

**MINUTES OF THE SPECIAL MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
THURSDAY, APRIL 1, 2010**

CALL TO ORDER – The meeting was called to order at the Kingsbury General Improvement District office located at 160 Pine Ridge Drive, Stateline, Nevada at 6:00p.m. by Chairperson Hayes.

PLEDGE OF ALLEGIANCE – Hayes led the pledge to the flag.

ROLL CALL – Present were Trustees Schussel, Hayes, and Treanor. Absent were Trustees Barratt and McDowell. Also present was General Manager Cameron McKay, Business & Contracts Manager Michelle Runtzel and Operations Supervisor Eric Johnson. Present for a portion of the meeting was Dan Norman, Natalie Yanish, Jodie Nelson and Daria Voyt.

PUBLIC COMMENT – The GM reported that Trustee McDowell's email would be addressed on the next agenda.

APPROVAL OF AGENDA

M-4/1/10-1 – Motion by Treanor, seconded Schussel, and unanimously passed to approve the agenda as presented.

APPROVAL OF CONSENT CALENDAR – There were no consent calendar items on this agenda.

CONSENT CALENDAR ITEMS BROUGHT FORWARD FOR DISCUSSION - None

UNFINISHED BUSINESS – There was no unfinished business.

NEW BUSINESS

BUDGET WORKSHOP AND APPROVAL OF A TENTATIVE BUDGET FOR FISCAL YEAR BEGINNING JULY 1, 2010 – Runtzel provided an extensive presentation on the 2010/2011 Tentative Budget. There was opportunity to field questions from the existing board members as well as the Trustee candidates who were present at the meeting. Runtzel provided detailed explanations on the general expenditures, capital outlay, computer expenses, engineering costs, payroll assumptions and general overviews of each of the district's four funds. We were budgeting for a net loss in the General Fund's fund balance of \$339,215, primarily due to capital expenditures of \$990,300 as well as a significant 2010 Sealing Project estimated at \$225,000. The Snow Removal Fund is projecting a loss of \$737,619, due in part by annual \$700,000 snow removal cost expenditure to provide expenditure authority in the event of a significant winter and also using \$523,700 in capital outlay expenditures from Operations Yard Improvements and ½ of the cost of a new street sweeper estimated in total of \$250,000. The Water Fund's projection is a net loss of \$906,890 including cash flow adjustments. Significant items in the Water Fund are total capital outlay expenditures of \$5,744,914 which include approximately \$2,900,000 in loan funded projects. The district's Sewer Fund is projecting a net loss of \$19,747 before depreciation but does not include the annual rebate from Douglas County Sewer Improvement District. Typically, this refund is approximately \$80,000 and would effectively reduce the DCSID Maintenance and Operations line item. Included in the Sewer Fund is \$137,600 for capital outlay which includes a couple of sewer line replacements, a scada system and manhole infiltration avoidance measures.

After the presentation was completed, Trustee Hayes expressed concerns specifically to the Water Fund Budget. He explained if you remove the \$547,000 in grant funding from revenue, this leaves approximately \$3 million in annual revenue. This amount compared to the budgeted expenses of just over \$2 million, less debt service principal payments of approximately \$550,000 leaves us with a net operating profit of only \$450,000. This is not enough to cover the annual depreciation of \$700,000 and he suggests we need to look at this budget further. We may need to consider a rate increase and/or reduce expenses. Runtzel explained that for each \$1 increase in the water rates, KGID generates approximately \$43,200 in annual revenue. There was some discussion on whether to consider rate increases at this time. Management will review the budget again and provide changes for board consideration at the next April 20, 2010 regular board meeting.

M-4/1/10-2 – Motion by Treanor, seconded Schussel and unanimously passed to approve the Tentative Budget for the fiscal year beginning July 1, 2010 as presented.

BOARD REPORTS – There were no board reports.

STAFF REPORTS – Staff reports were not provided at this meeting.

General Manager Report – None

Business & Contracts Manager Report – None.

Operations Supervisor Report – None.

ATTORNEY’S REPORT – There was no attorney report for this meeting

ENGINEER’S REPORT – There was no engineer report for this meeting

CORRESPONDENCE – There was no correspondence for this meeting.

ADJOURNMENT

M-4/1/10-3 – Motion by Treanor, seconded by Schussel and unanimous approval the meeting was adjourned at 9:20 p.m.

Respectfully submitted,

W.R. Hayes –Chairman

Attest:

Brett Barratt, Secretary