

**Round Hill General Improvement District
Board of Trustees Meeting
November 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 Wesley Rice and Steve Seibel were present. Trustee Chuck Fagen was absent. The District Manager, Administrative Assistant and District Counsel were present.

4. Public Comment. (Side A/c#10)

None.

5. Approval of Agenda. (Side A/c#30)

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

6. Discussion and possible action to enter into a contract with Farr West Engineering to update the District's GIS and implement an asset management system at a cost not to exceed \$30,000. (Side A/c#35)

After discussions, Manager Reed stated that RHGID Operators would be trained to use this program. Motion to authorize the District Manager to enter into a contract with Farr West Engineering to update the District's GIS and implement an asset management system at a cost not to exceed \$30,000. Teshara/Rice 4-0 approved.

7. Discussion and possible action to authorize the District Manager to undertake repairs to the portable generator. (Side A/c#60)

Manager Reed reported that Arctic Electric had presented him with three separate proposals for three different scopes of work on the portable generator that can be used as a redundant auxiliary generator for the Pinewild sewer lift station.

The first proposal has been accepted in the amount of \$331.00 to overhaul the generator and get it started and operational.

Once the unit is operational, the next step is to repair the trailer hitch mechanism to ensure that the unit can be moved safely.

Arctic's second proposal for \$1,288.00 is to supply a load bank and test the generator under load. This will ensure not only that the generator is operational, but that it will indeed be capable of handling the load of a pump at the lift station.

Arctic's third proposal is for \$6,838.00. The scope of work for this proposal is to create a stand-alone generator transfer switch for Pinewild. This option includes configuring the generator and Pinewild with electrical plugs that will allow a seamless connection between the unit and the station. To ensure

District \$900,000 to replace the upper 500,000 gallon tank. Therefore, the District should maintain the reserve levels with that requirement in mind and we should have the funds available to pay for that upcoming project. In the event that the District is unable to secure another SRF loan, we need to have the cash available to fund the upper tank replacement project.

RESERVES

Cash and Cash Equivalents	
2012	\$1,487,000
SRF	\$ 732,000
	\$2,219,000
500,000 gallon upper tank	(\$ 900,000)
Reserves	\$1,319,000

Together with the original draw of \$68,000.00, the total borrowed for this project will be \$800,000. Manager Reed's recommendation for the second SRF draw would be in the amount of \$732,000.00.

Motion to authorize the District Manager to request a second SRF draw for \$732,000 to offset the construction costs on the new 500,000 gallon office water tank. Rice/Seibel 4-0 approved.

9. Discussion and possible action to authorize the District Manager to initiate the process to close the Series 2011 SRF Loan. (Side A/c#800)

No action taken at this time.

10. Consent Calendar. (Side B/c#41)

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

11. Staff Reports. (Side B/c#96)

District staff attended Douglas County Commissioners' meetings to observe Tahoe Douglas District's request to be allowed to operate water and storm drain systems within their District boundaries. Although there was a fair amount of trepidation on part of several Commissioners, the request was ultimately approved.

District staff met with Chief Ben Sharit of the Tahoe Douglas Fire Protection District to discuss the GASB 45 unfunded liability for future health insurance coverage for retirees. From that conversation, District staff has been in contact with Catherine MacLeod of Bickmore Risk Services. Ms. MacLeod will provide the District with a proposal to calculate an unfunded liability using an actuarial process rather than the "Alternate Measurement Method" valuation employed by Kohn Colodny. This actuarial method should give the District a more accurate representation of our unfunded liability. The unfunded liability calculation needs to be updated every three years. Therefore the cost of the proposal should be amortized over three years. Once the Liability is re-calculated by Bickmore Risk Services, the liability will be incorporated into the 2013 / 2014, 2014 / 2015 and the 2015 / 2016 budgets and audits.

District staff met with a Round Hill resident at the intersection of Paiute Dr. and Elks Point Rd. to discuss the possibility if removing some of the brush / small trees in the intersection. The resident has agreed to trim the brush and cut the roots in anticipation that the District will come in behind him and pull the stumps out of the intersection.

