

**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 13, 2009, 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 8:34 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; Buz
10 Bancroft, Operations & Maintenance; Jancis Martin, Recording Secretary

11 Guests Present: Duane Whitelaw/NTFPD; Ron Ley and David Kasperik/Damore
12 Hamric & Schneider (by telephone); Pam Raynak/Holdrege & Kull

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 **B. Approval of Minutes of Regular Board Meeting Held on January 9,**
21 **2009:**

22 Director Northrop made a MOTION that the Board approve the minutes of
23 the January 9, 2009, Regular Board of Directors Meeting. Director
24 Nungester SECONDED the motion. Directors Grant, Northrop,
25 Nungester and Quinan being in favor, the motion was APPROVED.

26 **NEW. Resolution 1-2009, regarding investing in LAIF:**

27 Director Grant made a MOTION that, under Section 54954.2 of the Brown
28 Act, Board consideration of Resolution 1-2009 was an urgent matter that
29 needed attention and could not wait until the next Board meeting.

30 Director Northrop SECONDED the motion. Directors Grant, Northrop,
31 Nungester and Quinan being in favor, the motion was APPROVED.

32 Director Grant made a MOTION that the Board adopt Resolution 1-2009,
33 Authorizing Investment of Monies in the Local Agency Investment Fund.
34 Director Quinan SECONDED the motion. Roll was called to approve the
35 Resolution. Ayes: Directors Grant, Northrop, Nungester, Quinan and
36 President Danz. Nays: none. The Resolution was APPROVED.

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

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

- 40 • Well R-1 Modification: The punch list was finished. Manager Collins
41 started working with Mike Dobrowski on items to go on the fixed asset
42 list. The total cost of the project was \$550K. The Resource
43 Development cost was \$30-40K less than they bid because several
44 items were removed from the project to save money.
- 45 • Sierra Nevada Conservancy Grant: SNC asked Manager Collins to
46 submit the third payment request. Manager Collins attached a list
47 showing disbursements from the first two payment requests and the
48 invoices submitted on the third payment request. SNC staff expects
49 that, at some point in the future, they will be able to tell the District to

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1 resume the project and that SNC will be able to reimburse all costs of
2 the project. They have also asked the District to submit another grant
3 application.

- 4 • Audit Report: Manager Collins revised the Management's Discussion
5 and Analysis, as requested by the auditors.
- 6 • Other business: Manager Collins attended the TTSA monthly
7 members' meeting.

8 **G. Grant Application:**

9 The Board discussed whether or not to submit a grant application for a
10 fuels reduction project:

- 11 • Manager Collins explained that David Jaramillo has told him about
12 two grants worth applying for. One is an SNC grant, the other is a
13 Federal grant, administered by the US Forest Service. The Federal
14 grant would fund fuels reduction similar to that performed under the
15 auspices of the current SNC grant, this time thinning 96 acres owned
16 by Bear Creek Association (BCA). The District would again
17 subcontract to David Jaramillo and the administration of the grant
18 would work the same as the one with SNC.
- 19 • The grant application is not finished so there is nothing for the Board
20 to review at this time.
- 21 • BCA does not have the accounting capability to manage the grant,
22 which is why ASCWD has been asked to administer the grant.
- 23 • Director Nungester said he felt the District should not proceed with the
24 grant application. SNC has spent \$30K so far without a single tree
25 removed and he does not want the District to go in this direction
26 again. Director Grant said the Board should look into it in the interest
27 of fire safety, since the District is the one entity in the valley which can
28 accept and administer grant funds. David Jaramillo told Manager
29 Collins the District would not have to spend a significant amount of
30 time on planning on future fuels reduction projects. Director
31 Nungester expressed his unhappiness about the impact of the current
32 SNC grant on Staff, CPA, Budget & Finance Committee personnel
33 and auditors' time, especially considering SNC may not fully fund the
34 current grant.
- 35 • President Danz asked Chief Whitelaw why fire safe councils cannot
36 apply for grants. He replied that it depends on the funding source,
37 that some grants are available to fire safe councils, others only to
38 public entities like ASCWD. Chief Whitelaw hoped the District would
39 take any opportunity to bring dollars into the community to deal with
40 hazardous fuel reduction. He agreed the challenges of permitting
41 were sizeable but felt that, once the permitting and studying and
42 monitoring were in place, it made sense to pursue other projects.
- 43 • President Danz questioned why ASCWD was involved when the
44 property in question was private. She pointed out that the Budget &
45 Finance Committee has spent an inordinate amount of time figuring
46 out the accounting for grant administration. On the other hand, she
47 stated that the Board could not tell the community it turned down an
48 opportunity to improve fire safety because the Board did not want to
49 deal with the accounting issues.

