

**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, February 11, 2011, 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.

8 Directors Absent: Virginia Quinan.

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

11 Guest Present: Ron Ley/Damore, Hamric & Schneider, Inc.

12 **2. PUBLIC PARTICIPATION**

13 None.

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

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

19 **A. Financial Reports:**

20 Mike Dobrowski, District CPA, was present for discussion of this agenda
21 item.

- 22 • Mike said the District overpaid NTFPD in December; the next
23 payment will reflect the credit.
- 24 • The Budget & Finance Committee asked Mike to include in the
25 "Check Register for Current Month" report the last check from the
26 prior month's report, to assure there are no gaps between the checks
27 approved in the prior month and the checks presented for approval in
28 the current month.

29 i. **January Month-end Financial Statements:** Director Northrop made
30 a MOTION that the Board accept the January 31, 2011, month-end
31 financial reports. Director Nungester SECONDED the motion.
32 Directors Grant, Northrop and Nungester being in favor, the motion
33 was APPROVED.

34 ii. **January Expenses Paid & Payable:** The Directors reviewed the
35 monthly check register. Director Grant made a MOTION that the
36 Board approve the Expenses Paid & Payable (four direct debits for
37 payroll and checks 25465 through 25519). Director Northrop
38 SECONDED the motion. Directors Grant, Northrop and Nungester
39 being in favor, the motion was APPROVED.

40 **B. Approval of Minutes of Regular Board Meeting Held on January 11,**
41 **2011:**

42 Director Northrop made a MOTION that the Board approve the minutes of
43 the January 11, 2011, Regular Board of Directors Meeting. Director
44 Grant SECONDED the motion. Directors Grant, Northrop and Nungester
45 being in favor, the motion was APPROVED.

46 **C. Fire Department Report:**

47 NTFPD was unable to send a representative to today's meeting. The
48 dispatch report showed that 26 of the 31 dispatch calls in January were
49 for the ski area. President Danz noted that most of the ski area dispatch

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1 calls occurred on weekends, which is when the Alpine fire station is
2 staffed.

3 **E. General Manager's Report:**

4 John Collins, General Manager, provided a written report on his activities
5 during the month of January, with brief discussion on the following topics:

- 6 • Sierra Nevada Conservancy Grant: Previously, Manager Collins
7 reported that David Jaramillo had spoken with Bear Creek Association
8 (BCA) about the proposed fuels reduction on the Association's
9 property. At the time, Director Grant asked if Manager Collins had
10 determined whether or not the property in question belonged to BCA;
11 Manager Collins said he had asked David to make the determination.
12 David was scheduled to present information at today's Board meeting
13 (see agenda item 3J) but David told Manager Collins that he was not
14 sure if he would be able to attend. Manager Collins does not expect
15 to hear anything about the other SNC grant application until March or
16 April.
- 17 • Alpine Sierra Subdivision: Dave Kershaw from Stantec finished a draft
18 report detailing water and sewer infrastructure alternatives for the
19 proposed development. Manager Collins expects to receive the
20 report next week. He will meet with Stantec and then the developer to
21 discuss the report.
- 22 • Marten Barry's Property: Manager Collins met with Mr. Barry and
23 requested proposals from an appraiser. The topic was discussed
24 further in agenda item 3L.
- 25 • Fire Mitigation Fees: Manager Collins met with NTFPD regarding fee
26 collections.
- 27 • Avalanche Closure Meeting: Manager Collins attended the annual
28 meeting. He said minor adjustments were made to the emergency
29 response plan. He mentioned that, historically, more avalanches
30 have occurred in the valley in March than in any other month.

31 **F. Dissolution of Financing Corporation:**

32 Manager Collins recommended that the District dissolve the Corporation,
33 saying that it had accomplished its purpose and was no longer needed.
34 The procedure for dissolution is 1) the Board votes to dissolve the
35 Corporation, and then 2) Manager Collins files with the State of California
36 a "Certificate of Election to Wind Up and Dissolve" and a "Certificate of
37 Dissolution". Director Grant made a MOTION that the Board approve the
38 winding up and dissolution of the Alpine Springs County Water District
39 Financing Corporation. Director Northrop SECONDED the motion.
40 Directors Grant, Northrop and Nungester being in favor, the motion was
41 APPROVED.

42 **H. Operations & Maintenance Department Report:**

43 Buz Bancroft presented a written report for the month of January that
44 included status updates on water, sewer, garbage and other services
45 provided by the District.

