

**BOARD OF TRUSTEES AND LOCAL MANAGING BOARD  
SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT  
WASHOE COUNTY, NEVADA**

**JOINT MEETING**

TUESDAY

11:00 A.M.

SEPTEMBER 25, 2007

PRESENT:

**Bob Larkin, Chairman**  
**Bonnie Weber, Vice Chairman**  
**Jim Galloway, Trustee**  
**David Humke, Trustee**  
**Kitty Jung, Trustee**

**Steve Cohen, Chairman**  
**Ellen Allman, Vice Chairman**  
**Gerald Schumacher, Secretary\***  
**John Bronder, Member**  
**E. Sue Saunders, Member**

**Amy Harvey, County Clerk\***  
**Katy Singlaub, County Manager**  
**Melanie Foster, Legal Counsel**  
**Rosemary Menard, Water Resources Director**

The Board met in a special meeting in the Commission Caucus Room of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. The Clerk called the roll and the following business was conducted:

**07-42STM    AGENDA ITEM 2**

**Agenda Subject:** “Approve agenda for the Joint meeting of September 25, 2007.”

For the Board of Trustees, in accordance with the Open Meeting Law, on motion by Trustee Galloway, seconded by Trustee Humke, which motion duly carried, Chairman Larkin ordered that Agenda Item 2 be approved.

There was no public comment on this item.

For the Local Managing Board (LMB), in accordance with the Open Meeting Law, on motion by Member Allman, seconded by Member Bronder, which motion duly carried, Mr. Cohen ordered that Agenda Item 2 be approved.

**07-43STM    AGENDA ITEM 3**

**Agenda Subject: “Consideration of and possible motion to cancel the September 25, 2007 regularly scheduled STMGID Trustees Meeting and direction to staff to post notice of the same.”**

The members discussed canceling the September 25, 2007, regularly scheduled STMGID meeting since it was not on the Board of County Commissioner’s agenda. Trustee Humke said Item 3 was not operable. Melanie Foster, Assistant District Attorney, explained the agenda had been amended and under the code provision they could vote to cancel the meeting.

There was no public comment on this item.

On motion by Trustee Galloway, seconded by Trustee Jung, which motion duly carried, Chairman Larkin ordered that Agenda Item 3 be approved and directed.

**07-44STM    AGENDA ITEM 4**

**Agenda Subject: “Approve and authorize the Chairman of the Board of Trustees to execute upon receipt the Amended Interlocal Agreement for the Formation of the Interim Western Regional Water Commission (IWRWC), including proposed modifications to clarify dates in section 6 as target dates and not binding deadlines; authorize the appointment of a Local Managing Board member as the Interim Trustee representing South Truckee Meadows General Improvement District; and authorize the appointment of an Alternate Interim Trustee to the IWRWC.”**

Chairman Cohen, LMB, stated he had questions regarding the vote by Truckee Meadows Water Authority on the Amended Interlocal Agreement. Chairman Larkin replied all passed except the provision regarding alternates.

Trustee Weber asked Chairman Larkin to elaborate on the voting and the governing body. Chairman Larkin responded the Board of Trustees are the governing body. Trustee Galloway stated the Board already voted on alternates and needed to vote now on the Amended Agreement. He said he would like to move to amend the Agreement. There was no second to the motion.

Chairman Larkin said it would not be prudent to include alternates. He felt there was no reason why the members could not participate from a remote location. He asked for clarification on the intent from the Legislative Counsel Bureau since the Agreement did not call for alternates. Trustee Galloway said there were alternates for all other Boards. He stated if Trustee Humke could not participate in a STMGID meeting in person he probably could not participate by telephone.

**\*11:21 a.m.** Amy Harvey, County Clerk, informed the Board the tape recorder was now working.

Trustee Humke said they should have alternates during the permanent phase, but not during the interim. He commented if new players were brought in, it would be hard to bring them up to speed. He said there was a need to have people on the IWRWC who were in the know and who had expertise. He suggested entertaining the idea after the first year when all the big decisions were made, such as the Southern Pay-to-Play rule. He said if there was a major project and the members did not want to participate financially then they could sit on the sidelines and not vote. He believed the County should raise the issue now so it was not replicated later when there was a permanent IWRWC.

