

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, FEBRUARY 15, 2011**

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

Beginning at 4:00pm, the Trustees attended a New Trustee Workshop. No action was taken during the workshop.

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

ROLL CALL – Present were Trustees Yanish, Treanor, Vogt, Nelson and Norman. Also present was Legal Counsel Scott Brooke, General Manager Cameron McKay, Business & Contracts Manager Michelle Runtzel and Operations Supervisor Eric Johnson. Present for a portion of the meeting was David Pulley of Farr West Engineering, Bob Cook, Jason Hudak, Charles Cockerill, David Lewis and Bill Cole.

PUBLIC COMMENT – There was no public comment.

APPROVAL OF AGENDA

M-2/15/11-1 – Motion by Norman, seconded Vogt, and unanimously passed to approve the agenda.

Norman apologizes to the public for eating during the meeting and notes the board has been in training for the last couple hours.

APPROVAL OF CONSENT CALENDAR –

M-2/15/11-2 – Motion by Nelson, seconded Yanish, and unanimously passed to approve Consent Calendar Items as follows:

- A. Minutes of the Regular Meetings of January 18, 2010
- B. Claims in the amount of \$313,255.48 as represented on the List of Claims by check numbers 45517 through 45653

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION – Nothing was pulled forward.

UNFINISHED BUSINESS – There was no unfinished business.

NEW BUSINESS

APPROVAL OF TASK ORDER #8: NDOT CROSSING AT PUMP STATION 7, FROM FARR WEST ENGINEERING – This summer, NDOT will continue with their work on Kingsbury Grade. Part of this project is the installation of new retaining walls further up the grade near the KGID Pump Station #7.

At some time in the near future, we will install a new water main from Station #3 on Buchanan up to Station 7. The alignment of this new water line will not be up Kingsbury Grade as it now runs, but will most likely run up Linda and Gary Lane to cross Kingsbury Grade at Station 7.

With all of this erosion control work, NDOT has plans to repave Kingsbury Grade sometime in 2013. Their policy is that they will not allow any cuts in new pavement until 5 years after the paving is complete. That would put KGID out until 2018 before we could install a new water line under Kingsbury Grade.

KGID has done this previously with a line under Highway 50. This line was installed in 1997 when a contractor was working on Hwy 50 for the same reason. It sat for 8 years until a final tie-in was done with a new water line that was run up to station #2.

The time for the installation of this line is perfect. A contractor will be working on Kingsbury Grade and will have all of the permits needed to complete the crossing. If we tie this project in with the other water line improvements, it will cut down on the bidding process, although we will not be able to use any of the Partnership grant funding for this installation.

I have included a drawing of the proposed future crossing (pink line), that also shows the existing water line (blue) along Kingsbury Grade.

The GM reported Johnson brought this issue to our attention. NDOT is working on retaining walls which will continue this year. At some time in the future we need to install a waterline crossing at Station 7. We are looking now to do this because NDOT will be paving in 2013 and they have policy of no open cuts in new roads for 5 years. Now is the opportune time to install the crossings and at a later date we can install the rest of the line. At some point we want to get the lines out of Kingsbury Grade. This will not be funded with the STPUD partnership funding; we will be installing two crossings. Norman appreciates Johnson's foresight on this. Vogt comments everything is well spelled out, easy to understand.

M-2/15/11-3 – Motion by Vogt, seconded Norman, and unanimously passed to approve Task Order #8 to Farr West Engineering for a total cost of \$17,000.

Nelson asked about the total cost of the project of \$48,500. Nelson asked about the retaining walls that will be installed. The GM notes if we install the water crossing now before the retaining wall are installed we can sleeve the line and NDOT will have to work around the pipe. Nelson asked where the \$17,000 in engineering costs, what budget line item is this? Nelson asks if this is in this year's budget and the construction costs will be included in next years budget, the GM responded yes. Norman asks why the engineering costs are more than 50% of the total cost of the project itself. Per the GM, NDOT has a lot of hoops to jump through and on smaller projects the engineering percentage will be higher. Yanish asked how we knew when they were planning on paving the grade and Johnson explained he went down to their offices and asked. Norman complained of the potholes on the grade and asks if there is anything KGID can do to encourage NDOT to fix these? Runtzel noted that NDOT was out last week patching and the gas valves at Shady Lane we patched already less than a month ago. This time of year is when the majority of potholes come out. Runtzel noted that she gets very few calls from customers that think SR207 is a KGID road. This time of year, the batch plants don't make hot mix asphalt because it is too cold to place it.

OUT-OF-TAHOE BASIN WATER ALLOCATION – WILLIAM COLE – REQUEST FOR TOLLING OF TIME – This was continued from the December 14, 2010 and January 18, 2011 board meeting to allow Mr. Cole time to obtain and present a letter from Douglas County that they will not issue a building permit for his property. The KGID Policy and Procedures Regarding the Out-of-Tahoe Basin Water Allocations, amended April 18, 2006 and March 23, 2010, is included for Board reference.

The William Cole project was issued one (1) allocation for APN 1319-19-802-006 with a validity date of February 4, 2011 and one (1) allocation with a validity date of March 19, 2011 to obtain a Douglas County Building Permit.

