

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, OCTOBER 19, 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 Mitch Dion, Operations Superintendent Brandon Garden, KGID employees Judy Brewer and Carrie Bauwens, and General Counsel Chuck Zumpft. Public present via Zoom included Pat Miller.

PUBLIC COMMENT – Dion noted Charles Hancock’s written comment provided to the Board. Nelson explained that she thought Hancock wanted his comments read into the record, which Yanish didn’t feel was necessary, but she suggested the Board review the document. Nelson suggested the comments be forwarded for the minutes. Yanish clarified for the record that Hancock was noting his concerns regarding Farr West Engineering’s contract with KGID.

Pat Miller stated that Charles Hancock could not attend and asked her to share his concerns regarding engineering. She read his statement: *“I am concerned that Farr West Engineering is working under an ongoing contract that has never been competitively bid or evaluated since 2009. I brought this up to the Board several years ago, but no action was taken plus no explanation was ever given as to why. The cost of this service for September was approximately \$18,500. Over the past five years, Farr West has invoiced KGID over \$1.5M, for an average of \$311K per year. I assume that Farr West invoices KGID by man hours per discipline plus costs for printing, transportation, etc. It would be relatively simple to develop a bid package. I’m also concerned that the district does not have an engineer on staff to supervise, review and approve all engineering work. Having an engineer on staff would provide numerous advantages; i.e. allow minor tasks to be done in-house, assist with developing grant studies and helping community leadership, provide supervision to the engineering contractor to ensure the work result is what needed, ensure that value added judgement is incorporated into design reviews, free the time spent by the General Manager and Operations Supervisor so that they can focus on other activities and supervision of their direct reports, approve man hours and costs by the engineering contractor.”*

Yanish thanked her for the comments. Nelson questioned if we have had an engineer on staff in the past and Dion recalled that Jack was a California registered engineer and not licensed in Nevada.

In response to Parks’ question, Zumpft explained that the Board has the responsibility to hear the comment and the flexibility to discuss the item without action. Parks noted that Hancock has mentioned this item several times without response and questioned if this should be added to a future agenda. Yanish explained that a Board member could request an item be added to the agenda for discussion. Dion stated that if the board wishes to bring this item for discussion, he would prepare background information. Yanish added that the public can request something be added to the agenda. Parks noted that he is requesting the board review this further.

Nelson stated that she’s been approached by residents again regarding Andria Drive speeding. This has increased since Douglas County has installed a restroom and trail. She recalled prior discussions regarding signs or temporary speedbumps. She offered to serve on a committee or assist staff where necessary to address this issue. Dion explained that speed is Douglas County’s responsibility. KGID can install signs and request a radar trailer temporarily. Garden explained the radar trailer on Chimney Rock was requested by residents to Douglas County and if it is provided to KGID, it is only provided for one day. He suggested contacting the Sheriff’s Department rather than Douglas County. Dion offered to discuss this with her further. Vogt stated that she also addressed this with McKay and received the same information. Nelson noted the safety issue. Yanish requested that they report back. Vogt noted that increased traffic and speed is an issue everywhere.

APPROVAL OF AGENDA

M-10/19/2021-1 - Motion by Vogt, seconded by Parks, and unanimously passed to approve the agenda.

APPROVAL OF MINUTES – Nelson requested her comments on Page 1 be corrected to say depreciation, not appreciation. Brewer noted the amount should be \$60K, not \$16K.

M-10/19/2021-2 - Motion by Nelson, seconded by Vogt, and unanimously passed to approve the Regular Meeting Minutes dated September 21, 2021, as amended.

APPROVAL OF CONSENT CALENDAR – Schorr requested to pull the List of Claims. Nelson noted there were two copies provided and Dion clarified that some pages were inadvertently omitted in the binders and the complete report is provided and posted online.

Regarding Item A: List of Claims, Schorr questioned check #60801 to FarrWest with multiple line items. Garden explained that this is one payment with an aggregation of the expenses against each line item. Schorr noted he had the same question for check #60857 to Summit Plumbing and Dion confirmed the same explanation.

Parks questioned #70885 to Sunbasin and questioned the landscaping work. Brewer explained that they were hired to work on the sprinkler system at Kingsbury/Pineridge. This is a one-time fee of \$800.

Yanish offered for any other questions or public comments; there was none.

M-10/19/2021-3 - Motion by Vogt, seconded by Yanish, and passed to approve the Consent Calendar Item A: List of Claims in the amount of \$544,288.70 as represented by check numbers 60790 through 60887. Nelson abstained as she did not review the item thoroughly.

