

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, SEPTEMBER 20, 2022**

CALL TO ORDER – A brief informational meeting regarding the capabilities and functions of the new Street Sweeper and its use by the district was conducted at 4:45. Multiple members of the Board were in attendance for this presentation. The meeting was called to order at the Kingsbury General Improvement District office located at 255 Kingsbury Grade, Stateline, Nevada at 5:07 p.m. by Sandra Parks.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Parks, Nelson, Schorr, Vogt and Yanish. Also present were General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer, General Counsel Chuck Zumpft, and Matt Van Dyne of Farr West Engineering. Public included Charles Hancock and Megan Kelly.

PUBLIC COMMENT – Megan Kelly, Nevada Tahoe Conservation District made comments regarding upgrades and improvements on Kahle Drive and the road project called Kahle Complete Street. She requested KGID add this item to the next agenda to enable her to make a presentation.

Charles Hancock questioned whether the water line needed to be replaced and if there was benefit to KGID for participating in Kahle Drive which leads to one of Douglas County's newest wealthy communities.

APPROVAL OF AGENDA –

M-9/20/2022-1 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve the agenda.

APPROVAL OF MINUTES –

M-9/20/2022-2 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve the Regular Meeting Minutes dated July 19, 2022.

M-9/20/2022-3 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve the Regular Meeting Minutes dated September 2, 2022.

APPROVAL OF CONSENT CALENDAR – Parks requested Item A; Schorr requested Item B. be discussed.

M-9/20/2022-4 - Motion by Nelson, seconded by Vogt, and unanimously passed to approve the Consent Calendar Item C: Approval of Task Order 59 with Farr West Engineering for GIS Support FY 23 not to exceed \$ 9,250

Regarding Item A: List of Claims, Parks questioned the NV Energy bills on Page 5. The response was that water demand had increased as sometimes happens this time of year if Heavenly is taking water in preparation of the season.

Also on NV Energy, Parks questioned the Beach Club expenses on Page 7 which was explained is the address on the bill for the lake pump station.

Nelson questioned the Heavenly contract status which was confirmed as still current. It was also indicated that the district is interested in sharing well capacity with Heavenly.

Parks confirmed that the Springbrook software costs \$12K annually plus monthly fees.

Schorr questioned check #62016 payable to Incline Village GID. It was explained this is the Tahoe Water Supplier's Association, but IVGID manages the finances for the program.

M-9/20/2022-5 - Motion by Yanish, seconded by Vogt, and unanimously passed to approve the Consent Calendar Item A: List of Claims in the amount of \$1,851,295.10 as represented by check numbers 61862 through 62065.

Regarding Item B: Balance Sheet June 30, 2022, Schorr questioned Dion's confidence in the upcoming audit. Dion explained there aren't any anticipated unexpected items, but new GASB requirements will implement procedural changes regarding leases. He noted the importance of debt coverage with the possibility of additional State Revolving Loan funds.

Nelson questioned the investment account of \$45K. She also questioned why there aren't any fixed assets allocated to the General Fund or Pine Ridge and 298 Kingsbury funds. Dion explained that equipment is now a separate line item. She suggested allocations be reviewed with the auditor for accurate representations of the Profit & Loss for each item.

M-9/20/2022-6 - Motion by Nelson, seconded by Vogt, and unanimously passed to approve the Consent Calendar Item B: Balance Sheet June 30, 2022.

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

FOR POSSIBLE ACTION:

Ratification of necessary expenses exceeding General Manager authority (Rodder Pump Assembly replacement pump, Vactor Truck Fan Repair & Maintenance, Tramway Waterline Repair, Waterline Replacement Project pipeline materials, Station 3 Generator Radiator replacement, Vactor Truck Compressor Repair)

A written report was provided explaining that the General Manager authority limit is \$5K and items were paid that were either urgent or would be more expensive if purchased at a later date.

Vogt questioned if the board had the authority to increase this limit. It was determined this could be addressed in following month. Schorr agreed.

M-9/20/2022-7 - Motion by Nelson, seconded by Yanish, and unanimously passed to ratify the necessary expenses which were authorized by the General Manager exceeding the purchase authority

Waterline Replacement & Road Improvement Project Change Order

A written report was provided. In addition, it was explained that there was urgency to getting the repairs made to the water line which exploded in February. Due to having the contractor on site, it is beneficial to make the changes and restore fire service to Lake Village. The second change order was to address the unforeseen rock which exceeded the allowance within the contract. Van Dyne added that it is difficult to locate all of the rock areas from the surface during design and removal causes additional costs. He noted that Whiterock Construction worked with KGID to minimize the financial impact and explained the details of the project. Dion added that backfill was not properly performed on the 18' steel pipe when originally installed which is affecting the life of the material. Proper construction will ensure it will last much longer.

Nelson confirmed with Van Dyne that the GIS system can be updated to include rock areas.

M-9/20/2022-8 - Motion by Nelson, seconded by Vogt, and unanimously passed to review and approve change orders number 1 and 3 for the Waterline Replacement & Road Improvement project of \$62,710.00 and \$85,365.00 respectively.

