

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, SEPTEMBER 21, 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 5:03pm 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 employee Judy Brewer, and General Counsel Chuck Zumpft.

PUBLIC COMMENT – Yanish thanked everyone for attending. There was no public present for comment.

APPROVAL OF AGENDA –

M-9/21/2021-1 - Motion by Nelson, seconded by Parks, and unanimously passed to approve the agenda.

APPROVAL OF MINUTES –

M-9/21/2021-2 - Motion by Parks, seconded by Nelson, and unanimously passed to approve the Regular Meeting Minutes dated August 17, 2021.

APPROVAL OF CONSENT CALENDAR – Schorr requested to pull the List of Claims and Nelson requested to pull Item B.

Regarding Item A: List of Claims, Schorr noted check #60789 Linde Inc. for liquid oxygen for \$6,500 and requested additional information on how it is used. Garden explained that it is the main disinfectant product used at the treatment plant to produce ozone. He noted that at a previous meeting this was approved for the purchase at this amount, adding it is purchased 3 to 4 times per year.

Parks questioned if we change the water treatment process or if it is the same year-round and Garden confirmed it is always the same. Yanish added that ozonation is a result of the Federal Rule requiring treatment of surface water. Schorr did not have any other questions.

Nelson questioned why the Current Year Actual Appreciation is higher than the Year-to-Date Budget on the combined draft of Revenue and Expenses. She noted it increased by \$16K which is unusual and requested this item be reviewed, Dion agreed.

Nelson noted that meetings were changed to 5pm to allow for staff such as Brandy Johns to attend and answer questions. Yanish requested Nelson's suggestion regarding the timing and Nelson replied that having meetings at 6pm were more convenient. Nelson explained that prior meetings were going late, and the time was adjusted to compensate. Dion offered for Brandy to attend meetings at 5pm.

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

M-9/21/2021-3 - Motion by Nelson, seconded by Parks, and unanimously passed to approve the Consent Calendar Item A: List of Claims in the amount of \$254,215.34 as represented by check numbers 60681 through 60789 and Financial Report dated June 30, 2021.

Regarding Item B, Nelson requested clarification regarding the benefit of adding these items to the existing task order instead of starting new projects. Dion explained that it was efficient to combine the projects as there are

some areas that are similar. There is a benefit to mobilizing the contract once instead of having two mobilizations and redundant expenses.

Nelson requested further explanation regarding the improvements and new costs. Van Dyne explained that the roadway portions include three additional areas and while they aren't close to Sunflower, they are close enough for a contractor on site to be mobilized. There is efficiency in construction costs including traffic control, etc. They have been monitoring these roadways via MicroPaver and due to the increase in traffic with semi-trucks delivering to resorts, the section of roadway has deteriorated rapidly over the past few years. Garden indicated there is a potential plan for Tramway that is a way out in the future. The rest of the roadway is holding up well and the slurry seal is providing a good rehabilitation product. It is efficient to add this to the current plan set to not require an additional survey, plan sets, etc. reducing the costs.

Van Dyne explained that the Vesper Waterline Project was completed in 2014 on Ski Court and Hubbard. When completed a stub or t-pipe was placed in the roadway at the Forrest Service parcel in the hopes of future waterline looping. He noted the Forrest Service isn't always favorable to establishing easements and the parcel is very steep and rocky. This has been re-explored with the Forrest Service and after a month of correspondence, they determined it was likely non-permitted, but they would have to go through the permitting process to establish that. The quoted timing of 12-36 months was not within of the timing of this project.

Additionally, the other element determined during design regarding past projects in the area in which a portion was replaced with PVC pipe in 2010. Unfortunately, it was 6" pipe and a section of Sunflower and Griffin must be replaced to comply with fire flow conditions and requirements. The recent installation must be removed and corrected to meet these conditions.

Nelson confirmed the line installed is now 8" and questioned why the smaller PVC was previously used. Garden explained that the prior firm was JWA Engineering and without a Water Plan the 6" line was deemed sufficient at that time. He noted this project was in the works when KGID was considering a new firm. Garden stated that it was due to a lack of due diligence from the engineer and lack of perception from staff.

