

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, FEBRUARY 15, 2022**

CALL TO ORDER - The meeting was called to order at the Kingsbury General Improvement District office located at 255 Kingsbury Grade, Stateline, Nevada at 5:01 pm by Sandra Parks.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Parks, Schorr, Yanish and Vogt. Also present were General Manager Mitch Dion, Operations Superintendent Brandon Garden, KGID employee Judy Brewer, General Counsel Chuck Zumpft, Matt Van Dyne and Steffi Gavin of Farr West Engineering. Public present included Sharla Hales, Charles Hancock, Rob Boehmer, Executive Office of the State of Nevada Employee's Deferred Compensation Program.

PUBLIC COMMENT – Sharla Hales candidate for Douglas County Commissioners Division 2, stated she was in attendance to learn about the various GID's and to be available for communication.

Hancock requested a status update regarding the district's selection of engineering firms and possible part-time in-house engineer. Dion explained that a part time engineer will be discussed during the budget process and the Request for Qualifications (RFQ) for additional engineering support is drafted and advertising should commence soon. The April or May meetings will address the selection of firms to do the work for KGID which will be needed if the district is successful in getting grant funding.

APPROVAL OF AGENDA – Dion noted additional material provided in correspondence.

M-2/15/2022-1 - Motion by Vogt, seconded by Schorr, and unanimously passed to approve the agenda.

APPROVAL OF MINUTES – Brewer requested the minutes be modified to include statement from Brett Barrett, Esq. regarding Bob Cook. Parks suggested referencing the many positive comments received from the public which could be used by a KGID representative speaking at the services.

M-2/15/2022-2 - Motion by Yanish, seconded by Vogt, and unanimously passed to approve Regular Meeting Minutes dated January 25, 2022, as amended.

APPROVAL OF CONSENT CALENDAR – Schorr requested to pull Item C and Parks requested to pull Item A.

M-2/15/2022-3 - Motion by Yanish, seconded by Vogt, and unanimously passed to approve the Consent Calendar Item B: Quarter Ending 9/30/21 - Balance Sheet, Statement of Revenue and Expenditures.

Regarding Item A, Parks inquired and received confirmation that Home Safe program is paid for by subscribers and that KGID does not charge all customers for this service.

Regarding item C, Schorr requested clarification of the account receivable of \$347K noted on the Balance Sheet. Dion explained that one third is from timely paying customers while two thirds or \$233K is related to liens, which is not true accessible as a resource. These items were reviewed during the audit for budgeting purposes. Schorr suggested amending these to a long-term receivable.

Schorr questioned any upcoming maturities with the State revolving loans. Dion stated maturities range from April 2023 to 2035. He confirmed annual principal payments are \$650K, with annual total debt service of \$980k on all loans at interest rates of 2.3% to 3.19%. Also, he referenced information from his report regarding consideration of refinancing to their current interest rates of 1.28% to 1.47% and. He suggested consideration of additional debt funding to address impending reservoir and pipeline repairs.

M-2/15/2022-4 - Motion by Yanish, seconded by Vogt, and unanimously passed to approve the Consent Calendar Item A: List of Claims in the amount of \$246,911.91 as represented by check numbers 61223 through 61293 and Item C: Quarter Ending 12/31/21 - Balance Sheet, Statement of Revenue and Expenditures.

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

FOR POSSIBLE ACTION:

NEVADA PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM: Brewer provided a written report. Dion explained that this program is a way to expand our employee's ability to plan for retirement without costing the district rate payers any additional money. He said, similar to a 401, the 457 plan is specific to government employees.

Rob Boehmer, Executive Office of the State of Nevada Employee's Deferred Compensation Program explained that his office administers all aspects of the plan. He explained the plan details and explained how deferred compensation can augment retirement. The enrollment packet with summary plan documents was provided. The State assumes compliance and accounting for the program, including audits and there is a nominal flat fee charged

to investors regardless of their level of investment. He reviewed investment options and recommended the program for the workforce to prepare for retirement. Portfolios are also monitored for performance.