Paiute is planning to construct approximately 1000 linear feet of 12" gas line from S. Benjamin Drive, Jack Drive and down Gasline Road next year which will impact Mr. Cole's ability to build on his property. Attached are two emails, one from Douglas County and one to Douglas County from Southwest Gas regarding the delay of the Paiute Project to next summer? Mr. Cole has not applied for a building permit because of the project and his inability to build as Paiute will need Mr. Coles parcel to use as a staging area for their project.

Mr. Cole noted in his October progress report, attached, that he is seeking a tolling of time for both allocations beginning February 4, 2011. He suggests the board review the tolling period every three or six months and end it when he has access to the property.

Section 10 of the Policy and Procedures Regarding the Out-of-Tahoe Basin Water Allocations reads as follows:

10. Tolling of Time. The time periods provided for herein, shall be tolled during the period which Douglas County is restrained, enjoined or otherwise prohibited by court order, moratorium, ordinance or referendum from issuing building permits or application approvals as required in Paragraph 7 (a) above. The reservation period may also be tolled by KGID based upon its determination and finding that the applicant was proceeding in good faith but that building permits were not available from Douglas County.

By court order, KGID tolled time for Rancho Pacific, Inc. and subsequently allowed Mr. Purvance the same tolling because the access road that Mr. Purvance planned to build from was the same that Rancho Pacific was required to improve per their settlement agreement with Douglas County. Heavenly Valley intervened in the lawsuit, and it has been determined that there is no county right-of-way for the road the county said Rancho Pacific was required to improve. The road runs through Heavenly property. This matter has been discussed briefly with the board over the last several months after court hearings, and to my knowledge to date, there has been no action by the court to either enforce or dismiss the settlement agreement.

Mr. Cole can request a one-year extension for each of the allocations in accordance with 7e of the policy, which will require Extension Request Fee and Extension Fees of \$1000 if approved, or he can surrender the allocations and have them re-issued for \$750 if they are on the same application and are approved.

At the December 2010 meeting, Cole indicated that Dave Lundergreen of Douglas County was going to provide the letter. Before the January meeting, Mr. Lundergreen provided an email that stated "At this time his permit has expired but we have agreed to reinstate it as soon as the pipeline is finished." I spoke with Mr. Lundergreen who said he would review the Paiute Project to determine whether he could state in writing that the county could not issue a building permit for the Cole parcel, however, that letter was not received by the District in time for the January meeting. On February 10, 2011, I received the attached email stating Douglas County is unable to issue a permit for the parcel, therefore, I recommend we toll the time in accordance with the policy.

The Paiute project county permit expires on 12/31/11 and all indications are that the project will be constructed this summer. I recommend we toll Mr. Cole's time until 2/4/12 to allow a little extra time in case the Paiute job isn't completed until December.

Runtzel noted Mr. Cole is in attendance if anyone has any questions.

M-2/15/11-4 – Motion by Norman, seconded Vogt, and unanimously passed to approve Mr. Cole's request to toll time for his two (2) out-of-Tahoe Basin Water Allocations for APN 1319-19-802-006 in accordance with the KGID Policy and Procedures Regarding the Out-of-Tahoe Basin Water Allocations, provision Section 10. Tolling will continue until February 4, 2012 for both allocations, the date by which a building permit must be issued.

REQUEST OF WAIVER OF UTILITY CHARGES FOR 256 TRAMWAY DRIVE DUE TO FIRE IN DECEMBER THAT LEFT PROPERTY UNINHABITABLE - On December 28, 2010 a structure fire occurred at 256 Tramway Drive, a four-plex building with Douglas County APN's 1319-30-511-001 through 004. KGID Trustee Natalie Yanish is the owner of one of the units and provided the attached letter requesting a waiver of utility fees on behalf of the building owners. Also attached is a copy of the Douglas County correction notice that was posted on each of the four units.

Resolution 2010-2 – A Resolution Establishing Policy Governing the Validity of Utility Connection Permits is also included for board reference and provides under paragraphs 6 & 8 a waiver of sewer and water charges until certificate of occupancy is issued for a period of six months and after that a standby charge of 30% of the current rates beginning on the 7th month.

I recommend we suspend the water and sewer charges, as water or sewer services are not being used, for six months or until certificate of occupancy is issued. Snow charges will still be billed at the current monthly rate as snow removal operations are still provided for the roadways.

Runtzel noted that Yanish is one of the owners of this 4-plex, Runtzel included the policy governing this issue and she highlighted areas in the policy that the district has used in the past to provide this temporary waiver. At this time, the property is uninhabitable. Runtzel recommends we waive the water and sewer charges for 6 months, at the end of the 6 months if there is no certificate of occupancy, Yanish can come back to the board and request an extension or Runtzel recommends charging 30% capital improvement fees for the water and sewer services. Brooke comments that because Yanish is an owner of this property, he assumes she will be abstaining from this matter. Norman asked if anyone knows Mr. Baker, the building inspector and he is concerned that the inspector states that TDFPD will be inspecting the property 7 days prior to the event. Runtzel doesn't know Mr. Baker but assures the board that there is still caution tape across the building. Vogt thanks staff again for a thorough report. Norman clarified that no one is using the facility currently. Yanish commented that the water was turned off to the building right after the fire.