Dion noted the change in fire protection requirements since this timeframe which requires the change. Nelson questioned the status of 1B USFS portion of the task order. Van Dyne explained that they are not continuing this effort and it is a recap of what was completed.

Nelson noted that Tramway and Quaking Aspen were recently replaced and questioned if there will be changes to the improvements. Garden confirmed this is a different section and explained that Quaking Aspen to Tramway intersection has significant cracking and crack sealing is not sufficient. He explained that Pricing will be explored for the entire intersection or patch work to improve the PCI score and they are considering replacing the Tramway travel lane and not the entire width. There is minimal traffic, but it is heavier traffic such as trucks and the section is beyond repair likely as a result of subgrade failure. This may require pulverizing of the existing asphalt into the base sections to re-establish and install a base layer on top to strengthen the section. They reviewed the Bonnie Drive section, including design and staff is looking to expedite this outside of the projects. The sinkhole section was the initial exploration and design prior to the direction to expedite it outside of the project.

Nelson verified the two reasons for the change order are to make it more attractive to the contractor and to combine engineering costs. Van Dyne confirmed that it is a fraction of the costs as they had already started construction. There was a more significant road project in the next 1-3 years that may be postponed. Nelson noted the \$500K increase which Van Dyne explained is related to inflation and construction pricing. He noted that third party estimators have experienced increases of 40-70% over the last 6 months; electrical conduit materials are up 600% and water and PVC pipes are up 70-100%. He explained this task order reflects the most recent increases.

Parks questioned the building information which Brewer confirmed are misfiled.

Yanish offered for any other questions. She questioned if MicroPaver tracks this data or if it is manually updated. VanDyne explained that MicroPaver is tracked by Garden and data is collected and updated as reported. This is

the fifth year of data input, and we are seeing accurate depiction of roadways. Year by year trends are established as priorities by MicroPaver.

Yanish questioned patchwork longevity. Van Dyne stated that the intersection is cracking which can be corrected with patching and slurring or chip-seal. The seals will last longer as well bringing the overall condition up. Yanish appreciated his answers.

Parks confirmed this project is for 2022. Van Dyne explained they have approval from NDEP, and this project is prepped and ready. They are looking to open bids in December/January for presentation to the board in February. The timing will be included in the contract. May 1st opens the season, but there may be a delay.

There were no other questions or public comment. Yanish thanked Van Dyne for his attendance.

M-9/21/2021-4 - Motion by Nelson, seconded by Schorr, and unanimously passed to approve the Consent Calendar Item B: Approval of Task Order #53, Amendment Number 1 for Engineering Services of 2021 Water and Road Improvement Project.

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

PRESENTATION AND DISCUSSION REGARDING DROUGHT UPDATE: Dion reported in writing: *The current and persistent drought influences water supply, public perception and public policy. Awareness of the integrated effects of climate, precipitation, and temperature are significant planning factors for Kingsbury GID. In addition, due to media coverage, the public is increasing aware of these issues and expectations are sometimes outside of the mission or policy of the district. However, if drought conditions continue into 2022, the State is likely to implement reporting and possibly other measures upon the district.*

Fiscal impact: There are no fiscal impacts related to this report.

Dion noted that Yanish was awarded the Public Official of the Year for the Nevada League of Cities and Municipalities and the board congratulated her. Yanish replied that it was a great honor as the group of people are amazing. Dion noted that it is a very distinguished awarded that couldn't have gone to a better recipient.

Dion explained that the drought in Tahoe is not as extreme as other locations but the expectation for continuation from NOAA is for many months. The drought is compounded by a reduction in precipitation. He noted that over the last 40 years it has become more serious over the United States. He provided a slideshow with detailed information.

The overall precipitation in Northern Sierra shows the 3rd driest of all times. This was the second dry year with increased temperatures. The fire danger continues to encompass the area, and these are all challenges in the water resources. There is only a 6-foot variation of Lake Tahoe water levels, but the neighboring communities are affected and are entering the next water year on October 1 with levels lower than last year. Tahoe will also begin the next water year lower than last year. The 90-day outlook provides continuing drought through New Year's. He spoke to the meteorologist from the fire who thinks the conditions or trends could change or improve. The precipitation outlook for the next 90-days is also on the borderline which may provide normal moisture.

