

**Round Hill General Improvement District
Board of Trustees Meeting
September 21, 2010**

Tuesday

6:00pm

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

Meeting was called to order by Chairman Glen Smith.

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

Pledge of Allegiance was led by Chairman Glen Smith.

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

Chairman Glen Smith, Vice Chairman Steve Teshara and Trustees Chuck Fagen and Steve Seibel were present. The District Manager, Administrative Assistant and District Counsel were present. Trustee Wes Rice was absent. Nick Exline of Midkiff & Associates and Brian McRae of Lumos & Associates were present.

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

None.

5. Approval of Agenda. (Side A/c#7)

Motion to approve the agenda as presented. Teshara/Fagen 4-0 approved.

6. Discussion and possible action to direct the District Manager to coordinate an approach with the TRPA and the Pinewild H.O.A. regarding the decommissioned sewer pump station at Pinewild. (Side A/c#9)

Manager Reed reported that in 2007, the District replaced the sewer pump station at Pinewild with a new package lift station as an emergency project. Initial discussions with the TRPA regarding the new lift station permitting process centered around removal of the existing pump station after the construction of the new station.

Nick Exline with Midkiff & Associates stated that due to the emergency nature of the new lift station project at the time, the TRPA did not issue a permit. Since no permit was issued there were no Special Conditions of Approval. Since 2008, Nick has been working with TRPA to acknowledge the permit. He has had great difficulty achieving this as a permit never existed.

In July 2010 the TRPA finally issued a permit with Special Conditions. One of the Special Conditions is that the old pump station be removed as part of the permit. The TRPA permit requires that the demolition / re-vegetation be complete by October 15, 2010.

Since Pinewild H.O.A. is interested in keeping the old pump station, Midkiff was directed to develop cost options for keeping the building vs. demolition and restoration at the site.

Removal / re-vegetation at the old pump station building will cost an estimated \$45,000. Option 2 is to keep the old building, record an access easement with Douglas County and transfer 215 sq. ft. of coverage at a cost estimate of \$21,515. to \$26,215.

Nick has contacted four individuals that currently have coverage for sale. The average price in this hydrological zone is currently \$50.00 per square foot.

Again, Pinewild H.O.A. has expressed an interest in keeping the old pump station as cold storage if possible. If the Board decides against the demolition of the building and allows the H.O.A. to use it for storage, the Board felt the H.O.A. should assume full responsibility and ownership of said building.

Regardless of the Board's decision on these options, the October deadline must be extended. Nick will request an extension of the deadline date from the TRPA. Nick stated that TRPA has threatened potential penalties and fines if the deadline is not met, or if the District does not show progress toward completion.

Vice Chairman Teshara stated that since this was originally a Hearings Officer issue, perhaps Nick should take the issue of the October 15, 2010 deadline back to the Hearings Officer. The TRPA never issued a permit and should not be charging penalties when the situation at the time was an emergency.

District Counsel Pat Fagan made notice that the permit had an expiration date of July 14, 2010 where it should have been October 15, 2010. Nick will request the permit date be amended by the TRPA.

Motion directing the District Manager to coordinate an approach with the TRPA and the Pinewild H.O.A. based on the Board's belief that Option 2 is best. Enter into negotiations with Pinewild to include the granting of an easement with the further stipulation that Midkiff come back to the Board with the cost of coverage. Teshara/Seibel 4-0 approved.

7. Discussion and possible action to submit a permit request to TRPA and Douglas County for the construction of a new 500,000 gallon storage tank at 343 Ute Way. (Side A/c#468)

Manager Reed reported that Brian McRae of Lumos & Associates was ready to proceed with the permit applications for the TRPA and Douglas County. The submission of the TRPA permit requires that the District have 2,729 square feet of coverage available to compensate for the increased footprint of the new tank. Lumos & Associates has confirmed that coverage is available for purchase for this project.

Brian stated that 343 Ute Way is in a different hydrologic zone than the Pinewild property. The ground the water tank will be built on straddles the dividing line of two zones. The price per square foot in South Stateline is currently \$15.00. The drainage of the tank will be such that it flows to the South Stateline side of the property.

Manager Reed reminded the Board that with the Verizon cell tower being built at 343 Ute way, Verizon would be obligated to reimburse the District for 1,250 square feet of coverage as stipulated in their lease agreement with the District. The cost of purchasing this coverage would be approximately \$45,000.00 but Verizon will reimburse about ½ the cost.

Motion to approve the submission of the permit application to the TRPA and Douglas County for the construction of the new 500,000 gallon storage tank at 343 Ute Way. Fagen/Seibel 4-0 approved.

