

**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, December 13, 2013, at 8:30 a.m., District Board Room, 270 Alpine Meadows Road.

1 **1. CALL TO ORDER**

2 President Quinan 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: Virginia Quinan, President; Janet S. Grant, Vice President;
7 Jon Northrop; Evan Salke.

8 Directors Absent: Don Priest

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

11 Guests Present: Chief Schwartz/NTFPD; Tim Alameda/NTFPD; Ron Ley/
12 Damore, Hamric & Schneider.

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, was not present to participate in discussion
22 of this agenda item.

- 23 • Manager Collins reported that a lot of effort had been put into capital
24 improvements in the past month.

25 i. **November Month-end Financial Statements:** Director Northrop
26 made a MOTION that the Board accept the November 30, 2013
27 month-end financial reports. Director Grant SECONDED the motion.
28 Directors Grant, Northrop and Salke being in favor, the motion was
29 APPROVED.

30 ii. **November Expenses Paid & Payable:** The Directors reviewed the
31 monthly check register. Director Grant made a MOTION that the
32 Board approve the Expenses Paid & Payable (the debits for payroll
33 and checks 27167 through 27222). Director Northrop SECONDED
34 the motion. Directors Grant, Northrop and Salke being in favor, the
35 motion was APPROVED.

36 **B. Approval of Minutes:**

37 Director Northrop made a MOTION that the Board approve the minutes of
38 the November 8, 2013, Regular Board of Directors Meeting. Director
39 Grant SECONDED the motion. During discussion, Director Grant
40 questioned the drilling rate cited on page 2, line 38; Manager Collins
41 clarified that the estimated rate had been 3 feet per hour, but that the
42 actual rate was more like 1 foot per hour. Directors Grant, Northrop and
43 Salke being in favor, the motion was APPROVED.

44 **C. Fire Department Report:**

45 Chief Schwartz and Tim Alameda from NTFPD were in attendance and
46 reported the following:

- 47 • Dispatch: There were three calls to dispatch from Alpine Meadows,
48 two of which were due to false alarms and one for a garage fire.

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- 1 Director Salke witnessed the response to the garage fire and
2 complimented NTFPD on their efficient and professional conduct.
3 • Recruitment: NTFPD hired four new firefighters, one to replace a
4 retiree, plus three to fill positions previously lost to attrition. Chief
5 Schwartz's goal has been to increase hiring and daily minimum
6 staffing.
7 • Station Staffing: The Alpine Meadows station was staffed 6 days this
8 month, ahead of schedule for the fiscal year. The new trainees will be
9 done with their training on December 20 and will then be in the station
10 every day for the rest of the winter.
11 • Grants: NTFPD applied for a SAFER grant. If they obtain the grant, it
12 would add 9 firefighters to their district, which would allow them to
13 keep the Alpine Meadows station open year-round. SAFER grants
14 are intended to help districts meet the federal standard for response
15 (14 responders on the scene in 10 minutes 90% of the time).
16 • Fire Safe Council: In January, NTFPD will meet with Dawn Grass and
17 Ken Gracey to discuss plans for working with them next year. NTFPD
18 has applied for two fuels grants, both would include coverage in
19 Alpine Meadows and both would require matching funds. One is for
20 Fire Adaptive Communities, which would include vouchers. Chief
21 Schwartz will report to the Board in January on the status of his
22 meeting with Dawn and Ken.
23 • Director Grant asked about broken water lines. Chief Schwartz said
24 the number one source of calls during the last few weeks has been for
25 broken water lines. Buz said the valley has had a few and Staff is still
26 trying to track some down.
27 • Director Salke asked if NTFPD's recent workforce augmentation
28 meant more personnel would be available for chipping and other
29 defensible space programs. Chief Schwartz said yes, and that he is
30 trying to build a coalition of agencies, including USFS and CalFire, to
31 deal with defensible space programs. Director Salke asked if Chief
32 Schwartz had other goals for the valley. Chief Schwartz said Fire
33 Adaptive Communities were starting to take the place of traditional
34 defensible space programs; they involve community education,
35 building relationships between fire agencies and communities, and the
36 use of vouchers.
37 • Tim Alameda said the fire inspection of the ski area buildings went
38 well.

39 **D. Ordinance 9-2013: Adoption of the 2013 Edition of the California**
40 **Building Standards and Fire Code with Amendments Repealing**
41 **Ordinance 10-2010:**

42 The Board reviewed the update to the ASCWD Building Standards and
43 Fire Code, prepared by NTFPD. The update is done every three years.
44 President Quinan opened the public hearing at 8:43 a.m.; there being no
45 public comment, she closed the public hearing at 8:43 a.m. Director
46 Grant made a MOTION that the Board adopt Ordinance 9-2013, the 2013
47 Edition of the California Building Standards and Fire Code with
48 Amendments Repealing Ordinance 10-2010. Director Northrop
49 SECONDED the motion. Roll was called to approve the Resolution.

