4
20 ○ The Park, Recreation & Greenbelt Committee should review 6.0 through
21 6.5, 9.0, 9.1 and 6.6, including the Park Use and Fee Policy.
22 • At the February Board meeting, the Committee chairs should identify the
23 policies that appear to need changes. Thereafter, the Committee chairs can
24 meet with their Committees thereafter to revise the policies as necessary.
25 • Director Quinan reported that the Squaw Valley Water District minutes dated
26 November 27, 2007, included a comment by Russell Poulsen that Alpine
27 Meadows politics may have changed and that EcoLogic, Squaw Valley's
28 water consultant, should explore the possibility that Alpine Meadows may be
29 an additional source of water for Squaw Valley.

30 **5. CLOSED SESSION**

31 None.

32 **6. ADJOURNMENT**

33 There being no further business before the Board, the meeting was adjourned at
34 11:40 a.m.

35
36 Respectfully Submitted,

approved with amendments 2/8/08

37

38

39

40 Jancis Martin

41 Recording Secretary