

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, NOVEMBER 17, 2009**

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 Schussel.

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

ROLL CALL – Present were Trustees Schussel, Hayes, Treanor, and Peck. Trustee Barratt was not present. Also present was General 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 Jennifer Roman of JWA Consulting Engineers, Brent Farr & Ralph of Farr West Engineering.

PUBLIC COMMENT – There was no public comment.

APPROVAL OF AGENDA

M-11/17/09-1 – Motion by Peck, seconded Treanor, and unanimously passed to approve the agenda as presented.

APPROVAL OF CONSENT CALENDAR –

M-11/17/09-2 - Motion by Treanor, seconded Peck, and unanimously passed to approve Consent Calendar Items as follows:

- A. Minutes of the Regular Meetings of September 15, 2009 and October 20, 2009
- B. Claims in the amount of \$1,357,714.78 as represented on the List of Claims by check numbers 43685 through 43799
- C. Authorize the BCM to sell the Mauldin Asphalt Roller and Diamond Bilt Bitchmul Pot under a sealed bid process in accordance with NRS 332.185

CONSENT CALENDAR ITEMS BROUGHT FORWARD FOR DISCUSSION - Nothing was pulled forward for discussion

UNFINISHED BUSINESS – There was no unfinished business.

NEW BUSINESS

PRESENTATION OF AUDITED FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009; POSSIBLE ACTION TO ACCEPT THE FINANCIAL STATEMENTS AND AUDITORS REPORT – Attached for the Board's review and comment are the financial statements for the year ended June 30, 2009 as prepared by Grant Thornton LLP. Kara Griffin of Grant Thornton will make the annual financial presentation to the board at this meeting.

The Management Discussion and Analysis section of the District's financial statements is set forth on pages 6 through 12 prepared by the BCM and provides, among other things, financial highlights, overview of the financial statements, financial analysis, and information on capital asset and debt administration. Bookkeeper Kim Garon and I worked with the auditors to ensure that the financial statement information was accurate.

The District did not receive more than \$500,000 in federal funds for the fiscal year and therefore a Single Audit Act audit was not required.

On page 49 the auditors report that there were no outstanding Prior Year Recommendations and no Current Year Recommendations.

Kara Griffin passed out a presentation summary for the board. A single audit was not required this year saving the district some audit costs. Griffin discussed Grant Thornton's responsibilities related to the audit. She provided adjustments and passed adjustments and provided a brief explanation of the entries.

There are two typical adjustments each year, they reclassify accounts payable construction from accounts payable and there is an annual adjustment for consolidated taxes because that information is not available at the time the audit is performed. Great job by Michelle and Kim on audit preparation, Griffin notes we get better every year. Next year, GASB 45 must be implemented which must disclose and book post employee benefits namely, health insurance for retirees. We need to get actuary and update every 3 years. The calculations must be clear on the type of investments made and different variables. Grant Thornton can help us with any issues.

Hayes asks of sick leave is already taken care of, yes. We must disclose how much we pay each year and project the future liabilities. Hayes asks on page 13, is everything combined? Griffin explains the statement is shown as a business type basis and combined. Infrastructure on a going forward basis has been included in these numbers. Governmental funds don't show fixed assets. No red flags. Need to look at the pages that compare to the budget, we are doing a good job budgeting per Griffin.

M-11/17/09-3 – Motion by Hayes, seconded Peck and unanimously passed to accept as presented the financial statements and auditors' report for the fiscal year ended June 30, 2009.

APPROVAL OF AGREEMENT WITH SWENDSEID & STERN AS BOND COUNSEL FOR THE ISSUANCE OF BONDS TO FINANCE THE WATER METER INSTALLATION PROJECT – The bond counsel firm of Swendseid & Stern proposes to provide bond counsel services for a \$3,350,000 water bond issue as set forth in the firm's letter of November 5, 2009. The firm has provided excellent services on previous district bond issues.

The GM reported this firm has worked with KGID on prior bond issuances; they are one of the few counsels in the state. They are requesting between \$25 & \$30K for their services. They have offices in Las Vegas but travel the state continuously. The cost of the counsel is one of the only items that cannot be reimbursed. This was not a budgeted item other than the overall metering project itself.

M-11/17/09-4 – Motion by Hayes, seconded Peck and unanimously passed to approve Swendseid & Stern's fee proposal of \$25,000 to \$35,000 for bond counsel services for a \$3,350,000 water bond issue as set forth in the firm's letter of November 5, 2009.

SELECTION OF ENGINEERING CONSULTING FIRM FOR A REGIONAL WATER TREATMENT PLANT STUDY – The GM reported in writing that this is the study the KGID Board approved at the September meeting with costs being split evenly between KGID and Douglas County. The RFP went out right after the meeting and the replies are due on Friday October 16. The GM reports he has studied the five applications submitted on this and also provided them to Carl Rushmeyer of Douglas County for review.

The GM reports this was a difficult decision, all five firms were very close in ability, several meetings between he and Carl. This recommendation has in no way any affect with what we are doing with Farr West. HDR has most knowledge on KGID and Douglas County water systems. HDR came in at cost anticipated at \$80K and they probably can do the best job. The cost will be split with Douglas County. Schussel asks if we have approached others to share in the costs? Edgewood is tentatively interested and they are working with Eco Logic to review their water system. Roundhill has shown some interest in tying into the line, they have filtration already but are up against their capacity.

