

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, JULY 20, 2021**

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

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Yanish, Parks, Vogt, Nelson and Schorr. Also, present were General Manager Cameron McKay, Operations Superintendent Brandon Garden, KGID employee Judy Brewer, and General Counsel Chuck Zumpft. Public attending via Zoom included Charles Hancock.

PUBLIC COMMENT – Yanish verified that Hancock can hear the meeting. Hancock commented that at the June 15, 2021, meeting he suggested the board review how contingency is spent and was disappointed this was not on the agenda. Yanish questioned if the contingency he is referring to the engineering cost of 15%. Hancock explained that it is project contingency in general. He has concerns as there was double contingency in the item from Farr West and suggested reviewing this. He noted that contingency should not always be spent, and suggested reviewing contingency spent over the last 1-2 years. Yanish thanked him for his comments. She noted that Farr West provides monthly updates on their project status.

Parks verified that Garden's response to this at the meeting confirmed that contingency is very rarely spent. Garden noted that this is the first project to include double contingency. Parks confirmed that contingencies are not normally used and verified this satisfies Hancock's question. Hancock replied that this should be verified by a trustee periodically. Garden explained that he will include contingency if the engineer's estimate comes in under budget to forego having to return to the board to request more funds for items that may come up during construction. Parks questioned if contingency has been used recently and Garden noted the Andria project.

Yanish noted that there are checks and balances and thanked Hancock for his comments which were well noted.

Nelson stated that she is speaking on behalf of residents on Andria Drive. She noted comments on Facebook and other groups concerning the speed of drivers on this road. She has discussed this with Garden and McKay and explained it is a safety issue due to the increased traffic from the trailhead marked on Kingsbury Grade. She questioned if signage or a speed bump could be added to slow down the trucks with trailers and other traffic. Nelson explained that they put in a new parking area and restrooms with new signage on Kingsbury and there has been increased traffic over the past two years.

McKay explained that they cannot control traffic but offered to address this again with Douglas County. Yanish questioned if Nelson would like to have this item agendaized for discussion. McKay stated that Boulder is also an issue and noted that KGID doesn't have control over traffic. He suggested discussing this with the sheriff again. Nelson suggested flashing signs and Parks suggested discussing this at the Douglas County meeting. McKay explained this is a sheriff issue and suggested radar signs. Nelson explained that the traffic is slower during the winter for daily snowmobile use.

Yanish questioned if this should be added as an agenda item for discussion. McKay offered to have Garden discuss this with the sheriff again first, noting the safety issue. Garden added that they have requested a radar trailer, but most are stationed in the valley. Yanish commented that radar trailers are effective and offered to provide a formal letter requesting this from Douglas County Public Works. She again offered to add this item to the agenda. Garden stated that speed bumps don't work in our area. Parks questioned if temporary speed bumps could be installed. McKay explained that the fire department would have to be contacted. Yanish noted that this item has not been agendaized for discussion.

Nelson stated that it is acceptable to her if Garden could work on this. Garden suggested that public also call the sheriff for a better response as more calls may increase their presence.

Yanish offered for additional public comment and noted another person logged in on Zoom. She offered for their public comment any time during the meeting. She closed public comment.

APPROVAL OF AGENDA – Nelson questioned the Consent Calendar Item A: List of Claims and financial report. McKay explained this was so Brandy could provide her financial report and exit the meeting. He clarified this wasn't to approve the financial report and noted that Brandy wasn't present.

There was no other board comment. There was no public comment.

M-7/20/2021-1 - Motion by Parks, seconded by Vogt, and unanimously passed to approve the agenda.

APPROVAL OF MINUTES – Regarding the minutes dated June 4, 2021, Vogt requested the sentence be revised as follows: "she referenced his education and professional background" on the bottom of Page 1. She requested Page 9, Paragraph 3 to be amended as follows: "Vogt calculated an average \$138K times four board members and \$130K times' one board member, resulting in an average of \$136K." She noted that this could be misunderstood by a reader not present at the meeting.

Regarding the minutes dated June 8, 2021, Vogt requested the following change to Page 8, Paragraph 3: “She confirmed that she supports this change.” She requested Page 10, third paragraph from the bottom to read: “contract and what questions or concerns you had that we may not have answered or fulfilled.” She requested Page 11, third paragraph from the bottom to read: “She would not anticipate a person...” Yanish clarified her intention. She requested Page 12, first paragraph to read: “Vogt stated that she does not want to devote more hours and weeks on this noting that additional time is now needed to make a decision.” She requested the next sentence state “everyone unite moving forward”. Vogt confirmed the end of her changes.

