

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, APRIL 15, 2008**

CALL TO ORDER – The meeting was called to order at the KGID office, 160 Pineridge Drive, Stateline, Nevada at 6:03 p.m. by Chairman Cook. Treanor led the pledge to the flag.

ROLL CALL – Present were Trustees Hayes, Cook, Schussel, Beattie and Treanor. Also present was Legal Counsel Scott Brooke, Business & Contracts Manager Michelle Runtzel and Operations Superintendent Greg Reed. Present for a portion of the meeting was Roy Salameh and Henri Benoit of Rancho Pacific, Brent Farr & Susan of Farr West, Andrew Strain of Heavenly, CR Russell and Ron Alling.

PUBLIC COMMENT – There was no public comment.

APPROVAL OF AGENDA AND CONSENT CALENDAR –

M-4/15/08-1 – Motion by Treanor, seconded by Schussel and unanimously passed to approve the Agenda and Consent Calendar items as follows:

- B. Approve claims in the amount of \$437,088.48 as represented on the List of Claims by check numbers 41289 through 41367

CONSENT CALENDAR ITEMS BROUGHT FORWARD FOR DISCUSSION - Hayes request a change in the March 19, 2008 minutes on page 7. Hayes clarified that he stated that digital wireless phones systems with headsets can increase productivity.

M-4/15/08-2 – Motion by Treanor, seconded Hayes and unanimously passed to approve Consent Calendar A. Minutes of the Regular Meeting of March 19, 2008 as revised and Special Meeting Minutes of April 1, 2008

UNFINISHED BUSINESS –There was no unfinished business.

NEW BUSINESS –There was no new business.

REQUEST FOR 1-YEAR EXTENSION OF TIME TO MAY 25, 2009 TO OBTAIN A DOUGLAS COUNTY BUILDING PERMIT FOR TWO (2) OUT-OF-TAHOE BASIN WATER

ALLOCATIONS FOR APN 1319-19-802-007 - PURVANCE – Runtzel reported in writing that the KGID Policy and Procedures Regarding the Out-of-Tahoe Basin Water Allocations, revised April 18, 2006, is included for Board reference and Article 7.e) states in part “one (1) extension of up to one (1) year to the initial one (1) year allowed period to obtain a building permit for construction may be granted by the KGID Board for any approved allocation.” Section 7.e) further states “Any extension granted by the KGID Board must be made based on a finding that the project is being reasonable pursued by the applicant or that a change in ownership or economic conditions exist that prevent the project from being reasonable pursued.

The Clint Purvance project was issued two (2) allocations for APN 1319-19-802-007 with a validity date of May 25, 2007 and is allowed one year from that date to obtain a Douglas County Building Permit. He provided the attached request for a one-year extension for the board’s consideration. This item is being brought before the board one month in advance of the expiration of the allocation so that time is allowed if the board desires any additional information of the applicant.

The September 19, 2007 and March 1, 2008 progress reports are also included for board reference. In the September 19, 2007 report, Mr. Purvance reports that a survey was completed on the parcel, he obtained bids to bring utilities & roadway improvements to the site and he selected an architect and contractor to begin planning for the structures. He also reported he would apply for a building allocation with Douglas County. The March 1, 2008 progress report, states that he received two residential building allocations from Douglas County, he has continued working with the architect and contractor to plan the site, he’s requested an easement from Heavenly to utilize an existing dirt roadway to access his property and he and his wife sold their lower Kingsbury home and are renting until construction of the new site can be completed.

Based on the above information, staff recommends that the board find that Mr. Purvance has in fact reasonably pursued this project and grant the one-year extension request. Runtzel reported Mr. Purvance could not be here but that staff felt the progress reports included in the board package indicates that he is pursuing the project and she recommends the board take the recommended action.

M-4/15/08-3 – Motion by Beattie, seconded by Schussel, and unanimously passed to approve request for (1) one-year Extension of Time to May 25, 2009 to obtain a Douglas County Building Permit for two (2) Out-of-Tahoe Basin Water Allocations for APN 1319-19-802-007 for applicant Clint Purvance based on a finding that the project is being reasonably pursued by the applicant pursuant to Article 7.e) of the KGID Policy and Procedures regarding the Out-of-Tahoe Basin Water Allocations.

