

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, NOVEMBER 18, 2008**

CALL TO ORDER – The meeting was called to order at the Tahoe Transportation Office, 169 Highway 50, Stateline, Nevada at 6:00 p.m. by Chairman Cook who led the pledge to the flag. Bob Cook apologizes to public for not having enough seating. He explains the board will deal with general business and get to public workshop within approximately 20-30 minutes. Cook also announced that two Board members are termed out and introduced Brett Barratt as new trustee in January. KGID welcomes applications and resumes if anyone is interested in serving the district.

ROLL CALL – Present were Trustees Cook, Hayes, Beattie, Treanor and Schussel. Also present was Legal Counsel Scott Brooke, General Manager Cameron McKay, Business & Contracts Manager Michelle Runtzel and Operations Supervisor Eric Johnson. Present and for a portion of the meeting was Brent Farr of Farr West Engineering, Kara Griffin of Grant Thornton and approximately 100 residents. A sign in sheet including customer names is included in the meeting backup information.

PUBLIC COMMENT – There was no public comment.

APPROVAL OF AGENDA AND CONSENT CALENDAR –

M-11/18/08-1 – Motion by Schussel, seconded by Beattie and passed to approve the Agenda and Consent Calendar items as follows:

- B. Claims in the amount of \$990,481.46 as represented on the List of Claims by check numbers 42179 through 42299

CONSENT CALENDAR ITEMS BROUGHT FORWARD FOR DISCUSSION - Hayes requested that Consent Calendar Item A – Minutes of the regular meeting of October 21, 2008 are pulled for discussion and noted that on the Page 12 of the meeting minutes there is no motion recorded for the Out-of-Tahoe Basin Water Allocation Status Update for Rancho Pacific. Runtzel will review the meeting tapes and ensure the motion is included in the final meeting minutes.

M-11/18/08-2 – Motion by Hayes, seconded Beattie and passed to approve the Regular Meeting Minutes of October 21, 2008 as amended with the recorded motion and vote included in the minutes. Treanor abstains.

Runtzel later found that the final motion was correctly recorded on page 8 of the October 21, 2008 meeting minutes as the motion and vote were taken.

UNFINISHED BUSINESS –There was no unfinished business.

NEW BUSINESS –There was no new business.

PRESENTATION OF AUDITED FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008; POSSIBLE ACTION TO ACCEPT THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT – Attached for the Board's review

and comment are the draft financial statements for the year ended June 30, 2008 as prepared by Grant Thornton LLP. The financial statements will be finalized on November 18, 2008 and will be available for the boards review at the meeting. 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 received more than \$500,000 in federal funds for the fiscal year and therefore a Single Audit Act audit was performed.

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

Kara Griffin of Grant Thornton briefly presented the financials to the board. Kara commented that Kim Garon and Michelle Runtzel are great to work with as usual, and reports that the lack of adjusting journal entries and internal control comments should give confidence to the board that they are receiving accurate financial statements internally.

The Highlight responsibility, material correct, fairly represents conform to GAAP.

Kara went over auditor responsibilities and reported that they looked at financial statements to see if items were greater than materiality. Areas of focus included proper reporting of grant revenue. They reclassified construction accounts payable and accounts receivable, and she reports that all other adjustments were proposed by district, which again gives the board confidence that information they receive is accurate. There was one passed journal entry regarding an invoice that had expenditures in both years at year-end. There was a couple missing disclosures, we are required to disclose the expense for prior employees. GASB 45 needs to be implemented by 2010. Kara will work with the district staff and look at these requirements in 2009. District wants to use limited resources for actuary. The District must have an actuary come in to determine post retirement benefits and record in books. The other disclosure was related to the budget where loan proceeds were recorded as income in the budget.

Beattie comments that the draft the board received has a lot of typos. Griffin and Runtzel explained that the final financial statements are correct and that for some reason when the PDF was sent to the district, it causes those sentence separations.

Hayes asks if GASB 45 pertains to the post insurance requirements. Kara acknowledged that it doesn't need to be a separate fund, probably just a line item in the general ledger.

Cook comments that this is two years in a row that we haven't had any recommendations and commends both Kim and Michelle.

Hayes asks if anything in the funds stand out. Griffin replied that it seems we are budgeting appropriately, seems staff has a handle on district. Board and management seem to be doing a good job.

