

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

TUESDAY

4:00 P.M.

MAY 24, 2005

PRESENT:

Bonnie Weber, Chairman
Bob Larkin, Vice 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

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:

05-26STM AGENDA

In accordance with the Open Meeting Law, on motion by Commissioner Humke, seconded by Commissioner Larkin, which motion duly carried with Commissioner Sferrazza absent, Chairman Weber ordered that the agenda for the May 24, 2005 meeting be approved.

05-27STM MINUTES

On motion by Commissioner Galloway, seconded by Commissioner Humke, which motion duly carried with Commissioner Sferrazza absent, Chairman Weber ordered that the minutes of the regular meeting of March 22, 2005 be approved.

***4:43 p.m.** Commissioner Sferrazza arrived at the meeting.

05-28STM RESOLUTION – AUGMENTATION OF BUDGET

Commissioner Galloway inquired if \$150,000 was the amount originally proposed, and Paul Orphan, Engineering Manager, concurred. Commissioner Galloway asked if the Local Managing Board (LMB) was unanimous on this item. Mr. Orphan reported the vote on the item was 3 to 2.

Steve Cohen, LMB member, explained he voted for the augmentation because the District would be in violation of State Statutes if a budget overrun occurred; and he desired to move on from last year's budget, which encompassed many special

studies and extra costs. He acknowledged he was not part of the LMB last year when the budget was made, but he observed at the meetings he attended that when the budget was questioned, no follow-up occurred as to why the District was over budget.

Commissioner Galloway inquired if there were any allocations to the District that did not belong to the District.

Mr. Cohen agreed to a point and said he did not know how that could be observed. He commented on a request for information at a recent LMB meeting as to why the District was over the budgeted amount in the category of personal services. Mr. Cohen said a LMB member would be bringing that information to the next LMB meeting, and he confirmed the current LMB was attuned to the budget.

Commissioner Galloway asked if the appropriation authority was increased by \$150,000, could it be corrected if the breakdown showed that the allocation was not correct.

Jerry McKnight, Finance and Operations Manager, stated it could be corrected. He explained the Water Resources Department used a detailed cost accounting system to allocate the costs, and staff was confident that the charges made were accurate.

Commissioner Humke asked if there was an extensive history of budget overruns for the District account. Mr. McKnight responded there were few instances where staff had to augment the budget. He noted the year had been unusual in the amount of interaction that the LMB had requested. He said the number presented was higher than the expected cost, but staff did not want the LMB to be subject to a violation of their budget and the other problems that would be created with the Department of Taxation. Mr. McKnight added without the augmentation there would be an audit violation and that would benefit no one.

Chairman Weber said the staff report stated the above average level of well repairs constituted the 50 percent increase in professional services expenses, as well as the work effort had increased approximately 22 percent. She confirmed these added to this issue.

Mr. Cohen commented on different areas the LMB would be looking into to control costs, and he stated the LMB was focused on how to control and manage the system.

In response to Commissioner Galloway, Mr. McKnight commented many items combined to lead to this issue and only half were due to the distribution system.

Mr. Cohen remarked not a single LMB member believed the charges from the Water Resources Department were fair, and the LMB asked for a breakdown at their last meeting to get to the root of the issues.

Upon recommendation of Mr. McKnight, and Ted Rolfs, Fiscal Compliance Officer, through Steve Bradhurst, Water Resources Director, on motion by Commissioner Humke, seconded by Commissioner Galloway, which motion duly carried, it was ordered that the following resolution be adopted and Chairman Weber be authorized to execute the same:

RESOLUTION

**A RESOLUTION TO AUGMENT THE SOUTH TRUCKEE MEADOWS
GENERAL IMPROVEMENT DISTRICT FUND
(FUND 568)**

WHEREAS, the Water Utility Enterprise Fund of the South Truckee Meadows General Improvement District has experienced an increase in the operating expense of the utility due to increased work effort and unpredictable repair requirements; and

WHEREAS, the Water Utility Fund has sufficient resources to pay the required expenditures,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT:

Section 1. That the budget of the Water Utility Enterprise Fund be augmented as follows:

Increased Appropriations

<u>Account</u>	<u>Description</u>	<u>Amount</u>
568-674310-710100	Professional Services	\$150,000

Section 2. This resolution shall be effective on adoption and passage by the Board of Trustees, South Truckee Meadows General Improvement District.

Section 3. The County Clerk is hereby directed to distribute copies of the Resolution to the Department of Taxation, the Comptroller, and the Finance Division.

05-29STM MANAGEMENT REPORTS – APRIL 2005

Commissioner Galloway asked if problems with the distribution system were expected to continue into the next fiscal year. Paul Orphan, Engineering Manager, replied it was difficult to predict; however, if a line broke or a pump went down, staff would respond.

Following discussion, on motion by Commissioner Galloway, seconded by Commissioner Humke, which motion duly carried, Chairman Weber ordered that receipt of the District's management and financial reports for the month of April 2005 be acknowledged.

PUBLIC COMMENTS

There was no response to the call for public comments.

BOARD AND STAFF COMMENTS

Chairman Weber asked staff to schedule a meeting between the Trustees and the Local Managing Board within the next few months.

Commissioner Galloway requested staff comment on any applicable Legislative issue.

County Manager Katy Singlaub commented on SCR 26 that concerned an interim study that would include all water services and may reference a study of consolidation of water operations in Washoe County. She stated the County Commissioners had objected to Washoe County being targeted.

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

BONNIE WEBER, Chairman
South Truckee Meadows General
Improvement District

ATTEST:

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

*Minutes Prepared by
Lori Rowe, Deputy County Clerk*