

**Round Hill General Improvement District
Board of Trustees Meeting
September 16, 2014**

Tuesday

6:00pm

1. Meeting Called to Order. (Side A/c#1)

Meeting was called to order by Chairman Glen Smith.

2. Pledge of Allegiance. (Side A/c#2)

Pledge of Allegiance was led by Chairman Glen Smith.

3. Roll Call. (Side A/c#6)

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, Bruce Steger, Dan & Alice Wilkinson, Herb & Donna Wheeler, Patrick & Debbie Benson and Darin Smith were present. David Northum of the Elks Point Country Club was also present.

4. Public Comment. (Side A/c#10)

None

5. Approval of Agenda. (Side A/c#13)

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

6. Discussion and possible action on the newly created Round Hill Ad Valorem Tax. (Side A/c#14)

Manager Reed stated that he and District Counsel Justin Townsend attended a meeting with Douglas County District Attorney Doug Ritchie the morning of September 16th. After discussions, Mr. Ritchie agreed that the tax should be refunded to all residents of the District and requested that Round Hill GID create a Resolution requesting that the County Commissioners refund the Ad Valorem Tax to Round Hill's residents and have the Board of Trustees approve it. The approved Resolution is attached to these minutes.

Mr. Ritchie will take the Resolution to the County Commissioners meeting at the earliest meeting available for their approval.

Manager Reed will work with the State of Nevada and / or Douglas County to refund Round Hill residents the funds received from the misapplication of the annexation statute to RHGID's newly created Ad Valorem Tax.

Motion to approve the Resolution as amended. Teshara/Rice 5-0 approved.

During public comment, resident Dan Wilkinson requested that the Resolution be modified to read "not to exceed the maximum of 0.4121". Motion to modify the previous motion as requested by Mr. Wilkinson. Teshara/Rice 5-0 approved.

7. Discussion and possible action on a request to abate water charges for the month of August 2014 for the property located at 270 McFaul Way. (Side A/c#283)

Manager Reed reported that the August meter reading for 270 McFaul Way showed that 151,000 gallons

of water were used from the July to August readings. RHGID Operator's went to the home and found that the meter was not turning while they were there as the landscaper had turned the water off to the irrigation line. The homeowners have had problems with their irrigation line in the past and continue to try to repair it.

Residential sewer charges are a flat rate of \$54.00. Commercial sewer charges are a minimum charge of \$57.36 for the first 3,000 gallons used and \$19.12 per 1,000 gallons thereafter. The District charges for all water that passes through a water meter. We have, on occasion, abated commercial sewer charges if the water that was used can be shown not to have entered the sewer system. RHGID does not have a policy to abate water that has passed through a meter.

Because the water did pass through the meter and the sewer is charged at a flat rate for residential homes, a motion was made to respectfully deny the request for water charge abatement for the property located at 270 McFaul Way. Seibel/Rice 5-0 approved.

8. Discussion and possible action on billings for the intertie between RHGID and the Elk Point Country Club. (Side B/c#23)

Manager Reed reported that over the Labor Day weekend, District staff received a request from Elk Point Country Club (EPCC) to open the intertie between our two water systems because they are low on water and their wells are low. RHGID has begun the process of bringing the intertie on line. The pit that houses the backflow preventer was cleaned of debris and the backflow prevention device was tested and approved.

The line delivering water to EPCC was disinfected and tested, and RHGID received approval from the State of Nevada prior to bringing the interconnection on line. RHGID staff tracked their time for bringing the interconnection on line and the District will be billing EPCC for that effort. In addition to the low water conditions, EPCC is taking their pumps off line for maintenance and would like RHGID to supply them with domestic water to refill their system and to accommodate them while their pumps are off line.

EPCC consists of 87 residential units at the end of Elks Point Road. They have their own water system utilizing wells for their source water.

RHGID and EPCC have an interconnection located on Elks Point Rd. near the entrance gate to EPCC. An emergency fire protection interconnection agreement between RHGID and EPCC dated July 24, 1997 called for EPCC to pay RHGID \$2,500 per year plus an amount for the estimated water used. That agreement was for a period of five years and it was due to expire in 2003. At the June, 2003 Board meeting, the Board made a motion to inform the EPCC that the rate of maintaining the intertie would increase to \$11,520 per year. Subsequently, EPCC opted to not renew the contract and on January 29, 2003, the intertie was turned off.