Yanish offered for any other changes or objections to the changes requested. Vogt made a motion to approve the minutes, as amended. Nelson noted her absence on May 18, 2021 and offered for the items to be called separately. Vogt amended her motion; Parks confirmed her second.

M-7/20/2021-2 - Motion by Vogt, seconded by Parks, and unanimously passed to approve the Special Meeting Minutes dated June 4, 2021, Special Meeting Minutes dated June 8, 2021, and Regular Meeting Minutes dated June 15, 2021, as amended.

Yanish offered for public comment; there was none.

M-7/20/2021-3 - Motion by Vogt, seconded by Parks, and passed to approve the Regular Meeting held May 18, 2021, as amended. Nelson abstained due to her absence at this meeting.

Yanish offered for public comment; there was none. Yanish thanked Amy for her hard work on the minutes, noting her efforts.

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

APPROVAL OF CONSENT CALENDAR – Parks requested to pull the List of Claims. Yanish noted the financial report was provided and McKay clarified that only the List of Claims should be approved.

Parks requested clarification regarding the two charges for the Badger Meter. Garden explained that check 60454 is for the actual registers installed and the other is for the actual transmitters for the meters. One counts the water usage and the other sends the signal for the reading software. Parks questioned the new meter installed. Garden explained that thirty meters were purchased to replace the old ones with bad batteries. She verified that the radios are installed on the meters at each residence.

Parks questioned check #60474 to Waterworth, which McKay explained is the program used to determine water and sewer rates. She questioned why a check has already been written if this is an agenda item. Garden confirmed these are two separate items: Wonderware and Wonderworth. Yanish stated she had the same question.

Parks questioned the check #60543 for \$64K to Water Technologies. Garden explained that the equipment has been received and installation is scheduled for Monday. Parks confirmed another payment will be made for installation. Parks noted this has all been approved in the budget.

Parks questioned check #60566 for \$317K to Douglas County and questioned if “Sewer” should be noted. McKay confirmed it is abbreviated and is for the Sewer Authority.

Yanish offered for any other questions.

Yanish requested clarification regarding check #60451 to PacStates. McKay stated this is for the new phone system. There were no other questions.

Yanish offered for public comment. Hancock explained that he is having trouble hearing Yanish. She offered to speak louder. There were no public comments.

M-7/20/2021-4 - Motion by Nelson, seconded by Vogt, and unanimously passed to approve the Consent Calendar Item A: List of Claims in the amount of \$751,888.98 as represented by check numbers 60427 through 60578.

NEW BUSINESS

DISCUSSION ON APPROVAL FOR WONDERWARE SUPPORT AT STATION #1 FOR 2021-2022, PROJECT #21-0615.3TS: Garden reported in writing: *The Wonderware software runs the SCADA system at Station #1 and requires a yearly support contract. This is a 3% increase from last year.*

This contract with Thunderbird includes all support needed to keep the SCADA system up and running. It includes upgrades to the software along with technical support when needed. This also includes the continued use of the software that is the backbone to our water treatment and distribution systems.

Garden explained that this is the software controls the Scada at Station 1. There are two separate contracts: one for the treatment plant and one for the rest of the system at Station 2. Station 2 was approved last month, and this

is for only Station 1. Thunderbird communications has provided their contract #21-0615.3TS which will cover us through June 29, 2022.

Parks confirmed this contract is renewed each year and Garden explained there is an increase. Parks requested clarification regarding the service provided. Garden stated this includes software upgrades and technical support, when needed. This keeps the Wonderware Software current and up to date with firmware installation and any upgrades. Parks confirmed if each station will need this software. Garden replied that there are only two Scada systems. She confirmed this is upgraded annually.

Garden explained that 3-4 years ago, the cost was under the \$5K limit for purchasing and the General Manager was able to approve. He noted the recent increases of 4% last year and 3% this year. Parks confirmed that we cannot perform this in-house. McKay explained these covers license fees. Schorr confirmed the services provided are acceptable. Yanish offered for any other questions.

M-7/20/2021-5 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve Project #21-0615.3TS contract with Thunderbird Communications in the amount of \$5,791.00 for Wonderware support at Station #1 for 2021-2022.

Yanish offered for any other comments from the trustees. She offered for public comment; there was none.