Chairman Larkin declared they had total discretion during the interim phase but on the permanent Board there was no provision in legislation for alternates. He stated it would be necessary to return to the Legislature if they wanted to change it.

Trustee Humke said the consensus was they were going to go with a Joint Powers Agreement or an Interlocal Agreement, under existing law. Chairman Larkin concurred and said if they go with joint powers they could do whatever they wanted and at that time it would be appropriate to entertain the alternate discussion.

Chairman Larkin asked legal council to clarify the meaning of the language in the Agreement that stated, "the Interim Trustee designated to represent STMGID shall be appointed from the LMB." He wondered if that meant Trustee Humke would be replaced during the interim. John Rhodes, Deputy District Attorney, answered yes.

Trustee Galloway pointed out the amendment was going out to all the bodies and if they went through with it, that would mean they were against everyone having an alternate including Sparks, STMGID, and the LMB even if they wanted alternates. He stated that was why he was taking the position to adopt the Amendment.

**\*11:26 a.m.** Member Schumacher arrived.

Chairman Cohen, LMB, said the LMB thought it would be best to have alternates since they only had one seat on the IWRWC Board. He said he understood both sides of the issue in having an alternate in the interim, but if it were to carry through they would need to do it again which was part of the reason the LMB felt they should have an alternate. Chairman Larkin told Chairman Cohen, LMB, his logic was not flawed in terms of carrying forth the concept within the Joint Powers Agreement. He added they needed to keep all the players together for the interim. Provisions had been made for people to dial in and participate even if they were not able to attend a meeting.

Member Allman asked if the concept of having an alternate encouraged absences. Chairman Larkin replied it did and reiterated they wanted continuity.

Trustee Jung wondered if a tough decision were to be made would they send somebody else to shake things up and questioned if it were to carry forward would

they look to the Legislative Counsel Bureau for answers. Chairman Larkin explained if they agreed to the Joint Powers Agreement and it was in place by April 1st, it would replace the legislation.

Trustee Galloway said if they go through with the amendment, STMGID would have an alternate since it was a package. Rosemary Menard, Water Resources Director, disagreed and affirmed the Agreement was three separate items.

Katy Singlaub, County Manager, thought there might be a way to add language to the Agreement that did not allow alternates during the interim period and to provide the question to be reconsidered when the permanent Commission was established.

Trustee Humke said he thought a preamble would be a solution. He stated they could work responsibly without the Legislature to negotiate an Interlocal Agreement. They earned the right to have alternates under the permanent Agreement.

In response to Chairman Larkin, Chairman Cohen, LMB, said the LMB recommended alternates to the Board of Trustees. Chairman Larkin said the Board accepted the recommendation, but the discussion was whether or not to appoint an alternate in the interim.

Mr. Rhodes said the Department of Water Resources had been directed by the Interim Commission to draft a sample Joint Powers Authority Interlocal Cooperative Agreement. He declared the subject of alternates would be considered and brought forward for discussion in the future; therefore, it would not die at the meeting today.

Trustee Jung asked what would happen if the other governing bodies were to disagree with the decision. Chairman Larkin responded it would return to the Board of Trustees.

Member Bronder urged the Board of Trustees to not be concerned with a lack of continuity and things moving too fast for the alternates since both himself and Chairman Cohen, LMB, were up to date with the issues and attended the meetings.

Trustee Weber stated she could make a motion that would not include the alternate. She suggested they could go back later and have another discussion or make a second motion.

Trustee Jung asked if it would be possible to include the caveat in the motion that Ms. Singlaub mentioned earlier stating the alternate issue was not dead. Chairman Larkin replied it was not part of the Agreement, but they could make the intent. They could include or exclude, but they needed to accept the language the way it came to them. If it were reworded it would need to be re-circulated back around. Ms. Singlaub suggested the motion could include, "with the understanding that it has already been directed to include the discussion of alternates in the crafting of the Agreement."