The configuration of EPCC is much the same as Pinewild and Castle Rock, and EPCC will be billed similarly.

Vice Chairman Teshara requested that a new agreement be drafted to include a Hold Harmless for RHGID and EPCC must carry RHGID as an additional party to their Liability insurance.

Motion to approve the billing process for Elk Point County Club and to direct Manager Reed to modify Round Hill's tariffs to reflect the addition of EPCC on its rate schedule, to update the Service Agreement between RHGID and EPCC and bring the tariffs and Agreement back before the Board at a future meeting for approval. Rice/Seibel 5-0 approved.

9. Consent Calendar. (Side B/c#204)

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

10. Staff Reports. (Side B/c#268)

The State of Nevada Bureau of Safe Drinking Water conducted its annual Sanitary Survey of the District's water system. This year the District received no notices of deficiencies. The State inspector noted that he "wished all of his utilities were this easy". The water operators, Pat, John and Andy are responsible for the operation of the District's infrastructure, and their dedication and hard work are not lost on the State regulators or their manager.

Manager Reed attended an aquatic invasive species meeting. The Tahoe Keys Homeowners' Association has hired a consultant to create an Invasive Species Monitoring Plan. TWSA and other interested stakeholders will be involved in the creation of that Plan.

District staff attended a TMDL Operations and Maintenance meeting to discuss "on the ground" operations of the TMDL process. As a result of that meeting, it was articulated that the NDEP is changing from a prescription of road conditions to the road RAM process. While this is a significant change in their approach by NDEP, it is unlikely to impact RHGID as it has been determined that RHGID is not connected to the Lake and therefore does not contribute fine sediment particles to Lake Tahoe.

The storm water Load Reduction Plan for Douglas County has been completed. It is unlikely to impact RHGID as it has been determined that RHGID is not connected to the Lake and therefore does not contribute fine sediment particles to Lake Tahoe.

Employer's Insurance Company, RHGID's workers' compensation (WC) carrier has notified the District that they will not be renewing our WC insurance for 2015. A to Z Insurance, our agent is in the process of obtaining quotes for new WC insurance. Employers cited the risk factor of the operators' classification vs. the associated premiums as their reason for no longer covering the District. RHGID has a 0.87 WC experience rating for 2015, nearly as low an experience rating as the calculations will allow. The industry standard is 1.0, with anything less than 1.0 being better than the industry standard. Once the District's premiums are established, they are multiplied by 0.87 to determine the final rate.

The District Manager's health insurance is currently provided as group coverage through the Nevada League of Cities (LOC) through November 30th. At the July Board meeting, the Board authorized the District Manager to seek alternative health insurance quotes based on the fact that premiums were increasing by 18%. However, the District has been informed that the current LOC group insurance will no longer be available after Dec. 1st due to changes in law included in the Affordable Care Act, regardless if we were willing to pay the higher premiums. Therefore, Manager Reed is working with LP Insurance Services to solicit new health insurance options.

Manager Reed attended the Douglas County Commissioners' meeting regarding creation of a new Douglas County code for inspection and testing for construction projects. This is the first code change that is being presented after the Districts, Towns and County have spent several years creating a standard set of codes.

11. Adjournment. (Side C/c#61)

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

Attest:



Glen Smith
Chairman



Wesley Rice
Secretary

RESOLUTION NO. 309

RESOLUTION REQUESTING DOUGLAS COUNTY BOARD OF COMMISSIONERS
TO ADOPT A RESOLUTION TO REFUND
THE ROUND HILL GENERAL IMPROVEMENT DISTRICT
AD VALOREM TAX FOR FISCAL YEAR 2014-2015

WHEREAS, the Board of Trustees for the Round Hill General Improvement District previously approved the adoption of a new ad valorem tax for the fiscal year 2014-2015 at a rate not to exceed .4121% of assessed property values;