He explained that he wanted to address this as the public expectations are set by the media and larger organizations in California. He noted the California State Water Project indicates the reserves are below normal. Southern California had a record amount of water in storage going into this year that buffered their drought impacts but going into next year they will not be as robust. In much of Southern California, they have about 3 years of reliable supply and are managing though in a confident fashion. The farmers in San Joaquin Valley do not have the same water storage capabilities. The news will continue to drive information regarding agricultural shortage, and we will see groves topple as they are trying to grow groves where they used to grow annual crops.

The water rights will affect people who live year to year on water supply like agriculture which is the highest product in the state.

Dion explained this water is all connected. He noted the Tahoe water map and a small diversion at Webber Lake in Plumas County off the Feather River. He explained that Echo Lake in El Dorado County has a diversion to the American River instead of going to the Upper Truckee. This is the federal project that supports the water project in the San Joaquin Valley. He noted the diversions are small, but everything is connected. He explained that we can expect emphasis in water conservation. The Plan is due every 5 years, and it is in review and adjustments are necessary.

He will support community education and outreach to improve water efficiency. At the Open House this week, they will have a water conservation theme. They hope to discuss water smart, fire smart landscaping conversions for increasing requirements and customer expectations, and meeting with state requirements. Additional reporting requirements are expected.

Schorr requested an example of an impact to KGID next summer. Dion explained that the State could suggest a reduction of 10% and require reporting of conservation activities such as water conservation landscaping. Dion noted the importance of leadership and customer expectations for smart responsible water use.

Yanish added there aren't any reported changes to Truckee River Operating Agreement or Lahontan which pumps water out of Lake Tahoe. She noted the complicated layers of water rights. Dion noted that the water access is also a consideration.

Yanish offered for any questions. Nelson requested a copy of the water map from the presentation.

Yanish added that we are subject to new rules even though our water intake is healthy, which previously resulted in a new water treatment plant. Dion stated that another dry year will affect the health of the forest. Watershed management within the Tahoe Basin has improved resulting in better management of the forests. He also noted the recent fires, TRPA tree issues and the density of trees. Yanish noted there should be 20 trees per acre instead of 120. Dion stated that a "California style" of water conservation programs are anticipated. Clark County is 20 years ahead of most entities and Nevada has implemented some items, but changes will be up to the regulators. Nelson thanked Dion for the information.

There were no questions or public comment.

PRESENTATION AND DISCUSSION REGARDING THE DISTRICT STRATEGIC PLANNING

PROCESS: Dion presented an outline and process for the Strategic Plan. His report summarized: *Strategic planning is a fundamental tool outlining long term policy goals as well as an approach to provide a general outline to guide the district with a twenty-year perspective. The Strategic plan is intended to be a tool for the Trustees to monitor the progress of the district towards these long-term goals.*

The Strategic Plan provides guidance and is a strong leadership statement. It will be supported by the Business Plan which maps the management of programs and events.

A Business plan may be thought of as the tactical plan supporting the goals of the Strategic Plan which outlines the specific objectives which will be achieved. The Business plan focuses on a five-year program. The elements of the business plan are to be developed by the management team to support the goals and positions established by the Board of Trustees.

During the next six months we plan to schedule workshops to complete the strategic plan. A proposed outline and schedule will be provided in the presentation, which will be followed in general, but variations may occur due to unforeseen circumstances. The management team will be engaged in a parallel track, just lagging the Strategic Planning process to develop the Business Plan which will be approved by the Board before the next budget cycle is completed.

Dion explained that the purpose of this presentation is to layout a strategic plan based on interviews with the Board Members. Part of having a plan includes the understanding of the purpose of the plan. Many entities have an overlap of strategic and business plans, but he prefers a divider between plans despite overlap between the two. The Trustees are the policy owners and guiders of the items of the strategic plan. The business and implementation plans will be the responsibility of the management team. The planning process is a suggestion and he requested comments and feedback.