- 46 • Early in February, SCADA showed excessive water usage, leading to
47 the discovery of a broken water meter leaking 60 gallons a minute.
- 48 • Staff hired ski area personnel to remove 10 feet of snow from the roof
49 of Tank 4A.

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- Staff removed snow from the office area and around hydrants, and serviced spring chlorinator drums.
- Routine water samples were absent coliform bacteria.
- Director Nungester noted that water usage was higher in January 2011 than in January 2010, and asked if it was due to the leak; Buz said it was because the springs' output was set a little higher this year.
- The ski area is done with snow making for the year. They did not use much water this year.

I. Election of Representatives to Local Agency Formation Commission (LAFCO):

The Board reviewed the list of candidates for representatives on the LAFCO Board.

- Manager Collins said he received an email from Ron Treabess from TCPUD, asking the District to vote for him. Director Grant knows him and thinks he would be a fine representative. Buz agreed. The Board agreed that Ron should receive one of the votes.
- Gray Allen and William Schumacher are involved in water districts; the Directors felt they would provide better representation than candidates from other districts.
- Director Grant proposed that the Board vote only for the local candidate (Ron Treabess), pointing out that voting for multiple candidates would dilute the effect of their vote. Discussion ensued regarding the relative effects of voting for a single candidate vs. voting for multiple candidates.
- Director Nungester recommended that the Board vote for William Schumacher as LAFCO representative.
- Director Northrop made a MOTION that the Board vote for Ron Treabess as LAFCO representative. Director Grant SECONDED the motion. Directors Grant and Northrop voted in favor, Director Nungester against; President Danz then also voted against, so the motion FAILED.
- Director Nungester made a MOTION that the Board vote for Ron Treabess and William Schumacher as LAFCO representatives. Director Northrop SECONDED the motion. Directors Grant, Northrop and Nungester being in favor, the motion was APPROVED.

K. TTSA Report:

Director Northrop provided a written report on items of interest to ASCWD from the February 9 TTSA Board meeting (the January meeting was cancelled).

- The plant is operating normally and efficiently.
 - All waste water discharge requirements are being met.
- The next TTSA Board meeting is scheduled for March 9.

L. Purchase of District Property:

The Board discussed the purchase of District property by Marten Barry.

- Manager Collins said Mr. Barry wanted to make improvements on a sliver of property adjacent to his house and was surprised to learn that the property belonged to the District. He would like to purchase the property. The District offered to allow him access to the property,

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1 rather than selling it to him, but he said he would rather purchase it.
2 Manager Collins communicated with District counsel, who agreed
3 that, since the piece of property in question is under 5,000 square
4 feet, the District can declare it surplus property and sell it to the
5 adjacent property owner (Mr. Barry), without going through the
6 multiple notices required by law for larger parcels. Transfer of the
7 property will require a boundary line adjustment, followed by an
8 appraisal of the property sliver created by the adjustment. Mr. Barry
9 said he will pay the appraisal fee and will grant the sewer line
10 easement requested by the District. The total cost for the appraisal,
11 the land value and other District expenses appears to be about
12 \$10,940. Mr. Barry has already written a check to the District for the
13 estimated total cost and has agreed to pay any extra expenses that
14 may arise. Manager Collins sees no value in the property to the
15 District.

- 16 • Director Grant asked if only the adjacent property owner can buy such
17 surplus property. Manager Collins replied that anyone can buy it, but
18 selling it to the adjacent property owner does not require public notice.
- 19 • Director Grant asked if transfer of the property would block anyone's
20 access to the creek. Manager Collins said no.
- 21 • Manager Collins said the property transfer was subject to approval by
22 the County.
- 23 • Directors Nungester, Grant and Northrop could not think of a reason
24 to object to the purchase request.

25 Director Nungester made a MOTION that the Board declare as surplus
26 property the sliver of District land, less than 5,000 square feet, adjacent to
27 Marten Barry's property. Director Northrop SECONDED the motion.
28 Directors Grant, Northrop and Nungester being in favor, the motion was
29 APPROVED. Director Northrop made a MOTION that the Board approve
30 the disposal of the District surplus property to Marten Barry, which is the
31 sliver of land of less than 5,000 square feet that is adjacent to Mr. Barry's
32 property, with the proviso that Mr. Barry pay all costs associated with the
33 transfer, pay the appraised value, and grant the District a sewer
34 easement across the surplus property and Mr. Barry's property. Director
35 Nungester SECONDED the motion. Directors Grant, Northrop and
36 Nungester being in favor, the motion was APPROVED.

