

**Round Hill General Improvement District
Board of Trustees Meeting
January 19, 2016**

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

Pledge of Allegiance was led by Chairman Glen Smith.

3. Roll Call

Chairman Glen Smith, Vice Chairman Steve Seibel, Trustees Wes Rice, Chuck Fagen and Keith Fertala were present. The District Manager, Administrative Assistant and District Counselor Pat Fagan were present.

4. Public Comment

Trustee Fertala commented on the great job the new employee Josh, had been doing with snow removal operations.

5. Approval of Agenda

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

6. Discussion and possible action to renew the Agreement for Professional services with Sustainable Community Advocates.

After discussion motion to approve the renewal of the Agreement for Professional services with Sustainable Community Advocates. Seibel/Rice 5-0 approved.

7. Discussion and possible action to approve the draft 2016 / 2017 budget.

Manager Reed went over changes from the prior year and stated that there would be changes when he presents the Tentative budget. The District office roof is leaking and must be repaired as soon as possible.

The 2016 / 2017 draft budget was presented with the allocations spread across the three funds as appropriate to the anticipated level of effort associated with each fund. The estimated Ad Valorem Tax (AV) to be generated for the General Fund is \$35,000, calculated by the State with RHGID requesting its full allotment of 0.4134 as it falls underneath the 3% cap. It is likely that the estimate will change once the County and the State create their pro-forma budget.

Manager Reed stated that the implementation of a ballot approved Ad Valorem Tax was under consideration in this draft. The creation of the tentative budget will reflect the desires of the Board on water rates and AV Taxes. The budget included the capital improvement projects that have been listed in the District's Capital Improvement Plan. Budgeted shortfalls will be supported through reserve fund balances.

Motion to approve the draft budget as presented. Fagen/Rice 5-0 approved.

8. Discussion and possible action to authorize the District Manager to pursue a water rate increase for 2016.

Manager Reed stated that the District last increased water rates in 2013. Sewer rates were last increased in 2007. Based on the reserves available for water and sewer and based on the potential upcoming projects for those two funds, it is prudent to look at a potential water rate increase at this time.

The following details the intended residential rate changes.

- 1) Leave the Base rate at its current level of \$57.00
- 2) Reduce the amount of water in the residential base rate by 2,000 gallons; from 12,000 gallons per month to 10,000 gallons per month. (15%)
- 3) Reduce the transition from Tier 1 to Tier 2 by 15%.
- 4) Reduce the transition above Tier 2 by 15%.
- 5) Apply the 15% change to all residential rate classes.
- 6) Increase the price for Tier 1 from \$2.00 per thousand gallons (T.G.) to \$2.50 Per T.G.
- 7) Increase the price for Tier 2 from \$2.50 per thousand gallons (T.G.) to \$3.00 Per T.G.

Manager Reed also presented a graph comparing area District's water rates. Round Hill GID continues to be in the middle of the spectrum. After discussions and reviewing the draft budget, the Board agreed that Manager Reed should pursue options for a residential water rate increase. Motion approving the District Manager to pursue a water rate increase for 2016. Fertala/Fagen 5-0 approved.

9. Discussion and possible action to approve the 2016 – 2035 Capital Improvement Plan.

Manager Reed presented the 2016 – 2035 Capital Improvement Plan.

The Board requested further discussions on the 2016 – 2035 Capital Improvement Plan after they decide on the integration of the possible increase in water rates and Ad Valorem Taxes.

No motion was made on the item at this time.

10. Discussion and possible action to authorize the District Manager to pursue the creation of a ballot approved Ad Valorem Tax for 2016.

Manager Reed reported that the process for creation of a ballot approved Ad Valorem Tax to raise revenue for road maintenance projects, requires the District to submit the question to Douglas County before July 1, 2016.

The creation of a \$0.05 AV Tax would raise approximately \$50,000 per year and would impact residents in accordance with the 0.05 Proposed Tax Rate, whereas a \$.10 AV Tax will raise approximately \$100,000 per year and impact residents in accordance with the 0.10 Proposed Tax Rate. Projections from the State will be forthcoming in March 2016.

The Board discussed the District's Burton Santini reserve funds currently being held and felt that the residents needed to be informed on the possible use of those funds rather than holding those monies as reserves.

Prior to putting this item on the ballot, RHGID will create an informational packet to distribute to all residents. Public hearings will have to be held prior to making a Board decision.

Manager Reed was directed to put together a newsletter to be sent to RHGID residents detailing the District's intentions. No motion was made on this item.

11. Consent Calendar

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

12. Staff Reports

District staff coordinated the eleven month inspection of the coating of the new upper tank; conducted by Bay Area Consulting. There were a few minor areas that were touched up, but overall, the coating was in excellent shape. The tank is ready to be disinfected and re-filled. This will likely be in the spring. The cathodic protection system will be energized in the spring of 2016.

Manager Reed has been working with legal counsel to create language for a new lease for an additional cell tower installation on the existing Verizon tower at the office facilities. We continue to negotiate pricing.

