

**Round Hill General Improvement District  
Board of Trustees Public Hearing Meeting Minutes  
May 17, 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 and Trustees' Chuck Fagen & Keith Fertala were present. Trustee Wes Rice was absent. The District Manager, Administrative Assistant and District Counselor Justin Townsend were present. Resident's Darin Smith, Jack Nino and Dick Hoadley were present.

**4. Public Comment**

None.

**5. Approval of Agenda**

Motion to approve the agenda as amended to move item# 7 after item #10 and item #11 after item #8. Fagen/Fertala 4-0 approved.

**6. Discussion and possible action to approve the 2016 / 2017 Final Budget.**

Manager Reed reported that the changes to the budget as approved at the April Board meeting had been incorporated into the final budget. Upon approval, the budget will be submitted to the State prior to the June 1<sup>st</sup> deadline. Motion to approve the 2016 / 2017 Final Budget as presented. Fertala/Fagen 4-0 approved.

**7. Discussion and possible action to authorize the District Manger to pursue a voter approved Ad Valorem Tax for 2016.**

After discussion a motion was made to table this item. Fertala/Fagen 4-0 approved.

**8. Discussion and possible action to authorize the District Manager to re-classify the maintenance mechanic position to an Operator in Training.**

Manager Reed presented and stated that the following paragraph had been taken from the January 2016 Manager's Report.

*RHGID has typically employed three water treatment plant operators. In addition to their duties of operating and maintaining the water and sewer systems, they have also had 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.*

Josh started at the District just before last Christmas as a temporary maintenance mechanic. Josh did such a great job for us that he was hired as a permanent employee in March, three months before his temporary status expired. Josh comes to the District with no water and wastewater experience and yet he passed his Class I Water Distribution Operator's license exam in just his first three months at the District. Josh has a positive attitude, a great work ethic and is quickly learning as much as he can at the District. He is currently signed up to test for his Class I Water Treatment Plant Operator on June 23<sup>rd</sup>. The OIT position description (attached) says that an OIT must obtain a Nevada Water Treatment Operator T-1 or D-1 Certification within one year of employment. The OIT position description also says that an OIT must obtain Nevada Water Treatment Operator T-1 *and* D-1 Certifications within eighteen months of employment.

Josh has already passed his exam for his Class I Water Distribution Operator's License as required by the OIT position description. Once he becomes an OIT, he will have 18 months in which to obtain his Class I Water Treatment Plant Operator's license. He is currently signed up to take that test on June 23<sup>rd</sup>.

Prior to Josh coming to the District, his salary was significantly higher than it is here at the District. Josh knew this when he was hired, but so did the District. Given Josh's efforts to date, he has been re-classified from a seasonal employee to a permanent employee. RHGID is serious about keeping Josh as an employee for the long term. This re-classification will help Josh be more secure at the District.

We currently have two Water Operators. If one of the Operators gets sick or injured, we would only have one. The two Operators are now on call every other week. The responsibility of filling in for vacations lies to the two Operators. Cross training Josh to be an OIT will allow him to fill in for the other operators as needed in emergencies or as a matter of routine. Josh will continue to perform his current duties while an OIT.

Motion to authorize the District Manager to re-classify the maintenance mechanic position to an Operator in Training. Fertala/Seibel 4-0 approved.

**9. Discussion and possible approval on Resolution #311: a resolution to classify the 1997 transfer of funds from the General Fund to the Water Fund in the amount of \$300,000 and to the Sewer Fund in the amount of \$400,000 as non-interest bearing loans.**

Manager Reed reported that RHGID sold 116 acres of property within the District 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 1996, the District transferred \$300,000 to the Water Fund (WF) and \$400,000 to the Sewer Fund (SF) from the General Fund (GF) from that Burton – Santini deposit in anticipation of a legislative ruling regarding self-sufficient Enterprise funds. There were no apparent restrictions on those funds.

On February 19, 2013, the RHGID Board of Trustees adopted Policy #1 - 2013, which establishes the reserves that the District will maintain in each of our three accounts. Policy #1 - 2013 states that we will hold in reserves \$837,000 in the GF, \$1,099,500 in the WF and \$847,000 in the SF. As indicated in Policy #1 - 2013, RHGID is currently carrying \$367,000 in Burton – Santini reserves in each of our three funds.

As of the audit ending June 30, 2015, RHGID maintains the following reserves in each of our three funds: General Fund \$ 902,855, Water Fund \$1,838,072 and Sewer Fund \$1,183,592.

RHGID cannot transfer money from an Enterprise Fund (WF and SF) to the General Fund unless the transfer is to repay a loan. The District's legal counsel has determined that the District can characterize the 1996 transfers as loans. The attached resolution characterizes the 1996 transfers as loans from the GF to the WF in the amount of \$300,000 and the SF in the amount of \$400,000.

Motion to approve Resolution #311: a resolution to classify the 1997 transfer of funds from the General Fund to the Water Fund in the amount of \$300,000 and to the Sewer Fund in the amount of \$400,000 as non-interest bearing loans. Seibel/Fagen 4-0 approved.

**10. Discussion and possible action on Resolution #312: a resolution to repay the General Fund the loan amount of \$700,000; \$300,000 from the Water Fund and \$400,000 from the Sewer Fund as detailed in the District's Resolution #311.**

Manager Reed stated that RHGID's Resolution #311 characterizes the 1996 transfer of \$300,000 from the GF to the WF and \$400,000 from the GF to the SF as a non-interest bearing loan. Since the \$700,000 has been characterized as a loan, RHGID is authorized to repay those funds to the GF.

