

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, MARCH 10, 2009**

CALL TO ORDER – The meeting was called to order at the Kingsbury GID office located at 160 Pineridge Dr., Stateline, Nevada at 6:00 p.m. by Chairperson Schussel who led the pledge to the flag.

ROLL CALL – Present were Trustees Hayes, Barratt, Treanor, Peck 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, Jim Beattie, Andrew Strain, Ron Alling, Shawn Rowles, Bill Cole, Dennis Doyle, Kevin Doyle, and Jennifer Roman and Chris Stetler of JWA Consulting Engineers.

PUBLIC COMMENT – There was no public comment.

APPROVAL OF AGENDA

M-3/10/09-1 – Motion by Treanor, seconded Peck, and unanimously passed to approve the agenda as presented.

APPROVAL OF CONSENT CALENDAR –

M-3/10/09-2 – Motion by Treanor, seconded by Peck and unanimously passed to approve the Consent Calendar item as follows:

- B. Approve claims in the amount of \$174,450.37 as represented on the List of Claims by check numbers 42657 through 42752
- C. Approve the Renewal and Extension of Agreement for Legal Services to March 31, 2010 between KGID and Brooke, Shaw & Zumpft including an increase in the hourly rate for additional services from \$170/hr to \$190/hr for any additional hours over the eighteen (18) hours per month included in the monthly retainer of \$3,000 with an understanding that all hours including those covered under the monthly retainer will be itemized on the monthly billings.

CONSENT CALENDAR ITEMS BROUGHT FORWARD FOR DISCUSSION - Barratt requested Item A, Minutes pulled for discussion. On page 6, Barratt doesn't remember asking whether KGID has the ability to allow customers to equal pay their bills. Runtzel and McKay recall the question being asked. Runtzel will check minute tapes. McKay reported under the public comment section on the minutes it states "Mr. Cook reports he had a discussion with the GM and a couple of board members regarding the out-of-Tahoe Basin allocations issue", McKay stated Cook did not discuss an out-of-basin allocation committee with him. Schussel confirmed Cook told him he had discussed this with the GM as well.

M-3/10/09-3 – Motion by Barratt, seconded Peck, and unanimously passed to approve Consent Calendar Item A - Minutes of the Regular Meeting of February 17, 2009 as revised.

UNFINISHED BUSINESS

CONSIDERATION OF GENERAL MANAGER CONTRACT EXTENSION TERMS AND RELATED MATTERS

– McKay reported he would like to discuss this item at the meeting, and that he met with Bob Cook to review the changes but no agreement was made on any of the below items. Jim Beattie was not available. Bob stated that he had talked to all of the Trustees individually prior to our meeting on February 25th, so the GM assumes the board knows his intention to not adhere to the existing personnel policy. The GM provided recommended revisions to the contract as follows:

- Compensation: A. I have increased my salary by 3% to \$9,613 per month.
- Compensation: C. I have added dependants to this paragraph.
- Employee Benefits: A. I removed the last part of "A" and added a new "B" to come equal to the other existing salaried employees. When I signed the original contract, I assumed that all salaried employees at KGID had the same. Within one month, I found that the other salaried employees received PTO or what I call "sick leave" in addition to the 80 hours of administration leave.
- E. Again, other salaried employees are not required to use their vacation time within the year it was accrued.

- The only other item refers back to the PTO or Personal Time Off. When I originally signed this agreement I was under the impression that all employees received the same admin leave etc as I was getting. Only after being here for 1 month, and going over everything for a new superintendent and renewing Michelle's pay increase, did I find that I was not given the same. Had I known that at the time, I would have asked to be on par with the other salaried employees? I would now ask the Board that I be given retroactively, the 12 PTO days that will allow me to take care of some personal family medical problems.

Beattie reported the committee met at some length, Cook met with McKay, and Beattie put together spreadsheet and suggests this item is tabled to next meeting. They will schedule another meeting. Committee will email all board results of meeting.

