

**MINUTES OF THE REGULAR MEETING OF THE  
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES  
TUESDAY, SEPTEMBER 16, 2008**

**CALL TO ORDER** – The meeting was called to order at the KGID office, 160 Pineridge Drive, Stateline, Nevada at 6:04 p.m. by Chairman Cook who led the pledge to the flag.

**ROLL CALL** – Present were Trustees Cook, Hayes, Beattie and Schussel. Treanor arrived at the meeting at 6:25. Also present was Legal Counsel Scott Brooke, General Manager Cameron McKay, Business & Contracts Manager Michelle Runtzel. Present and for a portion of the meeting was homeowners Brett Barratt, Brent Knittle and Ron Alling.

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

**APPROVAL OF AGENDA AND CONSENT CALENDAR** –

**M-9/16/08-1** – Motion by Schussel, seconded by Hayes and passed to approve the Agenda and Consent Calendar items as follows, Cook abstained:

- A. Approve the Regular Meeting Minutes of August 19, 2008 as written.

McKay reported agenda item 8 should be revised to August 19, 2008 instead of August 21, 2008 as stated in the agenda.

**CONSENT CALENDAR ITEMS BROUGHT FORWARD FOR DISCUSSION** - Beattie requested Consent Calendar Item B pulled for discussion and asked about check number 41994, to Summit Plumbing, what is a sewer lookout? McKay explained it is a lookout from the sewer main where an individual property connects. He also asked about check 42007 to First Bankcard, pizza lunch for \$750? Runtzel explained that there are other items being paid for in addition to approximately \$100 staff safety lunch.

**M-9/16/08-2** – Motion by Beattie, seconded by Schussel and unanimously passed to approve claims in the amount of \$1,458,761.80 as represented on the List of Claims by check numbers 41893 through 42034

Cook comments he is happy to see employees are rewarded for their safety.

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

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

**RATIFICATION OF CHANGES MADE TO WATER ORDINANCE AT AUGUST 19, 2008**

**PUBLIC HEARING** – The GM reported at the last board meeting/public hearing there was some confusion at the end of the public hearing as to what exact changes were made to the ordinance. The confusion was mainly on whether the commercial rates were changed and what exact changes were made.

The following is a summary of the changes that were made to the ordinance.

- A. Effective date of changes; October 1<sup>st</sup>, 2008.
- B. Meters are now necessary for all customers. If they do not have a meter they will be charged a flat rate.
- C. Meter Classification:
  - i. Class 1; Single family residences with individual service lines and multiple residential units with dedicated service lines for each unit.
  - ii. Class 2; Master metered residential units in single family dwellings, condominiums, townhouses, mobile time parks, timeshares and vacation clubs and all other residential units not included in Class 1.
- D. Connection charges for all service line sizes.

Connection charges shall be in accordance with the schedule below based on service line size or meter size, whichever apply?

Connection Schedule

<u>Meter Size</u>	<u>Connection Charge</u>
3/4" or less (minimum charge per residential unit)	\$ 7,700
1"	\$ 12,800
1 1/2"	\$ 25,600
2"	\$ 40,900
3"	\$ 81,800
4"	\$ 127,800
6"	\$ 255,600
8"	\$ 409,000

E. No change was made to the commercial rate. After the meter charge, it still is \$5.48 per 1,000 gallons for all water used over 11,500 gallons.

F. A new account fee of \$75.00 was initiated.

A revised Water Ordinance was provided for board consideration.

McKay provided another revised ordinance where some additional changes were made that were not addressed in the copy the board received. For example, there was no flat rate for un-metered customers. This is a ratification based on changes approved at the last meeting. This is to ratify that everything is included as discussed. This is by no means the end of us revising the water ordinance. McKay didn't want to have another public meeting for commercial customers.

**M-9/16/08-3** - Motion by Beattie, seconded Schussel and unanimously passed to ratify the changes made to Water Ordinance #1 as discussed at the public hearing on August 19, 2008 and presented at this meeting as Resolution 2008-2.

Brooke comments that this is ratifying that the previous approval by the board and the fact that there was a typo is irrelevant and was corrected earlier. McKay informed the board that Runtzel explained that this item is usually approved in the form of a resolution and that resolution would be 2008-2. Cook likes resolutions because they are easier to keep track of.

**REQUEST BY PROPERTY OWNER FOR REDUCTION IN WATER BILL** - 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 Tom. 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.

**M-9/16/08-4** – Motion by Schussel, seconded by Beattie, and passed to deny Mr. Hall's request and require payment of full amount owed, \$2,027.48 plus any late payment charges associated with this bill. Hayes abstained.

McKay reported that Mr. Hall has already paid this bill.

**REQUEST BY PROPERTY OWNER FOR LOSS OF BUSINESS DURING WATER LINE**

**BREAK** – On August 6, 2008 a contractor installing a sewer force main from the Douglas County Sewer Improvement District pump station at Dorla Court hit a 4-inch water line that came off the 8-inch line and ran into their trench line. This line was not known to KGID and thus was not marked for the contractor under the rules of Underground Service Alert. To facilitate a repair, the main water line had to be shut down, putting all of the customers in Dorla Court out of water. Dr. Richard Lusby D.D.S. is one of those customers and because of no water service he had to close down his business for the rest of the day.