37 **M. District Newsletter:**

38 The Board discussed the timing, content and distribution of the District
39 newsletter and items of interest to the community.

- 40 • Director Grant said she felt the Board needs to keep in touch with the
41 community. If the District discontinues sending out paper copies of
42 the newsletter, it will cut off communication with some people in the
43 valley. A separate issue is whether the newsletter should be sent out
44 less often than quarterly. She has no issue with less frequent
45 distribution.
- 46 • President Danz felt the process of producing and distributing the
47 quarterly newsletters is repetitious and time-consuming. She
48 suggested that the District send out a newsletter only twice each year,
49 once in the November time period, and once in April. The November

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1 issue would prepare customers for winter and remind them to pay
2 their bill to avoid the collection process. The April issue would advise
3 residents about the Park opening, the bird and flower walks, the
4 upcoming meter readings and annual bill (including reminders about
5 the installment plan and rates). She is fine with continuing to send out
6 paper copies.

- 7 • The Board was in agreement about changing the frequency of the
8 newsletters to twice a year, and about continuing to send out paper
9 copies to the relatively few residents who have requested them.
- 10 • President Danz suggested that notices be placed in the newsletters
11 that customers can request receipt of the newsletter by email.
- 12 • The next newsletter to go out will be the one in April.

13 **N. Committee Reports:**

- 14 i. **Budget & Finance Committee:** President Danz presented a written
15 report of the Committee's February 10 meeting.
 - 16 a. **Non-standard Transactions:** None.
 - 17 b. **Investments/cash:** A \$70,000 CD will mature this month. Per the
18 Committee's recommendation, Director Northrop made a MOTION
19 that the Board direct Manager Collins to deposit the funds from
20 the CD in the District's checking account. Director Nungester
21 SECONDED the motion. Directors Grant, Northrop and
22 Nungester being in favor, the motion was APPROVED.
 - 23 c. **Requests from Customers for Adjustments to their Bills:**
24 None.
 - 25 d. **Requests for Unbudgeted Expenses:** Per the Committee's
26 recommendation, Director Northrop made a MOTION that the
27 Board approve the unbudgeted expense of \$2,140 to the Alpine
28 Meadows Ski Area for clearing snow from the top of Tank 4A.
29 Director Nungester SECONDED the motion. Directors Grant,
30 Northrop and Nungester being in favor, the motion was
31 APPROVED. Buz said he would add the item to the annual
32 budget in the future.
 - 33 e. Director Grant asked how much the auditors billed the District.
34 President Danz said they always bill the full amount approved by
35 the Board - never less - and only once requested additional funds
36 (when they ran into an unanticipated workload).
 - 37 f. **Next meeting:** Scheduled for Thursday, March 10, at 1:00 p.m.
- 38 ii. **Administration & Personnel Committee:** There was no meeting.
- 39 iii. **Park, Recreation & Greenbelt Committee:** There was no meeting.
- 40 iv. **Long Range Planning Committee:** There was no meeting.

41 **The Board took a break between 9:20 and 9:30.**

42 **O. Open Items:**

- 43 • President Danz reminded Director Nungester that the Administration
44 & Personnel Committee needs to meet to prepare for the General
45 Manager and Board reviews, to review of the mission statement and
46 to establish the goals for next year.
- 47 • She also mentioned that the Park, Recreation & Greenbelt Committee
48 needs to meet when Director Quinan returns, to review/update Park
49 rules and fees for the upcoming Park season.

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1 **G. Engagement Letter for Fiscal Year 2011 Audit:**

2 Director Nungester made a MOTION that the Board accept the proposal
3 from Damore, Hamric & Schneider to perform the work associated with
4 the appropriations limit, for an amount not to exceed \$750. Director
5 Northrop SECONDED the motion. Directors Grant, Northrop and
6 Nungester being in favor, the motion was APPROVED. Director Northrop
7 made a MOTION that the Board accept the proposal from Damore,
8 Hamric & Schneider to perform the 2011 financial audit, including the
9 State Controller's Report, for an amount not to exceed \$14,000. Director
10 Nungester SECONDED the motion. Directors Grant, Northrop and
11 Nungester being in favor, the motion was APPROVED.

12 **4. DIRECTORS' COMMENTS**

13 President Danz told the Board that the Office received a notice from SDRMA
14 asking for nominations for its Board of Directors. If any ASCWD Directors would
15 like to nominate themselves, they should talk to Pam, who has the paperwork.
16 **The Board took a second break between 9:35 and 9:45, awaiting the arrival
17 of the auditor.**

18 **3D. Financial Audit for Fiscal Year 2010:**

19 The Board reviewed the audit report for fiscal year 2010, including the
20 Management Discussion and Analysis and the responses to the internal
21 controls memorandum. Ron Ley from Damore, Hamric & Schneider was
22 in attendance for discussion of this agenda item.

