

**MINUTES OF THE REGULAR MEETING OF THE  
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES  
TUESDAY, AUGUST 15, 2023**

**CALL TO ORDER** - The meeting was called to order at the Kingsbury General Improvement District office located at 255 Kingsbury Grade, Stateline, Nevada at 5:02 p.m. by Jodie Nelson.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL** – In attendance were Trustees Nelson, Schorr and Parks. Also present, General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer, and General Counsel Chuck Zumpft. Ben Johnson and Greg Felton, of public were present.

**PUBLIC COMMENT** – Johnson and Felton presented themselves as trustees of the Tahoe Douglas Fire District to request a formal agreement regarding fire hydrant snow removal and requested this item be added to the next agenda. They said that by law it is the water district's responsibility but were seeking a cooperative solution as only Kingsbury GID has not acknowledged this. Johnson felt this issue remains unresolved with the district. He added that all the other water agencies within the fire district have been contacted and agreed. Felton added given the General Manager performance evaluation that it should be noted that the discussion with the General Manager left the issue unresolved and their discussions with members of the KGID board members had failed to resolve the issue.

Nelson questioned their objective regarding fire hydrants, noting this may be a budget item to pass costs on to customers. Felton stated that a fire hydrant priority list was available and offered to provide it to the district. He explained that the fire department manually digs out some hydrants which can be buried again by the snow plows. He noted prior funding request for snow removal of the hydrants was rejected by KGID board.

Johnson cited a home fire in KGID this past winter where the hydrants were covered in snow and luckily the truck had enough water, so the hydrant did not need to be used. He stated they sought a cooperative approach and meeting verse using their authority.

Dion revisited the history of meetings with, and statements made by the fire department regarding this issue. He noted the policies of other nearby districts, including Incline Village while stating Round Hill gets a favor as they clear the Fire District's parking lot verse clearing hydrants as reflected in the photos previously presented. Dion suggested a meeting with all the GID's, Douglas County and Glenbrook.

Parks questioned legal responsibility. Johnson stated that their legal counsel determined that it is the water purveyor's responsibility and suggested having both attorneys present to discuss. Zumpft clarified the only statute that imposes upon a water purveyor obligation to clear hydrants relates to water purveyors that are governed by the Public Utilities Commission, which does not apply to KGID.

Dion affirmed that he supports the homeowner responsibility as in Incline Village and suggested that a similar approach be used to be consistent, such as the Adopt a Hydrant Program or possibly a subscription type approach.

Parks encouraged TDFD to pursue other funding sources other than increasing homeowner rates. Felton discussed the difficulties of getting homeowner cooperation and reiterated that it was the water agencies' responsibility.

Johnson and Felton exited the meeting. There was no more public present.

**APPROVAL OF AGENDA** –

**M-8/15/2023-1** - Motion by Parks, seconded by Schorr, and unanimously passed to approve the Agenda.

**APPROVAL OF MINUTES** –

**M-8/15/2023-2** - Motion by Parks, seconded by Nelson, and unanimously passed to approve the Regular Meeting Minutes dated June 13, 2023 and July 18, 2023.

**NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:**

**NEW BUSINESS**

**FOR POSSIBLE ACTION:**

**LIST OF CLAIMS** – Parks requested additional information regarding the damages to Juniper. It was explained that the large accumulation of snow weighed on the fence that was set 10 feet lower than the roadway and couldn't be seen by snow plow drivers. It wasn't clear fault of F&B, Inc. and snow was in the right of way. There were approximately 10 claims reviewed and only two seem to be in the grey area. Nelson clarified that the natural snow accumulation wasn't the problem and it was explained that the plows stacked approximately 30 feet of snow unknowingly above this fence.

Nelson questioned payment to Zachary Good for mechanical services on the Vactor and other equipment. It was confirmed he is a sole-proprietor used for service for several years.

**M-8/15/2023-3** - Motion by Nelson, seconded by Parks, and unanimously passed to approve the List of Claims in the amount of \$1,328,129.82 as represented by check numbers 62910 through 63095.

**FINANCIALS – MAY & JUNE 2023**

Financials were received and reviewed. Schorr questioned the total excess revenues over expenditures of negative \$1M and questioned if this is a timing difference. It was explained that the debt management item to be discussed next on the agenda will explain this further. The spending noted was program work for all funds and the future cash position will need to be reviewed for future projects. The accounting and potential adjustments for year end regarding Capital Outlay was discussed. Schorr confirmed there is no immediate concern over the negative revenues to date. Parks commented that she feels the ending cash balances are substantial.

**Approval of Annual Equipment Maintenance Agreement with Cashman Power Solutions.**

A written report was provided. It was noted that the maintenance service agreement has increased but maintenance is necessary. Nelson requested clarification of services for 5 years and noted 11% increase. Equipment warranties require certified vendors. Parks verified this is a yearly cost paid in two installments.

**M-8/15/2023-4** - Motion by Schorr, seconded by Nelson, and unanimously passed to approve the annual maintenance service agreement with Cashman Energy Solutions in the amount of \$13,115.00 and authorize the General Manager to execute appropriate agreements.

**Approval of the District Debt Management Policy.**

A written report and presentation were provided. Dion noted it as a pragmatic policy and welcomed suggestions. He indicated the emphasis on financial capacity of recent policies was necessary for future rate making. Debt options and a summary of planned CIP were reviewed along with the FY 23-24 Budget including revenues over expenses and available funds for the various funds. A debt service repayment summary was provided.