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

FOR INFORMATION AND POSSIBLE ACTION:

REVIEW AND POSSIBLE APPROVAL OF KGID'S 2022 BOARD MEETING AND HOLIDAY SCHEDULES: Brewer reported in writing: *The board meetings for 2022 are continuing to be on the 3rd Tuesday of every month except for the 2022-2023 budget workshop which will be on the first Tuesday in April.*

The holiday schedule will be the same holidays as listed in our personnel policy except for the addition of Juneteenth which the President of the United States declared it a national holiday on June 19, 2021.

Note: As stated in our K.G.I.D Personnel Policy "Any day declared a legal holiday by the President of the United States and/or the Governor of the State of Nevada will be observed in accordance with the presidential or gubernatorial proclamation."

Vogt noted her anticipated absence on January 18, 2021, in case other Trustees were unable to attend causing a quorum issue. Zumpft confirmed the meetings will commence at 5pm. Nelson stated she preferred 6pm meetings and Vogt noted the meeting time was adjusted because the meetings were so long and to accommodate staff attending. Dion stated that upcoming meetings will have combined information and some meetings will be financial heavy.

Yanish offered for further discussion or public comment; there was none.

M-10/19/2021-3 - Motion by Parks, seconded by Yanish, and unanimously passed to approve KGID's 2022 Board Meeting and Holiday Schedules.

REVIEW AND POSSIBLE APPROVAL OF TEMPORARY SUSPENSION OF SERVICES AND REIMBURSEMENT; CASE OF 208 BEVERLY ROAD, STATELINE, NV – BURRIS:

Carrie Bauwens presented in writing: *The owner of 208 Beverly, Mountaintop Luxury LLC c/o Marc Burris, has appealed his charges and requested consideration of the Board of Trustees to suspend water and sewer charges for his property. In addition, he has requested reimbursement of the rates paid for water and sewer service.*

The property has been under construction (remodel) since August 2019 and without the water usage since October 26, 2020.

The remodel required increasing the size of the meter from 3/4 inch to 1-inch and fees were paid with the issuance of a permit to the previous owner and appropriate meter charges were paid.

On March 1, 2021, the period for suspension of service for previous owner expired and charges for the 1-inch meter commenced.

Mr. Burris purchased the property on March 18, 2021. The larger meter had not been installed or activated (the 3/4 inch meter was still in place).

At the time of sale, it was presumed that the permit would transfer with the property from the previous owner to the new owner, Burris. However, by August it was noted there were substantial changes, and the previous permit was not applicable. A refund for fees was provided to the previous owner and his agent. A new permit was required, and the application was completed, paid for, and issued by KGID to Burris on August 10, 2021.

The board requested clarification. Dion explained that the property owner is requesting relief from rates based on the provisions of the code that states their services can be suspended for up to 6 months at a time. This situation is unique as the previous owner initiated a remodel and the permit expired. The new owner did not have the water service turn on. A new permit was required to increase the meter from a 3/4" to a one inch due to changes in the remodel. The new owner has asked for relief through extension of service and relief options are provided. The ordinance refers to the current customer and therefore prior suspensions are not considered. He is requesting reimbursement for bills paid to date (from purchase on March 18, 2021) plus suspension of service. Carrie Bauwens explained that he is requesting reimbursement of the base rate charges.

Vogt questioned how this would be different from a customer that only resides here three months per year and requested clarification regarding the permit terms.

Bauwens explained that permits are generally transferred with property, but the new owner was making changes to the plans. In addition, the previous permit had no changes to water or sewer. The changes and new permit issued August 10, 2021, terminated the previous permit. The new permit for the line changes states that new charges begin six months after the issue date and on March 10, 2022, the new meter charges will go into effect. He is requesting a refund of \$1,536.37 and not to be charged \$842. The total loss not collected and base rate charges is \$2,379.

In response to Schorr's question regarding approval, Bauwens explained that the ordinance states that the staff cannot make this decision and must follow the permit terms regarding charges. The permit states to bill base rate charges during permit regardless of use. Dion explained that the customer has requested an appeal.

Vogt questioned prior decisions regarding these requests. Garden explained that each decision has been reviewed based on circumstances. Vogt requested his opinion on this issue and Garden replied that the ordinance and resolution language is clear and there should have been due diligence on the new owner's part regarding the construction and previous permit. He offered to consider a refund from the date of the new permit request on August 10, 2021, for base charges only. Yanish noted that base rates aren't typically waived on existing connections.

The board requested Zumpft's opinion. Zumpft explained that infrastructure and costs of the district for connection and standby service are constant regardless of this customer's use. Yanish recalled prior circumstance relating to fire or condemnation and Garden agreed. Yanish stated base rates should be paid.

