

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, FEBRUARY 19, 2019**

CALL TO ORDER - The meeting was called to order at the Kingsbury General Improvement District office located at 255 Kingsbury Grade, Stateline, Nevada at 6:00 p.m. by Darya Vogt.

PLEDGE OF ALLEGIANCE

ROLL CALL – Present were Trustees Vogt, Nelson, Schorr and Parks. Also present were General Manager Cameron McKay, General Counsel Chuck Zumpft, Business & Contracts Manager Michelle Runtzel and Utility Operations Superintendent Brandon Garden. Yanish was not in attendance. Public present included Larry Schussel, resident at 367 Terrace View and Roberta Stillwell of 425 Kimberly Brooke.

PUBLIC COMMENT – Larry Schussel wanted to thank Joel and Darrin for opening the drain near his property. He wanted everyone to look forward to spring and consider his project when considering grants and fund requests as it is a continuing problem in his neighborhood.

Schorr asked for clarification and Schussel explained that McKay is aware that the drain located near his home collects water from the entire neighborhood and overfills. McKay explained that it is not actually a drain, but an infiltration holding pipe which is not supposed to hold water, but allow it to infiltrate into the ground. It doesn't drain properly when it cannot take any more water and when that happens, it floods his home and garage. He noted that State Lands License Plate Grant applied for recently was for this project, but unfortunately it was denied. Nelson confirmed it is a storm water issue and McKay added that he will address it with the county.

Schussel thanked the Board for listening and Vogt thanked him for his presence and compliments. She offered to keep the issue in the forefront for grants. Schussel left the meeting.

Roberta Stillwell stated she was designated by the neighborhood to get snow removal on the next agenda. In her neighborhood, problems are new as of the last 2 years. She noted that some of the residents have been there 30 years. She speculated that 18-hour shifts, equipment neglect from previously light winters, and limited personnel are factors. She explained that they are having issues with the amounts of snow accumulating prior to being plowed noting it used to be about 4-6 inches and is now over a foot of snow. Residents have to use personal snow blowers to plow the road and get people unstuck. The longest period to go without a plow was 30 hours on February 13, 2019. She noted that there were many times they weren't plowed for 12 hours and feels it is a public safety issue for emergency responders. She has also rented a motel recently due to concerns of not being able to access the highway for work. She would like the triage issues to be placed on the next agenda.

Vogt explained that we have experienced large amounts of snow recently and added that she appreciates the comments and information. She noted that courts tend to be plowed after main artery roads and safety and access are priorities. Stillwell noted that she forwarded programs defining plow routes that have been standardized. She also feels Upper Kingsbury main bus stop days mean it is not safe for the buses to go in which places additional responsibility on parents to drive their children to the main bus stops or to school.

Vogt noted that plows are currently being run 18 hours per day and they are working as much as possible. Garden explained that there is Federal regulation regarding the hours the plow drivers can be working, but the plows are operating 24 hours a day with the exception of maintenance of equipment. Per Schorr's question, Garden confirmed that it Kimberly Brooke is a dead end street and is plowed last. He explained that it was plowed early for pump station maintenance but that was rare. Nelson stated that the road is steep, narrow and treacherous.

Runtzel also noted that the road is narrow and the blowers should attend that street first, along with Andria, N. Benjamin, Barrett and Barton. The loaders are another situation.

Parks questioned the order of priority. Garden explained that it is not necessarily the top vs. bottom, but more priority main artery roads, school bus routes and resort bus routes. She questioned if F & B is provided with this list and Garden explained that they have their routes scheduled. He added that it is difficult for a loader to back up and noted that Kimberly Brooke is at the end and it is a difficult street. He has requested that technique is adjusted so now the road is being plowed to one side to eliminate the buildup on the right hand side before the end of the road. He also explained that the storms this year are much bigger than usual. This year is different than two years ago and snow removal has improved this year compared to two years ago.

Parks noted that the streets at the bottom are still single lane. Garden replied that the blowers are working currently their way from the top to bottom and they cannot operate safely at night due to visibility. Garden stated they do not want to operate blowers at night because they do not want to blow in houses. Runtzel noted that this is different than two years ago after blowing out the windows of a house. Nelson noted that blowing the day is difficult to get around vehicles. Zumpft confirmed that the plow driver buried a house two years ago. McKay explained that they couldn't see the house because the bank was so high and Runtzel added that the house sits below the road.