Schorr suggested a debt service coverage policy of 1.25x and reviewed the policy language. He questioned the benefits of the specific language and purpose of the policy. Dion suggested a policy in order to make rate changes and explained that policies are needed for management and are required for a credit rating and a debt application for Ponderosa HOA, for example. It was explained that specified debt service rates can vary based on the type of debt. Schorr questioned if the policy could limit KGID's abilities to make rate changes. It was clarified that the policy can be amended or cancelled as noted on Page 2.

Nelson confirmed the terminology provides flexibility to future board members in order to make debt decisions. Schorr sought verification that the debt policy doesn't need to be reviewed by the auditors.

Nelson questioned if equipment leases are noted in the policy. It was explained that were consider under short term debt. She noted bullet formatting errors on Page 2.

**M-8/15/2023-5** - Motion by Nelson, seconded by Parks, and unanimously passed to approve the District Debt Management Policy.

**Annual Evaluation and consideration of compensation of General Manager.**

A written report and presentation were provided for discussion and possible action. It was noted this item was postponed from a prior meeting.

Nelson noted that the Sewer Authority recently approved an increase for the General Manager. Brewer noted that the Union and non-union employees recently received a 3% and 2% merit increase. Nelson reviewed the prior agreement which did not indicate increases. It is a 3-year contract which concludes in June 2024. The contract allows for increases during any time of the agreement.

Schorr indicated that the bargaining unit increase should not be related to this issue. He praised the high scores of the performance evaluation and questioned Dion's future employment intent. Dion indicated that he would like to remain with KGID for some time, at least 1 year beyond his contract, noting that 2 new board members will be joining next November. He noted the importance of staying on during that transition. It was suggested that the contract extension be addressed at a later date. Schorr suggested the contract include assistance with succession planning.

Nelson appreciated the policy making and planning completed thus far. She noted that Dion projects a positive public image while also standing up for the district, which she commended, and Parks agreed. Nelson supported a 5% increase for meeting and exceeding job standards.

Parks stated that higher wages should be considered with rate increase comparisons and supported a 4.5% increase. Nelson noted that Dion's compensation is lower than the Sewer Authority, despite having more responsibility. Per Schorr's request, it was clarified that the wage increase is not tied to the union. The State and PERS increases and contributions were also discussed.

Zumpft confirmed that any vote must be unanimous; any postponement could include retroactivity, if approved.

Schorr indicated he supports a 5% merit increase. Nelson concurred.

**M-8/15/2023-6** - Motion by Nelson, seconded by Parks, and unanimously passed to provide increase of an adjustment of compensation for the General Manager of 5% including retroactively for July.

There was a 5-minute break at 7:05 p.m.

### **Board Reports**

Dion noted that the League of Cities & Municipalities hired a new director, Glenn Levitt.

Nelson reported that the Sewer Authority attempted to renegotiate a 50-year old sewer maintenance agreement with Elks Point General Improvement District. It was decided that the Sewer Authority will not maintain their system and Elks Point will need to create their own GID. This change is due to their aging infrastructure and potential liability to the surrounding GID's.

### **Management Reports**

#### **General Manager's Report**

Schorr requested an update on Pine Ridge. Dion explained that he has weekly meetings and daily contact with the superintendent. Demolition is complete and pictures were provided of the interior framing. The interior design and layout were reviewed.

Nelson requested additional information regarding people coming by the project. It was explained that curious neighbors were visiting the site. Fencing was suggested to discourage trespassers. Most of the doors are locked regularly for safety.

The Water Storage and Snow Pack report was reviewed. PFAS in drinking water and water treatment was discussed. Garden indicated samples taken as a voluntary program to help the EPA set standards.

#### **Utility Operations Superintendent's Report**

Nelson indicated she observed lots of sand still on the roads and inquired if this was the result of the district lacking sweeper operators. Garden confirmed it is directly due to the long-term vacancies. Nelson questioned TMDL reporting which Garden indicated is primarily tracked during winter months. The lack of potential candidates for the street positions was discussed. Recently, a position was offered to someone that didn't pass a drug test and there is another interview tomorrow.

Nelson requested a project update on Andrea and Barrett, noting that the road patching is not up to standard. Garden explained that trench patching with permanent asphalt is scheduled for the second week of October. There will be possibly slurry, if the timing allows. Garden indicated the poor patching was addressed at the recent meeting. The construction contract was discussed. A majority of the mainlines have been installed but additional work must be completed.

**Administrative and Human Resources Report**

Schorr questioned the debt collection regarding the Peak Mountain past due invoices. Dion is in discussions with their attorney regarding a payment plan.

**Attorney's Report**

Zumpft did not have anything to report.

**Engineer's Report**

It was noted that the contractor had previous work with Q&D and was recommended by them. Nelson requested regular updates.

**CORRESPONDENCE** – None

**FINAL PUBLIC COMMENT** – There was no public present.

**UNFINISHED BUSINESS**

**ADJOURNMENT**

**M-8/15/2023-14** - Motion by Parks, seconded by Nelson, and unanimously passed to adjourn the meeting at 7:51 p.m.

Respectfully submitted,

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Jodie Nelson, Chair

Attest:

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Cindy Trigg, Secretary