

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, JUNE 14, 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 5:04 p.m. by Sandra Parks.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Parks, Nelson, Schorr, Vogt and Yanish. Also present were General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer, General Counsel Neal Falk, and Matt Van Dyne of Farr West Engineering. Also present were Jim Norton and Stephen Romero from Warren Reed Insurance and Wesley Harper of Nevada League of Cities and Municipalities. There was no public present.

PUBLIC COMMENT – There was no public present.

APPROVAL OF AGENDA –

M-6/14/2022-1 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve the Agenda.

APPROVAL OF MINUTES –

M-6/14/2022-2 - Motion by Nelson, seconded by Vogt, and passed to approve the Regular Meeting Minutes dated May 17, 2022.

APPROVAL OF CONSENT CALENDAR –

Regarding Item A: List of Claims Parks for discussion, check #61597 for \$21K which Judy explained is a monthly fee for health insurance in addition to check #61657. The checks are separated for the non-union employees, union employees and retirees. Dion explained the checks Safe water drinking for \$1,300 were for annual permit fees for treatment plant and distribution system remitted to the state. The contribution to PERS of \$23,000 is a monthly expense. Yanish confirmed that this should be last payment to Manchester this season.

Regarding Item B: Renewal of POOL policy (Commercial Package) for Fiscal Year 2022/2023, Jim Norton from Warren Reed Insurance explained the renewal premiums for wildfire areas have increased. KGID’s potential 12% increase has been reduced to 7.2% by changing the deductible to \$5K. He noted there have been no claims and he reviewed the policy and programs.

Steven Romero indicated the POOL is for risk management and the policy follows with coverage. He referred to the packet provided and reviewed their programs, including grants. He explained the structure and ownership of the POOL and confirmed that he markets the coverage annually. He reviewed the Human Resources component to the coverage.

Schorr questioned the term “reinsurance” which Romero explained is insurance that covers over the top of the POOL. Schorr requested clarification regarding risk management and questioned if the real property is adequately covered. Romero explained the property values are reviewed annually by Asset Works, hired to perform evaluations. He added that risk management includes review of adequate coverage. Norton confirmed the revised insurance premium is \$104,221. Romero explained that this is coverage in lieu of insurance and coverage is a contribution to the POOL. Norton explained that earthquake and flood insurance is included.

Schorr requested clarification regarding appropriate coverage of assets and property. Romero explained all members are Nevada public entities and the coverage focuses on the public sector and this program is appropriate.

Norton reviewed their internal claims and adjustment department. Romero added that a third-party administrator is utilized for claims. He explained that risk management is the idea of managing a risk before there is a loss.

Nelson questioned coverage for the water treatment plant. Romero stated there are exclusions to every policy and he could not comment particularly regarding a particular loss based on a proposed scenario. He confirmed that he uses the statement of values provided by KGID to determine adequate coverage.

Nelson requested confirmation regarding coverage of initial cost to build versus current costs. Romero explained that Asset Works takes current building costs into consideration. He noted the current year increase was about 7% on buildings and 5%-6% on contents. Romero confirmed that they do not use the purchase cost and the current appraisal would be used. Nelson confirmed with Romero that contents at the KGID working office were also covered.

Nelson requested additional information regarding the grant programs. Romero provided examples of grant requests used for property improvements such as ADA compliance. He addressed risk assessment and committees. Norton noted that another member received grants to increase surveillance after vandalism. Romero explained that property protection is generally considered for grants.

Parks requested clarification regarding payments to the pool in the event of a loss. Dion explained that the rate is based on the loss history for liability and is not dollar for dollar. Romero explained that resources are pooled with the members within the state and rates are determined with the entire membership. He noted flash flooding losses affecting three members last year impacted the pool and the pool absorbed the losses in the marketplace. Norton confirmed that KGID's prior cyber loss had no impact.

In response to Yanish's question, Romero confirmed that Douglas County left the pool, but Carson City has joined which resulted in little net impact.

Norton and Romero left the meeting.

Regarding Item C: Scada Support (Thunderbird 7/1/22-6/30/23), Schorr questioned if the Wonderware Support is an additional, repetitive cost. Dion explained that SCADA will likely be continued after the combining of systems. This fee keeps SCADA up to date and working.

Yanish questioned the use of SCADA to which Dion explained it is used as a control and data acquisition tool, for remotely monitoring systems. The process and potential uses were reviewed and explained.

