

**Round Hill General Improvement District
Board of Trustees Meeting
February 19, 2013**

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 and Administrative Assistant were present. Jen Mahe of Allison, MacKenzie Law firm was present for District Counsel Pat Fagan. Residents Don and Carol Chaiken were also present.

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

None.

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

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

6. Discussion and possible action to authorize the District Manager to issue a refund of water charges to Mr. and Mrs. Chaiken. (Side A/c#17)

In November of 2012, RHGID staff received a request from Ms. Chaiken to review our billing practices for their account. The Chaiken property has two water meters, a four inch meter and a two inch meter.

Research into the Chaiken file uncovered the attached June 18, 2004 letter referencing an agreement between RHGID and the Chaikens on the billing procedures for their property. Additional research revealed references to this agreement, Board agenda items regarding billing procedures and copies of notes and letters referencing refunds to the Chaikens caused by not adhering to that procedure. Based on this research, it is apparent that there was an agreement between the District and the Chaikens.

The agreement established the following billing procedures:

For the period May through October when the Chaikens use the most water (primarily landscaping), the water bill would be based on the four inch meter reading.

For the period November through May when irrigation is off and the Chaiken house occupancy is lower, the water bill would be based on the two inch meter reading.

Throughout the year, the sewer bill would be based on the two inch meter reading since that is the only water volume that results in sewer generation.

Because the two inch meter is “downstream” of the four inch meter, the water being used through the two inch meter passes through the four inch meter first. Thus, to accurately capture the water used at the property, the water used through the two inch meter would have to be subtracted from the reading on the four inch meter. The procedure developed in the agreement to use the different times of the

year was likely created to simplify the billing procedures and to acknowledge the unique nature of the property and the meter locations. RHGID staff believes the process, as developed, is a fair and reasonable procedure for this unique property.

No current staff members knew of the billing agreement between RHGID and the Chaikens. Had District staff been notified of the agreement prior to 2012, appropriate measures could have been taken earlier.

All members of the Board agreed that modifying the configuration of the meters on the property would be in the best interest of the Chaikens and the District, thereby eliminating the need for the above billing procedure altogether.

Motion to authorize staff to refund all overpaid water charges in the amount of \$40,112.34. Teshara/Seibel 4-0 approved.

7. Discussion and possible action to authorize the District Manager to enter into a special contract with Mr. and Mrs. Chaiken. (Side A/c#422)

Manager Reed stated that in order to prevent the problem identified in Item #6 from recurring, and to formalize the process of the agreement, he would like to enter into this special customer agreement with the Chaikens.

Motion to authorize the District Manager to enter into a special contract with Mr. and Mrs. Chaiken with a provision that the agreement has an automatic renewal and that neither party can unilaterally amend the agreement but would allow either side to potentially terminate the agreement if the unique nature of the property were changed. Teshara/Rice 4-0 approved.

8. Discussion and possible action to approve the 2013 / 2014 draft budget. (Side B/c#24)

After discussions, line item #5168 – Fire Safe Council will be changed to Pine Needle Pickup. Motion to approve the 2013 /2014 draft budget as modified. Rice/Teshara 4-0 approved.

9. Discussion and possible action to adopt the Budgeting and Fiscal Management Reserve Fund Allocation Policy #1-2013. (Side B/c#189)

Motion to adopt the Budgeting and Fiscal Management Reserve Fund Allocation Policy #1-2013 with a provision to re-examine the policy when the Capital Improvement Plan is available for review. Teshara/Seibel 4-0 approved.

10. Discussion and possible action to authorize the District Manager to deliver a notice to KGID informing them that the District will be reclassifying KGID into the same billing classification as DCSID. (Side B/c#274)

Manager Reed reported that District Counsel Pat Fagan suggested that he modify the letter to include a statement that informs KGID that prior to RHGID Board making a decision to change or reclassify rates, there will be a public hearing that KGID could attend if they wish to do so.

Motion to authorize the District Manager to deliver a notice to KGID informing them that the District will be reclassifying KGID into the same billing classification as DCSID as modified. Rice/Teshara 4-0 approved.

11. Consent Calendar. (Side B/c#320)

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

12. Staff Reports. (Side B/c#368)

Midkiff and Associates continues to pursue finalization of the Pinewild lift station permitting process with TRPA. Midkiff has employed the services of an architect to redesign the roof of the existing lift station. Midkiff is working with Pinewild to finalize the easements that will be granted to the District as part of this project. The easement and abandonment documents prepared by the District's legal counsel have been submitted to Pinewild for approval. The Board approved those drafts in 2011.

