

**MINUTES OF THE REGULAR MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, JANUARY 17, 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 5:10 p.m. by Sandra Parks.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Parks, Nelson, Yanish, Trigg and Schorr. Also present were General Manager Mitch Dion, Operations Superintendent Brandon Garden, Administration & Human Resource Supervisor Judy Brewer and General Counsel Chuck Zumpft and Matt Van Dyne of DOWL Engineering, Martin Johnson of JNA Consulting Group, LLC and Charles Hancock.

PUBLIC COMMENT – Charles Hancock stated that the snow plow brings snow from a 45-foot retaining wall towards his property which creates a large berm of snow and ice. He suggested the plow move the snow to an adjacent vacant lot. Parks stated that she has experienced similar problems due to the heavy winter and fixed blades on the plows direct snow in that direction.

APPROVAL OF AGENDA –

M-1/17/2023-1 - Motion by Nelson, seconded by Parks, and unanimously passed to approve the Agenda.

APPROVAL OF MINUTES –

M-1/17/2023-2 - Motion by Yanish, seconded by Nelson, and passed to approve the Regular Meeting Minutes dated December 13, 2022.

APPROVAL OF CONSENT CALENDAR –

A modified balance sheet was provided which included a depreciation calculation.

Schorr requested to pull Item A. He requested clarification regarding check #62403 and the accuracy of the estimate of fees paid to the Sewer Authority. Brewer explained that the payment due is per the Sewer Authority's accounting process.

Trustee Trigg joined the meeting at 5:20.

Schorr questioned check #62404 which appears to be written to two companies: NV Energy and Eastern Sierra Engineering. Judy explained that there were some checks voided and reissued; the check in question to NV Energy was \$0.

Yanish requested clarification regarding equipment purchased with check #62366. Garden explained it was for a vault lid cover that is being manufactured and will be installed on a vault was damaged during snow removal. The check has been issued and is required upon delivery of the lid.

M-1/17/2023-3 - Motion by Yanish, seconded by Nelson, and unanimously passed to approve the Consent Calendar Item A: List of Claims in the amount of \$229,399.27 as represented by check numbers 62344 through 62439 and Item B Financials.

NEW BUSINESS

NO ACTION TOOK PLACE ON THE FOLLOWING ITEMS:

FOR POSSIBLE ACTION:

Organization of the Board of Trustees and the Election of Officers.

Parks nominated Nelson to serve as Chair and she accepted. Yanish offered to serve as Vice Chair. Trigg agreed to serve as Secretary-Treasurer.

The responsibilities for the key positions were reviewed and discussed.

M-1/25/2022-4 - Motion by Nelson, seconded by Yanish, and unanimously passed to elect Jodie Nelson as 2023 Chair, Natalie Yanish as Vice-Chair and Cindy Trigg as Secretary-Treasurer.

Nelson continued the meeting as Chair.

Initial Discussion and Budget Assumptions for FY24

A presentation was provided for discussion purposes. Inflation and cost increases were reviewed. The individual funds were discussed related to budget items.

Martin Johnson of JNA Consulting Group, LLC provided a brief overview of current financing and changes to lending options with the State Revolving Fund. He reviewed annual debt service and repayment requirements for existing debt. Examples were reviewed for new potential financing options along with debt service. Schorr discussed debt service coverage for GID's and repayment with Johnson. The borrowing process was reviewed for the different options. Dion addressed the timing of the budget identifying debt, reserve, capital asset, and investment policies were being developed and should proceed the budget process.

Matt Van Dyne provided a presentation of capital improvement projects. Using wastewater program as examples, he led discussion on cash versus external funding alternatives. Revenue and expense projections were provided based upon the rate model. Van Dyne explained that the model DOWL provides can be used by the district in a workshop to quickly provide estimates under different scenarios.

Nelson stated that she is comfortable funding larger projects with State Revolving Funds.

Schorr commented that increases that may be discretionary and the overall increase of 8% is too high. Dion explained that snow removal is contractual and increased 20%; while other goods and services have increased 10-20%. Various CPI's and goods increases were discussed. Schorr suggested using 5-7% increases as opposed to 8-10%.

