

**Round Hill General Improvement District
Board of Trustees Meeting
September 17, 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 Chuck Fagen and Steve Seibel were present. Trustee Wes Rice was absent. The District Manager, District Counsel and Administrative Assistant were present.

Round Hill residents Paul Munsey, Linda Bellotti, Dan & Alice Wilkinson, Jeff Holmes, President of the Pinewild Homeowners Association and Rob Anderson of R.O. Anderson engineering were present. Sloan Gordon and Rick Gardner from the Tahizzle Property and Eric Guevin of the Tahoe Douglas Fire District were also present.

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

None

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

Motion to approve the agenda. Teshara/Fagen 4-0 approved.

6. Discussion and possible action on a request from Sloan Gordon of the Tahizzle Property to adjust the costs associated with the connection of two fire hydrants required by the Tahoe Douglas Fire District. (Side A/c#15)

Manager Reed reported that this was the first request for a private fire hydrant connection in the District since at least 2008. RHGID's current tariffs call for \$484,610 for a 6" connection fee, regardless of the uses for that connection, based on \$7,000 per Equivalent Dwelling Unit (EDU).

One purpose of connection fees is to collect investments made in the system over time from new customers that have not participated in those investments. Hydrants are not used in the same manner as a metered service.

The property owner has already paid the District \$49,980 for a 2" water connection to accommodate sprinkler requirements inside the home. Tahoe Douglas Fire District is requiring the installation of two hydrants on site even though there are hydrants located at each of the neighbors and the new home will be sprinkled.

A survey of private hydrant connection fees of other local GIDs and PUDs shows the following:

<u>AGENCY</u>	<u>CONNECTION FEE</u>
Kingsbury GID	\$1,000
Tahoe City PUD	\$1,200

North Tahoe PUD
South Tahoe PUD

\$1,736
\$ 953

Fire Marshal Eric Guevin stated that the requirement for two hydrants was mandated by International Fire codes. He reported that the two existing hydrants in the area are too far from the new home to utilize if there is an event.

District Counsel Pat Fagan reported that RHGID's cost are driven by its Tariffs. In his opinion the District may deviate from the tariffs based on the fact that the tariffs allow for interpretation and deviations where a tariff condition is found to be unreasonable or not in the public interest. The Board can deviate upon a customer's appeal. The Board could interpret Mr. Gordon's request as an appeal with regard to the reasonableness of the District's current charge.

Pat Fagan stated that NRS 318.050 allows the Board to liberally construe the provisions of Chapter 318; the law that governs General Improvement Districts. The second statutory basis which the Board can consider in this matter is NRS 318.210 which states the Board has Implied Powers to exercise the specific rights of powers that are given to it. The Board may exercise those powers to protect public interest and carry forth the intent of both the tariff and the statute.

Counsel stated that staff should make a recommendation with regard to what a reasonable connection fee for this particular case is and make clear that any fee set at this board meeting would not set precedent and that the Board has the discretion to later change the fee based on further input from staff or any experts the District hires.

Trustee Teshara requested Counsel's opinion on the possible conflict of interest regarding Trustee Seibel and himself due to their relationships with the Tahoe Douglas Fire District. Trustee Seibel no longer chairs the Board for the Fire District and Trustee Teshara works specifically with issues regarding fuel reduction and grants. Neither trustee Teshara or Seibel has done any work regarding the Tahizzle property or has any relationship with the Fire District with respect to the setting of codes or services. Counsel stated that there would be no conflict of interest.

Since the District has no desire to discourage fire protection, Manager Reed's recommendation was to charge a connection fee, in this case, at \$1,500 per fire hydrant installation. Going forward he would like to bring the tariffs back to the Board for further review on connection fees. Manager Reed would also expect to modify the District's current tariffs' by way of a legal public hearing.

A motion was made as three components:

1. The Board recognizes the evidence brought forward in public testimony as an appeal under Rule 18 of the District's Tariff's as described by Counsel.
2. Based on that evidence and legal counsel's advice and the manager's recommendation, the Board establishes a hydrant connection fee of \$1,500 per hydrant for the Tahizzle property.
3. Direction to staff to review District tariff's with respect to the cost per EDU and hydrant connections for Board discussions in the near future. Teshara/Fagen 4-0 approved.

7. Discussion and possible action on the creation of an Ad Valorem Tax for the 2014 / 2015 budget year. (Side A/c#382)

Manager Reed reported that this item had been brought before the Board several times prior to being mailed to all residents within the District's taxed area to allow for public comment and feedback.