M-6/14/2022-3 - Motion by Yanish, seconded by Parks, and unanimously passed to approve the Consent Calendar Item A: List of Claims in the amount of \$252,174.26 as represented by check numbers 61593 through 61691, Item B: Renewal of POOL policy (Commercial Package) for Fiscal Year 2022/2023 and Item C: Scada Support (Thunderbird 7/1/22-6/30/23).

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

FOR POSSIBLE ACTION:

PRESENTATION BY THE NEVADA LEAGUE OF CITIES AND MUNICIPALITIES "ONE NEVADA PLAN". Wesley Harper, Executive Director for the league provided a report of the league's history. He discussed goals, mission and offered his assistance to KGID. He explained their structure and advocacy efforts at the state and contacts at the federal level. He discussed their recent strategic plan, the One Nevada Plan with intentions to advocate on behalf of municipalities, communicate bi-laterally, educate and provide leadership and support economic development.

He discussed membership fee agreements for different entities and areas. He noted the foremost concerns of KGID and the priority he is placing on the KGID funding submitted on KGID's behalf to the governor's office for endorsement. He explained that these are the types of benefit services for members. To support the legislative effort next spring, they are requesting two representatives from each organization, possibly one elected official and one staff.

Dion explained the benefits of having the league advocate for KGID and he noted the importance of having these representatives to address particular issues. Yanish also noted the benefits of participating with the League. Everyone is invited to the annual conference August 9-12, 2022.

ENGINEERING SERVICES SELECTION: Dion described the process to conform to the NRS and grant funding requirements, as well as the advantage of having multiple on-call vendors across the wide range of a dozen or so functions. He stated that the process is not in reflection with dissatisfaction with FarrWest just a need to conform to the requirements and ensure that the district is not overly dependent upon a single firm. He indicated there are functions which will not likely depart from FarrWest, such as, pavement management and GIS. But stormwater and other issues that may be better addressed with other firms. Grant funding often require competitive selection for professional services. Additional engineers will provide for checks and balances along with quality control for complicated matters.

Yanish questioned Van Dyne's opinion regarding various agencies. Van Dyne expressed his gratitude for working for KGID all these years and noted there are pros to having one company that is familiar with the district. He added that they perform internal checks and balances and are happy to work with other firms. Yanish questioned if bids would be compared and if there would be added administrative costs on either end. Dion explained that some services not performed by Farr West will be solicited and unless three separate proposals are required, they won't be solicited. He discussed accessibility and potential mergers of engineering firms. Van Dyne noted there shouldn't be added administrative costs. Yanish noted that efficiency and continuity were some of the reasons for having one firm.

Schorr questioned why engineers are being reviewed, but not plumbing or legal services. Dion explained that professional services should be reviewed periodically while services such as Wastewater or Snow removal are for specific lengths of time. For grant funding purposes, additional engineering firms are needed. He stated that additional services may be needed that Farr West cannot provide such as Geo-Tech.

Schorr requested additional information. Dion explained that KGID recent grant applications could not be provided to the treasurer's office for the American Recovery Act Funds available as KGID did not meet qualifications of having competitively selected engineering firms.

Vogt supports the option to having additional firms and Parks agreed. Schorr confirmed there will be no retainers. Dion explained that work performed will be based on task orders. He suggested consistently utilizing Farr West for construction administration.

Parks noted that seven firms applied and three were selected. Dion confirmed there was due diligence in selections based on qualifications and experience in the basin.

Nelson questioned reports to be utilized. Dion explained that the District engineer would likely still prepare reports based on information provided for all of the projects going on and these are typically addressed and sent to the General Manager and shared with the Board of Trustees as information only.

M-6/14/2022-4 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve

SUPPLEMENT TO THE HEALTH SAVINGS ACCOUNTS (HSA) OF EMPLOYEES BASED UPON BY THE PUBLIC EMPLOYEES' BENEFITS PROGRAM (PEBP) FOR THE FISCAL YEAR 2022/2023:

Brewer explained that the IRS raised the annual contribution limits by \$50 for individuals and \$100 for families. Consistent with the district practices, the intention for supplementing the HSA is to equalize benefits for exempt employees and employees electing the state insurance plan/PEBP to cover the out-of-pocket expenses.

