

**Round Hill General Improvement District
Board of Trustees Meeting
March 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, Chuck Fagen and Steve Seibel were present. The District Manager, District Counsel and Administrative Assistant were present. Jeremy Hutchings of R.O. Anderson Engineering was also present.

4. Public Comment. (Side A/c#9)

None.

5. Approval of Agenda. (Side A/c#11)

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

6. Discussion and possible action to proceed with bid solicitation for the 2013 paving project. (Side A/c#13)

Manager Reed reported that R.O. Anderson had developed the Comprehensive Pavement Maintenance Plan for the District in 2009. The Plan included a recommendation to pave every three years, beginning in 2010 when McFaul Way and the beginning of Elks Point Road were rebuilt and paved. In 2013, the District plans to rebuild and pave the remainder of Elks Point Road, repair selected swales within the District and seal McFaul Way.

In 2010, RHGID paved 3,200 feet of road at a total cost of \$676,000, or \$211.25 per foot. The remainder of Elks Point Road is 2,900 feet in length. Calculated at the same \$211.25 per foot, the 2013 paving project could be expected to cost \$612,625. R.O. Anderson has estimated the 2013 paving project will cost \$630,458, within what we might expect the project estimate to be after three years.

Revenue for the 2013 paving project at \$600,000+ will come from General Fund (GF) reserves.

Currently, the District has \$1,265,993 in reserves in the GF. According to the attached reserve calculations, the District should keep \$817,000 in reserves in the GF; broken down as follows:

Operating Reserves	\$100,000
Emergency Reserves	\$100,000
CIP Reserves	\$250,000
Burton Santini Reserves	\$367,000
Total	\$817,000

Based on the above, the District would have \$448,993 to pave in 2013.

$(\$1,265,993 - \$817,000 = \$448,993)$

Therefore, the District could:

- 1) Pave less in 2013 to bring the amount spent on paving to less than \$450,000 (2,100 feet), thereby maintaining the recommended \$817,000 in GF reserves, or
- 2) Use \$250,000 from the General Fund CIP reserves to fund the entire 2,900 feet of Elks Point Road and other project requirements, thereby depleting the General Fund CIP reserves.

Funding the entire 2,900 feet of Elks Point Rd. will deplete the CIP reserves in the GF. All other reserves of \$567,000 will be maintained.

The revenues that RHGID receives from the Consolidated tax (CTX) is a combination of the SCCRT and four other taxes. This revenue has consistently decreased since 2006. RHGID has received between \$100,000 and \$250,000 less over that time than we might have otherwise; enough to fund the 2013 paving project without depleting the GF CIP reserves.

The 2013 / 2014 CTX projections are the same as the last fiscal year, signaling that the bottom might be near on the decreasing CTX revenues. However, RHGID will still need to replenish our reserves and create enough revenues to fund future paving projects, the next one of which is scheduled to occur in 2016. It is unlikely that the District can replenish its reserves and create enough revenues to fund future paving projects without some source of additional revenues.

Toward that end, RHGID staff and Farr West Engineering are reviewing NRS requirements to implement an ad valorem tax for fiscal year 2014 / 2015.

RHGID is one of the few GID's that have not implemented an ad valorem tax. RHGID could have received as much as \$400,000 (2013 / 2014 fiscal year estimates) annually from implementation of an ad valorem tax. Any ad valorem tax created would have to be approved by the Board. Going forward, RHGID must create additional revenue for the GF to pay for ongoing O & M services and to fund future paving projects. Creation of an ad valorem tax is but one method to increase GF revenues. Others include snow removal fees and fees based on either lot square footage or lot street frontage. However, the ad valorem tax has the advantage over fees in that it is a property tax and thus deductible from federal taxes.

The Board discussed revenue generation options available to the District and requested additional information for a future Board meeting, including the ad valorem impact to individual homeowners. Regardless of the ultimate decision on new revenue sources for the General Fund, the Board determined that it was prudent to solicit paving bids at this time. Upon receipt of the bids, and the creation of additional funding source information, the Board will be in a more knowledgeable position to determine how much / if any paving to accomplish in 2013, or if paving will be postponed until 2014.

To facilitate a bidding procedure that attempts to maximize the value received by the District, and that allows the District options that would fit in multiple budget scenarios, the Board recommended creating several bid alternates when soliciting bids.