DISCUSSION ON ACCEPTANCE OF WATER CONSERVATION PLAN: Garden presented in writing: *Each public water supplier, as defined by Nevada Revised Statutes (NRS) 540.121, is required to adopt a water conservation plan that must be updated every five years. KGID's previous conservation plan was reviewed and accepted in 2016.*

In addition to the benefits of water conservation for energy savings, financial savings, water quality, and the environment, water conservation planning is important for defining KGID's response to drought. NRS 540.141(1)(e) requires that water conservation plans include: "a contingency plan for drought conditions that ensures a supply of potable water." According to the U.S. Drought Monitor, the entire state is currently in a moderate-to-exceptional drought, an updated and adequate water conservation plan is both timely and important.

Every application to the Board for Financing Water Projects (BFWP) must have a water conservation plan in place prior to the grant taking place, just the same as having a water rate at an acceptable level according to the BFWP.

I have gone through and updated the plan, with assistance from Nevada Rural Water Association, and it looks good. The next step will be to take it to the Division of Water Resources and have them approve it. This should be no problem.

Garden explained that the conservation plan must be updated every five years. He stated that since his packet was submitted, they received a response from Water Resources that there are additional requirements to the conservation plan that are not included. Garden stated requested that the plan is not approved at this time. He offered for discussion or requests from the trustees. He will bring the plan back for approval with the new required amendments from the State.

McKay stated that the amendments are required per recent legislature approved. These changes were received a few days ago. Yanish questioned the related Bill number, to which McKay did not have available. Parks confirmed the requirements are from the State.

Vogt enjoyed reading the plan and found it interesting. She questioned the length and depth of the intake pipe. McKay replied that it goes out 750 feet and is 60 feet deep. McKay noted that we do not meet the 2,000-foot requirement, but a variance has been approved due to the depth. He noted other areas require the length because it is shallow, but we are deeper at a 30% angle. McKay confirmed that it angles off towards Cascade Properties.

Parks questioned the depth with the lake water level lower this year. McKay stated that a priming system was installed with the new treatment plant and if the lake level drops a few more feet, it can be vacuum primed. McKay explained that it has to be four feet from the bottom and twenty feet deep.

Vogt questioned the chances of water dropping to extreme levels due to drought. McKay explained that it would have to drop forty feet.

Nelson questioned how much the lake level dropped this year, to which Garden recalled 3.6 feet. Nelson noted it was lower approximately five years ago and Garden recalled it was down nine feet from the rim. McKay added that they dug out the wet well when it was at its lowest point. Nelson recalled the Beach Club having issues following a large winter the next year.

Nelson questioned the water rights used. Garden explained that we stay within limitations of the surface water rights but we also wheel water for Heavenly under their water rights. We have ground water rights that aren't currently used. Nelson questioned how many acre feet are used, which McKay estimated at 950, with an excess of 800. Garden stated that not much is wheeled for Heavenly, depending on the winter. If Heavenly operates their wells for East Peak, not much is wheeled. McKay added that water is sold at our rates.

Nelson questioned the location of Well #2 and when it has been utilized. McKay explained that well #4 was online until approximately 2000, when it failed. Garden added that it failed but wasn't fully abandoned until two years ago. Nelson confirmed this is located at Brodevich. Garden stated that well #2 is in the Terrace View area and McKay confirmed it is at the corner of Sherwood and Terrace View. McKay and Garden noted various well locations. In response to Nelson's question, McKay indicated the wells would not be used again. Nelson confirmed that the water limits wouldn't be exceeded. McKay explained that the area is built out.

McKay explained that in Tahoe ground water becomes surface water eventually and we still have 800-acre feet of water rights. He added that water rights are also certificated that are renewed every five years. He will review these items with Dion. Parks confirmed the wells aren't operational. Nelson verified we would have ample notice if a well needed to be brought back online due to exceeding limits. McKay confirmed we currently have the water rights as an acre foot is 423,000 gallons.

Vogt stated that she loves living on the Nevada side and enjoys watering her large yard. McKay explained that conservation is necessary as water rights are not the same as owning water. Parks noted that we do not receive a lot of rainfall. Nelson noted that the lake holds water for different communities. McKay noted that water is also lost to evaporation. Vogt noted her concerns of other communities requesting use of our lake water later in the future. McKay noted that water rights within the basin cannot be transferred to other locations. Carson City, for example can transfer to Las Vegas, but basin water rights cannot be transferred.