The Iceberg is a model that has been around for many years, that communicates the core values, vision, and long-term goals. The realm of the Board of Trustees is to establish the values, visions and long-term goals and priorities. The management team will become more engaged and will draft management tools. Ultimately, the completed master plan will become the management's responsibility to implement. The Board of trustees must have oversight, but management will work the model, choose priorities, and make recommendations. The management team has the authority to execute the plan and the Board retains financial controls. He views the strategic plan as the compass and the business plan is the map.

Yanish stated she supports the Iceberg Theory. Dion stated that nothing is clear cut, but the model allows for execution.

Dion continued to explain that the Business Plan needs to be clear. He utilized a simple spot analysis model to review strengths, weakness, opportunities and threats for each component. The four modes reflect component of the reflection of performance in the Business Plan which will be reported to the Trustees to monitor the progression of the Strategic Plan. He explained that there would be key mark bench indicators for the Board of Trustees to identify. He noted that discipline will be important to prioritize items in order to execute the plan. He offered to push back if there is too much distraction. He will provide many options for them to review and explained that we operate very lean, which he prefers.

He suggested two workshops at 2-4 hours which cannot be part of a board meeting as there will be much discussion and note taking. The topics are planning process overview on values, governance and roles of trustees, vision statement, mission policies and developing a strategic direction. He stated the Board's vision will dictate the direction. He illustrated that we don't sell water, they sell service. Core services will be reviewed in the workshop, including investments.

He proposed meetings on October 12, 2021, and November 9, 2021. Yanish questioned if the meetings should be closer. Dion stated the meetings could be two weeks apart, if possible. Yanish noted the availability of the board should be considered.

Yanish explained that the topics can be daunting and rewarding. Dion noted the importance with the new GM and upcoming election, losing experienced trustees.

Dion explained that a board outline will be provided to the public. He noted it will be a public meeting but suggested public comment in the beginning and the end to allow for board discussion. He added that an urgent public comment may be considered, but board discussion should be the focus. Following the public engagement process, they will discuss review and refinement. By December, it may be ready for a normal meeting, depending on progress. He suggests seeking public comment in January. The elements will be regularly provided to the Trustees. He stated they should monitor the strategic plan and evaluate the progress of the tactical component to the business. By the end of January, a monetary plan and evaluation plan should be identified as key performance indicators.

Yanish requested other comments from the trustees including resistance or objections. Vogt stated she fully supports the process. Dion added that the two meetings can be closer if that works for everyone. The Board provided their support for the process.

Schorr stated he is pragmatic and questioned how the plan is applied to the daily operations. Dion provided a clarifying response.

Yanish noted Schorr's question was appropriate and likely a concern of many. She offered for any other questions or comments. There was no public comment.

PRESENTATION AND DISCUSSION REGARDING THE DISTRICT FACILITIES PLANNING –

BUILDING RENOVATION: Dion provided a summary and sought direction to narrow the focus and proceed with the facilities plan. His report included the following in writing:

The purpose of this report is to bring focus and set a course of actions based upon the extensive work and analysis previously completed. The district has significant facilities requirements which can be addressed with the renovation of 160 Pine Ridge concurrently with the acquisition of an equipment shelter. These actions satisfy the most time sensitive issues. Future expansion or upgrades to 298 Kingsbury Grade can be deferred and the assortment of challenges related to that property should not detract from the current proposal.

Fiscal impact: The actions proposed in this report have no direct fiscal impacts, however, these establish the guidance which will result in several actions which have fiscal impacts to be addressed by the Board of Trustees at a later date. The cost estimates provided in 2020 indicate the improvements to building 160 Pine Ridge were approximately \$1.5 M, recent estimates for a equipment shelter are approximately\$ 0.5 M. Design, project management and permitting costs will also be incurred. Estimates for these will be provided once the program is defined.

Dion provided a facility planning PowerPoint. He stated that he has reviewed minutes and material related to facilities planning and he would like to review achievement and move forward. He understands there are many opinions, and he reviewed the summary to get permanent operations. He noted the importance of having a facility location within the district that is acceptable and appropriate. The facility needs to provide working environment industry standards and comply with codes.

