

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, MAY 17, 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 Vice Chair Jodie Nelson.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Parks, Nelson, Schorr and Yanish. Also present; General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer, General Counsel Chuck Zumpft, and Matt Van Dyne of Farr West Engineering. Public present included Larry Schussel. Trustee Vogt was not in attendance.

PUBLIC COMMENT – None

APPROVAL OF AGENDA –

M-5/17/2022-1 - Motion by Yanish, seconded by Schorr, and unanimously passed to approve the agenda.

APPROVAL OF MINUTES –

M-5/17/2022-2 - Motion by Yanish, seconded by Nelson, and passed to approve the Budget Meeting Minutes dated April 5, 2022. Schorr abstained due to his absence from the meeting.

M-5/17/2022-3 - Motion by Yanish, seconded by Parks, and passed to approve the and Regular Meeting Minutes dated April 19, 2022. Nelson abstained due to her absence from the meeting.

APPROVAL OF CONSENT CALENDAR – Yanish pulled the List of Claims for discussion. Parks noted that the agenda states Item B: Statement of Revenues and Expenditures is for information only.

Yanish questioned the payment agreement with the Sewer Authority for check #61520. Dion explained that we receive a quarterly assessment that is estimated. He noted that KGID usage was 3% less than the estimate and a portion of payment is in arrears.

Parks questioned if rent has increased. Dion explained that the CAM charges increased due to weather events, noting for utilities they are up to two months behind. He explained that CAM charges are proportional to the area of usage in the building. The new landlord will be using additional space and CAM charges will be adjusted.

M-5/17/2022-4 - Motion by Yanish, seconded by Parks, and unanimously passed to approve the Consent Calendar Item A: List of Claims in the amount of \$745,094.38 as represented by check numbers 61487 through 61592.

There was no public comment.

Regarding Item B: Statement of Revenues and Expenditures, Nelson questioned the format of the summary presented. Dion explained that the summary sheet was prepared as an extraction of the data generated directly from the program for clearer presentation for readers.

NEW BUSINESS

FOR POSSIBLE ACTION:

PUBLIC HEARING ON FISCAL YEAR 2022/2023 FINAL BUDGET. Dion provided written reports. He noted that the budget is being presented differently than the workshop. He stated that the board requested more detail and the report being provided is more detailed. He noted highlighted items and changes in the major fund areas. Rental income has been clarified and road maintenance supplies and expenses have been updated. Water was updated to include estimates of usage for new Sierra Colina connections. Sewer has been updated to include the refined estimate from the Sewer Authority, noting a consistent small decline in KGID's usage.

Nelson confirmed the new convention center will be serviced by the Sewer Authority, which will affect our usage contribution.

Dion stated that payroll had minor adjustments and healthcare increased. Dion offered to confirm the amount and report back to Nelson. He explained that revisions include license updates and software fees. Nelson confirmed there is new software purchase included of \$77K and Dion explained that the year-to-year costs should decrease by converting to a new combined program for administrative and financial services. Some of the current programs and estimated costs were discussed. Brewer added that the overall costs in future will be less.

Dion highlighted the robust waterline replacement project commenced this year. He noted there are no changes to vehicle and equipment replacement as they are implementing the reserve vehicle replacement fund. There may be new equipment purchases such as a backhoe requiring specific approval later in the year.

Dion noted that Pineridge income reflects a slight adjustment due to a tenant vacating the building.

Nelson questioned the status of the Snow Fund. Dion explained that the Snow Fund is insufficient, and a new snow contract will drive a rate increase. Yanish and Nelson recalled reducing the rate to offset increases for water and wastewater. He suggested reviewing the snow rates before other rates. He confirmed that the budget may need to be adjusted because the estimate is the maximum annual cost of current contract.

Schorr requested review of debt service. Dion reviewed the restricted cash and debt principal payments. He stated the reserve policy will affect capital issues and there is one maturity loan that will affect capital balances. Schorr noted the debt service coverage is decreasing and questioned if this is a concern. Dion confirmed the covenants require 1.25x debt service coverage and this will be discussed. The 2022 projections were reviewed.

The board discussed potential snow rate increase estimates based on the deficit. Dion stated that snow rates will need to be addressed sooner, followed by sewer and water. He noted upcoming expenses for repairs and improvements over the next 10+ years that will need to be considered. The upcoming Reserve Committee and Investment Policy Committee meetings will be foundational to the future rate discussion.

Nelson reviewed the General Fund income changes. Dion explained the change is for encroachment permit fees for a portion of funds received from Douglas County. Rental income for both buildings were combined. Additionally, he explained that projections of residential base fees in the Water Fund were calculated based on past usage.

Yanish noted water usage should be considered with rate changes and Dion confirmed that an assessment and outside support will be utilized. He stated that Farr West is a possibility for a detailed rate assessment adding that there are other firms that perform these services. Yanish questioned collection of funds due from Douglas County for reimbursement such as storm water issues. Dion explained that the GID's are meeting with Douglas County next week to discuss these items but was not hopeful to see any change. Increased county revenue such as property and sales tax were discussed. Yanish offered her assistance and noted that KGID would be advocating on behalf of the constituents in attempts to collaborate with Douglas County on these issues.

Larry Schussel commented on the importance of following up with the county.

M-5/17/2022-5 - Motion by Yanish, seconded by Parks, and unanimously passed to approve Fiscal Year 2022/2023 Final Budget as presented.

