

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, MARCH 21, 2023**

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 Jodie Nelson.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Nelson, Trigg, Parks and Schorr. Trustee Yanish joined the meeting at 6:10 p.m. Also present were General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer, General Counsel Chuck Zumpft and Greg Lyman of DOWL Engineering, Larry Lundberg and Cory McKendrick of Moreton Capital Markets. Public present included Ben Johnson, Trustee of Tahoe Protection Fire District, Cathy Stramat, resident.

PUBLIC COMMENT – Ben Johnson indicated he had sent an email only to the KGID board members regarding fire hydrant clearing. He stated that the Fire District has been in contact with all the water entities, and they are all clearing snow around their hydrants except for KGID. He continued that is their opinion that it's a water purveyor's responsibility to clear the snow. Parks noted the importance of communicating with the public seeking assistance and cooperation to key hydrants clear such as the adopt a hydrant program.

Nelson questioned if the sidewalk and fire hydrants are to be maintained by the property owners. Johnson stated it depends, but the fire department has determined it is the water purveyor's responsibility, as they own the hydrants. Nelson questioned the performance from the other GID's and Johnson explained that the other GID's have asked their snow removal contractor to perform the work on a priority basis by starting with hydrants 1,000 feet apart.

Cathy Stramat of 298 Andria Drive stated that she is concerned with the drainage on her street which she commented is designed poorly creating a puddle at end of her driveway. She explained that water from the street between Barton and Bradberry backs up due to ice and snow then overflows the curb, enters her driveway then flows toward her front door. She noted when the water freezes it turns to black ice. She stated drains should be lower with and drains redone with a proper slant and the curbs should be higher. Nelson recognized the area and stated she has seen the crews working on the drain. Stramat stated that the changes made a couple of years ago were made incorrectly and made the problem worse.

APPROVAL OF AGENDA – Dion suggested moving Item 3 ahead of Item 2 to accommodate the attendees present to address this item.

M-3/21/2023-1 - Motion by Parks, seconded by Nelson, and unanimously passed to approve the agenda, as revised.

APPROVAL OF MINUTES –

M-3/21/2023-2 - Motion by Nelson, seconded by Trigg, and unanimously passed to approve the Regular Meeting Minutes dated February 21, 2023.

APPROVAL OF CONSENT CALENDAR – Nelson noted the financials are included in the consent calendar and not a separate agenda item as previously requested by Schorr.

Regarding Item A, Nelson questioned check #17627 to Loomis for a logging road site assessment. Dion explained that the county owns the property which is the old land fill site which is being considered for storage of equipment and materials for KGID.

Nelson also questioned check #62623 for payroll tax and Brewer explained that was adjusting payroll taxes due to an employee being out for a couple months due to injury (on personal time).

M-3/21/2023-3 - Motion by Nelson, seconded by Parks, and unanimously passed to approve the Consent Calendar Item A

Item B, Schorr stated the items should be a separate item for review. He noted the assets of Building 298 Kingsbury Grade and 160 Pine Ridge should be listed as assets and not rolled into infrastructure. Nelson agreed. Dion agreed and suggested making the change after the fiscal year end.

Nelson questioned snow removal capital outlay of \$239K, which was explained including new sweeper and design of the 160 Pineridge building.

M-3/21/2023-4 - Motion by Parks, seconded by Nelson, and unanimously passed to approve Item B Financials – January 2023.

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

FOR POSSIBLE ACTION:

Approve engineering services proposal of Market Street Lift Station Repairs and Renovation.

A written report was provided. Project has been identified and taking shape for several years. Greg Lyman was present to answer questions. Nelson confirmed the cost of \$4.5M is estimated for construction. The site options were discussed and it was noted that construction would not likely commence until 2025. Nelson confirmed with Garden that he supports the project.

M-3/21/2023-5 - Motion by Schorr, seconded by Trigg, and unanimously passed to approve engineering services proposal of Market Street Lift Station Repairs and Renovation as Task Order# 63 with DOWL for the amount not to exceed \$113,000.00 and authorize the General Manager to execute appropriate contracts.

Authorization to open investment account.

A written report was provided. Larry Lundberg and Cory McKendrick were present from Moreton Capital Investments. It is anticipated that accounts will be utilized with Moreton and US Bank in order to have the best options and results.

The goals and amounts of the investments were discussed in relation to the pending reserve policy and upcoming projects. Nelson stated that she prefers investments under \$250K at each bank, noting that Moreton utilizes different banks. She also recommended investment controls be incorporated into the policy. It was explained that the draft investment policy indicates the General manager is responsible working with the board's treasurer. The board will be apprised quarterly on the investment status.

Cory McKendrick explained that they adhere to the NRS regarding regulation for municipalities and public agencies. They recommend investments of \$250K or less for CD's with banks, noting that U.S. Treasuries are backed in full by the U.S. Government.

Schorr stated that that he is unfamiliar with Moreton Capital Markets and he noted that US Bank is a highly respected and capitalized. He stated that if Moreton provides similar products and he would prefer to utilize US Bank. He explained his focus is on security of ratepayer's money and US Bank is known to be very well trusted. McKendrick explained that the treasuries are the same with any institution; however, Moreton specializes working with public entities.

