

**Round Hill General Improvement District  
Board of Trustees Meeting  
February 15, 2011**

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 Wesley Rice, Chuck Fagen and Steve Seibel were present. The District Manager, Administrative Assistant and District Counsel were present. Brent Farr of Farr West Engineering was present.

**4. Public Comment. (Side A/c#8)**

None

**5. Approval of Agenda. (Side A/c#12)**

Motion to amend the agenda and move Item #9 to the very end of the agenda. Seibel/Teshara 5-0 approved.

**6. Discussion and possible approval to fund pine needle pickup in Round Hill at a cost not to exceed \$1,300 and make this a standard annual service provided by the District. (Side A/c#18)**

Chairman Smith stated that this service provides protection of the District's assets and infrastructure and that this yearly project is appreciated by all residents of Round. The \$1,300 will provide for a two day pickup and residents will be notified well in advance in order to prepare for pickup.

Trustee Seibel reported that Tahoe Douglas Fire will be providing their chipping services again this year.

Motion to approve funding of the pine needle pickup in Round Hill at a cost not to exceed \$1,300 and make this a standard annual service with annual increases on the budget. Rice/Teshara 5-0 approved.

**7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION OF INTENT, PROPOSING THE ISSUANCE OF AND AUTHORIZING THE PUBLICATION OF NOTICES RELATING TO GENERAL OBLIGATION (LIMITED TAX) WATER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) FOR THE PURPOSE OF FINANCING A WATER PROJECT FOR THE DISTRICT; PROVIDING THE MANNER, FORM AND CONTENTS OF THE NOTICES; PROVIDING OTHER MATTERS PROPERLY RELATED THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF. (Side A/c#76)**

Manager Reed stated that this is the 2<sup>nd</sup> of three Resolutions that will need to be passed by the Board in order to secure an SRF Loan.

Vice Chairman Teshara questioned whether the District was obligated to take the loan if all Resolutions were passed. Manager Reed stated that the District can pull the plug up to the date of closing. After

closing for the full amount of \$1,200,000, the district is not obligated to take or use the entire sum. Requests for re-imbursement will only be for funds utilized.

If the Board chooses to move forward with the SRF loan, the total estimated cost of the new tank is \$750,000. The estimated cost for the pumps is \$100,000 and the office BMP's are an estimated \$110,000. The remaining balance of the loan would be used for contingency purposes or returned.

The Board expressed their concerns regarding rate increases and wanted to make sure that any increases necessary would be in small amounts spread over a period of years rather than a one time large increase.

Motion to approve a Resolution of Intent, proposing the issuance of and authorizing the publication of notices relating to general obligation (limited tax) water bonds (additionally secured by pledged revenues) for the purpose of financing a water project for the district; providing the manner, form and contents of the notices; providing other matters properly related thereto; and providing the effective date hereof. Rice/Teshara 5-0 approved.

**8. Discussion and possible action to approve the draft budget approach. (Side A/c#158)**

Manager Reed presented a draft, preliminary budget for the 2011 / 2012 fiscal year to allow for any comments or recommendations from the Board. The budget does not currently include any changes in rates. He reported that prior to closing on the SRF loan; the budget must contain revenues sufficient to cover O & M expenses plus debt service, which may include a rate increase.

Manager Reed stated that as our Consolidated Tax Revenues continue to decline, changes will need to be made to offset this lost revenue. Another change in the draft budget is to compensate Trustees on a monthly basis, not just those in which they actually attend a meeting. Trustees provide additional services to the District and deserve to be compensated for those extra efforts.

**9. Presentation from staff and Farr West Engineering on the District's rate structure analysis. (Side C#260)**

Manager Reed reported that Farr West Engineering had nearly completed their rate structure analysis. With the recently completed capital improvement plan, the rate analysis study has allowed a concept of what needs to be done with District rates in the near future.

Brent Farr and Manager Reed presented several items that the Board will need to develop policies to address in the near future:

1. Potential short term rate adjustments.
2. Reserve accounts and funds to be retained.
3. Reserve fund use and SRF loan use for the new tank.
4. Potential long term rate adjustments for water and sewer.
5. Potential revenue sources for road construction from the general fund.

With the State's potential to seize District reserves, the Board will have many upcoming discussions with which to decide how and what to do with the District's Reserve account funds.

**10. Consent Calendar. (Side A/c#430)**

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

### **11. Staff Reports. (Side A/c#532)**

Manager Reed reported that he would be attending the Board meeting of the Pinewild Homeowners Association and hoped to get a final answer on how to proceed with the old sewer pump station building.

Nick at Midkiff & Associates was given the authority to act as the District's agent and has submitted a permit application to Nevada State Lands for the coverage purchase for the new tank.

In response to a letter from Mr. Horowitz' attorney regarding a possible billing error, Manager Reed met with the District's meter vendors to ascertain the communication between the meter, the meter reading equipment and the District's billing software. There was an offset in the system, therefore giving an incorrect meter reading. The problem with the billing system has been corrected. A corrected billing statement was submitted to District Counsel Pat Fagan and Mr. Horowitz' attorney. Mr. Fagan reported that he had received a response from the Horowitz' attorney and the District's corrected billing statement had been accepted.

Staff met with representatives of Lumos and Associates to discuss details of the pump replacement at the office facility in conjunction with the construction of the new tank. In addition, a permit application was submitted to Douglas County for the tank project and plans were submitted to NDEP for their review and approval.

Manager Reed attended the TRPA shore zone coordination group meeting. The litigation filed against the TRPA's regional plan update was a step backward for the protection of water utility's intakes. The new regional plan had increased the zone of protection around water intakes from 600 feet to 1320 feet (a quarter mile). However, with the lawsuit, the zone of protection reverts back to the 600 feet. The District and the TWSA are attempting to persuade the TRPA to adopt only the pertinent section of their regional plan update that includes the 1320 feet.

District staff and Counsel have reviewed the court cases and progress surrounding the State's attempt to seize \$62,000,000 from the Clean Water Coalition in Southern Nevada. According to the review of the documentation, the State is taking the position that the coalition is a political subdivision of the State and therefore is legally obligated to relinquish the funds in question to the State. It does appear from the documents that if the money were tax money as opposed to user fees that it might have a little more protection from this type of seizure. One disturbing note in the proceedings describes this particular bill as a "special law". The argument against this taking calls it unconstitutional and points out that if the legislature had instead enacted a general law that attached a certain percentage from all state political subdivisions, then this legislation might have been constitutional.

District Counsel Pat Fagan reported that Court documents stated that AB 6, section 18, is tantamount to legislative cannibalism however, for over 100 years the law in Nevada states that City's, Counties and other political subdivisions do not have the constitutional power of home rule. The ruling of the court is that regardless of how GID reserve accounts were accumulated or saved, funds may, at this time be seized by the State of Nevada. District staff and Counsel will continue to monitor these proceedings.

Trustees voiced their concerns that it was wrong for the State to take money from GID's and other fiscally responsible entities to fix problems they created with their financial mis-management.

No attorney's report.

**12. Correspondence. (Side C/c#255)**

None

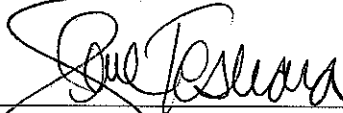
**13. Adjournment. (Side C/c#375)**

Motion to adjourn. Teshara/Seibel 5-0 approved.

Attest:



Glen Smith  
Chairman



Steve Teshara  
Vice-Chairman