Dion confirmed that the customer is requesting the base rate be waived. Nelson questioned the Resolution terms and Bauwens explained that they have six months waived for the increase of the base rate charge, or completion of project. Vogt supports the lower base rate for 6 months and would vote against waiving base rate charges.

Dion confirmed there are no extenuating circumstances. Yanish noted that staff would not need the board to take action. Bauwens explained that the previous permit termination and new permit difference of \$188 could be refunded by the staff; however, this wasn't requested by the customer.

Garden recalled recent relief and suspension of services granted by the board for a property on Daggett Way, as the house was inhabitable and deemed condemned by Douglas County which fit within our Resolution. The customer does not pay the base rate, but they are responsible for 30% debt service. In this case, the Trustees granted a six-month suspension of service.

Nelson confirmed that the house will have a one-inch connection. Garden explained that the water is currently shut off at the meter per previous owner's request based on the prior construction. Garden added that the interior is gutted and there is no use for water at the property. Nelson requested the future use and Garden speculated it is a private owner. Garden explained that the 30% annual utility charge is the debt service and cost for the district to provide water.

Vogt made a motion to deny his request and approve a refund for the difference in the line charge for six months. Garden cautioned against approval of Option 1 as it includes verbiage to grant approval to temporarily suspend service and suspension means customer will not pay a base rate. He explained that the intent of the Resolution is in regards to abandonment of service and this water service line is intact and usable, therefore not abandoned. The permit is in regards to the building supply line from the backside of the meter to the house which will be increased. Garden clarified Vogt's motion to deny suspension of service and grant a refund of the difference in line services on the base rate from a one inch to a 3/4-inch line.

Dion explained that the refund would be applicable from March 1, 2021, to August 10, 2021, when the permit expired. Since a permit was issued to the previous owner, the billings commenced at a one-inch meter rate. The new owner applied for a new permit on August 10, 2021. He explained that we are within code for a one-inch line. The original permit was left incomplete when house was sold, and the permit fee was refunded. The new owner has paid the new rate since he acquired the property in March, and he is requesting a refund from March to August.

Bauwens explained that they can only refund from August 10, 2021, which is the new permit date. Parks confirmed he is requesting an additional six-month refund. Garden explained this would fall under a suspension of service and the second six months would be invalid. The previous owner did not have a suspension of service and continued to pay the base rate. Garden explained the ordinance allows for a suspension in services for condemnation, physical disconnection of service line or demolition with no water usage and none of these options apply. He provided a copy of the Ordinance.

Nelson read the request from the customer stating there has been a suspension in service as the property is without water.

Vogt confirmed her intention is refunding the difference in line charges from the period from August 2021 and six months forward.

Garden referenced Item 6 of the Ordinance provided. He recalled a prior residence with a fire and condemnation with no service for 18 months. In the event of condemnation, a base rate is not charged. He referenced Item 9 regarding demolition. Parks confirmed that other than these circumstances, all customers are charged a base rate.

Yanish noted the trustees have the power to make changes despite the Ordinance noting concessions should be equitable. Garden confirmed prior suspensions of service has only been granted for properties demolished or deemed uninhabitable by Douglas County. This is only base rate charges and does not include snow removal or road fees.

Yanish offered for public comment. Nelson read Hancock's submitted statement regarding this item: "My question to the Board is does Burris he intends to occupy the property, or will it be for sale or lease? If the home is not going to be occupied by Burris and the property is being developed for capital gain, I do not support any retroactive suspension of services or any reimbursement. KGID's charges policies are very clear and it's the responsibility of the developer to apply for the necessary permits and not the responsibility of the rate payers to subsidize this development."

There was no other public comment. Yanish offered for any other comments from the Board and verified that the Trustees were all clear on the motion.

M-10/19/2021-4 - Motion by Vogt, seconded by Schorr, and unanimously passed to deny request for suspension of service and approve refund for reduction from a one-inch line to a ¾ inch line for six months starting in August 10, 2021 for 208 Beverly Road, Stateline, Nevada.

REVIEW AND POSSIBLE APPROVAL OF TEMPORARY SUSPENSION OF SERVICES AND REIMBURSEMENT; CASE OF 306 KINGSBURY GRADE, STATELINE, NV - BLANK: Dion reported in writing: *A permit was issued by KGID on October 2, 2020, to Wow Vo Inc. C/O Michael Blank. Per the permit terms, "base monthly service charges begin six months after the issue date of this permit." The monthly base services charges totaling \$210.49 began May 1, 2021. The services were unable to be connected because to connect to the lines on Pine Ridge an easement was required from NDOT. KGID filed for the easement permit with NDOT on behalf of Wow Vo Inc. on May 24, 2021. The permit application is still pending. The delay in connection has also delayed the construction on the residence. Michael Blank is requesting that the base monthly service charges be suspended until the property can connect and have access to the services.*

The language was provided from Kingsbury General Improvement District ARTICLE IX. WATER SERVICE BILLING PROCEDURES AND SPECIAL CHARGE included in EXHIBIT A ORDINANCE NO. 1 AN ORDINANCE ESTABLISHING RATES, RULES AND REGULATIONS FOR WATER SERVICE, with items 9.6 and 9.7 being relevant to this situation.