McKay reports that Cook stated he talked to board members. Cook shouldn't consult with each board member because this becomes a closed session according to McKay. McKay is concerned with Cook's credibility. Board reports he didn't talk to each board member. Peck reported he did not talk to him at all. Schussel will let Cook know. Beattie reports GM should receive a copy of this information as well.

M-3/10/09-4 – Motion by Hayes, seconded Barratt to table the General Manager negotiations to next regular board meeting.

NEW BUSINESS

REQUEST BY HOMEOWNER FOR WAIVER OF EXCESSIVE WATER CHARGES BILLED ON FEBRUARY 1, 2009 FOR THE PROPERTY LOCATED AT 555 BUCHANAN, DOUGLAS COUNTY APN 1318-24-702-002

– At last month's regular meeting, both Johnson and Runtzel reported to the board that a water leak was found at 555 Buchanan by accident. Eric visited the property to retrofit the water meter with a radio read and immediately noticed that the meter was moving at a rapid rate. After some investigation with Kevin Doyle from Prestige Builders, it was determined that a pump in the water feature broke and water was leaking down the snow-covered hillside below Buchanan. The leak was repaired. This property is a second home so the leak went unnoticed. Approximately 1.3 million gallons ran through the water meter.

Mr. Davis provided a letter (included in board packets) requesting a waiver of excessive water charges and advises that he's using Prestige Builders to provide weekly maintenance checks on the home to avoid a similar situation in the future. KGID's Water Ordinance #1, Section 2.17.1 states as follows:

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 in 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.”

Under the existing ordinance language, it could be construed that the leak was a direct result of inattention of the property owner as this is a second home in which there seemed to be no one checking on the home. However, Eric reported this leak was very difficult to find where there was no visible signs of the leak, and believes even if the homeowner had someone periodically checking on the house, or even if it was occupied full time, it likely would not have been noticed. Because the leak ran down the uninhabited hillside below the home, which was also snow covered, there were no signs of erosion or of the water leak.

Also attached for board reference, was a copy of a letter written to Mr. Davis along with the bill sent around February 3, 2009 to explain the situation. As you can see, the billable water usage was 1,275,790 gallons resulting in a water bill of \$7,054.33. Unfortunately, district staff had not read the water meter since it's installation that would have identified the water leak at least one month earlier. It is assumed that the leak occurred somewhere around the first of December, after the homeowners left the property. This timing of the leak is further substantiated by Eric's estimate of water loss per minute.

An estimate of electrical costs for the treated water lost is in a range of between \$800-\$900. Treatment costs are more difficult to compute and therefore, Runtzel did not attempt to estimate, however, ongoing chemical costs are a small fraction of the pumping or electrical costs.

Staff recommendation is to waive charges of \$6,169.33 for water usage in excess of 150,000 gallons as well as penalties incurred on the March 1, 2009 billing of \$705.43, leaving the homeowner to pay \$785.97 for the first 150,000 gallons of water usage, based on the belief that there was no negligent action on the part of the homeowner, and that KGID also has some responsibility to read meters that are installed, and stay on top of new construction activities, and follow-up with developers or contractors.

Runtzel introduced Dennis and Kevin Doyle of Prestige Builders who have been assigned the task of providing weekly maintenance checks on the property by the owner Mr. Mark Davis. Dennis Doyle reported that now the house is checked regularly. The leak was underneath the snow and not visible, not sure where the leak daylighted. Barratt asks if this is a pipe to a pond, Doyle confirmed. The pond was on during the Thanksgiving Holiday, after that the landscaper turned off the valve but must have turned it all the way around.

Runtzel explained the waiver is provided under the ordinance and staff has to look at each case individually. Hayes believes that Runtzel is not being overly generous with this item; there were mitigating circumstances in this case. Runtzel agreed and explained that she and Johnson believe that even if someone had been living at the residence full time, it likely would have gone unnoticed for some time. Johnson elaborated that the homeowner probably wouldn't have seen it as the leak was on the backside of the house facing the lake.

McKay agrees that we have to follow our ordinance but it's something we need to look at in the future. There was a cost to the district ratepayers for this leak. Whose fault is it? Runtzel explained she estimated electrical costs for pumping this water and the costs to the district were around \$800-\$900. The bill the customer would pay for 150,000 gallons, if approved by the board, would cover approximately 95% of the electrical costs.