Yanish noted that TROA hasn't been updated since 1986 and questioned any potential changes. McKay explained that it wasn't ratified until about 10 years ago. He feels it took a lot of work to get to complete. TROA is the act that allows KGID to sell water in the basin. Yanish noted that it took approximately 80 years to negotiate. Parks questioned if other communities pull water from the lake. McKay explained that South Tahoe is all wells, Logan Creek is all wells, Incline Village is surface water, and Tahoe City is starting to use surface water. Yanish noted there are water rights owned on private property as well. Parks explained that she had a line to pull water from the lake in Skyland.

Vogt questioned the water trouble in Carson City, which McKay explained that he is unfamiliar with their situation noting some of their water comes from Marlette Lake. They were in a political battle with Nevada regarding water from Marlette Lake feeding Virginia City. Carson City now has ground water.

Yanish stated that Douglas County is currently paying for a water study. She has heard experts and consultants stating that there is plenty of water down there, but development is a concern adding use to their aquifers.

Garden confirmed he is asking for no action. Yanish offered for additional questions.

Yanish noted the Conservation Plan refers to Stage 2 and Stage 3 regulations regarding water usage. She questioned if it was expected that KGID staff would monitor this, and Garden confirmed yes. She referenced notes regarding water usage on certain days and prohibition to install landscaping during drought years. She questioned if this would be a burden and Garden noted that a part time position may be needed at that time. Currently, we are in conservation with no watering between 11am- 4pm during the summer. Yanish commented that hand watering is permitted. Garden explained that crew will note areas with excess watering. If we aren't in a higher stage, they will have a conversation with the resident. Habitual offenses will have further action. Yanish questioned if Douglas County is responsible for regulation help and verified the cost would be born to KGID. McKay confirmed that Douglas County has no authority over our water system, and this is included in our conservation plans. If the lake gets too low, it will come to the board and an emergency meeting may be necessary. Irrigation limits may be further restricted. Yanish noted that STPUD has water cops that issue citations, adding that they are a larger entity.

Vogt questioned the watering limits on the California side. McKay confirmed that they can water in the morning and at night as long as they avoid the non-watering period. Parks noted water is often wasted on lawns.

Yanish questioned limits on outdoor pools and hot tubs. Garden stated that the only pools are Tahoe Village, and The Ridge and plans would have to be developed. She questioned the costs of retrofits provided to customers. Garden explained this would come from grant funding. They will work with other agencies to determine the process and a limited number of retrofits would be provided depending on funds available.

Yanish offered for other questions from trustees. She offered for public comment; there was none.

DISCUSSION ON THE TWSA MUTUAL AID AGREEMENT: McKay presented in writing: *This is a mutual aid agreement that has been fashioned in a similar manner to NV WARN and CA WARN. The main difference is that this agreement satisfies the need for assistance on either side of the CA/NV border where the WARN agreements do not.*

This agreement allows for reimbursement in the event of a catastrophic event and other agencies, or utilities are requested to help with either manpower or equipment.

The main thing that needs to be pointed out here is that no agency is obligated to provide manpower or machinery to another entity if they themselves have a state of emergency or simply cannot provide assistance for any reason.

KGID is a member of NVWARN. This agreement would not prohibit KGID from using NVWARN in the event of an emergency.

McKay explained this is to renew the existing Tahoe Truckee Area Mutual Aid Agreement. He explained that a catastrophe such as an earthquake could result in water outages if a line breaks. The Mutual Aid Agreement or NV Warn is contacted if aid is needed. The Tahoe Truckee Agreement is needed because the CA Warn and NV Warn cannot cross borders. The agreements set the price for the mutual aid. He provided an example for aid needed for a prior sewer spill and this is only for major catastrophes. McKay confirmed with Jim Norton that insurance will be carried over the state lines. This is an update that he would like approved for Dion to sign as he will be here longer.

Parks questioned Alpine Springs Water District and their source was unknown. Yanish noted the participants of the agreement.

Nelson confirmed this is a renewal, noting prior background information wasn't provided. McKay explained that he didn't have access to the prior version, noting the dates are updated. She requested clarification regarding equipment costs rates. McKay confirmed we have established rates for Vactors, and staff is included at the loaded rate. The rates will need to be updated and the schedule is the general contractor going rates reduced because we are government. KGID services are not charged to a customer if it is not on their line, noting the Kahle Drive expense. Garden explained that the rates were readjusted in winter of 2016/17 during the FEMA events. Nelson stated that this was open-ended. McKay explained that FEMA rates are quite high, and a lower rate would be accepted by other entities. Garden stated that FEMA's rates were utilized for the water leak on Maryann and FEMA was higher than KGID which was to our advantage.

