

**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, March 9, 2012, 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: President Danz, President; Charles Nungester, Vice
7 President; Janet S. Grant; Jon Northrop (by telephone); 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

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

17 **2. PUBLIC PARTICIPATION**

18 None.

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.

- 23 • Mike said the District's cash position increased by almost \$224K from
24 the prior year and that net income on a year-to-date basis was
25 favorable to budget by \$114K.

26 i. **February Month-end Financial Statements:** Director Nungester
27 made a MOTION that the Board accept the February 29, 2012,
28 month-end financial reports. Director Quinan SECONDED the
29 motion. Directors Grant, Nungester and Quinan being in favor, the
30 motion was APPROVED.

31 ii. **February Expenses Paid & Payable:** The Directors reviewed the
32 monthly check register. Director Grant made a MOTION that the
33 Board approve the Expenses Paid & Payable (the debits for payroll
34 and checks 26114 through 26155). Director Nungester SECONDED
35 the motion. Directors Grant, Nungester and Quinan being in favor,
36 the motion was APPROVED.

37 **B. Approval of Minutes of Regular Board Meeting Held February 15,**
38 **2012:**

39 Director Northrop made a MOTION that the Board approve the minutes of
40 the February 15, 2012, Regular Board of Directors Meeting. Director
41 Nungester SECONDED the motion. Directors Grant, Northrop,
42 Nungester and Quinan being in favor, the motion was APPROVED.

43 **C. Fire Department Report:**

44 Tim Alameda from NTFPD was in attendance and reported the following:

- 45 • Chief Whitelaw's Retirement: NTFPD's Chief Duane Whitelaw retired
46 last night. During the radio call-out this morning, Squaw Valley,
47 Northstar, CalFire, Truckee and NTFPD all congratulated him on an
48 outstanding career. NTFPD is honoring him at an in-house breakfast
49 ceremony this morning. He will attend the ribbon-cutting for the new

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1 Tahoe City fire station April 20 and there will be an official retirement
2 ceremony at that time; the ASCWD Board will receive an official
3 invitation to the event. Chief Whitelaw asked Tim to express his
4 thanks to the Board this morning. The interim fire chief is Peter Poe;
5 the NTFPD Board will put in place a plan to find a new chief.
6 President Danz asked Tim to convey to Chief Whitelaw the ASCWD
7 Board's best regards and thanks.

- 8 • Station Staffing: NTFPD staffed the Alpine Meadows fire station with
9 13 shifts during February, including February 20 (President's Day).
- 10 • Dispatch Report: The printed dispatch report listed 27 calls to dispatch
11 in February, 21 of which were for medical aid at the ski area. Tim
12 reported a total of 30 calls. Two of the calls resulted in a HAZMAT
13 response, one caused by a smell of smoke, the other triggered by a
14 leaking propane tank. Director Quinan asked about the nature of the
15 call to 1486 Davos. Tim said he would find out and report to Manager
16 Collins.

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

18 John Collins, General Manager, provided a written report on his activities
19 during the month of February, with discussion on the following topics:

- 20 • Sierra Nevada Conservancy (SNC) Grant: Manager Collins requested
21 an extension from the March 1 deadline to August 31, in order to
22 monitor Bear Creek. The extension was approved and the written
23 response is in the mail to the District.
- 24 • Alpine Meadows Bridge: There was no activity this month.
- 25 • Alpine Sierra Subdivision: Manager Collins met with NTFPD and
26 developer personnel to review access and avalanche paths. There
27 will probably be only one access road to the subdivision. The
28 developer will prepare a Development Agreement for review.
- 29 • Alpine Meadows Road Pipeline Project: Manager Collins received
30 90% complete plans and specifications for review. He is returning his
31 comments to Stantec and the project will soon go out to bid.
- 32 • Marten Barry's Property: Manager Collins awaits easement
33 documents from Mr. Barry, whose trust requires signatures from
34 multiple trustees, including offspring on the east coast and in China.
- 35 • AME Well Re-drill: There was no activity in February. Hopefully
36 Manager Collins and Stantec can start work this month.
- 37 • Budget: The budget process has started. An initial draft was reviewed
38 by the Budget & Finance Committee yesterday.

39 **E. Operations & Maintenance Department Report:**

40 Manager Collins presented a written report, prepared by O&M Staff, for
41 the month of February that included status updates on water, sewer,
42 garbage and other services provided by the District.