Schorr referenced standard company contributions to an HSA and requested more information. Dion explained that this is a historic precedence for employees not covered under the union plan. He noted the value of HSA's with hopes the other employees see the benefit. Brewer explained this request is to equalize benefits provided under the union plan as the other employees' out of pocket expenses are very minimal compared to the state plan.

Garden explained that his specific promotion did not provide a clear financial benefit without the HSA match for out of pocket expenses.

Schorr stated that other companies do not provide these contributions and there is no precedence to do so. He stated he would be in favor of the payment if it was based on merit or criteria requiring the employee to contribute. He stated the employees should participate in the account match and considers this account a fully funded mutual fund.

Nelson explained the difference of a union versus supervisory employee. She calculated the difference in the union plan costs versus the state plan which is lower even with the HSA contribution. She noted that the payment is actually made to the HSA and not paid to the union. Vogt and Yanish agreed.

Yanish acknowledged the flexibility of an HSA and stated that other organizations subsidize HSA's and she supported the benefit. Schorr emphasized that he agrees the employees are worth the benefit if it were presented differently. He explained that he is not comparing the equity of the plans.

Dion speculated on the origin of the practice being that the union program is very expensive, and the HSA benefit could be enticing for the union employees to switch to the PEB plan. Yanish confirmed that the conversation was acceptable with legal counsel. Schorr stated that the wages should compensate for the benefits.

Parks stated that the employees are lucky to have these wages and she suggested providing this information to them. Yanish added that this should be provided annually as part of the statement of their compensation.

Dion clarified that it is not written in the Personnel Policy and is noted as a precedence to present this to the board annually. The limits are established by the IRS.

M-6/14/2022-5 - Motion by Yanish, seconded by Nelson, and passed to approve revised contributions to the Public Employees' Benefits Program to fund Health Savings Accounts for employees based upon the 2022/2023 PEBP to the maximum amount allowed by the IRS. Schorr opposed.

There was a five-minute break at 6:57 p.m.

COMPENSATION ADJUSTMENT FOR EXEMPT EMPLOYEES: Dion explained this is authorization for adjustments of exempt employees, Administration and HR Supervisor and the Operations Superintendent. He noted that both employees performed their duties well and assisted in the transition of the General Manager. He explained they are recommending a 3% cost of living and 2% merit increase.

M-6/14/2022-6 - Motion by Yanish, seconded by Vogt, and unanimously passed to approve a 3% cost of living increase (COLA) and a 2% merit increase for exempt employees commencing on July 1, 2022.

ANNUAL EVALUATION AND CONSIDERATION OF COMPENSATION OF GENERAL MANAGER: Brewer explained that the evaluation comments and summary are provided, and she reviewed the accomplishments. Dion confirmed there is no increase included or minimum increase in the contract.

Yanish suggested discussing future goals and objectives.

Yanish commented that goals should include continuing safe holder relations and build collaboration with Douglas County on stormwater and road issues, plus advocate for funding from Douglas County to KGID.

Schorr requested goals include completion of 160 Pineridge and Kingsbury yard. He questioned the measure of rating and Dion replied that government ratings are loose for executive management. Dion added that with executive management, success is determined based on the organization's success.

Vogt noted staff relations are good as there haven't been complaints. She noted handling of resident situations and his professionalism. She praised his weekly reports and stated he is courteous and considerate of both sides and commended his inter-government involvement. She feels he exceeded expectations and questioned the appropriate amount for an increase.

Yanish added that achievements include involvement of Nevada League of Cities and Municipalities, Tahoe Keys herbicides, negotiating building use and leases, training and employee development and presenting formal GM evaluations. She stated that managing emergency situations should be added, such as evacuation, which we didn't have in place before the fire.

Parks noted that raises should be less (as a percentage) for people with higher salaries.

Dion explained that he considers typical raises in the market outlandish. He suggested a 3% increase as appropriate and he is grateful for the work and in future years may seek additional time off or an extension to his contract. His salary is \$167K including the PERS component.

Vogt supported a 5% raise and the rest of the board supported 3%. Yanish stated she would like to make sure he is compensated appropriately and suggested a 3.5% increase. She noted her goal would be to avoid having to find another General Manager.

In response to Schorr's question, Dion answered that he would like to call it a merit increase. Dion and Yanish have heard of cost of living increases at 8%-12%, with details unknown.

M-6/14/2022-7 - Motion, seconded by Vogt, to review the consolidated Annual Evaluation overview by the Board of Trustees and conduct annual evaluation and consider approval of an adjustment of compensation for the General Manger of 3.5%.