Runtzel added she felt some responsibility on KGID's part because that water meter had been installed since June 2008 and the district had never read it. In fairness to Johnson and staff, the reason it hadn't been read is because we were never called for a final inspection. We would have been able to catch the leak earlier had we read the meter. Runtzel and Johnson also believe that the \$250 refundable deposit for inspections is not sufficient to warrant notice on the part of the contractors, and cause them to ensure they call for all inspections. McKay added that KGID is working with Douglas County to change our ordinances and procedures for signoff on building permits.

M-3/10/09-5 – Motion by Treanor, seconded Peck, and unanimously passed to authorize the Business and Contracts Manager to approve a request by Mr. Mark Davis, owner of 555 Buchanan, APN 1318-24-702-002, to waive excessive water charges of \$6,169.33 and penalties of \$705.43, due to an undetected water leak at his property, leaving the homeowner to pay \$785.97 for the first 150,000 gallons of water usage in accordance with KGID Water Ordinance 1, Section 2.17.1.

OUT-OF-TAHOE BASIN WATER ALLOCATIONS STATUS UPDATE - PURVANCE –

The KGID Policy and Procedures Regarding the Out-of-Tahoe Basin Water Allocations, revised April 18, 2006, is included for Board reference and Section 7.c. provides that allocation holders are required to provide KGID with reports detailing activity and progress towards completion of Douglas County requirements. These reports are due to the district March 1 and October 1 each year and can be used by the KGID Board in considering the need to grant any requested extension.

The Clint Purvance project was issued two (2) allocations for APN 1319-19-802-007 with a validity date of May 25, 2007, was granted a one-year extension on May 15, 2008, and has one year from that date or May 25, 2009 to obtain a Douglas County Building Permit. Mr. Purvance provided the attached report timely for the boards review and discussion.

Runtzel explained the Mr. Purvance report details his progress. There was no further discussion on this item.

OUT-OF-TAHOE BASIN WATER ALLOCATIONS STATUS UPDATE – COLE - The William Cole project was issued one (1) allocation for APN 1319-19-802-006 with a validity date of May 22, 2007, was granted a one-year extension on May 15, 2008 and has one year from that date, or May 22, 2009 to obtain a Douglas County Building Permit. Mr. Cole provided the attached report timely for the boards review and discussion.

Mr. Bill Cole reports he will do whatever it takes to keep the permit. Permits are moving quickly at Douglas County, they say as quickly as two weeks.

Hayes asks if all these reports are on the first year of their allocation period. Runtzel informed that all are on the second year with the exception of Heavenly's two allocations.

OUT-OF-TAHOE BASIN WATER ALLOCATIONS STATUS UPDATE – RANCHO

PACIFIC, INC. - The Sievers/Rowles project was issued fifty-two (52) allocations for APN 1319-19-802-001 & 002 with a validity date of May 24, 2007, was granted a one-year extension on May 15, 2008 and has one year from that date, or May 24, 2009 to obtain a Douglas County Building Permit for forty (40) of the fifty-two (52) water allocations currently held. The remaining twelve (12) water allocations were granted an extension until October 1, 2008 to allow time for Douglas County to make changes in the zoning ordinances to conform to the Master Plan. The project was sold December 2007 to Rancho Pacific, Inc. who provided the attached report timely for the boards review and discussion. At the October 21, 2008 regular Board meeting, the following motion was passed:

M-10/21/08-5 – Motion by Beattie, seconded by Schussel and passed to approve the return of two (2) Out-of-Tahoe Basin water allocations from allocation holder Rancho Pacific, Inc. for Douglas County APN 1319-19-802-001 and APN 1319-19-802-002 which are unusable for the project based on current Douglas County Zoning and determine that the remaining fifty (50) allocations are extended until May 24, 2009, the date by which a Douglas County Building Permit must be obtained utilizing such allocations or on such date that the allocations expire. Hayes votes nay.