Schorr questioned mutual funds and Boehmer explained the investment grid and asset allocations, retirement suites based on target retirement, blended and international funds, self-directed brokerage and fixed accounts.

Vogt questioned the program compared to a SEP IRA. Boehmer explained that SEP IRAs are for independent contractors and costs are likely higher due to employer contributions. He noted this can be continued if chosen. His program is more suitable with higher earnings and growth for the employee. He explained this plan is well suited for a small government agency because there is less administration duties. He stated employer contributions are accepted, but not required. Dion stated that employee negotiations are upcoming, and he doesn't anticipate recommending an additional KGID contribution to this fund.

Vogt verified the items are supported by Dion as benefits to the employees and noted this could be considered in negotiations. Retirement savings was discussed broadly. Parks supported offering the program because it is good for employees and the isn't any cost to the district.

Boehmer explained the plan would become available after executing the local contract, with no cost. He would present the offer at his next committee meeting for approval on March 10, 2022, and this contract can be cancelled at any time. They will have a presentation to employees on or around March 17, 2022, to explain benefits and facilitate enrollment. Yanish verified with Brewer that HR concerns have been addressed.

M-2/15/2022-5 - Motion by Vogt, seconded by Schorr, and unanimously passed to adopt the State of Nevada Public Employees deferred compensation program 457(b) for the employees of Kingsbury General Improvement District

AWARD OF FY 2021/22 WATERLINE REPLACEMENT MATERIAL PROCUREMENT: Dion provided a report in writing. Yanish stated that she is involved with an organization that has a contract with Western Nevada Supply and to avoid conflict, Trustee Yanish left the meeting temporarily.

Dion explained that supplies were ordered in advance to avoid supply chain uncertainties. VanDyne performed the material break out and discussed certain materials with long lead times subject to pricing changes. This prevents price certainty issues with contractors and avoids contractor markup on materials of approximately 20%. The list of materials is provided to the contractors, and we anticipate timely construction commencing this summer.

There was only one qualified bid from a reliable supplier with favorable previous experience with KGID. The supplies will be stored and secured at the operations yard. Van Dyne added that sales tax is not paid on materials resulting in additional savings. Also, he stated that waiting for a contractor to order the supplies would have resulted in delays to start the project.

M-2/15/2022-6 - Motion by Vogt, seconded by Schorr, and passed to approve award of the FY2021/22 Material procurement for the Waterline and Road Improvement Project to Western Nevada Supply Company for \$197,363.85. Yanish absent.

Yanish returned to the meeting.

ACCEPT NDEP 319 (H) SUBGRANT AGREEMENT AND APPROVE PROCUREMENT OF ROAD SWEEPER: Garden provided a written report. He explained that the final contract documents are provided with request for approval. Prior legal wording recommendations from our legal counsel were carried forward in this contract. The cost of the sweeper has increased by approximately \$10K to \$310K. The increase will come from the district but count towards in-kind match. Garden noted Attachment A project detailing costs and grant funds and he explained the maintaining process.

Yanish stated that Douglas County receives TMDL credit for the sweeper. Garden detailed the operation and maintenance of the sweeper. Garden explained that our extreme climate reduces the life span of the sweepers compared to other environments. Dion explained that KGID assumes the maintenance obligations for Douglas County roads which transitions to storm water and drainage from the roads while managing water quality for the drinking water program; therefore, storm drainage is conducted without compensation. Garden noted that KGID received \$125K from the county from Air Mitigation funds from TRPA to purchase the last sweeper. Yanish confirmed this was needed by Douglas County for TMDL credit. She questioned if there are any additional grants funding available to which Dion responded not in a timely fashion.