M-11/18/08-3 - Motion by Beattie, seconded Treanor and unanimously passed to accept as presented the draft financial statements and auditors' report for the fiscal year ended June 30, 2008 and approve the Business and Contracts Manager to authorize minor modifications as may be made during final review.

APPEAL BY TOM HALL OF WATER COSTS FOR PREOPERTY AT 290 KINGSBURY

GRADE - Tom Hall has requested a change to his regular bill. It appears that due to a glitch in the software program, he was only charged the minimum monthly amount with no usage charge at all. Once this problem was found, the amount of water use was calculated and a new bill sent out to him. Tom asked for and was given a copy of our ordinances and came back with the attached reason for not paying his bill in full. The ordinance that he partially quoted is in full below.

2.17.1 APPEAL FOR RELIEF FROM EXCESSIVE WATER CHARGES

When a metered customer, through no fault of their own, has incurred an excessively high water bill due to freezing and breaking of water lines or other unavoidable circumstances, and the detection and correction of such a break could not have reasonably been accomplished in time to avoid the excessive water usage, the customer may appeal for relief as follows: A written request for relief shall be made explaining the circumstances for the excessive water use. The Operations Superintendent will review the matter and determine if the high water use was a result of an undetectable condition and was not a direct result of negligence or inattention of the property owner. If it is determined that the usage was unavoidable, the District will bill the overage charge for the first 150,000 gallons in excess of the customer's average water usage at the current District rate. Any excessive usage above 150,000 gallons will not be billed.

Our ordinance allows us to go back and recalculate water bills if a defect such as this has occurred.

Mr. Hall was present at the meeting and explains he is the Trustee of Hall Trust that owns several properties one of which is Kingsbury Center. He explains that he has tenants in the property in question and that his lease provides that the tenant bears the cost of water. Mr. Hall reports that the Hall Trust asked us to check water meter and the water meter was eventually replaced. The previous meter read in cubic feet and the new meter reads in gallons. The District decided to back bill for 17 months for the back revenue as a result of the error. Mr. Hall explains he can't go back to tenant for the water usage. He paid the bill under protest. This item came before board on Sept 16, 2008 and Mr. Hall was not notified. Hall is requesting that the district adjust the bill to 150,000 gallons per water ordinance 2.17.1.

McKay explains the meter was charged as base rate and no usage during the period in question. Ordinance allows us to go back and charge. Schussel asks Hall if he agrees that the water was used, which he did, but again explains that he can't go back to tenant now and ask for the \$2K. Hall contends this is a mistake of the district, leaving the owner holding the bag. Schussel asks if this is a situation where all of a sudden the bill went down after a number of months of paying higher bills and shouldn't that have been recognized by Mr. Hall's staff? Hall believes as a result of inquiring about a bill, the error was found.

Runtzel explained that the billing error on this account had nothing to do with requesting us to look at his meter. There were approximately 10 other properties that had the same error. The error occurred because of a meter change out where staff did not attach the appropriate rate code resulting in a charge of only the minimum each month. All other affected properties have paid their bill uncontested.

Brooke believes that 25.17.1 is not applicable, where this was not a leak or freeze, within the discretion of the board. Treanor thinks we should waive the late fees on the account. Hayes removes himself from discussion. Beattie feels it was our system that made the error. Treanor explains she has been in same situation. Beattie suggested a long-term payment plan. Hall is requesting splitting the bill in half.

Cook and Schussel want to refund late charges.

M-11/18/08-4 – Motion by Schussel, seconded by Beattie and passed to deny reduction or adjustment of this water bill for account # 000073-000. Stay with what was decided in September and refund the late fee of the account. Hayes abstained.

Cook asked for public comment. Brooke wants the public to state their name for the record. Some of the newly metered customers shared concerns on the accuracy of our billing and wonder if they are in the same situation.

ACCEPTANCE OF WATER CONSERVATION PLAN – The water conservation plan is part of the bigger picture, the water meter installation project. Every application to the Board for Financing Water Projects must have a water conservation plan in place prior to the grant taking place, just the same as having a water rate at an acceptable level according to the BFWP. The GM reported he went through this plan and it looks good. The next step will be to take it to the Division of Water Resources and have them approve it. This should be no problem.

Included in the meeting backup is the Board for Financing Water Projects policy on meters that specifically states that this plan must be in place prior to any more grant funding.