Mr. Blank is requesting reimbursement for his rates paid of approximately \$1263.00 and the account be held in suspense until the meter is set. Mr. Blank has kept his billing current.

It is recommended that the board provide partial relief. Permits are entitlements which should not have indefinite life span regardless of the unforeseen impacts. This lot did not have previous water service and due diligence is the responsibility of the owner and his professional advisors. The existing rate payers have paid for the planning, capacity, fire protection and defense of water rights for future development such as this. The second six-month period for this permit would have ended on October 2, 2021. Should the board consider this as a special circumstance, the suspension of service for 12 months has just expired and implementing rates effective October 2, 2021, would recognize the hardship incurred for the applicant and respect the principles which the permit conditions were based.

Dion explained that this property did not have a prior home and there was no service line. Work commenced and permit issues required NDOT approval which resulted in project delays. They are requesting relief due to the unexpected situation in their permitting process. Parks confirmed that their six months has expired so base rate charges will commence and they need more time. Dion added that there still isn't a line.

Vogt questioned if this was known by the customer and overlooked regarding timing. She doesn't believe that these delays warrant a relief of charges.

Dion stated that Mr. Blank had professional support on this project. He explained that the customer is requesting an indefinite period until the permit is issued. Garden stated that his KGID permit is valid, and they are currently working on connections for water and sewer. The lines will be owned by him.

Bauwens explained that the base rate charges per his permit terms began May 1, 2021, for \$210.49 monthly. In response to Nelson's question, Garden replied that there were no charges for the first six months because there was no line.

Parks requested clarification of the request. Bauwens confirmed that the permit was issued in October 2020 and the six-month period expired in May 2021; therefore, monthly charges are now due. In order to appeal to the board, the account must be paid current.

Vogt made a motion to deny customer's request to temporarily suspend service and provide reimbursement of the rates paid.

Nelson questioned why KGID applied for the NDOT permit on behalf of the homeowner. Dion explained that it is a requirement as a public agency to make the application for the right of way with NDOT. We weren't asked to do so until the consultant work was completed. Garden stated that Blank and his consultants were advised from day one that an NDOT right-of-way permit would be required to install the lines. Dion added that his consultants had to prepare the material for the permit.

Zumpft confirmed that KGID would apply for the easement until the KGID permit was issued. Zumpft questioned if the customer applied for the KGID permit too soon and Dion explained that it takes time to do business with NDOT.

Nelson questioned KGID's liability knowing that he needed an NDOT easement and would need our help. Dion explained that we would not have the perfect knowledge to do so until the consultants prepared the application. Garden confirmed that KGID acted diligently upon request of the application. He added that he handled the KGID and NDOT permit requests. NDOT permitting is complicated and difficult and he advised their consultants from day one. Each review requires a traffic control plan and storm water runoff control plan. After review, permits aren't received for 1-2 weeks. They are in NDOT's rights of way on Kingsbury grade to run water and sewer. Neither line is installed is owned by KGID, but NDOT will only work with KGID. Their consultants had to draft the application on behalf of KGID and he advised the customer and consultants initially that this would take time and he responded quickly to their request.

Yanish stated that we cannot project manage for a private party and it appears that KGID was responsive to their request. Garden explained that their sewer lateral in NDOT's right-of-way and we have a main at the location. They need an encroachment permit in order to connect. They will also get their own meter.

Yanish offered for public comment. Nelson noted that Hancock had the same comment noted for the record.

M-10/19/2021-5 - Motion by Vogt, seconded by Parks, and unanimously approved to deny temporary suspension of services and reimbursement for 306 Kingsbury Grade, Stateline, Nevada.

There was a break at 6:19 p.m., returning at 6:30 p.m.

RECEIVE PRESENTATION AND DISCUSS POSSIBLE FACILITIES OPTION AND PROVIDE DIRECTION: Dion reported in writing: *In the September 21, 2021, meeting, the Board of Trustees received information related to determining a course of action to be pursued by the district to satisfy the facility requirement. Based upon the needs assessments previously completed the district facility needs are: 3,000 sqft of Admin/Op Center Space, 1,200 sqft of Crew/Support Space 9,000 sqft of Equip Parking/Storage.*

In summary, it was determined that the district should pursue renovation of building 160 Pine Ridge for administrative, operations and equipment maintenance functions. In addition, an equipment storage facility would be pursued for the corporation yard near Daggett Summit. While decisions and options for the building at 298 Kingsbury Grade be postponed until detailed plans with more accurate cost estimates are provided.

