

**Round Hill General Improvement District
Board of Trustees Meeting
April 21, 2015**

Tuesday

6:00 pm

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 Seibel and Trustees Chuck Fagen, Wes Rice and Keith Fertala were present. The District Manager, Administrative Assistant and District Counselor Pat Fagan were present. Resident Darin Smith was present. Mike & Brett Green of Advance Realty were present. DCSID Board Chairman Mike Bradford, DCSID Engineer Rob Anderson, DCSID General Manager Rob Hopkins and DCSID Consultant Bob Cook were present.

4. Public Comment (T-Mark 4)

None

5. Approval of Agenda (T-Mark 5)

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

6. Discussion and possible on a request to waive late penalties on the account for the property located at 333 Ute Way. (T-Mark 6)

Mr. Brett Green of Advance Realty stated that with the sale of 333 Ute Way, the District would benefit by having a paying customer. The fees were incurred prior to his taking over the management duties of the property on behalf of Bank of America in December 2014 and he felt that Bank of America should not be responsible for past penalties.

Manager Reed noted that the late fees had incurred a lien on the property and that the lien was in place prior to Bank of America and Advance Realty taking over the property and they should have known of the lien.

Manager Reed stated that in following RHGID tariffs, the District has not waived late fees in the past and waiving these fees could set a precedent for the District.

After discussions, a motion was made to respectfully decline the request to waive the late fees for this property. Rice/Fertala 5-0 approved.

7. Discussion and possible action on a presentation regarding the Douglas County Sewer Improvement District (DCSID) Buckeye Creek Effluent Reservoir project delivered by Mike Bradford, DCSID Chairman and Rob Anderson, DCSID Engineer. (T-Mark 7)

Round Hill General Improvement District (RHGID) operates and maintains the sewer collection system within Round Hill. The captured sewer flows go to Douglas County Sewer Improvement District (DCSID) for treatment and disposal out of the Tahoe Basin. The treated effluent is pumped to the Carson Valley where it is stored in the winter and used for irrigation water during the summer. DCSID's winter storage site is located in the Pine Nut Mountains east of East Valley Road in the Carson Valley.

Since 1994, DCSID utilized a series of three storage reservoirs in the Carson Valley to store treated effluent during winter months. However, when originally constructed their storage reservoirs were not lined and DCSID entered into an agreement with the Bentley Family to use excess capacity within their lined storage reservoir. The Bentley Reservoir was sized to accommodate only effluent generated by Minden-Gardnerville Sanitation District (MGSD). Currently, there exists excess capacity available in the Bentley Reservoir to store effluent water from DCSID. However, unlike the Tahoe Basin, Carson Valley can support growth and, in the long term, capacity within the Bentley Reservoir isn't sufficient to store effluent from both DCSID and MGSD. With that understanding, DCSID undertook an engineering study to determine how to best meet their future effluent storage needs and identified three alternatives:

1. Line the existing DCSID storage ponds at a cost of \$12,000,000.
2. Excavate a new storage reservoir; sell the gravel/aggregate from those excavations to offset the costs of the excavation and lining the new reservoir at a net cost of about \$1,000,000.
3. Increase the wastewater treatment scheme from secondary to tertiary treatment at a cost of \$24,000,000.

The least cost/most benefit to all of Douglas County residents is Option #2, to excavate a new storage reservoir, sell the gravel/aggregate from those excavations to offset the costs of the excavation and lining of the reservoir. Douglas County's only gravel/aggregate pit (Bing's on Kimmerling Road) has nearly depleted its capacity. In approximately 5 years, the gravel available from Bing's will be exhausted. Therefore, Douglas County needs a new source of gravel/aggregate. DCSID has one. Douglas County also needs a lined storage reservoir to accept effluent from residents and visitors of Lake Tahoe. DCSID has a plan to create that lined reservoir at the least cost to its rate payers and the public, which includes all residents within Round Hill.

If DCSID is required to line their existing ponds at a cost of \$12,000,000, RHGID's treatment costs to DCSID will increase by approximately 20%, or \$60,000 per year. That \$60,000 will have to be passed on to our customers through our RHGID sewer rates. In total, RHGID residents will be responsible for \$1.2 million over the next 20 years if DCSID cannot sell their gravel/aggregate during excavation. RHGID supports DCSID's request for a mining permit to sell the gravel/aggregate from the excavation of their proposed storage reservoir and we ask that Round Hill residents speak to your County Commissioners in support of DCSID's request as well.

Attached is a copy of the presentation by DCSID President Mike Bradford. No action was taken at this time.

8. Discussion and possible action to authorize staff to proceed with set up and customer notification of program available for credit card processing. (T-Mark 8)

Patti and Greg explained the proposed process of accepting credit cards through the District's website. The process consists of two programs; WaveApps and Stripe.

A customer will call the District office and staff will send an invoice via e-mail to the customer (WaveApps). The customer selects to pay the invoice, enters the amount to be paid and submits the payment (Stripe).

The WaveApps program has no set up fee, no monthly fees and no transaction fee. The Stripe program has no set up or monthly fees. Stripe transaction fees (charged to customer) are 2.9% plus \$.30. The user would have to pay the transaction fee, not the District or other Round Hill residents. The customer cannot see the District's account number nor do we see the customer's credit card number. That's all handled by the Stripe program which rests the PCI (credit card protocol) compliance on their shoulders.