Trigg questioned the negative cash flow as presented and was provided an answer.

There was a 5-minute break at 6:50 p.m. Martin Johnson exited the meeting.

Compensation Adjustment for Exempt Employees

A written report was provided explaining that exempt employees were provided a 3% COLA and 2% merit adjustment in 2022. This was different than the union employees which received a straight 5% increase. The difference being that in 2023 the exempt employees would not have the 2% in their base rate. Therefore, it was request that the entire wage be applied as a 5% COLA.

Parks stated that all positions at KGID need a top of range because if COLAs keep going up the wages have no ceiling and overtime would be unreasonably high. She stated that additional education, training should be required in the progression and that the KGID employees are well compensated.

Nelson stated she would like to see a salary study, noting that other agencies are having trouble retaining employees as the private sector is paying more.

Parks noted that an employee at Round Hill GID reported she received a 1.5% increase. Dion explained that historically at Kingsbury, exempt employees typically receive similar increase as non-exempt employees. The increase of 5% was equal to mid-range and lower than most local agencies.

Schorr questioned if there should be discretionary increase amounts between the exempt employees. Dion confirmed that the salary structure and descriptions should be improved, but this item is recharacterizing the increase to COLA 5% is recommended.

Hancock stated it is unusual for exempt employees to receive the same increases as union employees.

Dion stated that the district is working on a change to the wage structure which will have to be negotiated. He noted that two employees left KGID in the past year for higher paying jobs. Trigg stated that the exempt employees should not suffer because KGID doesn't have the pay scale policies in place. Yanish and Schorr supported the action.

M-1/17/2023-5 - Motion by Nelson, seconded by Trigg, and passed to approve compensation adjustment to mirror the 5% FY 23 Cost of living increase (COLA) that hourly employees received verse the 3% Cola and a 2% merit increase that was set for exempt employees (HR & Admin Supervisor and Operations Superintendent) retroactive as of July 1, 2022.

Parks opposed.

Clarification of the Vacation Rental Properties in Kingsbury General Improvement District Ordinance N. 2 Rates, Rules, and Regulations for Sewer Service

A written report was provided. It was explained that this provides clarification of the rate structure. Vacation rentals within the Tahoe Township are unique and different use than residential. The proposal is to classify them in the Vacation Club category based on the character of the use. It was noted the Vacation Club category doesn't affect vacation rentals until the water usage increases. Therefore, Vacation Home Rentals that are busy and using extra water will see an impact. This is not rate making, so financial aspects were not reviewed.

Yanish stated that vacation home rentals are rental use but still residential and she doesn't agree with categorizing these as commercial. It was explained that they are not similar to vacation clubs as vacation clubs have more amenities.

Yanish also noted that vacation rentals will rotate between long term, short term and primary residences, varying in size. She stated that vacation rentals should be considered residential use, despite Douglas County's permitting process. She expressed concern regarding increased costs to the district to track these changes. She commented that the proposed change would be similar to consider long term rentals as commercial.

Trigg clarified that vacation rentals would be included with vacation clubs, not in the commercial category. Yanish stated that residential should not be included with vacation clubs which are a commercial use.

Hancock stated that he has a vacation rental neighbor that is rented with 12-15 people per week and charges \$4K weekly. They are using higher sewer usage than an average primary residence. He noted that this rate structure would only affect these properties in the event of high use. As a rate payor, he would prefer not to be in the same rate category as a vacation rental.

Yanish questioned the difference of a long-term rental. It was responded to that a long-term rental has similar characteristics of a residential property and doesn't require a special use permit or zoning restrictions. The usage and impacts of a vacation rental are more similar to a vacation club than the diurnal curve of residential and particular if less water is used, the system and will not be impacted. Only busy, high water using units will be financially impacted.

Yanish stated that second home usage as similar to vacation rental usage during high use times. Parks responded that vacation rental properties are making money and impacting the district.

