

**Round Hill General Improvement District
Board of Trustees Meeting Minutes
November 15, 2016**

Tuesday

6:00 pm

1. Meeting Called to Order

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 Wes Rice, Chuck Fagen & Keith Fertala were present. The District Manager and District Counselor Pat Fagan were present. Resident Dick Hoadley was present.

4. Public Comment

None

5. Approval of Agenda

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

6. Presentation of the 2015 / 2016 Audit Report by Kohn & Company and acceptance and adoption of the current year recommendations.

Beth Farley of Kohn & Company gave an overall presentation of the District's audited financial records. She presented an unqualified opinion that had no findings.

Motion to approve the 2015 / 2016 Audit Report by Kohn & Company. Rice/Fagen 5-0 approved.

7. Discussion and possible action on a request from Round Hill resident Leslie Shaw to waive late fees for his property at 251 McFaul Court.

Manager Reed reported that this account had been in arrears since October, 2013. RHGID filed a lien against the property on January 23, 2014 at the request of Mr. Shaw.

He stated that the following RHGID Water Tariff Rules should apply in this case.

No. 5 B., Payment of Bills states, "Bills for service are due and payable upon presentation and payment shall be made at any commercial office of the Utility or to any representative of the Utility authorized to make collections."

Rule 5 D., Penalties states, "In addition to any other penalties herein specified, all charges not paid when due shall become delinquent and shall be subject to a basic penalty of 10 percent (10%) for the first month of delinquency. In addition, a penalty of one and one half percent (1 ½%) per month for non- payment of the charges and the basic penalty shall thereafter be imposed."

Monthly bills have been delivered to Mr. Shaw during this entire process. Mr. Shaw has had every opportunity to, and could have chosen to bring this account current at any time over the past three years. Had he done so, these late charges would not have accrued. Mr. Shaw also asserts that because no water was used at his property over the past three years that he should not have to pay late charges. However, there are other Round Hill residents who do not use any water for months at a time, and yet they are still

required to pay the minimum charge for their water and sewer bills on time or face late charges as well.

Manager Reed stated that RHGID Trustees have considered requests for waiving late fees for properties in the past, and have not yet waived any late fees. Doing so now could set a precedent.

After discussions, a motion was made to respectfully decline the request from Round Hill resident Leslie Shaw to waive late fees for his property at 251 McFaul Court. Fagen/Seibel 5-0 approved.

8. Discussion and possible action to abate specific sewer fees for the Mukesh Patel property located at 444-B Kent Way.

Manager Reed reported that while processing billing reports for the September 22, 2016 meter readings, it was noted that the water usage for 444-B Kent Way was higher than normal. Staff contacted the care taker Martin, to let him know that something might be leaking at the property.

He went to the house and turned the irrigation system off. Our operators went back on October 6th and re-read the meter manually. Only 2,000 gallons had gone through the meter. This indicates that the additional water was running through the irrigation system. The contractor that installed their irrigation system has been called to make repairs.

The usage in August was 12,000 gallons and the September read went up to 70,000 gallons. This resulted in sewer charges of \$1,338.40 for the month.

Mr. Patel's assistant requested an abatement of a portion of the sewer fees as the water did not go through the sewer system. To date, the August water charge of \$405.27 and the August sewer charges in the amount of \$229.44 have been paid.

Based on the 12,000 gallons used in August, and a corresponding \$229.44 sewer charge for 12,000 gallons, RHGID could waive the \$1,108.96 for sewer charges above 12,000 gallons. Since the \$229.44 has already been paid, this would result in a "credit" to the account being issued, but no actual cash refund.

Motion to approve the request to abate specific sewer fees for the Mukesh Patel property located at 444-B Kent Way in the amount of \$1,108.96. Fertala/Seibel 5-0 approved.

9. Discussion and possible action to elect a Liaison to the DCSID Board of Directors in accordance with the recently signed Inter-Local Agreement.

Manager Reed reported that Section 1 of the Inter Local Agreement signed between RHGID and DCSID that RHGID will, by a majority vote of the Board, appoint one of its Trustees to be RHGID's representative ("Liaison") for purposes of interacting with DCSID and its Board of Directors. It goes on to state that from time to time during the term of this Agreement the Liaison may designate another RHGID Trustee or employee to attend DCSID meetings on behalf of Liaison.

Trustee Keith Fertala stated that he would be willing to be the Liaison for RHGID. Motion to elect Trustee Keith Fertala as Liaison to the DCSID Board of Directors in accordance with the recently signed Inter-Local Agreement. Seibel/Fagen 5-0 approved.

10. Discussion and possible action to provide funding for a legislative lobbyist to assist the District in amending NRS 318.

Manager Reed reported that in response to the letter presented by Douglas County Commissioner Barry Penzel regarding the creation of a "Super Utility", General Improvement Districts from throughout Douglas County met to consider a strategy to forestall the County from obtaining local General Improvement Districts against their will.