McKay explains that the water cons plan is part of the bigger picture of the water-metering plan and must be approved before we apply and can be approved before getting any grants. This is a plan that is an update to the existing plan includes a lot of public informational material.

Beattie comments this is a good piece of work. Hayes asks if this should be behind the workshop? McKay explains that the metering plan has already been approved. Beattie explains to public that conservation plan does not set the rates in concrete.

M-11/18/02-5 – Motion by Schussel, Second Beattie and unanimously passed approve the Water Conservation Plan for submission to the Department of Water Resources for their review and approve staff to make minor changes as needed, not including water rates, with understanding that this is intended to be a living document that will be updated over time.

Cook asks for public comment.

Bob McDowell reports in research he has done on next topic, NRS 340, KGID should consider climate and living conditions, but reports he has not reviewed the conservation plan. Does the plan address anything specific about the climate and living conditions of the district? Beattie explains that the plan goes into detail on demographics, and specific information on water conservation. McKay explains we don't have control over climate but it includes a drought plan. Anyone can pickup a copy of the plan at the District offices.

George Echan asks if the conservation plan incorporates the water-metering plan? McKay explained it must be submitted to BFWP before we apply for grant funds.

Brent Farr comments these are great comments on plans but that they are only partially related. Every water purveyor is required by law to have a conservation plan. State won't pin us down saying it is set in stone or having anything to do with rates. Slightly related. The conservation plan must be reviewed every two years.

Hayes suggested that we move to the water workshop and come back to this.

WATER METER AND WATER RATE PUBLIC WORKSHOP – The GM provided background material for this item and reports there is a lot of information included here that can really confuse you. The one thing that we must remember is that we do have to meet the minimum charge for 15,000 gallons per month to meet the policy requirements of the Board for Financing Water Projects. What we charge after that is up to us, and if we feel that someone living in a 4-plex or apartment is using less than 15,000 gallons per month then we do not have to charge the \$77.58. I think that the main complaint is that the flat rate users are not paying as much as the metered rate users and the flat raters are using more water. That is where the balancing act must come in. How do we keep both sides comfortable with the rates that will obviously change?

Since the meters were installed we have seen that during irrigation season, 54% or 1/2 of the residents used more than double the 15,000-gallon threshold. (The September average use was 33,325 gallons per month). Using those numbers, could you then say that the flat rate for non-metered users should be 77.58 X 1.5 or \$116.37 per month? You will get a lot of complaints if the flat rate is moved to this level especially from the residents higher up that now use the same amount of water. So lets go back and look at the calculation of a reasonable flat rate.

The GM calculated out what he considers the flat rate should be based on this year's budget and the revenue needed.

Chart #1		Chart #2	
Operating income and expenses		LT2 Treatment	
Projected user fees	\$ 2,823,400	Total Cost	\$ 4,500,000
Operating expenses	\$ (1,743,962)	Saving time years	5
SRF Interest	\$ (198,753)	Cost per EDU per month	\$22.15
Depreciation	\$ (575,000)		
AB 198 Reserve Fund	\$(309,559.16)		

Income (loss)	\$	(3,874)
Revenue needed per year	\$	2,827,274
3387 EDU	\$	69.57 per month

These First Chart shows the revenue needed based on:

1. Operating Expenses: These are the day-to-day costs of running the water treatment and distribution system. It includes labor, chemicals, utilities, etc.
2. State Revolving Fund Interest: This is the debt service paid on the SRF loans that we have for Phase I of the water line replacement project.
3. Depreciation: This is money that we need to put aside for future repairs and general upkeep of the infrastructure we now have. Examples are building repair, vehicle replacement, etc.
4. AB 198 Reserve Fund: According to the policies set by the BFWP, we must set aside enough money so that in 50 years we will have enough to replace the project that we have just completed. This is calculated by taking the \$9.5 million and adding 1% for inflation each year for 50 years and then dividing it back by 50 to show how much per year we must set aside. This must be built into any water rate calculation.

These calculations show that as a base rate we must charge a minimum of \$69.57. This is still lower than the \$77.58 but we need to calculate how much water they use on top of that. Also, with metered use, the use excess fees are typically used as income for future projects or known upcoming expenses.

The LT2 rule expense (Chart #2), shows that to set money aside for this cost would be \$22.15 per month per EDU. That gives us a total of \$91.72 per month minimum for flat rate use.