Jeff Holmes, President of the Pinewild HOA had several requests from Pinewild residents questioning whether or not, this would be a long term or temporary tax. Resident Paul Munsey just wanted to get a better understanding of an Ad Valorem Tax. Manager Reed invited him to come in and discuss the tax at his convenience. Chairman Smith also stated that all Trustees are available for questions as well.

Manager Reed reported that the impetus behind creation of the Ad Valorem Tax is to allow the District to re-build its reserves that have been depleted over the past three years. It will allow for future improvements throughout the District. He believes the Ad Valorem Tax would be more long term, perhaps three to five years, than temporary and it would be reviewed on an annual basis based on the budget process and if warranted, the District could decrease the amount of tax.

After discussions, this item was tabled for a future board meeting.

8. Discussion and possible action on a presentation by Rob Anderson regarding the 2013 paving project. (Side B/c#57)

Manager Reed reported that the 2013 paving project was completed. A&K Earthmovers did a great job on the project. The original contract price was \$533,087.20. Included in that price was \$83,481 for over excavation of wet soils. As anticipated, there were no wet soils and no over excavation was required. Some of the over excavation money was used to pave additional swales on Elks Point Rd. The current estimate is that the final project cost will come in at approximately \$470,000.

Rob Anderson of R.O. Anderson Engineering stated that he was pleased with A&K Earthmovers. He reported that the first layer of asphalt that went down could not meet compaction consequently; Engineer Sue McReavy and A&K staff addressed the situation responsively and the asphalt supplier was changed. The new asphalt immediately achieved compaction requirements. The elevation of the finished product is 2" to 6" high in various locations throughout the project. However, the finished road is sloped properly to meet the elevation of the existing swales.

9. Discussion and possible action on the installation of the new sewer meter at Douglas County Sewer Improvement District's (DCSID) main pump station on Elks Point Rd. (Side B/c#297)

After a presentation by Rob Anderson on behalf of K.G. Walters for the installation of the new sewer meter at Douglas County Sewer Improvement District's (DCSID) main pump station on Elks Point Road and subsequent discussion, a motion was made to award a contract to K.G. Walters at a cost not to exceed \$22,000. Seibel/Fagen 4-0 approved.

10. Discussion and possible action to authorize the District Manager to enter into an Inter-local Agreement with DCSID for the installation of and access to the new sewer meter at DCSID's main pump station on Elks Point Road. (Side B/c#518)

After discussion, a motion was made to authorize the District Manager to enter into an Inter-local Agreement with DCSID for the installation of, and access to the new sewer meter at DCSID's main pump station on Elks Point Road with specified modifications. Fagen/Seibel 4-0 approved.

11. Consent Calendar. (Side C/c#97)

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

12. Staff Reports. (Side C/c#147)

A&K Earthmovers has the final punch list items to be completed. A&K will then issue their final pay request. The second pay request has been paid. The original project cost was \$533,087.20. Excluding the \$83,481 over excavation cost which was not necessary allowed the District to pave extra swales on

Elks Point Rd. The additional swale work minus the price paid for the out of specification first lift will likely bring the final project cost in at approximately \$470,000.

District staff met with representatives from Kohn & Company to discuss the audit process. District staff is in the process of creating the Management Discussion and Analysis.

District staff met with NDOT officials to discuss development of a common GIS between NDOT and other utility agencies. Based on that meeting and subsequent formal request, Farr West Engineering has been asked to supply the requested information to NDOT. Once populated, the NDOT data will be available for use by RHGID and other utilities.

RHGID staff met with residents on the private access road to discuss A&K's crack sealing and additional sealing will take place on Thursday, September 19, 2013 to finalize.

The warranty inspection on the new tank has been completed. District staff successfully cleaned, sampled, tested and put the tank back in service after the one year warranty inspection.

RHGID staff participated in the interview process for a new TWSA staff member. An offer has been made and accepted by the newly hired individual. District staff attended the quarterly TWSA meeting which included a presentation by ArkStorm.

District staff replaced the old brass fittings with new EPA compliant brass that has a lower lead content.

District staff collected lead and copper samples from District residents. Lead and copper must be sampled every three years in the summer months. To date, the results have not yet been received.

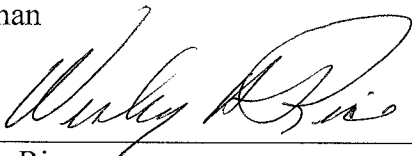
13. Adjournment. (Side C/c#317)

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

Attest:



Glen Smith
Chairman



Wesley Rice
Secretary