G.I.D.'s are formed under NRS 318. Section 490.3 of NRS 318 implies that a County cannot merge, dissolve or consolidate a G.I.D. against the will of the G.I.D. Board if the G.I.D. was providing water, sewer **and** trash services on October 1, 2005.

None of the affected G.I.D.'s in Douglas County was engaged in all three services on October 1, 2005. Therefore, those G.I.D.'s would like to attempt to change the "and" between sewer and trash to "or".

In order to facilitate such a change, the attorneys for several of the affected G.I.D.'s have recommended hiring a legislative lobbyist to assist in changing NRS 318.490.3. The lobbyist has quoted a six month retainer as \$60,000. The other G.I.D.'s would like to know if RHGID will support the effort. The lobbyist is likely to be hired regardless of RHGID's decision.

Trustee Wes Rice stated that he felt hiring the lobbyist was a survival tactic for the District. After further discussion, the Board agreed that it was necessary to participate with other willing GID's.

Motion was made to provide funding for a legislative lobbyist to assist the District in amending NRS 318. RHGID will contribute funding for 25% of the monthly invoices not to exceed a \$10,000 total. Fagen/Rice 5-0 approved.

11. Discussion and possible action to determine a response to the Tahoe Keys Property Owners' Association's request to add aquatic herbicides to the waters of the Tahoe Keys.

Manager Reed stated that the Tahoe Keys Property Owners' Association (TKPOA) requested feedback from the District concerning the Association's proposal to apply for an application with the Lahontan Water Quality Control Board (LWQCB) to apply aquatic herbicides to the water of the Tahoe Keys.

One requirement of the LWQCB's basin plan amendment is that any prospective herbicide applicant must request feedback from all of the water utilities located at Lake Tahoe.

Manager Reed did not feel that the TKPOA's request letter provided enough detailed information to formulate a response. Details of mitigation, monitoring, application rates and necessity of applications are missing from their request.

While TKPOA has considered alternative methods to herbicide use, they have not given the alternatives their full attention; nor have they determined that alternatives will or will not suffice in lieu of herbicides.

Motion to authorize Manager Reed to send a response to the Tahoe Keys Property Owners' Association's request to add aquatic herbicides to the waters of the Tahoe Keys incorporating the Board's position.

Seibel/Fagen 5-0 approved.

12. Discussion and possible action to amend the By-Laws of the Round Hill General Improvement District Board of Trustees.

The October 2016 Board meeting had to be cancelled at the last minute due to an emergency. At that point we did not have a quorum. In the event that there is not a quorum for a Board meeting, the District's By-Laws do not currently specifically allow a Board member to attend a meeting via electronic communication.

Manager Reed created a proposed amendment to the Round Hill General Improvement District's By-laws giving the Board the flexibility to allow a conference call from an absent Board member in order to have a quorum as needed. All such meetings shall be properly noticed in accordance with NRS requirements.

After discussion, a motion was made to amend the By-Laws of the Round Hill General Improvement District Board of Trustees to allow for a conference call from an absent Board member via electronic communication. Rice/Seibel 5-0 approved.

13. Consent Calendar

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

14. Staff Reports

Manager Reed continues to meet with DCSID and other Lake GIDs to discuss possible changes to the election practices of DCSID. The Legislative Oversight Committee meeting was held on November 4th. At that meeting, the committee recommended the creation of two Bill Draft Requests (BDRs). The first BDR is to change DCSID from a NRS 309 to a NRS 318 District RHGID is a 318 District). Changing DCSID to a 318 District within its current boundaries does not change the pool of candidates for elections. Only the residents within the current boundaries of DCSID will be eligible to be Board members. The second BDR, forwarded by Senator Settlemyer, proposed the creation of a County Sunset Committee that would look at all of the GIDs within a County and evaluate those GIDs for absorption, consolidation, merger, etc.

Manager Reed attended a DCSID Board meeting in which it was disclosed that DCSID has spent nearly \$175,000 to date in direct hard costs on the ongoing process initiated by Douglas County against DCSID. They have spent nearly \$500,000 all together since the re-application for the gravel pit. District staff met with private investigators hired by the Douglas County District Attorney's office to investigate DCSID. The private investigators also interviewed KGID. At the end of the interview, I was given the opportunity to present comments. I noted the amount of money that DCSID had incurred to date over this gravel pit / Douglas County vendetta, and noted that the money being spent by others including Douglas County, RHGID, KGID, TDD and others was money that was lost to the County; an unnecessary expense that benefited nobody in Douglas County. I also noted that I was disappointed that the County had not handled the situation better by picking up the phone before creating the animosity that they created.

District staff continues to work with Castle Rock Homeowners Association to pursue a State Revolving Fund loan. In addition to attending the Board for Financing Water Projects' meeting, District staff has corresponded with the Association's attorney and management representative on the contracts drafted by RHGID's attorney.


District staff has completed the first phase of replacing hydrants within the District. Additional hydrants will be replaced in the spring. To date, 18 hydrants have been replaced with another 14 scheduled for spring 2017.

No attorneys Report.
No association Reports.


15. Adjournment

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

Attest:



Glen Smith
Chairman



Wesley Rice
Secretary