

**Round Hill General Improvement District
Board of Trustees Meeting
November 18, 2014**

Tuesday

6:00pm

1. Meeting Called to Order. (T-Mark #1)

Meeting was called to order by Chairman Glen Smith.

2. Pledge of Allegiance. (T-Mark #2)

Pledge of Allegiance was led by Chairman Glen Smith.

3. Roll Call. (T-Mark #3)

Chairman Glen Smith, Vice Chairman Steve Teshara, Trustees Wes Rice, Chuck Fagen and Steve Seibel were present. The District Manager, Administrative Assistant and District Counselor Justin Townsend were present. Residents Richard Hoadley, Darin Smith, John & Tina Tugwell and Keith Fertala were present. Matt VanDyne of Farr West Engineering was also present.

4. Public Comment. (T-Mark #4)

None

5. Approval of Agenda. (T-Mark #5)

Motion to approve the agenda as presented. Rice/Teshara 5-0 approved.

6. Discussion and possible action to award the 2015 Workers' Compensation Insurance Contract. (T-Mark #6)

Manager Reed reported that the District's current Workers' Compensation (W.C.) Insurance carrier has given notice that they will not be renewing our insurance for 2015. The District is required to carry W.C. insurance by statute. Our insurance agent, A to Z Insurance, solicited proposals from new W.C. insurance carriers. We received a quote for \$9,553 for coverage for 2015. Our premiums for 2014 were \$8,561.

RHGID's W.C. experience rating for 2015 is 0.87, with 1.0 being the industry standard. Any number less than 1.0 is better than the industry standard. Premiums are increased / decreased based on the experience rating.

Manager Reed stated that the reasons we are having such a problem with W.C is that we are a small District and our Water Operators' classifications. W.C. feels we are "high risk" with low total premiums.

Vice Chairman Teshara wished to have it noted that our experience rating is .87 with 1.0 being the industry standard. We have been below the standard level for several years. He felt with this rating, the Workers' Compensation Company should reconsider their position regarding the risks of our Operators. He also believes that the Government that is most local is best and that the insurance companies also missed that nuance.

Chairman Smith stated that this still highlights the need for the District to continue having safety meetings and suggestions.

Motion to authorize the District Manager to award the 2015 Workers' Compensation Insurance Contract. Teshara/Fagen 5-0 approved.

7. Discussion and possible action on the newly created Round Hill Ad Valorem Tax. (T-Mark #7)

Manager Reed stated that he was prepared to attend the November 20, 2014 County Commissioners’ meeting. Vice Chairman Steve Teshara stated that the meeting had been cancelled. The District’s AV Tax item had been originally scheduled for the October 16, 2014 meeting, but was removed from that agenda, and has now been delayed again.

The Board reported that this AV Tax refund process is extremely important to them and our residents.

Motion directing Manager Reed to contact Mr. Doug Ritchie at Douglas County and inform him that the Board is disappointed and frustrated that this item has not yet been given priority by Douglas County, to again request that this item be placed on the first next (first) available Board of Commissioners’ meeting for consideration, whether in Minden or here at the Lake, as time is more important than location. Teshara/Rice 5-0 approved.

8. Discussion and possible action on the close out of the contract for the new welded steel 500,000 gallon upper water storage tank. (T-Mark #8)

Manager Reed and Matt VanDyne reported that the construction of the new 500,000 gallon welded steel upper water storage tank was a very successful project. This project went smooth from the design to final acceptance. The tank was put on line on Tuesday, November 4th. The original contractual costs for the project were as follows:

Design:	\$36,100
Construction:	\$649,100
Inspection:	\$55,400
 TOTAL:	 \$740,600

The final project costs were as follows:

Design:	\$36,100
Construction:	\$610,535
Inspection:	\$40,000
 TOTAL:	 \$686,635

After discussion, the Board agreed that the District would look forward to working with Farr West Engineering and Resource Development Company in the future.

Motion authorizing the District Manger to close out the contract for the new welded steel 500,000 gallon upper water storage tank. Seibel/Rice 5-0 approved.

9. Discussion and possible action on health insurance for the District Manager for 2015. (T-Mark #9)

Manager Reed reported that the regulatory changes prescribed by the Affordable Healthcare Act (ACA) have resulted in the health insurance currently in place for the District Manager to no longer be available after December 1, 2014. Therefore, the District Manager solicited other insurance options. Other than the “exchange” network created by the ACA, the only option for insurance for the District Manager in Nevada is from Aetna provided through Costco.

Current insurance	Prominence	\$1,069 / month
Costco	Aetna	\$ 663 / month

The insurance currently provided to the District Manager is a high deductible health plan with a Health Savings Account (HSA). The District currently funds the Manager's HSA to the amount authorized by the IRS, \$6,550 for 2014. The plan being offered through Costco is also a HSA plan.

Manager Reed stated that the major difference between the Aetna plan and the Prominence is that the Prominence plan covers the District Manager's youngest two dependents and the Aetna plan covers only the Manager. However, since the new insurance will only cover the District Manager, the amount allowed by the IRS for contribution into the HSA (individual vs. family) will be reduced to \$3,350.

