

**MINUTES OF THE REGULAR MEETING OF THE  
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES  
TUESDAY, MAY 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 Vice Chairman Beattie. Beattie led the pledge to the flag.

**ROLL CALL** – Present were Trustees Hayes, Schussel, Beattie and Treanor. Cook was not present. Also present was Legal Counsel Chuck Zumpft, 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, Jennifer Roman of JWA Consulting Engineers, Brent Farr of Farr West, Andrew Strain of Heavenly, CR Russell and Ron Alling. Homeowners Nick Juvet, Brett Barratt, Richard Kasa, Lee Carr also attended.

**PUBLIC COMMENT** – There was no public comment.

**APPROVAL OF AGENDA AND CONSENT CALENDAR** –

**M-5/15/08-1** – Motion by Treanor, seconded by Hayes and unanimously passed to approve the Agenda and Consent Calendar items as follows:

- A. Minutes of the Regular Meeting of April 15, 2008
- B. Approve claims in the amount of \$280,560.75 as represented on the List of Claims by check numbers 41368 through 41505

**CONSENT CALENDAR ITEMS BROUGHT FORWARD FOR DISCUSSION** -. There were no items pulled for discussion.

**UNFINISHED BUSINESS** –There was no unfinished business.

**NEW BUSINESS** –There was no new business.

**PUBLIC HEARING AND POSSIBLE ACTION ON THE PROPOSAL TO INCREASE WATER, SEWER AND SNOW RATES EFFECTIVE JULY 1, 2008** –

A presentation was made by Michelle Runtzel for the public on the rate increase and budget to provide information on background and plans of the District. The presentation will be informational only and presented by staff. Discussion with the public and board will be encouraged, although this discussion will be focused on background information, holding budget and rate discussion until after the hearing is opened. The format of the rate hearing will be as follows:

- |   |                         |
|---|-------------------------|
| <b>1. Opening/Welcome</b>                                 | <b>Board Chair</b>      |
| <b>2. Presentation on Projects/Rates/Budget</b>           | <b>Michelle Runtzel</b> |
| <b>3. Open Public Hearing on proposed rate increases</b>  | <b>Board Chair</b>      |
| <b>4. Close Public Hearing on proposed rate increases</b> | <b>Board Chair</b>      |
| <b>5. Board discussion/action on proposed rates</b>       | <b>Board Chair</b>      |

Resolution 2008-1, A Resolution adopting an increase to the water, sewer and snow rates effective July 1, 2008, is attached. As required by law, beginning more than 30 days before the May 15, 2008 public hearing on the proposed water, sewer and snow rate increase, KGID provided public notice of the increase through a newspaper display ad. A copy of the ads was provided in the board information packages. Notices of the proposed increases were also included in a newsletter to customers with their May bills.

A 5 Year Projection was also provided for FY 2008-2013, including FY 06/07 actual and FY07/08 projected for comparison purposes, illustrates the need for the proposed rate increases that are specifically excluded from the calculations and are based on the current rates.

The proposed water rate increase is intended to move the district towards balancing the budget by providing coverage for existing and new debt service, capital improvements and operation and maintenance expenses. The debt coverage factor is required to be over 1.00 to secure future loans and is expected to be 1.15 at the end of the year without a rate increase indicating current rates are sufficient for debt service and O&M requirements. However, as can be seen in the 5-year projection, a cash flow deficit is projected at the end of the year of (\$1,596,713) after debt service and capital improvement requirements. This amount does not include the anticipated \$575,000 in depreciation expense that when combined with Net Gain or Loss totals a deficit of (\$2,171,713). The proposed rate increase of \$3/mo or 5% will provide approximately \$144k additional revenues towards the cash reserves for future capital improvement/replacement projects.

