

**SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT
WASHOE COUNTY, NEVADA**

TUESDAY

2:00 P.M.

AUGUST 24, 2004

PRESENT:

Jim Shaw, Chairman
Jim Galloway, Commissioner
David Humke, Commissioner
Pete Sferrazza, Commissioner

Amy Harvey, County Clerk
Katy Singlaub, County Manager
Melanie Foster, Legal Counsel
Paul Orphan, Senior Utility Engineer

ABSENT:

Bonnie Weber, Vice Chairman

The Board met in regular session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada, and conducted the following business:

04-30STM AGENDA

In accordance with the Open Meeting Law, on motion by Commissioner Sferrazza, seconded by Chairman Shaw, which motion duly carried with Commissioner Weber absent, it was ordered that the agenda for the August 24, 2004, meeting be approved.

04-31STM MINUTES

On motion by Commissioner Galloway, seconded by Commissioner Humke, which motion duly carried with Commissioner Weber absent, Chairman Shaw ordered that the minutes of the regular meeting of April 27, 2004 be approved.

04-32STM MINUTES

On motion by Commissioner Galloway, seconded by Chairman Shaw, which motion duly carried with Commissioner Weber absent, it was ordered that the minutes for the special budget meeting of May 17, 2004 be approved.

04-33STM MINUTES

On motion by Commissioner Galloway, seconded by Commissioner Humke, which motion duly carried with Commissioner Weber absent, Chairman Shaw ordered that the minutes for regular meeting of May 25, 2004 be approved.

04-34STM APPROVAL OF REVISED POLICY - REIMBURSEMENTS OF COSTS - DEEPENING OF DOMESTIC WELLS

Paul Orphan, Engineering Manager, Water Resources, stated there was a concern at the Caucus about wording, making the Well Mitigation Hearing Board advisory to Board of Trustees and that the Board would have the final determination in approving well deepening. The District Attorney's office has provided some alternative, corrective wording, which was handed out to the Board and placed on file with the Clerk

Commissioner Sferrazza questioned what determines whether or not the well is deepened versus someone who is close enough to the water system to hook up. He also asked if any mitigation is provided to residents who hook up to the system.

Mr. Orphan responded if the property is within 200 feet of an existing water line, the State Engineer could deny a well-deepening permit if he determines it would be more cost effective to connect to the system. This policy states "The STMGID Board reserves the right to pay equivalent cost of well-deepening by providing an alternative water supply source."

Commissioner Sferrazza inquired how a request for that determination is made because he has received several calls from people indicating they believe either the County or STMGID pumping has caused their wells to go down. They applied for well-deepening permits and were denied by the State Engineer, being told that they would have to hook-up, which in fact would cost more money than deepening their wells.

Mr. Orphan stated he believes those were in the County System, since there have not been, to his knowledge, any well-deepening requests in STMGID. In the County System, the State Engineer's determination is based on the County cost to connect to the line, which the State Engineer analyzes versus the cost of well deepening.

Commissioner Sferrazza argued that STMGID or the County is subsidizing the well deepening or the hook up.

Chairman Shaw remarked that he recalls having other instances in this regard where that was considered. He questioned which would be better, hooking up to the system or deepening the wells.

Commissioner Galloway pointed out the explanation of the interpretation was done successfully in the policy; however, the words "The policy is" should be struck,

because where they were placed make it look as though the policy began after the top paragraph.

Commissioner Humke said he supports the Well-Mitigation Hearing Board. He asked that Water Resources and staff be aware that it is critical the impact on STMGID versus any other nearby utilities be analyzed very carefully in each and every case. If there are two adjoining or adjacent utilities, staff must be very careful to allocate the damage appropriately and ensure that STMGID is not taken advantage of by other utilities in the region.

On motion by Commissioner Galloway, seconded by Commissioner Sferrazza, which motion duly carried with Commissioner Weber absent, it was ordered that the revised policy for the reimbursements of costs for deepening domestic wells be amended to delete the words "The policy is:" between the first Paragraph and Number 1 and approved as amended.

04-35STM APPROVAL OF REIMBURSEMENT FOR DOMESTIC WELL-DEEPENING - BILL AND PAT KITCHEN

Paul Orphan, Engineering Manager, Water Resources, recommended the approval of the request for reimbursement to Bill and Pat Kitchen, in the amount of \$8,772.85, for a domestic well deepening. There was a question about any other reimbursement requests in the pipeline before the new policy, and this was the only one. Mr. Orphan stated the old policy existed when this request was submitted.

Commissioner Humke referred to the map noting, Arrow Creek well #3 is 3,850 feet away from the Kitchen well and the STMGID well #6 is 3,820 feet away, a difference of only 30 feet. He asked if there was an allocation between the damage done to the Kitchen well by STMGID #6 versus the damage done by Arrow Creek #3.

Mike Widmer, Senior Hydrogeologist for Washoe County Water Resources Department, presented his analysis of the well impacts. He explained the THEIS equation, which is used to analyze draw down. Mr. Widmer provided information concerning the amount of water pumped from both wells over the years. His analysis concluded that STMGID #6 imposed 3 to 4 times as much draw down on the Kitchen well compared to the Arrow Creek well.