Chairman Larkin asked if they could do two motions instead of changing the language creating the need to re-circulate it. Ms. Singlaub explained the language in the Agreement would not need to be changed.

Trustee Weber reiterated she did not include alternates in the motion.

Trustee Humke concurred with the County Manager. He said the motion was legitimate and did not necessitate a second motion. He commented the meeting he attended the previous Friday proved to him the Agreement was a highly staffed project. He mentioned Mr. Rhode's comment, that the Board of Trustees and LMB were asking and directing their staff to look at the decision as a permanent solution.

Chairman Larkin asked Pete Simeoni, Deputy District Attorney, to respond to the proposed wording of the motion and asked if it altered the amendment to the Agreement. Mr. Simeoni questioned if the amendment was to include a note that the issue could be brought up at a future meeting. Ms. Singlaub responded there would not be a note, just a statement on the record. She said she thought it was an amplification that alternates would not be in the amendment to the Agreement regarding the Interim Commission, with the understanding that the Commission has already given direction to staff to address the question in the development of a permanent Agreement.

Trustee Galloway stated he would vote yes on the motion, but under protest because he thought it should include all three changes. The most important thing to him was to give STMGID a seat on the Commission.

There was no public comment on this item.

On motion by Trustee Weber, seconded by Chairman Larkin, which motion duly carried, it was ordered that Agenda Item 4 be approved and authorized, but not to include the appointment of an Alternate Interim Trustee to the IWRWC, with the understanding that staff has been directed to include the discussion of alternates in the crafting of the permanent agreement. The amended Interlocal Agreement is attached hereto and made part of the minutes hereof.

**07-45STM    AGENDA ITEM 5**

**Agenda Subject: "Discussion regarding legislative and other issues arising from and related to SB487, creating the Western Regional Water Commission, which potentially impacts STMGID or its ratepayers."**

Chairman Cohen, LMB, asked the Board of Trustees if someone from the LMB would be able to sit on the main Commission after the interim. He wondered if the powers that were granted to them in the ordinance would need to be expanded since they were only temporary until April 1st. Chairman Larkin thought the Joint Powers Agreement would supersede it. Melanie Foster, Assistant District Attorney, said the

ordinance would need to be amended in the future to make it a permanent part of the power. She added it had been written specifically to cover the situation at hand.

Chairman Cohen, LMB, thanked the Board of Trustees for their support and for allowing one of the LMB members to sit on the Western Regional Water Commission. He said the LMB would like to know if the new entity would create a retail base, charging customers at a retail price or if it would fall short the way the Southern Nevada model did. The LMB would like something that mirrored the South. He asked Chairman Larkin to clarify where they were headed with the Agreement and if they were going to move toward consolidation. He added they could not run full entities and set wholesale to retail without having a single entity. Chairman Larkin remarked the intent of the 'Blue Light Special' or 'Full Meal Deal' was yet to be determined.

Trustee Galloway stated he did not think the public would be best served by creating a water authority that controlled all the utility operations. He stated the public did not have many water rights and one authority should not be tempted to have so much power. He explained if one operating water authority were to be enacted by the Legislature it would enable them to wholesale water directly out of Washoe County. He emphasized they needed to protect the ratepayers in Sun Valley and STMGID.

Chairman Cohen, LMB, said the STMGID LMB had come a long way since the first SCR26 Committee meeting and he hoped it would continue; however, he had concerns with the Full Power Agreement.

Chairman Larkin said the Full Power Agreement included the context of the seven guiding principles of the legislation. Since they were outside the boundary he wasn't sure if it needed discussion.

