

**Round Hill General Improvement District
Board of Trustees Meeting
October 21, 2008**

Tuesday

6:00pm

1. Meeting Called to Order. (Side A/c#01)

Meeting was called to order by Chairman Joe Francoeur.

2. Pledge of Allegiance. (Side A/c#02)

Pledge of Allegiance was led by Chairman Francoeur.

3. Roll Call. (Side A/c#06)

Chairman Joe Francoeur, Trustees Steve Teshara, Wes Rice and Chuck Fagen were present. The District Manager, Secretary, Counsel and Engineer were present. Vice Chairman Glen Smith was absent. Residents Tom & Bonnie Lawell, Brenda Meek, Herb & Donna Wheeler and Brad Dorton were present.

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

Trustee Wes Rice questioned the incorrect County Ballot regarding voting on the District Board of Trustees. There were three open Board seats and the ballot allowed for only two votes; Manager Reed stated that there was a mis-communication between the District and the County Clerks office. He also stated that the District would be working with the County to determine if a special election would need to be held and what the cost to the District would be. He will keep the Board updated with information as it comes in.

Chairman Francoeur requested that Manager Reed review documentation at the District office regarding the snow plowing of private roads in Round Hill. There have been some complaints and he would like to get the issue rectified with all affected residents.

Chairman Francoeur also stated that Operator Pat McKay would be attending the Micro Paver seminar in December and Manager Reed will be looking into what kind of funding will be needed from the District and possibly obtaining grant funding to help subsidize the road repairs needed in the Round Hill District.

5. Approval of Agenda. (Side A/c#95)

Motion to approve the agenda as submitted. Rice/Fagen 4-0 approved.

6. Presentation of the 2007/2008 Audit Report by Beth Kohn of Kohn Colodny and acceptance and adoption of current year recommendations. (Side A/c#97)

Beth Kohn presented the audit report and gave an overall review of the balance sheets for assets and the enterprise funds. She thanked Manager Reed for the best Managers Discussion and Analysis report she had ever received. Beth recognized that Manager Reed and the Board were addressing the issue regarding the Districts uninsured cash.

The only significant finding reported was the issue of segregation of duties; however she stated that Manager Reed had implemented some new procedures to minimize this finding in the future. Manager Reed is reviewing and initialing the payroll and bank statements and documenting his oversight of the secretary's responsibilities.

Trustee Teshara asked about the Capital Assets section of the audit. He would like to see an adjustment to include some Capital Investment related to road repairs. Manager Reed and Beth Kohn will make the necessary adjustment to reflect on the final audit.

Motion to accept the audit report and recommendations to the financials as amended with the roads being included in the Capital Investments on page 7 of the draft audit. Teshara/Fagen 4-0 approved.

7. Discussion and possible action to open a money market account with Colonial Bank and approve the transfer of Certificate of Deposit and Local Government Investment Pool funds to Colonial Bank's CDARS program. (Side A/c#178)

Manager Reed requested and received approval at the September 19, 2008 Board meeting to transfer District funds to Morgan Stanley. After the Board meeting, District staff became aware of potential problems with Morgan Stanley. Concerned about the possible impact to the District and its customers, he felt he should bring the issue back to the Board for further approval before moving forward.

He researched and reported to the Board that Colonial Bank had a new program that would protect the District's funds. Colonial Bank's CDARS program is designed to deposit the District's funds in multiple banks at just under the amount of FDIC insurance coverage. As with Morgan Stanley, Colonial Bank will be maintaining these accounts with weekly statements being mailed to the District office.

In order to be eligible for this program, the District will need to maintain a money market account with Colonial Bank in the amount of \$300,000. The FDIC had increased the amount of money they will insure from \$100,000 to \$250,000 effective until December 31, 2009. The District's participation in this program would leave only \$50,000 uninsured rather than the majority of the District's funds.

Motion to approve staff recommendation to transfer Certificate of Deposit and Local Government Investment Pool funds to the Colonial Bank CDARS program. Rice/Teshara 4-0 approved.

8. Discussion and possible action to authorize staff to proceed with filing Claims of Lien on two separate properties. (Side A/c#287)

District Secretary Patti reported that Bankruptcy paperwork had been received on the owners of two properties located in Round Hill. She contacted the owners and was told that they had unfortunately lost everything and would not be able to pay any further water and sewer bills. Patti informed them that the District would need to file Claims of Lien on the properties to ensure re-payment to the District.

Motion to approve staff recommendation in accordance with Round Hill Ordinance 5.J and NRS 318.917 regarding the lien process. Teshara/Fagen 4-0 approved.

9. Discussion and possible action to approve the design of the new Round Hill entrance sign and authorize staff to obtain pricing. If pricing is within budget, to enlist YESCO to commence the permitting process. (Side A/c#414)

At the August Board meeting, the Trustees requested that Manager Reed develop additional options for the design of a replacement sign for the entrance to the Round Hill District. At the September Board meeting, the Trustees requested that he generate a newsletter to the residents of the District and to include information about the sign. Staff had done so, and that newsletter indicated that there were photos of the proposed sign available for viewing at the District office.