Subsequently, the district initiated the process of a Request for Qualifications (RFQ) for on-call professional architectural and project management services. This proposal was envisioned to provide professional services necessary for the entire facilities program which could include the Admin/Ops Center Renovation, Equipment Storage Structure and various pump station and other facilities improvements including fire hardening. A key element of the selection process is the experience and knowledge in Douglas County and TRP A jurisdiction. A contract for these services is anticipated to be presented to the Board of Trustees in November meeting.

One other concept for the Admin/Ops Center was suggested to be presented to the board with a refinement of the total cost perspective. In the previous month, there was no consideration of this option which is summarized below but will be expounded in the presentation and board discussion:

Sell the properties at 160 Pine Ridge and 298 Kingsbury Grade.

Purchase 255 Kingsbury Grade and modify to accommodate crew facilities and vehicles.

Construct 6,000 sqft equipment shelter at the corporation yard.

Construct 2,000 sqft equipment maintenance/storage (climate controlled) at the corporation yard.

Dion explained that he is providing another facilities option to stay in the building located at 255 Kingsbury Grade and Market Street. He explained that they will need a permanent operations administrative facility of approximately 3,000 s.f. plus 1,200 s.f. for crew and support facility space which he suggests should be consolidated and combined with administrative staff. In addition, they need 9,000 s.f. of equipment parking storage, consisting of 6,000+ s.f. of non-climate controlled with 2,000+ s.f. of climate controlled and 24 parking stalls. This can all be done at 160 Pineridge; although parking is a challenge and selling 298 Kingsbury would require a boundary line adjustment to accommodate parking. In addition to remodeling 298 Kingsbury, a storage facility would be needed at the yard at the top of Kingsbury which could be a large sprung like structure that is non-climate controlled.

For the Kingsbury/Market Street building, the parking is close to being sufficient. They would need to continue with a include 6,000 s.f. parking structure at the storage yard plus a 2,000 s.f. structure that is climate controlled. The climate-controlled structure will be for water system vehicles to keep from freezing and can also be utilized for equipment maintenance. This use should avoid the NDOT deceleration lane as it will be continued vehicle storage. Dion provided a presentation for cost comparison and provided detailed explanation of acquisition and construction costs. He noted the acquisition totals will be different depending on keeping or selling 298 Kingsbury Grade.

Parks questioned the new renovation total provided at \$2M compared to the \$1M previously provided and Dion explained that this is due to an increase in materials.

For Market Street, Dion noted that the crew would occupy other space at the building located across the hall. He stated that the building is approximately 6,000 s.f. and we would likely still have residual tenants and leases would have to be addressed. He confirmed the listing price of the building is \$2.95M. He explained that parking is a challenge and long term, he has concerns for the district's needs in 10-15 years. He stated the purchase of the other two buildings provides space for growth.

Parks commented that she doesn't see much growth as the available lots in the district are limited. Dion replied that the Strategic Plan should include the potential of the district, such as in-house sewer treatment, street signs and snow removal. He stated that the Market Street building has room for growth, but parking is still an issue, noting parking issues remain at 160 Pineridge. He noted the \$1M in savings with the Market Street scenario.

Schorr stated he supports selling the buildings and purchasing Market Street. He echoed his prior statements that the purchase of the two other buildings were not suitable to house KGID. He estimates total cost of \$5M+ at Kingsbury/Pineridge, noting doesn't have confidence in construction estimates. He questioned how we would pay for a \$2.5M remodel, noting the purchase was made from taxation. Parks noted there is \$20M in cash. Schorr stated that he needs explanation, citing cash requirements.

Nelson confirmed this building would require modifications to the bathrooms and to add showers. Dion noted there is plenty of square footage for expansion of the bathrooms and locker space, in addition to a suite space upstairs. Parks questioned if the current board room is too small. Garden replied that other changes can be addressed.

Yanish questioned the direction requested. Dion noted the financing details would need to be worked out. Schorr noted the net difference of \$1M plus the added time and expense from staff to manage a remodel. He noted that the Market Street building could be ready much sooner. Dion restated the parking issues at Market Street.

Vogt noted the need to sell the other buildings. Schorr referenced the remaining lease term at Market Street and added that the other two buildings may have increased in value. Vogt supports selling the other buildings. Nelson commented that the garages at 160 Pineridge may be appealing to another buyer. Parks stated that 298 Kingsbury may be appealing as it would require less modifications and it is highway frontage for retail. Yanish commented that commercial real estate is currently difficult to sell. Vogt recalled the two buildings being sold together because of the modifications needed at Pineridge.