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- 1 • Director Quinan said she felt the amount already spent on grant
2 planning was appalling but necessary. She asked for and received
3 assurance that a) David Jaramillo would be the one writing the
4 Federal grant application and b) if the District were awarded the grant,
5 the Board would still have the chance to turn it down.

6 Director Quinan made a MOTION that the District go forward with the
7 Federal grant application for fuels reduction, under the conditions that the
8 District would not write the application and that the District could reject the
9 grant if it is received. Director Northrop SECONDED the motion.

10 Directors Grant, Nungester and Quinan being in favor (Director Northrop
11 was temporarily out of the room), the motion was APPROVED.

12 **C. Fire Department Report:**

13 Chief Whitelaw from NTFPD reported the following:

- 14 • January Dispatch Report: Twenty-three of the 26 calls were initiated
15 at the ski resort.
- 16 • New Dispatch Services: Until now, most local 911 calls have been
17 handled by the Burton Creek Facility, with off-hour calls handled by
18 Placer County Dispatch in Auburn. Effective May 15 this year, all 911
19 calls will be handled by Placer County Dispatch in Auburn. If it is a
20 fire or EMS call, the caller will be transferred to Calfire's Emergency
21 Command Center in Grass Valley. Command center personnel can
22 provide rudimentary medical instructions for some emergencies and
23 will call NTFPD to provide local emergency response. Truckee and
24 Northstar are both already using the Auburn/Grass Valley dispatch
25 services. Coincident with the move, NTFPD's dispatch expense will
26 increase from \$0 to \$90K. Chief Whitelaw expects the change to
27 improve dispatch service. The transition should be seamless; nobody
28 in Alpine Meadows should be able to tell the difference.
- 29 • Teleminder Update: Teleminder, a telephone-based emergency
30 notification system, was purchased by Placer County some years ago
31 but it never really worked. The County is now replacing it with WARN
32 (Wide Area Rapid Notification), a newer, faster, more capable
33 emergency notification system. NTFPD will carry out a test today in
34 Alpine Meadows. Chief Whitelaw does not know how the notifications
35 will be handled for residents who use a cell phone rather than a
36 landline, since cell phone numbers are not in the WARN database.
37 Chief Whitelaw said he would appreciate email messages from the
38 Directors after they get the test call and especially if they do not get
39 the call by 5:00 p.m.
- 40 • Emergency Road Closure Meeting: The participants discussed how
41 critical the WARN system would be if NTFPD needs to get an
42 emergency message to people in the valley. Also, Chief Whitelaw
43 wants to educate the public about the "Leave Early, or Stay and
44 Defend" program. There are pros and cons about people defending
45 their own homes.
- 46 • Vehicle Maintenance Building Addition: Manager Collins said ASCWD
47 has done everything asked of it by Placer County to date, in response
48 to the discovery of questionable substances at the site where the
49 proposed building addition is to be erected. The County is now

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1 requesting a site risk assessment, which involves placing probes in
2 the soil to see if any vapor is coming from materials buried in the
3 ground. Manager Collins anticipates the probes will detect nothing.
4 He also anticipates that, even if nothing is detected, the County will
5 probably still request that the District excavate the top four feet, haul it
6 away and replace it with clean fill. The probes will be placed where
7 the sewer ponds used to be, including next to the office building.
8 Director Grant asked why the District does not just haul away the
9 material and save the expense of performing the assessment.
10 Manager Collins said the District was required to do the risk
11 assessment anyway. Director Grant expressed her displeasure about
12 the District being required to do the extra work.

13 **E. Fiscal Year 2008 Financial Audit:**

14 Ron Ley and Dave Kasperik of Damore, Hamric & Schneider participated
15 by telephone in the presentation and discussion of the financial audit
16 report for fiscal year 2008. Mike Dobrowski, District CPA, attended the
17 meeting in person.

