

**MINUTES OF THE SPECIAL MEETING & BUDGET WORKSHOP OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY FEBRUARY 18, 2025**

CALL TO ORDER - The meeting was called to order at 5:03 p.m. at the Kingsbury General Improvement District office located at 160 Pine Ridge, Stateline, Nevada by Sandy Parks.

PLEDGE OF ALLEGIANCE

ROLL CALL - In attendance were Trustees Sandy Parks, Ed Johns, and Greg Felton. Also, present Administration & Human Resource Supervisor Judy Brewer, Interim General Manager Joe Esenarro, Accountant II Brandy Johns and General Counsel Chuck Zumpft. The public included Charles Hancock, Kathy Odom, Robert Herrera, Derek Dornbrook and Claude Hutchison, Jr., Matt Van Dyne and Travis Marshall of Dowl.

PUBLIC COMMENT - No public comment

APPROVAL OF AGENDA -

M-02/18/2025-1 - Motion by Ed Johns, seconded by Greg Felton, and unanimously passed to approve the agenda.

APPROVAL OF MINUTES - Felton noted that the minutes needed to reflect that he declined MO1/21/2025-8. In the attorney's report which stated the topic regarding who will be attending the mediation for fire hydrants will be placed on the February board meeting agenda. Parks mentioned that Joe Esenarro and herself will be attending. Also noted that Mr. Hancock's name was misspelled.

M-02/18/2025-2 - Motion by Greg Felton, seconded by Ed Johns, and unanimously passed to approve the amended minutes.

LIST OF CLAIMS - Parks asked for clarification regarding the pay structure for our snow removal. Felton asked about Oshinski & Fosberg, Ltd., the total we have paid to date, Brandy Johns is to email totals to the board members. Johns questioned if the check for Summit Plumbing sewer pump station maintenance payment is part of their contract. Esenarro added that it's Summit's flat monthly fee to check all seven stations.

M-02/18/2025-3 - Motion by Felton, seconded by Johns, and unanimously passed to approve the List of Claims in the amount of \$355,235.57 as represented by check numbers 64884 through 64985

FINANCIAL STATEMENTS – DECEMBER 2024 – Felton requested that the board creates an agenda item for training to better understanding the financial statements. Brandy suggested we hold the training at the special budget workshop meeting on April 1, 2025.

M-02/18/2025-4 – Motion by Felton, seconded by Johns, and unanimously passed to approve the financial statements for the month of December 2024.

STATUS OF ONGOING PROJECTS WITH DOWL – Dowl explained the next five years of projects that were proposed by the previous General Manager. Matt Van Dyne, the senior project manager with Dowl presented a high-level overview of all active projects. Travis Marshall, the lead project manager for Dowl explained that the **Tina/Tramway project** has completed around 1000 linier ft and will finish up in the summer of 2025.

2025 rehab replacement project was budgeted and approved and is underway starting with a field investigation by visually looking at the entire district of 22 miles of roads to see what needs to be fixed. They noticed cracks that needed repair, half and full road section replacements to lengthen the life of the roads, manhole covers that need to be replaced. They are looking to phase the projects so that the impact on traffic throughout the district is minimized.

Maryann/Barrett/Panorama/Vista project was originally scoped to start in the 2025-2026 construction season, will be shifted to 2026-2027 if we choose to move forward at that time. The design for this project will be completed in March of 2025.

Johns asked for a brief overview on the **Kahle Drive restoration** project that is scheduled to start the summer of 2025. Esanarro is to include this item on the agenda for the March 18, 2025, board meeting to discuss the project in more detail.

Felton inquired about the nonlinear spending of high-level planning projections within the district. Van Dyne referenced that the previous GM was trying to bundle projects by grouping them to complete and not have to revisit year after year.

Felton inquired about what sort of shape the district is going to be in after the current 10-year plan is completed. Van Dyne answered: It's an industry standard that every 5 years you update your planning document, everything changes year by year. The focus point for the district in the last 15 plus years have been water. We may reach a point where we have a lot of the main issues resolved and cleaned up to put water in good standings. Van Dyne suggested we may want to start looking into sewage.

REVIEW PROPOSED MODIFICATIONS TO THE SEWER ENTERPRISE FUND RATES AND APPROVE PUBLIC HEARING DATE:

Tabled for future meeting

Public Comment: Hancock noted that the numbers don't match what the financials tell him. Save money by acquiring grants or finding some other way to cut costs. Hancock is challenging the board on the rate increase; Hancock is against it and will rally up whoever he can because this is not acceptable. Hancock feels the same regarding the water rates. Felton wants to make sure that we've done everything possible to eliminate expenses and that the district is spending everyone's money wisely.