- 23 • Ron provided a summary of the auditors' portion of the audit report.
- 24 • He briefly mentioned the District's financial highlights. As of June 30,
25 2010, the District's total cash and cash equivalents were \$1,182,000;
26 its total assets were \$3,441,000; its total liabilities were \$182,000; and
27 its net assets were \$3,255,000. Revenues for the year compared to
28 the previous year for the enterprise or business-type activities trended
29 up slightly. Net income for the business enterprises were: Water
30 \$206,000, Sewer \$39,000, and Garbage \$6,000. Looking at net
31 income is important and the numbers are positive, but he
32 recommended that the Board monitor the service rates and make sure
33 they keep up with the upward trending costs. If operational costs
34 continue to increase, he would suggest the Board implement rate
35 increases, preferably in small incremental amounts, rather than large
36 rate increases.
- 37 • Net Income: Ron said an important way to look at the business-type
38 activities is how they are generating cash. He said Water operations
39 generated \$182K vs. its net income of \$206K; Sewer operations
40 generated \$3K vs. its net income of \$39K; and Garbage generated
41 \$7K vs. its net income of \$6K. Those numbers all look good.
- 42 • General Fund & Park: There was a net income of \$136K for both. The
43 \$150K which NTFPD paid the District for the expansion of the fire
44 station was recorded as revenue, so there is actually a net loss of
45 about \$14K. The net loss is small but should be monitored.
- 46 • Ron said the most significant footnotes are the cash and investments
47 disclosures in note 3 of the financial statements (starting on page 33);
48 this section explains where the District monies are invested and what
49 the District investment policies are.

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- 1 • President Danz asked if the District should raise rates. Manager
2 Collins said eventually the cost of living would get ahead of the rates.
3 Director Grant said property taxes usually increase, which has
4 prevented us from needing to raise rates. Manager Collins said since
5 property tax revenues are allocated only to the Fire and Park funds,
6 the other funds need to raise rates to be self-supporting.
7 • Director Grant asked if the District should be raising Park fees.
8 Manager Collins said the determination of Park fees is part of his
9 annual calculation. President Danz suggested that the District should
10 be allocating more than 80% to Fire to break even; it should probably
11 be allocating more like 85%. President Danz felt the District should
12 raise fees for Park use.
13 • Ron said Manager Collins was correct that there were no extra
14 property tax revenues available to pay administrative costs associated
15 with the Fire fund, although it is legal to allocate property tax revenues
16 to cover these costs. Because property tax revenues are flat, there is
17 not extra money available, beyond what has already been budgeted
18 for Fire and Park.
19 • President Danz asked what the Directors, Manager Collins and Ron
20 thought about implementing a rate increase. Ron recommended it.
21 President Danz pointed out that if the Board felt the District needed a
22 rate increase to be incorporated in next year's budget, it needed to
23 start the process at the March Board meeting, to allow for proper
24 public notice. Manager Collins said he would know better when he
25 starts to prepare next year's budget, but he did not feel it was
26 necessary to implement rate increases this year. Director Nungester
27 was interested in hearing back from the Park, Recreation & Greenbelt
28 Committee's meeting next month regarding fee increases for the Park.
29 President Danz said the Board, not the Committee, is responsible for
30 decisions regarding Park fee increases.
31 • Ron recommended that the budget process and determination of
32 service rates take into account capital expenditures, in addition to
33 operational costs. President Danz and Manager Collins said capital
34 expenditures had been taken into consideration when determining the
35 current rates.
36 • Manager Collins said he felt rates could remain the same this year,
37 but that they should probably be increased 2-2.5% next year.
38 • President Danz thanked Ron for his work and his attendance today.
39 She asked if Leslie (from Damore, Hamric & Schneider) would
40 continue to work with the District; Ron said she would continue to
41 work on the District's account. President Danz said it has been a
42 good experience for the District to work with Ron's firm and that she
43 looked forward to continuing the District's relationship with the firm.
44 • Ron said he had recommendations for how to speed up the audit
45 process for next year and allow for an earlier approval of the audit
46 report.
47 Director Northrop made a MOTION that the Board accept the audit as
48 presented. Director Nungester SECONDED the motion. Directors Grant,
49 Northrop and Nungester being in favor, the motion was APPROVED.