REQUEST FOR 1-YEAR EXTENSION OF TIME TO MAY 22, 2009 TO OBTAIN A DOUGLAS COUNTY BUILDING PERMIT FOR ONE (1) OUT-OF-TAHOE BASIN WATER ALLOCATION FOR APN 1319-19-802-006 - COLE– Runtzel reported that the KGID Policy and Procedures Regarding the Out-of-Tahoe Basin Water Allocations, revised April 18, 2006, was included in the previous agenda item for Board reference and Article 7.e) states in part “one (1) extension of up to one (1) year to the initial one (1) year allowed period to obtain a building permit for construction may be granted by the KGID Board for any approved allocation.” Section 7.e) further states “Any extension granted by the KGID Board must be made based on a finding that the project is being reasonable pursued by the applicant or that a change in ownership or economic conditions exist that prevent the project from being reasonable pursued.

The William Cole project was issued one (1) allocation for APN 1319-19-802-006 with a validity date of May 22, 2007 and is allowed one year from that date to obtain a Douglas County Building Permit. He provided the attached request for a one-year extension for the board’s consideration. This item is being brought before the board one month in advance of the expiration of the allocation so that time is allowed if the board desires any additional information of the applicant.

The September 21, 2007 and March 14, 2008 progress reports are also included for board reference. In the September 21, 2007 report, Mr. Cole reports that he and Steve Rahbeck are exploring a joint venture to build one home on the property, they retained a civil engineer and soils engineer to evaluate a building location. He also reported Mr. Rahbeck met with the county regarding a height variance and that they would be submitting plans to the Planning Dept. once a site was determined. The March 14, 2008 progress report states that they received a building allocation from Douglas County and developed building plans for the project. Due to snow conditions they have been unable to complete the necessary work for the site plan that is required for the building permit application. They are hoping to complete the site plan by May 1, 2008 and will make application for the building permit once completed.

Runtzel reported that Mr. Cole also could not attend the meeting and that based on the above information, staff recommends that the board find that Mr. Cole has in fact reasonably pursued this project and grant the one-year extension request.

M-4/15/08-4 – Motion by Beattie, seconded by Hayes, and unanimously passed to approve request for (1) one-year Extension of Time to May 22, 2009 to obtain a Douglas County Building Permit for one (1) Out-of-Tahoe Basin Water allocation for APN 1319-19-802-006 for applicant William Cole based on a finding that the project is being reasonably pursued by the applicant pursuant to Article 7.e) of the KGID Policy and Procedures regarding the Out-of-Tahoe Basin Water Allocations.

REQUEST FOR 1-YEAR EXTENSION OF TIME TO MAY 24, 2009 TO OBTAIN A DOUGLAS COUNTY BUILDING PERMIT FOR FIFTY-TWO (52) OUT-OF-TAHOE BASIN WATER ALLOCATIONS FOR APN 1319-19-802-001 – RANCHO PACIFIC, INC. –The KGID Policy and Procedures Regarding the Out-of-Tahoe Basin Water Allocations, revised April 18, 2006, was included in agenda item 8 for Board reference and Article 7.e) states in part “one (1) extension of up to one (1) year to the initial one (1) year allowed period to obtain a building permit for construction may be granted by the KGID Board for any approved allocation.” Section 7.e) further states “Any extension granted by the KGID Board must be made based on a finding that the project is being reasonable pursued by the applicant or that a change in ownership or economic conditions exist that prevent the project from being reasonable pursued.

The Rancho Pacific, Inc. project (previously Sievers/Rowles and sold in December 2007) was issued fifty-two (52) allocations for APN 1319-19-802-001 with a validity date of May 24, 2007 and is allowed one year from that date to obtain a Douglas County Building Permit. Cathexes, LLC on behalf of Rancho Pacific, Inc. provided the attached request for a one-year extension for the board’s consideration. This item is being brought before the board one month in advance of the expiration of the allocation so that time is allowed if the board desires any additional information of the applicant.

