

**Round Hill General Improvement District
Board of Trustees Meeting
March 20, 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 Chuck Fagen and Steve Seibel were present. The District Manager and District Counsel were present. Trustee Wesley Rice was absent. Dan Dykes of Nevada State Bank was 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/Fagen 4-0 approved.

6. Discussion and possible action to authorize the District Manager to sign the "Relinquishment of Easement Water Intake Line in Lake Tahoe" with the NDSL. (Side A/c#15)

At the February 2012 Board meeting the Trustees directed Manager Reed and District Counsel, Fagan to follow up with the Attorney General's office to discuss the creation of the licensing agreement and the establishment of the fee structure.

Manager Reed reported that a letter was received from the Administrator and State Lands Registrar Jim Lawrence. The letter explained the methodology used in determining changes from easements to licenses and consideration of fees. NRS requires that the consideration be in an amount as determined as reasonable based upon fair market value (FMV). They calculate the square footage of the area that is on state owned land, compare that to adjacent land values and then discount recognizing that it is non-fee title. Based on factors in the Tahoe basin, the appraisers decided that a reasonable annual fee, based on FMV, for a water intake line serving a single residential unit could be \$500. Factoring in the public benefit of water intake lines, they arrived at a fee \$250 annually for a line serving a single residential unit.

As a result, they adopted a scale of \$250 for 1 unit, \$1000 for a line that has four to nine service connections and \$2,500 for a line serving ten or more units. That structure meets the goal of never exceeding \$250 per unit. In factoring in the public benefit of a line in the determination of FMV, they used approximately 500 customers served by the District and determined that the cost of the intake to be \$5 per unit compared to the \$250 charged to a single unit. The greater the number of public served by the water intake line the greater the discount per unit.

State Lands believe they have developed a process for authorizing water intake lines on state owned land that is consistent with Nevada statutes but also considers the expense and burden to the community.

District Counsel, Fagan reported that in speaking with Deputy Attorney General Kevin Benson, they discussed that the valuation and appraisal processes are mandated by statute. Counsel Fagan requested that all Districts be allowed to have input in any fee setting processes in the future.

Mr. Benson stated that when the lake intake extension was installed, the District had an opportunity to weigh in on the decision for an easement versus a license. The intake extension was done with previous Manager Cameron McKay. The Board questioned whether they had been involved with the prior easement process.

After discussion, a motion was made authorizing the District Manager to sign the "Relinquishment of Easement Water Intake Line in Lake Tahoe" with NDSL with the stipulation that the Manager write a letter communicating the Board's concerns on the broader issue of having an input process related to the development of evaluations or fee structures going forward. Teshara/Fagen 4-0 approved.

7. Discussion and possible action to approve the 2012/2013 Tentative Budget. (Side A/c#218)

Manager Reed discussed a few changes to the tentative budget based on information received from anticipated State Revenue. Several Capital Improvement Plan items for Engineering were added to the 2012 / 2013 budget and discussed.

The Board addressed the line item for Trustees Fees. Members unanimously concurred that since a wage freeze was imposed on all District employees for the next two years, the same freeze would apply to the Trustees.

Motion to approve the 2012 / 2013 Tentative Budget as presented. Seibel/Fagen 4-0 approved.

8. Discussion and possible action to authorize the District Manager to change banking services from Wells Fargo to Nevada State Bank. (Side B/c#48)

Manager Reed reported that the District's current bank, Wells Fargo, announced that they would be making changes to the Lock Box Department services which would require the District to make several changes to its banking systems. He felt that in making these changes, it was time to look at other banking institutions as a whole. Four banks were solicited and only two responded. Bank representatives prepared side by side comparisons and met with Manager Reed and Patti to discuss their proposals. Nevada State Bank was chosen based on their presentation.

Move to authorize the District Manager to change banking services from Wells Fargo Bank to Nevada State Bank. Teshara/Seibel 4-0 approved.

9. Discussion and possible action to authorize the District Manager to Implement the new Memorandum of Understanding on Exempt and Qualified Exempt projects with the TRPA. (Side B/c#324)

Motion to authorize the District Manager to Implement the new Memorandum of Understanding on Exempt and Qualified Exempt projects with the TRPA. Fagen/Seibel 4-0 approved.

10. Discussion and possible action to adopt Policy #1 – 2012 Budgeting and Fiscal Management Adoption of Central Service Cost Allocation Plan. (Side B/c#418)

Motion to approve adoption of Policy #1 – 2012 Budgeting and Fiscal Management Adoption of Central Service Cost Allocation Plan. Fagen/Teshara 4-0 approved.

11. Consent Calendar. (Side B/c#460)

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

12. Staff Reports. (Side C/c#90)

Manager Reed reported that American Turbine had supplied the District with the first replacement pump. Once Lumos and Associates inspects and approves the pump, staff will commence installation. Once the new pump is installed, staff will remove the next pump and send it away to have it retrofitted then installed and then the third and final pump will be removed and retrofit.

The Board's subcommittee charged with negotiating a new labor contract with the District's employees and the I.U.O.E (union) met with representatives from the union and staff on February 23, 2012. After negotiations, a draft agreement was developed and voted on by the union members and then delivered to the Board for consideration.

Manager Reed continues to work with Douglas County and other local governmental agencies within Douglas County to create a standardized set of construction project details. Once the standard details are complete, questions regarding permitting, fees, distribution of fees and ownership of facilities issues still need to be negotiated.

Manager Reed attended the quarterly Tahoe Water Suppliers' Association's (TWSA) meeting. Topics of discussion at that meeting included pesticide / herbicide application to Lake Tahoe, the budget for the upcoming year, and development of the new standardized MOU with the TRPA. The TWSA continues to provide comment and opposition to the Lahontan Water Quality Board's basin plan amendment proposal. The California State Water Quality Board is the next agency to request comments on the proposed basin plan amendment. The U.S. E.P.A. has final approval. TWSA is considering creating a legal defense fund to be financially prepared to oppose this issue to its conclusion.

Manager Reed met with representatives of Pinewild Homeowners' Association and Midkiff & Associates to discuss the transfer of the old sewer lift station at Pinewild to the Association for their use. The Association wants some assurance that they will be able to make appropriate future improvements to the building prior to them agreeing to take transfer of the building. Midkiff & Associates will follow up with the TRPA and return findings to Manager Reed.

Manager Reed meets every other month with the Douglas County governmental agency managers to discuss areas of mutual concern. Topics of discussion in March 2012 included budgeting, reserves, rate structures, accounting practices and hiring practices. The next meeting will be held in May.

13. Discussion and possible action on a motion to move to a closed meeting pursuant to NRS 288.220 (1) and NRS 241.020 (1) to discuss International Union of Operating Engineers (I.U.O.E.) Local 39 labor negotiation issues. (Side C/c#335)

Motion to move to a closed meeting pursuant to NRS 288.220 (1) and NRS 241.020 (1) to discuss International Union of Operating Engineers (I.U.O.E.) Local 39 labor negotiation issues. Teshara/Seibel 4-0 approved.

14. Discussion and possible action to approve the International Union of Operating Engineers (I.U.O.E.) Local 39 Labor contract. (Side C/c#160)

Motion to approve the International Union of Operating Engineers (I.U.O.E.) Local 39 Labor contract for a period of three years with the changes discussed in closed session. Seibel/Fagen 4-0 approved.

15. Adjournment. (Side C/c#180)

Move to adjourn. Seibel/Teshara 4-0 approved.

Attest:



Glen Smith
Chairman



Steve Teshara
Vice Chairman