Larry Lundberg explained that they are a fixed asset specialist and safekeeping is performed by RBC but they may also utilize US Bank. All accounts are held at RBC, as a third-party sponsor and custody can be customized. He added that diversification is a good investment practice. He stated that diversifying investments will provide different prices and these markets can be compared and reviewed with the reports and services Moreton provides.

Nelson requested more information on the fee structure. McKendrick explained that there are no annual management fees for budgeting purposes. There are transaction fees per investment as a selling concession paid by the issuer for CD's or a markup base for Treasuries. He clarified that the fees are built in and the net rate shown is the rate KGID will earn.

Parks supported the specialized service provided by Moreton. Schorr supported the expertise of US Bank. Nelson stated her support in diversifying accounts by utilizing US Bank and Moreton.

Schorr requested that McKendrick address third party risks. McKendrick explained that they have a contractual agreement with RBC for safekeeping of investor's assets, including monthly statements. Lundberg added that they have safekeeping with different entities.

Schorr reiterated that he supports US Bank for safekeeping of taxpayer dollars. He noted that diversification isn't necessary with U.S. Treasury bonds.

Nelson supported having CD balances under \$250K at varying institutions.

Yanish arrived during the discussion around 6:10 p.m.

M-3/21/2023-6 - Motion by Nelson, seconded by Trigg, and passed to authorize the General Manager to open an investment account with Moreton Capital Markets LLC, for the purpose of making investments of district funds in accordance with the district investment policy and NRS Chapter 355. Yanish abstained and Schorr opposed.

Approval of Appendix A to Personnel Manual providing list of approved positions.

A presentation was provided for discussion purposes. The job descriptions were discussed along with the current services and needs. Two job descriptions were presented for approval; administrative and financial analyst and the other for engineering technician. It was noted that this was not a request to fill the positions, which will be reviewed during the budget discussions. Advantages and disadvantages for both positions were discussed.

In response to Parks' questioned regarding internal promotion, Dion explained that these are not career ladder from existing positions and formal education requirements are necessary which could be obtained if existing employees sought the professional growth.

Nelson observed that analyst characteristics should include preparing interim and annual financial statements and overseeing capital budget and fixed asset management. She noted DOWL bills are approximately \$201 per hour and any inhouse service would be less expensive. She supports both positions within the district as beneficial and cost saving.

Yanish suggested any education or certification requirements be added to the descriptions and she noted a typo.

M-3/21/2023-7 - Motion by Schorr, seconded by Parks, and unanimously passed to approve Appendix A to the district Personnel Manual with the addition of Administrative & Financial Systems Analyst and Engineering Technician.

There was a five minute break at 6:46 p.m.

Board Reports

Nelson stated that the sewer District had a flooding event at Nevada Beach pump stations. Their budget was complete and KGID's rate will decrease due to flows, while the casino rates were up. And PERS increased 3.5%.

Nelson noted that the Nevada League of Cities had an event at the capital which included meeting senators and a discussion with Governor Lombardo. Nelson was one of two GID representatives in attendance and they addressed frustrations in obtaining State and Federal infrastructure funds. Lombardo indicated he would like to discuss future projects.

Yanish noted a State of Emergency has been declared and questioned how KGID can benefit. Dion stated impact is limited to sand and sandbags.

Yanish commented that she wants to discuss the Nevada League of Cities with Nelson but it is not a quorum and they will not be making any decisions. She added that she is also meeting with the Governor in a couple of weeks and offered to relay projects.

Management Reports

General Manager's Report

Dion addressed the contracts for consulting services for auditors. There is a very short timeline for the budget in order to meet required filings and a special meeting may be needed. Nelson noted it is a busy time of year for auditors in general. There were no bids for the FY23 Waterline project, likely due to delays and unfinished

projects. The materials will be received in May. The snow report was reviewed, including the record numbers for this year. Dion responded to a question regarding conflicting reports regarding drought.

The conceptual design for 160 Pineridge was reviewed, and cost is currently estimated at \$2.097M (Fire Suppression Sprinkler requirements may adjust this estimate).

Revenue projections from the State of Nevada Department of Taxation were also reviewed. The snow removal costs to date are currently \$942K. The balance in the fund reserves will not be the at minimum required and the rate step increases will likely need to be implemented for January 2024.

Utility Operations Superintendent’s Report

Garden addressed the leak at Kingsbury Grade below Eagles Heaven.

He noted water quality violation was related to weather and a day delay in taking for sample did not satisfy the permit conditions for month of February.

Administrative and Human Resources Report

Brewer noted, referring to the chart, that many calls were regarding snow removal issues. She stated that some compliments have been received. Payroll will be changed to bi-weekly beginning next fiscal year in order to comply with overtime requirements.

Attorney’s Report

Zumpft clarified that Ben Johnson’s statement regarding the hydrant clearing being the water purveyor responsibility may come from a PUC regulation regarding private utilities which does not apply to government agencies like KGID. Zumpft has not reached a conclusion regarding responsibility, and he advised there may not be one. Other corrections to Johnson’s statements were noted in discussion.

CORRESPONDENCE – None.

FINAL PUBLIC COMMENT – None.

UNFINISHED BUSINESS

ADJOURNMENT

M-3/21/2023-8 - Motion by Parks, seconded by Nelson, and unanimously passed to adjourn the meeting at 7:52 p.m.

Respectfully submitted,

Jodie Nelson, Chair

Attest:

Cindy Trigg, Secretary