This now brings water rates into a clearer perspective. The metered users will pay less than the \$77.58 per month if they use less than 15,000 gallons per month in the non-irrigation seasons but the flat rate users will not. It brings the two rates onto a little more level playing field.

Farr West Engineering has also run a number of different scenarios for metered water rates that the GM included here.

Cook explains that we have comment cards at the table in the back of the room but urges that this is not a gripe session. He thanks all for attending and encourages participation. This is a workshop and to provide some background, in 1993, it was recommended by BFWP for KGID to meter district. In 1998 KGID identified \$25M in capital projects. Before 2002, the Board always had mindset we would eventually meter, when we replaced waterlines and that it would be a 20-year project. In 2002, AB 198 passed and freed up a lot of grant money. We have obtained 9.5M in grant funds. That means over the last 6 years for obtaining the grant money we have saved the district residents a substantial amount of money. Metering is a process and will not happen overnight. Even if we get grant funds, it will probably take 3 years to complete the project, metered and non-metered, commercial and residential alike. We are facing several projects ahead of us in future, LT2, in place by 2014. This new treatment will cost everyone approximately \$22/mo. Between metering and LT2, those items alone are looking at a \$72/mo increase to residents. We

want to trend our water bills through summer 2009. Water meters promote water conservation. Cook acknowledges he has 3 lawns and waters everyday. This is a workshop, we want to work with customers to find a fair and equitable rate for everyone. If irrigating, typically customers are using 45,000 gallons per month. Reserve funds have to be used for operation & maintenance and depreciation set aside for capital improvement projects.

Cook reports we will not bill anyone immediately, we will send out sample bills and sometime next summer begin billing. We will have a presentation and take no comment until the presentation is completed.

Brent Farr provided a presentation on metering and rate setting.

McKay explains the average water use in September was 33,000 gallons per house, and in October the average dropped to 9,000. More than half of water the district pumps is used from Logging Rd down to the Lake. Customers at the top of the mountain are using internal water and very little irrigation. The low water users are subsidizing the high water users. In Summit Village, average use is 300 gallons per day all year round. 54% of households used more than 33,000 gallons in September, and 37% used more than 9,000 during the month of October.

Cook opens the meeting for public comment. Hayes points out that most of our data came from Roundhill GID and Tahoe City PUD, which is fully, metered systems. Customers that use more than 30,000 gallons per month are a small percentage. People evaluate their water usage because they have been metered. Nationally we are water over users. Treanor comments she started thinking about her usage and is very surprised at how much water she uses. She asks herself whether she can have a smaller lawn, she won't water the forest any longer, doesn't know how much she actually uses, but believes conservation is the right way to go. Schussel asks the public by a show of hands how many are on meters? About half of the attendees are on meters and the other half are not yet. Cook requests that anyone wishing to speak use the podium to ask questions and state their name.

Daria Vogt – on Terrace View asks how much water is typically used per square feet of landscaping, or how much water used for irrigation. McKay explains that most water usage comes from irrigation, and she can look at her sprinkler heads that show how many gallons per minute each head puts out to run the calculations.

Mr. Wayne Logan on Chimney Rock – realizes many decisions mandated by state, some not, with only 15% on meters it is unfair to charge those with higher rates when others are still on flat rates. Minden will not charge until all are metered. McKay says Minden may not have an AB198 grant. Brent Farr also explained that people on flat rates will not be paying as much as people on meters.

George Echan asks if all meters will be in place in 3 years? If we receive the grant, then yes. If not, then it could take several years. McKay explains that one reason we want to have meters in place is due to the requirement to obtain future grants that are needed to complete in excess of \$15 million in needed improvements. Echan wants to compliment the board that we will look at the rates for a period of time. The water policy was sent to customers. The state has well defined law against the imposition of utility and tax rates, very clearly. Set forth in Article 10, section one. This isn't a matter of simply good policy; it is a matter of legal mandate. He finds it amusing that we keep using the example of the flat rate punishing the 5,000-gallon consumer without mentioning that the

gorgers are using water without impunity as well. We can't keep using the best examples. Even if we consider the sacred BFWP policy that is driven by our desire to obtain a grant, it even talks about equity. In the statement of policy it says metering consumption provides a basis for assessing users equitably, in theory if all have meters Echan adds. Phasing, to him, is not a safe harbor. This is just not equitable. He likes the scenarios but is not sure they go far enough. He wants to see everyone on the same even playing field. Another way we could meter is to use debt, extend it out farther than 3 years and meter everyone. If meters are the end objective, we could potentially tax the customer base. Meters are a given. We shouldn't let water policy drive rate management and good business practices.

