

**Round Hill General Improvement District
Board of Trustees Meeting Minutes
March 21, 2017**

Tuesday

4:00 pm

1. Meeting Called to Order

Meeting was called to order by Chairman Steve Seibel.

2. Pledge of Allegiance

Pledge of Allegiance was led by Chairman Steve Seibel.

3. Roll Call

Chairman Steve Seibel, Vice Chairman Wes Rice, Trustees Chuck Fagen and Darin Smith were present. Trustee Keith Fertala was present via telephone conference. The District Manager and District Counselor Justin Townsend were present. Resident's Dick Hoadley and Erinn Miller were present.

4. Public Comment

None

5. Approval of Agenda

Motion to approve the agenda as presented. Rice/Fagen 4-0 approved.

6. Presentation from the Nevada Attorney General's office regarding compliance with the Open Meeting Law.

Sarah Bradley from the Attorney General's office gave an informative presentation on the requirements of the Open Meeting Law. Sarah commended staff on the District's website.

She suggested that our agenda item for the "Consent Calendar" should be noticed as a "For possible Action" item. She would also like to see notice that the agenda may be found on the District's website address and the State of Nevada Public Notice website as well. These changes will be made.

7. Discussion and possible action to offer snow plowing services to Round Hill residents.

Manager Reed reported that this item was on the agenda as a request from Trustee Keith Fertala. Trustee Fertala had asked that the District consider offering driveway snow plowing services to residents on a pay for service basis. RHGID staff is not in favor of this proposal.

RHGID's responsibility is to clear the roads and make the roads safe for the traveling public. RHGID staff recommends that we do not get in the business of clearing private driveways. Clearing private driveways is the responsibility of the homeowner. If RHGID were to offer the service of clearing private driveways, we would be in direct competition with private contractors that offer the same services, which could be problematic.

In November of 2011, District staff presented an agenda item to the Board to eliminate the District's berm removal policy. The Board voted to keep the berm removal policy in place.

Things to consider:

RHGID would have to snow blow driveways as the pickup trucks we have for plowing roads are not efficient at clearing driveways. There will be many phone calls from residents that expect their driveways to be cleared, increasing office staff requirements.

Many homeowners may have unrealistic expectations. Many homeowners may be reluctant to pay for the services. Any damage to private property will become the responsibility of the District.

A local California snow removal company offers snow removal services to residential customers based on the number of vehicles that can fit in the driveway.

| | 2 car driveway | 4 car driveway |
|--------|----------------|----------------|
| Zone 1 | \$445 | \$545 |
| Zone 2 | \$495 | \$595 |
| Zone 3 | \$595 | \$695 |

Costs are per snow season, paid in advance.

Snow blowers similar to the blower that RHGID currently owns range between \$115,000 on the low end to \$130,000 to \$140,000 on the high end. It would be wise to have multiple units to account for maintenance down time.

There are approximately 300 driveways in Round Hill. At 80 driveways per eight hours, it would take one Round Hill employee 3.75 (4) days to clear all driveways, and this would only be after the roads were clear. It is unlikely that residents would be satisfied waiting 4 days to have their driveway cleared. Therefore, we would have to have more people dedicated to clearing driveways.

A snow removal company working in Round Hill in the past charged based on the complexity of the driveway. Is it steep, is it wide, is there ample area to put the snow, etc. He determined that the appropriate rate was \$900 per driveway per year, paid in advance. Very few people were willing to pay the costs.

Plowing per storm, or per occurrence, or per call is ineffective, inefficient and cost prohibitive. If there are no calls or storms, you make no money, and yet you have to have all of the resources available in case there is a storm or call.

Three hundred driveways at \$900 per driveway would result in \$270,000 in additional revenues. Maintenance mechanics hired seasonally at \$21.00 per hour at an overhead rate of 1.8 for six months would cost the District \$37,128 per mechanic.

KGID charges its residents \$15.00 per month for snow removal. This fee covers only the roads, not the driveways. Homeowners are responsible for clearing their driveways. KGID has **NO** berm removal policy. KGID hires a private contractor to clear their streets. That contractor currently gets a minimum of \$250,000 for 22 miles of roads.

Hiring a snow removal contractor for RHGID would likely be in the \$120,000 to \$150,000 per year and could perhaps reduce RHGID's staffing requirements by one operator at a cost reduction of approximately \$100,000 per year.

In addition, maintenance costs for several pieces of equipment and vehicles could be eliminated. Hiring snow removal contractors removes RHGID from direct control of the quality of the services provided by the outside contractor.

After discussions, a motion was made to make no changes to the current snow removal policy.

Rice/Fagen 4-0 approved. Trustee Fertala abstained.

8. Discussion and possible action to authorize the District Manager to re-allocate cash reserves into investments.

Manager Reed stated that several of the District's CDs matured at the end of 2016. Those cash reserves have been temporarily stored in interest bearing accounts with minimal return. It is time to improve the return on those investments. As a public agency, there are restrictions on how the District can invest our funds. The funds must be certain types of securities. The funds must be collateralized or they must be insured.

District staff obtained 1, 2 and 3 year CD rates from Wells Fargo Bank, Heritage Bank and Nevada State Bank. To date Wells Fargo had the best rates.