Dion stated that the contemporary discussions do not address the full scope of equipment and maintenance storage and these items will be discussed later. Equipment storage that will be addressed will include items already stored in bays and the other \$2M of equipment will still need to be addressed, as he doesn't agree with leaving it outside. The purpose of the discussion is to narrow the focus and act to complete the project timely.

Dion noted that the district owns an existing site with room for development of the Operations and Administration Facilities, along with room for equipment parking; however, it has been removed from planning for many reasons. The two buildings purchased have 13,000 s.f. of office space and 2,600 s.f. of equipment storage area on almost an acre of land. The land is important for additional parking. He noted that we currently have 3,000 s.f. leased at Market Street. The concepts have been completed and he located three different versions. They have performed needs assessments and general requirements needs includes 3,000 s.f. of administrative space, 1,200 s.f. of crew support space and 9,000 s.f. of equipment parking storage. He explained that renovations will be approximate and will not be exact. Currently, the rental activity at 298 Kingsbury Grade is \$65K per year net and the property is 100% occupied. The net rental income at Pine Ridge is \$7K and many spaces aren't rentable in its current condition.

He reviewed the site plan at Pineridge which is approximately .46 acres. The space behind the building has some parking which may be expanded with some investment. Parks noted this is likely dirt and not considered coverage. Dion noted the analysis performed in February of 2020, displays renovation of 298 Kingsbury for District spaces has more space than is needed for administrative functions. He added that they did comeingle rental space with reconfiguration. The floorplan was also provided for 160 Pineridge. The first floor with the equipment bays is laid out as it is currently configured. The concept brings in an elevator for ADA requirement for public access. A small ramp or elevator outside would also be required. The shaded floorspace area denotes a different elevation of a foot and a half which would have to be corrected for accessibility. He explained that this would need to be corrected for rentals, codes, accessibility, and value.

Floorplan #2 for 160 Pineridge (date unknown) includes the boardroom on the first floor and the equipment bay space as is. He feels it was designed in an attempt to alleviate the elevator requirements but noted this may not solve it. The public's accessibility to administrative areas to pay bills should also be considered. Elevators are in the future for both buildings. He noted ramps, restrooms, and accessibility to be included in the design. The second floor would be administrative. He explained that 160 Pineridge cannot satisfy the needed 3,000 s.f. of administrative plus 1,400 s.f. of operations support. The provided examples of the layouts, noting elevators are included. Each level is 3,500 s.f. and downstairs has about 1,500 s.f. office plus the bays. The total building is approximately 7,775 s.f.

Dion located another concept from 2007 outlining administrative and crew area including rest rooms and locker rooms with showers. The second level layout is different than others provided details sufficient space and design. An elevator is included with administrative upstairs and a smaller boardroom, but adjustments can be made. Parks noted the upstairs would be 500 s.f. larger than the current office space at Market Street. Dion noted that document storage is not included in any of the designs and retention requirements will need to be addressed. This concept includes a robust area for files and crew workspace for data entry and document review.

Schorr questioned why there was a proposal in 2007. Nelson recalled it was related to the leasehold improvements as KGID was a tenant of the building at that time. Nelson recalled the landlord may have considered the improvements until the costs were provided.

Dion noted the options and stated they could refurbish and occupy both buildings and rent out surplus space. He stated that they can refurbish and occupy 160 Pineridge and rent out Kingsbury Grade to enhance revenues for other necessary facilities, noting that there are still equipment storage issues.

Dion referenced the development possibilities at the top of Kingsbury Grade. Parks stated that the cost for the entire project at the top of Kingsbury was \$9M and noted the turning lane issue. Dion commented that the plans had been put aside but wanted to include a reminder for a covered equipment solution. Schorr confirmed that the current locations do not provide adequate equipment storage. Dion explained that an equipment shelter can be constructed at the yard that would not result in a function change and would not be subject to the deceleration lane.