Schorr confirmed with McKay that this is an action item among all the utilities. He questioned if this is currently being discussed as his concern would be that the other utilities would be approving the same document. McKay confirmed that the other utilities are in the TWSA and meet frequently and have discussed this agreement. If not approved, an entity would not receive benefit of the program. Schorr verified that KGID would provide assistance to each of the other utilities, if asked. McKay confirmed it is only if asked and if KGID could spare personnel.

Yanish offered for any other questions, noting that counsel had input.

Zumpft stated that his concern regarding the document was related to conduct of employees working in the state of California. He stated that the United States Supreme Court addressed this previously and his office has concluded that sovereign immunity protections remain available and in place regardless of where the conduct occurs. He clarified that the agreement is acceptable regarding this.

Yanish offered for any other questions.

Yanish questioned if the agreement pertains to trucks and equipment and verified it is water and sewer. She noted that TWSA is good at organizing groups and questioned if any other entities should be included that don't want to participate. She noted that there is a comprehensive group participating. McKay noted that Logan Creek doesn't have employees or equipment and other agencies don't have equipment.

There were no other trustee comments or questions. She offered for other public comment; there was none.

M-7/20/2021-6 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve the Tahoe Truckee Area Mutual Aid Agreement.

BOARD REPORTS –

Yanish stated that the Douglas County Commissioners voted for traffic control and no parking on Deer Run Court at US Bank and the Red Hut due to accessibility to the complex. Nelson noted the difficulty to access this area. Yanish stated that traffic mitigation is included, and they confirmed they will add signage. Yanish advised that KGID maintains the road which McKay corrected it is not part of KGID. Yanish stated that the Public Works Director offered to communicate their plans with KGID.

In response to Nelson's question, Vogt confirmed there is nothing to report from the Sewer Authority.

STAFF REPORTS -

GENERAL MANAGER'S REPORT – McKay explained that much of his time is spent reviewing documents with Dion. He noted that he has upcoming meetings with each of the trustees along with Zumpft and Neal Falk at Minden Lawyers.

Nelson questioned if the map represents the entire jurisdiction. McKay explained that it notes the vacation rentals in the district. Red represents 10 or more occupants, orange is 5-9 occupants, and yellow is up to 4 occupants, depending on bedrooms. McKay explained that cars can only be parked in the driveways and not on the street.

Yanish stated that Douglas County had a moratorium on vacation rental permits from February 18, 2021. This was released due to a new ordinance; however, a temporary restraining order has been approved against this ordinance. She offered to provide additional information as she served on the VHR committee for a year and a

half. They had a working group and task force that put together recommendations. Douglas County Commissioners approved their own ordinance that was not what the stakeholder group suggested, and litigation is likely.

UTILITY OPERATIONS SUPERINTENDENT'S REPORT –

Parks questioned Manzanita Heights and McKay confirmed this is unfamiliar to most.

Vogt questioned the possible stolen fuel. Garden explained that he was approached by Cody Leland, the new Road Maintenance Specialist who indicated that his name was indicated on the fuel sheet for fuel he didn't obtain. Garden confirmed that the truck indicated on the fuel sheet was in Reno for maintenance on that date. He explained that the fuel was logged, and the handwriting doesn't appear to match anyone. He noted there was a lock missing that had apparently been cut. The lock has been replaced and video surveillance has been added.

In response to Vogt's question, Garden explained that it is not necessarily an employee as the gate is open during business hours. Heavenly recently had all trailers and storage buildings broken into adjacent to our property. Garden explained that it is dyed fuel and if used in a regular motor vehicle it can be detected by dipping the tank. Garden stated that highway patrol is aware of different odor and slight color variation. Garden confirmed the log is kept at the pump and prior names are accessible. He explained that the item has been noted as not used for KGID purposes.

Nelson verified the calculation for raw water usage for acre feet with Garden.