Authorize the District Manger to re-allocate cash reserves into investments not to exceed 1.2 million.

Fagen/Rice 5-0 approved.

9. Discussion and possible action on Resolution #313, to transfer \$186,953 from the sewer fund to the general fund as unrestricted net assets that were originally transferred as part of the Burton-Santini land sales money.

Manager Reed reported that during the early years of the District, RHGID acquired 116 acres from one of our landowners to satisfy their obligations to the District for non-payment of special assessments. That land was eventually sold to the U.S. Forest Service in 1987 for \$1,134,000 through the Burton – Santini lands purchase agreement. All of that \$1,134,000 was deposited into the District's General Fund. In 1997, the District transferred \$300,000 to the water fund and \$400,000 to the sewer fund from the General Fund.

After consultation with legal counsel, at the May 2016 Board meeting, the Board approved resolutions #311 and #312. Resolution #311 classified the 1997 transfer as a non-interest bearing loan and Resolution #312 authorized the District to repay those loans. The State of Nevada Department of Taxation did not agree with the District's characterization of the transfers as a loan and denied the District's request to transfer the money back to the General Fund.

After discussions with our auditors and the Department, the Department determined that if the District could show that the funds that were transferred in were always maintained and never spent, that we might be able to transfer the money back to the General Fund as unrestricted assets. Our auditor examined our annual audits back to 1997 and determined that the \$300,000 that was transferred into the water fund was spent in 2007 with the extension of the intakes. Of the \$400,000 that was transferred into the sewer fund, only \$186,953 remains that was never spent.

The Department agreed to allow the District to transfer \$186,953 from the sewer fund to the general fund via a resolution from the Board.

After discussion, a motion was made to approve Resolution #313, to transfer \$186,953 from the sewer fund to the general fund as unrestricted net assets that were originally transferred as part of the Burton-Santini land sales money. Rice/Fagen 5-0 approved.

10. Discussion and possible action to approve the draft 2017 / 2018 tentative budget.

At the February meeting the board suggested amendments to the tentative budget. Those amendments were made for this meeting. Motion to approve the 2017 / 2018 tentative budget. Rice/Fagen 5-0 approved.

11. Consent Calendar

Motion to approve the consent calendar as presented. Fagen/Rice 5-0 approved.

12. Staff Reports

District staff continues to monitor the herbicide prohibition exemption application submitted by the Tahoe Keys Property Owners Association to the Lahontan Water Board. The Application was discussed at the Tahoe Water Suppliers Association meeting on March 9th. At this time, we are waiting for the required SEQA document. Once SEQA is complete, the TWSA can formulate an appropriate response. The District Manager was elected as the Vice Chair of the Association. District staff continues to meet with the TKPOA as an interested stakeholder.

District staff met with representatives of Douglas County construction contractors to discuss potential changes to the Douglas County standard details. The contractors do not agree with many of the proposed changes to the standard details. The District needs to ensure that the proposed changes are in the best interests of the District.

District staff met with residents of Steele Drive to discuss possible plowing changes for the street. District staff understands the issues and will attempt to accommodate to the best of our ability.

District staff continues to coordinate proposed changes to the Water Operator certification rules through the Operator's forum. A meeting has been scheduled to coincide with the Nevada Rural Water Conference in Reno March 14, 15, 16.

Area District Manager's met at their bi-monthly meeting. Topics discussed included the 5.5% raises adopted by Douglas County for the Sheriff's Department, FEMA disaster declaration, the legislative session including the bi-weekly rural caucus, and DCSID and the legislature. Our lobbyist continues to work on our behalf regarding any proposed changes to NRS 318.

District staff attended the bi-weekly rural caucus at the Nevada legislature and commented on behalf of protecting the GIDs within Douglas County.

District staff attended the FEMA Applicant Instructional Meeting to discuss the possibility of receiving FEMA reimbursement for damages sustained during the precipitation event of January 5 – January 14. An additional declaration may be forthcoming for February.

District staff attended the annual Nevada Rural Water Conference. In addition to training classes, there was a Nevada Water and Wastewater Area Response Network (NVWARN) meeting and the Water Operator's Forum meeting to discuss the proposed changes to the Operator's rules that were attended.

District staff continues to spend numerous hours plowing and clearing snow. The streets in the District continue to be well maintained and the Operators continue to do a great job in keeping the streets safe.

District staff has requested proposals for engineering services to three firms for the design, construction oversight and inspection services for the Castle Rock main replacement project. The three firms were R.O Anderson, Farr West and Lumos. District staff will review the proposals and select a qualified firm to design the Castle Rock replacement project.

District staff continues to monitor the Legislature for any bills that will impact the District. To date, A.B. 71 regarding the creation of a defined contribution to PERS, S.B. 48 regarding union negotiations and S.B. 78 regarding transfers from enterprise funds to the general fund are the only bills that might impact the District. There have been no bills submitted yet regarding making DCSID a 318 District or any bills regarding the creation of a committee to abolish GIDs.

No Attorney's or Association Reports.

13. Adjournment

Move to adjourn. Rice/Fagen 5-0 approved.

Attest:



Steve Seibel
Chairman



Keith Fertala
Secretary