WHEREAS, the Board of Trustees for the Round Hill General Improvement District understood that the implementation of the foregoing ad valorem tax would be subject to the property tax abatement procedures set forth in NRS 361.4723 and would, nonetheless, generate sufficient revenues for projects for which the ad valorem tax was intended to pay;

WHEREAS, the State of Nevada determined that implementation of the ad valorem tax in accordance with the procedures set forth in NRS 361.4723 would generate for the Round Hill General Improvement District significantly less revenues than intended;

WHEREAS, the State of Nevada determined, without consulting the Board of Trustees for the Round Hill General Improvement District, that the tax would be implemented outside of the tax abatement procedures set forth in NRS 361.4723 pursuant to NRS 361.4732, which allows for an exception to the tax abatement procedures for property that is annexed to a taxing entity, such as Round Hill General Improvement District; and

WHEREAS, counsel and staff for the Round Hill General Improvement District, in consultation with the Douglas County District Attorneys' Office, have advised the Board of Trustees

of the Round Hill General Improvement District that application of NRS 361.4732 to the 2014-2015 ad valorem tax was improper because the criteria for classifying the ad valorem tax as a tax on annexation, as set forth in Nevada Administrative Code Section 361.6115 et al., were not satisfied;


WHEREAS, the Board of Trustees of the Round Hill General Improvement District desires to refund the 2014-2015 ad valorem tax in full and to declare the 2014-2015 ad valorem tax null and void;


NOW THEREFORE, IT IS HEREBY RESOLVED, that the Board of Trustees of the Round Hill General Improvement District, to the extent they are empowered to do so, declares the Round Hill General Improvement District ad valorem tax implemented for fiscal year 2014-2015 null and void and requests the Douglas County Board of Commissioners to consider and adopt a resolution to refund all sums paid thereunder; and

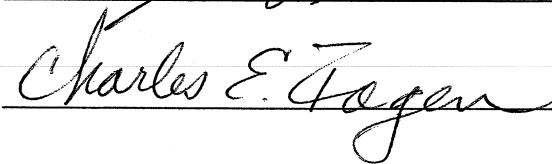
IT IS FURTHER RESOLVED, that the Board of Trustees, upon the approval of a resolution by the Douglas County Board of Commissioners to refund the Round Hill General Improvement District ad valorem tax, directs the General Manager to immediately refund to Douglas County all fiscal year 2014-2015 ad valorem taxes theretofore distributed by Douglas County to the Round Hill General Improvement District.

PASSED and ADOPTED this 16th day of September, 2014 by the following vote:

AYES:







Steve Siebel

Joe P. ...

NAYES:

ABSENT:

ROUND HILL GENERAL IMPROVEMENT DISTRICT AND
ELKS POINT COUNTRY CLUB
AGREEMENT

1. INTRODUCTION

- 1.1 DATE OF AGREEMENT: This agreement is entered into on the 22nd day of October, 2014.
- 1.2 PARTIES: The parties to this Agreement are the Elk Point Country Club, Inc. a Nevada Non Profit Corporation, referred to as "Elk Point" and Round Hill General Improvement District, a general improvement district organized pursuant to N.R.S. Chapter 318, referred to as "Round Hill".
- 1.3 PURPOSE: The purpose of this Agreement is to provide water to Elk Point for Domestic purposes.

2. PERMITS, POINTS OF CONNECTION AND MODIFICATIONS

- 2.1 PERMITS: Elk Point shall have the sole responsibility of paying for and maintaining all permits required for the use of water from Round Hill.
- 2.2 CONNECTION: Connection to the Round Hill water system shall be at the current interconnection vault between the two systems.
- 2.3 EMERGENCY OUT OF DISTRICT WATER USE: Elk Point shall file with the State Engineering Office a Place of Use Change application and Lease Water Agreement with Round Hill being the recipient for 1/10 CFS for water to be used for domestic purposes only from Round Hill to Elk Point.
- 2.4 Elk Point shall install and maintain, in good operating condition, a back flow check valve that will prevent Elk Point water from entering Round Hill's distribution system.
- 2.5 Elk Point agrees to make vault improvements to the back flow and pressure reducing vaults per Round Hill directives. Costs of improvements and / or repairs will be the responsibility of Elk Point.

