

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, NOVEMBER 16, 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 5:02pm by Natalie Yanish.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Yanish, Parks, Vogt, Nelson and Schorr. Also present were General Manager Mitch Dion, Administrative and H.R. Supervisor Judy Brewer, and KGID employee Carrie Bauwens, and General Counsel Chuck Zumpft. Public present included Paul Cavin of Paul Cavin Architect, LLC and Matt Van Dyne and Brett Farr, President of Farr West Engineering. Public present via Zoom included Charles Hancock, Sarah Hancock, Marilynn Spencer and Patti Page.

PUBLIC COMMENT – Charles Hancock of 178 Pine Drive expressed his displeasure that his comments submitted in writing to the Trustees and General Manager were not read into the minutes by the Board. He stated that public comments aren't being addressed by the Board and requested that the Board be more responsive. He stated that the Open Meeting Law prohibits action, not discussion and allows the Board to add items to the agenda if action is required. He expressed his concerns regarding the contract with Farr West Engineering and requested Dion present an on-call engineering contact for approval in February or March. He suggested KGID have a staff engineer.

Marilynn Spencer of 321 Charles Avenue expressed her opposition to the purchase of 255 Kingsbury Grade. She noted the prior purchases generate revenue and the cost of rehab or bids received from contractors have not been received. Yanish noted that this topic is to be discussed at Item 12.

Nelson suggested creating rules or procedures regarding public comment to address items and Dion agreed.

Dion stated that he will present options for engineering services in the near future. The Board discussed the satisfactory service from Farr West and noted that the Trustees have not expressed interest in reviewing this item previously.

APPROVAL OF AGENDA – Schorr suggested that Item 10 be moved to after Item 12. After discussion with Dion, he withdrew his request.

M-11/16/2021-1 - Motion by Parks, seconded by Vogt, and unanimously passed to approve the agenda.

APPROVAL OF MINUTES – Hancock requested that his statement read at the meeting be amended to match his written correspondence to the Board.

M-11/16/2021-2 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve the Regular Meeting Minutes dated October 19, 2021, as amended, and Special Meeting Minutes dated May 7, 2021.

APPROVAL OF CONSENT CALENDAR – Schorr requested to pull the List of Claims. He noted check #60899 to Macleod Watts for OPEB of \$2,400 and verified that auditor (Eide Bailly) has this information and Dion confirmed.

Yanish questioned check #60902 insurance claim regarding backup sewer line and Dion offered to report back. She questioned check #60913 and refund permit. Dion explained that the customer paid for KGID permits and did not pull a Douglas County permit and a refund was given less expenses incurred. The specific address was not readily available.

M-11/16/2021-3 - Motion by Parks, seconded by Nelson, and passed to approve the Consent Calendar Item A: List of Claims in the amount of \$207,600.98 as represented by check numbers 60888 through 60984.

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

INFORMATION ONLY ON SERVLIN RESIDENTIAL WATER LEAK LOSS FEE DECREASE: Judy Brewer provided a report in writing.

Brewer reported there is a rate reduction as of September 1, 2021, by \$0.25 per month for the ServLine leak loss program. A credit for \$0.75 (for three months) will be issued with the December statement and the new monthly rate will be \$1.30. Dion explained there is no administrative fee collected. This will be a credit on the bill.

Nelson requested a public service notice. Brewer confirmed a new flyer regarding service information will go out with the next statements.

FOR INFORMATION AND POSSIBLE ACTION:

SELECTION OF CONTRACTOR TO REPAIR SINKHOLE AT 202 TRAMWAY DRIVE: Garden provided a report in writing.

Dion explained this sink hole has been previously discussed and has grown. The pilot holes were inconclusive and has become a traffic obstacle and unsafe if not seen by drivers. The contractor will perform exploratory work and repairs with a “not to exceed price” which can be completed during the winter, with weather permitting.

Van Dyne addressed another sink hole at Quaking Aspen caused by ground water and remedied with drainage. He confirmed this sink hole is growing and he provided his endorsement of White Rock Construction. The Board discussed the exploratory work and Dion explained that a site visit with the contractor explained the work needed. Nelson questioned the distribution of costs in the estimate and Dion responded that the uncertainty of the work was challenging but the contractor confirmed they will adhere to the estimate.

Yanish suggested mitigating KGID’s liability with cones at the location. Zumpft explained that Douglas County’s position is that that the road replacement is their responsibility and maintenance, and repair is the responsibility of KGID. Yanish suggested requesting assistance from Douglas County. Vogt stated her support to complete the repairs now due to the safety issue with possible reimbursement later. Repairs and maintenance responsibilities were further discussed.