In 2010, RHGID contracted for the paving of McFaul Way at a cost of \$722,452.53 and in 2013, RHGID contracted for the paving of Elks Point Road at the cost of \$539,482.04. All of those funds were utilized from the General Fund. The District's Comprehensive Paving Maintenance Plan developed by R.O. Anderson in 2010 details a 20 year paving plan for all of the District's roads. It called for paving projects every three years from 2010 through 2029. As noted above, the average cost of one paving cycle is approximately \$630,000.

Based on that Comprehensive Paving Maintenance Plan (CPMP), RHGID should be paving again in 2016. However, due to inadequate funds in the General Fund, the Board of Trustees has postponed the paving scheduled for 2016 until 2018 to allow us time to rebuild our reserves in the General Fund. Future road projects are currently spaced every five years instead of three years, taking the CPMP end date out to 2038 instead of 2029.

Motion to approve Resolution #312: a resolution to repay the General Fund the loan amount of \$700,000; \$300,000 from the Water Fund and \$400,000 from the Sewer Fund as detailed in the District's Resolution #311. Fagen/Fertala 4-0 approved.

**11. Discussion and possible action on approving the updated Comprehensive Pavement Management Plan.**

After discussion a motion was made to table this item. Fertala/Fagen 4-0 approved.

**12. Consent Calendar**

Motion to approve the consent calendar as presented. Fertala/Fagen 4-0 approved.

**13. Staff Reports**

District staff met with a resident on Seminole Way to discuss rain water erosion that washes sediment onto her property during heavy rainfall. The sediment comes from a U.S.F.S. lot directly next to her property. It appears that Seminole Way should slope away from her home but that at some point in the past a crown was applied to the roadway during a paving project. District staff indicated that we would reach out to the Forest Service to discuss if there was anything the U.S.F.S. could do to help alleviate the home owner's concern. While conducting research for the contact chamber project, District staff located a letter from the U.S.F.S. indicating that they have no responsibility to maintain undeveloped lots such as those located in Round Hill. This information was communicated to the home owner. Future paving projects may include removing the crown in the road to assist in curtailing the erosion problem.

District staff is in the process of disinfecting and filling the new upper 500,000 gallon tank. It has been off line since last fall after the 11 month coating inspection was completed.

Manager Reed has received communications from the owners and potential purchasers of the property at 199 Highway 50. A future request may come before the Board on connection fees for this property.

District staff is working on the development of specifications to go out to bid for sealing McFaul Way and Elks Point Rd.

Manager Reed and legal counsel have been developing language to allow for the potential transfer of Burton – Santini money from the water and sewer funds to the general fund.

District staff has purchased a 50 KW generator from Gardnerville Water Company and have begun modifications to the generator so it will fit on our portable trailer.

Representatives from Castle Rock have met with manager Reed to discuss repairs to their sewer system as a result of camera inspections that have shown intrusions of roots through laterals to the homes. Castle Rock has received an estimate for the costs of replacing the water system within their boundaries. Castle Rock representatives may come before the Board at a future meeting to discuss replacement of that line.

District staff contacted NV Energy to discuss installment of energy efficient LED streetlights. NV Energy currently has no rate structure in place to bill for LED streetlights. They are in the process of submitting rate structure information to the Nevada Public Utilities' Commission that will allow NV Energy to develop those rates. It may take up to two years for a rate structure to be in place. NV Energy will keep the District informed of upcoming dates such that the District may provide comments on the impending rate changes.

District staff met with the Douglas County Debt Management Commission and received approval to move forward with our voter approved Ad Valorem request.

Manager Reed met with representatives of the Tahoe Keys Property Owners' Association to discuss their desire to utilize herbicides in the Keys. TWSA is still opposed to this concept. The working group that has been meeting on this issue for a year or so now has new members from the TRPA and the Lahontan Water Quality staff. These new members of the working group may allow for a streamlined approach as the regulators will now be directly engaged with other stakeholders.

District staff requested assistance from Nu Systems to correct problems in the programming of our security system. Alarms were being generated even after the alarms were turned off when District staff was conducting repairs to systems. The problems have been corrected.

District staff noted that the pumps at the Pinewild sewer lift station were running more than normal. This had occurred in the past, but has not happened in several years. Upon investigation, it was determined that there is a leak at the interface where the piping from the meadow enters the wet well. The next step is to clean the line and see if it is possible to insert a repair sleeve inside the piping to prevent the intrusion. If an insert repair sleeve is not possible, the line will have to be uncovered and repaired.

Manager Reed attended the semi-monthly GID Managers' meeting. Discussions included contract negotiations, insurance, benefits, the County Manager's search process, Trustee election processes and employee evaluation processes.

District staff responded to a request from the State Engineer's office for flow data for one of our water rights permits. As it is not possible for the District to separate the flow attributed to one specific permit, RHGID submitted data for all of our permits.

No attorneys Report.  
No association Reports.

**14. 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.**

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.  
Seibel/Fagen 4-0 approved.

**15. Discussion and possible action to approve the 2016 Collective Bargaining Agreement between RHGID and the International Union of Operating Engineers (I.U.O.E.) Local 39.**

Minutes for this item are kept at the Attorney's office.

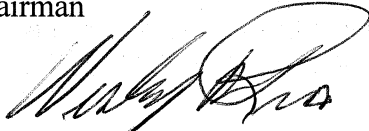
**16. Adjournment**

Move to adjourn. Seibel/Fagen 4-0 approved.

Attest:



Glen Smith  
Chairman



Wesley Rice  
Secretary