Vogt thanked Stillwell for her attendance. She noted there was no other public for comment. Zumpft confirmed for the record that all public left the meeting and there was no other public present.

APPROVAL OF AGENDA –

M-2/19/2019-1 - Motion by Parks, seconded by Nelson, and unanimously passed to approve the Agenda.

APPROVAL OF MINUTES –Schorr questioned Page 9 regarding an update on the deed transfer to which McKay advised would be addressed later in the meeting. There were no further comments.

M-2/19/2019-2 - Motion by Nelson, seconded by Schorr, and passed to approve the Minutes of the Regular Meeting dated January 15, 2019.

APPROVAL OF CONSENT CALENDAR – Parks confirmed with McKay that rental costs are \$4K and \$5K monthly for Market Street and Pine Ridge. She also questioned item charges paid in Check #57222 which Zumpft explained that Minden Lawyers is paid based on a contract plus hourly over the contracted amount. Vogt noted the large rental expense and confirmed that we are considering building on the operations yard in lieu of renting the various locations. Vogt explained that the engineer is preparing a plan for review but more information is needed.

M-2/19/2019-3 - Motion by Nelson, seconded by Schorr, and unanimously passed to approve the following Consent Calendar Item:

A . List of Claims in the amount of \$287,929.07 as represented by check numbers 57164 through 57301.

UNFINISHED BUSINESS – NONE

NEW BUSINESS – NONE

DISCUSSION ON MEMORANDUM OF UNDERSTANDING WITH THE NEVADA DEPARTMENT OF ENVIRONMENTAL PRODUCTION FOR PURCHASE OF ROAD SWEEPER. McKay reported in writing: *This has been a long process. The first drafts of the agreement were sent to us by Jason Kuchnicki from NDEP January 11. Since that time, Michelle, Brandon, Chuck and I have reviewed the documents multiple times and have made changes.*

The original documents were drawn up by NDEP and as you can see in the latest email, much of the changes we requested will not be able to change. I received the set of documents Thursday afternoon.

After trying to change the documents and having most of the changes turned down, we must look at this as a new piece of equipment we can use to do the same thing we are doing right now which is sweeping the streets.

We will have to spend more time tracking time and costs plus report the amount of sediment we capture, but this will be cost effective than purchasing another sweeper ourselves.

We sweep our streets throughout the whole year. In the winter we sweep after applying traction material (weather permitting); in the fall we sweep to pick up pine needles before winter and in the spring and summer we continue to sweep to keep the streets clean for bicycles and other 2-wheeled forms of transportation. Instead of doing this with our old sweeper, we will use the new sweeper and keep the old one in reserve in case this one breaks down or if we need to do a push on getting the roads swept.

I will review the documents over the weekend, and we can discuss them at the meeting.

McKay noted that we have been attempting to get a Memorandum of Understanding (MOU) with the State of Nevada. The agreement has been reviewed and comments have been sent to Zumpft with changes provided to NDEP. A response was finally received from NDEP that changes requested cannot be made. The agreement provided came last Wednesday and after review, Zumpft and McKay are not comfortable with the agreement. The verbal agreement was that KGID would purchase the sweeper and NDEP would give \$155K towards the purchase. The sweeper has a total cost of \$285K. In the agreement with the NDEP, they reference four quarterly payments. Zumpft advised McKay that the contract has to be accurate; therefore, the four payments should be taken out. McKay explained that available funds are noted in the DEP contract which is standard and comes with some risk, noting that four or five different grants are available. He noted that Zumpft's email has been provided for reference. McKay stated that he is not ready to push this contract as it can be improved and he is waiting to allow the appropriate changes to be made. He recommended no action so that he can advise NDEP that the contract is not acceptable.

Zumpft noted that pages 1 and 2 of the Sub-grant Agreement may not have been printed in the board packets. The agreement doesn't explain the terms properly regarding consideration as it references quarterly installments for the life of the contract and not one year. As the contract does not reflect the proposal of the purported agreement, he cannot approve it as is.

Schorr verified that we want the sweeper but the payment terms are not definite. McKay explained that the terms are not defined properly. He noted that he was not aware that the entire contract wasn't included in the board packets as he emailed documents as they weren't transferring to the server properly. He apologized and clarified that they are not comfortable with the agreement.