- 18 • Ron explained that the audit report reflects that his company has
19 audited the financial statements of the District, as of the fiscal year
20 ending June 30, 2008 with comparisons to the fiscal year ending June
21 30, 2007. The auditors' sole responsibility is to express an opinion.
22 Dave thanked Manager Collins for his participation in the audit. He
23 said Manager Collins' work greatly enhanced the usability of the
24 financial statements for lay people wishing to review the reports.
- 25 • Ron went over the highlights of the financial statements.
- 26 • President Danz initiated discussion about why all cash is reported
27 under Governmental Activities and none under Business-Type
28 Activities. She would like to discuss with the auditors later the
29 concept of reporting cash under both categories.
- 30 • This year is the first time that Park is displayed as a Governmental
31 Activity. The 2007 Audit was restated with Park as a Governmental
32 Activity so as to be able to compare this year's finances with last
33 year's. This year the Business-type Activities operated in the black,
34 vs. operating in the red last year. Otherwise, the overall financial
35 picture was comparable to the previous year.
- 36 • Ron said it was very positive that user fees were supporting business-
37 type activities and property taxes were used to fund the fire services
38 contract and park expenses, since less property tax revenue would be
39 available in the future. President Danz pointed out that this year
40 (2009) no property tax revenues are supporting business funds.
- 41 • Ron said most District investments seem to be insured, LAIF seems
42 to be stable and District investments seem to be conservative.
- 43 • President Danz said the Budget & Finance Committee and Board had
44 reviewed Management's Discussion and Analysis and management
45 responses to the auditors' findings of deficiencies, weaknesses and
46 other suggestions.
- 47 • Ron said he appreciated the District's positive attitude toward the
48 audit.

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1 Director Nungester made a MOTION that the Board accept the fiscal year
2 2008 financial audit, as presented. Director Quinan SECONDED the
3 motion. Directors Grant, Northrop, Nungester and Quinan being in favor,
4 the motion was APPROVED.

5 **F. Appropriations Limit Schedules:**

6 Ron Ley and Dave Kasperik also participated in the discussion of the
7 Report on Agreed-Upon Procedures Applied to Appropriations Limit
8 Schedules. Director Nungester made a MOTION that the Board accept
9 and approve the Report on Agreed-Upon Procedures Applied to
10 Appropriations Limit Schedules, as presented. Director Grant
11 SECONDED the motion. Directors Grant, Northrop, Nungester and
12 Quinan being in favor, the motion was APPROVED.

13 President Danz requested that Ron and Dave submit a proposal for next
14 year's audit by the time of next month's Board meeting.

15 **A. Financial Reports:**

16 Mike Dobrowski, District CPA, participated in discussion of this agenda
17 item.

- 18 • Mike reported the month's financial activities to be "business as usual"
19 and that net income was \$183K favorable to budget on a year-to-date
20 basis. The District paid NTFPD \$144K, per contract. In general,
21 expenses are tracking very closely to last year's expenditures.
- 22 • Mike has been working with Manager Collins on the SNC grant
23 accounting.
- 24 • Director Grant asked if there were typos on page two of the cover
25 memo. Mike said yes and went over the correct figures.
- 26 • Manager Collins and Mike are going over the Well R-1 expense
27 accounting.
- 28 • Director Grant asked why the income from interest was so much
29 higher than budgeted. Manager Collins said it was because income is
30 budgeted conservatively, while expenses are budgeted liberally.
- 31 i. **January Financial Statements:** Director Quinan made a MOTION
32 that the Board accept the financial statements, dated February 9,
33 2009, as presented. Director Nungester SECONDED the motion.
34 Directors Grant, Nungester and Quinan being in favor, the motion was
35 APPROVED.
- 36 ii. **January Expenses Paid & Payable:** The Directors reviewed the
37 monthly check register. Director Grant made a MOTION that the
38 Board approve the Expenses Paid & Payable (three direct debits for
39 payroll and checks 24171 through 24227). Director Nungester
40 SECONDED the motion. Directors Grant, Nungester and Quinan
41 being in favor, the motion was APPROVED.