3. USE, MAINTENANCE AND COMPENSATION

- 3.1 DOMESTIC USE: The water provided Elk Point is to be used for domestic purposes under this agreement.
- 3.2 MAINTENANCE: The water line of Elk Point to the point of connection, including the point of connection with the Round Hill line, shall be inspected, tested and flushed by Round Hill. Elk Point will provide to Round Hill access easements. In the event Round Hill determines that repairs or improvements to the Elk Point line are necessary to properly

maintain the line, then written notice to comply shall be given to Elk Point, and if Elk Point fails to comply, then Round Hill may, at the expense of Elk Point, proceed to make necessary improvements and repairs, or cancel this Agreement as herein provided. In the event of a dispute regarding the necessity of improvements, parties agree to arbitrate pursuant to paragraph 6. The purpose of this provision is to provide adequate assurance to Round Hill that there will not be water waste because of leaks or cross contamination caused by equipment failure.

3.3 COMPENSATION: Elk Point shall pay Round Hill for domestic water use in accordance with Round Hill's tariffs as follows:

Elk Point Country Club	Base Rate	Gallons Included in Base Rate	Tier 1 Charge Per 1,000 Gallons	Tier 1 Range (gallons)	Tier 2 Charge Per 1,000 Gallons	Tier 2 Range (gallons)
2013 Forward	\$4,959.00	1,044,000	\$2.00	1,045,000 – 1,562,777	\$2.50	1,562,778 +

3.4 WATER USAGE: Elk Point must give notice to Round Hill for the use of water during an emergency as soon as is reasonably possible under the circumstances.

4. DURATION

4.1 TERM: The term of this Agreement shall be for the term of one year beginning on the 22nd day of October, 2014.

4.2 TERMINATION: It is understood that the purpose of this Agreement is to provide Elk Point with water for domestic purposes only. This Agreement can be terminated by request of either party with 30 days written notice.

4.3 TERMINATION BY ROUND HILL: Upon the happening of any of the following events, then Round Hill may, upon thirty (30) days written notice to Elk Point, terminate the Agreement.

A. Round Hill finds that it can no longer reasonably serve the needs of its own users and inhabitants by reason of the use and water demands of Elk Point.

B. In the event of default after written demand for payment of usage, then Round Hill may sooner terminate this Agreement by thirty days written notice and opportunity to cure, likewise, should Elk Point default in any other obligation after thirty (30) days written notice and failure to correct, then Round Hill may terminate this Agreement.

5. HOLD HARMLESS

- 5.1 HOLD HARMLESS BY ELK POINT: Elk Point agrees to hold Round Hill harmless and indemnify Round Hill from any liability, costs, expenses, attorney's fees, whatsoever, including but not limited to the use of the water line by Elk Point in the event an action is brought naming Round Hill as a defendant arising from this agreement. Elk Point agrees to not only indemnify against any judgement, but to pay all legal costs of defense.
- 5.2 INSURANCE: Elk Point agrees to carry liability insurance to implement the hold harmless. Round Hill will be named as an additional party to such insurance. Such insurance shall be in the amount of \$1,000,000 as agreed upon by the parties and a copy of thereof shall be provided to Round Hill.

6. ARBITRATION

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Construction Arbitration Rules of the American Arbitration Association and judgement upon the award rendered by the arbitrator may be entered in any Court having jurisdiction. It is agreed that there is to be only one (1) arbitrator and that during the pendency of arbitration, this Agreement shall continue. The parties agree to initially each pay one-half (1/2) of the arbitration administrative fees and arbitrator's fees, provided, that as part of the arbitration, the arbitrator may award to whom he considers as the prevailing party, reimbursement of such fees, together with reasonable attorney's fees.

7. REPRESENTATION OF PARTIES

- 7.1 AUTHORITY: Each party represents that they are authorized to enter into this Agreement and that the appropriate resolutions by the Board of Trustees have been approved. A copy of such resolutions to be attached to this Agreement.

ELK POINT COUNTRY CLUB, INC.

ROUND HILL GENERAL
IMPROVEMENT DISTRICT

By _____

By: A. Gregory Reed

Title _____

Title District Manager

Date _____

Date _____