Yanish recalled research including soil compaction. Van Dyne explained that the time invested was prior to the other buildings being available for purchase and that availability diverted their attention. He noted that sprung structure construction costs are considerably less than a standard building. Parks questioned the amount of land work and soil compaction required and Van Dyne replied it would be less. Yanish noted it is out of the TRPA jurisdiction. Van Dyne explained that the sprung structures last and that most maintenance yards are constructed this way. He stated that they meet snow loads and NDOT also uses them. Parks questioned the lifespan and Van Dyne explained they are built with different structural integrity. He added that the Reno Fire Department has a sprung structure that is their current facility with housing, kitchen, and firetrucks. Parks confirmed that heating options are available. Dion explained that a 35-year guaranty may be included with a lifecycle of 50 years. He noted some buildings that he knows that are 60-70 years old. Dion noted that it is adequate to protect equipment from snow, dust, sun, etc. He noted that lifts aren't required as maintenance is not necessarily performed at this location. He noted that 6,000 s.f. storage facility at the yard plus the bay storage at Pineridge would be adequate.

Schorr questioned relocating to 298 Kingsbury Grade without improvements and the need for improvements prior to occupancy. He suggested moving there to save construction costs. Dion explained that they could move, but the building is not configured for function. For example, the boardroom would not accommodate the current layout. Schorr noted the size of the building and restated his question regarding KGID occupying the space. Nelson explained that the building does not currently reflect the plans provided as it has exterior doors for access, not interior doors.

Van Dyne explained that there are four different bays for entrances of businesses, and it does not have the joist support on the first floor to support the weight of a storage or board room. The improvements would allow for reconfiguration and this design is to minimize the impact but would not be a recommendation. Van Dyne confirmed that it could not be currently occupied by KGID due to the structural condition of the subfloor, elevators, etc.

In response to Nelson's inquiry, Yanish confirmed the purchase price of \$2.8M and noted the ending asset for potential future sale. She advised that current needs should be determined. She noted that the storage facility was necessary to be purchased as KGID did not have any other options. She added the current floor plans are not designed for modern office space and we are limited by TRPA constraints for modifications. Yanish questioned Dion's input regarding the purchase, and he replied that it wasn't the most efficient investment, but KGID now owns one acre of land in the center of its district.

Parks noted the rent is money lost and Yanish explained that they moved to Market Street for the customer access per ADA requirements. Yanish added that there is investment in the asset that will increase the in value, plus KGID Board Meeting Minutes 9/21/2021

KGID has a need for the property. She supports the improvements to 160 Pineridge with equipment storage at the yard. She doesn't suggest divesting the front parcel. Parks suggested selling the front parcel to recover remodel costs. Yanish provided an example of an easement trade with benefits and stated it as an asset. Yanish stated the future need of the property is unknown and could be reworked for KGID needs, possibly a storage area. Parks questioned if KGID wants to continue as a landlord or if the public agrees with it. She suggested selling the property as is due to the current condition. Yanish agreed with the challenges of being a landlord.

Dion agreed with preserving the 298 Kingsbury property with little improvements as possible. He noted the size of the parcel and stated that in order to divest the property, a property line adjustment would be needed to provide additional parking for 160 Pineridge. This could create a parking issue for 298 Kingsbury for a future buyer. Parks suggested refunctioning the existing parking available at 160 Pineridge. Dion explained that he has already considered this, and they are short twelve spots and it would be challenging to gain these spaces. He explained that they need one location for all employees come to work as they currently have three different place which does not promote culture sought of a quality organization. In addition, some facilities do not have desirable touch surfaces. The facility situation needs to be resolved for everyone. Dion explained that retaining 298 Kingsbury maintains options for the future. He noted the board faced a tough situation and shouldn't make the next decision too quickly.

Parks requested additional information regarding the Terrace View building. Garden explained that it is a pump station and a maintenance facility for the distribution of water. He added that at no time is it considered OSHA compliant, and we should not have employees inhabit that area. In response to Park's question regarding expansion, Garden noted that there could be a possible temporary expansion for storage only.

Parks requested additional information regarding the other locations for employees. Garden explained that one of the crew reports at 160 Pineridge and the others at Station 2 on Terrace View which is not adequate. The operations yard is the only other option and if crew is relocated there, NDOT may review the use of the property. Parks questioned if file or equipment storage could be used at Terrace View. Garden explained they are in a portable trailer for breaks and any storage at that location would be a temporary fix. Garden explained the existing trailer would be inadequate. Parks suggested an improved structure to be used for storage and Dion explained there is no room, and a trailer is not adequate for file storage.