Dr. Lusby feels that the loss of water was the responsibility of KGID due to our lack of knowledge of the system and the resulting loss of water. The GM contacted our insurance agent, Jim Norton from Warren Reed Insurance, and he feels that this is a legitimate claim. It is below the deductible of \$5,000.00 and should be paid by KGID. Correspondence from Dr. Lusby was included in the board packet information.

McKay reported that when DCSID was constructing the force main, a dig was called in where KGID marked water lines. The line hit was asbestos concrete which is difficult to trace. A 4" line came off of the 6" main that we didn't know about. We had to shut down the waterline, Lusby had to shut down business for the rest of the day. McKay discussed with Jim Norton and stated that due to our \$5,000 deductible, he felt this was a legit claim and we should pay.

Beattie asked why we reported it when it was less than our deductible. We knew where shutoff was and immediately turned water off. Road crew cleaned out the line to get all of the sand out.

**M-9/16/08-5** – Motion by Beattie, seconded by Schussel, and passed to approve payment total of \$2,124.00 to Dr. Lusby for compensation of loss of revenue for himself and his dental hygienist on the afternoon of August 6, 2008. Hayes abstained.

**REQUEST BY APPLICANTS TO GRANT A ONE-YEAR EXTENSION REGARDING THE OUT-OF-TAHOE BASIN WATER ALLOCATION WAITING LIST**

– Runtzel reported that Bill Cole came to the office on August 20, 2008 to check the status of his application for (one) additional allocation on the waiting list and wanted to ensure he did not need to do anything further. In reviewing the Policy and Procedures Regarding the Out-of-Tahoe Basin Water Allocations, I found that his application is expired due to language in item 6d) that reads as follows:

6 d) At least thirty (30) days prior to the expiration of an accepted allocation application on the waiting list, a written request for an extension may be made by the applicant. If such a request is not timely made, the allocation application will automatically expire. It is the applicant's sole responsibility to make a timely extension request. No expiration notice will be provided by KGID. Payment of any applicable fee must be made with the application, and any extension may be subject to additional conditions imposed by KGID.

Mr. Cole's application for the waiting list was originally accepted and given a priority date of August 2, 2007. According the Policy item 6d) above, he was required to provide a written request for extension no later than July 2, 2008. On August 20, 2008 we received a written request for the one-year extension to remain on the waiting list.

Included in this agenda item backup are the following:

- 1) Application for Request for Allocation of Out-of-Tahoe Basin Water Units dated 8/1/07 for William Cole
- 2) Letter from KGID dated Sept. 21, 2007 accepting the application for the waiting list with a priority date of August 2, 2007
- 3) August 20, 2008 – Letter from Cole requesting a one-year extension on the waiting list
- 4) Application for Request for Allocation of Out-of-Tahoe Basin Water Units dated 6/18/07 for Mark White
- 5) Letter from KGID dated Sept. 21, 2007 accepting the application for the waiting list with a priority date of August 2, 2007
- 6) Policy and Procedures Regarding the Out-of-Tahoe Basin Water Allocations second amendment dated April 18, 2006

Staff believes the policy is clear and that the responsibility to request such extension lies solely with the applicants. Mr. Cole is asking whether the language in section 6 c) helps him, which states in part:

6 c) If no allocations of water units are available when a valid written request is accepted, the application will be logged by priority date, will remain valid for one (1) year, and KGID will so notify the applicant in writing.

Mr. Cole's contention is that KGID did not notify him in writing that the application will remain valid for one (1) year at the time of application acceptance or at any other time. Mr. Cole is requesting board determination on whether or not this technicality can or should be waived.

Mark White, who was on the waiting list for 4 allocations with a priority date of 6/28/2007 is in the same situation where a written request was not provided and the letter of approval sent to him did not state the "application will remain valid for one (1) year".

Mr. Cole will not be able to attend this meeting and requests the item be tabled if the board is leaning toward staff's recommended action.

Mr. Alling provided a letter that was distributed to the board at the meeting. Cook asks if Brooke wants time to review this and bring back to the board. Brooke replied he has reviewed this item and agrees with the recommended action.

Runtzel reports that at time of application was applicant provided a letter from Douglas County showing that they can build the requested number of dwelling units on the property as well as proof of ownership of the property. Runtzel then provides a letter to the applicant explaining they are approved for the waiting list after verifying information received. She includes the validity or priority date in the letter she provides to the applicant, however, the letter does not specifically state that the application is only valid for one year, which is Mr. Cole's contention. Future letters will incorporate language specifically addressing this issue. Runtzel believes it is very clear in the policy that it is the applicant's sole responsibility to understand and abide by the rules of the policy. We have signed statements from applicants acknowledging their responsibility as it relates to Out-of-Tahoe Basin Water Allocations.