Nelson requested clarification regarding the purchase price of \$280K, with anticipated reimbursement of \$155K from the State and additional funding from the County of \$125K. She confirmed that we are concerned with Nevada at this time. She also questioned Zumpft's comment regarding disagreeing with elimination of the statement regarding Douglas County's approval for \$125K. Zumpft explained that part of the Sub-grant Agreement includes conditions regarding approval of both entities. He added another condition that KGID would also have an agreement with Douglas County. Zumpft clarified that they don't want an agreement with NDEP without having one with the County which NDEP didn't approve. McKay added that it's not that they can't make the requested changes, it is that they won't. Zumpft referenced an email provided from Jason Kuchnicki on February 5, 2019 stating that if they had to content with adjustments to all agreements they wouldn't get any work done. Zumpft explained that it is their job and all contracts require some changes. He acknowledged that he replied to the email and discussed it with McKay after.

McKay explained that it is difficult to be in between two government agencies such as the County and State. He noted that the county seems to be fine, but we cannot move forward with the County until the State contract issues are resolved.

Schorr noted that the recommended action is to table the item until further review and improvements to the contract. This would provide more time to ensure the agreement is sound. Parks confirmed they will continue working on this issue. Zumpft confirmed that the message to the NDEP is that the Board would not approve the contract as is.

Vogt questioned if funding could be eliminated and McKay explained that it is included in all contracts with the State. Runtzel explained that they cannot guarantee funding due to the condition of the government. Vogt acknowledged that funds are pulled back more frequently recently. McKay noted that there are EPA recently received ample grant funding that is available for disbursement. Zumpft confirmed that if language was provided allowing for immediate funds, there would be nothing to worry about. McKay added that there was issue with who would get the sweeper as it was originally promised to KGID by Jason. This must be detailed in the agreement. Runtzel explained that the original document stated that it would belong to NDEP.

In response to Schorr's question, McKay explained that they currently have a sweeper and they would primarily utilize the new sweeper, with the old one used as auxiliary in the event of repairs and parts. Vogt confirmed it is to our advantage to have two to avoid down time. McKay added that the sweepers pick up abrasive material and parts wear out frequently. Schorr questioned if the terms would be finalized in time to have the new sweeper for spring. McKay explained that they will need to determine which sweeper to purchase and testing will be needed. Schorr questioned if the reporting would be cumbersome and McKay explained that one of the conditions is reporting for pickup and put down during sanding operations. This will allow Douglas County to get TMDL credits for the lake. Nelson questioned if the only requirement is the reporting of sediment. McKay admitted there may be more reporting requirements, as more reports were required for the EPOKE. He acknowledged that we will not be reimbursed for time and materials and maintenance but the new sweeper benefits would offset any reporting.

Nelson questioned if a single audit would be required as a result of receiving \$280K in grant funds. Runtzel answered no as the limit is now \$500K. She noted the attachments of document record keeping requirements for NDEP. She recalled similar documentation with the EPOKE which evolved into more reporting. She explained that reports didn't take long and typically due soon after quarter end. Vogt offered for additional questions. Nelson questioned if a vote is needed and McKay confirmed.

M-2/19/2019-4 - Motion by Nelson, seconded by Parks, and unanimously passed to table item until further review of the documentation can be completed.

DISCUSSION ON MEMORANDUM OF UNDERSTANDING WITH DOUGLAS COUNTY FOR THE PURCHASE OF ROAD SWEEPER. McKay reported in writing: *This too has been a long process. It has been a complex exercise tying two MOUs together between two different governmental agencies with us in the middle.*

We were able to change most of this MOU with Douglas County. The original draft they sent to us was an agreement DC had plagiarized from another contract with an outside contractor which did not work with us.

Chuck went through it and rebuilt the agreement based upon the MOU we received from NDEP and we all commented on the document and communicated our requested changes to Chuck.

Courtney Walker is the head of the Douglas County Stormwater Program and will be the person we will be working with to supply the monitoring information.

In the past the monitoring had only been done on the North Benjamin/Andria portion of our roadway. Now it will be throughout our whole district.

As mentioned in the previous item, we will have to spend more time tracking time and costs plus report the amount of sediment we capture, but this will be cost effective than purchasing another sweeper ourselves. We would be doing the sweeping regardless of getting another sweeper. This new one enhances our ability to keep our streets clean.

McKay explained that this agreement ties into the request for NDEP and cannot be approved until that contract is finalized. Zumpft acknowledged that the timing works well for the County to present to the DA. McKay's original recommendation was to approve; however, he would like this item tabled until the MOU is approved with NDEP. Vogt questioned if a vote is requested and McKay confirmed.

