

**MINUTES OF THE REGULAR MEETING OF THE  
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES  
TUESDAY, OCTOBER 17, 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, Yanish, Schorr and Parks. Also present were General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer and General Counsel Chuck Zumpft. There was no public present.

**PUBLIC COMMENT** – None.

**APPROVAL OF AGENDA** –

**M-10/17/2023-1** - Motion by Yanish, seconded by Parks, and unanimously passed to approve the agenda.

**APPROVAL OF MINUTES** – Nelson clarified her statement regarding the balance sheet provided in September had an error resulting in the appearance of a \$6 million imbalance.

**M-10/17/2023-2** - Motion by Yanish, seconded by Parks, and unanimously passed to approve the Regular Meeting Minutes dated September 19, 2023, as amended.

**M-10/17/2023-3** - Motion by Parks, seconded by Nelson, and passed to approve the Regular Meeting Minutes dated September 12, 2023. Yanish abstained due to her absence.

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

**NEW BUSINESS**

**FOR POSSIBLE ACTION:**

**LIST OF CLAIMS** – Parks questioned check #63255 for an employee that seemed higher than the others. It was verified that employee deductions and overtime would attribute the difference.

Nelson requested clarification regarding the payroll approval process. It was explained that payroll is approved by the manager, reviewed by the Accountant and provided to HR and Admin Supervisor for final review.

Schorr questioned check #63292 to Douglas County Lake Tahoe. The response was that this is the Sewer Authority assessment based on estimated volume quarterly.

**M-10/17/2023-4** - Motion by Yanish, seconded by Parks, and unanimously passed to approve the List of Claims in the amount of \$1,294,465.26 as represented by check numbers 63212 through 63302.

**FINANCIAL STATEMENTS – AUGUST 2023**

Financials were received and reviewed.

Nelson confirmed that the assets and liabilities spreadsheet remain “out of balance by \$6M”. She suggested that the auditors might assist to resolve the apparent error.

**Ratify Management Approval of Amendment #2 of Task Order 61 with DOWL Engineering.**

The project status was reviewed, and it was explained that due to challenges with the performance, the contract is took longer and additional construction management and administration was necessary. The second amendment has been approved by the GM and ratification is requested.

Parks questioned if the contractor should be responsible for cost overruns related to their poor performance. Dion explained that liquidated damages would have to be pursued, which is not an effective way to complete a project.

Nelson verified the amendment amounts. It was clarified that Task Order #2 is for \$21K, versus estimated \$25K because district personnel would be assuming some of the work.

Yanish (for illustrative purposes) questioned the possibility of rehiring this contractor followed by discussion that per Nevada requirements, the lowest responsive, responsible bidder must be accepted.

Nelson noted that construction management for the project is \$198K and if bulk of the work could be performed with an in-house engineer there would be savings such as eliminating travel time. Nelson questioned the status of the road portion of the project. It was explained that some of the expensive road pieces have been completed and it was estimated \$80-90K was remaining for the spring.

**M-10/17/2023-5** - Motion by Yanish, seconded by Parks, and unanimously passed to approve ratification of Amendment #2 of Task Order 61 with DOWL Engineering as authorized by the General Manager.

#### **Water Supply Agreement with Heavenly Lake Tahoe.**

A written report and cost revisions were explained. The proposed rate was adjusted in anticipation of Kingsbury GID rate increases. It was noted that Heavenly pays the industrial/commercial rate and pumping costs were considered in the rate factor. Yanish noted that Heavenly has their own water and the costs differ from a typical commercial location. It was explained that pumping their water utilizes the entire system and the agreement covers the cost and treatment of transmission of their water.

Schorr questioned the need for an agreement with Heavenly when it is not required for other businesses. Yanish noted that Heavenly has their own water and the costs differ from a typical commercial location. Schorr requested clarification regarding the rate calculations. The rates are estimated, and the agreement is intended to recoup costs for the larger pumps and storage installed for fire protection that is not typically used. Energy costs will be addressed with rate making.

Yanish confirmed that the terms were approved by Heavenly. It was clarified that the terms include 3% until rate making can be addressed.

**M-10/17/2023-6** - Motion by Yanish, seconded by Parks, and unanimously passed to approve authorizing General Manager to negotiate and enter into an extension of the Water Supply Agreement with Heavenly Lake Tahoe based on the information presented.

#### **Review and Adopt Budget Policy.**

The budget policy was reviewed. It was explained that a budget policy is necessary for budget making and compliance.

Yanish questioned if the policy should include the schedule of reporting requirements and it was explained that the schedule is based on Nevada Revised Statutes. Nelson requested the budget workshop in April be included and Dion agreed.

**M-10/17/2023-7** - Motion by Nelson, seconded by Parks, and unanimously passed to review and approve the District Budget Policy, as amended.

#### **Management Reports**

Nelson reminded the board that the sewer authority would no longer provide collection system maintenance to Elks Point GID as of June 2024. Approximately 20 property owners attended their meeting requesting reconsideration.

Yanish attended the Douglas County Strategic Planning Workshop and she noted the staff was pleased with the attendance from Tahoe residents. Thursday is the Douglas County Board of Commissioners Meeting regarding the short-term rental ordinance to be held at the Lake as it affects more properties in the area.

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

There was a presentation regarding lake storage. Building 160 Pine Ridge construction was reviewed. The project is on schedule with anticipated move in date of the end of January. Opportunity for board members to visit the property was offered.

An update was provided regarding investments with Morton along with interest comparisons to the POOL. CD laddering with US Bank and Morton was discussed. During a recent meeting with the new commercial bankers, it was suggested to hold off on changes until rates stabilize.

Brewer and Dion will be attending a POOL Pac leadership conference. The Ponderosa HOA request will be determined tomorrow. There has been no additional action regarding Oliver Park as there has been no communication.

Nelson requested an update regarding fire hydrants and there has been no correspondence. Zumpft has requested written clarification regarding their opinion, and nothing has been received.

**Utility Operations Superintendent's Report**

Nelson questioned digging on Andrea after the TRPA deadline. It was explained that this project is a public safety issue, and the project is permitted until completion.

**Administrative and Human Resources Report**

Another contractor will be inspecting 298 Kingsbury Thursday for consideration of building upgrades.

**Engineer's Report**

It was noted that Palisades had a leak in the discharge line which must be repaired prior to the repair of the lift station and a change order will follow.

**Attorney's Report**

There was nothing to report.

**CORRESPONDENCE –**

**FINAL PUBLIC COMMENT** – Nelson stated she received comments regarding driveway access, and she encouraged the residents to attend meetings. Garden explained that driveways disturbed are returned to the same condition or better. All properties are documented by video pre-construction.

**UNFINISHED BUSINESS**

**ADJOURNMENT**

**M-10/17/2023-8** - Motion by Parks, seconded by Yanish, and unanimously passed to adjourn the meeting at 6:45 p.m.

Respectfully submitted,

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Jodie Nelson, Chair

Attest:

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Cindy Trigg, Secretary