Several residents took the opportunity to come to the office and provided their opinion as to the best design of the four options that were developed by YESCO. The majority of votes from the residents that visited the District office were on sign design #1.

Motion to accept staff recommendation to have YESCO move forward with the design, permitting and approval and construction of the Round Hill entrance sign. Teshara/Rice 4-0 approved.

10. Discussion and possible action to approve a contract with SA Engineering for the development of plans and specifications for the design of the new SCADA system not to exceed 40,000.

(Side A/c#556)

Manager Reed again reported that the existing SCADA system is outdated and proprietary and frequently needs repairs.

SA Engineering had prepared a proposal to develop plans and specifications for the new SCADA system. They are familiar with this project as they were involved with the development of plans and specifications of the original project in conjunction with the lake intake project and have prepared their estimate hoping to anticipate all of their expected costs “not to exceed” \$40,000.

Trustee Teshara requested that a separate Engineer be contracted to review the proposed plans and specifications submitted by SA Engineering for clarification and possible missed items.

Motion to authorize Manager Reed to enter into a contract with SA Engineering for the development of plans and specifications for the update/replacement of the SCADA system not to exceed \$40,000. Fagen/Teshara 4-0 approved.

11. Consent Calendar. (Side B/c#68)

Motion to approve item i, the minutes of September 16, 2008, as presented. Teshara/Rice 3-0 approved.

Motion to approve items ii through v of the consent calendar as presented. Rice/Teshara 4-0 approved.

12. Staff Reports. (Side B/c#77)

Manager Reed reported that he and District Counsel Pat Fagan have continued to follow the progress of the Public Utilities Commission with regard to marking sewer laterals.

Hanna Bernard of Highmark Designs has been hired to develop and design the Round Hill GID website. He felt the new website would be up and running before the next Board meeting. The Round Hill residents will be notified of this as well.

Staff has continued to work on crack sealing and cleaning of drop inlets and will soon be working on placing snow stakes within the District.

Manager Reed reported that the final invoice was received from David Simon of Evergreen Solutions on the lighting contract. All equipment had been installed and staff will begin monitoring the power bills and determine the savings to the District. If the savings do not meet the Board’s expectations, RHGID has the insurance policy with Evergreen to fall back on.

Manager Reed also stated that the TRPA had granted Verizon approval for the cell tower located on District property. The District started receiving rent payment on the project on October 1, 2008.

Representatives from Pinewild met with Mr. Reed to discuss possible avenues to pursue with the old sewer pump station on their property. He made no actual decisions at that meeting and will keep the Board updated on the issue.

On August 20, 2008, Michael Murphy, a resident of the District had a letter delivered to the District requesting minutes, agendas and financial information from the District for the next six months. Manager

Reed responded to that letter informing Mr. Murphy that the information was public information and staff would be glad to supply that information to him if he came by the office. Mr. Murphy then filed a complaint with the Attorney General's office, citing non-compliance with Nevada's open meeting law.

Mr. Reed received a call from the AG's office on October 1, 2008 informing him of Mr. Murphy's complaint. He informed Senior Deputy Attorney General George Taylor that at the time he drafted the letter in response to Mr. Murphy's request he was not familiar with those particular requirements of the open meeting law. After consultation with legal counsel, he now understands the law's requirements, and now has a process in place to ensure that staff is in compliance with the law. Staff is in the process of complying with Mr. Murphy's request.

Manager Reed stated that had Mr. Murphy come into the District office and discussed his request, and our obligation to provide the requested information prior to filing a complaint with the Attorney General, we would have been more than happy to accommodate his request.

District Counsel, Pat Fagan stated that his firm played a role in reviewing the letter written to Mr. Murphy. The letter did not state that the District would not send him the information requested, but rather that Mr. Murphy could come to the District office and pick up the material. His firm should have informed Manager Reed that the Open Meeting Law requires the District to provide the six months of material requested and be mailed to any customer requesting. He apologized for the oversight.

13. Correspondence. (Side B/c#160)

District Counsel, Pat Fagan reported that the PUC held a workshop and he attended on behalf of RHGID. Both PUC staff and opposing parties have submitted and proposed language to the commission. He will be attending the October 23, 2008 hearing on the issue.

Trustee Teshara reported that there was a ballot measure regarding Fuels Reduction in Round Hill. He stated that there was a very informative website at votefiresafe.org with links to the Douglas County Assessor which would give your homes assessed value. The assessed value determines what rate you will pay for fuels reduction. The money paid will go to the Zephyr Cove Fire crews that do the defensible space and free chipping services.

14. Adjournment. (Side B/c#385)

Move to adjourn made by Trustee Teshara/Fagen.

Attest:

Joe Francoeur
Chairman

Wesley Rice
Treasurer