The portable standby electric generator has been serviced and is now operational. Arctic Electric is in the process of locating a load bank to use in testing the portable generator to be used as a backup at Pinewild. Once the load bank is located, testing will be conducted and the question of the plug-in will come back before the Board for consideration.

District staff met with representatives from the Horowitz estate on February 7, 2013. At that meeting, the District presented a counter-proposal to the proposal submitted for the Tranquility property. Their largest concern is for their irrigation meter. The draft response will come to the Board for consideration if accepted by the Tranquility property owners.

RHGID has received an additional \$731,324.50 from the SRF program as authorized by the Board to offset the costs of the office 500,000 gallon welded steel water storage tank. The received payment will be added back to District reserves and will be used to finance the replacement / repair of the upper 500,000 gallon concrete tank, scheduled to be included in the 2013 / 2014 and 2014 / 2015 budgets.

The third pump, motor and mechanical seal for the office booster pumps have been installed. The manufacturer's representative has been on site to check the pumps and motors for final acceptance. All pumps and motors are within acceptable parameters.

Manager Reed continues to monitor the Asian clam project status. Current work is being conducted in Emerald Bay, posing little concern for the District.

Manager Reed continues to work with Douglas County and other local GID's and Towns to develop County-wide standard construction details.

District staff met with representatives from local GID's, Douglas and Washoe Counties and NTCDD to discuss the implementation of the TMDL process. Very little has changed and RHGID continues to request information that is not forthcoming. If indications prove out, RHGID may currently meet the upcoming 2016 TMDL requirements. However, without the source documents, as yet unavailable, eventual compliance requirements remain unknown.

Manager Reed met with representatives from Farr West Engineering to discuss the progress of project development for 2013 and 2014. Farr West will present RHGID with a proposal for design of the upper 500,000 gallon welded steel water storage tank. Design is scheduled to take place during the 2013 / 2014 budget and construction during the 2014 / 2015 budget cycle.

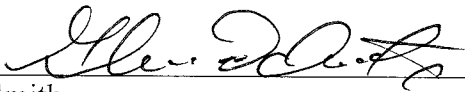
The District's legal counsel delivered a letter to Paso Robles Tank (PRT) regarding Liquidated Damages (LDs). That letter offered a reduction in the LDs held by the District by \$9,000 with the stipulation that the offer expired on February 11, 2013. To date, there has been no response from PRT.

No attorney's or association reports.

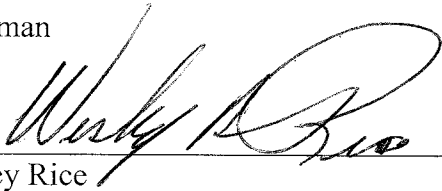
13. Adjournment. (Side B/c#625)

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

Attest:



Glen Smith
Chairman



Wesley Rice
Secretary

Donald Chaiken
1600 South Main Street, Suite 150
Walnut Creek, California 94596
(925) 945-8000

RECEIVED
JUL 05 2004
R.H. G.I.D.

June 18, 2004

Ms. Ellen Glenn-Kirkeby
District Administrator
Round Hill General Improvement District
P O Box 976
Zephyr Cove, NV 89448

Dear Ellen:

This is a follow-up to the conversation my wife, Carole, had with you about a week ago.

I went back into our records and believe this letter will help straighten out our billings.

You are correct that we have both a 2" and a 4" meter on our property at 560 Highway 50. However, the 2" meter, which measures water actually going into our house, is not a separate source of water, but is a sub-meter feeding off the 4" line.

A couple of year ago, we worked out an arrangement with the District so that we would not be charged the 4" minimum rate in the winter months when very little water was being used. That arrangement is summarized as follows:

- For the period May through October when we use the most water, primarily for landscaping, the water bill would be based on the 4" meter reading.
- For the period November through April, when irrigation is off and our house occupancy is lower, the water bill would be based on the 2" meter reading.
- Throughout the year the sewer bill would be based on the 2" meter reading, since that is the only water volume that results in sewer usage.

Based on the above, our May billing should be:

Water (101,000 gallons used) at minimum billing for 4" meter	\$ 1,284.54
Sewer (17,000 gallons per 2" meter reading @ \$12.00 per 1,000	<u>204.00</u>
Total corrected billing	<u>\$ 1,488.54</u>

Round Hill General Improvement District

June 18, 2004

Page 2

The billings we received for \$2,496.54 and \$525.13 should be canceled and replaced by a billing for \$1,488.54.

If you have any questions, please call me at my office at the number above.

Thank you for your attention to this matter.

Yours truly,

A handwritten signature in cursive script that reads "Donald Chaiken". The signature is written in dark ink and is positioned below the typed name "Donald Chaiken".

DC:la