Nelson questioned Zumpft's approval of the MOU which he explained that the original agreement received from the county was unacceptable and the document provided is basically drafted by him. He approves the document presented. McKay explained that the County's agreement was typically used for contractors and Zumpft clarified that the agreement mirror's the NDEP agreement to the extent it's effective. Nelson confirmed that he wrote this agreement and approves it. There was no further discussion.

M-2/19/2019-5 - Motion by Schorr, seconded by Nelson, and unanimously passed to table the MOU with Douglas County for the purchase of the road sweeper.

DISCUSSION ON PURCHASE OF GE PT900 PORTABLE FLOW METER. Garden reported in writing: *With the issues we have been having with meter discrepancies from the Fresh Water flow meter to the Raw Water flow meters I feel it is necessary for us to be able to test and verify the meter operations on our own.*

The meters in question are magnetic flow meters (mag meter). A magnetic flow meter (mag meter, electromagnetic flow meter) is a transducer that measures fluid flow by the voltage induced across the liquid by its flow through a magnetic field. A magnetic field is applied to the metering tube, which results in a potential difference proportional to the flow velocity perpendicular to the flux lines. The physical principle at work is electromagnetic induction. The magnetic flow meter requires a conducting fluid, for example, water that contains ions, and an electrical insulating pipe surface, for example, a rubber-lined steel tube. If the magnetic field direction were constant, electrochemical and other effects at the electrodes would make the potential difference difficult to distinguish from the fluid flow induced potential difference. To mitigate this in modern magnetic flow meters, the magnetic field is constantly reversed, cancelling out the electrochemical potential difference, which does not change direction with the magnetic field. This however prevents the use of permanent magnets for magnetic flow meters.

Mag meters are the most accurate in the industry but pose problems for verification and accuracy. There are few companies that check and verify mag meter operation and almost all that do use the same ultrasonic flow meter for testing.

By having the ultrasonic flow meter it can also be used to monitor flows for specific pressure zones throughout the district and also at other pumping facilities to verify those flow meter readings and to also help with tracking down the areas where we may have potential water loss.

The sewer authority was kind enough to loan us theirs for a brief test and to show us how it operates. The meter was easy to install and the directions were easy to follow. I feel this is a must for the district to own to verify flows and meter operation without having to rely on another entity or their equipment availability.

Clipper Controls is the only GE distributor in our area. There are other instrument companies that offer this flow meter online but the prices are more for the same equipment and they cannot provide the service and assistance that a local rep can.

This item was not budgeted for specifically but there was \$25,000 in the Capital Outlay for meter replacements. After discussion with the General Manager and the Business Contracts Manager we all agreed that the purchase of this meter could come out of the money budgeted for in the Capital Outlay.

Garden explained that background information was provided. They worked with the Sewer Authority with a similar older model for an initial test of the flow meter at the water treatment plant. He hopes to detect discrepancies of water produces and water sold to determine water loss. He feels this flow meter will be an important tool and far more efficient than walking the neighborhood looking for ground flow.

He detailed that this meter is the Ferrari model and very easy for the operator to use in leak detection and doesn't require a computer programmer to use it. They will be able to use this at every facility by simply exposing the pipe. It is used at the flow meter vault and pump stations by strapping it to the pipe with two transducers and input particulars regarding pipe information. A depth gage is included that will determine the wall thickness of the pipe. He acknowledged that online vendors are a couple hundred dollars more, but Clipper Controls will come out to train for 30 days on and off. He added that this is a big step towards detecting water loss.

Parks confirmed that we have a lot of water loss and McKay explained that we are not selling as much as we are pumping out of the treatment plant. This accounts for non-revenue water. Vogt questioned the water loss monthly and Runtzel explained that it is included in her report. Vogt commented that it is a small amount to pay to help determine the problem. She questioned the testing and time on our equipment with the Sewer Authority's flow meter. Garden explained that they used the meter at the treatment plant to compare the ultrasonic meter with the existing meter. He didn't see a big discrepancy at that time; however, he wants to utilize the meter over the course of a month. Testing was only an hour long as the Sewer Authority needed the gage for another project. He noted that we shouldn't rely on use of their equipment. Vogt agreed.

