

**MINUTES OF THE REGULAR MEETING OF THE  
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES  
TUESDAY, SEPTEMBER 19, 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 5:02 p.m. by Jodie Nelson.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL** – In attendance were Trustees Nelson, Trigg, Schorr and Parks. Also present were General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer, Administrative & Financial System Analyst Emmanuel Lopez, Matt VanDyne of Dowl Engineering and General Counsel Chuck Zumpft. There was no public present. Trustee Yanish was not in attendance.

**PUBLIC COMMENT** – None.

**APPROVAL OF AGENDA** –

**M-9/19/2023-1** - Motion by Trigg, seconded by Parks, and unanimously passed to approve the Agenda.

**APPROVAL OF MINUTES** – It was noted that a letter received from Tahoe/Douglas Fire Department Trustees would be added to the back of the board package.

**M-9/19/2023-2** - Motion by Trigg, seconded by Parks, and unanimously passed to approve the Regular Meeting Minutes dated August 15, 2023.

**NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:**

**NEW BUSINESS**

**FOR POSSIBLE ACTION:**

**LIST OF CLAIMS** – Parks questioned the fee to Incline Village GID which was explained as the annual fee for the Tahoe Water Suppliers Association Members. Benefits include the sanitary survey which supports our water exemption to avoid additional treatment to the plant with an EPA exemption. All of the members share the costs and benefits of the technical work performed.

Parks also confirmed that Springbrook has a yearly and monthly fee.

**M-9/19/2023-3** - Motion by Parks, seconded by Trigg, and unanimously passed to approve the List of Claims in the amount of \$1,093,893.06 as represented by check numbers 63096 through 63211.

**FINANCIAL STATEMENTS – JULY 2023**

Financials were received and reviewed. Schorr questioned the P&L deficit noted and Dion explained this was typical due to annual fees, insurance and software license fees expended at the start of the fiscal year.

Nelson noted Capital Outlay of \$600K for capitalized expenses. She stated the balance sheet appears to include income and expenses for the prior year, noting there may be an error in the spreadsheet formulas.

**Revision to General Manager Contract.**

This contract was previously discussed and is provided with changes. Schorr clarified his intent was to extend employment for an additional year and upon submitting notice to include assistance to locate a replacement. It was clarified that additional contract extensions may be considered. The revision wording was discussed and the provided change agreed upon.

Nelson questioned if there was a contract draft and who will sign it. It was confirmed that the final contract will be provided to the Trustees for signature.

**M-9/19/2023-4** - Motion by Parks, seconded by Schorr, and unanimously passed to Modify the contract of General Manager to extend the expiration date until June 30, 2025 and include the provision: "That upon KGID Board Meeting Minutes 9/19/2023

submitting notice, the incumbent agrees to extend employment or remain available as necessary to the district to assist in the transition to a replacement."

**Ponderosa Mobile Home Park Water System Consolidation.**

A written report and presentation were provided. A history of the project and current status including the State Revolving Fund Loan with Debt Forgiveness was reviewed. The NDEP has determined that the project qualifies for \$2.5M of principal debt forgiveness. The State requires the Resolution provided for the loan documents. The benefits of the improvements were discussed and it was explained that time is of the essence in order to meet various deadlines and be proactive in controlling costs.

Parks questioned payment responsibility for the engineering portion. It was explained that KGID may provide funds for the surveys which can be used at a later date if funds are not secured. These reports will include 750 feet of KGID line included in the project.

Nelson expressed concerns regarding how the project will be paid for and allocated. It was explained that the district funded portion will be separated in the budget. KGID problem areas including line deficiencies were noted along with remedies created by this project. In response to her question, VanDyne confirmed engineering will track and separate time billed for the two contracts which is common practice for project management.

Schorr confirmed that there will be no expenditures until October 18, 2023. It was explained that the contract will help secure the engineering survey. Debt service will begin with draws and principal and interest up to \$2.5M is expected to be forgiven. The project costs estimated are close to this amount. If bids exceed the maximum, secondary funding will be pursued and if unsuccessful, it will then be presented to the board. Initial project costs will be expended but will be useful even if the project is delayed.