The September 12, 2007 and February 12, 2008 progress reports are also included for board reference. In the September 12, 2007 report, Mr. Rowles reports that they completed survey of the property including topo, hired an architect and engineer, attended a pre-application meeting with the County, completed traffic & soil studies, Environmental review, Fire Department review/support and Planned Development Submittal to the County.

The February 12, 2008 progress report by Cathexes LLC reports that the Planning Commission recommended approval of the Planned Development but on January 17, 2008 the Board of Commissioners denied the application. They have since re-designed and re-submitted plans to meet the Commissioners concerns and are scheduled for a public hearing again on April 17, 2008.

On March 26, 2008, the district received "Notice of Application and Hearing" from Douglas County Community Development regarding the Planning Commission Meeting on April 8 and the Board of Commissioner Meeting to be held on April 17, 2008. It is noted that the project submitted to the County is a 40-unit condominium project. The applicant currently holds 52 water allocations based on zoning correspondence received from the county on at the time of application for the out-of-basin water units.

According to Mr. Benoit of Cathexes, the Planning Commission again recommended approval of the project on April 8, 2008 for the 40-unit multifamily dwelling. Per Mr. Benoit, the two parcels are currently zoned for only 40-units, however, he states Douglas County is in the process of looking at the zoning for multifamily and likely it will be increased and Rancho Pacific would likely go back to Douglas County for Phase II for the additional allocations. Per discussions with Brandy Fox, at Douglas County Planning Department, the parcel is in fact only zoned for a maximum density of 40 units at this time. Her email is attached for board reference

Based on the above information, staff recommends that the board find that Rancho Pacific, Inc. has in fact reasonably pursued this project and grant the one-year extension request for forty (40) allocations. Since the project density has been changed to 40 residential units and not the 52 currently allocated to the applicant, staff will place the 12 allocations in the pool for offer to waiting list applicants.

Runtzel further explains her recommendations to the board. Runtzel explains that there are now three property owners on the waiting list for out-of-basin allocations including receipt of an application today from Heavenly for 55 allocations that she will review for completeness.

Hank Benoit of Cathexes reports Douglas County is in the process of looking at increasing the density zoning and they have reserved an area for a Phase II based on the future zoning. Benoit would like to request that the board wait until September 2008 when he believes the zoning changes will have taken place. The Planning department believes they will know by June or July on the zoning changes. Cook confirmed that the original application originally included the 52 units and at that time Douglas County submitted a letter to KGID stating the project had the density. Benoit explains there was an issue with the previous owner deeding a portion of the property to Douglas County. At some point Douglas County deeded part of the property for fire access under the condition that his density was not changed as a result of the deed. Douglas County is now sticking with code, regardless of the letter Sievers has that states that the density would not be changed. Douglas County to Rancho Pacific to sit back and wait because zoning will likely change to 81 units this summer.

Roy Salameh of Rancho Pacific reports he is still working with the planning department. The change occurred for fire access some 15 years ago. County says because some land was dedicated there is effectively smaller acreage than was applied for and they are not honoring the letter given to Jack Sievers. Master plan for Douglas County shows multifamily is limited to 12 units per acre. The property is 3.5 acres. Master plan is expected to change to 25 units per acre for the multifamily zoning. They will have to go in for an amendment for the planned development application for the Phase II of the proposed project. Anything they don't build on goes into a conservation easement. Cook asks how long it will take for the planned development amendment. Salameh reports they are hoping by September to have everything done. The Phase 1 project is for 40 units. They are scheduled before the county commissioners on Thursday April 17.

Ron Alling comments that they did in fact file an application for 55 units for the Stagecoach Project. Alling is compelled to point out that in the KGID policy, allocation holders have to show current master plan zoning and ability to build what they have applied for. Alling further comments, the 12 units should come back to the applicant pool and that there's no way to get the rest of the water units before expiration of the permit. Rancho Pacific has not met the current zoning.

Mr. Benoit comments that Rancho Pacific does meet the current master plan but the problem is that master plan and zoning don't agree right now. Current master plan has been adopted but the zoning has not been updated to meet the master plan.

M-4/15/08-5 – Motion by Beattie, seconded by Hayes, and unanimously passed to table this item to next month pending the outcome of the commissioner meeting.