While meeting with the homeowner at the intersection of Paiute Dr. and Elks Point Rd., it was observed that several roots intruded from that property into the roadway, thereby undermining the pavement in that area. Therefore, District staff met with representatives of R.O. Anderson to inspect the area in question and provide that the paving plans and specifications for the 2013 paving project include an over-excavation

clause to deal with the roots in that area. The remainder of Elks Point Rd. was inspected and no additional areas were identified that require similar over-excavation.

Manager Reed met with representatives of R.O. Anderson to identify swale areas within the District that 1) need to be addressed and 2) need to be included in the 2013 paving project. Twelve problem areas were identified. See attached list. Of those twelve, three were selected to be corrected during the 2013 Elks Point paving project. They are located at 1) the intersection of Elks Point Rd. and Paiute Drive, 2) in front of 312 Seminole and 3) in front of 270 Cheyenne Way.

Manager Reed continues to assist in the creation of standard details for Douglas County and area utilities. Private Engineering consultants have provided input and final draft details are being developed. Upon finalization of the draft, the Douglas County Board of Commissioners will have to approve the changes.

Patti attended the Public Employees' Retirement System's annual liaison conference in Reno. Topics of discussion included wage and contribution accounting and reporting and the audit process.

District staff attended the Great Basin Water Forum. Topics included a discussion of the future availability of water in Nevada from the Colorado River and an analysis of the use of desalination processes on the California coast. Interesting statistics from the conference:

The U.S. developed the desalination process. There are over 15,000 desalination plants across the world, yet there are less than 250 in the U.S., most of them in Florida.

The state of California is \$26 Billion in debt, while Southern California is poised to spend \$20 Billion to re-establish the delta in California to ensure they have 800,000 acre-ft. of water per year from Northern California. They currently are allowed 600,000 to 1,000,000 acre-ft. per year. Carlsbad, CA has been attempting to build a desalination facility since 1992. They have yet to start construction.

Australians use 60 gallons of water per capita per day. The U.S. uses 140 gallons per capita per day.

Growing cotton is a water intensive process. Originally, cotton was grown in moisture rich areas like Mississippi and Tennessee. Today, Texas and California produce more cotton than any other states in the U.S.

The Southern Nevada Water Authority is considering building a pipeline to deliver 80,000 acre-ft. of water from Northern Nevada at a cost of \$20 Billion.

A desalination plant that produces 50,000 acre-ft. of water would cost approximately \$700 Million. The original contract that was signed to distribute water from the Colorado River was signed in 1922, 90 years ago. It has never been modified.

Manager Reed, through the TWSA, has initiated discussions with representatives of U.C. Davis and U.C. Riverside to update the risk assessment and lake transfer models that were developed with assistance from Black & Veatch and the Army Corps of Engineers. Since the original models were developed; additional, more accurate and refined lake current data has become available. TWSA and NDEP are exploring the possibility of updating the new current data and altering the models to accept pesticide data as well as bacterial loading.

Summit Plumbing has completed cleaning and camera inspections on the District's sewer mains. The mains were last cleaned in 2008. Based on the conditions of the mains (root intrusions), it is imperative that the District undertake a three year schedule commitment to sewer maintenance. Four years pushes limits that are not prudent for the utility to push.

- a) Root intrusions
- b) Overflow

Manager Reed and Brian McRae of Lumos Engineering are in the process of determining final close out procedures for the tank project. Paso Robles Tank was originally scheduled to complete the tank project in 2011. When it became apparent that a 2011 completion was unrealistic, a new schedule was developed by Paso Robles. The new schedule called for substantial completion by June 27, 2012. The new tank was finally substantially complete on August 29, or 62 days after scheduled. The contract with Paso Robles has a \$1,000 per day liquidated damages (LD) clause. Invocation of this clause will result in \$62,000 in LD charges being assessed against Paso Robles. Throughout the project, RHGID has retained 10% of each payment made to Paso Robles, for a total of \$74,613.45. RHGID intends to release a final payment to Paso Robles Tank of \$67,140.27, retaining the \$62,000 in LD's.

No attorney's or association reports.

12. Adjournment. (Side B/c230)

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

Attest:



Glen Smith
Chairman



Wesley Rice
Secretary