Gary Zaskoda – Echoes everything Echan said – has plan, set flat rate for all 2500 customers, number all present meters, track each month, provide meter usage to customer, obtain family demographics, vacation rental information and track for one year, which properties have irrigation. Obtain information on customers. Charge a flat rate of 20K gallons for first year, then \$1/1000 over 20K for first year.

Larry Goodman wants rate study to analyze usage patterns. Most of Nevada does not have the part time residents that Lake Tahoe has. Minimum usage quoted are probably second homeowners. Farr asks if people that have second home, don't live here and don't use more water should pay more money? Mr. Goodman believes they should because most that live here are on fixed income. The district should come up with a higher base rate.

Mr. Daemon – Are sewer rates included in water bill? Is the grant state or federal money? Both. Has problem with \$1.5 to \$3 and \$5 tiers in the rate structure. He used 77,000 gallons that dropped to 8,000. He still wants to have his lawn.

David Lewis – speaking on behalf of those in Summit Village who have very low usage. In terms of base rate, if we were to meter some units in Summit and Tahoe Village to analyze water usage, on winter usage year round. There are some unique units, he has a duplex and lives in one side and rents the other where there is a single water line to property. He currently pays two bills. Runtzel explained in a multifamily residential property where only one water line serves the building, it is likely that a HOA will have to be formed to pay the water bills. Then it can be up to the homeowners to install separate water meters where feasible to enable them to bill the individual units.

Cook read comment card – “Get Bob Cook and all board members on meters now!” Hayes volunteered to be on a meter. Hayes has always wanted to put off metering. Most times people don't show up at our meetings, but once someone mentions metering the room fills up. He wants to understand usages.

Linda McDowell - 206 Chimney Rock – regarding the water conservation plan, AB198 NRS 540.131, need to consider climate and living conditions of its service area. We are overwhelmed that we are at extreme fire risk, clean lean and green. Lawns are practical as a fire safety feature. She's feeling frustrated, wants to stay fire safe and use water. Brent Farr replied, great comments, conflicting with fire and water conservations, we need to be careful that we don't do away with fire safety practice. He explains we wanted to collect information over time, because there is no data available. NDEP said we must charge when we install meter. We want more time to collect data otherwise it will be erroneous.

Bob McDowell =- 206 Chimney Rock – Admires board doing this out of community service, not an enjoyable job. Thanks board for what they have done over the long term. Change is tough on people and they don't like it, as they get older. Has done a lot of research, appreciates where we are. Trying to get funding for capital improvements, replace 30+-year-old lines. Equity is important. 15% are on meters and will be paying a lot more than the historic past. Most will remain on flat rates for a while. Bob reports that they didn't even know they were on meters until receiving the sledgehammer letter. Didn't have a clue of the consequences of metering.

Linda Bronkin – Has there ever been a Scenario 5 for a rate in winter vs. a summer rate? She appreciates the people who use water in our community, people now want to abandon landscaping, abandon showers, and thinks we should be able to be more creative. We need water to protect homes from fire, we can all conserve and she recognizes we still need to generate income. Brent explains the final balance is to determine how much we charge for base and what tier rates look like. Want fire safe yards. She doesn't want to see landscape abandonment. She thinks a slightly reduced rate from May – September may be an option. We will look into this.

Bob Poet lives on Meadow and has a family of 4, and wants the district to look into charging different rates for water between 5-7am if that the best absorption time of day. He also echoes Echans comments. MHI is 6% over state average; KGID raised water rates 5% on July 1.

Charles Scott – 109 Cypress Way – He understands meters are required for getting a grant, we have to start charging for use. He feels we have some flexibility in charging apparently. If we are non-profit, we should match expenses to revenues. Schedules will have to be adjusted to meet expenses and no surplus is developed.

Jack Post 209 Chimney Rock – How are timeshares treated, charged? Runtzel explained the rate structures for timeshare properties that pay per individual unit.

