

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, APRIL 18, 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 5:00 p.m. by Jodie Nelson.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Nelson, Parks and Yanish. Trustees Trigg joined the meeting at 6:15 p.m. Also present were General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer, General Counsel Chuck Zumpft and Matt VanDyne of DOWL Engineering. Public present included Stacy Baker resident, Janet Murphy of Tahoe Douglas Fire Protection District, and Tiffany Williamson of EideBailly LLP.

PUBLIC COMMENT – Stacy Baker stated she is concerned with the intense deforesting operation along Chimney Rock Road being conducted by NV Energy. She explained the operation and noted they are deforesting 90% of the trees in the area. She stated that the trees are needed for shade, erosion control and water filtration which could affect the clarity of the lake. She stated her need for access counsel such as KGID's in order to request an injunction and environmental report.

Dion referred to a letter from the Sierra Club which addresses many of the oversights and environmental problems within this operation and expressed concern about the work in riparian areas and lack of erosion controls for runoff to creeks and KGID facilities.

Yanish commented that the Forrest Service is the lead in forest fuels reduction funded federally. She noted this also happened on the California side with the same results and interpretation. She recommended contacting Tahoe Basin Management Director, regarding these concerns.

Schorr joined the meeting at 5:25 p.m.

Janet Murphy stated that she expected others to be present and questioned any update regarding snow removal around fire hydrants and suggested working cooperatively. The complications of addressing the clearing of hydrants during an unprecedented winter were addressed. Murphy suggested a meeting to discuss it further. Dion stated that the issue seemed to be centered around funding.

Yanish stated that the fire department requires the fire hydrants to be installed and it's KGID's responsibility to supply water. The trustees were amicable to consider options and policy clarification.

Murphy exited the meeting.

APPROVAL OF AGENDA –

M-4/18/2023-1 - Motion by Parks, seconded by Trigg, and unanimously passed to approve the Agenda.

APPROVAL OF MINUTES –

M-4/18/2023-2 - Motion by Parks, seconded by Nelson, and passed to approve the Regular Meeting Minutes dated March 21, 2023. Yanish abstained due to her absence during part of the meeting.

LIST OF CLAIMS –

Nelson questioned check #62684 to Summit Plumbing for work performed at the pump stations, which was explained as out of the ordinary due to the extreme winter. She also questioned check #62750 to TahoeNow Ventures which is a refund for a unit at Sierra Colina.

Yanish questioned check #62671 to Manchester Enterprises for \$111K, which was clarified is for snow removal services up to January 31, 2023 and additional bills are anticipated.

M-4/18/2023-3 - Motion by Parks, seconded by Trigg, and unanimously passed to approve the List of Claims in the amount of \$956,437.82 as represented by check numbers 62653 through 62753.

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FINANCIALS – FEBRUARY 2023 –

Financials were received and reviewed. Schorr questioned the excessive revenue over expenditures on the year to date budget. Dion explained that last year budget amounts were set beyond revenues, resulting in overall reductions in cash reserves. It was noted that the budget will need to be considered with the pending reserve policy.

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

FOR POSSIBLE ACTION:

Award Contract for Auditor Services.

A written report was provided. The contract amount and term of the contract was reviewed. New standards were discussed along with the increased contract amount. It was noted that the in-house audit work performed at the KGID office is beneficial for dialog and establishing procedures. Nelson discussed the billing procedure with Williamson regarding employees traveling from Reno. It was confirmed that this was the only responsive bid.

M-4/18/2023-4 - Motion by Schorr, seconded by Parks, and unanimously passed to approve the selection of EideBailly LLP for auditor services from 2023 through 2025 (with possible two one-year extensions) and authorize the General Manager to execute appropriate contract and engagement letters.

Williamson exited the meeting.

Award FY23 Waterline & Road Improvement Construction Services.

A written report was provided. VanDyne provided background information and recommended awarding the contract to Farr Construction Corporation. Discussion regarding their relevant experience and of their subcontractors was exchanged.

M-4/18/2023-5 - Motion by Nelson, seconded by Parks, and unanimously passed to approve awarding the 2023 Waterline and Road Improvement Construction Services Contract to Farr Construction Corporation for the amount not to exceed \$2,314,136.00 and authorize the General Manager to approve the contract documents as necessary.

Authorization to Close District Office on July 3rd.

A written report was provided. It was explained this will not be a paid holiday but offers employees the opportunity to take a vacation day. Limited public service will be offered and employees may work if they choose. Due to limited workers, it is preferable to close the office when fewer than two people are present. Field work will be on-call similar to weekends.

M-4/18/2023-6 - Motion by Yanish, seconded by Trigg, and unanimously passed closing the office on July 3, 2023.

Policy Updates

The policies were provided for review.

The Capital Asset Policy changes were noted. Schorr requested clarification on establishing useful life internally versus statutes or audit and tax standards. It was explained that useful life is established with a depreciation schedule and is different for KGID based on the environment.

Changes to the Reserve Policy were highlighted and reviewed. The reconfiguration of the funds was discussed. Capital improvement reserves previously used for new connection fees were converted to capital reserve funds.

Schorr poised questioned regarding a possible a violation to the operating policy as related to the budget operating loss. It was explained that it will need to be considered, although cash balances are included. Examples of policy changes were provided.

The Investment Policy changes and reporting were reviewed. The Reserve Policy accounting procedures were addressed. It was explained that the policies will be included in procedures and cataloged for routine review and updates.

M-4/18/2023-7 - Motion by Nelson, seconded by Parks, and unanimously passed to adopt the Capital Asset Policy, Reserve Policy and Investment Policy, as presented.

Winter in Review.

A presentation was provided regarding the winter of 2022/2023. Weather and various issues encountered were reviewed including parking, snow removal, drainage, equipment maintenance and storage needs, personnel issues, and frozen pipes. Brewer suggested customer education regarding preparation strategies. The Board suggested a public access meeting in the fall to provide community outreach regarding winter preparation. Yanish suggested contacting the Hard Rock Casino for housing needs, if required.

Board Reports

Yanish met with the governor, assembly member and other legislators. She noted a bill regarding TRPA Bonds and there was discussion regarding defunding the TRPA and TTD by voting no on the bonds. The bill passed unanimously and will go to the senate, where it is likely to pass.

Management Reports

General Manager's Report

A brief presentation regarding water storage and snowpack was provided. The Burke Creek Rehabilitation project will commence at the end of May. He pointed out the letter from the Sierra Club reference earlier.

Utility Operations Superintendent Report

Schorr questioned the status of replacing broken road signs and stakes. Garden explained that assessments will take time and replacement may impact the budget.

Administrative and Human Resources Report

Brewer added there were interviews conducted for the water utilities position and finalists have been identified. There have been no applications for the road position with two positions needing to be filled.

Attorney's Report

There was nothing to report.

Engineer's Report

VanDyne explained that the heavy winter is impacting several projects and potential bids.

CORRESPONDENCE – There is a letter from the State regarding the watershed control program indicating KGID can continue to operate without filtration.

FINAL PUBLIC COMMENT – None.

UNFINISHED BUSINESS

ADJOURNMENT

M-4/18/2023-8 - Motion by Parks, seconded by Trigg, and unanimously passed to adjourn the meeting at 7:33 p.m.

Respectfully submitted,

Jodie Nelson, Chair

Attest:

Cindy Trigg, Secretary