PROGRESS REPORT AND DISCUSSION ON THE FINANCIAL PLAN AND 5-YEAR CAPITAL IMPROVEMENT PLAN PRESENTED BY FARR WEST ENGINEERING – At the November 27,

2007 board meeting, the board authorized the General Manager to approve a Purchase Order with Farr West Engineering to provide consulting services to prepare a Financial Plan for the District for a price not to exceed \$25,000. The approved Scope of Work included Phase 1 – Discovery, which involved collection of data, meeting with staff and assimilating key information. Specific tasks under this Phase included:

1. Define Goals and Objectives of the Financial Plan
2. Identify Key Issues
3. Identify Existing Systems, Tools and Processes
4. Collect Relevant Information, and
5. Provide a written summary of the discovery phase of the project

Phase 2 – Analysis includes an analysis of all data collected in the discovery phase. Farr West has been working on this phase of the project and will provide a presentation to the board at this meeting.

Phase 3 – Recommendations – recommendations will be provided to the district after the analysis phase and will include board/staff input based on the Discovery and Analysis phases. Recommendations may include changes to existing financial practices, acquisition or development of certain tools or processes that will enhance the financial capacity of the District, rate structure changes, completion of an integrated plan including an asset management plan, capital improvement plan, strategic plan, etc. and the recommendations phase will produce a financial strategy that will address future financial needs, including rate changes and other financial implements. Recommendations will be included as part of the presentation.

Susan is interested to see the board's thoughts on this item. She put together a summary presentation. General Fund is a little different than other funds due to the CIP and budget work completed in last few years. KGID has a good program for completion of roadwork and will be able to build the fund up in 2013 after last road project. KGID uses Micropaver as asset management program. She recommends we look at general allocation annually or biannually. Maintenance logs are kept in Micropaver that help assess when major road projects will need to be done. Runtzel reported there is another program similar to Micropaver that isn't as labor intensive where you don't specifically measure distresses. Farr West recommends updating GIS mapping, update CIP on an annual basis, and maintain minimum cash balance for emergencies.

The Snow Removal Fund is considering rate increase, which will help fund future costs depending on snowfall. CIP will be dependent on future challenges, in-house snow removal vs. contracting out is a big undertaking and we need to look at the cost effectiveness. Recommendations include evaluating the contract, evaluate in-house snow removal, monitor expenses vs. rates, general allocation evaluation and operations yard improvements to complete and expand as necessary.

Sewer fund current rates will balance the budget although the board is considering a \$2 sewer increase. Fixed expenses include a 3% inflation increases, 07/08 predictions were used to estimate the future expenses.

The Rate analysis is based on previous year expenses and Farr West recommended a rate increase of \$1/year based on current CIP that will allow depreciation to fund a capital reserve account. The District will be able to fund depreciation that we weren't able to do previously. Recommends included raising rates annually and implementing asset management to plan for CIP. Susan will add a recommendation for a separate reserve account setup for the sewer fund available for CIP.

Per Susan the Water fund revenue looks good, considering the proposed rate increase. The 5-year outlook has large spikes due to capital improvement projects; CIP is most comprehensive and expensive in the Water Fund.

Recommendations include implementation of Ordinance 1 completely, see how it will affect customers, a previous review of impacts showed over 1000% increase in some customer bills. We will need to look at changing the meter sizes in some situations.

Susan explains the Base rate under her proposed rate structure would be \$47/month with a commodity rate of \$2/1,000 gallons for all usage, use equivalent meter ratios for larger meters and consider implementation of additional tiers in the future.

Beattie asks how Farr West came up with the fixed and variable cost analysis. Susan explained she used a spreadsheet based on the audits. She used the services and supplies as the variable costs. Payroll, benefits, debt service are fixed costs for this analysis. For the size of our system it is not necessary to identify exactly fixed and variable costs. Most entities have 70/30 or 60/40 split. Ours is approx 65/35.

Beattie states if we look at usage of facilities, apartments vs. timeshare units, typically apartments will use more water than timeshare. Brent reports it would be equitable if both have the same size meters, they should pay the same amount on the fixed charge, however, if apartments use considerable amounts of water, they will pay the commodity rate.

Other recommendations included moving forward on metering system, update CIP annually which will help with rate increases, review/update PER, mapping, implement asset management, new rate structure and additional record keeping.