Rancho Pacific was not present but provided a lengthy report and conceptual building plans. Hayes asked Brooke about status. The Judge ruled and approved on a draft settlement agreement with Douglas County. The Judge ordered that KGID be made a party to the settlement so that the court could approve the tolling of time. The district hasn't been served and we have seen no final order yet. Brooke advised Heavenly of what is going on and Heavenly made action in court to intervene or participate in the suit, that motion is pending. Brooke doesn't know status of court action and believes that until district is served with an order there is nothing for us to do. Settlement will allow 50-unit development; allow tolling of time from filing the lawsuit to the end of the lawsuit to toll time for water allocation use. Settlement may not be feasible, it may be that some conditions are not met, but doesn't mean that they won't revise it and settle anyway. If the May due date comes, we may have to acknowledge that this is still in the court, and defer action until further guidance from court is received.

OUT-OF-TAHOE BASIN WATER ALLOCATION STATUS UPDATE – HEAVENLY -

Heavenly was issued one (2) allocations for APN 1319-30-645-001 with a validity date of December 22, 2008 and has one year from that date, or December 22, 2009 to obtain a Douglas County Building Permit. Andrew Strain provided the attached report timely for the boards review and discussion

Peck asked if there are one or two allocations. Hayes confirms this is for 2 out-of-basin units assigned to the Stagecoach parcel. Allocations must be tied to a building permit and parcel. Rowles asks if these are in-basin or out, staff confirmed out-of-basin.

COMMITTEE ON OUT OF BASIN WATER ALLOCATIONS – In Public Comment at the last meeting, Bob Cook suggested that a committee be set up to approach the Division of Water Resources again in an attempt to gain more *Out of Basin* (OOB) water allocations. He stated that he would be willing to sit on a committee if one was appointed. He mentioned that to start the ball rolling in this attempt, KGID would need to appeal to political leaders at both the State and Federal level.

The GM agrees that to seek these allocations this would be needed as this has been attempted in the past to no avail and political pressure would be the only way to go. GM has concerns that right now, this is not a high priority of KGID. It is a high priority of other developers and we should not have KGID priorities set by others. If a committee is set up, it must be under the leadership of the General Manager only and have at least one Trustee. I have worked closely with the Division of Water Resources in the past and certainly do not want someone outside of this office approaching them and compromising this relationship.

Then comes another question. Do we need a committee to look into OOB water allocations, or do we need a lobbyist to gain support in the political arena for this. The OOB allocation procedure is complicated. Michelle is the expert on this and he has become quite familiar with it in the past year. There are facts involved with this that only we know, and to have someone other than Michelle and I approach the DWR would only confuse them and muddy the waters so to speak.

Currently we are in the middle of the budget process and tank 10B will take up much of our time. After the beginning of the new fiscal year and/or when we have meters installed on all OOB users would be the best time to look at this again.

This will be our last shot at attempting to secure additional OOB units or at least quantifying an OOB unit. I want to make sure we have every bit of information we can possibly lay our hands on before reopening this issue with the DWR.

McKay reports we've approached Division of Water Resources, Heavenly also approached and any further attempt may be our last shot. We need political support and all facts in place. He recommends one board member, himself and one member of the public are assigned to work to gain political support. We need to clarify what a unit of water is. It would also be helpful to document flows from station 7 for at least 5 years. We need to dedicate time to quantify the amount of water going out of basin, back it up with statistics, and gain political support. Hayes asks how many undeveloped units there are, Runtzel believes about 20 undeveloped lots and is unsure of current zoning on those parcels. Treanor comments we've used a lobbyist before and believes that may be beneficial. She suggests using a lobbyist instead of a committee.

Ron Alling reports that Heavenly has authorized his office to share the historic data they have collected from IVGID on multi-unit and zoning on parcels. Beattie asks why don't we meter all lines going out of basin? McKay explains it's easier to meter individual properties. Schussel asks if metering is way down the road. McKay replies not two-three years out, and we could bid out of basin to speed it up and use it as a test area. The more information we can gather on the number and type of units, the better. It's a good idea to tackle the hard area first. Runtzel believes we are much more likely to succeed with the State Engineer if we install water meters on all out-of-basin residential units.