Nelson requested more information on the construction cost of the sprung structure costs. Garden explained that the structures are reasonably priced. They can be insulated, and a heating element would be added. There is power, water and sewer at the lot at the top of Kingsbury. Farr West previously estimated \$1.2M for the remodel at Pineridge that was not all inclusive. Dion explained that after a site visit with various architects, \$2M is considered a more accurate estimate. The 1st floor will also require gut and remodel and the bays will require modifications. Material costs have increased significantly.

Parks verified that the buildings can be sold as is without ADA improvements. Dion added that the county will require fire suppression, ADA, etc. with permit requests. Schorr noted that 298 Kingsbury would still be inferior as to quality and marketability.

Vogt questioned the listing price history of Market Street when the buildings were purchased two years ago. Garden recalled it was listed for \$2.5M- \$2.6M and Schorr estimated the value as lower at that time and the owners indicated that they would not accept a lower value. The main purpose of purchasing the other properties was to retain vehicle storage.

Dion confirmed he was looking for direction. Parks stated she would like a real estate market analysis of the Pineridge and Kingsbury buildings for a potential list price. Schorr stated he prefers to avoid additional procurement costs. He requested a recommendation from Dion and his team in November.

Yanish disclosed that she is a Licensed Real Estate Agent in California and Nevada. She confirmed that she is not acting as agent on behalf of KGID and offered to provide her recommendation as Trustee. She noted the prior sales price would be a factor in a market analysis. Schorr suggested that adequate value estimates have been provided.

Yanish suggested a sub-committee to review numbers and report back to the Board. Parks stated that a committee would cause delays. Vogt noted her concern would be in the value of the commercial buildings for sale.

In response to Parks question, Dion explained that the sprung structures are typically warrantied for 35-years, but the life expectancy is longer. Maintenance would be required, but the buildings are durable, and longevity isn't an issue. Vogt stated she agrees with Schorr that remodeling is difficult and expensive. She would be happy at Market Street with vehicle storage at the storage yard.

Dion explained this would not be for discussion during strategic planning. Strategic planning will determine the future of KGID. The sprung structure acquisition details and architect selection will be provided at the next meeting. Dion stated the importance of getting equipment out of the weather and indicated that he would address financial details of the project along with financing.

Vogt noted Hancock's written comments that he does not support the sale of the buildings.

Dion confirmed that engineering will be performed at the storage yard site, and he added that a sprung structure doesn't have the same load as a standard building, and it can be located on the site where favorable.

RECEIVE PRESENTATION AND PROVIDE GUIDANCE ON THE DRAFT WATER PRESERVATION PLAN: Dion reported in writing: *The State of Nevada first published water conservation planning guidance in 1991, which coincided with the revision to the Nevada Revised Statutes (NRS) requiring that suppliers of water develop water conservation plans. Since then, the NRS governing the contents of a water conservation plan have been revised in multiple legislative sessions. Over time, the requirements have included greater emphasis on*

quantitative metrics. Currently, water conservation planning requirements (updated in 2019) are reviewed and approved by the Nevada Division of Water Resources (NDWR) per NRS 540.

Kingsbury GID first developed a Water Conservation Plan in 2008, that plan was written by Farr West Engineering and fulfilled the basic requirements. The plan was updated in 2014 and was perfunctory in the approach.

The current approach is intended to fulfill the minimum requirements established by statute. Generally, to continue the outreach efforts coordinated by the Tahoe Water Suppliers Association. However, there are a couple key changes, specifically, the plan is expanded during Stage 1 - Normal conditions to perform additional outreach and education. This is dual purposed, first in order to be successful in subsequent stages of conservation, relationships with the customers is key and doing outreach events is a strategy to achieve this while addressing strategic affairs of being a leader in community interests.

As stages of severity increase, the plan includes restrictions for the customers and also actions which the district will take to contribute to successful reductions in water demand. As customers are requested to implement voluntary actions, demonstrable actions by the district on items such as leak detection, leak response time or closely managing pressures all assist in achieving overall goals which may be established externally.

Another key change is the influence of water waste patrols to become assistance visits. While trained district personnel are on-site, small items such as caps to replace broken sprinkle heads or direct engagement with customers regarding irrigation systems provides immediate water savings and improves customer relations.

The district continues to avoid rebates and financial incentives paid to customers.

This plan is being presented as a draft for discussion and concurrence with the expansions beyond the minimal level necessary for compliance and to seek other input from the Trustees. It will be presented for adoption by the Board of Trustees after it is reviewed and determined to be complete by the state.