Commissioner Humke inquired if Arrow Creek #3 was paying a portion of this cost. Mr. Widmer replied not under this recommendation. Commissioner Humke also inquired if the same information was presented to the Local Management Board.

Mr. Widmer stated that the Local Managing Board has been provided the information. He further stated that five years of drought has had an effect on domestic wells. Resulting in a likely ten-foot decline in the Kitchen well, plus or minus three or four feet. Based on the old policy, if there were twenty feet or more of water level decline due to STMGID production wells, as per the THEIS equation the Kitchens would

qualify for reimbursement because there has been over thirty feet of water level decline in the Kitchen well. He surmised that if STMGID #6 was not there and Arrow Creek #3 was, there would be approximately 8 feet of water level decline at the Kitchen well; and with 10 feet of drought draw down, it would be about 18 feet of water level decline, which would still be an effective well to meet their needs.

Commissioner Humke received an email from a constituent, which was read into the record and placed on file with the Clerk.

Commissioner Galloway questioned Mr. Widmer if it is reasonable to have an allocation especially if you go beyond the 2500 feet. Mr. Widmer explained the 2500-foot radius is a statutory noticing requirement. Commissioner Galloway remarked that both policies state STMGID will be responsible to compensate for up to 100 feet of well deepening that is from the old policy and the new policy. He asked if it would be reasonable to consider an allocation of money between impacts from other utilities, drought and STMGID. Mr. Widmer said that certainly could be a reasonable assumption, although if that were to be implemented, it would have to be on a case-by-case basis

Chairman Shaw stated that he had a comment card from Bill and Patricia Kitchen and inquired if they would like to address the board with their concerns and questions.

Patricia Kitchen stated that when their well was monitored last, it didn't include another 10 feet of draw down because the well was turned off. She said if the Commissioners want to allocate, then part of the money should come from Arrow Creek. Also, the deepening of their well cost over \$13,000.00, which did not include new piping, a new pump, and clearing the area, which all had to be done. She said the closest hook-up to them was over one-quarter mile away, so well deepening was their only option.

Commissioner Galloway asked how much they had to deepen their well. Mrs. Kitchen responded that they deepened it to slightly over 500 feet, a little over 150 feet of additional depth, which is what they were told to do by the County, so they would not have to deepen again in the future.

Commissioner Humke replied that he supported the recent deepening of the Heikka well that was in the pipeline prior to the Well Mitigation Board taking action. Commissioner Humke stated he believes the Kitchens are entitled to the exact amount listed by Water Resources. He doesn't question their calculations but he questions the policy, and thinks that these well owners could possibly do better if there were a cost allocation method between the two wells.

Mrs. Kitchen responded that their well actually went dry before the Heikka well, so a precedent has been established to reimburse.

Commissioner Humke said, he is not suggesting this well deepening cost not be approved, however, he would suggest continuing this item pending the Well Mitigation Board approving its regulations and ruling, and list the caveat of the \$8,800.

Mr. Kitchen stated that they are currently working on a project, which is out of the country, and have postponed returning to that project for the past two months to deal with this issue. Mr. Kitchen hoped since they are the Heikka's neighbors and drilled their well before them, this issue could be resolved today.

Commissioner Galloway said he would support the recommendation. He wondered since STMGID is paying a portion, should someone else also pay. In response to Commissioner Galloway, Mr. Widmer said payment is contingent upon the signing of a hold harmless agreement.

On motion by Commissioner Sferrazza, seconded by Commissioner Galloway, which motion duly carried with Commissioner Weber absent, Chairman Shaw ordered that the request of Bill and Patricia Kitchen, located at 5655 Mt. Rose Highway, Reno, Nevada, (APN-150-260-18) for reimbursement of domestic well deepening, in the amount of \$8,772.85 be approved.

04-36STM MANAGEMENT REPORTS – JULY 2004

On motion by Commissioner Sferrazza, seconded by Commissioner Galloway, which motion duly carried with Commissioner Weber absent, Chairman Shaw ordered the receipt of the District's Management and financial reports for the month of July 2004 be acknowledged.

04-37STM PUBLIC COMMENTS

Sam Dehne, local resident, criticized the Reno Gazette Journal and the Reno City Council on the Freedom of Speech and the First Amendment.

Al Hesson, Reno resident, spoke in support of Jim Galloway to retain his position on the Board of Commissioners in the upcoming election.

04-38STM BOARD AND STAFF COMMENTS

Commissioner Galloway requested a future agenda item to address allocation policies, including a joint agreement with the Utility Division of Washoe County and possibly other utilities.

Commissioner Humke would like to second the remarks of Commissioner Galloway as to the request for a policy item on a future agenda.

There being no further business to come before the Board, the meeting adjourned.

JIM SHAW, Chairman
South Truckee Meadows General
Improvement District

ATTEST:

AMY HARVEY, Washoe County Clerk
and Ex Officio Secretary, South Truckee
Meadows General Improvement District

Minutes Prepared By:
Stacy Gonzales, Deputy County Clerk