APPROVAL OF SUMMIT PLUMBING REPAIR OF SEWER COLLECTION LINE: Dion provided a report in writing. Garden explained that there was a sewer backup April 25, 2022 from a root intrusion in a lateral line. This was likely caused by faulty construction of the lateral in the main. Summit plumbing has made the temporary fix; however, the roots will continue to grow, and another blockage is expected over time. This area is a concern due to the location in Forrest Service land and proximity to stream. The invoice exceeds the authority of the General Manager.

Per Parks' question, Garden explained the process of a root protruding a main line by entering at the top which doesn't cause a leak until a backup. He added that the lateral was installed incorrectly and the remedy of replacing the installation will correct the situation.

M-5/17/2022-6 - Motion by Yanish, seconded by Nelson, and unanimously passed to approve the repair to the sewer collection line by Summit Plumbing for \$5,403.98 authorizing the General Manager to execute the contract.

There was a five-minute break at 6:14 p.m.

BOARD REPORTS – Nelson mentioned Yanish's attendance at the Nevada League of Cities conference where President Biden was the keynote speaker.

Nelson suggested adding Committee Meeting updates to the upcoming agendas as they occur.

STAFF REPORTS -

GENERAL MANAGER'S REPORT – Dion stated they are initiating an inventory of the issues for the erosion control walls. He explained that funding is lacking when maintenance becomes replacement.

The consumer confidence report was sent. He explained that this is the third highest year to date drought over the last 128 years and he noted the effects on California agriculture. He mentioned the low water level issues of Lake Powell and Lake Mead. He provided Tahoe water storage graphs and reviewed snowfall, snowpack and water levels for the last two water years.

Schussell noted concerns of the water intake length for KGID based on lake levels and questioned if there are any potential discussions on extending the length. Yanish noted a prior issue with the intake several years ago.

Nelson questioned the engineering RFQ which Dion explained is for the engineering services contract. They have received eight applications with interviews scheduled over the next three days. Multiple selections will allow KGID to select the best firm to perform work.

Dion confirmed that the Tahoe Keys will begin applying herbicides next week.

UTILITY OPERATIONS SUPERINTENDENT'S REPORT – An image was displayed of a repair on Destiny Court. Garden added that the backfill included chunks of asphalt and rocks which can create cracks such as this one. He explained that recent leaks are more involved than quick leaks.

Nelson noted the water loss increases this winter. Garden stated a majority may be water leaks and speculated other leaks are a possibility along with the life cycle of meters which lose a percentage over time. Garden noted the difference of raw and treated water. He explained timing of reports can also be an issue.

Nelson questioned the status of the rehabilitation of Kahle Drive, noting that the county has declined to make improvements. Dion explained that Oliver Park is responsible for maintenance of Kahle Drive, but the condition of the road is no longer maintenance and full replacement is needed. He explained there are many stakeholders getting involved and there may be redevelopment of that area. Nelson noted the danger to vehicles that use that road. Dion added that the conservation district is leading and is searching for grant funds. He commented there

may be redevelopment and related real estate transfers. He explained that construction vehicles servicing the Beach Club also shorten the life span of a road. Nelson stated the road is barely drive-able and questioned the next step of action.

Parks noted that Barton may also get involved with a redesign, but their timing is far out. Yanish commented that Douglas County won't take responsibility and Oliver GID does not have an active board. Nelson questioned if the State of Nevada is the next step. Yanish suggested utilizing the Nevada League of Cities and going to State and Federal Legislators. She added that this is within the TRPA jurisdiction and there are environmental issues.

Schorr requested an update on material delivery for the upcoming water project. Garden answered that nearly all the materials have been received; however, there is one concern related to valves which have not been delivered. Schorr summed the process and overall saving the district significant money and avoiding the risk of delays, which was confirmed by Van Dyne.

ADMINISTRATIVE AND HUMAN RESOURCES REPORT – Brewer noted the community outreach event was a success. Additionally, Brewer reported that all employees except two signed up for deferred compensation. Dion stated this will be offered to the board members and a presentation will follow at a later meeting.

The RFQ for a new snow removal contract is in progress. Garden injected that there is a contractor in the valley that may be interested. The contract and current service quality was discussed. Nelson noted the importance of having equipment staging in Tahoe and within our District.

ATTORNEY'S REPORT –

ENGINEER'S REPORT –

CORRESPONDENCE – None.

FINAL PUBLIC COMMENT – Schussell questioned available contingency for unplanned or emergency projects within the budget. Dion explained there isn't contingency in the budget, as reserve funds are included in the budget and approved by action from the board, if needed. Yanish noted that the board is working towards a reserve and investment policy to address this.

Schussell questioned when the minutes from the last meeting will be uploaded to the website. Dion explained that after they are approved, they will be added to the website. Schussell commented that the minutes seem generic and questioned the timeframe of the meeting recording retention which was unknown. He noted the statement he requested be read wasn't attached to the minutes. Amy clarified that the statement was provided in writing and only referenced during the meeting. Dion indicated they would include it as an attachment.

ADJOURN TO A CLOSED SESSION - Motion by Yanish, seconded by Nelson, and unanimously passed to adjourned to Closed Session at 7:10 p.m., pursuant to NRS 288.220 Discussion and Guidance on Labor Negotiation 2022.

RETURN TO OPEN SESSION - Motion by Yanish, seconded by Nelson, and unanimously passed to return to open session at 7:30.

UNFINISHED BUSINESS

FINAL PUBLIC COMMENT – There was none.

ADJOURNMENT

M-5/17/2022-7 - Motion by Parks, seconded by Yanish, and unanimously passed to adjourn the meeting at 7:32 p.m.

Respectfully submitted,

Jodie Nelson, Vice-Chair

Attest:

Craig Schorr, Secretary