- 43 • Staff removed snow from shop, yard and hydrants; started working on
44 the budget; did shop work; worked on Tank 4A control valve; serviced
45 spring chlorinators.
- 46 • All routine water samples were absent coliform bacteria.

47 **F. TTSA Report:**

48 There has been no TTSA Board meeting since the February ASCWD
49 Board meeting. The next TTSA Board meeting will be held March 14.

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- 1 **G. Placer County LAFCO – Call for Nominations:**
2 The Board made no nominations.
- 3 **H. CSDA – Call for Nominations:**
4 The Board made no nominations.
- 5 **J. Committee Reports:**
- 6 i. **Budget & Finance Committee:** President Danz presented a written
7 report of yesterday’s Committee meeting.
- 8 a. **Non-standard Transactions:** None.
- 9 b. **Investments/cash:** Per the Committee’s recommendation,
10 Director Northrop made a MOTION that the Board authorize
11 Manager Collins to reinvest the funds from the \$105,000 CD
12 maturing in March in a 12-month CD at an expected interest rate
13 of 0.5%. Director Nungester SECONDED the motion. Directors
14 Grant, Northrop, Nungester and Quinan being in favor, the motion
15 was APPROVED.
- 16 c. **Operating and Capital Budgets for Fiscal Year 2013:** The
17 Committee reviewed the first draft of the operating budget for next
18 year. The budget process is moving very smoothly. The budget
19 is on track for approval at the June meeting.
- 20 d. **Rate Study Recommendations:** See item 3I.
- 21 e. **Requests from Customers for Adjustments to their Bills:**
22 None.
- 23 f. **Requests for Unbudgeted Expenses:** None.
- 24 g. **Next meeting:** Friday, April 20, at 8:30 a.m.
- 25 ii. **Administration & Personnel Committee:** There was no meeting.
- 26 iii. **Park, Recreation & Greenbelt Committee:** Director Quinan
27 presented a written report from the Committee’s February 15 meeting.
- 28 a. **Revisions to Policy 6.2.0: Park Use and Fees:** The Committee
29 recommended no rate increases.
- 30 b. **Park Maintenance:** The Committee recommended that the upper
31 Children Play Area be noticed in the spring newsletter. Don Fulda
32 and Jan Ganong volunteered to survey the Park with Buz and
33 make any recommendations regarding improvements in time to be
34 incorporated in the 2013 budget. There is already money in the
35 budget for perennial plants.
- 36 c. **Dates and Times of Bird & Flower Walks & Easter Egg Hunt:**
37 The Easter Egg Hunt, to be organized by Dawn Grass, will be held
38 Saturday, April 7, at 10:00 a.m. The Bird Walk, to be led by
39 Warren Bray, will be held Saturday, June 11, at 7:30 a.m. The
40 Flower Walk, to be led by Michael Graf, will be held Saturday, July
41 7, at 8:30 a.m. The Committee recommended that reminder
42 emails be sent out at least a week in advance of the events.
43 Dawn Grass will not be able to attend the Easter Egg Hunt and is
44 looking for someone to run the event on April 7. Director Quinan
45 will talk to Pam and Dawn about it. President Danz asked how
46 many children participated; Director Quinan said she would find
47 out. President Danz said the Board should consider dropping
48 events which are not highly attended; for example, only five or six
49 people usually participate in the Bird Walk. The events will all be

