

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, FEBRUARY 21, 2023**

CALL TO ORDER - The meeting was called to order at the Kingsbury General Improvement District office located at 255 Kingsbury Grade, Stateline, Nevada at 5:10 p.m. by Jodie Nelson.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Nelson, Trigg, Parks, Schorr and Yanish. Trustee Yanish joined the meeting at 6:30 p.m. Also present were General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer, General Counsel Chuck Zumpft and Matt Van Dyne of DOWL Engineering.

PUBLIC COMMENT – None

APPROVAL OF AGENDA – Dion suggested removing Item 11: Engineering services proposal of Market Street Lift Station Repairs and Renovation.

M-2/21/2023-1 - Motion by Nelson, seconded by Trigg, and unanimously passed to approve the Agenda, as revised.

APPROVAL OF MINUTES – Regarding the minutes dated February 6, 2023, Schorr clarified his support of the full renovation project at 160 Pine Ridge, including upstairs renovations.

M-2/21/2023-2 - Motion by Trigg, seconded by Nelson, and unanimously passed to approve the Regular Meeting Minutes dated January 17, 2023 and the Special Meeting dated February 6, 2023, as amended.

APPROVAL OF CONSENT CALENDAR –

M-2/21/2023-3 - Motion by Nelson, seconded by Trigg, and unanimously passed to approve the Consent Calendar Item A: List of Claims in the amount of \$388,280.81 as represented by check numbers 62440 through 62543.

Schorr requested that the financial statements be reviewed as a separate line item. He noted that the financial statement is underestimated by \$3M as no real estate assets are included. He also noted that expenses are greater than revenues resulting in operating losses for YTD.

Brewer explained that the November 30, 2022 Balance Sheet fixed assets includes depreciation for infrastructure. Real estate is detailed according to the note per the audit standards. It was noted that real estate is noted in the General Fund. Schorr requested this asset be detailed. The General Fund statements were reviewed, indicating assets of \$7.3M in assets.

M-2/21/2023-4 - Motion by Nelson, seconded by Trigg, and unanimously passed to approve Item B Financials.

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

FOR POSSIBLE ACTION:

Mid-Year Financial Review

Mid-year reports were provided for review and discussion.

Schorr noted expenditures are greater than revenues and response indicated that tax revenues are received twice per year, in spring and fall. Cash versus accrual statements were discussed. Schorr noted the importance of reviewing these statements considering the large upcoming projects.

Nelson noted the Financials provided with the Consent Calendar are different than those provided with this report. She questioned the accuracy of the medical benefits noted on the financial statements. She also noted differences in the investment interest.

It was explained that \$16M with the Pool fund is currently earning approximately 3%; however, the goal is to ladder these funds with CD's to possibly earn an additional .50%. Investment income can be utilized to offset rates. The 2003 loan was paid off in December. Lift stations will be addressed during the budget process. The General Fund includes the annual road project and the Water Fund includes the water line project. Dion confirmed that general direction from the board has been received.

Policy Updates

A presentation was provided for discussion purposes. Framework will be established for tracking revisions and the goal is to review all policies over the next 18-months. It was clarified that there is a written accounting manual for procedures, but the policies could not be located.

Regarding the Capital Asset Policy, Nelson questioned if the account names will be renamed and Dion confirmed that this is for the depreciation schedule. She questioned how the Chart of Accounts would be affected and he confirmed that details would be tracked separately. This may be included in new software and upcoming changes were briefly discussed.

The depreciation and amortization schedules are from the accounting manual. Nelson suggested incorporating GAAP requirements. Dion confirmed that GAAP isn't descriptive regarding schedules and the auditors review the schedules provided. He offered to clarify this with the auditors.

Regarding the Reserve Policy, it was noted that it reflects best practices for developing reserves. Regarding large KGID balances, there are many near term and upcoming large projects. The policy will establish cash and debt policies for projects. The sewer fund project, equipment reserves and lift stations were discussed.

Nelson questioned how the items will be implemented into the financials and it was explained that the items will be included in the fund balances, similar to the equipment reserve fund incorporated last year. Emergency and liability reserves were noted for the board's review.

Nelson supported the capital improvement and vehicle replacement reserves. She noted the water facility and sewer waste charges are included with connection fees. Dion stated that connection fees are outdated and likely too low as connection fees should be considered as a buy-in to the asset. Remodels also tend to require sprinklers and affect water line size. Nelson and Trigg suggested removing the liability reserve. Nelson supported emergency fund.

Schorr noted the complications of implementing the policies to book entries, but supported the policies.

Yanish was joined the meeting around 6:30.

Dion stated that the policies are necessary and acknowledged the accounting challenges. He suggested approving the policies in anticipation of upcoming rate making. It was confirmed that the trustees do not support the rate stabilization and liability reserve. The emergency response was supported and Dion recommended retaining OPEC.

Regarding the Investment Policy, it was explained that the accounting manual included investment procedure.