Barratt asks about the Division of Water Resources, McKay explained this is a regulatory agency. The Ernie Jones report allocated 1000 water allocations to the out of basin lots and parcels. KGID is one of the only water systems that use lake water to serve properties outside the Tahoe Basin.

Rowles volunteers to be involved in the committee although Andrew would be a great benefit to the committee. Has long knowledge of out-of-basin water allocations as it relates to KGID. Schussel is leaning toward deferring this, Cook not here and he doesn't want to set a committee tonight. Recommends table this item. Run this on the agenda over the next 2-3 months, trustees should consider being on committee. McKay wants to bring back to the April board meeting. He will get a hold of a lobbyist, and may ask for outside funding sources to cover costs. We can bring back in April and May and set committee at that time. Schussel agrees with Treanor on lobbyist. Brooke comments that we need to consider our timing, not a good idea during legislative session when other pressing issues are going on with state engineers. We don't want to go to the State too soon. Peck asks if we want to meter for one year, McKay reports we could use data if an entire summer was metered. Johnson added that out-of-basin properties typically don't have irrigation use.

Hayes wants us to get support of Commissioners, legislators, Dean Heller, State senators etc. Try to get lobbyist who has knowledge of water issues. Hayes wants this on the April agenda to allow Mr. Cook an opportunity to discuss timing on this item.

M-3/10/09-6 – Motion by Peck, seconded Treanor, and unanimously passed to defer the establishment of a committee to the April meeting until staff can further review usage numbers, re-establish contact with the Division of Water Resources, and open lines of communication with them to find out their stance on this issue.

JWA ENGINEERING PROPOSAL FOR ENGINEERING SERVICES FOR WATER LINE REALIGNMENT ON KINGSBURY GRADE AT HIGHLANDS DRIVE – Over the next three

years, NDOT will be completing an Erosion Control Project on the basin side of Kingsbury Grade. This project will entail the installation of drainage and conveyance structures, that will mean a 2-inch water line which serves two houses west of Highlands Drive will have to be relocated just north of it's current position. It will still be in NDOT's right-of-way but out of the ditch area.

At first I thought that KGID could move the water line in house without much fuss and be done with it. NDOT had other ideas. For them to accept anything in their right-of-way it must be engineered and stamped sets of plans must be submitted for their approval. We will still be able to do the actual moving of the line; we just need an engineer to draw up the plans.

I asked JWA to investigate the possibility that the existing water line is in a prescriptive easement. The line was installed in the early 1970's when Kingsbury Grade was still a Douglas County road. Douglas County sold the road to NDOT in the mid 1980's and prescriptive easement should have already been established by then.

If we can prove that this line is there by PE, then NDOT will have to pay the cost of relocation. Attached is a copy of the proposal from JWA.

The existing water line was not permitted through Douglas County in the old days; NDOT purchased the road from county, and now requires us to move it according to McKay. We must engineer according to NDOT and will replace a 2-inch waterline. By engineering, we have ability to permit within NDOT right-of-way. Peck asks if we've received NDOT final plans on their erosion control project? We did.

Jennifer Roman and Chris Stetler with JWA will do the design and are looking into the easement. Prescriptive easements don't exist in NDOT right-of-way. The proposal includes design cost and permits. McKay feels the proposed costs are reasonable. This project would be permitted under the NDOT TRPA permit.

M-3/10/09-7 – Motion by Barratt, seconded Peck, and unanimously passed for approval to retain JWA Consulting Engineers to complete the Highlands Drive/State Route 207 Water Line Relocation Project, per the proposed scope of work attached for the total of \$16,097.

REQUEST FOR APPROVAL TO CONTRACT FOR REPLACEMENT OF APPROXIMATELY 450 LINEAR FEET OF WATERLINE ON EUGENIA CT. AND A PORTION OF SUNFLOWER CIRCLE IN ADVANCE OF THE 2009 PAVING PROJECT –

The 2009 Paving Project has reached the 50% design level and will be advertised for bid in mid April. The Paving Project Base Bid includes all side streets off of N. Benjamin and Andria that have not received overlay in the last several years and also includes portions of Tramway Drive. Earlier this week, a meeting was held with Eric and James to review the plans. At that meeting it was noted by Eric that both the Eugenia Ct. and portion of Sunflower Circle between Griffin and Andria waterlines are not in good shape. These sections have had several water leaks over the last couple of years.

