

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

JOINT MEETING

TUESDAY

12:30 P.M.

SEPTEMBER 23, 2008

PRESENT:

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

Steve Cohen, Chairman
Ellen Allman, Vice Chairman
John Bronder, Secretary*
Gerald Schumacher, Member

Nancy Parent, Chief Deputy County Clerk
Dan St. John, Acting County Manager
Melanie Foster, Legal Counsel
Rosemary Menard, Water Resources Director

ABSENT:

E. Sue Saunders, Member

The Board convened at 12:38 p.m. in a special meeting in the Commission Caucus Room of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. The Chief Deputy Clerk called the roll and the following business was conducted:

08-36STM AGENDA ITEM 2

Agenda Subject: “Public Comment. Comment heard under this item will be limited to two minutes per person and may pertain to matters both on and off the STGID Joint Meeting agenda. The Board will also hear public comment during individual action items, with comment limited to two minutes per person. Comments are to be made to the Board as a whole.”

There was no response to the call for public comment.

08-37STM AGENDA ITEM 3

Agenda Subject: “Update from LMB to Trustees regarding the Division of Water Service Agreement and water balance between STMGID and Washoe County.”

Rick Warner, Acting Engineering Manager, advised that one billion gallons of water had been transferred in two years and the figures were off only six million gallons. He noted the LMB strategy was to get the balance to zero.

Chairman Cohen, LMB, explained the new accounting method showed consumption versus pumping.

Trustee Galloway felt any imbalance should have been settled last January. He asked if there was any reason not to reach a settlement.

Chairman Cohen explained the water imbalance before and after January 1, 2008. He said everything would be settled up on January 1, 2009 and payment would be made before June 2009.

Chairman Larkin asked if there was any interest involved. Mr. Warner replied there was none.

12:44 p.m. Trustee Humke arrived at the meeting.

Chairman Cohen said the LMB only recently found out about the delay in settling the water balance, and he asked why it was not done sooner. Mr. Warner replied his predecessor just never worked on it.

12:48 p.m. Trustee Weber arrived at the meeting.

After further discussion regarding reaching a settlement of the water balance, Chairman Larkin suggested presenting a trial settlement for 2007 at the next Board of Trustees meeting to put it on the record without necessarily taking any action. Rosemary Menard, Water Resources Director, indicated the next meeting would be October 28, 2008.

08-38STM AGENDA ITEM 4

Agenda Subject: “Update and general discussion of operational projects such as STMGID Well #9, STMGID Well #12, and the MXU system.”

Chairman Cohen, LMB, noted the MXU system used one remote transmitter for every two homes and allowed the meter to be read remotely by Water Resources. He said the transmitters’ battery life was 20 years and the installation of the transmitters was almost done.

Chairman Larkin asked if the system was being deployed all over. Rosemary Menard, Water Resources Director, replied it was only being deployed within STMGID's territory.

Trustee Galloway asked if any independent physical verification would be done. Ted Rolfs, Water Resources Fiscal Compliance Officer, said a double check would be done of the tower readings versus the readings taken at installation. He explained one of the benefits of the software was the ability to identify potential leaks quicker because the data was transmitted every 15 minutes.

Trustee Humke asked how long the system had been online. Mr. Rolfs replied it was almost ready to go online. He explained there were 800 more units to install, which was scheduled to be completed this month.

Trustee Humke asked if there was a right to enter if a leak was detected. Chairman Cohen replied service was only provided to the meter box. Ms. Menard said the homeowner would be notified of any suspected leak.

John Buzzone, Water Resources Sr. Licensed Engineer, discussed why the coagulation process saved money.

Chairman Cohen said when the original project started, the deal with the EPA was they would buy all of the equipment, the media, the filters, and handle the maintenance if STMGID provided the housing. He said STMGID spent \$150,000 to build the well housing in addition to what was spent on the house. He stated all of that money was wasted in the end because the cost of \$5 or \$6 per 1,000 gallons was way too high. He noted the decision was then made to go with the coagulation process and a small investment was put into changing over some of the equipment so it could be reused. He said now STMGID would have a usable well.

Trustee Galloway asked if the same physical well housing was being used. Mr. Buzzone replied it was after the addition of a couple of new items. Trustee Galloway said he hoped the EPA was finally realizing what worked after spending a lot of money. Mr. Buzzone said the EPA project manager, Tom Sword, requested an update after everything was done.

Trustee Galloway commented if this path was not taken, maybe things would not have ended up where they were. Mr. Buzzone felt the EPA was scrambling to identify workable solutions at the time and the process they came up with worked well in a lot of communities, but how well it worked depended on the nature of the specific water chemistry that was being treated. Trustee Galloway asked if STMGID was the first entity to have done this. Member Schumacher replied the people who sold it to STMGID indicated there were installations around the country where the process worked. Mr. Buzzone agreed, but felt the EPA was doing different size projects around the country to see what smaller systems would cost.

Trustee Humke asked if the new system would handle the increased level of arsenic. Mr. Buzzone noted the new system would not be online until the end of October, but a similar treatment process was being used to treat the Truckee Canyon system water. He noted a functionally similar process was being used at Longley Lane.

Member Schumacher commented another selling point for some members of the LMB was, if it did not work out on this well, it could be moved to another well because STMGID owned the equipment. Mr. Buzzone said the EPA had dedicated the equipment to STMGID and relinquished ownership.

Regarding Well #12, Mr. Buzzone explained the test well drilled on private property met all drinking water standards and the gallons per minute that could be pumped would be sufficient. He said STMGID was negotiating with the property owner and the second appraisal had not been received yet. He noted the second appraisal was being done because the property owner's perceived value of the land was higher than the first appraisal. He said if neither appraisal met the property owner's expectations, it could be brought to the Board of Trustees to approve acquiring the property above the appraised value. He stated there would be some value to doing that because the hydrogeologists felt it was a very good site and going to another site would require drilling another test well with no guarantee the new site would work out.

Mr. Buzzone said once the acquisition price was agreed upon, drilling the production well, equipping the site with a well house, and bringing the well into production could proceed.

08-39STM AGENDA ITEM 5

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

Member Schumacher advised John Bronder was the current LMB Secretary, not himself as was indicated on the agenda.

Chairman Cohen said at the last meeting it was suggested these joint meetings be held quarterly, but he felt biannual meetings would be sufficient. After further discussion, Chairman Cohen suggested meeting on January 27, 2009.

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1:16 p.m. There being no further business to come before the Board, on motion by Trustee Jung, seconded by Trustee Weber, which motion duly carried, the meeting was adjourned.

ROBERT M. LARKIN, 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:
Jan Frazzetta, Deputy County Clerk*