After much discussion, a motion was made to proceed with the bid solicitation for the 2013 paving project with multiple bid alternates. Teshara/Rice 5-0 approved.

7. Discussion and possible action to extend the audit contract for Kohn Colodny, Certified Public Accounts. (Side B/c#76)

Motion to extend the audit contract for Kohn Colodny, Certified Public Accounts.
Rice/Seibel 5-0 approved.

8. Discussion and possible action to approve the 2013 / 2014 Tentative budget. (Side B/c#148)

After discussion by the Board on specific line items in the budget, a motion was made to approve the 2013 / 2014 Tentative budget. Seibel/Fagen 5-0 approved.

9. Discussion and possible action to approve the publication of the 2012 Water Quality Report and the 2013 Spring Newsletter. (Side B/c#376)

Motion to approve the publication of the 2012 Water Quality Report and the 2013 Spring Newsletter.
Teshara/Rice 5-0 approved.

11. Consent Calendar. (Side B/c#423)

Motion to approve the consent calendar as amended. Fagen/Rice 5-0 approved.

12. Staff Reports. (Side B/c#521)

District staff met with representatives of Midkiff and Associates and Pinewild to discuss the status 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 and 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.

District staff continued the billing discussions with representatives from the Horowitz estate. Staff has submitted a list of parameters to District's legal counsel for inclusion in a draft Agreement that will come before the Board for consideration at the April 16, 2013 Board of Trustees meeting.

Manager Reed continues to work with Douglas County and other local GID's and Towns to develop County-wide standard construction details. Conflicts of interpretation continue to exist, mostly in regards to authority over easements.

District staff worked with Nationwide Insurance to effect repairs to the 2007 plow truck. Repairs were completed at South Side Auto Body.

District staff met with representatives from the Chaiken property. The caretaker at the property is in the process of tracking down original plans and specifications of the property to determine if we can identify the location of the water lines serving the property.

Representatives of Farr West met with manager Reed to discuss the development of a proposal for designing the soft starts for the pump motors at the office facility. Any proposal will be presented to the Board for consideration.

Manager Reed attended the TWSA quarterly Board meeting. Topics discussed included Operator training, herbicides and pesticides in Lake Tahoe, funding of an updated risk model assessment and water flow model, next year's budget, scholarship processes, Lake Tahoe crawfish harvesting, Pipe Keepers request for assistance, TRPA MOU's, etc.

Manager Reed continues to meet with representatives of Castle Rock to assist them with determining their internal infrastructure needs and funding opportunities to address those needs.

District staff attended the annual NVRWA conference in Reno to attend required continuing education classes and prepare for, and take water operator license exams. Items discussed included an answer to the attached letter to the NDEP regarding Operator license requirements. The NDEP will be taking action to amend the Operator rules. RHGID staff will have input as a stakeholder from the beginning of the process. Upcoming regulatory changes were also discussed. Presentations on SCADA, rates, tank maintenance, asset management, strategic plans and cost efficiencies were attended. In addition, a new tool that can insert a camera into a pressurized water main was also discovered as an available item.

Representatives of R.O. Anderson and Karl Eitenmiller, P.E. of the Division of Water Resources and Manager Reed met to discuss the District's water rights. Further information will be provided to the Board as discussions progress.

Manager Reed met with representatives of R.O. Anderson to discuss the sewer meter project. DCSID is in the process of soliciting bids for the replacement of their pumps and motors within their pump station. Upon receipt of bids, RHGID will negotiate a contract with the contractor so as to eliminate conflicts between contractors. If we are unsuccessful, we can wait until after DCSID is complete with their project and install the new sewer meter during 2014 / 2015.

Summit Plumbing completed the sewer line inspections and cleanings. Additional saw cutting was completed and all manholes that needed cleaning were cleaned. Sewer mains in Pinewild were also cleaned and Castle Rock has been notified that their lines need to be cleaned.

Manager Reed discussed and continues to monitor proposed legislation for potential impacts to the District.

No attorney's report.

Chairman Smith reported that the Tahoe Douglas Fire Department has taken over the responsibilities of the past Nevada Fire Safe Council and will now be named the Tahoe Fire Safe Community.

13. Adjournment. (Side C/c#275)

Move to adjourn. Seibel/Rice 5-0 approved.

Attest:



Glen Smith
Chairman



Wesley Rice
Secretary