Dion suggested proceeding with this repair and request reimbursement from the county at the Board’s direction. Parks stated this should have been addressed with the county two years ago.

M-11/16/2021-4 - Motion by Parks, seconded by Schorr, and unanimously passed to authorize the General Manager to engage White Rock Construction, Inc., for construction services to address and repair a sinkhole at 202 Tramway Drive, for a cost not to exceed \$21,000 with a reimbursement request sent to Douglas County.

ARCHITECTURAL SERVICES SELECTION: Dion provided a reported in writing.

Dion explained that the facilities program will require architectural services for project management, design and oversight. After on-site visits and interviews, they selected Paul Cavin Architect, LLC as best qualified and recommend a 3-year contract with extension to address facility issues. This will include work in the buildings or for sprung structures as items in on-call services contract.

Paul Cavin explained his business structure and staff in detail to the Board. He specializes in Public Works and Public Agencies including projects in Tahoe Basin, Washoe and Douglas Counties. He addressed the factors in winter weather projects. Dion noted his extensive experience within Douglas County School District and other projects.

Cavin addressed the fee schedule presented which is for time and materials. Most contracts will be fixed fee, with project detail and scope of work. Dion explained the architect's involvement as the lead instead of Farr West for this project. He explained that he is requesting authority to engage in the contract, and Nelson stated she would like to review the contract.

Yanish discussed recommendations with Van Dyne. Cavin explained that he is generally the Prime Design Consultant for buildings and facilities (vertical above ground) and contracts with engineers as needed. Farr West and Cavin confirmed their ability to work together.

Dion confirmed each project will be reviewed and approved individually. Cavin explained to the Board that the bid process will determine the cost of the projects and he will provide an opinion of probable cost through the design phase. Construction cost increases were discussed. Nelson verified that the selection committee contacted prior clients. Dion explained that architectural services will be needed for the facilities in the yard, offices and pump stations.

Van Dyne explained Farr West's general contract information.

Schorr questioned Nelson's request regarding reviewing the contract and she confirmed it does not need to be part of the motion. The task order was discussed. Dion confirmed it is the general services contract as previously approved. Nelson suggested the contract be provided for future items.

Hancock stated that the Farr West contract was initiated in 2009 and added the annual cost increases for each line item are not competitively bid.

Brett Farr, President of Farr West Engineering explained that professional services for engineering in Nevada are prohibited to be competitively bid or priced. Bids are prohibited and selection must be based on qualifications. Hancock requested the district review the contract and consider other engineers' qualifications.

M-11/16/2021-5 - Motion by Nelson, seconded by Vogt, and unanimously passed to authorize the General Manager to engage Paul Cavin Architect LLC as an on-call Architectural Services for the District for a period of three-years, with one one-year extension.

APPEAL OF THE ADMINISTRATIVE DECISION REGARDING SUSPENSION OF SERVICE COSTS FOR 116 CYPRESS WAY, STATELINE, NV (KEARNS): Dion provided a report in writing.

Dion confirmed that this property is deemed unoccupiable, but the owner intends to repair the house and make additional improvements. The owner indicated that delays are a result of challenges related to getting contractors to perform the work. He explained that an extension was denied, and the owner is appealing. They are billed for snow and general service, but usage and base rate are not charged. He is requesting reimbursement plus additional suspension for a specified period of time of a year or more.

The appeal is submitted under special consideration as the Board deems appropriate. Vogt stated her opposition to the request. The fiscal impact is \$90 for October and November plus each additional month provided as extension. Yanish stated that when her condo caught fire from the neighbor, she paid the base rate for many years.

Zumpft added that the district has fixed costs for service and the property still benefits from water service in the case of a fire.

Patti Page requested confirmation of the motion and Nelson amended her motion to provide clarification. Page offered support for the Board's decision based on a portion of fixed costs.

M-11/16/2021-6 - Motion by Nelson, seconded by Vogt, and unanimously approved to deny customer's request.

DISCUSSION AND POSSIBLE ACTION REGARDING THE PURCHASE OF 255 KINGSBURY GRADE: Dion provided a report in writing.

Dion stated that the board requested financial perspective on the options. He summarized that the needs assessment has not changed and reflects the requirements for facilities. He noted the comparison of purchase of 255 Kingsbury versus improvements to 160 Pineridge and in-house expenses that were possibly understated. In-house expense includes project oversight for an 18-month construction project for Dion and other employees. He reviewed the project options and provided sales comparisons for other commercial real estate.