Dion explained that the Nevada Water Conservation Plan is required every five years per the Ordinance. The first plan was dated 2008, with an update in 2014. A 2021 update was provided. He noted that the fire and emergency responses are updated. The two elements for water conservation include relationship-based conservation and hard requirements such as meters, etc. Conservation programs should be viewed annually with drought figures. Short term and compressed times can be based on emergencies, such as emergencies with the water treatment plant to enforce water conservation and management.

Dion explained that the statutory requirements haven't changed since 2008. They are more aggressive on components at review for approval from the state. He reviewed normal condition measures which were previously included and noted the wording changes. He stated that KGID will have upcoming outreach events to promote water conservation landscape and landscape conversions. He noted that prior outreach has been done only through the Water Suppliers Association. He commented that our model is different as our water supply is not at risk, development is limited, and newer houses are not using more water, despite more fixtures.

Vogt questioned water restrictions in California. Dion explained that hand watering is permitted during the first stages of water restrictions.

Dion explained that if we were entering a Stage 2, KGID would provide leak detection on major lines and potentially require professional support, noting sonic equipment could be utilized and the costs aren't offset during normal times. Stage 3 is severe and will require active community engagement with other water suppliers. Low lake levels cause intake issues, and this is considered severe.

Dion stated that the language is similar and consistent with state manuals. He noted the requirement that the district will expand the information dissemination and implement water assistance patrols. He has had great success in patrolling to detect irrigation leaks and suggests capping sprinkler leaks as apposed to allowing the leak to continue with a citation. He explained this is an incidental expense to comply with the state requirements of enforcement. He noted Stage 4 Emergency Water Storage as the most serious. The district will actively manage

reservoir levels to address minimal pressures for health and safety purposes to reduce water waste. Specific water reduction goals were also reviewed.

Vogt questioned if there was a presentation at the Open House and any response. Dion replied that materials were available, and they were prepared for discussion. He commended Carrie for her work on the project. They are preparing for a spring even with focus on conversion of landscapes with native plant and soil coverage suggestions.

Dion explained that the process is to complete the draft for submission to the State for approval, then return to the Board for final approval. Nelson questioned a redline version, which Dion replied wasn't readily available.

Nelson questioned the Stage 3 prohibition of new lawn installation. Dion explained this has always been a limitation. She requested this limitation be removed and Yanish agreed. Dion explained this is during severe conservation and noted there are exceptions for landscape stabilization. Yanish stated this is a property rights issue and questioned if this policy is enforceable. Dion explained that the policies are a mechanism and suggested making changes to the conditions. Yanish suggested stating "During Stage 3, the district discourages new lawn landscape and installation" and Nelson agreed. Dion agreed to this compromise and added that the State expectations will dictate our requirements. He also noted that the current rate structure does not include drought rates for those who choose to use more water for landscaping. He explained that the benefit would be income to the district during water reduction, which would otherwise result in a reduction in revenue.

Yanish suggested using drought revenue to provide water saving fixtures and questioned if the State is offering funding for this. Dion replied that they are pursuing grant opportunities.

Yanish requested the Board's opinion on the changes. Parks questioned how the customers would be aware of the policy and the enforcement. Nelson noted the policy is a guideline and noted penalties are also provided. Dion explained that during Stage 2, the district would increase communication and awareness. He noted an appeal process for large families or exceptions for medical use, etc.

Zumpft questioned the change regarding new lawn language. Dion explained that if they are discouraging new lawns in Stage 3, then new lawns should be prohibited in Stage 4. Yanish stated that this is not her preference, but it is acceptable. Dion explained that Stage 4 would be an emergency.

Nelson confirmed there are penalty rates in Stages 3 and 4 to encourage limits on water use. She questioned if this could be adjusted based on family size. Dion noted the appeal process for this should be added. In request for direction, the Board agreed that appeals could be reviewed by the General Manager, not the Trustees.

Yanish offered for public comment; there was none.

BOARD REPORTS – There were no other reports.

STAFF REPORTS -

GENERAL MANAGER'S REPORT – Nelson questioned if he needs a credit card and he explained that he recently received one.

Schorr questioned clarification regarding the Sewer Master Plan. Dion explained that the purpose of the Sewer Tech Memo was to perform future and existing flow analysis. It anticipates modest growth and sewer flows which is counter-intuitive based on a reduction in development and sewer flows. A small population increase does not correlate with increased projection of flows. This was performed to review sizing of our infrastructure for future development and use allocations within the district. This was the first tech memo prepared by FarWest.