Nelson suggested including language to allow the General Manager to appoint someone if desired. Dion explained that the decisions should be made by the General Manager or a Board Member. Nelson suggested investments be recorded monthly and reported to the Board of Trustees. Dion explained it is currently required to be reported quarterly which Nelson and Trigg agreed is sufficient.

Schorr stated that decisions should be made by the General Manager or if a Trustee is appointed, a licensed professional or a person with related investment qualifications should be consulted. Dion explained that the NRS dictates limitations on investment options and offered to improve the language in the policy. Schorr clarified that a bank representative selected should be familiar with government agencies.

Nelson questioned if there is a statement regarding the Board approving investment types. Dion explained that the options are limited as stated in the NRS and the section was provided. Trigg noted the section that defines the Board's responsibilities.

Award of FY 2021/22 Waterline Replacement Material Procurement

The benefits of advanced procurement of materials were explained as the purchasing of plumbing and hardware needed for the upcoming project.

Schorr questioned where the material will be stored, and response was that it will be stored at the Operations Yard. Delivery will be mid-May when most of the snow is melted. There is a gravel base to protect material.

Nelson questioned VanDyne about the sole bid. Van Dyne explained that the bid was broadcasted across the nation and other suppliers were interested. He speculated that the limited range of material manufacturers could be a factor. Western Supplier has a good range of supply and their ability to get materials is best in the area. He added they will not charge for re-stocking of materials; therefore, extra materials will be purchased in anticipation of changes. Western will pick-up and restock items without charge. Regarding the availability of materials, the bid includes guaranteed delivery date for early May in time for grading season to begin constructions.

Yanish noted that she is no longer working with a company related to Western and she feels comfortable voting on this item.

Parks called into the KGID office to confirm her vote. She then exited the meeting at 7:02 p.m.

M-2/21/2023-5 - Motion by Nelson, seconded by Trigg, and unanimously passed to approve award of the FY2022/23 Material procurement for the Waterline and Road Improvement Project to Western Nevada Supply Company for \$296,899.94 and authorize the General Manager to execute appropriate documents.

Board Reports

Nelson stated the Forrest Service is trying to repave and possibly reconfigure the Sewer Authority's access and parking at the pump station at Nevada Beach this summer. Nelson added that the Sewer Authority is updating the Bentley contracts, but the sale fell through. She noted the cost for power is the highest in history and increased from \$26K to \$41K last month.

Management Reports

General Manager's Report

Dion stated that they are doing a Request for Qualifications for auditor services. He requested interested participation from the Board. Nelson requested to be notified. Legislature is in session and it was noted that the Nevada League of Cities has taken a positive leadership role working with the Nevada League of Counties. A presentation was provided regarding lake storage and snow pack.

As requested, Schorr was provided with a staff update. There may be two positions available to fill various areas such as finance, contracts and construction administration. Dowl may be utilized for construction administration for storm water projects designed by Eastern Sierra.

An architectural planning update was provided. A revised package for combined project will be presented next meeting. Plans are anticipated to move through county quickly; however, the fire department requirements regarding sprinklers are still pending.

Schorr commented that US Treasuries are more conservative than CD's and are currently paying higher yields.

Utility Operations Superintendent's Report

Usage reports for natural gas were provided. Usage is similar, but the commodity prices are higher.

Schorr requested clarification regarding the attendance at safety meetings. It was explained that all personnel meet once a month on average and Garden's report included utility employees. Monthly safety meetings vary in discussion and each member of the organization has to provide a tutorial on specific topic, such as fire prevention, winter driving, first aid, etc.

Administrative and Human Resources Report

Nelson requested clarification regarding “incidents” included in the report. Brewer explained that request code report indicates when customers need meters turned on, inspections, escrow reads and other service requests. Customer contact for collection of payment has improved. The incident revenue was reviewed.

Schorr requested clarification regarding ending leases. It was explained the two units were month to month and the tenants will vacate by the end of the month. In response to Schorr’s question, Dion noted that names for the larger delinquent accounts were published as part of the report last month and the district will periodically list them in the future.

Engineer’s Report

The construction portion for Andrea and Barrett project is out to bid on and the Kim project will be brought for approval at the meeting next month. They are meeting Friday regarding the Palisades Sewer Lift Station Rehabilitation. For the Sewer Master Plan, they are finalizing the capital planning portion. They had a meeting regarding the Market Street Lift Station and will be preparing a modified strategy for task order next month.

Attorney’s Report

There was nothing to report. Nelson requested an update on Griffin Court sewer backup and it was explained that a proposed settlement was provided to the owners and they have not yet responded.

CORRESPONDENCE – None.

FINAL PUBLIC COMMENT – None.

UNFINISHED BUSINESS

ADJOURNMENT

M-2/21/2023-6 - Motion by Trigg, seconded by Nelson, and unanimously passed to adjourn the meeting at 7:25 p.m.

Respectfully submitted,

Jodie Nelson, Chair

Attest:

Cindy Trigg, Secretary