In the summer of 2008, we replaced approximately 200 linear feet of waterline on Crestview Dr. with board approval. The waterline saw numerous leaks within a very short period of time and it became apparent that we did not want to pave the roadway until the waterline was replaced. We were able to keep the replacement costs under 100k, therefore, only requiring we solicit three contractors for bids and we were also able to avoid prevailing wages on that project. Actual costs for that job including engineering were \$75,203.

The 2008/2009 capital outlay budget provided for \$140,000 for a new well at Station 4. Staff has not proceeded with this project due to the fact that the district does not own title to the land that the tank, pump house and well sit on. The GM is working to accomplish that goal and we are hopeful that in next years budget we can accomplish bmps, tank paint as well as well drilling on that site.

The \$140,000 that will not be utilized for the well this fiscal year could go towards the proposed water line replacement project. Informally, JWA anticipates costs not to exceed \$20,000 for the engineering portion. They also informed me that they expect to have approximately \$8-10K left over from the 2008 Paving Project, although, that comes from the General Fund budget and cannot be used towards this project. Good news nonetheless! Based on last years Crestview bid amounts, low bid was approximately \$150/lf and the 2nd low bidder came in at approximately \$200/lf. We anticipate the bidding climate will provide bids somewhere between these two numbers. If low bidder comes in at \$200/lf, the construction costs would be \$90,000, under prevailing wage. The district would provide all materials needed in order to keep costs down as we did in the Crestview job.

These two sections of waterline replacement were identified in the Preliminary Engineering Report prepared by Lumos & Associates in 2002 and scheduled to be replaced during Phase 2 of the Water System Improvements plan. Because we find ourselves in a situation where it is unlikely that we can obtain any further grant funding until meters are installed, it is also unlikely we can move forward with Phase 2 of the needed improvements for at least 2-3 years pending the meter issue. Because this project is anticipated to be less than 100k, and therefore not subject to prevailing wages, I believe this is an ideal project for the district to complete without grant or loan funding and provide a sound water system improvements that also benefits the resources we are spending on pavements.

If the board chooses, the district could request that excess loan funds from SRF could be utilized to fund this project, or that the project is funded from the depreciation reserve account we are required to have per AB198 grant requirements, although, I am confident that the current budget can accommodate the funding for the improvement. Both funding mechanisms mentioned above are anticipated to be used to the extent possible for funding a portion of the metering project.

It will be some time (estimated at least 10 years) before we complete any major paving treatments in the Kingsbury Village area after the 2009 Project is complete. It is recommended that the board approve staff to move forward with this project so it can be completed in advance of the 2009 Paving Project.

Also, the Griffin Ct. steel waterline has deteriorated and the water crew has repaired several leaks in the last couple of years. This waterline replacement was also included in the PER prepared by Lumos to be replaced in conjunction with the Sunflower Circle and Eugenia waterlines in Phase 2. It was not specifically addressed in the report or planned for replacement this summer because we have relatively new pavement on Griffin. After further consideration, I would like board approval to evaluate the possibility of pipe bursting the existing 4" waterline and upsizing it to a 6" or look at the possibility or slip lining the lower end section of Griffin beyond Eugenia. If feasible, excavation would be limited to service connections instead of tearing up the entire roadway. Staff is also requesting additional authorization to proceed, with including Griffin in the project, if after further evaluation it makes sense to do so.

If Griffin Ct. waterline replacement were added to the project, it would bring total construction costs over \$100K, therefore, requiring prevailing wages and formal bidding. In any event, additional engineering and the Construction Contracts would be brought back to the board for final approval or award.