In response to Schorr's question, Garden explained that the first location tested will be the treatment facility. He explained that they can log the data infinitely. Schorr questioned if the \$20+ million equipment is not working correctly. Garden explained that the gage will determine if the calibration of the meters in place are within their spec. He noted that mag meters can only be tested with a vault meter. McKay explained that there is always a range. Schorr verified that water loss may not be water loss but may be problems with measurement tools.

Garden explained that the meter accuracies must be verified prior to searching for potential leaks. McKay explained that there are three meters at the location, two master meters and a UV meter. The UV's are providing a lower reading. If they both read accurately, there could be a problem in the contact chamber. Garden also noted water could be escaping at the bottom of the tank.

Vogt questioned if one meter is sufficient or if they are needed at more locations at once. Garden explained that for scrutinizing water pressure zones, two could be ultimately be utilized. For now, one meter is a great start.

Parks questioned the location of the water treatment plant, which McKay answered is at Kahle. She confirmed we pump water from the lake. Schorr confirmed the gage was borrowed from the Sewer District. Garden explained that it was cleaned first and he was impressed that it was very easy to use, as much of their equipment is lasers and can cause issues if used incorrectly. The gage was simple to use, easier than a cell phone. Vogt explained that they are using that meter to verify the flows for all of the districts, for billing purposes.

Parks questioned the loss in revenue if we are pulling more water from the lake than is needed. McKay explained that they are losing 3 million gallons per month at \$2.55 per thousand, which costs us \$7,500 per month for water treated from the lake and pumped to the locations. Nelson explained that prior water loss was unknown, but now that meters are installed, water loss can be verified. Runtzel added that individual house meters were added in 2010/11. It has been consistent at 2-3million gallons lost until about 2 years ago when it started creeping up to 4 million gallons. She noted a significant change with the new treatment plant.

Nelson questioned the calibration of the new treatment plant as a possibility. McKay explained that mag meters can be buried or filled with rosin to prevent it from water and water got in possibly affecting the electronics. Runtzel confirmed it was flooded. McKay explained there are significant differences between it and the UV meters.

Parks questioned if a meter could be a problem and not a water loss. Garden replied that some amount of water will always be lost. McKay added that 5-6% water loss is considered a tight system, but anything over that is unacceptable and we are currently in the teens for loss. Parks confirmed that a meter issue could be the problem and McKay confirmed that they are hopeful that is the problem which could be resolved by changing electronics.

Nelson confirmed it is not a budgeted item and agreed that it could come from the Meter Replacement as agreed by McKay, Runtzel and Garden. Garden explained that he discussed this with McKay and Runtzel as the Meter Replacement in Capital Outlay is for residential meters and cannot be performed this year. He explained that it is for meters over 10 years and they aren't seeing many problems. Runtzel interjected that it is designated for the Ridge Tahoe replacement which is a large project. McKay agreed and explained that they would like to reschedule the project to relocate meters to Quaking Aspen with a better line and meter for accessibility. Nelson confirmed the Ridge project could not be complete this year and McKay noted it would be added back to the budget.

Parks expressed her concern about the process for detecting leaks. Runtzel explained starting at the treatment plant is the correct way to begin in order to rule out the plant. Subsequent testing will be by zone. Parks questioned if the meter replacement would be costly and Garden explained that it may not be necessary. Parks confirmed that the meter could be utilized for other areas in the district and will not be used only one time.

M-2/19/2019-6 - Motion by Nelson, seconded by Schorr, and unanimously passed to approve the purchase for a GE PT900 portable ultrasonic flow meter from Clipper Controls in an amount not to exceed \$11,200.00.

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

BOARD REPORTS – Vogt noted that there wasn't much to note at the Sewer Authority. She referenced the incorrect APN on the Beach Club property and the coverage wasn't correct on the map. They are relocating the sewer line and the bond posted for \$400K should be \$600K. The Board will not sign off on the map until the cost is covered and there is no pending liability. She offered for any other reports, there were none.

STAFF REPORTS – NONE

GENERAL MANAGER'S REPORT – McKay explained that KGID also did not sign the map. Zumpft explained that the transfer did not go through on the lot as the three encumbrances noted on the title report of \$200+ million must be removed prior to completion. He stated they are working to remove the liens, as the agreement with the Tahoe Shores should be encumbrance free. McKay confirmed to Schorr that the property transfer is pending. He explained that the encumbrances are on the total project but our property should be excluded. Schorr confirmed that the encumbrances should be excluded from our property. Schorr questioned if there was a separate APN, to which Zumpft explained there will be after the map is complete. He confirmed that the encumbrances on the property include our parcel and were shown on the title report. Zumpft confirmed there were several liens. McKay confirmed we do not want any liens for \$2.55 million on our property.

