

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

TUESDAY

2:00 P.M.

JUNE 25, 2002

PRESENT:

Joanne Bond, Vice Chairman

Jim Galloway, Commissioner

Ted Short, Commissioner

Amy Harvey, County Clerk

Katy Singlaub, County Manager

Madelyn Shipman, Legal Counsel

Paul Orphan, Senior Utility Engineer

ABSENT:

Pete Sferrazza, Chairman

Jim Shaw, Commissioner

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

AGENDA

In accordance with the Open Meeting Law, on motion by Commissioner Short, seconded by Commissioner Galloway, which motion duly carried with Chairman Sferrazza and Commissioner Shaw absent, Vice Chairman Bond ordered that the agenda for the June 25, 2002, meeting be approved.

MINUTES

On motion by Commissioner Short, seconded by Commissioner Galloway, which motion duly carried with Chairman Sferrazza and Commissioner Shaw absent, Vice Chairman Bond ordered that the minutes of the regular meeting of April 23, 2002, be approved.

**02-16STM ENGAGEMENT LETTER - KAFOURY, ARMSTRONG & CO. -
AUDITING SERVICES**

Upon recommendation of the Local Managing Board, on motion by Commissioner Galloway, seconded by Commissioner Short, which motion duly carried with Chairman Sferrazza and Commissioner Shaw absent, Vice Chairman Bond ordered that Kafoury, Armstrong & Co.'s engagement letter for auditing services for the year ending June 30, 2002, in an amount not to exceed \$12,500, be approved.

02-17STM AMENDMENTS TO ANNEXATION POLICY GUIDELINES

Upon recommendation of the South Truckee Meadows General Improvement District (STMGID) Water Rates Task Force, on motion by Commissioner Galloway, seconded by Commissioner Short, which motion duly carried with Chairman Sferrazza and Commissioner Shaw absent, Vice Chairman Bond ordered that the STMGID Annexation Policy Guidelines be amended to increase the annexation fee to \$400, reorganize the contents, and make non-substantive language changes.

02-18STM APPROVE REIMBURSEMENT FOR DEEPENING MAITOZA WELL AND HOLD HARMLESS AGREEMENT

Upon recommendation of the Local Managing Board, on motion by Commissioner Short, seconded by Commissioner Galloway, which motion duly carried with Chairman Sferrazza and Commissioner Shaw absent, it was ordered that reimbursement for the costs of deepening the Maitoza well (APN 162-063-24) in the amount of \$4,929.70, be approved and Vice Chairman Bond be authorized to execute the Hold Harmless and Reimbursement Agreement releasing the District from any future claims by the well owners.

02-19STM APPROVE PARTIAL REIMBURSEMENT FOR DEEPENING TURK WELL AND HOLD HARMLESS AGREEMENT

Paul Orphan, Senior Utility Engineer, explained the reason for recommending 75 percent reimbursement on the Turk well was because the well was not deepened an extra 100 feet. The driller was only able to go down 50 feet, but the minimum charge was for 100 feet. Mr. Orphan stated there was some question on the depth of the water and the amount of drawdown. He further advised that staff recommended denial of this reimbursement, but after much discussion at the Local Managing Board meeting, they recommended partial reimbursement.

Commissioner Galloway noted the wording in the Hold Harmless Agreement for the Turk well is different than the Hold Harmless Agreement for the Maitoza well. Madelyn Shipman, Assistant District Attorney, stated staff will review the agreements, and explained the intent was to have people sign off for any future claims related to a particular well once they received the money.

Upon recommendation of the Local Managing Board, on motion by Commissioner Galloway, seconded by Commissioner Short, which motion duly carried, it was ordered that reimbursement for 75 percent of the eligible costs of deepening the Turk well (APN 049-051-66) in the amount of \$2,760.00, be approved and Vice Chairman Bond be authorized to execute the Hold Harmless and Reimbursement Agreement indemnifying the District against future claims for deepening said well, subject to the Hold Harmless Agreement stating that the release is for any future claims relating to the lowering of the water table on this well.