42 **I. Soil Vapor Survey and Risk Assessment:**

43 The Board discussed the proposed study to perform a soil vapor survey
44 and risk assessment at the site where the proposed Vehicle Maintenance
45 Building addition is to be erected. Pam Raynak from Holdrege & Kull
46 attended the meeting to participate in the discussion:

- 47 • Pam said that, so far, no volatile substances have been
48 discovered. There is therefore no scientific reason to carry out the
49 study. She has been trying to find out why Placer County Health

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- 1 (PCH) believes a soil vapor study is necessary, given the absence
2 of volatile substances, but PCH staff seem to be in disagreement
3 on the issue. However, because PCH is a health agency,
4 ASCWD is required to perform the study. PCH is also requiring
5 that a lot of other entities in the Tahoe basin do such studies.
- 6 • President Danz asked what tests Pam had done so far. Pam
7 described them. She said PCH has seen the data. President
8 Danz asked if PCH was requiring testing outside the area of the
9 previous sewer ponds. Pam said yes.
 - 10 • Director Nungester expressed his dissatisfaction with PCH for
11 requiring the study, given the lack of a scientific basis. He
12 suggested that the District talk to the supervisor of the person who
13 has requested the study. Pam suggested a conference call with
14 Mr. West – the PCH staff member ordering the soil vapor survey -
15 to try for a more favorable resolution.
 - 16 • Chief Whitelaw asked Pam if there is a high probability that the
17 District would have to haul away the fill if ASCWD does not do the
18 test. Pam said yes and it would cost \$30-40K to haul away the fill.
19 Only certified contractors can do the work, the fill must go to
20 Marysville, then suitable fill must be trucked in and compacted. If
21 ASCWD does perform the test and it reveals nothing volatile,
22 there is the possibility that PCH may not require the material to be
23 hauled away, which would save money.
 - 24 • Pam said the tests were for gasoline additives and naphthalene,
25 which is not a carcinogen but can cause respiratory problems.
26 The California Department of Toxic Substances Control (DTSC)
27 has literature about it, although Pam suggests that the District
28 keep state agencies out of the current situation. DTSC has
29 specific guidelines on what triggers a soil vapor survey; ASCWD is
30 well within the guidelines so a soil vapor study should not be
31 required.
 - 32 • Pam's theory is that chunks of asphalt are causing the high hits on
33 hydrocarbons.
 - 34 • Pam told Mr. West that PCH's requirement for a soil vapor survey
35 is unreasonable; however, as a consultant, Pam has found it is
36 prudent not to upset personnel in agencies like PCH. Also, since
37 PCH has required other entities to perform vapor soil studies,
38 PCH could get in trouble if they do not require ASCWD to have it
39 done.
 - 40 • Manager Collins recommended the District comply with the
41 request and not stir up any trouble.
 - 42 • President Danz asked Pam what could happen if the Board did
43 not approve the study. She said PCH could issue the District a
44 notice of violation - since there are hazardous materials in the
45 ground (diesel) - and assess daily fines. Pam thinks it would be
46 reasonable for PCH to require that the District haul away a couple
47 small areas of soil, where the higher hits occurred, but not that the
48 vapor soil study be done.

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- 1 • Pam said her study would probably come up negative, since the
- 2 materials in question are not volatile. Because the soil and
- 3 materials will be sealed under the maintenance building, there
- 4 should be no health hazard. There should be no need for a soil
- 5 vapor study.
- 6 • President Danz thinks the District's only choice is to do the study
- 7 and hope it reveals no volatile vapors. Chief Whitelaw also thinks
- 8 ASCWD needs to do the study.

9 Director Quinan made a MOTION that the Board authorize the soil
10 vapor study and human health risk assessment by Holdredge & Kull
11 at a cost not to exceed \$13,950. Director Grant SECONDED the
12 motion. Directors Grant and Quinan and President Danz being in
13 favor, the motion was APPROVED. Director Nungester voted no;
14 Director Northrop was not present.

15 **J. Operations & Maintenance Department Report:**

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

- 19 • Staff provided snow removal at the beginning of the month.
- 20 • Buz is organizing the sewer television program for this year. The
- 21 program will start with the main line down from the ski resort plus the
- 22 sewer lines not televised last time.
- 23 • Staff had to do some state-mandated arsenic and nitrite water
- 24 sampling.
- 25 • All spring and routine samples were absent coliform bacteria.