Manager Reed and Patti feel that this is a very simple method as the District, so far, only has a handful of requests to pay with a credit card. If the response to credit card payments becomes overwhelming, Patti will need to seek alternative methods. Manager Reed suggested that staff include the information in the 2015 newsletter and move forward with receiving credit card payments starting July 1, 2015.

Motion to authorize staff to proceed with set up and customer notification of program available for credit card processing. Seibel/Fagen 5-0 approved.

9. Discussion and possible action on the 2014 Water Quality Report and Spring 2015 Newsletter. (T-Mark 9)

After discussion and a few suggestions, the Board advised Manager Reed to move forward with the 2014 Water Quality Report and Spring 2015 Newsletter. No action was taken on this item.

10. Discussion and possible action on the 2015 / 2016 Budget changes. (T-Mark 10)

Manager Reed reported that the 2015 / 2016 tentative budget was presented with changes. The estimated Ad Valorem Tax to be generated for the General Fund is \$32,000, calculated by the State with RHGID requesting its full allotment of 0.4129 under the 3% cap. Once the revised tentative budget is approved by the Board, staff will supply the numbers in the spreadsheet to our auditor who will then insert the appropriate numbers into The State of Nevada's tentative budget format. The budget complies with the requirements of the State and includes the implementation of an Ad Valorem Tax. The budget contains the capital improvement projects that have been listed in the District's five year Capital Improvement Plan as submitted to the State. Budgeted shortfalls will be supported through reserve fund balances.

The Ad Valorem Tax that was calculated by Douglas County for RHGID will garner the district \$32,000 in 2015 / 2016, not the \$5,000 previously reported. The \$32,000 has been verified by district staff in writing.

Based on an assessed value of \$107,000,000 in Round Hill for 2015/2016, RHGID residents can expect to pay \$60.00 on a \$200,000 home.

$$32,000 / \$107,000,000 = 0.000299 \times \$200,000 = \$59.81.$$

The reason the amount allocated to RHGID this year is \$32,000 as opposed to the \$5,000 previously estimated is due to the calculation method of the cap and abatements, and the requests of the other taxing entities within Douglas County.

The Consolidated Tax Revenue (CTX) was adjusted from \$400,000 to \$395,000 in response to the estimate of CTX revenue provided by the State.

The estimate provided by DCSID has been inserted in our budget at \$340,000.

The contingency for the General Fund is calculated as 3% of General Fund revenue or \$13,000.

Motion to approve the 2015 / 2016 Budget changes as amended. Fertala/Rice 5-0 approved.

11. Consent Calendar (T-Mark 11)

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

12. Staff Reports (T-Mark 12)

Manager Reed reported that he met with area GID managers. Discussions included road tax revenues, potential legislative impacts and DCSID's gravel pit request. The creation of an additional GID or GIDs in the County to maintain County roads that are not located within a Town or existing GID was also discussed. Douglas County has 21 of Nevada's 84 GIDs (25%). The next closest county has 10. According to Michael Cellham of the Department of Taxation, creation of a new GID within Douglas County could negatively impact RHGID's portion of the consolidated tax revenue. RHGID could be opposed to the creation of an additional GID in Douglas County.

DCSID and R.O. Anderson Engineering are meeting with DCSID's customers (including RHGID) to discuss their future needs.

The SCADA project is progressing. The new system has been installed at the office and the treatment plant. The District Manager is using one of the replaced computers as a desktop unit as the Motherboard in the Manager's four year old laptop failed. There are a few minor issues remaining to finish. District staff will monitor the new system and will determine if any additional work is required in the 2015 / 2016 budget cycle.

Manager Reed continues monitoring the activities of the Nevada legislature. There are a number of bills that could impact the District in some fashion if enacted. Manager Reed prepared written testimony in opposition to AB 353. See attached.

- Timing of budget future submissions
- Notary public regulations
- Election regulations
- Collective bargaining regulations
- Water rights regulations
- Water Operator licensing board
- Mutual aid
- Public works projects
- Records maintenance
- Possible grant money for infrastructure improvement projects

District staff continues to work with the U.S. Forest Service on the renewal of our special use permit for the water treatment plant site. RHGID and the USFS will work with the new owners of Round Hill Pines Resort to create a special use permit that will accommodate everyone's needs. RHGID is requesting additional land for the installation of fencing, a second chlorine contact tank and a restroom facility.

There were no attorney or association reports presented.

13. Discussion and possible action on a motion to move to a closed meeting pursuant to NRS 288.220 (1) and NRS 241.020 (1) to discuss International Union of Operating Engineers (I.U.O.E.) Local 39 labor negotiations. (T-Mark 13)

Motion to move to a closed meeting pursuant to NRS 288.220 (1) and NRS 241.020 (1) to discuss International Union of Operating Engineers (I.U.O.E.) Local 39 labor negotiations.

Rice/Fagen 5-0 approved.

14. Discussion and possible action on the International Union of Operating Engineers (I.U.O.E.) Local 39 labor contract. (T-Mark 13)

Closed session minutes and taped recording is held at the Attorney's office of Allison & MacKenzie.

15. Adjournment (T-Mark 15)

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

Attest:



Glen Smith
Chairman



Wesley Rice
Secretary