District staff determined that one of the houses on Cheyenne Way has been a vacation rental for approximately the past ten years and was not on our list of vacation rentals provided by Douglas County. District staff contacted the owner of the property and informed them that we were changing the billing classification to commercial per our tariffs, effective immediately. The owner requested that the billing changes be postponed for a month. District staff concluded that since the property had been used as a vacation rental for the past 10 years, that it was appropriate to modify the billing as of the time of notification of the vacation rental status.

Manager Reed attended quarterly TWSA Board meetings. The focus of the meeting was the use of herbicides by Tahoe Keys. The Tahoe Keys Property Owners' Association (TKPOA) received comments from the Lahontan Regional Water Quality Board (Lahontan) regarding their draft Integrated Weeds Management Plan (IWMP). Based on those comments, the TKPOA has removed the herbicides from their draft IWMP. TKPOA will request approval of a small scale "pilot" test using herbicides going forward as a parallel permitting process to their IWMP. However, the direct use of herbicides is not under consideration for the current version of the IWMP. The TWSA has secured the first registered trademark for "Drink Tahoe Tap".

RHGID filed a second small claims case against a District resident for non-payment of their water and sewer bills. The resident did not show up at court, and the District was awarded a judgment against the resident. The first time the District received a judgment against this resident, the resident took six months to honor the judgment. Therefore, RHGID is pursuing other alternatives to secure payment in a more timely manner. We could return to court and seek a writ of execution against the property, and sell the property to receive our payments due. The District is owed approximately \$2,500. The reason that this particular individual is problematic is due to the configuration of their service line. RHGID does not have a meter or a shut off in the right of way for this property. Installation of a meter will cost approximately \$6,000. Rather than get into more debt with this homeowner, RHGID will pursue foreclosure of the property. Legal counsel will assist in this endeavor.

Pinewild has completed construction of the new roof for the old sewer pump station.

District staff is working on the pumps and motors at the Pinewild sewer lift station. Both pumps have been replaced, one volute has been replaced and one of the motors was overheating. That motor was pulled and new coolant was added, and it was re-installed. A spare pump and motor has been ordered. As a preventative measure, the second motor has had new coolant added as well.

RHGID received proposals for engineering services for renewing our USFS special use permit at the water treatment facility for a preliminary engineering report for the need for the new contact tank, design drawings for the new tank, design drawings for a bathroom facility and design drawings to enclose the standby generator. District staff has been in discussions with the USFS regarding those engineering costs. USFS has requested a "letter of justification" for the replacement contact tank. Their intent is to use the letter of justification in lieu of the preliminary engineering report. If the USFS agrees, this will eliminate the \$11,280 line item for the engineering report. RHGID has requested clarification on the requirement for enclosing the standby generator as we would like to eliminate the \$6,760 line item for engineering for the enclosure.

RHGID has typically employed three water treatment plant operators. In addition to their duties of operating and maintaining the water and sewer systems, in their job description they also have the added responsibility of maintaining the District's roads and storm drain systems. Care of the roads includes plowing and sanding activities. There is a totally different skill set involved in being a licensed water

treatment plant operator and doing road maintenance work such as plowing in the middle of the night. Recently, we have been utilizing the services of only two operators; as we had one operator on Workers' Compensation leave for six months earlier this year, and we had one operator leave the District in August. RHGID hired a seasonal road maintenance mechanic prior to Veterans' Day. He quit one month later. RHGID then interviewed two more candidates and hired Josh Bisset prior to Christmas. Josh is doing an excellent job and we hope to have him become a permanent employee.

District staff has located a used, functioning 50 kw generator with very few electronics that we can test at the Pinewild lift station. If the test is successful, we can purchase the generator. It can then be mounted on a trailer and we will have a redundant standby generator for Pinewild.

Manager Reed attended Managers' meetings where we found a source for a used 50kw generator.

Manager Reed attended a Douglas County Planning Board meeting to support the gravel pit project of DCSID and provided both written and oral testimony in support of the project. DCSID was unsuccessful in its attempt to garner approval for their project. DCSID postponed their meeting before the County Commissioners and is now re-evaluating their strategy.

District staff received notice that our Workers' Compensation (W.C.) Insurance would not be renewed when it expired in December, 2015. We solicited quotes from two independent insurance agents, our existing agent and a new agent from Carson City. The Carson City agent provided a quote from First Choice Insurance for approximately \$1,000 less than any other quote. Since First Choice is an "A" rated company and met all of the requirements for which we made inquiries, they were chosen to provide our mandatory W.C. insurance for 2016, at approximately \$1,000 less than we paid last year.

District staff has been spending significant time plowing and sanding District roads. The lake level has benefited from the snow to date and we hope to get more before spring to help the lake recover. District staff has had to have several vehicles towed. Several homeowners have been asked not to put their snow in the streets and not to park vehicles in the streets.

13. Adjournment

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

Attest:



Glen Smith
Chairman



Wesley Rice
Secretary