Trustee Humke questioned whether the 'Full Meal Deal' was for the County or for STMGID. He referred to the discussion that took place on the previous Wednesday whereby the City of Reno suggested hook-up fees. He added there had been tremendous inequity across the valley and the ratepayers were not always benefited. He stated he did not favor consolidating because it would be a major undertaking to go after the ratepayers of STMGID, Washoe County Water Resources, and all citizens of Washoe County.

Trustee Galloway commented on the rates and said they were calculated in such a way that the person or the developer hooking up paid the full cost of all the facilities needed to provide the water. He was concerned that if one entity were to greatly undercharge for hook ups, they would look bad in comparison to the other entities. If one entity were to adopt punitive rates, the citizens would be forced to lower their standard of living by using less water, resulting in more water for developments. He concluded if there was a body that had control of all the water and no one was charitable it would be easier, politically, to do things that were wrong.

Chairman Cohen, LMB, felt it was important to have a joint meeting on the Agreement, rather than wait two years for the Legislature to make the changes.

Trustee Galloway said it did not make sense to have one body in control and no one to contradict them. John Rhodes, Deputy District Attorney, pointed out that an authority created by an Interlocal or Joint Powers Agreement could not be inconsistent with legislation. Trustee Galloway said that was why he felt the powers needed to be limited and not go beyond Southern Nevada's model.

In response to Chairman Larkin, Ms. Foster said the final authority of the legislation no longer rests with the County, but rests with the new Joint Board, which represented various entities.

Trustee Weber commented it was important to benefit every water user and to also make it a positive experience for the developers. She felt the Board of Trustees needed to fight and protect STMGID as well as Sun Valley.

Trustee Humke said one of the organizing teams that the SCR26 Committee started with was the Southern Nevada Water Authority. He recently attended a water seminar at the Reno Convention Center held by the Executive Director's entourage of staffers, which he found to be interesting and helpful. He felt the Southern Nevada Water Authority was an entity that was capable of replication and should be replicated in other parts of the state. He added they did a good job making compromises on very tricky rules, such as the 'Pay to Play' rule. He pointed out more local government entities needed to agree in Clark County than in Washoe County, and he thought Washoe County would benefit to have more local government entities. Trustee Galloway disagreed with Trustee Humke and said he did not think a new entity was necessary in Washoe County. He believed they were capable, with the cooperation they have, to deliver fine service to the citizens of the region.

Trustee Weber spoke in favor of the bill and thought they should use the opportunity to show the citizens of the region why it was a good idea. Trustee Galloway spoke in opposition and said they did not need to fix something that was already working.

Chairman Cohen, LMB, said they should look at all the options, whether it was consolidating into one entity or not. He suggested bringing all the items out in the open to the Interim Committee to be discussed and to weigh the benefits and costs to the people and the region. He remarked it took Southern Nevada two years to put it together and the LMB only had five months. Member Bronder told the Board of Trustees they would receive an all-encompassing list of joint powers from the staff to evaluate so they could decide what was best for the area.

There was no public comment on this item.

**07-46STM    AGENDA ITEM 6**

**Agenda Subject: “Discussion regarding the future possibility of the Local Managing Board becoming the governing body for the STMGID.”**

Chairman Cohen, LMB, said the dissolving of STMGID would probably only happen if it was done through a legislative act. He said it was a scary thought to dissolve STMGID.

Trustee Galloway asked legal counsel to look into whether dissolving and reforming could be done in one motion or action or would they need the City’s consent. Melanie Foster, Assistant District Attorney, said if they desired to turn the LMB into the Board of Trustees they would need to go through the process of dissolving a district. A new district could be formed, but it would not be the same district they had today because any part that was in STMGID and the City of Reno would not be included in new the district. She added citizens within seven miles of an incorporated city would need to ask for the annex and it would need to be in an area that was ineligible for annexation, because there cannot be a district that stood in two counties. The city would need to unanimously vote to allow the citizens to form a district within seven miles.