02-20STM DENY REIMBURSEMENT FOR DEEPENING DOWLING WELL

Paul Orphan, Senior Utility Engineer, explained that the request for reimbursement for deepening the Dowling well did not meet the requirements of the written policy for reimbursement because staff did not recognize 20 feet as significant drawdown and the well was still functioning.

Commissioner Galloway asked for confirmation that staff does not feel the drawdown was the result of STMGID pumping. Mr. Orphan stated that was correct, plus the District's policy requires that the drawdown be more than 20 feet.

Upon recommendation of the Local Managing Board, on motion by Commissioner Galloway, seconded by Commissioner Short, which motion duly carried, Vice Chairman Bond ordered that the request for reimbursement for the costs of deepening the Dowling well (APN 150-250-31), in the estimated amount of \$6,020.00, be denied.

02-21STM DE-ANNEXATION - PORTION OF CURTI RANCH II

Paul Orphan, Senior Utility Engineer, displayed maps of the portion of the Curti Ranch II Subdivision that would be served by the Washoe County Utility Division rather than by STMGID under this proposal.

Commissioner Short asked if the Board could be certain there would be no costs to the STMGID rate payers if the water is wheeled (transported) from the Truckee Meadows Water Authority (TMWA) through the STMGID transmission lines and storage facilities. Both Mr. Orphan and Madelyn Shipman, Assistant District Attorney, advised that it is the opinion of the District Attorney's office and Bond Counsel John Swendseid that the mere wheeling of water through the STMGID infrastructure would not trigger the remediation fees; it is only when receiving the water through TMWA, which would also provide a benefit to the STMGID water users, that the fee would be triggered.

Commissioner Galloway asked if the users in Curti Ranch II would be charged the remediation fee. Mr. Orphan stated they would, but STMGID users would not.

Commissioner Short asked about the water rights being used to serve Curti Ranch I. Lois Brown, Lewis Operating Corp., responded those lots were done with a one-year lease of STMGID rights, but they also dedicated creek water rights as backup. Commissioner Short asked several questions concerning other water rights, the lines that would be used, and the line capacity, which Mr. Orphan answered.

Upon recommendation of the Local Managing Board, on motion by Commissioner Galloway, seconded by Commissioner Short, which motion duly carried with Chairman Sferrazza and Commissioner Shaw absent, Vice Chairman Bond ordered that de-annexation of the portion of Curti Ranch II that would be served by wholesale

surface water from TMWA so that it can be served by the Washoe County Department of Water Resources be approved. It was further ordered that the use of STMGID water transmission and storage facilities for the wheeling of water to serve Curti Ranch II be approved, subject to written verification from legal counsel that such use will not initiate the Central Truckee Meadows Remediation District fee being imposed on STMGID and its customers.

02-22STM MANAGEMENT REPORTS - JUNE, 2002

Following discussion, on motion by Commissioner Short, seconded by Commissioner Galloway, which motion duly carried with Chairman Sferrazza and Commissioner Shaw absent, Vice Chairman Bond ordered that receipt of the District's management and financial reports for the month of June, 2002, be acknowledged.

PUBLIC COMMENTS

Sam Dehne, local citizen, expressed criticism of the local governmental entities.

Gary Schmidt, area resident, stated the public comment item should be scheduled after the consent items; and, when Board members are substantially late arriving, the citizens should have another opportunity to address the full Board.

BOARD AND STAFF COMMENTS

Commissioner Short asked for the status of the water pressure problems in the Saddlehorn subdivision. Mr. Orphan stated the problem has been repaired.

Commissioner Galloway asked if there was any way to compare the STMGID operation to the County operation to help identify greater efficiencies in the operations. He requested a report be included on a future agenda.

Commissioner Short requested a review of the District's policies concerning termination of water service due to non-payment on a future agenda.

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

JOANNE BOND, Vice 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:
Sharon Gotchy, Deputy County Clerk