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1 Ayes: Directors Grant, Northrop, Salke and President Quinan. Noes:
2 none. Absent: Director Priest. The Resolution was APPROVED.
3 Director Grant asked why Pat Davison, executive director of the
4 Contractors Association of Truckee Tahoe (CATT) was not in attendance;
5 Tim Alameda said he felt the document had no extraordinary changes,
6 that Pat had reviewed it and must be satisfied with it.

7 **E. Resolution 10-2013: Ordinance Setting Forth Findings with Respect**
8 **to Local Conditions within the District Which Make Modifications**
9 **and Changes to the California Fire Code as Amended by the State of**
10 **California Reasonably Necessary for Preserving Fire and Life Safety:**

11 The Board reviewed the Ordinance, updated every three years by
12 NTFPD. President Quinan said the information about winds was not
13 adequate; Tim Alameda said the Board could modify the document next
14 time if they felt it was important. He said he felt the most important part
15 was the information pertaining to altitude and precipitation. Director
16 Northrop made a MOTION that the Board adopt Resolution 10-2013:
17 Ordinance Setting Forth Findings with Respect to Local Conditions within
18 the Alpine Springs County Water District Which Make Certain
19 Modifications and Changes to the California Fire Code as Amended by
20 the State of California Reasonably Necessary for Preserving Fire and Life
21 Safety. Director Grant SECONDED the motion. Roll was called to
22 approve the Resolution. Ayes: Directors Grant, Northrop, Salke and
23 President Quinan. Noes: none. Absent: Director Priest. The Resolution
24 was APPROVED.

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

26 John Collins, General Manager, provided a written report on his activities
27 during the month of November, with discussion on the following topics:
28 • Alpine Meadows Road Bridge Replacement Project: Manager Collins
29 prepared and mailed to Placer County the final letter regarding
30 surplus property and zoning. No response in 45 days will represent
31 tacit approval by the County. The County provided a status report on
32 the project, indicating that they are falling behind their original
33 schedule. They plan to relocate all utilities during the next
34 construction season, but will not finish the new bridge until the
35 following season.
36 • Alpine Sierra Subdivision: Manager Collins met with the developer
37 and NTFPD personnel to prepare a draft "will serve" letter, and
38 worked with District counsel in preparation of the letter and its review.
39 • 2013 Chalet Road to John Scott Trail Waterline & PRV Project:
40 Stantec completed the 90% set of plans and specifications for the
41 project, and amended it to include the sewer line. Staff will review the
42 documentation.
43 • AME Well Re-drill: Vannucci Technologies completed drilling the well
44 to 510 feet (it took 40 days longer than anticipated), installed well
45 casing, gravel pack, sanitary seal and sounding tubes, and installed
46 the pumps for the pump test. They developed the well, and got it
47 cleaned up enough that the output can go in the sewer. The 10-day
48 test started Wednesday morning and will end December 21. The
49 completion date is a critical milestone, because TTSA does not want

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1 the flow extending into Christmas week, when there will be high
2 demand on the sewer system.

- 3 • USFS Special Use Permit: Andregg completed its field survey work.
4 Manager Collins met with them to complete review of the work.
5 Andregg is making final revisions, Manager Collins has reviewed the
6 documentation and they are submitting it to the USFS.
- 7 • LAFCO Review: Manager Collins hasn't heard anything from LAFCO.
- 8 • Audit: Manager Collins responded to the auditor's follow-up questions,
9 completed the MD&A and forwarded it to the auditor.
- 10 • Manager Collins authorized Webb Land Surveying to perform field
11 work and prepare necessary documents.

12 **G. Operations & Maintenance Department Report:**

13 Buz presented a written report for the month of November that included
14 status updates on water, sewer, garbage and other services provided by
15 the District.

- 16 • The sewer line is handling the excess water from the AME Well Re-
17 drill test pump.
- 18 • Maintenance: Staff replaced 10 feet of sewer line at Alpine Manor
19 Condos which had massive root intrusion at two couplings; repaired a
20 leak in the Spring 1 line (where the Spring line meets the snow-
21 making line – the leak put the Spring 1 line out of commission for 10
22 days); closed the Park (November 2); and flushed fire hydrants.
- 23 • Snow-making water: The District has pumped 13,128,000 gallons to
24 the ski area (as of December 9).
- 25 • AME Well Re-drill: Hauled water first to the settling pond at the Office
26 and then up to the snow-making ponds with water trucks before the
27 water was clean enough to put into the sewer.
- 28 • All routine water samples were absent coliform bacteria. However,
29 the sample from Springs 2 & 4 tested positive for coliform bacteria; it
30 showed only a very faint trace of contamination.