Overall, the change in cost to the District will be as follows:

Current insurance	Prominence	\$1,069 / month or \$12,828 / year and \$19,378 w / HSA
Costco	Aetna	\$ 663 / month or \$ 7,956 / year and \$11,306 w/ HSA
Total Savings		\$8,072

Motion authorizing the District Manager to enter into an agreement with Aetna for health insurance for 2015. Fagen/Seibel 5-0 approved.

10. Discussion and possible action on updating the District's Water Tariffs. (T-Mark #10)

Manager Reed stated that as a result of suggestions from the district's auditor during the final audit presentation, he felt that the wording on Rules #10 & #11 of the District Water Tariffs needed to be clarified. Rule #24 additions to the Tariff were a result of the recent contract between RHGID and Elk Point Country Club.

Motion to approve the updates to the District's Water Tariff as presented subject to verification from legal counsel that the requested changes do not require a public hearing. Verification was received from legal counsel Justin Townsend on 11-19-2014. No public hearing is necessary as the changes are not changes to rates. Teshara/Seibel 5-0 approved.

11. Discussion and possible action to authorize the District Manager to enter into a Brokered CD Agreement with Wells Fargo Bank. (T-Mark #11)

Manager Reed stated that RHGID had two CDs maturing in November that are currently being administered through the CDARS program with Heritage Bank. Heritage Bank has estimated that the rates for new CDs are 0.60% for three years and 0.85% for five years. Since these rates are below what the District is currently receiving, District staff solicited additional opportunities for increasing returns while maintaining its current security.

The brokered CD program offered by Wells Fargo Bank is very similar to the CDARS program we are currently participating in with Heritage Bank. There are three major differences. First, Wells Fargo handles the brokered CD program within Wells Fargo whereas Heritage Bank utilizes a third party CDARS program. Second, the accounting of the yields is different between Wells Fargo and CDARS. CDARS shows the yield as a percentage gain, ignoring the market changes in the value of the CD, and Wells Fargo shows the market change. However, if the CDs are held to maturity, the gain in both CDARS and Wells will be the same. Third, the penalty for early withdrawal is calculated differently. With CDARS, it is a flat 6 months of interest penalty. With Wells, there is no penalty; however, the CDs are sold at market value, and that market value may be less than the amount at which the CDs were purchased.

The brokered CD program will offer the same security as the CDARS program. For three years, the current rates are 1.45% and 2.15% for five years.

After discussions a motion was made to authorize the District Manager to enter into a brokered CD agreement with Wells Fargo Bank. Seibel/Fagen 5-0 approved.

12. Consent Calendar. (T-Mark #12)

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

13. Staff Reports. (T-Mark #13)

Manager Reed received a call from a former President of the Castle Rock Homeowners' Association indicating that the Association's management firm had hired an attorney to pursue whether RHGID has some ownership responsibility of the infrastructure within Castle Rock. The following day, RHGID received a call from Ms. Donna Zanetti at Leach Johnson requesting a copy of the District's enabling legislation, which was provided to her. Ms. Zanetti called and asked the District Manager additional questions. She also asked if the District Manager would be willing to review and approve a summary for accuracy before she gave it to the Association. The Manager agreed. District staff alerted District counsel to the possibility of further, future inquiries.

Manager Reed attended a TWSA pesticide subcommittee meeting. The committee is following up on other Outstanding Natural Resource Water (ONRW) classifications and pesticide restrictions; weed rototillers vs. harvesters; and the health effects of specific herbicides.

District staff continues to work with Douglas County and District counsel to develop a methodology to refund Round Hill's portion of the 2014 / 2015 Ad Valorem Tax to our residents.

Manager Reed met with Cruz Construction to discuss damage to McFaul Way caused during the pavement of the driveway at 248 McFaul Way. Cruz Construction agreed to effect repairs to the road. They will use their infrared heater to heat the asphalt, re-spread the asphalt, and then re-roll it. After re-grading the road, they will seal it. Work commenced on the repairs on November 5th.

Manager Reed and legal counsel coordinated the finalization of the contract with EPCC.

The SCADA Request for Proposals has been distributed and are due on November 24th.

Manager Reed responded to questions about the old Shell station property. There is speculation that a new convenience store and car wash might be constructed at the site.

The American Water Works Association (AWWA) is the premier water utility education and outreach organization in the world. They have an annual water conference in June of each year that covers all topics of significance in the water industry; from bacterial contamination to chemical by-products, from disinfecting tanks to financial planning, from GIS innovations to metering systems, from ozonation to ultra violet irradiation; from rates to customer service. It is a very comprehensive conference. However, because the topics of discussion are so broad, it is difficult to focus on any one specific area of discussion.

Manager Reed reported that he has attended the annual conference five times in past years, once at the authorization of this Board. The AWWA has a new conference that focuses on utility management. The conference is four days dedicated to utility management. The classes offered at the seminar will be pertinent to the District Manager's daily job functions. The classes will also be applicable to the continuing education credits required for the Manager to maintain his water operator licenses. After discussions with the Board Chairman, it was determined that it would be appropriate for the District Manager to attend this conference in lieu of the annual conference. RHGID has training and conference line items in the budget to pay for attendance at this type of conference.

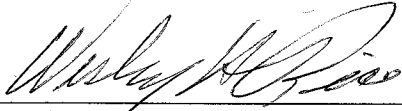
14. Adjournment. (T-Mark #14)

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

Attest:



Glen Smith
Chairman



Wesley Rice
Secretary