

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

JOINT MEETING

TUESDAY

1:00 P.M.

JANUARY 20, 2009

PRESENT:

David Humke, Chairman
Bonnie Weber, Vice Chairperson*
John Breternitz, Trustee
Kitty Jung, Trustee
Bob Larkin, Trustee

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

Amy Harvey County Clerk
Katy Simon County Manager
Melanie Foster, Legal Counsel
Peter Simeoni, Legal Counsel
Rosemary Menard, Water Resources Director

ABSENT:

E. Sue Saunders, Member

The Board convened at 1:06 p.m. 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:

09-01STM 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.

09-02STM AGENDA ITEM 3

Agenda Subject: “Approve Ellen Allman as the STMGID Local Managing Board nominee for the General Improvement District Representative to the Debt Management Commission of Washoe County.”

Chairman Humke noted Ellen Allman was nominated in December 2008 by the Local Managing Board (LMB). Ms. Allman said she accepted the nomination to be the General Improvement District representative to the Debt Management Commission (DMC).

Chairman Humke asked if both the LMB and the Board of Trustees were voting. Melanie Foster, Legal Counsel, advised this was a Trustee matter.

On motion by Trustee Breternitz, seconded by Trustee Larkin, which motion duly carried with Trustee Weber absent, it was ordered that Agenda Item 3 be approved.

09-03STM AGENDA ITEM 4

Agenda Subject: “Cast a vote for the General Improvement District Representative to the Debt Management Commission of Washoe County.”

Chairman Humke asked if casting a vote on the ballot for the General Improvement District (GID) representative to the Debt Management Commission (DMC) was new because he did not recall seeing it before. Amy Harvey, County Clerk, stated Paul Lipparelli, Deputy District Attorney, advised an official ballot should be used to select the GID representative. She noted Ellen Allman would be the nominee for STMGID and the DMC would choose the GID representative from the nominees submitted by the GID's.

Steve Cohen, STMGID Local Managing Board (LMB) Chairman, noted the Board of County Commissioners made the appointment four years ago when he was appointed to the DMC. Mr. Lipparelli advised the DMC would consider all of the votes cast by the GID's and would then make that determination.

1:14 p.m. Trustee Weber arrived at the meeting.

After further discussion regarding the ballot and the rotation, Melanie Foster, Legal Counsel, explained the requirement for today's agenda item was for the STMGID Board of Trustees to choose from among the three nominees. Trustee Jung asked who would be the next GID representative if the rotation was continued.

Chairman Humke nominated Ellen Allman, STMGID LMB member. Trustee Weber seconded the nomination. Ms. Foster clarified the Trustees needed to cast

a vote for one of the three candidates discussed in the staff report. Chairman Humke said that was the nature of his motion.

Trustee Weber asked if the Incline Village and the Gerlach GID's voted to put their nominee's names on the ballot. LMB Chairman Cohen said that was what STMGID did, but he could not speak for the other GID's.

Trustee Weber commented it appeared there was not a formal election procedure that would make it fair and equitable for everyone. Ms. Foster confirmed that a ballot was never used before because the representative was rotated among the GID's. She advised statute required an election process be used to choose the GID representative, and Mr. Lipparelli was trying to ensure the selection process was conducted in accordance with statute. She explained the District Attorney's Office could come back with an explanation of what the process should be legally, but the statute stated there should be one GID representative if there were multiple GID's and also called for an elective process.

Ms. Foster advised the vacancy needed to be filled in January because of the DMC's schedule. Trustee Weber agreed there was a great candidate and this needed to move forward, but developing a process that would be fair and equitable for everyone also needed to be examined.

Commissioner Larkin asked why the Palomino Valley and the Sun Valley GID's were not included. Ms. Foster said she did not know about the Palomino Valley GID, but the outgoing GID representative was from the Sun Valley GID.

Trustee Breternitz suggested modifying the motion to keep Ms. Allman as the nominee and to establish a rotation for a two-year term. Trustee Larkin said doing that was not agendized. Katy Simon, County Manager, suggested language could accompany the transmittal of the Trustees' nomination of Ms. Allman requesting the formal establishment of the rotation. Trustee Breternitz confirmed that was the direction he wanted to go.

Chairman Humke amended the motion to include the request for direction regarding the rotation. Trustee Weber agreed with the amendment. On a call for a vote, the motion passed unanimously 5-0.

09-04STM AGENDA ITEM 5

Agenda Subject: "Update on water balance report for water exchanged between the STMGID and Washoe County Department of Water Resources."

Chairman Humke noted the settlement was recommended to take place by June 30, 2009. Steve Cohen, South Truckee Meadows General Improvement District (STMGID) Local Managing Board (LMB) Chairman, stated that was correct and that

date was dictated by the Division of Service Agreement between STMGID and the County.