Board questioned status of costs to district for the work performed to date. Runtzel reported she thought approximately 20k was spent to date.

M-4/15/08-6 – Motion by Hayes, seconded by Treanor, and unanimously passed to adopt the draft Financial Plan and 5-year Capital Improvement Plan including recommendation and confirmation that analysis coincides with board goals.

PROPOSALS FOR LONG-TERM 2 ENHANCED SURFACE WATER TREATMENT RULE, COMPLIANCE ASSISTANCE FOR OZONE WATER TREATMENT PLANT AND ALTERNATIVE ANALYSIS

– Reed reported in writing the Long Term 2 Enhanced Surface Water Treatment Rule (LT2) was promulgated on January 5, 2006 as part of the Safe Drinking Water Act. This rule details new requirements that water utilities utilizing either surface water or ground water under the influence of surface water must employ to further disinfect their water supplies. Based on the size of KGID, we must be in compliance with LT2 requirements by June of 2014. Given the schedule of events required in the rule, it is time to begin the process of determining how best to proceed with compliance efforts.

LT2 is a direct result of the aftermath of the 1993 cryptosporidiosis outbreak in Milwaukee. Cryptosporidiosis is caused by ingesting a parasite known as cryptosporidium. The 1993 outbreak was said to infect more than 400,000 residents and cause over 100 deaths.

The requirements of LT2 differ depending on the treatment schemes utilized by each utility. Since KGID enjoys a filtration waiver, LT2's impact to the District is different than a filtered source. There are several alternatives that the District could consider to come into compliance with the requirements of LT2. They include lengthening our contact time with ozone, adding a second primary disinfectant such as ultra violet light or chlorine dioxide, or filtering our water. There are other nuances of the rule that include multiple sampling routines to detect any potential cryptosporidium in our source water that need to be reviewed, and a decision made as to how to proceed.

Based on the above, we created a request for proposals (RFP) and solicited proposals from three engineering firms. The RFP encompassed the following:

1. Review the requirements of LT2
2. Discuss the impacts of LT2 to the District
3. Determine whether KGID should invest in sampling for Cryptosporidium
4. Recommend a treatment scheme that will ensure District compliance with the new rules
5. Develop an engineering estimate of the costs of implementing the desired treatment scheme
6. Determine how the new installation could fit within the space constraints at the District's Lake Station
7. Develop a preliminary schedule to ensure that the District maintains compliance with the new rules that includes sampling protocols, engineering design, construction efforts, etc

Each of the three firms submitted proposals. The reviews focused on the personnel that would be assigned to the project and their experience, the approach to the analysis, the schedule provided by the Engineering firm, the costs of the proposal, the proximity of the firm to the District, the capacities of the firm to undertake the work, the completion of similar work by the firm in question, and innovative approach suggestions.

Reed reports he put together proposals for engineering firms for LT2 to look at requirements and make recommendations on maintaining compliance. Reed summarized proposals and Eric did the same and they came up with a recommendation. They looked at each proposal's best guess of what we need to look at that include numerous intangibles. HDR ranked highest. Reed made a small matrix with experience, project approach, project team, schedule and firm capabilities. In looking at costs, HDR had best proposal and best price. Reed recommends we award to HDR not to exceed \$43,273.00. There is no contingency on this amount. HDR is located in Reno or they also have an office in Folsom

M-4/15/08-7 – Motion by Beattie, seconded by Hayes, and unanimously passed to approve the HDR, Inc. proposal for Long-Term 2 Enhanced Surface Water Treatment Rule, Compliance Assistance for Ozone Water Treatment Plant and Alternative Analysis in an amount not to exceed \$43,273.

MUTUAL AID PARTICIPATION AGREEMENT WITH THE NEVADA WATER/WASTEWATER AGENCY RESPONSE NETWORK (NVWARN) –

Reed reported in writing that the NvWARN program is a result of several Presidential Initiatives. It is the Nevada section of the Water / Wastewater Agency Response Network. It is a mutual aid agreement between water and wastewater utilities; similar to the mutual aid agreements already in place between Fire Departments.

Currently, the WARN program is entirely an internal State program. However, it is the intent of those responsible for developing the WARN program that it eventually become an interstate mutual aid program.