Schorr requested an update on Ponderosa Mobile Home Park. Dion explained that they are served by KGID with a master meter serving 70 units. He is talking with the HOA regarding improvements, including new lines, fire

hydrants and individual meters to be accepted by KGID. He explained there would be a hydraulic advantage to KGID for water quality and fire protection. The goal is to assist them with the plan so that they can pay for the conversion to KGID's system.

Schorr questioned the Caldor Fire claim of \$25K. Dion explained that this is the total detailed on the FEMA reimbursement forms for time, wages and other expenses related to the fire.

Vogt requested a sweeper update. Garden explained that the grant to purchase the sweeper requires two sweepers and the old sweeper failed with a repair cost that exceeded the value. He is pursuing another grant to purchase a new sweeper to comply with the requirement to have two operational sweepers. The grant has been submitted to NDEP for review. Yanish asked if we are requesting Douglas County for funds and Garden confirmed they do not have any funds available from the air mitigation fund. She suggested requesting funds, noting that the County is receiving financial benefit for the TMDL credits that KGID is performing.

Vogt noted the Base and Fire Vulnerability Report, noting results indicated that nearly all of our facilities are rated highly vulnerable to fire. She questioned if grant funding is available. Dion explained they may qualify for funds from FEMA for preemptive work. Wildfire funds are available in other federal programs, additionally Tahoe Agreement funds are available. KGID needs to review capacity to pursue these grants or obtain outside support for grant requests. He noted that the funds are available with many agencies, and they are meeting with other GID's to discuss a grant writer.

UTILITY OPERATIONS SUPERINTENDENT'S REPORT – Schorr questioned the process of continued mapping and GPS. Garden explained this involves adding meters into the GPS system, including meter aspects to sync into the GIS system for crew access to assist in meter location. Schorr confirmed this is accessed via tablets. Schorr requested addition information regarding survey information for the Paver program. Garden explained that the Paver program provides a list of pavement segments for inspection of condition. The inspection information is inputted into Paver to determine pavement condition index. FarrWest inspects the pavement with 100' sections and records description of deformities with pictures.

Nelson questioned recent sanding and brining. Garden explained that the recent storms had minimal impact and there was no brining before the storms, but future storms will be pre-treated. They have monitors and calibrated F&B's sanding equipment. There is normal operation for icy road conditions prior to school buses. Nelson questioned if sanding could be increased on Andria due to the added traffic. Garden offered to monitor this more closely, noting sufficient sand is collected during sweeping on this road. He noted he will review the sand to salt ratio.

ADMINISTRATIVE AND HUMAN RESOURCES REPORT – Nelson questioned a property management update. Brewer indicated everyone is paid and 298 Kingsbury is fully rented. Nelson requested a report of income and expenses by unit and Brewer offered to include this next month.

ACCOUNTANT REPORT – None.

ATTORNEY'S REPORT – Zumpft stated that he and Dion will be meeting with Doug Ritchie, the Chief Civil Deputy DA of Douglas County regarding draining issues. He has also reviewed issues with the snow removal contract which have been resolved. He commented that Indian Hills has a speeding issue on a road that is steep and fast and owned by Douglas County. They installed a chicane (boulders installed to create artificial narrowing or turns) which is effective in slowing traffic. This was built by Indian Hills GID and approved by the county. Parks commented the snow may interfere with this solution.

ENGINEER'S REPORT – Van Dyne stated they are working with the Beach Club and NDEP. He has been working on the Sewer Master plan and implementing the fume inspection report for Paver to be discussed with the General Manager and Operations Supervisor. They are working on the Ridge Tahoe Meter design edits and also updated GIS to upload field shots, manhole survey information to be used for hydraulic monitoring for the Master Plan.

Yanish requested his comments regarding the Operations Yard development. Van Dyne noted that cost material shortages are resulting in significant increases in pricing. He noted a recent project at Truckee Donner received increased cost estimate of 110% since Spring of 2020 and a waterline project in Dayton is up 80% or more. He cautioned that suppliers can't get materials and contractors are bidding high. These significant challenges result in increase pricing. Vogt commented that construction costs should be considered in future KGID development.

CORRESPONDENCE – None.

UNFINISHED BUSINESS

FINAL PUBLIC COMMENT – There was no public comment. Dion noted that he provided a summary from the Tahoe Water Supplier's Association regarding the Tahoe Keys Aquatic situation. He also provided a 5-page article to highlight issues for the upcoming Strategic Planning meeting.

ADJOURNMENT

M-10/19/2021-6 - Motion by Parks, seconded by Vogt, and unanimously passed to adjourn the meeting at 8:29 p.m.

Respectfully submitted,

Natalie Yanish, Chairman

Attest:

Darya Vogt, Secretary