Yanish offered for a tour of the facilities as offered by staff to answer some of these questions. Dion noted the shed at the location is small and used for welding, fabrication, and maintenance. Garden explained personal trucks and work trucks are stored at Terrace View and it is not a parking facility which provides problems and risk of liability. A facility is needed for all personnel to report and park, in addition to secured overnight parking for KGID vehicles.

Dion noted there are inefficiencies in storage and parking at different locations. Snow removal and damage to district property are also factors.

Yanish questioned Garden's opinion. Garden has reviewed the options, and in his opinion, he supports Floorplan Concept 3 for 160 Pineridge with a sprung structure at yards to protect equipment. Minimal heating would be required and there would be no need for restrooms. He explained the street sweepers should be parked inside, as they currently have \$2M parked outside rotting. He noted that other equipment of the same age looks new compared to KGID's. The sprung structure is the best option noting there are six structures on the way to Reno. The floorplan for 160 Pineridge utilizes the equipment bay options for the Vactor, and the concepts suits our needs for now, which may be 5-15 years. He agrees with retaining 298 Kingsbury for possible expansion, noting limited space within the district limits. He stated that we would be handicapping the district by not having this space for future growth, if needed and he added this is for the district's health and safety along with employees.

Yanish noted prior non-compliance and liability to the district could have cost as much as the building purchase. Parks questioned purchasing the sprung storage facility before winter. Garden noted that it wouldn't be possible to complete county permitting this year. Dion agreed that the equipment storage is the main priority for him and Garden. Garden noted there are remaining lease obligations at Market Street. He reminded the board that the sweeper costs \$280K and explained that we are required to sweep per our contract with the 319 Grant received.

Yanish questioned Dion's needs from the Board, and he replied that a sense of direction is requested.

Nelson stated that she prefers to utilize 160 Pineridge for operations and administrative and sell off 298 Kingsbury to recoup remodel costs. She agrees in equipment storage at the top of Kingsbury at a combined cost of \$2.5M. Yanish suggested a cost vs. benefit information in minimal form. Dion suggested considering selling 298 Kingsbury at a later date. He recommended a plan to move forward.

Dion noted that in the past, smaller issues have prevented us from moving forward and deadlines are important. He suggested proceeding with the renovation of 160 Pineridge to meet construction deadlines and delay the determination of the use of 298 Kingsbury. He asserted he doesn't want to spend more money on analysis without direction from the Board.

Vogt appreciated Garden's opinion and supports the sprung structure at the operations yard. She noted the Terrace View facility is difficult to work in and the employee's needs should be considered. She noted the strategic plan may include the future of the buildings and suggested a vote regarding the sprung structure at the operations yard.

Yanish noted the direction provided from the board and offered for any other comments. She also offered for public comment; there was none. Yanish noted there was no public present. Nelson thanked Dion for including these items in the agenda. He replied that the discussion was very helpful.

There was a break at 7:30 and the meeting resumed at 7:41. Brewer exited the meeting.

BOARD REPORTS – Vogt stated that because of the fires, evacuations and road closures, the flows were so low that the chemicals were off, and the Sewer Authority had to add 500lbs of dog food to add appropriate nutrients to improve levels for processing. Yanish commented that utilities are tested on varying levels during these events.

Yanish provided merchant accessories for the Trustees from the sponsors of the Nevada League of Cities & Municipalities meeting along with information. She stated they had a great in-person meeting and it was nice to be in person. They represent local entities and provide advocates for opportunities to speak and review issues. There was discussion regarding American Rescue Plan Act (ARPA) funds that Douglas County received was not provided to the GID's. They are trying to find creative ways to apply for funds for infrastructure. She offered to provide additional information. She noted that although it is late, the Trustees can still get their Certified Public Official Program through UNR and she provided a flyer. She noted that new KGID representation is needed as she will be termed out. She commended the organization as a source for information and contacts.