M-2/15/11-5 – Motion by Norman, seconded Nelson, and unanimously approved that in accordance with the KGID Policy Governing the Validity of Utility Connection Permits, Paragraph 6, suspend water and sewer charges effective February 1, 2011 for a period not to exceed six months, or, until a new certificate of occupancy is issued, whichever comes first to all four units of 256 Tramway Drive. If by August 1, 2011, a new certificate of occupancy is not issued, in accordance with Paragraph 8 of the policy, charge a 30% standby or capital improvement charge of the current water and sewer monthly rates until the certificate of occupancy is issued. Yanish abstained.

Runtzel clarified that the motion was for the recommended action.

BOARD REPORTS – There were no board reports.

STAFF REPORTS – Written staff reports were provided by the General Manager, Business & Contracts Manager and Operation Supervisor. The Bookkeeper provided a Cash Position Statement as of January 31, 2011.

General Manager Report – The GM apologized that page 4 is missing from his report.

The GM thanked Bob Cook for his help in getting the tree permit to remove a large tree at 184 Meadow. The owners are happy that all of the hazardous trees are now removed and the neighbors feel safer now.

Business & Contracts Manager – Runtzel commented in answer to Vogt's question, that she is responsible for meeting with homeowners and calculating and preparing all connection permits for the district.

Runtzel discussed that NV Energy is taking a lot of dead trees out of the right-of-way which will save the district quite a bit of money. She worked with them on their list of trees to remove and provided approval to remove trees from KGID property.

Norman commented he drove on Venice Drive the other day and if you want to destroy your car that's a good place to do it. It's such a pleasure to drive on KGID roads which are in very good shape. Runtzel reported we've been able to rehabilitate our roads because of the snow removal fee we charge. In the past the majority of our general fund revenues went to snow removal leaving us little to maintain the roads.

Vogt asked about the sticker shock with the paving proposals. Runtzel noted she's asked Farr West and ESE to provide proposals and she hopes to bring this to the board at the next meeting. Runtzel couldn't bring that single proposal and recommend award. She notes this is a smaller scale project and we will see how much that will impact the overall proposals.

Nelson asked if Runtzel oversees all of the accounting, yes. Kim prepares the cash position statement. Nelson asks if there are other reports she sees on a quarterly basis to be able to review the budget? Runtzel replies that she reviews the financial statements monthly, both the GM and Runtzel and sometimes Johnson approves all invoices. The board is provided financial statements on a quarterly basis. We could do it more often if the board chooses, but now it is quarterly. Next financials to the board will be in April.

Operations Supervisor – Johnson reminded the board about scheduling a tour of the district/plant. Vogt appreciates the information, for instance on the chlorine analyzers, and is looking forward to more information.

ATTORNEY'S REPORT – Legal Counsel reported there was no action on Rancho Pacific litigation, the judge recently mentioned the matter, and we are to continue tolling until further notified. He's been working on Station 4 ownership with the Kingsbury Water Corp attorney and Stewart Title. Hopefully within 30-60 days we will have a report to the board. Brooke believes the title company was wrong in recording the deed to Alpine.

ENGINEER'S REPORT – A written report was provided to the board. David introduced himself and explained Brent Farr had a conflict with another meeting. NDOT crossing high engineering costs, there is a lot of coordination with NDOT; they run you through the ringer a little more.

CORRESPONDENCE – The following correspondence was received during the month: 1) Letter to Spiess Construction regarding Hubbard certified payrolls, 2) Letter to Spiess Construction regarding Sherwood Drive certified payrolls, 3) Letter to Spiess Construction regarding Ski Ct certified payrolls, 4) Summary of Claims from Scott Brooke, 5) KGID Water Rate Study comments from Stantec to Heavenly Mountain Resort, 6) Letter of 9/15/09 to Douglas County regarding property adjacent to Station 4, 7) Asian Clam Control Project letter to NDEP, 8) Sustainable Community Advocates letter to TRPA, 9) KGID Vehicle Fuel Use Report, 10) PEBP Plan Design Changes, 11) AB59, 12) AB67, 13) AB73, 14) SB140, 15) SB142

ADJOURNMENT TO CLOSED SESSION PURSUANT TO NRS 288.220 TO DISCUSS LABOR/MANAGEMENT ISSUES

M-2/15/11-6 – Motion by Nelson, seconded by Vogt and unanimous approval the meeting was adjourned to the closed session at 6:45p.m.

RETURN TO OPEN SESSION

M-2/15/11-7 – Motion by Norman, seconded by Vogt and unanimously passed to adjourn the closed session and return to the regular meeting.

DISCUSSION AND POSSIBLE ACTION ON LABOR/MANAGEMENT ISSUES - There was no action.

ADJOURNMENT

M-2/15/11-8 – Motion by Norman, seconded by Vogt and unanimous approval the meeting was adjourned at 8:12p.m.

Respectfully submitted,

Carolyn Treanor –Chairman

Attest:

Jodie Nelson, Secretary