REVIEW PROPOSED MODIFICATIONS TO THE WATER ENTERPRISE FUND RATES AND APPROVE PUBLIC HEARING DATE:

Tabled for future meeting

Felton noted that the SCADA system we are using is incomplete and very old. We need to look for grants and loans that don't require principle repayment. John's suggested that we form a committee to write grants.

Counsel pointed our attention to some language within water ordinance #1 that could be applied to provide clarity and consistency for parcels and benefit of charges related to multiple units on a single point of metering. This issue came up in a letter from a legal firm regarding Lot 23. The question is if a single meter is shared by ten units, should each individual unit be charged the base rate. The letter from the legal firm still needs to be addressed.

Looking at amending the ordinance when reviewing the water rates.

Hancock suggests we look at charging lower rates for the meters in the district below lift station #2 based on the energy it takes to provide the water up to the higher elevations. Hancock resents having to pay water fee increases when the account has money left over in the budget and reserves in the account. We need to explore ways that are cost effective to the public we serve by other funding options to save money.

INTERIM GENERAL MANAGER SALARY:

Parks came up with a figure to offer the interim general manager of \$140,000.00 with the ability to supplement the interim's salary while training the new general manager. John's feels we should pay him more since he is performing the job of the General Manager and feels the \$140,000.00 is low, suggesting a starting rate of \$160,000.00. Felton feels we can establish what we think the pay should be and reassess as we move forward.

M-02/18/2025-5— Motion by Parks, seconded by Felton, and unanimously passed to provide the salary amount for the Interim General Manager in the amount of \$150,000.00, retroactive back to January 17, 2025.

ADOPT APPLICATION FOR PUBLIC USE OF DISTRICT FACILITIES:

On September 17, 2024, the board approved a policy for public use of the boardroom. An application for use of the facility was drafted and presented to the board. Johns inquired as to why we're not allowing political purposes or religious services? Why would we exclude them? Our Counsel doesn't know how that decision was made; his guess is that it's a first amendment issue and unsure why the limitations were made. Johns expressed his concern of if we have limitations for two groups does that open us up for? We shouldn't have any limitations. We're not as a government involved in the meetings; we're just providing a space for their public service. John's concern is, if we start limiting who can use the space then where do we stop limiting. Felton thoughts are, the GM has the authority to approve or deny and doesn't have to justify the decision. Our counsel will research the application verbiage and bring back his discovery on March 18th for discussion.

UPDATE POSTAGE METER:

The current postage meter will be non-compliant as of March 31, 2025. Brewer explained the difference between leasing and purchasing the unit. It was determined that purchasing the unit is slightly cheaper than leasing.

Felton thoughts are how many of our customers can become paperless, so we don't have to mail invoices anymore. Hancock questioned why don't we email out the bills and save on postage? Parks suggested we offer some sort of incentive to switch from paper to electronic. Felton brought up the subject of how the public would like us to look for solutions to decrease expenses rather than increasing rates, we can notify the public and say something about the fact that this is costing your district postage and paying staff to mail out the invoices, you can help us to decrease your cost by going paperless. Johns suggested providing information with our mailing of bills every month or in a newsletter stating that we would like to phase out paper, please go here and sign up to eliminate the extra cost to you for sending out hard copies. After a discussion the board left up to the Interim General Manager to move forward as he feels appropriate.

DIRECT DISTRICT COUNSEL AS TO THE DESIRED COURSE OF ACTION REGARDING THE PENDING NEVADA SUPREME COURT APPEAL FOLLOWING JUDGE GREGORY'S JUDGMENT OF JUDICIAL CONFIRMATION:

Our Counsel updated the board regarding the discussion he had with the Tahoe Douglas Fire District's Counsel regarding clearing of fire hydrants. TDFD doesn't have any desire to participate in the settlement program at the superior court level. Our Counsel also spoke with David Wasick a Nevada Supreme Court mediator who will oversee the settlement discussions. According to Mr. Wasick the Tahoe Douglas Fire District has agreed to move forward with the settlement discussions and the timeframe has been extended an extra 30 days. Our Counsel brought up a previous discussion he had with our board prior to the last meeting at the litigation gathering. Noting that there may have been a misconception about the cost of the appeal. Whether or not the board decides to hire Mr. Forsberg or our Counsel to supply the appeal, litigation is excluded from our Counsels contract. If the district and our counsel agree that Minden Lawyers are to provide services, then it's listed in the contract that it can be done based on 80% of his hourly rate outside of his retainer. Our Counsel needed the board to understand that using the districts council is probably not going to be less expensive for the district. If the settlement succeeds, we can be done.