Adjustment to the ServLine Leak Protection Program:

A written report was provided. Additionally, it was explained that ServLine has enough loss experience actuarial and offered an increased coverage amount and reduced costs for KGID customers. Parks clarified the number of customers included does not include commercial customers.

M-9/20/2022-9 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve the adjustment to the ServLine Leak Protection Program option (B) increasing coverage to \$2,500 while achieving a net savings to customers and authorize the General Manager to complete appropriate contracts.

Award of Snow Removal Contract

A written report was provided. It was explained that the snow removal is difficult to bid and other vendors were contacted only one bid was received from Manchester Enterprises, (F&B). The contract is similar to past as related to performance and the bid reflects increases in labor and equipment costs.

Parks noted the contract amount has increased 20% and questioned who provides the supervision.

Nelson questioned the contract term which Zumpft noted as 3 years with the provision for 2 one-year extensions.

Vogt indicated support for the award.

Yanish questioned fire hydrant clearing noted in the contract which was confirmed as the same wording as the previous contract, noting F&B gets as close to hydrants as possible. But clearing them is not a duty of KGID. Parks suggested notifying customers of this additional cost to encourage clearing of hydrants in an effort to keep costs down.

M-9/20/2022-10 - Motion by Nelson, seconded by Schorr, and unanimously passed to approve the Snow Removal Contract and authorize the General Manager to enter into the Snow Removal Contract with Manchester Enterprises Incorporated for a period of three (3) years with options to renew for two (2) years.

Repayment Plan for 187 Clubhouse Circle:

A written report was provided indicating that the water bill that hasn't been paid for 12+ years. The water meter continues to serve the property as the meter is shared with other paying units. The total due is \$44K including fees and penalties. The customer is requesting the board waive 2/3 of fees and penalties as part of the repayment agreement.

Vogt supported the plan.

Parks confirmed that they could sell the property and KGID would not receive the full amount. Vogt recalled a similar circumstance with forgiveness but Parks clarified that was for a purchase of a property. Parks supported a lien for \$44K.

Schorr questioned the ability to repay the extra \$250 per month and Dion explained there were lengthy conversations with the customers and sister-in-law who has offered to assist. Schorr suggested encouraging automatic payments to help the customers comply with the contract.

Nelson stated she is hesitant to waive \$22K in revenue. She suggested a stipulation regarding sale to recover waived fees if the property is sold within the payment period.

Yanish stated that she prefers to be equitable for all customers regarding payment requirements. She clarified that foreclosure is also an option. Zumpft confirmed KGID could perfect the lien and pursue foreclosure. She acknowledged there would be legal fees in that scenario.

Vogt supported a provision regarding full payment in the event of a sale within 10 years. Parks agreed. Zumpft suggested all transfers (and sales) be included.

M-9/20/2022-11 - Motion by Nelson, seconded by Vogt, and unanimously passed to authorize the General Manager to enter into a repayment plan with the homeowner of 187 Clubhouse Circle as defined in the attachment agreement, modified to include payment of the original amount due upon sale or transfer within the term of the agreement.

There was a 5-minute break at 6:32.

Professional Services for Facilities Improvements of Building 160 Pineridge:

A written report was provided.

Schorr confirmed that construction would commence in spring of 2023 with crew quarters completed in 6-8 months. Next, construction cost estimates will be provided to the board for approval and the bidding process will commence. Paul Calvin Architect LLC will oversee the bidding process and construction. This will satisfy architectural service fees for the first floor.

Yanish suggested obtaining architect plans in a CAD file as opposed to PDF for future access, if necessary

Nelson questioned the subcontractor management. It was explained the professional subcontractors used in the design are hired and managed by Paul Cavin Architect, LLC.

Parks inquired about material selection. It was explained the architect will make suggestions based on KGID direction. Practical and durable are being stressed, and materials will be included in the construction specifications.

M-9/20/2022-12 - Motion by Vogt, seconded by Nelson, and unanimously passed to authorize General Manager to enter into the contract for professional services for the design, bidding, administration and project management for the facilities improvement of Building 160 Pine Ridge not to exceed \$192,700.

Approval of Professional Services for the FY23 Waterline and Road Improvement Project:

A written report was provided. Additionally, it was explained they have mapped out water and roads for projects over the next few years. For efficiency, the work is being viewed together, Task Order 60 is the survey and Task Order 61 is the design. There will be an upcoming task order for the 2024 road and water project. The waterline break areas over the past 5-years are concentrated areas for repair. Construction will commence in the summer of 2023.

M-9/20/2022-13 - Motion by Vogt, seconded by Nelson, and unanimously passed to approve Task Order 60 and 61 for the Professional Services needed to survey, design, bid and manage construction for the FY 23 Waterline and Road Improvement Project in the amount of \$68,012 and \$315,068 respectively and authorize the General Manager to sign appropriate contractual agreements.

Charles Hancock inquired about the Farr West Engineering price increases. Van Dyne responded there is an increase of approximately 6%-8%.