The District's Sewer Fund operating expenses have increased from \$1,266,328 in fiscal year 06/07 to a projected \$1,374,085 in the fiscal year ending 6/30/08 and are projected to be \$1,547,531 in the upcoming fiscal year 08/09. The costs to have sewage treated at Douglas County Sewer Improvement District #1 (DCSID#1) are a major component of the Sewer Fund's expenses. Sewage treatment costs increased an estimated 12.8% from fiscal year 2008 to fiscal year 2009. The total increased costs account for 70.5% of our sewer fund operating expenditures, up from 64.4% in FY 2008. The Net Gain or Loss on the 5 year projection for FY 2008/2009 shows a profit of \$14,519, however, depreciation expense of \$170,000 is excluded from this calculation and when added results in a net loss of (\$155,481). The proposed \$2/mo rate increase will provide an additional \$59,016 in revenues and will allow the district to begin to build a reserve for the future inevitable capital improvement needs.

The District's Snow Removal Fund includes a projected loss for the upcoming year of (\$459,183) which assumes an exceptional winter with \$700,000 (for budgetary expenditure authority) in snow removal costs and \$208,050 in capital expenditures mainly comprised of Operations Yard Improvements. Average annual snow removal costs are approximately \$500,000, which is the budgeted amount in the FY 2009-2013 and the projection for the future years shows escalating costs including a 3% inflation factor. The projections indicate that if we have average winters and spend minimal amounts on capital improvements/outlay, rates need to be increased. The proposed \$2/mo increase will net the district an additional \$60,792 in revenues.

Several questions arose from customers regarding potential metering, how would the un-attended homeowners rates be adjusted to ensure they pay their equitable rates? How would we ensure that the customers are not subsidizing the commercial establishments? Hayes commented that metering is a water conservation method and the State has requirements that will drive the District towards metering. Beattie elaborated that we will not receive further grant funding from the State AB-198 program until we meter our water system. KGID will need to ensure that metering is not a hidden tax increase. Meters take time to read and it drives up operating and maintenance costs as meters fail and need replacement, per Beattie.

Runtzel explained that we are in Phase 1 of 5 phases of water improvement projects identified with the balance of the projects estimated at \$25-\$30 million dollars. The district simply can't afford to complete these projects on our own.

Mr. Kasa asked when we expect to be fully metered? Runtzel explained it depends on funding availability. If we can get funding, we could install meters throughout the District within a couple of years. Runtzel explains that the 241 meters to be installed this summer are all residential. The majority of existing meters in the system are commercial.

The proposed rate increases will generate approximately \$240k in additional revenues to the district. Mr. Kasa asks if that is for the replenishment of reserves? Runtzel replied it was.

**M-5/15/08-2** – Motion by Schussel, seconded by Treanor, and unanimously approved that after holding the required public hearing, adopt Resolution 2008-1, a resolution adopting an increase to the water, sewer and snow rates effective July 1, 2008 as follows:

<b>Water</b>	<b>Current Rate</b>	<b>Proposed Rate Effective 7/1/08</b>
Residential, per unit, per month	\$60.00	\$63.00
Metered Water Usage, monthly minimum	\$60.00	\$63.00
Metered Water Usage, per 1,000 gallons over first 11,500 gallons used	\$ 5.22	\$ 5.48
Temporary Construction Water, per 1,000 gallons used	\$ 10.44	\$10.96
<b><u>Sewer</u></b>		
Residential, per unit, per month	\$51.75	\$53.75
Commercial, per 25 fixture units, per month	\$51.75	\$53.75
<b><u>Snow</u></b>		
<u>Residential, per unit, per month</u>	\$20.25	\$22.25
<u>Commercial, per unit, per month</u>	\$20.25	\$22.25

**PUBLIC HEARING ON THE TENTATIVE BUDGET FOR FISCAL YEAR 2008/2009 AND ADOPTION OF A FINAL BUDGET**– A presentation on proposed budget was given by Runtzel during this item as background information with questions held until the budget hearing is opened. The presentation will be kept available for discussion during the hearing. The format of the budget hearing will be as follows:

- |    |                                   |                  |
|----|-----------------------------------|------------------|
| 1. | Opening/Welcome                   | Board Chair      |
| 2. | Presentation on the Budget        | Michelle Runtzel |
| 3. | Open Public Hearing on Budget     | Board Chair      |
| 4. | Close Public Hearing on Budget    | Board Chair      |
| 5. | Board discussion/action on Budget | Board Chair      |

Provide for reference are the following documents:

- Tentative Budget submitted to the Department of Taxation for fiscal year 08/09
- Narrative report on budget assumptions for the Tentative Budget
- Budget Worksheets supporting the Tentative Budget

Mr. Kasa asked whether we were required by NRS to be on a cash basis. Runtzel replied, no, we are required to be on the accrual basis. Hayes explained that depreciation expense increases fund balance when we don't have excessive capital projects. He also commented that he feels to start funding depreciation at this point would not be fair; we should've started 20 years ago. We want to avoid having a special assessment to the customers.

**M-5/15/08-3** – Motion by Hayes, seconded by Schussel, and unanimously passed to adopt the Tentative Budget as the Final budget for Fiscal Year 2008/2009 as proposed.

**PUBLIC HEARING AND POSSIBLE ACTION ON THE PROPOSED “DRAFT” WATER**

**METERING PLAN** – Brent Farr of Farr West Engineering made a presentation on the proposed draft Water Metering Plan approved by the Board in February 2008. This is the public's opportunity to voice any comments on the issue. The format of the Water Metering hearing will be as follows:

- |    |  |             |
|----|--|-------------|
| 1. | Opening/Welcome                                | Board Chair |
| 2. | Presentation on the Water Metering Plan        | Brent Farr  |
| 3. | Open Public Hearing on Water Metering Plan     | Board Chair |
| 4. | Close Public Hearing on Water Metering Plan    | Board Chair |
| 5. | Board discussion/action on Water Metering Plan | Board Chair |

Provided for reference is the Draft Water Metering Plan as proposed by Farr West Engineering. The plan will be available to the public for review at the hearing.

Hayes commented we are trying to get public opinion on issue, we're trying to meter in phases, next step is to provide a plan for metering, want to get more information on other systems, what is there usage, rate structure, etc. The Board wants to allow public input on the issue.

Mr. Kasa who lives on Chimney Rock commented we need a detailed scoping document for a study to come to the plan.

Mr. Carr of 159 Hall Court reports he's in Tahoe on and off and comments it seems illogical to pay ¾ for fixed costs and ¼ for usage. Brent Farr explained there is basis behind that, the base cost needs to cover fixed costs of the District.

**M-5/15/08-4** – Motion by Hayes, seconded by Treanor, and unanimously passed to pursue research and diligence in understanding and pursuing a water-metering plan.

**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 & 002 – RANCHO PACIFIC, INC.**

– This item was tabled to this meeting from the 4/15/08 meeting with the understanding that the Douglas County Board of Commissioners would possibly take action on the project at their May 1, 2008 meeting. Background information includes the report from last month as well as action from the May 1, 2008 Douglas County Board of Commissioners meeting. 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 & 002 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.

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 were scheduled for a public hearing again on May 1, 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, later tabled to May 1, 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

On May 1, 2008, I attended the Douglas County Board of Commissioners meeting regarding this item. After hearing public comment, deliberation by the Board and consultation with the District Attorney, the Board unanimously denied the planned development project based in part on 1) Fire ingress/egress, 2) Compatibility to the existing neighborhood, 3) endangering the community (ingress/egress). Rancho Pacific representatives requested their item be continued so they could have a Tahoe Douglas Fire representative present at the meeting to further discuss the Board's concerns with regards to fire safety which apparently were the only concerns raised by the Board at the January 17, 2008 meeting. That request was also denied. **It should be noted however, that despite the fact that the Commissioners denied the Planned Development application this time, the developer currently has rights to build 39 units on the smaller 3.25 acre parcel adjacent to Tramway Drive and 1 unit on the larger FR-19 parcel.**

Roy Salameh of Rancho Pacific provided the attached email correspondence indicating what the next steps are and their desire to retain all 52 water allocations. The email also includes other communications between Harmon Zuckerman of Douglas County and Don Clark of Cathexes, which requests a letter to KGID explaining that the Master Plan raised the density of the Multi-Family Residential to 25 dwelling units per acre. Mr. Salameh will try to provide the formal letter by our meeting.