31 **H. First Amendment to the Legal Services Agreement By and Between**
32 **the District and Best Best & Krieger LLP:**

33 Manager Collins said Andy Morris is leaving BBK. Manager Collins talked
34 with Joshua Nelson, his replacement, and said he seemed to be a
35 capable attorney. Andy recommended him and he has all the resources
36 of BBK behind him. Manager Collins recommended the District stick with
37 BBK, rather than going with Andy. The Amendment under consideration
38 formalized the replacement of Andy Morris with Joshua Nelson as District
39 counsel. Director Northrop made a MOTION that the Board approve the
40 First Amendment to the District's Legal Services Agreement with Best
41 Best & Krieger. Director Grant SECONDED the motion. Directors Grant,
42 Northrop and Salke being in favor, the motion was APPROVED.

43 **L. Call for Nominations for CSDA Board of Directors, Region 2, Seat C:**

44 The Board made no nominations.

45 **M. TTSA Report:**

46 Director Northrop provided the agenda and his own written report for the
47 TTSA December 11, Board meeting.

- 48 • The plant is operating normally and efficiently.
- 49 • All waste water discharge requirements are being met.

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- The Board had a visit from the committee regarding the round-about. The work is still planned to go forward. Director Northrop told them if they construct the round-about over the Tahoe Truckee Interceptor (TTI) and anything goes wrong, it would be such an expensive catastrophe that this community could not afford it.
- President Quinan asked about the Village at Squaw Valley Project. Director Northrop said the project is currently on hold, awaiting water and TTI reports.

The next TTSA Board meeting is scheduled for January 8, 2014.

N. Committee Reports:

- i. **Budget & Finance Committee:** President Quinan presented a written report of yesterday's Committee meeting.
 - a. **Non-standard Transactions:** None.
 - b. **Investments/cash:** No investment activity was required, as there are no CDs maturing until March. However, due to the substantial withdrawals required to pay for the on-going capital projects, the checking account went negative at the end of the month and Mike didn't catch it. Since he missed it, he paid the \$52 bank fee for the overdraft protection. Manager Collins spoke with Mike about it and in the future Mike will monitor the account more carefully.
 - c. **Audit:** The Committee reviewed the financial audit for fiscal year 2013.
 - d. **Requests from Customers for Adjustments to their Bills:** None.
 - e. **Requests for Unbudgeted Expenses:** None.
 - f. **Next meeting:** Scheduled for Thursday, January 9 at 9:30 a.m.
- ii. **Administration & Personnel Committee:** No meeting.
- iii. **Park, Recreation & Greenbelt Committee:** No meeting.
- iv. **Long Range Planning Committee:** No meeting.

I. Financial Audit for Fiscal Year 2013:

The Board reviewed the audit report for fiscal year 2013, including the Management Discussion and Analysis and the responses to the internal controls memorandum. Ron Ley from Damore, Hamric & Schneider was in attendance for discussion of the audit, as was Mike Dobrowski, District CPA.

- Ron reported that the audit was performed using new auditing standards. Since the standards primarily have to do with unfunded pensions and deferred revenues, they had little impact on the District.
- Ron said the auditors gave the District's financial reports an unqualified, unmodified opinion.
- Manager Collins prepared the Management's Discussion & Analysis (MD&A), in which he did a thorough job of explaining the District's finances for the year.
- Director Salke had to leave the meeting at this point.
- Ron reviewed the detailed financial statements on pages 14-22 in detail. Items of significance were:
 - Page 14 (comparing current year and prior year net position for organization-wide activities): Investments increased ~\$100K, Plant and Equipment increased ~\$200K, Accounts Payable increased