Schorr questioned the contract term in Attachment C. Garden explained that this is a five-year contract, and all aspects of the grant must be satisfied by the deadline, however, he anticipates satisfaction by early 2024. The sweeper is paid in advance, with invoicing to NDEP for reimbursement of \$165K. Schorr sought confirmation that this is a budgeted item. Dion responded that it was and had proceeded on that approval.

M-2/15/2022-7 - Motion by Vogt, seconded by Schorr, and unanimously passed to approve (A) DEPS 22-030 Subgrant Agreement with NDEP and authorize the Utility Operations Superintendent to sign necessary documents and (B) approve procurement of TYMCO 600 street sweeper through Sourcewell for an amount not to exceed \$310,635.00

REVIEW AND APPROVAL OF PERSONNEL POLICY UPDATE: Brewer provided a written report and draft Personnel Policy Manual. She noted that a rough draft has presented for presentation.

Vogt questioned if the items are addressed as previously recommended by Alice Campos. Brewer noted that her comments were incorporated and wording which was modified as necessary. The document presented is more in line with the Pool/Pact version. The review process was discussed.

Parks inquired regarding the reintroduction of so many of the elements which had been deleted in the shortened draft. Brewer explained that Pool/Pact believes all of these are needed to fully protect the district. The length of the policy was discussed, and Dion suggested there may be ways to divide it to make easier to search and read.

Brewer explained that the General Manager of PoolPac reviewed the document and provided suggestions for changes. She offered to send redline version to the Trustees. Several Trustees indicated the desire to review the redline version.

Parks suggested bringing the item back to the next meeting for review.

No action was taken.

INITIAL PRESENTATION WITH ASSUMPTIONS ON BUDGET: Dion provided a report, slides along with budget assumptions. He reviewed the items contained in the report. Revenues, he noted the water rate increase effective July 202 and they have been advised by the State that the ad valorem tax has small increased. On expenses he indicated that inflation would affect both the operations and capital programs. Materials, fuel and labor for operations. Then he discussed the waterline and road improvement project and cost efficiencies such as larger projects and pre-purchasing of material. He also indicated the Sewer Masterplan is in progress which would likely indicate need for lift station repairs/improvements and some collection line replacement. Like with Roads and waterline, integrating this plan may influence the sequence and how the capital funding is needed. In addition, there will be large expenditures to address the facilities, such as equipment storage facility this summer and the Admin/Operations facility design and possible some elements of construction before next summer. Additionally, there will be the urgent and emergent repair for the line along highway 50 which recently failed catastrophically. For uncertainty, he stated the snow removal contract is due for bid and will likely change, as well as the current labor contract. He proposed that he would like to develop a new category within the reserves for vehicle/equipment replacement.

Dion requested board feedback regarding budget items before going into the workshop. He explained that a designated fund created within the reserve fund would acknowledge the liability of upcoming equipment expenses and level the expenditure. Trustee Yanish highlighted the need to have identified the needs in advance to pursue grants and whether this was in the time available to existing district staff. Dion responded that his time was inadequate and was not feasible to dedicate an employee, he was reliant upon groups like the League of Cities for help in the future.

The audit fees increase was discussed. Yanish questioned rate increases and strategy. Dion addressed smaller incremental rate increases based on a suitable rate model along with other considerations. He noted that they are currently reviewing the timing for the meter replacement. This is driven by battery life, yet the costly item in the program is labor, so once you are there to replace the battery, it often makes more sense to replace the whole thing. He also indicated that some improvements would be leaps in technology perhaps integrating SCADA and meter reading communications systems. Yanish questioned significant upcoming costs for road replacement programs. VanDyne explained that using the Paver software they have modified the maintenance schedule and he noted a savings while maintaining higher scores.

TRUSTEE COMPENSATION: Brewer provided a written report. She explained that NRS allows for annual compensation up to \$9K annually. Dion stated that compensation should be reasonable for time spent and explained the stipulation within the NRS and that this approval would take effect next January. He noted the importance and benefits of having compensation appropriate to address the responsibilities of the Trustees.