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 recommends placing the 12 allocations in the pool for offer to waiting list applicants. Once the zoning is updated, assuming the developer continues to pursue and obtains approval for the planned development, they can get back on the waiting list for the additional water allocations.

Hank Benoit, architect for Rancho Pacific from Cathexes provided a handout showing conceptual designs for the proposed project. His office has been involved in the project for 2 ½ years and worked for previous developers. There are a total of 15 acres in two parcels, hard to develop because of topography, rock outcropping, they began discussing with Douglas County who recommended a planned development approach which would be more friendly to environment.

Second page has current site plan that was denied by County Commissioners. In using the saddle of the property 74% of site would have remained undeveloped with the footprint taking up 26%. They have been continuously working on the project including 4 meetings with County. Salameh bought the project last December. They redesigned project, were happy with result, and received planning commission approval. May 1, 2008, the County Commissioners denied it. In interim, to develop without entitlements from Doug Co., they would have to move more trees and complete more grading. Rancho Pacific has been actively pursuing the project and spent a lot of time and effort getting to where they are now. There was disagreement between planning and commissioners on best way to develop site.

Salameh reported he believed politics have a lot to do with the denial. During the 1<sup>st</sup> hearing, fire issues were the only issue. They redesigned and addressed concerns. They were taken off the calendar on April 17. Nancy McDermid appeared to Rancho Pacific to be the biggest supporter but she made the motion to deny at the May 1 Commissioner meeting. They are allowed to build on the smaller parcel next to the road with 39 units. In the original plan they were going to dedicate the rock outcrop as a rock climbing area. Salameh believes Commissioner denied without basis. Salameh thinks they have a good shot to overturn the decision. Without water rights, the project is worth nothing. KGID received a letter from Harmon Zuckerman of Douglas County that the zoning should be updated by August and will allow for 82 units on the smaller parcel. Master plan currently say's multi-family residential can build 82 units on the 3.25-acre parcel however, zoning only allows 40 at this time.

Salameh pleads to the board. He bought the project with 52 water allocations, and plans to complete the project. The Zoning Ordinance has not caught up to the Master plan. Salameh wants an extension until September on the 12 units.

Salameh is suing Douglas County to overturn the denial. Rancho Pacific can't be heard by the commissioners again on the project for 1 year. If Rancho Pacific builds on current parcels, 39 dwelling units are zoned on the 3.25 acres and 1 dwelling unit is zoned on the FR19 parcel. Schussel comments Rancho Pacific has made more progress than any other allocation holder. Treanor agrees

Benoit feels they understand the policy and want the one time only 1-year extension. They would start construction next year.

Zumpft reported a petition for judicial review could take 6-8 months. This item would not necessarily be a priority to Douglas County. Zumpft anticipated this today and looked at policy. Schussel made a statement that concerns Zumpft. Allocation holders are entitled to request an extension. Board needs to make a finding that they have reasonably pursued the project. If they have not, deny. If they have, it is discretionary to the board and they can choose to approve the request. What are historical actions? Extensions were granted. Zumpft replied, that if historically, the course of conduct was to grant extensions based on the past policy, the district could be faced with an abusive discretion.

Beattie commented that the reason the policy had major changes is, it wasn't fair. This is the first time other parties have been interested in the allocations.

Mr. Alling comments we need to look at policy closer, we have an application submitted a year ago for a 52-unit project and the project was turned down. Rancho Pacific amended their project to 40 units that was also turned down. Under item 5d of the KGID Policy and Procedures regarding the Out-of-Tahoe Basin Water Allocation, Alling submits, that Douglas County did not provide the letter that specifically stated the project was zoned for the 52 dwelling units. The denial on the commissioners part was that the project not in keeping with the character of the neighborhood, life and safety. Board could not make requisite findings on overlay and height variance. An extension per KGID policy must be made based on a finding that the project is being reasonably pursued by the applicant. Alling submits the project is dead, not going anywhere, and they didn't have zoning. Alling says Rancho Pacific is asking to have the opportunity to get ordinances changed and he wants the 12 units submitted back to the pool.