Hayes likes how the GM prepared the scope of work, will provide good information. The project should not take more than 6 months to complete. Peck would like to see who would be the lead persons assigned to the project. Douglas County has approved this so far.

M-11/17/09-5 – Motion by Hayes, seconded Peck, and unanimously passed to approve retention of HDR Engineering to complete a study on the feasibility of construction a Regional Water Treatment Plant that will have the initial capacity to serve both KGID and Douglas County's ZWUD water systems, and approve their scope of work submitted.

APPROVAL OF INTERLOCAL AGREEMENT WITH DOUGLAS COUNTY TO ALLOW SHARING OF GIS DATA – This Memorandum of Understanding will allow the sharing of GIS data with Douglas County. They have a considerable amount of information that is vital to our mapping. Without the agreement, they would have to charge \$900.00 for KGID to access any of this information.

The GM reported the county has a lot of data they have collected over the years. At present, there is a cost of approximately \$900 for us to access such data. If we have a MOU with them, we can share information. Brooke comments this is a basic agreement but wonders if we have any issues with them sharing our information with others, no. Treanor asks if KGID would charge others, like Tahoe Village HOA, to share the information. Typically we would only charge for printing/copying costs.

M-11/17/09-6 – Motion by Peck, seconded Hayes, and unanimously passed to allow the General Manager to execute the Memorandum of Understanding for GIS data with Douglas County.

ANNUAL DISTRICT CHRISTMAS PARTY - Every year staff discusses preferences on having a Christmas party or receiving a bonus. GM wont make a recommendation here, thinks its up to the board. Employees get ½ day off Christmas Eve and Christmas day off. In past, the board has approved a full day off plus \$125 bonus. Having a Christmas party could be dangerous situation per Treanor.

M-11/17/09-7 – Motion by Treanor, seconded Peck and unanimously passed to authorize a full day off on Christmas Eve and a \$125 bonus for all staff.

Schussel wants everyone to recognize because of economy, we are giving ½ day and small bonus. Things aren't good this year; he's not necessarily against it. Some people may be very upset, too much money in these times. Treanor doesn't have any objection to the bonus or day off as a ratepayer and believes this shows extra appreciation to the employees. Peck believes this is a cost savings measure. It's cheaper than a Christmas party. Hayes approves and notes it is not a significant bonus amount, he's comfortable with any public issues. Schussel thanks all of the employees and asks them to enjoy their day off.

BOARD REPORTS – Hayes commented at the last meeting he wanted pool to come to the next meeting and withdraws his request for presentation at the December meeting. He hopes we will look at this when its time to renew the policy. The GM comments that we need to remember if we ever leave the pool we wont receive the benefits such as today when we received 3 hours of training free for all employees. They also have a library of safety training videos that they provide. This training is available to the district at no cost.

STAFF REPORTS – Written staff reports from the General Manager and Operations Supervisor were included in the meeting backup provided to the board. Bookkeeper, Kim Garon, provided a cash position statement as of October 31, 2009.

General Manager Report – Tank 10B is online. Backfilling is nearly complete, tying in drain lines today and plan on being done tomorrow. One of the concerns we have is to ensure that Tahoe Village is satisfied with the cleanup of the staging areas they used. Per Treanor, so far Aspen has come through with everything they've said they were going to do.

We may do a water meter project this summer in Lower Kingsbury. The problem areas will probably be put off until later. Hayes still wants us to begin rates discussions now and believes we have to assume that the multifamily units will use minimum amounts. The GM disagrees and states we need information on the multifamily to be able to discuss rates.

Business & Contracts Manager Report – The BCM has been out due to an injury and no report was provided.

Operations Supervisor Report – Nothing to add. Discussed mainline break on Sherwood that damaged the private property. There is erosion around the foundation on one side of the driveway. Our insurance has been notified and we are working with the owner.

ATTORNEY'S REPORT – Brooke updated on Whitebark, depositions of Cam and Michelle in December. Have made a tentative settlement to WBHOA. Not counting on it. We are starting to prepare for trial, moving forward with discovery.

We received correspondence from pool/pact, district doesn't have coverage for counterclaims arising or connected with the operation of eminent domain. Brooke doesn't disagree with their reading of the policy. Brooke's office will take over the counterclaim.

ENGINEER'S REPORT – Jennifer Roman discussed the status of the Operations Yard and noted we are considering abandoning the leach line, which will require installation of a new force main up the hill. One benefit is that we would be able to utilize more of the property and build up the pad closer to the property line.

Brent reported on the metering plan, they have prepared an SRF loan application for the state, will be heard likely in March, missed the Dec meeting. There are funds left over in the current SRF loan, see if we can use the funds for the metering. Ralph can comment on where we are to date and discuss waterline project. He's collected the topo map from RCI and has talked to the company that flew. Discussed acquiring easement with the USFS. Looking for new easements, Buchanan to Linda. Hubbard, Ski Ct and Vesper Ct. Ralph contacted Ron Turner to complete surveying and noted RCI is also interested.

CORRESPONDENCE - The following correspondence was received during the month,

ADJOURNMENT

M-11/17/09-6 – Motion by Peck, seconded by Hayes and unanimous approval the meeting was adjourned at 7:25 p.m.

Provide a board meeting schedule for Trustees to review and approve at the next meeting.

Respectfully submitted,

Larry Schussel –Chairman

Attest:

Carolyn Treanor, Secretary