Attached are copies of the Mutual Aid Agreement and the by-laws of the Network for review. The Mutual Aid Agreement defines the Requesting Agency's and the Assisting Agency's roles and obligations during an incident. Any contribution of assistance by the Assisting Agency is entirely voluntary. If the Assisting Agency does not have the capability to assist at any time, that assistance can be withdrawn at its own discretion. The mutual aid agreement is for the contribution of equipment and personnel to deal with an emergency. It is not an agreement to perpetually aid another utility, nor is it intended to allow one utility to supply water to another utility. Any assistance provided during an emergency will be paid for by the Requesting Agency.

There is very little effort required by the District or its staff unless a situation exists for mutual aid. It is expected that the District will participate in quarterly meetings with the annual meeting in July. In addition, the District will submit and keep updated a list of equipment and personnel available for the other member utilities to use in case of an emergency. NvWARN has no authority to require more from its members. This agreement is for a maximum of \$250,000 without further Board approval.

Reed provided a presentation on NvWarn that was presented to TWSA. Participation is voluntary and there is no obligation to respond. There is no cost to participate but you gain the benefits of access to resources. Beattie thinks this is a great idea, secondly, it reminds him that we need our own agreement with contractors relating to emergency planning. Beattie comments, if we lend equipment the schedule of equipment rates are set per FEMA, he wonders if the rates are fair. Reed believes they are and may be more than fair.

M-4/15/08-8 – Motion by Beattie, seconded by Treanor, and unanimously passed to authorize the Operations Superintendent to join the NvWARN on behalf of the District and then sign the NVWARN Mutual Aid Agreement as the District's representative.

AUTHORIZE PURCHASE OF A NEW OFFICE COMPUTER SERVER INCLUDING MS 2003 SERVER AND EXCHANGE SOFTWARE TO MEET FUTURE DISTRICT NEEDS –

Reed reported in writing that the current server is 5 years old. With the network growing with additional printers, and wireless systems, it is prudent to replace the existing server with a new unit. Floppy's has been servicing the District's computer system for several years. They have provided us with the attached quote for a new server. In addition, attached is a quote from Dell's on-line services for the same server. Since the quote from Floppy's is less than the quote from Dell, and Floppy's is a local service provider, and Floppy's has a solid service reputation with the District, I recommend we accept Floppy's bid and award the contract for a new server hardware and software with all of the peripherals included in the quote.

Reed reported that the actual quote from Floppy's and Dell was mistakenly not included in the board packet.

Floppy's Quote

<u>Item</u>	<u>Cost</u>
Hardware / software	\$4,335.00
Installation	\$6,900.00
Backup system	\$605.00
Optional	
New Cat 6 cabling	\$2,200.00
Trend Micro Worry-Free Client Server	\$985.00
 Total	 \$15,025.00

Reed also reported that Dell's quote for hardware/software was approximately \$500 higher than Floppy's excluding installation. The labor of \$6900 includes migration of old files from the old system to the new system. The old server may be able to be used for a second server for the historical data in the SCADA system.

Runtzel commented; she asked Reed to write this report as she has not been exposed to this type of system and has some reservations regarding the costs vs. benefits. Jacobs requested this proposal last year and she is still somewhat unclear as to the benefits of the system. This is a very expensive system compared to the \$1,000 server the district currently uses.

M-4/15/08-9 - Motion by Beattie, seconded by Hayes, and unanimously passed to authorize the Operations Superintendent to purchase a new server and operating system with new Cat 6 cabling and a new backup system for a not to exceed price of \$15,025 from Floppy's Computer Services.

Beattie asks Runtzel the status of the new phone system. Runtzel explains Brandy has been working on looking into the system and it appears that the Panasonic system Beattie recommended is not intended for use in an office such as ours. We are continuing to research alternatives and will make a selection this week.