Ms. Foster responded to a question that was asked by Trustee Galloway earlier regarding one motion for dissolution and formation. She told the Board of Trustees it could not be done because of certain provisions. She said there was no guarantee of the end results when they were finished, assuming the City said yes. The city would end up looking different and the areas within the City of Reno would not be part of the new District. Whether or not that District would be able to exist would be contingent upon having applied for annexation and it being rejected or upon the City’s consent. At that point, the Commission would be able to appoint a new Board of Trustees as long as they followed the steps under the statute. The members would be At-Large unless the residents petitioned to have election Districts created. She concluded to say it was a convoluted process that involved many risks.

Trustee Galloway asked Legal Counsel if the LMB could be given more power so they could achieve their goal. Ms. Foster answered there were a number of powers and legislative authority that could be given to the LMB by the Board of Trustees; however, taxation authority was not one of them.

Trustee Galloway said the reason there was an Agreement in place was to determine who owes whom for what and how much water people were authorized to pay for.

Trustee Humke asked Legal Counsel if a mature General Improvement District (GID) could merge with another GID. Ms. Foster answered yes and explained they would need to share the same powers and added the merger process would be the same as the dissolution process. There was not a requirement that the properties be contiguous. Trustee Humke inquired if something short of a full merger or an Interlocal



Agreement could be done. Ms. Foster responded much discussion took place during the legislation session about sharing powers with the GID's. Nevada has a broad cooperation act that allows participating agencies the authority to share powers amongst themselves, which was how they managed to create the Sierra Fire Protection District. Many powers cannot be shared and Sun Valley had powers that STMGID did not.

Trustee Humke said some of the rural legislators asked him not to fiddle with their GID systems because they worked really well in counties such as Douglas, Eureka, and Elko.

Member Allman asked if there was legislation for STMGID on becoming their own Governing Board without going through the process of dissolving. Ms. Foster responded it would be unconstitutional to have specific legislation for STMGID.

Chairman Larkin asked if special legislation could be done on STMGID. Ms. Foster responded no, although it could be possible if something were to be devised for a County of more than 100,000 and less than 400,000. She added it would not be regarded as special legislation if it were done based upon population methods.

Member Allman wondered if STMGID was the only GID that was not their own Governing Board. Ms. Foster responded she did not know of any others in Washoe County and added it was not a common mechanism. There were many GID's in Douglas County that did not have local Boards.

Trustee Humke said altering a GID law would not be looked at as a good idea and he would not recommend it.

There was no public comment on this item.

#### **AGENDA ITEM 7 – PUBLIC COMMENT**

**Agenda Subject: “Public Comments: Two-minute time limit per person and limited to items not listed on the agenda. Public comment of two minutes per person will be taken on action items on the agenda.”**

There was no response to the call for public comment.

#### **AGENDA ITEM 8**

**Agenda Subject: “Board, LMB, and Staff Comments (limited to announcements, requests for information, statements relating to items not on the agenda or issues for future agendas.)”**

Chairman Cohen, LMB, asked Paul Orphan, Engineering Manager, for an update on Well No. 12. Mr. Orphan said the Board ordered the contract last week and there was still paperwork to do; therefore, they have not begun the drilling. The

consultant was not up to speed on the procedure, so the staff needed to take over and complete the paperwork, since they were more familiar with the process.

Chairman Cohen, LMB, said they would be switching over to a different filter media for Well No. 9 so they could get some use out of it instead of shutting it off.

**AGENDA ITEM 9 - ADJOURNMENT**

For the Board of Trustees, on motion by Trustee Humke, seconded by Trustee Weber, which motion duly carried, Chairman Larkin ordered that the Board of Trustees adjourn.

For the Local Managing Board, on motion by Member Allman, seconded by Member Schumacher, which motion duly carried, it was ordered that the Local Managing Board adjourn.

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**12:25 p.m.** There being no further business to come before the Board, the meeting was adjourned.

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**ROBERT M. LARKIN**, Chairman  
South Truckee Meadows General  
Improvement District

**ATTEST:**

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

*Minutes Prepared By:  
Sandy Lyn Cuzick  
Deputy County Clerk*