Runtzel explained that at the time of application for water allocations, KGID received a letter from Douglas County that said they could build 54 dwelling units on the parcels. Later, when the County realized that part of the land was encumbered with Tramway Drive, they reduced it.

Benoit disagrees with Alling. Planning felt it should be approved by the commissioners. Some neighbors disapproved of the project, but more people attended and supported the project. They are still actively pursuing the project and are amending the development from a 52 to a 40 dwelling unit project. Douglas County Planning said to wait for zoning to catch up and then they can build the original 52-unit development. Salameh re-iterated that everyone thought they could build 52 units and KGID has the letter saying so.

**M-5/15/08-5** – Motion by Schussel, seconded by Treanor, and unanimously passed to approve an extension until October 1, 2008 for the 52 units with 12 units being returned to the waiting list allocation pool at that time unless Rancho Pacific, Inc. is able to utilize those units in their project. The remaining 40 units are granted an extension until May 24, 2009.

Beattie hopes the motion is not approved, and he would like to table this item for one month to allow time for attorney to review the County Commissioners denial.

Zumpft replied, if the item is tabled for one month, providing a temporary extension for a month or two, it could be problematic as the policy expressly says only one extension can be granted. He further states, we can grant an extension with whatever conditions we want. If the board grants an extension for the 12 units, the board can impose a condition with the extension subject to further consideration, and board has ability to retract decision at any time.

Benoit comments, they are working on new plans now and a one-month delay would grievously hurt them.

Alling comments again, Rancho Pacific doesn't have right to the 52 water units, not in the current zoning.

Hayes recommends a special meeting in one week when Chairman is here. Treanor will be out of town from the 24th-26th. Due to timing constraints preparing and posting the agenda for the meeting, and board availability, it was determined not to have a special meeting.

Beattie comments for the record, if he could vote he would vote against the extension for potential legal conflicts.

**AWARD A CONSTRUCTION CONTRACT FOR THE 2008 PAVING PROJECT –**

KGID received seven bids for the 2008 Paving Project, which will include pulverization, overlay, and reconstruction in the Lower Kingsbury area generally between Terrace View and Chimney Rock, and Palisades and Highlands areas. Low bidder Garcia Excavating and Paving, Inc. has not performed work for the district in the past to my knowledge. JWA Consulting completed reference checking and all references were extremely happy with the work performed.

The engineer's recommendation letter and bid summary are attached. The engineers estimate range for the project was between \$2.2 and \$2.6 million. The FY2008/2009 budget provided for \$2,566,268 for the Base Bid and Alternate B project. Based on the low bid of \$1,727,624.95, we are able to complete the base bid and alternates A & B, all well below budget and the District will be back on track for the 11-year Road Rehabilitation Plan.

**M-5/15/08-6** – Motion by Schussel, seconded by Treanor, and unanimously passed to approve award a contract in the amount of \$1,727,624.95 to low bidder Garcia Excavating and Paving, Inc. for the Kingsbury General Improvement District 2008 Paving Project and authorize the Business and Contracts Manager to sign contract documents and approve change orders up to 20% (\$345,525) of the bid amount.

**JWA CONSULTING ENGINEERS AMENDMENT REQUEST FOR CONSTRUCTION OBSERVATION AND MATERIALS TESTING FOR THE 2008 PAVING PROJECT –**

KGID received the attached contract amendment request, which includes \$38,690 for Materials Testing services and an additional \$8,990.25 for full time inspection services. The original JWA proposal did not provide for material testing as this is usually contracted between the District and a third party. In discussing inspection services with Jennifer Roman, we agreed that she should obtain a proposal from Eastern Sierra Engineering, who not only provides material testing but is also very familiar with the pulverization process. We also agree that since the bids were so competitive that we should plan to have full time inspection on the project. JWA has reduced their inspection costs to help offset the budget. The attached letter further explains the benefits of separately contracting the inspection services.