Schorr questioned if this critical issue is being pushed properly. Zumpft confirmed that the incentive is for KGID to sign off on the map. McKay explained that they cannot allow anyone to move in until the map is completed and they are close to completing the first building; therefore, occupancy is close. Parks questioned if the Club House is included in the current building being constructed. McKay explained that there are two huge buildings currently being constructed, and he recalled 143 units in total for the project. The Club House is being KGID Board Meeting Minutes 2/19/2019

constructed closer to the beach. Runtzel added that there will be 7 or 8 buildings total. Schorr questioned if the proper signers were on the agreement discussed at the last meeting to which Zumpft confirmed. Schorr questioned if title insurance is purchased to guarantee our position, Zumpft confirmed that it is intended as part of the transaction of clearing the encumbrances. Schorr advised that there should be a sense of urgency for the success of the Tahoe Beach Club. He noted that a problem with their success could affect the conveyance of the property to KGID and would like to see this handled swiftly. He questioned how the delivery could be expedited. Zumpft explained that he could craft a letter of urgency but he feels they have their own motivation.

Nelson questioned if there was oversight from the new owners, to which Zumpft acknowledged was a possibility, as the documents were drafted incorrectly. Zumpft questioned proof of title status and title report items to be removed for a clear policy. Schorr recommended nudging the Beach Club as he doesn't want to wait. Zumpft and McKay agreed. Zumpft noted that until the map is recorded, they do not have APN's to transfer to buyers. Nelson confirmed that the sales cannot be completed until the map is complete. The Board agreed that they were motivated. Vogt recalled prior issues with buyers and delays with construction and water.

McKay noted that the current sales prices are approx. \$2,000 per square feet with the smallest unit at 2,500 s.f. which overlooks the meadow, not the lake. McKay knows a buyer relocating from Glenbrook to reduce maintenance. Parks confirmed they are all attached homes. McKay explained that they are smaller buildings to be located all the way back to our treatment plant.

McKay has reviewed pending bills and the only one significant for KGID is regarding Trustee's wages that were recently increased. He noted that the powers to govern water, sewer and trash the wages are now capped at \$12K instead of \$9K. He explained that the treatment of compensation may also include PERS and Social Security and they have requested clarification regarding definition of wages. Zumpft confirmed there is definition in the PERS chapter. McKay noted that bills regarding Water Rights will be handled by larger entities. He added that limits were increased for prevailing wages to \$250K last term and are being considered for reduction back to \$100K. McKay stated that they are trying to define the amounts based on population requirements. He added that there are not many projects to include under \$250K.

Vogt addressed concerns at the office with Runtzel working at the office and McKay working from home. She was dissatisfied to hear McKay wasn't receiving calls and messages and questioned the problem. She added that this is necessary for the proper operation of the office. Vogt questioned what is happening and Runtzel explained that McKay sent an email directing that he would be working from an undisclosed location and to forward calls to his cell phone. Runtzel was not copied on the email, but the office staff made her aware. She wasn't aware of any phone calls for McKay and clarified that everyone is aware. She stated that a follow-up email was sent and everyone at the office knows to forward his calls. McKay clarified that he requested calls be forwarded to his cell and requested the office staff does not provide his cell number to customers. Schorr confirmed McKay is receiving his emails.

Nelson questioned check signing on the bottom of Page 2 that she thought may have been copied into the report in error. McKay explained that the items in different print explain the definition of a missing check as checks not cashed by customers. Nelson questioned if this was included in the check signing policy and purchasing authorities. McKay confirmed the information was not included in the Check Signing Policy as the missing check definition was provided. Runtzel argued that an outstanding check was not the definition of a missing check, and McKay explained that the definition was provided by the internet. McKay confirmed he wanted to include the definition as it was updated with the information. Nelson confirmed that any checks not cashed would be included in the General Ledger.

Schorr questioned the lease extension for the storage and equipment building and questioned if a lease term longer than one year should be considered. McKay explained that he is trying to negotiate a longer term, but the owners would like to demolish the building. He stated that the equipment may have to be stored outside or a temporary structure may be needed. He explained that they could rebuild and rent an office and storage facility for more money. Schorr confirmed that they want to redevelop the property; however, McKay is attempting to renegotiate.