M-1/17/2023-6 - Motion by Parks, seconded by Triggs, and passed to approve changes to the Kingsbury General Improvement District Ordinance (Sewer) number 2 on specific pages to clarify Vacation Home Rentals as service categories as Vacation Club and Timeshare.

Yanish opposed.

Engineering Services for Palisades Sewer Lift Station Rehabilitation

A written report was provided. Van Dyne provided background information for the rehabilitation improvements.

Nelson verified that the engineering costs of \$40K are in addition to the construction costs estimated at \$233K noted in the budget. Van Dyne clarified that timing, estimates and bidding could change costs. Nelson clarified the capital budgeting figures for engineering this year.

Parks exited the meeting at 7:38 p.m.

M-1/17/2023-7 - Motion by Nelson, seconded by Trigg, and unanimously passed to approve task order 62 for professional engineering services with DOWL Engineering for the Design and Construction Management for Palisades Sewer Lift Station Rehabilitation not to exceed \$40,000.00 and authorize the General Manager to approve necessary documents.

Amendment to the Agenda

Due to time constrains, Dion recommended postponing Item 6: The Capital Asset Policy and Item 7: Building 160 Pine Ridge Drive and Facilities Update.

M-1/17/2023-8 - Motion by Trigg, seconded by Nelson, and unanimously passed to table Item 6: Capital Asset Policy and Item 7: Building 160 Pine Ridge Drive and Facilities Update.

Board Reports

Nelson noted there was no Sewer Authority Meeting.

Yanish noted that the Nevada League of Cities and Municipalities is holding their annual Orientation and Symposium on February 3-4, 2023 at UNR. Trigg noted she will be attending.

Management Reports

General Manager’s Report

Dion addressed the snowpack for December and January along with snow removal conditions and customer complaints. He provided examples of snow removal policies that would require board approval. Nelson noted the complications depending on the properties. He questioned if the board would like to review snow removal policies. Nelson noted the complexity of the different roads and properties. Trigg supported reviewing possible solutions and she noted concerns if there is a medical emergency and residents cannot get out.

Yanish commented that the winter of 2017 was similar and so were discussions regarding snow removal. She explained that berms are part of living in the mountains and when the snow is heavy it is unavoidable. She recommended Douglas County Human and Health Services for senior citizens. She suggested communication via mailers reminding residents of parking and snow removal policies and website information with snow removal business listings. She noted the additional costs if KGID assumes responsibility for clearing residential driveways.

Hancock noted that his circumstance is not a normal snow removal problem and special situations should be reviewed. He stated he believed there is a liability to KGID for neglecting these issues.

Nelson explained that in South Lake Tahoe the county would only plow every 3 days and residents had to expect to be snowed in. She suggested addressing the abandoned cars parked on the street blocking snow plows and residents. Yanish agreed.

Garden explained that towing is an issue and adequate vehicles should be used to navigate roads during heavy snow. There are many discussions with F&B during heavy winters. He noted that all of the roads have been maintained and were open during these conditions, unlike circumstances in prior years.

Nelson suggested a contract fee with a small tractor/bob cat service that could be utilized in special circumstances.

Utility Operations Superintendent’s Report

There was a minor leak that was repaired and will be re-addressed during better weather.

Administrative and Human Resources Report

Nelson questioned the total hours worked report. Brewer explained that this is total hours worked for everyone which is less due to fewer employees.

Attorney’s Report

There was nothing to report.

Engineer’s Report

Nelson requested an update on 160 Pineridge. Dion explained that the design and specifications for downstairs will be ready in February and depending upon decisions on upstairs the whole project will be out to bid in March.

CORRESPONDENCE – None.

FINAL PUBLIC COMMENT – None.

UNFINISHED BUSINESS

KGID Board Meeting Minutes 1/17/2023

ADJOURNMENT

M-1/17/2023-9 - Motion by Trigg, seconded by Nelson, and unanimously passed to adjourn the meeting at 8:10 p.m.

Respectfully submitted,

Jodie Nelson, Chair

Attest:

Cindy Trigg, Secretary