

**Round Hill General Improvement District  
Board of Trustees Meeting  
January 17, 2012**

**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#6)**

Chairman Glen Smith, Vice Chairman Steve Teshara, Trustees Wesley Rice, Chuck Fagen and Steve Seibel were present. The District Manager and District Counsel were present. Beth Kohn-Cole of Kohn Colodny and quest Richard Rowe were present.

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

None.

**5. Approval of Agenda. (Side A/c#10)**

Motion to approve the agenda as presented. Teshara/Rice 5-0 approved.

**6. Presentation by Beth Kohn of Kohn Colodny, LLP regarding the P.E.B.P. unfunded liability. (Side A/c#12)**

Manger Reed reported that retired District employees have the opportunity to elect medical insurance coverage through the Public Employees Benefits Program and the District is responsible for paying a portion of the retiree's premiums.

As detailed in Note 8 of the 2011 Audit prepared by Kohn Colodny, LLP, RHGID currently has a \$112,277 P.E.B.P. unfunded liability for potential medical insurance premiums for future District retirees.

Beth explained that the Governmental Accounting Standards Board (GASB) changed their rules. They now require the District to record the liability for future retiree's health insurance premiums. The District is required to pay part of former Manager Cameron McKay's, when he retires, and any other employee that retires after 15 years of employment with local governments. Because there are employees that are 50 years of age, GASB says the likelihood of an employee staying until retirement is high. The current liability includes persons that have already been employed with the District for several years that might utilize the P.E.B.P. insurance when they retire.

Beth suggested that the District create an irrevocable trust to set aside some of the liability rather than the full liability as the funds can never be used for anything other than paying for this liability. The District can never regain these funds even if not used for their intended purpose. This decision would have to be at the discretion of the Board. The State allows the District to set up an irrevocable trust account to start accumulating funds to pay these possible future benefits. Because the District cannot personally invest money, the Public Employees Retirement System (PERS) is currently managing funds for local governments and can obtain a higher rate of return.

**7. Presentation by Beth Kohn of Kohn Colodny, LLP regarding the pending changes to the District's cost allocation processes for Water and Sewer Funds vs. General Fund. (Side A/c#208)**

Manager Reed reported that NRS 354.107; SB 65 was enacted during the 2011 legislative session. Based on that statute, the committee on Local Government Finance has proposed changes to NAC 354 that will alter the requirements of the District in determining the cost allocations to our enterprise (water and sewer) and general funds.

Vice Chairman Steve Teshara stated that in the past few years the Board had visited the issue of allocating funds during its budget planning sessions to ensure that each fund is being allocated properly. Beth stated that full and continual documentation of the allocation of funds will be needed going forward.

RHGID staff will create processes to ensure full documentation of the District's cost allocations during the 2012 / 2013 budget cycle.

**8. Discussion and possible action to authorize the District Manager to sign the "Relinquishment of Easement Water Intake Line in Lake Tahoe" with the Nevada Division of State Lands. (Side A/c#304)**

Manager Reed stated that on September 13, 2011, he signed a license agreement with Nevada Division of State Lands (NDSL). The license agreement was the result of a change in the State's position on the use of State Lands by other governmental entities. The license allows the District the use of the land under its intake. The creation of the license incorporated all of the land under the District's existing intake. The creation of the license by the State is in recognition that the license agreement is legally more appropriate than an easement.

As a result of the creation of the license, NDSL has requested that the District relinquish its existing intake easement. While relinquishing easements may not normally be the preferred course of action by the District, the existing easement only covers the area of our intake prior to the intake extension. Therefore, it does not encompass the entire intake line and it does not adequately protect the District's interest's covered by the license.

After discussions a motion was made directing the District Manager to invite a representative of the Nevada Division of State Lands to attend the February Board meeting to explain the difference between the "License and Easement" prior to a vote from the Board of Trustees. Teshara/Fagen 5-0 approved.

**9. Discussion and possible action to create a subcommittee to commence negotiations with the International Union of Operating Engineers Local 39 to develop a new collective bargaining agreement. (Side A/c#526)**

Manager Reed reported that the Union Contract will expire on June 30, 2012. In past years, one Board member, the District Manager, the Union Representative and the shop steward were present for negotiations.

Manager Reed felt that since Glen Smith is currently the Chairman of the Board, another member of the Board should be elected to negotiate a new union contract.

Trustee Steve Seibel volunteered to be on the committee. A motion was made to create a subcommittee to commence negotiations with the International Union of Operating Engineers Local 39 to develop a new collective bargaining agreement consisting of the District Manager and Trustee Steve Seibel. Teshara/Rice 5-0 approved.

**10. Discussion and possible action to authorize staff to file a Claim of Lien against the property located at 451 McFaul Way #10. (Side B/c#1)**

Motion to approve filing a Claim of Lien against the property located at 451 McFaul Way #10. Rice/Fagen 5-0 approved.

**11. Consent Calendar. (Side B/c#18)**

Motion to approve the minutes of December 20, 2011. Siebel/Rice 4-0 approved.

Motion to approve the balance of the consent calendar as presented. Rice/Fagen 5-0 approved.

**12. Staff Reports. (Side B/c#100)**

Manager Reed reported that PreLoad Concrete provided the District with an analysis of the condition on the Districts' two concrete tanks based on the inspection report that was conducted in 1998. PreLoad's assessment concluded that the District could repair the existing tanks at an estimated \$285,000 for the upper 500,000 gallon tank and \$210,000 for the 250,000 gallon office tank. Replacement for each of those tanks would be \$615,000 for the 500,000 gallon tank and \$480,000 for the 250,000 gallon tank. The question remains whether it is economically feasible / desirable to repair the concrete tanks rather than replacing them.

Upon completion of construction of the new office 500,000 gallon tank, District staff will pursue repair / replacement of the upper 500,000 tank. Toward that end, an application for the replacement of the 500,000 gallon upper concrete tank has been submitted to the Nevada Department of Environmental Protection for inclusion on the 2012 State Revolving Fund priority list.

Manager Reed met with representatives of Pinewild Homeowners' Association to discuss the letter they received from him regarding the disposition of the old Pinewild sewer pump station. An additional meeting will be scheduled between Pinewild, Manager Reed and Midkiff and Associates coinciding with Pinewild's Board meeting in February.

Installation of the replacement pumps at the office commenced on January 3, 2012 and has been put on hold pending the investigation of size discrepancies between the interfaces of the newly ordered pumps and the existing discharge headers.

Farr West Engineering delivered the completed Comprehensive Master Plan to the District. Farr West Engineering updated the District's G.I.S. mapping system to include all of the latest changes.

The road access agreement has been signed and delivered to the U.S. Forest Service. The first annual maintenance meeting will be schedule upon receipt of the signed document form the Forest Service.

All S.T.P.U.D. grants have either been billed for or received. This grant process reimbursed the District \$153,575 toward the construction of the new 500,000 gallon water storage tank at the office.

Manager Reed met with two firms to discuss the District's SCADA system and potential remedies to solve the communications problems.

Manager Reed also met with members of the TWSA to discuss the creation of the new TRPA Memorandum of Understanding (M.O.U.). If adopted, the new M.O.U. will exempt many of the District's activities that now require a permit. This will streamline the process of conducting any maintenance of the District's water, sewer, road and storm drain infrastructure.

**13. Adjournment. (Side B/c#428)**

Motion to adjourn. Rice/Fagen 5-0 approved.

Attest:



Glen Smith  
Chairman



Steve Teshara  
Vice Chairman