Schussel confirmed that the recommended action is for two projects and two separate costs. Runtzel explained that initially we were looking at Sunflower and Eugenia only as we did not want to cut into Griffin. After further discussion, we felt that slip lining the end of Griffin should be looked at further. This particular section of Griffin Court has had 4-5 water leaks in the last few years. There is a good chance that if we don't replace it now, when paving comes through it's likely it will begin to leak again. Runtzel added that this particular waterline replacement project was identified in the Lumos PER prepared in 2002 as a Phase II project. At this time, we are unable to go back and request grant funding for the project until we install meters.

M-3/10/09-8 – Motion by Hayes, second Peck and unanimously passed as follows:

- A. Authorize the Business and Contracts Manager to proceed with obtaining engineering services including preparation of bidding documents, and to advertise bid for a Waterline Replacement Project consisting of approximately 200 linear feet of 6" water main on Eugenia Ct. and 250 linear feet of 8" or 6" water main on Sunflower Circle to replace deteriorated water lines in advance of the 2009 Paving Project, at a total cost not to exceed \$140,000, and
- B. Authorize the Business and Contracts Manager to work with JWA, KGID Staff and others to evaluate alternatives for replacement of the Griffin Ct. waterline, or portions thereof, to be included in the above project, if determined feasible, with additional costs not to exceed \$100,000.

Barratt is concerned with such latitude on the amounts. Runtzel explained that we would bid this project with alternate bid items to provide the district as much latitude as we need to choose to award only parts or the whole project. Ultimately it would be up to the board to award it if it chooses. Hayes understands Barratt concerns but wants to point out that the district is trying not to pave in areas that have bad water mains. Since it will be quite some time before we can secure grant funding to continue the waterline replacements, Hayes believes the board needs to give staff the ability to wheel and deal.

Hayes points out that these numbers don't scare him when it comes to waterline replacements, and tells Barratt to wait until he sees the real numbers.

REQUEST FOR APPROVAL TO PURCHASE (1) 100-HP; (1) 75-HP ELECTRIC; AND (1) 50-HP ELECTRIC MOTOR FOR WATER PUMP STATION REPLACEMENTS. EACH MOTOR WILL BE SUPPLIED WITH A SOFT START CONTROL

- \$14,400 was budgeted for these three motors in the 2008/2009 budget. There will be some incidental electrical wiring for the installation of each motor, which has been quoted by Arctic Electric for \$1,000.00 each.

The 100 horsepower motor will be installed at Station #2, the 75 horsepower motor will be installed at Station #3, and the 50 horsepower will go to Station #5.

The soft starts are an electrical control that allows the motor to start slowly and build up speed, coming to full rpm in less than 30 seconds. They also control the stopping speed in the same manner. These motors are a newer technology than the existing "across the line" or "partial winding" starts which bring the motors up to speed almost immediately. If you look at the top figures on the last page you will see the difference in prices for each motor. I have included the three price quotations from the various suppliers in this item. These newer motors are more efficient than the old ones, which are being replaced due to wear and having lived past their useful projected life span. I have included all of the quotations plus a spreadsheet giving a comparison of prices.

Eric did a lot of research into this. The motors come with soft start controls that slowly build speed when starting and slows when stopping. Other motors are more expensive. These are off the shelf motors and repair parts are off the shelf. This request is under budget and included in this years budget. Each station has a redundant motor. This purchase will replace motors that are worn out. Eventually, all motors will be soft start motors. These will be more efficient. Barratt is glad to hear we are saving money. Peck asked Johnson why there is a difference between the two quotes. Johnson explains they are different brands of motors and soft starts. Barratt asks if we are buying extended warranties, no. These motors should last 20 years at least.

M-3/10/09-9 – Motion by Treanor, seconded Peck, and unanimously passed to approve purchase of one 100 horsepower electric motor, one 75 horsepower electric motor and one 50 horsepower motor, each complete with soft start controls from Applied Industrial Technologies

BOARD REPORTS – There were no board reports.

STAFF REPORTS – The General Manager, Business & Contracts Manager and Operations Supervisor provided written staff reports, which were included in the meeting backup information. Bookkeeper Garon provided cash position statement as of February 28, 2009.

General Manager Report – McKay asks if omnibus bill passed, may be funding coming down for that fire related grant funding.