Vogt indicated that she had requested this item be brought forward and noted the obligations including meetings, preparation, signing checks, labor negotiations and other time-consuming tasks which Trustee perform. It was noted the last increase was in 2017. Yanish provided her justification and noted her additional time serving KGID with the Nevada League of Cities. She stated that the NRS provides the limits for this allowance but not necessarily the time which elected officials are engaged in the district matters.

Hancock stated he was questioning to be more informed and asked about the Sewer Authority compensation which Vogt confirmed is \$750 per month. He stated that Round Hill gets \$350, and he questioned the amount at STPUD. Dion noted that STPUD is located in and governed by California. He explained many California agencies have a per meeting cost in lieu of a stipend and that he is familiar with rates up to \$250 per meeting as allowed by the State of California. Vogt speculated that Round Hill is smaller with less responsibility. Dion explained that varying services provided allow for different compensation. Vogt noted the importance of proper compensation to attract quality candidates to serve KGID.

M-2/15/2022-7 - Motion by Vogt, seconded by Yanish and unanimously passed to adopt a monthly increase in the compensation for the Trustees of Kingsbury General Improvement District from \$650.00 to \$750.00 (\$7,800.00 to \$9,000.00 annually).

BOARD REPORTS – Yanish attended the TRPA meeting regarding the Lahontan's approval for use of herbicides for Tahoe Keys mitigation. She and Dion provided public testimony at the meeting. It was noted that Tahoe Keys would not be required to assist KGID (or other agencies) in the monitoring of intake and future costs to other agencies are unknown. The Nevada League of Cities and Municipalities is holding their annual retreat this summer in Incline Village. She recommends a representative of KGID to attend, noting that future replacement from KGID is desirable.

Vogt commented the Sewer Authority is also ordering supplies for future projects.

STAFF REPORTS -

GENERAL MANAGER'S REPORT – Dion noted the significant dry spell and lower lake level compared to last year. He provided slides reflecting drought conditions, snow and water levels. Indicating the water runoff sequence and quality into the lake would be influenced by the fires. He explained the normal water cycle of snow water equivalents as pertaining to the basin reduced to a simple graphic that results in the determination of water year types.

UTILITY OPERATIONS SUPERINTENDENT'S REPORT – Garden provided pictures of the leaks on February 3 at Highway 50 and Kahle Ave. After a night of digging, they could not complete the repair. The hole was filled with 80 yards of base and the line is shut down resulting in only one feed into Lake Village. He indicated that a related leak occurred in front of Lakeside Casino and there is no indication of what caused these failures. Another leak, the same day, near Mott Canyon Tavern came from a lateral crack possibly caused by hydraulic action related to the leak on Highway 50. This leak was repaired and placed back in service. He explained the repair process coordinating with NDOT, while F&B Construction and Summit Plumbing were both needed.

ADMINISTRATIVE AND HUMAN RESOURCES REPORT – Brewer stated she has reviewing old procedures that need to be revamped. All employees are meeting Thursday for cybersecurity teaching. She reviewed the district wellness program with the Board.

ATTORNEY'S REPORT – Zumpft did not have anything to report.

ENGINEER'S REPORT – Van Dyne noted the contract bid is out for consideration and the sealing project is next. In response to the board's inquiry, he replied that he has reviewed the photos and will continue to work as requested to explore possible causes for the leaks.

CORRESPONDENCE –

CLOSED SESSION – The meeting was adjourned to Closed Session at 7:48 p.m.

CALL TO ORDER – The meeting was Called to Order at 8:38 p.m.

UNFINISHED BUSINESS

FINAL PUBLIC COMMENT – There was none.

ADJOURNMENT

M-2/15/2022-11 - Motion by Yanish, seconded by Vogt, and unanimously passed to adjourn the meeting at 8:38 p.m.

Respectfully submitted,


Sandra Parks, Chair

Attest:



Craig Schorr, Secretary