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- 1 held this year, but in July, the Board will look at the turnout and
2 decide whether or not to discontinue any of the events.
- 3 d. **Fire Safe Council:** Lee Massick made a statement to the
4 Committee regarding his concern about the potential demise of
5 the Alpine Meadows Fire Safe Council (FSC) and recommended
6 the Committee should take action to encourage its resumption.
7 Ken Gracey will hold a meeting to try to rekindle the FSC.
8 Director Quinan said she made it clear to Lee and to the
9 Committee that the FSC was a community function, not an
10 ASCWD issue.
- 11 iv. **Long Range Planning Committee:** There was no meeting.
- 12 I. **Recommendations Regarding Possible Rate Increases:**
13 Shawn Koorn from HDR made a presentation to the Board regarding
14 recommendations for possible rate increases.
- 15 • Shawn analyzed the Water, Sewer, Garbage and Park funds
16 individually, but also studied them as a combined utility from a cash
17 funding perspective. He looked at revenue coming in and expenses
18 going out to come up with a rate design for each type of service to
19 meet the District's needs.
 - 20 • Key assumptions: five-year time frame (FY 2012 – FY 2017), FY 2012
21 budget and capital plans, independently calculated rate revenues,
22 assumed one new customer per year, escalated expenses ~3% per
23 year.
 - 24 • Service summaries include renewal and replacement needs of the
25 District, funded out of each service rate. Currently the service rates
26 are not sufficient to meet the District's renewal and replacement
27 needs, and are running at a deficit. The District depreciates its
28 assets, but that is not sufficient to fund the renewal and replacement
29 of its assets.
 - 30 • Water: starting next year, a 5% rate increase each year would solve
31 the water service's current and projected deficit.
 - 32 • Sewer: no increase is needed next year, but a 3.5% increase starting
33 in FY 2014 would solve the sewer service's projected deficit.
 - 34 • Garbage: starting next year, a 5% rate increase each year would
35 solve the garbage service's current and projected deficit.
 - 36 • Park: starting next year, a 220% increase would be necessary to
37 make a start at addressing the current shortfall. Since the Board
38 chooses not to increase Park rates to cover the cost of maintaining
39 the Park, the District funds Park out of other District resources.
 - 40 • Reserves: Shawn said the reserves should include four categories:
41 Operating (to fund 75 days of Operations & Maintenance), Capital (the
42 District's annual depreciation expense), Catastrophe (to fund 30 days
43 of Operations & Maintenance), and Rate Stabilization (10% of
44 operating revenues). Shawn discussed the Study's summary of
45 reserve levels, showing how Park's financial status skews the reserve
46 status. That being the case, Shawn will remove Park from the study
47 and will include it as a separate analysis, since it is not an enterprise
48 fund like Water, Sewer and Garbage, where the service rates fund

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- 1 their own maintenance. The summary statements, especially of the
2 reserve, will exclude Park.
- 3 • If the District were to elect to drop its reserve fund balance from
4 ~\$1.3M, to ~\$1.1M, the effect would be to delay the need for a water
5 service rate increase until later, and would decrease the projected
6 water service rate increase to 4.5%.
 - 7 • A minimum reserve level might be \$750,000. President Danz said
8 she would be more comfortable with a reserve balance of \$0.9M-
9 1.0M.
 - 10 • Shawn said if the Board lowered the reserve balance, the Directors
11 should remember that upcoming capital projects could have the effect
12 of causing the reserves to nose dive at a date in the future. He said
13 the District was not currently in a bad place financially, but that it was
14 important to make sure future reserves were healthy. Manager
15 Collins pointed out that the District needed to do rate studies every
16 three to five years, which meant the reserves could not drop too
17 precipitously.
 - 18 • President Danz said she would like to see Park taken out of the study
19 and to change the projected reserve balance to \$1M and then see
20 what those changes make to the bottom line. She felt it was important
21 that each business fund was self-supporting and expressed concern
22 that Garbage did not seem to be self-supporting. Her sense was that
23 the Board did not need to raise Water or Sewer rates for a couple of
24 years, but should probably do so for Garbage. Shawn agreed. He
25 will make the requested changes to the study, keep the proposed
26 annual rate increases to 5% or less, add a page showing the total rate
27 increase and give the updated study to Manager Collins to distribute
28 to the Board. President Danz asked Shawn if the Board could also
29 see the summary numbers for a reserve balance of \$1.3M, in addition
30 to those associated with a \$1M reserve balance.
 - 31 • Director Northrop asked if the rates could be tapered, rather than
32 implementing the same amount each year. Shawn said if the Board
33 elected to start with a lower initial rate, likely they would have to raise
34 the rate in the fourth year to ~8%.
 - 35 • Director Grant asked Manager Collins if he had a sense for what the
36 ski area's snowmaking bill would be if they were paying the same
37 usage rates as other District customers; he replied that at this year's
38 30 million gallons usage (which is high, since it was a low-precipitation
39 winter) the amount would be ~\$150K. However, he said what he and
40 Shawn would be evaluating was the actual cost of supplying water to
41 the ski area for snowmaking. The rate for snowmaking water needs
42 to include monies to recoup expenses, overhead and depreciation.
43 Shawn said a rate for them would be less than that applied to regular
44 customers. Shawn's study did not incorporate any assumptions about
45 snowmaking.
 - 46 • President Danz said it was possible that people in different parts of
47 the valley might not want their own rates to fund infrastructure
48 improvements in other parts of the valley. They might not think it was
49 fair if the ski area were to pay a lower rate. Shawn said he and

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1 Manager Collins would take a careful look at what to include in the ski
2 area's rate. Shawn said the District once thought about initiating a
3 commercial rate, but since there are only one or two commercial
4 enterprises in the valley, it did not seem to make sense to implement
5 a separate rate.