Assignment of Sewer Authority Board Representative:

A written report was provided indicating the Board needed to solicit interest and appoint a member to be the representative for the Sewer Authority.

He offered for any board members to express their interest and suggested a card draw as a decision tool.

Yanish, Nelson and Schorr all expressed interest and indicated they had the time to perform on the additional board.

Vogt noted that all of the trustees are qualified and supports a card draw. She explained that there three of the five board members are changing at the Sewer District. Yanish suggested making the decision by a consensus vote after discussion. Zumpft confirmed that the process is constitutionally permissible in Nevada. The board

discussed the voting process and Trustee remaining terms. Hancock suggested drawing cards for the vote. After further discussion the board voted to use the card drawl to make the determination. Nelson h

M-9/20/2022-14 - Motion by Vogt, seconded by Parks, and passed to cut cards to assign one member of the Board of Trustees to represent the Kingsbury General Improvement District at Douglas County Lake Tahoe Sewer Authority (DCLTSA) for the term of 3 years commencing October 1, 2022. Yanish, Nelson opposed.

Nelson pulled the high card and will be the next representative of the Douglas County Lake Tahoe Sewer Authority (DCLTSA).

Authorize use of temporary personnel services agency

A written report was provided explaining the district admin would be shorthanded for approximately two months. One for medical absence and the other due to the departure of an employee. A permanent replacement is being sought. There are seven interviews set up but due to background checks and other processes it takes about two months to fill the vacancy. Therefore, a temporary employees will help during this time. The individual will not be an employee of KGID and the agency also has insurance protections for employee honesty and error.

M-9/20/2022-15 - Motion by Nelson, seconded by Vogt, and unanimously passed to authorize the General Manager to engage Blue Ribbon Personnel Services for temporary replacement of the Administrative Secretary/Clerk position for up to \$12,000.00.

Snow Removal Rate Workshop:

A written report was provided and a presentation.

In the discussion it was consensus that a 10-year window was appropriate to consider snow removal rates. Additionally, the rate methodology of base expense, capital and admin were the appropriate categories. The report included the proposal to adjust rates to \$22.25 beginning January 2023, increasing to \$26.82 January 2024 or sooner if the yearend balance falls below \$1M.

Parks suggested a more gradual increase. Vogt noted that the change is not a large amount.

Vogt stated that annual snow removal fee of \$180 is a nominal amount for service and the costs are justified. Parks anticipated complaints. Yanish noted that other fees will be increased as well.

Nelson questioned the Capital expenses some of which would be reimbursed as grant funds for the sweeper. She suggested a two-step process starting at \$22.25, with \$2 increases each year triggered by the minimum balance.

Dion stated that he would like to present rates to the public that the board supports. He offered to present revised figures at the next meeting.

Schorr agreed that revenues need to be in excess of operating expenses and each fund needs to be self-supporting.

Board Reports – Vogt noted an increasing problem with trustee candidates as there aren't many locals interested in serving in the Douglas County Lake Tahoe Sewer Authority. There are also conflicts of serving on other boards. She indicated that this would be her last Board meeting as their home is now in escrow and likely to successfully close.

Yanish stated that it appears Douglas County does not want to participate in the free micro-transit for the convention center which is a potential issue. She stated Douglas County Commissioner's expressed interest in limiting building development on parcels less than 2 acres if a septic system would be installed as they have concerns over nitrogen and phosphorus.

Management Reports

General Manager's Report:

Ponderosa Mobile Home Park is close to the threshold of the State Revolving Fund and qualify mostly for loan forgiveness under current rules. Under state guidelines, KGID will have to be the applicant for their project and their system will be consolidated with KGID's. Their project costs are \$2M and the current loan forgiveness threshold is \$1.8M leaving a \$200K deficiency. New rules in February/March 2023 will raise the threshold. He noted the items that will need to be completed over the next few months in order to proceed with the project.

Dion explained that other KGID projects may be restructured and combined through the revolving fund to assist with future project funding such as the water tanks and pump stations. Schorr indicated consideration of interest rate increases and Dion explained that they are not as responsive to market pressures and current rates are still around 2.5%.

Dion reviewed water level issues which affects Nevada water politics and water use needs in Northern and Southern Nevada.

Utility Operations Superintendent's Report

Garden thanked the board members for participating in the lead and copper studies.

Administrative and Human Resources Supervisor Report

Brewer is currently working on the audit and cross-training employees. Parks confirmed the new office hours of 7:00-4:30, and they open an hour earlier.

Attorney's Report

Zumpft had nothing to report.

Engineer's Report

Van Dyne explained that he is working on Phase II waterline changes at The Beach Club. Garden is assisting. Plan changes within the project were discussed.

CORRESPONDENCE – None.

FINAL PUBLIC COMMENT – There was no public comment.

UNFINISHED BUSINESS

ADJOURNMENT

M-9/20/2022-9 - Motion by Nelson, seconded by Parks, and unanimously passed to adjourn the meeting at 8:29 p.m.

Respectfully submitted,

Sandra Parks, Chair

Attest:

Craig Schorr, Secretary