Schorr questioned the email regarding the pipe and the cost. McKay explained that communication problems resulted in the email being overlooked. This topic will be slated for the agenda at the next meeting. Nelson confirmed she has heard about this issue and looks forward to having it addressed. Nelson confirmed McKay is working out of the office and questioned if McKay worked at the office during Runtzel's vacation. She questioned if the mileage report reflected the miles. Runtzel stated that the office staff noted he was only there a couple of half days. McKay corrected that he too was out of town some of the days, but came for full days during her absence.

BUSINESS AND CONTRACTS MANAGER'S REPORT – Runtzel added the memo regarding bank signatures which she noted is frustrating. Nelson noted that the investment account didn't exist when the signature cards were signed. Runtzel explained that the process has changed and she isn't allowed to take signature cards out of the bank for signature. She noted that action must be taken, as currently McKay is the only signer for the Operating Account since Dan Norman is gone. Schorr questioned the account number for the Operating Account so that he could provide assistance. He noted that additional information for Parks would be needed. Runtzel explained that Justin advised that policies have changed and McKay needs to call the number on the notice and go through Commercial Accounts Services. Amy Caramazza noted similar signer and identity issues at US Bank.

Vogt questioned the direction, which McKay advised will need to wait for instruction from the bank. Schorr questioned if the accounts receivable is delinquent. Runtzel explained it is the last installment due in October, 2019.

Nelson questioned if a claim was filed with insurance for the water line replacement. McKay explained that he was not aware this needed to be done and doubted any response. McKay and Zumpft clarified a motorhome was damaged after hitting a plate in the road in front of Lakeside. It is thought to be the responsibility of the contractor.

Schorr questioned water loss of 17% and questioned if the mag meter will mitigate this loss. McKay confirmed below 10% is acceptable. Schorr requested further clarification. McKay explained that historically there were old steel lines leaking that couldn't be tracked until fully metered. Runtzel confirmed tracking back to 2010-11. McKay noted the gallons stay the same but the percentage varies because of additional water use in the summer.

Nelson noted that Runtzel needs 2018 water rate structure. McKay confirmed it has been provided twice, but Runtzel argued that it was returned explaining the figures didn't tie.

Vogt met the resident of Drew Court regarding the water meter that blew up. He stated the office was very helpful and questioned notifications. She explained to him that notification system includes calls from KGID as soon as it's discovered. Runtzel had contacted him regarding the water loss and he didn't feel he had any problems as he had cameras in the house. He was advised by Runtzel that it could be a leaking toilet. Vogt commended the office for trying to assist owners with problems. She stated the owner felt he wouldn't have known without changing banks and receiving a new bill. In actuality, Runtzel had contacted him. Runtzel explained that his water heater was located in the basement and dumped 73,000 gallons in January. Parks questioned the flooding to which Runtzel stated the owner found the leak and she wasn't informed of the damage. Vogt confirmed that there wasn't damage at that time and confirmed cameras do not detect all problems. Runtzel speculated that the water was able to escape the basement.

Nelson questioned if information is needed on Laurel Lane for public information. Runtzel has scheduled an appointment with the attorney to review documents for the Public Information Request and she isn't sending anything to Zumpft. Schorr questioned if this is in regards to the Allison issue for Schilling and requested clarification. Runtzel explained that water is dumping from a drainage structure that we have in the right of way to Laurel Lane that daylights onto Schilling's property. Schilling has made claims that the erosion issues are potentially related to it. Runtzel admitted these claims were new. McKay explained that the same letters were sent to Douglas County after he advised that it was installed when the road went in and the county owns the right of ways. Parks requested clarification as to the location, to which Runtzel confirmed it's on Laurel coming up to Schilling's on the rock, as his fence line is right behind the rock.

Schorr questioned the Public Relations Request, to which Runtzel referenced as Transparent Nevada. McKay explained that it is required to be reported annually, to include benefits and compensation. Nelson questioned if benefits should be included. Zumpft noted that a definition is necessary. Schorr confirmed it is required by statute and McKay noted it must be filed annually. Nelson noted that other compensation may be reviewed online. Zumpft made reference to the fireman compensation and retirement. Vogt offered for any other comments. Runtzel noted that the office handled many snow removal complaints after the long weekend. Parks stated that she has received several phone calls regarding the snow.