Vogt requested information for replacing pipes that contain lead and the anticipated linear feet of replacement. Garden estimated a few miles of surface line and explained that they are still waiting for revisions for the lead and copper rule to be approved. They are trying to get the brunt of work completed with research on the surface lines entered into spreadsheets for budgeting purposes or grant funding requests. Vogt questioned how the materials are determined. Garden explained that during the meter installation in 2010-2011, the surface line meters were dug up and documented for material. McKay explained that the copper lines have lead in the compression fittings. This is not the same as lead pipes in Flint, Michigan. He anticipates grant funding will be available.

In response to Parks' question, McKay confirmed we do not have lead pipes or fittings. He explained that the threads have 5% or a minor amount of lead which is added for flexibility. The fittings would be replaced up to the meter and the government would want information regarding lines to the house. This would take time to perform across the country.

Garden added that some of the responsibility can be on the utility to replace lines to the house as well. Yanish confirmed they are referring to lines past the meter. She verified they are referring to federal regulation. Garden stated this can be found under lead and copper revisions.

McKay explained that purer water will leach all materials. This can be mitigated by adding zinc orthophosphate which provides a film inside the line to prevent this. Parks questioned the lead testing. McKay explained they test for lead and copper every three years. The fixtures used within the house will give more lead residuals than water provided to the meter and utilities are arguing the responsibility of cost. Garden explained that there are tiers for testing including construction year, service line material type, and plumbing type. There aren't many homes in the area that meet the highest level of contamination. In response to Nelson's question, Garden explained that they ask for volunteers and select those with appropriate requirements. Many residents that have participated over the years are contacted for re-testing. He noted there are strict procedures of how the water is sampled and it is tedious.

Vogt noted the Ridge Tahoe meter replacement and questioned how many meters are installed in Minden/Gardnerville. Zumpft confirmed that Gardnerville is complete, and Minden is just now installing them. McKay estimated 75%-80% have meters. Garden explained that when he worked for Minden the meter pits were installed in a line replacement. Meters were installed when a home would sell.

Yanish offered for other questions on Gardens report.

Yanish referenced the Beach Club items referenced in McKay's report. She questioned if the compensation agreement is sufficient noting personnel time. McKay explained that time charged by Farr West is billed directly to the Beach Club. He explained that the approval process with NDEP required KGID assistance. He explained that new engineers at NDEP decided to reopen the review process. McKay offered to address this further if she has additional questions. Garden confirmed they are only changing service lines and not distribution. McKay explained that the service lines are not part of our distribution. Yanish noted this could be considered as customer service. She thanked Garden for his communication with them.

Yanish noted the vegetation removal of dead trees that are a hazard to power lines and questioned NV Energy's responsibility. Garden explained that a tree fell in the right-of-way, just outside NV Energy's deemed area. Garden added that the removal didn't cause any danger to homes or power lines. She noted the Meadow Lane property with a drain issue and questioned the right-of-way. Garden explained it was outside the right-of-way but was not documented property by Tahoe Conservation District and the line was buried with dirt. Garden spoke to Courtney at Douglas County and if they have time, they will address it. Otherwise, it will be addressed by

Douglas County. He added they work together on these items as it benefits our residents and public outreach. Yanish confirmed that there has been good communication regarding easements and storm water issues.

Yanish offered for any questions; there were none.

ADMINISTRATIVE AND HUMAN RESOURCES REPORT – Yanish thanked Brewer for coordinating McKay's retirement party, noting the time and effort.

Nelson requested an update on the rental property and management company replacement. Brewer explained the new company began July 1, 2021, and she anticipates a report to the board next month. She noted a smooth transition. Nelson verified that the old company will provide a summary report to date. Brewer confirmed the new management company is Tahoe Property Management, a local company.

Parks questioned problems with accounts paying, noting the 21 disconnect notices. Brewer explained that the ACH system was changed to Civic Pay and account holders had to re-enroll causing payment delays. Parks confirmed that many are catching up. Brewer explained notices were provided with invoices and emails are being sent to those who haven't resolved this yet.

Yanish offered for any other questions.

Yanish noted there are paperless billings and questioned notifications for these customers. Brewer explained that there aren't many people on paperless and information is also located on the website. Nelson clarified that notices are emailed to paperless customers. McKay added that if they are paperless and don't have an email, a paper notice is sent. Parks confirmed the difference between autopay and paperless. Yanish questioned the cost savings if everyone signed up for paperless billing. McKay explained that Johns calculated this previously and noted the costs to be approximately the same due to manpower.

Yanish offered for any other questions; there were none.

