

**MINUTES OF THE BUDGET MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, APRIL 5, 2022**

CALL TO ORDER - The meeting was called to order at the Kingsbury General Improvement District office located at 255 Kingsbury Grade, Stateline, Nevada at 5:00 p.m. by Sandra Parks.

PLEDGE OF ALLEGIANCE

ROLL CALL – Present were Trustees Parks, Vogt, Nelson and Yanish. Also present were General Manager Mitch Dion, Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer, Accountant Brandy Johns, General Counsel Chuck Zumpft, and Steffi Gavin of Farr West Engineering. Public present included Vicky Schussel.

PUBLIC COMMENT – Vicky Schussel read a statement from her husband, Larry Schussel requesting that it be included in the minutes.

Chair Parks requested comment from the General Manager. Dion noted there is a recent letter from an attorney representing the Schussel's addressed to Douglas County and KGID. He added there on-going consideration for solutions to the issue which is compounded because of the role of KGID engaged in surface water when much of the issue is groundwater. However, KGID and Conservation District are looking for funding which could make a project possible.

APPROVAL OF AGENDA –

M-4/5/2022-1 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve the Agenda.

UNFINISHED BUSINESS

NEW BUSINESS

DISCUSSION AND POSSIBLE ACTION ON THE TENTATIVE BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023. Brandy Johns and Mitch Dion provided a presentation on the budget.

Dion provided a review and summary including revenue and expenses, noting net income. He noted reserve starting and ending balances, including reserve spending. Factors included are infrastructure, water regulations and reductions, reserves, investments, and inflation. Dion reviewed different types of reserves and related funds.

Dion suggested a sub-committee to establish a reserve policy. Dion noted that large unanticipated expenses could deplete reserves and a policy is necessary to establish the levels of funding which is normally a key factor in rate making. Included in reserves are vehicles, debt and grant matching funds. Yanish supported establishing a policy. Dion noted that large outyear expenses such as upgrading the treatment plant or alternative water supplies will also influence need for reserves. Dion offered that a sub-committee could determine the reserve policy or management can make recommendations. Yanish noted that capital costs will increase in the event of a catastrophic emergency, and this should be considered in reserve balances.

Dion continued to review revenues. Assumptions included rates and fees, property taxes, grants and investments. He recommended that the investment and interest policy be updated via sub-committee. Budget revenue projections were noted. Yanish and Nelson expressed interest in serving on a sub-committee to update investment policy while Trustee Schorr was nominated to be the Reserve Policy committee.

Nelson reviewed water use estimates for residential with Johns. Nelson noted the revenue budget was higher in the previous year. Johns explained other factors include Heavenly snow making. Yanish questioned a potential change with year-round occupancy at Lakeside.

Nelson questioned potential increases with the Sewer District due to an ownership change with Bentley. Vogt confirmed there will be a transition, but they weren't concerned at this time. Yanish added that the flows may increase, and the treatment may need to be addressed. Bentley's departure from Douglas County was briefly discussed.

Property taxes were reviewed, resulting in a slight increase. Personnel expenses were presented. He noted the OPEB retirement expense has increased to include retirement benefits. Brewer explained that post-employment benefits for McKay or Runtzel's retirement plans were not included previously. The calculation was prepared from the auditor. This will be an annual expense that will decrease each year for approximately five years. Vogt recalled that this accrual was recommended by the auditor. Wages and salaries were adjusted by 3%. A part-time engineer and a full-time technical service person may be considered depending upon Engineering Services Selection process.

Operation expenses were presented. Nelson commented regarding the designation for previous year road maintenance projects. Johns responded that these would be done this summer in the new fiscal year. Nelson speculated that the allocated fees for snow removal was higher. Dion explained that 75% of street sweeping is also allocated to snow removal.

Capital accounts were presented. Projects including Highway 50/Kahle repair, the Sprung structure, 160 Pineridge facilities (Phase 1) along with other items were included. The Beach Club line dedication is also included. The water line projects were briefly discussed. The rental income at 298 Kingsbury is reduced in the event KGID occupies the space. The State Revolving Loan debt was reviewed, and loan restructuring is under consideration with NDEP.

Parks exited the meeting at 6:15 p.m.

Dion detailed annual computer expenses. They are working to consolidate redundant software and some upgrades may be necessary. Annual costs are related to operations and finance, SCADA, MicroPaver and Office. He recommended the Trustees visit the new website which is more interactive, easily maintained and less expensive.

Vehicle replacements was discussed and the first year to establish reserve. Dion discussed possible vehicle replacement and Epoke operation changes. The snow removal contract was briefly discussed. He noted that a backhoe replacement is possible in the following year and that transition to an electric fleet will be required in ten years per the Governor's objective. Grants to initiate some of this may be available. Equipment coverage and charging stations are considerations in current project.

The General Fund projection revenue was reviewed including grant income and rental income decrease.

The Water Fund audit expenses were noted. Engineering fee increases includes the KGID building assessment and architectural engineering. Johns offered to email her spreadsheet with notes to Nelson.

Water consumption revenue is less than actual. This is change is a result conservation as less people reach higher tiers. Gas and electric budget remains the same as past due to the prior estimates being too high.

Nelson requested a list of any changes from tentative to final budget. She stated she would email Johns with any questions. Johns anticipates clarification regarding Douglas County Sewer Authority as well.

No action was taken on this item.

ADJOURNMENT TO CLOSED SESSION –

M-4/5/2022-2 - Motion by Vogt, seconded by Yanish, and unanimously passed to adjourn to a closed session at 6:55 p.m.

RETURN TO OPEN SESSION –

M-4/5/2022-3 - Motion by Yanish, seconded by Vogt, and unanimously passed to open the meeting at 7:36 p.m.

ANNOUNCEMENTS AND FINAL PUBLIC COMMENT –

ADJOURNMENT

M-4/5/2022-4 - Motion by Vogt, seconded by Yanish, and unanimously passed to adjourn the meeting at 7:38 p.m.

Respectfully submitted,

Jodie Nelson, Vice-Chair

Attest:

Darya Vogt, Trustee

KGID Meeting

April 5, 2022

I have a copy of the letter sent to all of you in the mail and would like to have it entered into the minutes of today's meeting.

I want to work together with KGID to find a sustainable solution for my neighborhood water issue.

I would like to invite the Trustees who have not met with me at my property to call me and set up a time to meet. I think it's important to see the area first hand to help understand the problem and to help you decide what needs to be done to remedy it.

Lastly, the letter you received discussed a proposed plan. Professional water engineers may offer an alternate solution. It is important to select the best design that will permanently solve this problem without impacting me or my neighbors.

Larry Schussel