UTILITY OPERATIONS SUPERINTENDENT'S REPORT – Nelson questioned gathering all required information for the water audit. Garden explained that this is an internal audit for tracking water loss. Nevada Rural Water will provide assistance. He added that there were issues at Station 7 next to the fire station over the weekend. Main power disconnect is dealing with serious electricity and it actually blew up this weekend. It is currently not operational unless a stand by generator is used. He will have more to report next month, but they are currently emergency work is being performed by Artic Electric and a large bill is anticipated.

Nelson questioned Runtzel as to the status of snow removal costs. Runtzel noted that the last invoice received was only through December and she estimates totals of approx. \$350,000 to date. Runtzel confirmed that the cost two years ago was approx. \$750,000. We are expecting more snow and the blowers will be going out. She noted that one good storm could cost \$70,000 and estimated additional costs of \$150,000 for the current storms. In response to Park's question she noted the budget is \$750K. Nelson explained that we do not want to use the entire amount. Runtzel estimated the total at end of year could be approx. \$550,000-\$600,000 without reviewing long range forecasts.

In response to Vogt's question, she explained that the minimum contract amount is \$200,000 down from \$350,000 and the contract renewal may not provide for an amount this low and we will likely have to bid on a new contract. There is approx. \$1 million available in snow fund which is sufficient to cover this winter and move into next winter.

ATTORNEY'S REPORT – Zumpft indicated that most topics have been covered and a litigation update after this meeting could be provided which was desired from the Board.

ENGINEER'S REPORT – Van Dyne was not present but Vogt offered for any questions. Nelson questioned they are still working on the Operations Yard and additional information was needed. Vogt recalled input was requested regarding how many offices are needed, etc. Garden explained that they want an Operations Plan, which Runtzel added was basically a planning document to show the needs and how it will be used, to include storage, capacity, etc. Parks questioned if another story would include renting office space to which McKay and Runtzel advised KGID would be the only occupant. He explained that it is considered to share a portion of the yard for a snow removal company. Parks suggested renting as a possibility for income as office space is limited in town. Nelson noted that we may not have authority to landlord, but Runtzel suggested authority was presumed when purchasing Market Street and renting the other side. Runtzel added that she doesn't anticipate extra space.

CORRESPONDENCE – Nelson questioned the letter regarding excessive cars and possible resolution. Garden explained that he contacts Douglas County Sheriff non-emergency as the tow companies will not react without the Sheriff. Garden explained that he has to report all illegally parked cars and he contacted them 30 times this weekend. Illegally parked cars impede snow removal. Nelson stated that it is problematic not being able to tow cars and it is a health and safety issue. McKay confirmed it is a County Code that states no parking during snow removal. Garden stated that with the assistance of the Sheriff they closed S. Benjamin and Tramway and Quaking Aspen this weekend due to stuck vehicles. A police escort was needed for the plow to drive against traffic. Nelson questioned if the liability of the tow trucks was the concern and suggested KGID obtain a tow truck. McKay responded that KGID would then assume the liability. Nelson commented that KGID could impound cars for fees. Runtzel noted there was a car parked in a parking spot in Quaking Aspen since Monday and was buried by plows going by. The owner left it unattended until Saturday or Sunday. Garden noted it was not done by KGID.

McKay noted that the regulations have been changed for chains and snow tires but it is not properly enforced. Nelson commented that Douglas County should be tired of rescuing cars and Runtzel explained that they are stuck on roads and it is not enforced. Nelson suggested enforcement at the bottom to reduce calls and traffic hazards toward the top. Garden speculated that eventually the road will have to be closed for periods at a time. Nelson added that the NDOT sign is not sufficient and McKay agreed a sign with lights would be beneficial. Garden added that they have installed signs where possible for our jurisdiction. Runtzel noted that having the Highway Patrol or Douglas County at the bottom of the hill was the best solution. She referenced meetings but they still won't enforce. Nelson recalled them checking ID in the past to allow residents to drive up. Parks noted it would be easier to enforce the chain controls in lieu of dealing with the aftermath. Nelson questioned the discussions with NDOT, to which Zumpft explained they have a board. McKay explained that concerned citizens have the most impact and suggested making a complaint.

ADJOURNMENT

M-2/19/2019-7 - Motion by Nelson, seconded by Schorr, and unanimously passed to adjourn the meeting at 7:46 p.m.

Attest:


Craig Schorr, Secretary

Respectfully submitted,


Darya Vogt, Chairman