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- 1 slightly, Long-term Debt decreased, Net Investment in Capital
2 Assets increased, as did Unrestricted.
- 3 ○ Page 15 (brings together Governmental and Business-type
4 Activities): Governmental Activities (Fire and Park) decreased
5 from the prior year, all Business-type Activities (Water, Sewer,
6 Garbage) remained positive. The change in Net Position for
7 Governmental Activities was a slight deficit of \$11K, probably due
8 to depreciation, and the change in Net Position for Business-type
9 Activities was a positive \$308K.
 - 10 ○ Page 16 (balance sheet for Governmental Funds, with breakouts
11 for Fire and Park): Ron noted nothing of significance on this page.
 - 12 ○ Page 17 (Revenues and Expenditures for Governmental Funds):
13 Park lost \$9K, but the total ending Governmental Funds balance
14 was actually up \$1895. Revenues were down, primarily due to
15 less grant and interest income.
 - 16 ○ Page 18 (Budget and Actual General Fund): Manager Collins
17 reminded the Board that the general philosophy with the budget
18 was to underbudget revenues and overbudget expenses. The
19 budget showed a slight operating loss, but the actuals came out to
20 a positive \$14K.
 - 21 ○ Page 19 (Net Positions of Business-type Funds): Net positions
22 increased for each of the funds (Water, Sewer, Garbage).
 - 23 ○ Page 20 (Revenues, Expenses, Net Positions for Business-type
24 Funds): Water sales were down from the prior year. Manager
25 Collins said there has been a general trend downward, due at
26 least in part to historic big users dropping out of the highest
27 payment tier. Expenses for Water, Sewer and Garbage all
28 decreased from the prior year, incomes were all higher than the
29 prior year, and ending net positions all increased from the prior
30 year.
 - 31 ○ Page 21-22 (Cash flows for Business-type Funds): Water, Sewer
32 and Garbage generated a positive \$379K for the year, contrasting
33 with a loss of \$65K for the prior year.
 - 34 ● Pages 23-44 contained footnotes on the financial statements. Ron
35 said the most significant one was Note 3 (pages 31-35), discussing
36 cash and investments.
 - 37 ● During discussion about Note 9, regarding the District's retirement
38 plan, Ron became aware that for the first time the District will be
39 paying out retirement benefits (to Lew Tift). In future District audits,
40 actuarial estimates will come into play. Ron recommended to the
41 Board that sometime in the next 12 months the District do an actuarial
42 study of the liability so as to understand how to manage it. He
43 suggested Total Compensation as a firm to perform the study; they
44 have other local agencies as clients. The liability will be required to
45 be brought onto the books in 2015. Another HR issue is that,
46 according to the retirement plan, Miguel (Lew's replacement) will not
47 be covered until he has been employed for a year, despite the District
48 having promised to enter him in the retirement plan at 6 months. So
49 the District will pay him the difference and he can do whatever he

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- 1 wants with it (e.g., make a one-time contribution to his retirement
2 plan). Ron suggested making the contribution to the District's tax-
3 deferred 457 plan.
- 4 • Independent Accountant's Report on Agreed-Upon Procedures
5 Applied to Appropriations Limit Schedules: the auditors found no
6 exceptions in their recalculation.
 - 7 • Governance letter to Board: this document discusses the results of
8 the audit and the new accounting standards. Ron said the auditors
9 had no difficulties dealing with management and reported that
10 misstatements found during the audit were corrected by management.
 - 11 • Management's Response to the Internal Controls Memorandum:
12 Manager Collins provided responses to three concerns raised during
13 the audit: 1) bank reconciliations should be performed more promptly
14 (Manager Collins reported that reconciliations are performed promptly
15 but not always through Quickbooks); 2) some service applications are
16 missing from customer files (Manager Collins reported that the District
17 is aware of these deficiencies and has implemented a program to
18 supply the missing information over time); and 3) some account
19 allocations were made incorrectly (Manager Collins reported that they
20 were corrected prior to completing the audit).
 - 21 • The Board thanked Ron and Mike for their work and for their
22 attendance at today's meeting.

23 Director Northrop made a MOTION that the Board accept the fiscal year
24 2013 audit as presented. Director Grant SECONDED the motion.
25 Directors Grant and Northrop being in favor, the motion was APPROVED.

26 **J. Engagement Letters for Fiscal Year 2014 Audit:**

27 Director Grant made a MOTION that the Board accept the proposals from
28 Damore, Hamric & Schneider to perform the fiscal year 2014 financial
29 audit, including the State Controller's Report, and to perform the work
30 associated with the appropriations limit for fiscal year 2014, for an amount
31 not to exceed \$15,850. Director Northrop SECONDED the motion.
32 During discussion, Director Grant asked that the text be changed to
33 extend the payment period beyond the stipulated 30 days, and explained
34 the District's sometimes lengthy bill payment cycle; Ron said he would
35 rather not change the letter but that he understood the District's situation
36 and that Damore, Hamric & Schneider would be okay with waiting for the
37 District's payment. He said he would explain to Pam that his company
38 will not apply late fees. Directors Grant and Northrop being in favor, the
39 motion was APPROVED.

40 **K. Election of Board President and Vice President for 2014:**

- 41 • Director Grant NOMINATED Director Quinan as President of the
42 Board. Director Northrop SECONDED the motion. Directors Grant
43 and Northrop being in favor, Director Quinan was ELECTED
44 President.
- 45 • President Quinan NOMINATED Director Grant as Vice President of
46 the Board. Director Northrop SECONDED the motion. Directors
47 Grant and Northrop being in favor, Director Grant was ELECTED Vice
48 President.

49 **O. Open Items:**