8. Discussion and possible action to commence purchasing coverage in support of the construction of the new 500,000 gallon storage tank at 343 Ute Way. (Side B/c#134)

Motion authorizing the District manager to commence the purchasing process of coverage needed

in support of the construction of the new 500,000 gallon storage tank at 343 Ute Way. Teshara/Fagen 4-0 approved.

9. Discussion and possible action to submit a letter of intent for a Drinking Water State Revolving Fund Loan for the construction of the new 500,000 gallon storage tank at 343 Ute Way. (Side B/c#146)

Manager Reed reported that he had submitted a pre-application for a Drinking Water state Revolving Fund (SRF) Loan on August 21, 2009 with the State of Nevada. The next step in the process would be to submit a Letter of Intent with the State. The Letter of Intent determines the District's placement on the priority list with the state.

The current interest rate for SRF loans is less than 3%. This project will be budgeted in the amount of \$1,200,000. At 3%, the loan for 20 years will require an annual principal and interest payment of \$80,000.

Manager Reed stated that the \$1,200,000 SRF loan, in addition to the tank, includes new pumps at the District office in the amount of \$100,000 and the BMP work in the amount of \$120,000.

Manager Reed noted that the District could pay for this project out of reserves but mentioned that the road pavement project took a large amount out of the reserve accounts already. He recommended submitting the Letter of Intent which incorporates this process into the rate structure analysis and then decide what is best for next years budget. If, at that time, the Board decides not to take the SRF Loan, nothing is lost in the process.

Motion authorizing the District Manager to submit the Letter of Intent to the State of Nevada for a Drinking Water State Revolving Fund Loan for the construction of the new 500,000 gallon storage tank at 343 Ute Way. Fagen/Teshara 4-0 approved.

10. Consent Calendar. (Side B/c#274)

Motion to approve the consent calendar as presented. Teshara/Seibel 4-0 approved.

11. Staff Reports. (Side B/c#326)

Manager Reed reported that he had spoken with Mike Leeper, the former owner of the Coyote Grill regarding the small claims judgment that was granted to the district for unpaid water and sewer bills. Mr. Leeper stated that he would be taking care of the balance due before the end of the year 2010.

Lead and Copper sampling was completed the week of September 14, 2010 and has been delivered to the Lab for testing. The District is on a reduced monitoring cycle based on past sampling results and must test for lead and copper every three years. If the results exceed the "Action Level" based on the 90th percentile concentrations, the District will have to sample more frequently and revise our treatment. The results will be posted in the October newsletter.

The district now has the ability to deliver paperless bills to our customers via e-mail. The September newsletter will inform all residents of this ability and allow them to sign up for this service.

Manager Reed met with representatives of Farr West Engineering to review the progress of the GIS work to date. All sewer data from HDR, storm drain data and road data has been loaded into the program. The sewer camera and the water system information are now being populated as well. Farr

West is working on the hydraulic model and the Master Plan and CIP will begin upon completion of the hydraulic model.

Manager Reed reported that the pumps at the office booster station are 40+ years old. He has met with representatives of Nevada Seal and Carson Pumps to discuss correcting a bearing and shaft malfunction. The quote for repairs was \$3,000 and the repair work has commenced. He will incorporate three replacement pumps and motors into the new tank construction project and he will specify high efficiency pumps and motors for the replacement.

District staff met with Garcia Paving to discuss sealing the swales on McFaul Way as requested. They recommended against sealing the swales as they felt it would only be an aesthetic seal and would not contribute structural integrity for the costs spent. Re-striping at Elks Point Road and Hwy 50 was scheduled. R.O. Anderson acknowledged that they were remiss in not catching the striping errors prior to painting and had indicated that they would cover the costs associated with the removal and replacement of striping.

No attorneys report.

No Association report.

12. Correspondence. (Side B/c#448)

A letter was received from Brien of Walters Engineering regarding the Lake Intake can inspection. District Counsel Pat Fagan, stated that the issue was discussed at an open meeting before the Board of Directors, Walters Engineering and K.G. Walters Construction Company three years ago. Completion of the project had been signed off by the District and Walters Engineering at the time. However, K.G. Walters Construction agreed to re-inspection the cans anyway and the cost would be split between them and the District. Walters Construction did in fact re-inspect the cans but never billed the District for any costs. No further action will be taken regarding this matter.

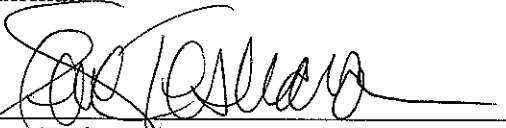
13. Adjournment. (Side B/c#595)

Motion to adjourn. Fagen/Teshara 4-0 approved

Attest:



Glen Smith
Chairman



Steve Teshara
Vice Chairman