- 6 • Director Nungester asked Manager Collins if he had ever seen a
7 contract where a utility required a customer (in this case, the ski area)
8 to pay for its own portion of the water system infrastructure, so that
9 customer's rate would include maintenance of their own infrastructure.
10 Manager Collins said such a contract would not be pertinent in this
11 case, because the infrastructure which supplies water to the ski area
12 actually belongs to the District. Shawn said there are contracts with
13 capital contribution clauses, so if there is an unexpected need for
14 capital income, it would be divided between the District and the
15 customer.
- 16 • President Danz asked if the other Directors agreed that no rate
17 increases needed to be implemented in the FY 2013 budget, except in
18 Garbage. Director Northrop agreed. Director Nungester asked for
19 time to see the results of Shawn's new analysis; Manager Collins said
20 there would not be enough lead time to incorporate a rate change if
21 the Board were to put off making a decision until next month.
- 22 • President Danz asked Manager Collins to look at the Capital
23 Improvement Plan (CIP) to see if it needed modification. President
24 Danz said if the Board was thinking about delaying rate increases for
25 Water and Sewer until FY 2014, they should be sure the CIP amounts
26 used in the FY 2014-2017 part of the Study were as accurate as
27 possible.
- 28 • Director Northrop asked if the rate study could include FY 2018.
29 Shawn said no, that Proposition 218 provides for five-year windows
30 on new rates. Boards can implement smaller, but not greater, rates
31 than those authorized in approved rate studies.
- 32 • Director Nungester said he did not feel rate increases needed to be
33 implemented in the FY 2013 budget.
- 34 • Manager Collins and Shawn will work on determining a snowmaking
35 rate.
- 36 • Shawn explained the composition of the garbage rate increase, which
37 would likely be implemented for FY 2013.
- 38 • Manager Collins will figure out what needs to be done to be compliant
39 with Proposition 218.
- 40 • President Danz said Shawn had done excellent work. In April the
41 Board will see a tweaked study and will potentially vote on future rate
42 increases.

43 **K. Open Items:** None.

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

45 **4. DIRECTORS' COMMENTS**

- 46 • The next Board meeting will be held Friday, April 20, at 10:30 a.m., preceded
47 by the Budget & Finance Committee meeting at 8:30 a.m. Director Northrop
48 will have to call in by telephone to the Board meeting.

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- 1 • The May Board meeting will be held Tuesday, May 15, at 8:30 a.m.,
2 preceded by the Budget & Finance Committee meeting on Monday, May 14,
3 at 2:00 p.m. or later.
- 4 • Director Quinan was asked by a resident why the Board held its meetings
5 during working hours, rather than on Saturday, which would allow
6 participation by more members of the public. President Danz said the reason
7 was that the District facilities (office and Staff) were not available on
8 Saturdays, unless Staff was paid overtime.
- 9 • Director Quinan said Squaw Valley had an upcoming meeting at which one of
10 the topics for discussion was a partnership with ASCWD. Manager Collins
11 said it was part of Squaw's strategic plan, but that there was nothing concrete
12 to it. He said he would check into it.
- 13 • Director Nungester thanked Director Grant for the minutes last month.
- 14 • President Danz said last month Pam had a lot of difficulty finding Directors to
15 sign checks. President Danz said while she recognized that the Directors'
16 lives had all changed over the years, and that they were not always in
17 residence and could not easily project their schedules, as Board members
18 they could not impede the District's operations. She said they must check
19 email and voice mail and do whatever they could to accommodate District
20 operations. Director Nungester asked if the Board could change the check-
21 signing policy to have a non-Budget & Finance Committee member sign
22 checks; President Danz said she did not think that was a good idea.
23 Manager Collins said he felt the best nominal plan was to use FedEx. He
24 said he would work with Pam to figure out a reliable procedure.

25 **5. ADJOURNMENT**

26 There being no further business before the Board, the meeting was adjourned at
27 10:29 a.m.

28
29 Respectfully Submitted,

approved as submitted 4/20/12

30
31
32
33 Jancis Martin
34 Recording Secretary