Yanish disclosed that she is an active real estate agent, and she is not acting as agent for KGID. She is participating in the discussion solely as a member of the board and not in any professional capacity.

Dion explained that the current building is in escrow and is contingent upon receiving a special use permit as a condition to convert a portion of the property. The County master plan encourages mixed use. The mixed use of the Pine Ridge and Kingsbury buildings was also discussed.

The building purchase was reviewed along with income and expenses, layout and parking. Dion explained that 160 Pine Ridge has limitations such as parking and unknown construction issues. He confirmed either building would function and require improvements.

Parks disagreed with the price calculations for the two buildings as presented. Dion explained the calculations based on the total purchase price per square foot then assigned to each, not an actual price as both were purchased together in a lump sum.

Dion provided additional considerations and indicated there is 1,000 sqft of space available at 255 Kingsbury available for document storage. He reviewed the needs of the employees and vehicle storage. He noted the challenges of having employees check in to three different locations. The board discussed public perspective and necessary public access with compliance of regulations.

Nelson reviewed the purchase price and estimated improvement costs. Parking shortages for each of the buildings were reviewed. Potential property line adjustments for 298 Kingsbury were discussed as a means to make the Pine Ridge building more suitable.

Vogt stated her concerns developing Pine Ridge with construction costs and remodel issues for such an old building. She stated her support of the purchase at 255 Kingsbury. Schorr agreed.

Schorr noted the concerns of the uncertainty of the remodel cost. He supports storing equipment at the top of Kingsbury, selling the other two buildings, and purchasing 255 Kingsbury. He stated that the future sale proceeds of the two buildings will likely pay for 255 Kingsbury.

Dion explained that the current listing is soliciting additional offers. Schorr noted the level of effort is minimal at 255 Kingsbury compared to construction at 160 Pineridge.

Yanish stated that there are other resources possibly available to assist with commercial development in the area. She noted the value of development rights. Dion noted funds available for workforce housing and the unfortunate timing for such projects.

Advantages and drawbacks of each building were reviewed along with overview of lease terms for existing tenants.

Schorr stated his opposition to the remodel. He stated if they are not able to purchase 255 Kingsbury, he recommends a 20-year lease which would be added value to the owner. Parks noted remodel is still needed at 255 Kingsbury for the crew.

Parks stated that materials and finishes at 255 Kingsbury are ostentatious and a KGID building should have standard finishes. She noted that Pine Ridge could be remodeled appropriately with design as needed with costs in mind. She suggested selling 298 Kingsbury with revenues to remodel Pineridge to almost break even. She also cautioned that Pineridge may take a long time to sell as is and KGID may have to hold it. She thinks 298 Kingsbury would be more marketable.

Nelson estimated that retaining the other two buildings would be more expensive. Vogt stated that 255 Kingsbury is closer to completion and is a better option compared to the uncertainty of Pineridge. Nelson added that the construction costs have increased significantly.

Van Dyne stated that Pineridge may be too small for future needs, including potential snow removal or plumbing needs.

Patti Page of 167 Juniper Drive noted the board approved the prior real estate purchase. She stated her opposition to purchasing 255 Kingsbury Grade, noting the \$5K in monthly rent and insufficient crew space or parking for equipment. She stated her opposition to covering snow removal equipment with taxpayer funds. She stated her opposition to a remodel cost of \$2M. Page questioned why the other real estate property was approved for purchase. Zumpft confirmed that public comment is not a question-and-answer session and Yanish acknowledge that her comments have been heard and made part of the record.

Nelson requested additional information regarding the heated storage needs. Dion explained that the street sweeper, vactor trucks, crack sealing equipment and Epoke equipment require protection. He confirmed we do not have much in snow removal equipment. Current storage at Pine Ridge was discussed. The remainder of needed storage is for shelter to other vehicles from weather which is prematurely deteriorating from both sun and snow. Parks noted that either building will require additional equipment storage which can be determined later.

Nelson confirmed that if 255 Kingsbury is purchase, the other two buildings would be sold. Yanish explained that the properties are valuable, but there is a cost of sale such as commissions, escrow fees, etc. She suggested negotiating for the purchase of 255 Kingsbury as the initial step. She detailed the options for each property.

Parks stated she is objects in pursuing the purchase of 255 Kingsbury.

Dion clarified that without an official offer, there would be no confirmation of our assumptions. Zumpft suggested a vote on the direction. Parks requested a real estate opinion on the value and marketability of the two buildings to be sold. Nelson and Parks were not in support of a long- term lease. Vogt supported purchasing the 255 Kingsbury property.