Bids closed on Tank 10B and the breakdown was provided to board. We are nervous whether Aspen is qualified to do the job. Peck worked with them in 2007, worst construction project he's ever been on. We need to have documentation. We met with Whitebark today and we will push the award back to April 21. Met with two owners this afternoon, Carolyn & Scott. We felt they didn't know how far we were in the project.

Met with Michael Brown, discussed pooling of water rights on Nevada side of Tahoe basin. Feasibility of pooling water rights and McKay thinks it's a good idea. We will bring to board in future. This was discussed probably 10 years ago, always in the back of his mind. Douglas County also likes the idea.

Went over draft budget with staff. Runtzel and Garon did an excellent job at preparing budget.

He's been in contact with Jack Sievers on obtaining title to the land at Station 4. The deed on the property has an exception for a KGID water tank site.

TMDL – McKay will report on next meeting.

Business & Contracts Manager Report – Runtzel further discussed the Tank 10 project, easement issues and construction concerns surrounding the project. We want to ensure that we get a good contractor on this project due to the difficulties. We plan to issue a RFP for construction inspection services that are currently included in the AMEC contract. We want to ensure we have qualified inspectors for the project.

Operations Yard – Runtzel received an email from Andrew Strain stating that he will have to run the agreement by upper people and it may “take a while”. She emailed back urging him to move forward and obtain approval before NDOT loses their funding for the project. Hayes discussed this issue with Strain; he tried to explain this would end up costing Heavenly money. Then when they are ready to build something up there, they may have issues. Blaise Carrig doesn’t understand the complexity of the situation and is mad at KGID over the water allocations. These are separate issues and Hayes believes Heavenly needs to look farther down the line. McKay comments that if NDOT doesn’t come in, they may require an access be put in by KGID and then it would be up to KGID and Heavenly to bear the costs. Runtzel explained to McKay that in the sale agreement for the property from Heavenly, there is a clause that specifically states that Heavenly will not be responsible or participate in any access improvements. Treanor comments that Heavenly is penny pinching this year. Runtzel comments that should be a good thing for KGID, as Heavenly would receive \$315,000 for the sale. We are asking that Heavenly spend the time to review the agreement.

Schussel asks about the Galaxy sewer leak, who cleans it up and who pays for it. Summit came up because we weren’t sure whose line it was. Summit was able to determine that it is a line shared by two properties that we are now billing for the costs of the repairs. Schussel doesn’t understand why we were involved. McKay explained that NDEP could come down on KGID for not responding. Johnson explained that the sewer was gushing, and was coming out of the ground in an area near our force main. You can’t know until you dig a hole and expose a line. Now we know there is a line there that is not ours after placing a camera in the line.

Operations Supervisor Report – Johnson apologized that the wrong report was placed in last months meeting package so this month he provided both January and February. There were no other questions for Johnson.

ATTORNEY’S REPORT – Brooke reports on the meeting with Whitebark two board members, had two previous meetings set up in the last two weeks but were cancelled due to weather. The President of WBHOA, Jerry Plazweicki was not present for the meeting. They continued their position that they had no idea there was an easement for a water tank site and have been given legal advice that they would win. They will meet with their board, discussed reasonable offer with deadline by Monday. We discussed fencing, landscaping, construction betterment of the upper road providing access to upper lots as items to consider. We don’t know if they will go forward with an appraisal. May determine worth the gamble. We have potential exposure if initial easement is not recognized and we have to condemn, exposure to devaluing lots. We are relying on an easement that is not as clear as it should have been. We will continue to try to keep talking and negotiating with Whitebark. The BCM will delay award of the Tank 10B until the easements are resolved.

CORRESPONDENCE - The following correspondence was received during the month, 1) AWWA Web cast Powerpoint on Invasive Quagga and Zebra Mussels in the West.

ADJOURNMENT

M-3/10/09-10 – Motion by Treanor, seconded by Hayes and unanimous approval the meeting was adjourned at 8:14 p.m.

Respectfully submitted,

Larry Schussel - Chairman

Attest:

Carolyn Treanor, Secretary