John Buzzone, Water Resources Sr. Licensed Engineer, advised water was shared back and forth between STMGID and the County based on demand and on pumping availability. He stated an attempt was made to achieve a zero balance over the course of the year. He noted that operational strategy was identified in the graph attached to the staff report and the reconciliation showed a balance due from STMGID to the County of 4,544,608 gallons. He said that was not a large amount when dealing with water. He felt a good job had been done on zeroing out the balance to this date.

LMB Chairman Cohen explained bringing another well on line would bring the balance closer to zero.

There was no public comment and no action taken on this item.

09-05STM AGENDA ITEM 6

Agenda Subject: "Update on STMGID Well 12."

John Buzzone, Water Resources Sr. Licensed Engineer, explained the Trustees approved acquiring the parcel pending on the ability to subdivide the parcel. He noted a Certificate of Amendment needed to be obtained because there was a note on the parcel map that prevented further subdivision of the parcel for residential purposes. He noted the owner of the parcel was working to acquire his neighbor's signatures, which would then allow him to acquire the Certificate of Amendment. He advised that paperwork was expected to be completed this week and it would then be submitted to the County to complete the process, which should take 60 days. He explained the agreement was already executed pending the removal of the impediments to the subdivision of the parcel and the parcel would go into escrow as soon as the Certificate was received.

There was no public comment and no action taken on this item.

09-06STM AGENDA ITEM 7

Agenda Subject: "Update regarding Water Rate Review Committee to conduct a comprehensive revenue and rate analysis for the STMGID operations."

Steve Cohen, South Truckee Meadows General Improvement District (STMGID) Local Managing Board (LMB) Chairman, indicated there had been no response to the request for citizens to participate in the Water Rate Review Committee. He said the Trustees approved the Committee based on its having a certain makeup. He asked if the Committee should continue without having any members of the public or if anyone had any ideas on how to solicit the two members. Commissioner Larkin asked if this item was taken to the Citizen Advisory Board (CAB). LMB Chairman Cohen said he mentioned it during public comment at the Southwest Truckee Meadows CAB meeting,

but only one or two of the people attending the CAB were STMGID customers. He stated the notice had gone out twice in the water bills mailed to STMGID's customers.

LMB Chairman Cohen advised it was time to conduct a rate study because STMGID's budget went up 20 percent last year on top of the 4 percent the previous year. He stated the LMB was looking for direction on how to proceed.

Katy Simon, County Manager, suggested adding another meeting and advertising that meeting. Commissioner Larkin said the only idea he had was to go door-to-door asking what the customers felt about a rate increase. Chairman Humke suggested a Commissioner make an announcement at the Commission meeting that STMGID anticipated there would be a 20 percent rate increase and the LMB was looking for members of the public to sit on the Water Rate Review Committee. LMB Chairman Cohen said an announcement would be beneficial. He felt part of the problem was many of STMGID's customers did not know their water came from STMGID because their water bills came from Water Resources. He noted that it was a STMGID bill and was only identified as such at the very bottom of the bill. Commissioner Jung suggested changing that to make customers more aware it was a STMGID bill.

Chairman Humke asked if the announcement that went out with the bills included a target percentage. Trustee Larkin felt that might help stir interest. Rosemary Menard, Water Resources Director, indicated there was not yet a targeted percentage. Trustee Larkin suggested using a range. Ms. Menard said staff could work with STMGID to get some numbers and to work on a process that would involve community meetings.

In response to Trustee Breternitz asking what process set up the Water Rate Review Committee, Ms. Menard said she did not think there was a Nevada Revised Statute (NRS) requirement for doing that. Trustee Breternitz said if there was a stipulation in statute that two members of the public should be on the Committee, someone could come back and attempt to invalidate any rate increase. Ms. Menard said it was a policy instead of a regulatory requirement or an ordinance. She felt it made sense to engage the public, but that could be accomplished in other ways.

LMB Chairman Cohen said he understood the LMB would continue to try to get people involved. Trustee Jung reiterated that STMGID should work on branding itself so STMGID customers would know they were part of STMGID. LMB Chairman Cohen agreed that was a good idea.

There was no public comment and no action taken on this item.

09-07STM AGENDA ITEM 8

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

Rosemary Menard, Water Resources Director, invited everyone to come to the Water Resources' open house on January 21, 2009 between 11:00 a.m. until 2:00 p.m.

Steve Cohen, South Truckee Meadows General Improvement District (STMGID) Local Managing Board (LMB) Chairman, congratulated the winners of the election and welcomed Commissioner Breternitz to the Commission. He said he would be happy to present Commissioner Breternitz with a brief history of STMGID at his convenience.

LMB Chairman Cohen advised Well #9 was coming along really well.

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1:43 p.m. There being no further business to come before the Board, on motion by Trustee Jung, seconded by Trustee Larkin, which motion duly carried, the meeting was adjourned.

DAVID E. HUMKE, 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*