

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

TUESDAY

4:00 P.M.

SEPTEMBER 28, 2004

PRESENT:

Jim Shaw, Chairman
Bonnie Weber, 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:

04-37STM AGENDA

In accordance with the Open Meeting Law, on motion by Commissioner Humke, seconded by Commissioner Galloway, which motion duly carried, Chairman Shaw ordered that the agenda for the September 28, 2004 meeting be approved.

MINUTES

On motion by Commissioner Sferrazza, seconded by Commissioner Humke, which motion duly carried, Chairman Shaw ordered that the minutes of the regular meeting of June 22, 2004 be approved.

**04-38STM DISCRETIONARY SPENDING FINANCIAL POLICY – LOCAL
MANAGING BOARD**

Melanie Foster, Legal Counsel, stated she reviewed the matter and found a number of problems with the resolution. She said the resolution gives broad delegation of the Board's discretionary authority, and courts would take issue with this. Ms. Foster noted a blanket delegation of discretionary authority for the expenditure of County monies would be difficult to defend.

Commissioner Galloway inquired of Ms. Foster if she had written a version that would meet the requirements. Ms. Foster stated the best way to give the Local Managing Board (LMB) specific authority would be to amend the ordinance by which the structure was created.

Commissioner Galloway commented the LMB desires to consult outside Washoe County staff to gain information and asked how this could be done. Ms. Foster explained the Board could delegate some contractual authority to the LMB, but the same adherence to guidelines contained in every County agreement would be required.

In response to Chairman Shaw, Ms. Foster urged the Board to pursue a more structured way to ensure that the same kinds of checks and balances and protections are in place anytime public funds are expended.

Commissioner Sferrazza suggested the Board give the District the authority to become a General Improvement District (GID). County Manager Katy Singlaub replied the Board does not know if the people who live in the STMGID service area desire that, and she noted there would be vast ramifications. She advised, if the Board wanted to pursue a GID, workshops should be held in the area for everyone who would be affected.

Commissioner Humke commented the LMB and most subscribers were not sure they wanted to pursue full autonomy at this time. He said he would support an ordinance setting out the rules of the delegation of the Board's authority to the LMB, and he offered to participate in the process.

Heidi Olsen, LMB member, voiced her objection to the spending policy the LMB was proposing. She said this type of policy should be defined specifically concerning the use of the money. Ms. Olsen stated there was confusion amongst the LMB members as to how the money would be spent. She commented that further meetings should be held if this Board were to make STMGID a Board unto itself.

John Turner, resident in the District, spoke in protest of the item and the amount of money being considered. He noted the funds have yet to be authorized, and the LMB has already decided to hire an advocate. He urged the Board to reconsider and decrease the amount of the money.

Commissioner Galloway said the Board and STMGID are in the process of outlining a service agreement. He explained the agreement has a division of service giving assurances to STMGID ratepayers and Washoe County that the systems physically could function together, but the assets would be distinctly divided and obligations would be clear. Commissioner Galloway noted the service agreement has not been drafted or executed yet, and he stated no division or separation could be possible without such an agreement. He recommended the resolution be sent to Legal Counsel to draft an ordinance or a mechanism supporting the independent, informational and consultant needs of STMGID. He added the mechanism should give the LMB discretion and be drafted with options.

Chairman Shaw said he could not support a resolution at this time, and he requested it be sent back to Legal Counsel and be returned with specific direction from

the LMB. Commissioner Sferrazza agreed with the Chairman, and Commissioner Weber said the two Boards should have a discussion on this specific topic.

Commissioner Humke stated he would be supportive if a draft ordinance and a meeting with the LMB would come about quickly. Ms. Foster said she would draft an ordinance.

04-39STM REVISED POLICY FOR WATER RIGHTS DEDICATION

Upon recommendation of John Collins, Utility Services Division Manager, and Paul Orphan, Water Resources Engineering Manager, through Steve Bradhurst, Water Resources Director, on motion by Commissioner Galloway, seconded by Commissioner Humke, which motion duly carried, Chairman Shaw ordered that the Revised Policy for Water Rights Dedication for the District be approved and adopted. It was further ordered that the Water Rights Dedication policy for the District be revised to state that only sufficient groundwater rights be acceptable for dedication for annexation and water service.

04-40STM AWARD OF BID – WELL NO. 9 – ARSENIC TREATMENT EQUIPMENT

Upon recommendation of John Collins, Utility Services Division Manager, and Paul Orphan, Water Resources Engineering Manager, through Steve Bradhurst, Water Resources Director, on motion by Commissioner Galloway, seconded by Commissioner Humke, which motion duly carried, Chairman Shaw ordered that the award of bid for construction of a building at Well No. 9 to house arsenic treatment equipment for the Water Resources Department be awarded to Northern Sierra Construction, Inc., in the amount of \$168,128.

04-41STM MANAGEMENT REPORTS - AUGUST 2004

On motion by Commissioner Galloway, seconded by Commissioner Sferrazza, which motion duly carried, Chairman Shaw ordered that receipt of the District's management and financial reports for the month of August 2004 be accepted.

PUBLIC COMMENTS

There was no response to the call for public comments.

BOARD AND STAFF COMMENTS

Commissioner Galloway requested that staff inform him of anyone who could remove boron from water.

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

JAMES M. SHAW, 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
Lori Rowe, Deputy County Clerk*