Due to prior commitment, Parks exited the meeting at 8:23 p.m.

Dion stated that if they are preparing an offer, a Trustee should be present in order to convey an interest. Yanish noted that a buyer's agent could be utilized. Yanish expressed her interest in serving on the sub-committee. She confirmed that she would have no fiduciary duty and will not be receiving any payment or commission for the sale of the property. Schorr supported her involvement.

Schorr questioned if Dion would be pursuing the sprung structures. Zumpft confirmed this is not part of this agenda. Dion confirmed that he will present this information in the near future.

M-11/16/2021-7 - Motion by Vogt, seconded by Schorr, and unanimously passed to approve staff to work with Trustee Yanish as a sub-committee on exploring the purchase of the building located at 255 Kingsbury Grade, Stateline, Nevada and to report back to the board.

BOARD REPORTS – None.

STAFF REPORTS -

GENERAL MANAGER’S REPORT – Dion noted the standard report presented in writing. He explained that he is working with the eight other GID’s interested in working as a coalition to request funding from the American Recovery Act Funds. Their goal is to include all fifteen GID’s as part of the coalition. The goal is to represent KGID at the State. The funding has been identified as County and City funds and the GID’s and special districts have not been included. We are seeking infrastructure funds for road, water, and sewer. They are also seeking professional assistance to pursue these grants. They are also using the Nevada League of Cities and Municipalities which has provided assistance in the past.

UTILITY OPERATIONS SUPERINTENDENT’S REPORT – Dion noted that the Garden has been working on the Tramway patch. He added that they will be spending a lot of time winterizing the equipment.

ADMINISTRATIVE AND HUMAN RESOURCES REPORT – Vogt noted the collective bargaining agreement is coming up in January.

ACCOUNTANT REPORT – Nelson questioned why the Office and Facilities rent is \$5K higher for actual than budgeted. Brewer explained that we pay our share of property taxes for the building. Nelson noted this was paid as a cash basis instead of accrued and journal entries should be made. Dion confirmed this was not budgeted in error.

ATTORNEY’S REPORT – Zumpft state that he supports the possibility of a policy regarding public comment. He stated that discussion of public comment is expressly allowed. He explained that public officials do not have to explain their decisions. The Attorney General recommends that the board should be cautious during public comment, as deliberation on public comment is different than discussion and the Open Meeting Law can be violated which is why discussion is discouraged. He also explained why answers to specific questions by individual Trustees are cautioned. He explained that after public comment is completed, there may be discussion by and among the Board, but it should not include the constituents.

Zumpft explained that a policy may be an option. He added that the other six government bodies he represents do not have a written policy regarding public comment. He stated that existing policies from others may be available for review as a starting point.

Vogt questioned public texting Trustees during meetings. Zumpft confirmed that he is not aware of any limitations of Trustees from taking information from the public. He added that the public body can determine limitations of use. Dion stated that the texts were useful during earlier zoom meetings to alert the narrator of issues from the viewers.

Nelson verified that public comment can be made and closed with discussion among the Board following. Zumpft suggested any questions regarding district business can be answered by the General Manager.

ENGINEER’S REPORT – Van Dyne stated that Tahoe Beach Club has received final approval from NDEP and will be constructing that portion of their system next summer. Van Dyne added that all costs with the Beach Club are reimbursed. The construction inspected is to assure quality to meet the standards for acceptance of the system by KGID. He also identified other projects he is working on.

Brett Farr explained that he discussed concerns regarding costs with Hancock. He noted that each proposal is negotiated but he reminded the board that firms must be chosen based on qualifications. He supports the architect they are hiring and noted his rates are higher than Farr West. He stated that unless there is a flaw in performance, he questioned the basis of complaints regarding costs.

Van Dyne offered to provide a recap of budgets and performance. He confirmed that KGID is his top priority client. He added that Farr West provides all aspects of design that the district may need.

CORRESPONDENCE – Nelson questioned if anyone else received correspondence regarding road condition. She indicated that she replied and requested more information regarding their areas of concern, but suspects the initial contact was spam related.

UNFINISHED BUSINESS

FINAL PUBLIC COMMENT – There was no public comment.

ADJOURNMENT

M-11/16/2021-8 - Motion by Nelson, seconded by Vogt, and unanimously passed to adjourn the meeting at 9:00 p.m.

Respectfully submitted,

Natalie Yanish, Chairman

Attest:

Darya Vogt, Secretary