Mr. Alling comments our application is very particular citing that the applicant has read, understands and agrees to abide by the policy. Alling thinks it's very clear and he feels that the rules and regulations should be applied verbatim.

Runtzel explained that Mr. Cole is out of town and unable to attend the meeting and for the record she doesn't see any harm in tabling this item. It won't change the priority or status of any applicants on the waiting list.

**M-9/16/08-6** - Motion by Schussel, seconded Beattie and unanimously passed to table this item until next month.

Alling asks if we tabled Mark White's action. Cook replies we are tabling the entire item.

**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 as of August 31, 2008.

**General Manager Report** –

McKay reported Eric is on vacation in Pennsylvania.

Easements for Palady – General Council gave us a recommendation that states that we have a prescriptive easement and right of way on the roads. Last week the water crew was marking utilities and Mr. Stone commented to crew that he would file a cease and desist on the property. Brooke explains that the board needs to authorize staff to move forward with condemnation, we will need a special meeting. This can be handled on a priority matter, upon showing public need and purpose, court action can determine what value may be associated with the condemnation. Brooke believes there may not be much value if any due to the existing roadway and existing utilities.

We would like to have a special meeting at 8:00am on September 22. All but Schussel can attend. We will post an agenda noticing the special meeting including addresses and APN numbers. McKay reported there are up to six properties involved. We will send letters to each of the homeowners affected.

Runtzel explained White bark progress related to Tank 10B and their request for cost sharing in road maintenance. She will be emailing the homeowners and Brooke in the meeting regarding easement issues and requesting a meeting. There are differences in the newly designed plan from the previous in that we don't need as extensive of an easement. We were asking for a wider easement and a temporary construction easement and they were concerned whether that would affect their proposed parking garage. They were concerned in the past with landscaping issues and fencing. We will begin negotiations again with the new people involved.

Metering Project – We will not be eligible for a 75% grant, maybe 60%. McKay is meeting with Michelle Stamates and Adele Basham, Brent Farr next week. He would rather it go before the financing board with her approval than without. McKay reports that Stamates had sticker-shock.

Beattie asks about TRPA approving Beach Club. We need to provide a will serve letter and approval of Douglas County to proceed. The 4" main for the trailer park is not adequate for 155 units. They have nothing in writing from us for will serve and we will not provide it until everything is ironed out.

Cook asked about UV and CH2Mhill and McKay reported that the representatives were from Colorado. NDEP will have to approve Beach Club's plans because it is a subdivision and waterlines are going in. McKay believes their project is at least 18 months out before they break ground.

Schussel asked where the Sierra Colina Project is and McKay replied this is a new development of 50 units in Lake Village.

McKay reported that Brooke drafted a will serve letter for Heavenly and a letter from Heavenly to us. Runtzel questions the Heavenly letter dated 8/26/08 that states Heavenly waives any right to water service from KGID under the will serve letter dated 7/17/08. She thinks the 8/25/08 will serve letter should also be included since the 7/17 letter was not committing to anything without State Engineer approval. The 8/25/08 will serve letter provided by the GM was without conditions. Brooke feels that the point is that the State Engineer has to sign off.

McKay reported that the tie in at Wells Fargo Bank, we needed to add an airvac valve, he and Runtzel went rock hunting today and we will install 2 rocks in front of the airvac valve.

**Business & Contracts Manager Report** – Cook commented Runtzel provided a nice report again. Schussel asked if it would be easier to use a bullet format rather than paragraph form? Runtzel explained that the report is already 6 pages long and would probably be 20 pages if formatted that way. Runtzel commented that it is totally at the board's discretion as to the format they would like to see. Schussel thought it might be easier to read.

Hayes asked if there was any reason that Heavenly wouldn't provide a staging area for the sealing project. Runtzel commented that she visited the Boulder Parking lot and didn't see anything going on there other than a couple of pine needle/chipping piles from a project earlier and she was surprised they declined our request especially since it was only a week or two that we would need the staging.

**Operations Supervisor Report** – McKay reported that we would be using the bays for the equipment very soon.

Cook commented that Johnson provided a nice report.

Beattie commented that over the years often times when we lose communication with SCADA it is due to the antenna being loose. Can we put together a maintenance schedule to check regularly. McKay will provide a maintenance schedule for the district.

**ATTORNEY'S REPORT** – Brooke had nothing further to report on.

**CORRESPONDENCE** - The following correspondence was received during the month, 1) Notification of Public Workshops to Help Plan the Future of your National Forest Lands, 2) Will service letter provided to Heavenly by General Manager, 3) Letter from Heavenly regarding it's understanding of service commitment from will serve letter, 4) Will serve letter on behalf of Heavenly dated 7/17/08, 5) Thank you letter to Runtzel regarding Chimney Rock heavy equipment use for the paving project

**ADJOURNMENT**

**M-9/16/08-7** – Motion by Beattie, seconded by Treanor and unanimous approval the meeting was adjourned at 6:58 p.m.

Respectfully submitted,

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Robert Cook - Chairman

Attest:

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Carolyn Treanor, Secretary