AUTHORIZE PURCHASE OF A NEW SCADA COMPUTER – The existing SCADA computer was damaged in the recent flood at Station 2. Once the extent of the damage at the Station was assessed, the District contacted Thunderbird Communications. Thunderbird brought us a loaner computer to replace the existing SCADA computer until we were able to determine the extent of the damage to the existing server. We were without a SCADA computer for 32 hours. If Thunderbird Communications had not had a spare computer, the time we were without a SCADA system could have been much worse. The existing server has been repaired and is now on line. To prevent a lapse in SCADA coverage for any incident in the future, the District needs to have a backup SCADA computer. A backup computer will be housed off site from Station 2, most likely at the Lake Station.

Since the computer is a standard computer that needs enough hard drive space and memory to do its job, but does not require any other ultra-sophisticated hardware (the software is the specialty in the SCADA world), I recommend we purchase the computer from our local vendor.

Reed explains this is a backup for the SCADA system that will be stored somewhere other than Station 2 and can be used in the event such as when Station 2 recently flooded and we were without SCADA for 1 ½ days.

M-4/15/08-10 – Motion by Beattie, seconded by Treanor, and unanimously approved to authorize the Operations Superintendent to purchase a new server as a backup to the existing SCADA computer at a price not to exceed \$2,500.

GENERAL MANAGER HIRING INCLUDING AUTHORIZATION OF EMPLOYMENT AGREEMENT CONSIDERATION OF JOB OFFER TERMS AND RELATED MATTERS - Beattie included a copy of the employment and job description in the board packet. Cook notes there were minor changes including the date of hire and reports that certain things in the agreement are different than the KGID Personnel Policy. The Board committee has made agreement in accordance with McKay's requirements. Health insurance is available for the employee only and there is no administrative time available to the GM. Beattie points out we made changes in the GM job description by adding "manage, oversee," to the first paragraph.

M-4/15/08-11 – Motion by Beattie, seconded Hayes, an unanimously passed to authorize the Chairman to execute the Employment Agreement between KGID and Cameron McKay for the General Manager position with a salary of \$9,333 per month and other benefits as stated in the agreement for the term of June 16, 2008 through June 30, 2009 and the position description of the GM as presented this evening.

Schussel questions the starting date changing? Cook reports June 16 was his date of hire in 1992.

BOARD REPORTS –Schussel reports the Compost your Combustibles program will run again this year May 22 to June 22 at Boulder Lodge. He would like this item placed on the May 15, 2008 Agenda for approval to have the KGID sweeper clean up the Boulder Lodge parking lot area used by the program at the end of the season.

STAFF REPORTS – The Business & Contracts Manager and Operations Superintendent provided written staff reports, which were including in the meeting backup information. Bookkeeper Garon provided cash position statement and financial statements as of March 31, 2008.

Business & Contracts Manager Report

Beattie and Cook complemented Runtzel on her incredible report, did a great job. Beattie asked if there are seniority issues the board should be aware of. Runtzel explained that Reed had questions regarding district policy on seniority when choosing the OIT position.

Operations Superintendent Report

Beattie asks about the UV presentation by City of Henderson and whether he was able to get helpful information from the presentation? Reed reports we had a bunch of questions that were nagging us for instance ozone or UV first in the treatment scheme, we were also trying to estimate the cost of installation of UV, which is about .15/gallon/day. He gained valuable information from the presentation. We budgeted \$1,000,000 for UV as a secondary treatment.

Reed reports that we had a sewer overflow that we are dealing with.

ATTORNEY’S REPORT – Brooke reported there was no written report but that lease negotiations were completed. Brooke is unable to attend the May 15 next meeting but will make sure we are covered with someone from his office. Brooke comments on the letter from the State Board for Financing Water Project and speculates that it is from someone in southern Nevada. We need to respond, we need to take it seriously, explanation and clarification. We should request a hearing before the board to talk this out with them. We should have Farr West, Runtzel and the Chair or Vice Chair present at a hearing. We should obtain the staff reports and minutes prior to responding to the letter. Beattie would like to go before their board.

CORRESPONDENCE - A letter was received from the State Board for Financing Water Projects regarding the KGID Water Metering Plan that was submitted.

We intend to respond to the NDEP letter.

ADJOURNMENT

M-4/15/08-12 – Motion by Beattie, seconded by Treanor and unanimous approval the meeting was adjourned at 9:00 p.m.

Respectfully submitted,

Robert Cook, Chairman

Attest:

Carolyn Treanor, Secretary