**M-5/15/08-7** – Motion by Hayes, seconded by Schussel, and unanimously passed to approve JWA Consulting Engineers amendment request dated May 7, 2008 for construction observation and materials testing services for the 2008 Paving Project adding \$47,680.25 to the original proposal of \$174,610 for a new total of \$222,290.25 and authorize the Business & Contracts Manager to approve changes not to exceed 15% of the total contract or \$33,343.54.

**AWARD A CONSTRUCTION CONTRACT FOR THE 2008 SEALING PROJECT –**

KGID received two bids for the 2008 Sealing Project, which will include slurry and fog sealing on various district roadways. Low bidder Kustom Koatings, Inc. has performed acceptable work for the district in the past on several occasions.

The engineer's recommendation letter and bid summary are attached. The engineers estimate range for the project was \$265,805.16. The FY2008/2009 budget provided for \$280,861 for the Base Bid and Alternate A project. Based on the low bid of \$161,000.81 we are able to complete both the Base Bid and Alternate A, all well below budget.

**M-5/15/08-8** - Motion by Schussel, seconded by Hayes, and unanimously passed to award a contract in the amount of \$161,000.81 to low bidder Kustom Koatings, Inc. for the Kingsbury General Improvement District 2008 Sealing Project, and authorize the Business and Contracts Manager to sign contract documents and approve change orders up to 20% (\$32,200.16) of the bid amount.

**CONSIDER REQUEST BY TAHOE DOUGLAS FIRE PROTECTION DISTRICT FOR USE OF KGID STREET SWEEPER & ASSOCIATED LABOR FOR PROJECT CLEANUP AT HEAVENLY'S BOULDER LODGE PARKING LOT AS CONTRIBUTION TO THE COMPOST YOUR COMBUSTIBLES PROGRAM AT THE END OF THE PROGRAM IN JUNE 2008 –**

Approve request for use of street sweeper and associated labor for the Compost your Combustibles Program project cleanup at Heavenly's Boulder Lodge parking lot at no cost to Tahoe Douglas Fire Protection District.

**M-5/15/08-9** – Motion by Treanor, seconded by Schussel, and unanimously passed to approve request for use of street sweeper and associated labor for the Compost your Combustibles Program project cleanup at Heavenly's Boulder Lodge parking lot at no cost to Tahoe Douglas Fire Protection District.

**BOARD REPORTS** – Beattie commented that the new phone system, works nice and will cost less. Thanks staff for pursuing.

**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 April 30, 2008.

**Operations Superintendent Report**

Hayes asked for update on Tank 10B, Reed reported that the current plan is to design at the original site. We will not pursue USFS site, as it is unlikely we will get approval. The new project will include a concrete water tank which will cut back grading costs.

**ATTORNEY'S REPORT** – Zumpft had no additional items to report. Hayes commented he feels the out-of-Tahoe Basin Water allocations are in such demand because they're under value. Hayes would like this on the next agenda to discuss. Should we increase the fee schedule? We need to quantify fees. Runtzel will place on the next agenda.

**CORRESPONDENCE** - During the month, the following correspondence was received: 1) Letter from Dept. of Taxation citing that the Tentative Budget was found to be in compliance with the law and appropriate regulations, 2) Letter from NDEP, considering to de-obligate the grant funds if KGID is not ready to proceed with Tank 10B.

**ADJOURNMENT**

**M-5/15/08-10** – Motion by Schussel, seconded by Hayes and unanimous approval the meeting was adjourned at 9:35 p.m.

Respectfully submitted,

\_\_\_\_\_  
James Beattie, Vice - Chairman

Attest:

\_\_\_\_\_  
Carolyn Treanor, Secretary