Schorr requested clarification regarding reimbursements in Section 3. It was explained that KGID intends to reimburse itself for district costs to prepare and supervise the project. Engineering costs are included in the \$325K; however, actual construction cost estimates are unknown. The Trustees reviewed the verbiage regarding reimbursement and it was determined to be sufficient.

It was clarified that KGID will be making improvements of \$1.1M for district enhancements which will be paid from Water Fund Reserves. Costs for the meters will be KGID's responsibility and is included in the estimate.

It was noted that Trigg is a property owner in Ponderosa HOA. Zumpft confirmed she can vote as there is no additional benefit to her.

**M-9/19/2023-5** - Motion by Nelson, seconded by Parks, and unanimously passed to approve and adopt the resolution for consolidation of the Ponderosa Mobile Home Park Water System; and approve Task Order 64 with DOWL Engineering for the design services for \$322,069; and approve Task Order 4 with Eastern Sierra Engineering for \$43,650; and authorize the General Manager to execute appropriate agreements.

**Document Imaging.**

A written report was provided. It was explained that the district has approximately 200 boxes to be scanned, indexed and shred (if permitted). Once imputed, the current staff will maintain the electronic files. State retention for property records was discussed along with other documents needed for research and new projects. The current filing system in boxes is cumbersome and inefficient. This system and contract are mirrored with Douglas County's similar project.

Nelson supported the project. She questioned the document storage and it was explained that the documents will be stored on the software and cloud. The fees were discussed. It was explained that KGID will own the data and if the contract terminates the information will be provided to KGID. The process will take 6 months and the boxes will be taken off-site for scanning. Everything will be returned to KGID and questionable documents will be separated. Benefits include reorganization of the documents according to a new electronic filing system.

Nelson questioned if additional bids were required. It was noted that Douglas County's competitive selection fulfilled the requirements of the bid selection process. Zumpft agreed.

Nelson noted the amounts expected are \$119,055 for imaging and \$4,150 for document management license. The additional license fee of \$9,400 was not anticipated.

**M-9/19/2023-6** - Motion by Trigg, seconded by Parks, and unanimously passed to Approve the imaging contract and service agreement with Precision Document Imaging and authorize the General Manager to execute appropriate agreements.

**Financial Audit Policy.**

A written report and presentation were provided for discussion and possible action. It was explained that this, among many policies need to be reviewed and updated, as necessary.

Nelson suggested that the purpose should include “as required by State Law”. It was determined that this would be added to the end of the first sentence of 5.5.2.

**M-9/19/2023-7** - Motion by Nelson, seconded by Trigg, and unanimously passed to approve the District Financial Audit Policy, as amended.

**Claims Management Policy.**

A written report and presentation were provided for discussion and possible action. It was explained that policies are separate from the procedures, which will be established by management. Pool Pac’s requirements regarding personal injury were also included. Timing was also amended to expedite the process to benefit the customers. Customers also have the option to request the board’s review.

**M-9/19/2023-8** - Motion by Parks, seconded by Trigg, and unanimously passed to approve the District Claims Management Policy.

**Board Reports**

Nelson explained that the Sewer Authority has been servicing the sewer at Elks Point GID. The original contract from 1970’s was reviewed and due to their aging infrastructure, it was determined by the Board that Elks Point GID should be responsible for their own system beginning July 1, 2024. They have not previously operated as a full GID, and sewer will be a needed. It was suggested that they consult with the other GID’s and it is speculated that they will contract with Summit Plumbing for services.

**Management Reports**

**Engineer’s Report**

Nelson questioned payment to Dowl for \$45K related to Andria Waterline Replacement. VanDyne confirmed it was for inspection fees, observation, management and tracking. That project has been challenging as the contractor performance is down which is requiring additional time for management by Dowl. The increased effort has resulted in full oversight and engagement by Dowl and the project budget will require review. Of \$200K in change orders reviewed, it was determined that only \$8K were legitimate. A task order amendment will be presented at the next meeting.