ACCOUNTANT REPORT – Nelson noted the interest on investments is very low and decreased by half from the year before. McKay explained that .09% is the market interest on LGIP. The other option is to purchase CD's and 3-4-year CDs would be required to obtain 1%-2%. He advised against tying up funds for this amount of time in case interest rates increased. Yanish recalled prior return of investments of \$500K annually. McKay noted the prior rates were 3%-4%. Nelson noted this should be addressed.

Nelson noted that connection fees budgeted were \$54K, but we received \$178K. McKay explained this is related to remodels upsizing the lines which he anticipates slowing down due to the cost of lumber. Nelson noted that unemployment benefits were budgeted at \$28,600 and \$0 has been expended. McKay explained that if someone draws unemployment KGID pays this expense in lieu of paying this monthly. Nelson confirmed that no one has drawn unemployment.

Nelson stated that the reports are through the end of May and noted the snow removal cost for the year appears to be under \$200K. McKay stated that \$200K is the minimum contract and an additional payment will be due. Nelson confirmed that Charlena will provide an invoice. In response to Nelson's question, McKay explained that sanding is part of snow removal and is the cost of sand and is not part of the minimum paid to Manchester.

Nelson noted that training seminars and travel had \$51K budgeted and only \$3,300 was used. McKay explained that virtual training reduced travel costs and there were many free events utilized such as Nevada Rural Water. Other conferences were virtual. He noted that training and conferences are resuming, noting the importance of meeting in person and networking. McKay noted that some virtual events have the same cost to offset revenue lost for in person events.

Yanish offered for any other questions.

Yanish noted the surplus of Snow Removal Funds of \$485K and questioned if this is a consideration for snow removal rates. McKay explained that \$750K is budgeted annually and two or three big years would deplete this amount. She questioned why the \$1,241 publication charges aren't included in the budget for the General Fund. Garden explained that they didn't plan on Joel leaving and Yanish suggested including an amount in the budget each year.

There were no other questions.

ATTORNEY'S REPORT – Zumpft stated he doesn't have anything to report. He questioned the timeline on the transition for Mr. Dion. McKay explained that he comes in Monday and McKay will be present that week. The following week, McKay will be traveling. He will return for 1-2 weeks, to be determined by Dion. Parks confirmed that his travels are not KGID related, and McKay stated it was for Rural Water which is not paid for by KGID. Brewer commented that Dion was having a going away party in Pasadena this evening. Zumpft thanked McKay for his service and Yanish agreed. Yanish questioned why KGID doesn't pay for Rural Water and McKay replied it is separate and he has many upcoming volunteer commitments with them. Yanish noted the importance of these meetings and thanked him for being a steward of the community.

McKay confirmed this will be his last board meeting. He thanked everyone for their service.

ENGINEER’S REPORT – Nelson questioned the Logging Road decant facility and how this is related to KGID. Garden explained that the water and sewer line to be installed would have been dedicated to KGID, but they have run into problems and shut down the project. Nelson requested clarification regarding the project which McKay explained was storm water decant facility. Garden explained that Douglas County and NDOT were looking at doing a joint decant facility for their vector trucks and trailers so that they don’t have to go out of basin. The project has been shut down because they couldn’t come to an agreement.

CORRESPONDENCE – McKay noted that a survey on the Capacity Development Strategy sent to all of the water systems in the state indicated the biggest fear is lack of personnel due to retiring employees. He suggested higher compensation to attract employees. Parks confirmed this is for general employment. McKay explained that they are starting an apprenticeship program within the state, but negotiations will be difficult because of inflation and labor shortages.

UNFINISHED BUSINESS

FINAL PUBLIC COMMENT – Vogt commended the BBQ idea for employees to get to know Mitch Dion in a relaxed atmosphere. Parks questioned a District meet and greet. McKay stated this will be up to Dion. Nelson requested information regarding the BBQ and McKay explained it will be staff lunch with staff and crew. Brewer noted his picture has been added to the website.

Yanish offered for additional public comment; there was none.

Yanish commended McKay for his many years of service with KGID. McKay replied that he has enjoyed working at KGID and he is proud of the water treatment plant built in a short period of time. Yanish noted he served 20 years at KGID.

ADJOURNMENT

M-7/20/2021-7 - Motion by Nelson, seconded by Parks, and unanimously passed to adjourn the meeting at 6:50 p.m.

Respectfully submitted,

Sandra Parks, Vice-Chairman

Attest:

Darya Vogt, Secretary