26 **K. TTSA Report:**

27 Director Northrop provided a written report on items of interest to ASCWD
28 from the January 14th and February 11th TTSA Board meetings:

- 29 • The plant is operating normally and efficiently.
- 30 • All waste water discharge requirements are being met.
- 31 • The agency is looking into the feasibility and cost of ultraviolet
- 32 wastewater transmittance, which would lessen the use of chlorine.

33 The next TTSA Board meeting is scheduled for March 11, 2009, at 9:00
34 a.m.

35 **L. Committee Reports:**

36 i. **Budget & Finance Committee:** President Danz presented a written
37 report of the Committee's February 12th meeting:

- 38 a. **Non-standard Transactions:** The Committee discussed the
- 39 status of SNC payments and billings. The District has paid all
- 40 vendors in full other than David Jaramillo, NTFPD and ASCWD.
- 41 In addition, the District has submitted a third billing to SNC, which
- 42 may or may not be paid. Manager Collins and the Committee will
- 43 review the status of the grant and the ability to pay the outstanding
- 44 amounts as the end of the fiscal year approaches. At that time, if
- 45 the grant is not reinstated, the District may request that the
- 46 homeowners' associations contribute committed funds to pay all
- 47 grant vendors in full.
- 48 b. **Investments/cash:**

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1 The plan would address District compliance with two codes: 1) a
2 requirement in the California Fire Code for fire flow and 2) a California
3 Waterworks standard for water storage volume within each pressure
4 zone of a water system.

5 Manager Collins proposed implementing one element of the plan each
6 year over the next three years. He also added to the long range plan
7 replacement of the District's pipe on the new Truckee River bridge
8 being planned by Placer County. He also supplied a revised cash
9 flow projection model for the revised Capital Improvement Plan,
10 assuming 1) no rate increases, 2) property taxes decreasing over the
11 next three years, 3) operating expenses increasing at a rate of 1%, 4)
12 depreciation expenses increasing from \$72,845 to \$111,899 to reflect
13 the improvements just completed and 5) interest earnings based upon
14 1% of the previous year's ending balance.

- 15 • President Danz said before deciding how to proceed with the project
16 the Board needs good budget estimates. She said she did not trust
17 the \$1M estimate any better than the \$28K figure generated by Lumos
18 two years ago. She agreed with Manager Collins that the District can
19 afford projects on the order of \$300K each year. She felt that 1) the
20 District should use outside help (not Lumos) in obtaining realistic
21 estimates for the project elements, 2) the Long Range Planning
22 Committee should determine priorities for the new project elements
23 and 3) the Board needs a new capital improvement plan.
- 24 • Director Grant asked if the three project elements were meant to
25 provide fire flow only for Juniper Mountain. Manager Collins said they
26 would improve pressure in all the lower pressure zones, too.
- 27 • Manager Collins suggested he could have several outside
28 engineering firms provide proposals to determine real dollar estimates
29 for Board selection. They would not redo the Lumos study but rather
30 provide firmer estimates.
- 31 • Director Nungester suggested the Board might wish to use a local firm
32 familiar with the valley and able to communicate well.
- 33 • President Danz said the Board has to look at the Long Range Plan
34 and the Capital Improvement Program from the perspective of
35 priorities and money.
- 36 • Director Grant pointed out that the Board still did not know if it needed
37 to take any action with respect to Juniper Mountain fire flow.
- 38 • Manager Collins asked how much money the District should be
39 spending to determine accurate estimates when the contractor who
40 ultimately implements the projects may come up with completely
41 different numbers. President Danz said the District can always
42 negotiate items if the contractor proposals are too high.
- 43 • Manager Collins has not done the study to see if all houses in the
44 valley are within the required distance of a hydrant, per the California
45 Fire Code. Director Grant and Buz agreed that the hydrant system in
46 the valley is one of the best there is.
- 47 • President Danz said maybe the Long Range Plan should be re-written
48 so that oldest infrastructure is replaced soonest, rather than using
49 current priorities. That way the Juniper Mountain fire flow issue would