It was explained that Dowl performs both construction administration and management. Dowl typically comes in under budget for these services and these projects overruns are unusual.

Nelson questioned recommendations or reviews of the contractor. It was explained that it is nearly impossible to reject any responsive or responsible bidder. The contractor has recently expanded into various areas, their project management hasn’t been as attentive plus they are understaffed. VanDyne has been working with them to remedy the problems within the project; however, cost overruns are likely.

Schorr clarified that the project is being completed satisfactorily and VanDyne explained that the inspector on-site has identified items for correction. Various testing is passing and the end product will be acceptable. There is also a 1-year warranty. Schorr verified that there wasn’t lack of due diligence in selecting the contractor. It was speculated that additional inexperienced crew may have been added to this project due to a shortage. The project is approximately 80%+ complete with estimated completion of October 13, 2023. The contractor has added crew and personnel to expedite the timing to comply with the grading season deadline. The paving restoration portion of the project has been removed from their services to be re-bid for the final products desired. Due to project delays, the weather temperature and the timing does not allow for slurry to be applied this year.

**General Manager’s Report**

A presentation was provided regarding the opening of the Event Center.

Oliver Park GID is requesting to end its role and have submitted a petition to the County for KGID to combine services. Kahle Road condition was reviewed, including nearby pond retention and drainage which contributes to the problems in Oliver Park. Storm drain responsibility needs to be addressed prior to new commitments. The property improvements at the potential Barton project were noted.

Construction progress of Pineridge was reviewed and pictures were provided. The project has been on schedule; however, today's inspection was disappointing due to the number of people working and not working, which has not been an issue before.

A report on the snow pack and water level was provided. The board was reminded of potential dangers to KGID workers from an example provided of a water worker fatality reported in the news.

The OPED liability report was provided for Trustee's review and it was noted that alternatives will be addressed in the future.

**Utility Operations Superintendent's Report**

Garden explained that they have been extremely busy servicing leaks from pressure systems and fire hydrants. It appears the fire department is flowing fire hydrants improperly which may attribute to line surges and leaks. Whiterock Construction has been contracted to assist in the repairs. Other concerns are chlorinated water contamination into creeks along with erosion control. The improper handling of hydrant valves was discussed along with fireman hydrant training. Due to the clean water within KGID, flowing hydrants isn't necessary for the system and KGID has a flushing system in place. An agreement regarding the fire departments use of the hydrants was suggested by the board. It was explained that training is necessary for the fireman and the hydrants which may be needed annually. The amount of water flowed is an additional concern.

Nelson requested additional information regarding the water issue at Vesper Court. They are currently investigating, as it is speculated the problems are at the old line and costs don't mitigate repairs at this time. The switch next week will determine which line has the problem.

**Administrative and Human Resources Report**

A new hire update was provided for street crew. An additional water crew member is needed.

**Attorney's Report**

Zumpft has had conversation with the Fire District's Counsel regarding clearing of hydrants responsibility and delegation. They have indicated that it is the GID's responsibility. Zumpft requested official policies and has not had a response in 3 weeks. Dion clarified that subsequent to the last meeting attended when the Fire Department indicated they wanted to work amicably, their attorney contacted KGID's attorney.

**CORRESPONDENCE** – Reference was made to a letter provided regarding a bicycle incident which is contrary to the initial reports of the accident. Statements from witnesses have been recorded. No damages have been requested.

Class action law suit was discussed for settlement of the water treatment plant. PFA levels are minimal coming from such a large body of water. No agreements or safe harbor, more information will likely follow.

Minden Gardnerville Sanitation District is increasing rates for sewer use fees. Charges and service areas were reviewed.

**FINAL PUBLIC COMMENT** – There was no public present.

**UNFINISHED BUSINESS**

**ADJOURNMENT**

**M-9/19/2023-9** - Motion by Parks, seconded by Trigg, and unanimously passed to adjourn the meeting at 7:23 p.m.

Respectfully submitted,

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Jodie Nelson, Chair

Attest:

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Cindy Trigg, Secretary