Yanish stated that she was honored to receive her award and will present her award next year to the next recipient for leadership, volunteerism with the league. She noted that through this group, KGID is represented at the State level, and she has contacts in other cities that are readily available to discuss issues. She noted the costs to the district that is offset by the value of the representation at the state level.

There were no other reports.

STAFF REPORTS -

GENERAL MANAGER'S REPORT – Dion stated that the Nevada League of Cities & Municipalities is a valuable conference. He noted the follow-up from NDEP and additional contacts regarding NDOT funding and cyber-security. He emphasized the resources available. He reminded everyone of the Open House on Thursday. He offered for any questions.

Nelson questioned an update on the GM transition with McKay. Dion explained that he spent five hours together in transition, but due to Covid there have recently corresponded via email. Remaining issues include the turnover from the bank which is pending due to delays with the fire. There are files that may require an email or call to McKay. He has one invoice with 5 hours of chargeable time.

Schorr questioned delinquent account updates. Dion noted there are approximately six problematic accounts. Zumpft is working with Brewer regarding liens. There are American Recovery Act funds available, but our

customers don't necessarily qualify. The accounts are mixed residential and commercial, and he offered to provide a list to the board if requested.

Nelson noted in Dion's report he commented that customers were leaving gas cans and propane tanks on the street. She explained that STPUD advised their customers to do this if they were unable to take their tanks with them. Dion noted the dangers of the tanks. Parks noted the evacuation process was new. Dion explained that the State of Nevada declared an emergency and Kingsbury was the only Nevada agency with an actual emergency response action.

Nelson stated that by declaring a State of Emergency, it frees up insurance funds and eliminates deductibles for smoke damage claims. Yanish stated that they did not intend to let the fire cross those many lines, but it was uncontrollable and could possibly move to Kingsbury and Genoa. Yanish thanked Dion for the communication, including the website updates with resource information. She referred customers to the website for information.

Yanish noted NV Energy issuing outages and suggested we partner with them to provide notifications. Dion stated that they are talking regularly and will update the website with their information. Yanish commented that customers were asking if water would be shut off with the power. She also advised customers not to leave a hose on when they leave. She thanked Dion for attending the conference, noting his busy schedule. She offered for any other questions; there were none.

UTILITY OPERATIONS SUPERINTENDENT'S REPORT – Garden noted the schedule for tank diving and inspections starting Tuesday morning at 9am at Station 5 at 403 Kimberly Brooke. He reminded the Board of the Open Meeting Law and suggested two board members attend at a time. Yanish questioned the Trustee's interest in attending. Nelson expressed interest.

Nelson questioned if Garden had received pricing from the contractors for repairing the sink hole. Garden replied that he has not, and he hopes to have information for approval at the next meeting. He noted that it is the end of dig season and contractors have prior obligations and the timing isn't good to provide estimates. Yanish thanked him for a throughout report and his excellent service to the district.

ADMINISTRATIVE AND HUMAN RESOURCES REPORT – There were no questions.

ACCOUNTANT REPORT – None.

ATTORNEY'S REPORT – Nothing to report.

ENGINEER'S REPORT – Van Dyne offered for any questions. Nelson requested an update to the Tahoe Beach Club. Van Dyne explained they resubmitted their water design and requested additional changes. They are reviewing water model, preparing response for Dion to provide to the Beach Club.

Nelson questioned the status of construction. Van Dyne confirmed that he did not visit the site this summer. Dion confirmed they did not build any vertical construction this year. We are coming to a good place on the distribution system which reflects an industry standard. Van Dyne stated that the acceptance of utilities should be a quality KGID wants to accept.

Parks questioned if his report should be earlier in the meeting. Van Dyne stated he is available anytime. Dion suggested a report every other meeting. Yanish stated the board appreciates his attendance.

CORRESPONDENCE – None.

UNFINISHED BUSINESS

FINAL PUBLIC COMMENT – There was no public comment.

ADJOURNMENT

M-9/21/2021-5 - Motion by Nelson, seconded by Parks, and unanimously passed to adjourn the meeting at 8:13 p.m.

Respectfully submitted,

Natalie Yanish, Chairman

Attest:

Darya Vogt, Secretary