Nelson, Schorr and Parks stated they are comfortable at 3% increase. Yanish retracted her motion and Vogt retracted her second.

M-6/14/2022-8 - Motion by Yanish, seconded by Schorr, and unanimously passed to approve the review the consolidated Annual Evaluation overview by the Board of Trustees and conduct annual evaluation and consider approval of an adjustment of compensation for the General Manger of 3.0%.

BOARD REPORTS – Parks offered to talk at Bob Cooks' memorial on behalf of the district and she suggested providing a plaque for his service. The board was supportive of her speaking at the service.

Vogt stated that due to modifications of pumps at the sewer plant, the Sewer District has reduced monthly water usage and bills. The treatment plant also received conversions reducing nitrogen discharge in compliance with NDEP standards.

Yanish noted that the TRPA Executive Director is retiring resulting in leadership changes. Dion speculated there will be a nationwide search for the replacement.

STAFF REPORTS -

GENERAL MANAGER'S REPORT – Dion explained that the sections of walls on Tramway will have to be removed and replaced. KGID originally received a grant in 1994 and agreed to maintain the walls in perpetuity. But even well-maintained things must get replaced. There are no alternative routes in or out of Quacking Aspen through Heavenly. Dion stated that he suggested stormwater erosion control facilities for federal funding through the Nevada League of Cities and Municipalities but did an add on for current funding which is being advocated at

the state level. He has pursued another grant request with the State of Nevada for Terrace View and Tramway but Tramway drains outside of the basin and basin water quality improvement may be a stretch for request.

Labor negotiations are scheduled for late July and employee talks are unremarkable at this time. Waterline repair at Highway 50 and Kahle is delayed by materials but could be complete before July 4th. This nightwork will commence soon and be completed over three nights. The water resources report was provided and reviewed.

He provided progress schedules for 160 Pineridge and stated the conceptual plan for the yard is coming along with information to be provided next month.

UTILITY OPERATIONS SUPERINTENDENT'S REPORT – Nelson questioned how often the water will be affected during the Sunflower project. Garden estimated a minimum of four more days of water interruption, and he explained the process which involves the whole area. The Sunflower project will commence after Highway 50, estimated for July. Van Dyne discussed the repair process.

Nelson noted the water loss decrease.

Vogt questioned the chlorine taste and levels. Garden noted the taste will depend on the location in the system. Nelson received comments regarding excess chlorine detected after the shutoff at Sunflower. Garden recommended customers call to have it tested as there is no charge for this service.

ADMINISTRATIVE AND HUMAN RESOURCES REPORT – Brewer noted the 457 plan is available for trustees. Nelson noted the benefit of having this as an option.

Vogt questioned the advance HR class which Brewer replied was very informative. Garden noted it was collaborative with other POOL Pac members in attendance.

Nelson stated that the Trustee reference book is outdated and requested paperless versions. Dion offered for other district resources to be digital and Nelson suggested the budget, Personnel Policy and current contracts.

ATTORNEY'S REPORT – Nothing to report.

ENGINEER'S REPORT – Van Dyne noted various projects and offered to answer questions. Nelson questioned the Beach Club phases and he explained they are constructing Phase II water portion with delays on the building. They will be resubmitting Phase III. He noted the SNC contractor is very trustworthy. In response to Nelson's inquiry, he confirmed Lakeside Inn's water is completely shut off and they are billed connection fees for all meters.

CORRESPONDENCE – Round Hill has provided a rate increase notice. The Celebration of Life for Bob Cook is June 25, 2022. Dion noted that that outreach program for construction projects includes notices to customers and website information offer to keep people informed.

Nelson noted that various inquiries about Tramway retaining walls should be included. Dion explained that emails were addressed to him and he provided to the board for background and that he has responded to emails. He noted the urgent situation has to be addressed, although a funding source has not been identified. Vogt confirmed with Dion that if the wall came down it would not block the entire roadway.

FINAL PUBLIC COMMENT – There was no public present.

UNFINISHED BUSINESS

ADJOURNMENT

M-6/14/2022-9 - Motion by Parks, seconded by Yanish, and unanimously passed to adjourn the meeting at 8:13 p.m.

Respectfully submitted,

Sandra Parks, Chair

Attest:

Craig Schorr, Secretary