If a settlement is not reached, then the board may want to reconsider representation with someone more experienced in appeals. Currently if the Fire Marshals' opinion is correct and we fail to provide the clearing of hydrants, it constitutes as a criminal act.

Johns mentioned that he met with the Tahoe Douglas Fire Departments negotiation committee who is two members of the fire districts board for a couple hours hashing out issues and came to an understanding which lays out what's needed to be accomplished. Part of the understanding in good faith is if we live up to the end of the bargain then they agree not to write us any tickets, in case we accidentally miss clearing a hydrant. Once the agreement is crafted and approved by the board, then we can use the agreement to hopefully make the appeal disappear. As of right now we have six weeks to submit the agreement to the settlement judge who is limited by the supreme court rules as to how much time it will take.

Hancock voiced his concern that there may be a conflict of interest since Johns also works for Tahoe Douglas Fire. Johns replied that the reason why he is on the negotiation committee is because he has a personal relationship with the fire department and lives in the district. Johns main goal for being on the committee is he doesn't want to be held responsible if a fire hydrant doesn't get cleared. Johns wants to make sure the settlement clears the board members of any legal ramifications. The negotiations committee will supply what they discussed in writing then present it to the board in an open public meeting. Our Counsel noted that he also believes there may be a conflict of interest, but believes it is cleared by Johns disclosure.

Management Reports

Board Report

Parks updated the board about hiring a GM, noting they interviewed one candidate on zoom and will set up a couple more interviews later this week.

Felton named off a list of items for consideration by the board. Felton hopes to see the items below on the agenda in a future meeting:

Board Member KGID email accounts, Asbestos concrete under Kahle Dr., Market Street Station, F&B Hydrant clearing, reviewing all service contracts as a board, The closeout of dealings with the prior GM, are we going to fill other open spots in the organization structure within KGID or are we going to wait until a new GM is onboard? status on the flooded homes and where they currently stand, Board compensation logic, SCADA equipment to be updated, update long term capital improvement plan, actively pursue grants and loans, plans for the Epoke, storm water master plan, option of KGID to take over ownership of the property located on logging road and how the state is willing to fund the toxic cleanup that needs to be done, gravity feeding sewer rather than pressure feeding, currently 887 unknowns that were provided in our last report of our fresh water system that have to be reported and resolved in the next four years, address the NV regulation of our minutes to accurately reflect what was said and what they must contain, update board on any urgent or important items regarding structures that the board

may be unaware of, counting on the chairman and staff to prioritize which items need to be placed on the agenda and when, at some point Felton would like to see all of these items covered.

Interim General Manager's Report

A written report was provided.

Utility Operations Superintendent Report

No report was provided.

Administrative and Human Resources Report

A written report was provided.

Engineer's Report

A written report was provided.

Attorney's Report

Nothing to provide

CORRESPONDENCE - There were no comments.

FINAL PUBLIC COMMENT –

Hancock noted that he understands we are short staffed, but if he had to bring the contract that stood in place for snow and no one knew about the clause regarding the fire hydrants until he brought it up, then he is concerned that we're not watching these contracts very well. This is the reason he's been pushing for an Engineer for three years now and we still don't have one. We were supposed to get a refund for fuel from F&B, so they're not doing all the things they're supposed to do. Why are we not chasing these issues down? This is back to cost again. You want to raise our snow fund, yet no one wants to manage the contract.

Parks referred to Felton's earlier request regarding the board looking over the contracts, so they know what it looks like. Hancock responded that we need an employee that does this, we don't need the board members to do this although they need to be familiar with them. We need to get a Civil Engineer, we need to get a project manager, we need to get someone here that can track this stuff down. No one is really tracking the money and if it's being spent wisely.

ADJOURNMENT

M-02/18/2025-6 - Motion by Johns seconded by Parks, and unanimously passed to adjourn the meeting at 7:31 p.m.

Respectfully submitted,

Sandy Parks, Chair

Attest:

Cindy Trigg, Secretary