

**Round Hill General Improvement District
Board of Trustees Meeting
November 16, 2010**

Tuesday

6:00pm

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

Meeting was called to order by Vice-Chairman Steve Teshara.

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

Pledge of Allegiance was led by Trustee Wesley Rice.

3. Roll Call. (Side A/c#5)

Vice Chairman Steve Teshara and Trustees Wesley Rice and Steve Seibel were present. The District Manager and Administrative Assistant were present. Chairman Glen Smith, Trustee Chuck Fagen and District Counsel Pat Fagan were absent. Jen Mahe of Allison MacKenzie was present as District Counsel.

4. Public Comment. (Side A/c#9)

Trustee Rice asked District Counsel if the State of Nevada Local Government Investment Pool funds (LGIP) were at risk of being borrowed by the State. Jen stated that she did not believe the monies in this fund could be borrowed against, but that she would have that information verified. Manager Reed stated that the only monies deposited into the LGIP is a monthly payment of \$3,800.00 to cover the semi-annual payments for the current RHGID SRF Loan.

In March 2010, a representative of Southwest Gas was present to give the Board a presentation of the proposed PVC pipe replacement project to be done in the Round Hill District. In the Board's opinion, the project was not done in the time and manner they presented.

Vice Chairman Teshara directed staff to draft a letter to the PUC with regard to his and some residents' dissatisfaction of the project.

5. Approval of Agenda. (Side A/c#60)

Motion to approve the agenda as presented. Rice/Seibel 3-0 approved.

6. Discussion and possible action to extend the audit contract for Kohn Colodny, Certified Public Accountants. (Side A/c#62)

As Kohn Colodny has been the auditor for the past several years and works well with staff, all Board members stated and agreed that there would be a learning curve and more expense if the District chose to accept a different accounting firm. Vice Chairman Teshara did note that at some future date it would be prudent to consider an alternative auditor.

Motion to extend the audit contract with Kohn Colodny, Certified Public Accountants for the next three fiscal years of 2011, 2012 and 2013. Rice/Seibel 3-0 approved.

7. Discussion and possible action to authorize the District Manager to submit a Loan Application to the NDEP for a \$1,200,000 State Revolving Fund Loan for the construction of the new 500,000 gallon tank at 343 Ute Way. (Side A/c#142)

Manager Reed stated that he had previously submitted the SRF pre-application and letter of intent. The next step in the process is to submit a loan application. He would like to have the loan approved for

\$1,200,000 and available to fund the tank project. How much money the District ultimately decides to borrow will be decided after the loan application is submitted.

Motion authorizing the District Manager to submit a Loan Application to the NDEP for a \$1,200,000 State Revolving Fund Loan for the construction of the new 500,000 gallon tank at 343 Ute Way. Seibel/Rice 3-0 approved.

8. Discussion and possible action to authorize the District Manager to enter into a contract with Swendseid & Stern as Bond Counsel for the State Revolving Fund Loan for the construction of the new 500,000 gallon tank at 343 Ute Way, at a cost not to exceed \$35,000. (Side A/c#179)

Manager Reed reported that in order to get approval for the SRF loan, the District must secure Bond Counsel. The District had worked with Swendseid & Stern on the 2006 Bond issue and has received their proposal for the 2011 Bond issue. The current interest rate for SRF loans is 3%.

The estimated cost for Bond Counsel is \$28,000 and will be absorbed into and paid by the SRF loan. Manager Reed stated that Bond Counsel is considered professional services, therefore the district is not required to solicit bids.

Vice Chairman Teshara inquired whether a representative would be giving a presentation. Manager Reed stated that they would hopefully make a presentation in January 2011.

Motion authorizing the District Manager to enter into a contract with Swendseid & Stern as Bond Counsel for the State Revolving Fund Loan for the construction of the new 500,000 gallon tank at 343 Ute Way, at a cost not to exceed \$35,000. Rice/Seibel 3-0 approved.

9. Consent Calendar. (Side A/c#250)

Motion to accept the Minutes of October 19, 2010. Seibel/Teshara 2-0 approved.

Motion to approve the remainder of the consent calendar as presented. Seibel/Rice 3-0 approved.

10. Staff Reports. (Side A/c#300)

Manager Reed reported that YESCO had been notified again to address the issue of the light leaking from the bottom of the entrance sign. They stated that they would be in Tahoe to make necessary repairs.

Nick from Midkiff & Associates requested and received a six month extension of the TRPA permit for the Pinewild sewer lift station project. He continues to pursue coverage purchase and District Counsel Pat Fagan continues discussions with Midkiff to ensure the District's interests are protected through the coverage transfer process.

The permit application has been submitted by Lumos & Associates for the new tank project. Manager Reed met with Jason from the TRPA to view the site and answer preliminary questions. Staff recommended changes have been incorporated for preparation of the front end contract documents.

Manager Reed attended a Douglas County Board of Commissioners' meeting presentation on a report from HDR on Zephyr Water Utilities District's preliminary compliance with the requirements of EPA's LT2 rule. Douglas County needs to upgrade their treatment process or find an alternative treatment process. Douglas County and KGID are exploring the option of creating a single treatment facility that will meet both of their needs. However, the feasibility of such an undertaking relies on the availability of funding for an intertie between the two systems. Through NDEP, both entities are pursuing grant funding of an intertie. If that grant funding is not forthcoming, it is unlikely that a single treatment plant will be feasible.

Manager Reed has contracted with George T. Hall to install additional SCADA software programming and upgrades at the treatment plant. Bruce Scott of Resource Concepts met with Manager Reed to discuss the current status of the District's water rights. Mr. Scott will be providing a proposal to move forward with securing District water rights and Manager Reed will be submitting their proposal as an agenda item at a future Board meeting.

District Counsel Jen Mahe reported that she and Counsel Pat Fagan had spoken to Gary Midkiff of Midkiff & Associates and both have concerns regarding the risk to the District with the coverage transfer issue. There will be a window where funds have been paid for coverage but the coverage itself has not been transferred.

Some of the problem is that TRPA does not allow coverage transfer until the project has been approved and an actual permit has been issued. District Counsel and Mr. Midkiff will be monitoring the progress closely to ensure a small window of risk.

No Association report.

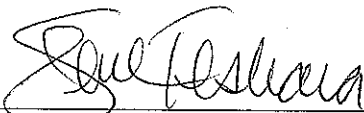
11. Correspondence. (Side A/c# 585)

Vice Chairman Teshara stated that he appreciated the articles and information supplied in the Board packets each month.

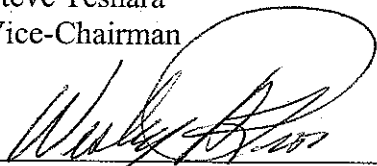
12. Adjournment. (Side A/c#611)

Motion to adjourn. Rice/Seibel 3-0 approved

Attest:



Steve Teshara
Vice-Chairman



Wesley Rice
Secretary/Treasurer