Lynda Dayne – Will we actually be charged for the water on December 1? No. Hayes explained grant conditions and notes that hopefully we can wait and analyze usage. She suggests we have workshops to provide tools to conserve water.

Brent Farr offered to provide a water conservation workshop and invite Mark Novak from TDFPD.

Natalie on Tramway – She wants to be voice for small users on Tramway, probably uses less than 3,000 per month where there is no lawn or irrigating. She urges the board to try to keep flat rate low because there are very small condos that are not using water.

Laura Minoti – North Bowl Lane – 4-plex condo, Runtzel explains metering in multi-family buildings again. We will all be paying more taxes etc. with national debt. To put off paying if you are metered for more than one year is unrealistic. If we can negotiate one year, that would be great. She is also willing to pay a little more and has no landscaping. TRPA ties their hands, can't bring in better soils. She's all for a one-year plan.

David Winter on Terrace View has lawn; bill would have tripled to quadrupled. In summer months he will be looking at approximately 30,000 usage. He will have higher number no matter what and estimates he will pay \$80 to \$100 more per month during those summer months. Those that have

landscaping need to get used to it or adjust plans. Real issue is frustration in meters and timing. 3 years is too long. Borrow money or whatever to install meters sooner than 3 years rather than later.

George Waite on Andria – front yard with 1800 sq ft of lawn, very few lawns in the area and is concerned about losing the lawn. He has sun and wind all day and thinks he could possibly try to aerate lawn or look at other options to save water usage. Would like advisor to help estimate what bill would be. When funds are spent to meter the entire district, how much will it cost us?

Kurt Fulton – 193 Meadow – Most questions were answered. Last bill still high, no water usage in the house at all, he was on vacation. Knows he will be paying \$100 + each month and agrees with conservation. If last month is any indication, his usage is still very high. We will profile 193 Meadow.

Anna – McKay Ct – Do we have a water shortage? Not really. Cook explains over-allocation by State on Nevada side of the Lake.

Brett Barratt – 495 Tramway – addicted to water, is there something that we can do to be proactive to the State on this issue and wants Water Board contact information. He asks that we include this in the next bill that goes out. Brett is on a small board where he is the only full time resident in his multi-residential property.

Joe Tindle on Cottonwood asks if we will read meters monthly, yes. McKay explains the computer radio reads. Can we average water bill throughout the year? May make it affordable to spread anticipated bills over the year.

No further speakers came forward.

Cook called for a break at 9:12p.m. and the meeting was called back to order at 9:27p.m.

Cook reiterates that public workshop is over with no action to be taken at this time. McKay says staff will continue to work on this and come up with a water rate as soon as we can. We received a lot of good ideas tonight. We will do our best to keep the public informed. We are still in a negotiating phase on the metering grant request. Beattie comments for the record he counted 122 people present.

Hayes feels some pressure to give a break on the rate until the rest of the district is metered. Half of the district was not here tonight.

Beattie comments, everyone said we needed more time to get a fair and equitable rate. Cook didn't hear one person say they cannot pay. Schussel comments that the reason the 122 people were here is because they are saying they can't pay. They want a little more time to look at usage and see if they can adjust it.

C-11/18/08-1 – Consensus by the board that staff will not bill the newly metered water customers in December 2008 or until further notice.

BOARD REPORTS – There were no board reports.

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

General Manager Report –

Lake Pump Station - Value of the property is \$15-\$18K due to existing easement. If in court, residual value for obstruction of view could run at \$633,000.

Hayes asks about Tank 10, sounds as going smoothly, Hayes scared. McKay reports that he may bid an alternate with a steel tank.

Business & Contracts Manager Report – No questions. Runtzel explained vacation of 10 days therefore a shorter report.

Operations Supervisor Report – No questions were asked.

ATTORNEY’S REPORT – Brooke left prior to the end of the meeting and said he had nothing to report.

CORRESPONDENCE - The following correspondence was received or provided during the month, 1) Letter provided to Rapid Construction regarding the EWC/KGID Intertie progress 2) Letter of interest from Vince Travens for KGID Trustee opening

ADJOURNMENT

M-11/18/08-6 – Motion by Beattie, seconded by Treanor and unanimous approval the meeting was adjourned at 9:58p.m.

Respectfully submitted,

Robert Cook - Chairman

Attest:

Carolyn Treanor, Secretary