



**Sun Valley General Improvement District
Board Meeting Minutes of
June 28, 2018**

Board Members Present:

Sandra Ainsworth	Chair
Susan Severt	Vice Chair
Carmen Ortiz	Treasurer
Garth Elliott	Trustee

Board Members Not Present:

Joseph Barstow	Secretary
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Staff Present:

Jon Combs	SVGID, General Manager
Chris Melton	SVGID, Public Works Director
Erin Dowling	SVGID, Customer Service Supervisor
Jennifer Merritt	SVGID, Administrative Assistant
Maddy Shipman	SVGID, Legal Counsel

Other Members Present:

Linda Elliott	Audience
Glenda Walls	Audience
Nancyann Leeder	Nancyann Leeder, Esq.
Jared Rossi	LP Insurance Services
Stephen Romero	Willis Pooling Services
Mike Rebaleati	POOL/PACT

The meeting of the Sun Valley General Improvement District was called to order by Chairperson Ainsworth at 6:00 pm in the Sun Valley District Administrative Building, 5000 Sun Valley Blvd., Sun Valley, NV.

Item# 1. Roll call and determination of a quorum.

Board members present; Chairperson Ainsworth, Vice Chair Severt, and Treasurer Ortiz. A quorum was present.

Item# 2. Pledge of Allegiance.

Led by Vice Chair Severt

Item# 3. Public comments for items not on the agenda.

None

Item# 4. Motion to approve the agenda.

Vice Chair Severt made a motion to approve the agenda. Chairperson Ainsworth seconded the motion. The motion carried unanimously.

Item# 5. Certify posting of the agenda.

Ms. Merritt certified posting of the agenda.

Item# 6. Trustee/Manager's announcements, request for information, and statements relating to items not on the agenda.

Mr. Combs announced the Sun Valley Pool is offering a FREE Swim Day July 4th sponsored by Teresa Benitez Thompson. He also announced the District's water improvements related to the middle school project will begin next week.

Trustee Elliott arrive at 6:05 PM

Item# 7. Discussion and action to approve accounts payable and customer refunds for June 14, 2018.

Treasurer Ortiz gave a brief report of the accounts payable for June 14, 2018.

Treasurer Ortiz made a motion to approve the accounts payable for June 14, 2018 in the total amount of \$181,830.11. Vice Chair Severt seconded the motion. The motion carried unanimously.

Treasurer Ortiz gave a brief report of the customer refunds for June 14, 2018.

Treasurer Ortiz made a motion to approve customer refunds for June 14, 2018 in the total amount of \$1,530.28. Vice Chair Severt seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 8. Discussion and action to approve accounts payable and customer refunds for June 28, 2018.

Treasurer Ortiz gave a brief report of the accounts payable for June 28, 2018.

Treasurer Ortiz made a motion to approve the accounts payable for June 28, 2018 in the total amount of \$233,947.26. Vice Chair Severt seconded the motion. The motion carried unanimously.

Treasurer Ortiz gave a brief report of the customer refunds for June 28, 2018.

Treasurer Ortiz made a motion to approve customer refunds for June 28, 2018 in the total amount of \$813.83. Vice Chair Severt seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 9. Discussion and motion to approve Board Meeting Minutes of May 24, 2018.

Treasurer Ortiz made motion to approve the Board Meeting Minutes of May 24, 2018 as submitted. Trustee Elliott seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 10. Discussion and motion to approve Board Special Meeting Minutes of June 7, 2018.

Treasurer Ortiz made a motion to approve the Board Special Meeting Minutes of June 07, 2018 as submitted. Vice Chair Severt seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 11. Discussion and action to approve renewal of Nancyann Leeder legal service agreement.

Mr. Combs provided a copy of Nancyann Leeder's Legal Service Agreement for review. He reported Ms. Leeder is the District's backup legal counsel and staff is requesting approval to renew her agreement. The agreement term is for one year commencing on July 1, 2018. He also reported Ms. Leeder is honoring her current service rate of \$150.00 per hour, plus cost if any.

Trustee Elliott made a motion to approve Nancyann Leeder's Legal Service Agreement to provide backup legal service. Treasurer Ortiz seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 12. Presentation by Nevada Public Agency Insurance and LP Insurance and possible acceptance of liability insurance renewal proposal for District facilities.

Jared Rossi with LP Insurance Services briefly presented the deductibles and summary of coverage's. Mr. Rossi provided a brief overview showing the comparison of coverage for 2017/2018 to the renewal of 2018/2019. The District's policy has a \$500 deductible for each and every loss that is reported. He reported the property limit is a blanket limit with a maximum limit of \$3M per loss for all members, \$150M aggregate for earthquake and flood, \$100,000 per loss for equipment breakdown, \$5M per loss for unintentional errors and omissions, \$10M for each liability event and general aggregate per member (liability included: auto, general, personal injury, employment practices, law enforcement and wrongful acts liability). He reported the cyber liability aggregate is \$3M aggregate per event (an increase in coverage compared to last year's \$2M aggregate per event) and \$500,000 for privacy response expense coverage. The District's Environmental Liability Coverage also known as pollution, is \$2M for each incident with a \$10M aggregate and a \$25,000 deductible for Coverage A – third party claims for bodily injury, property damage or remediation expense, Coverage B – first party remediation expense, Coverage C – emergency response expense and Coverage D – business interruption (365 day limit with a 3 day deductible). The District's total program cost including all services for 2018/2019 is \$61,816.05 a minimal increase of 8% over last year's cost of \$57,078.18.

Mr. Rossi briefly reported on the District's history and exposure for last year. The District's payroll increased approximately 4%, total insured value increased 2.68%, one vehicle was added to the policy increasing the policy by 8% and the District's five year loss history is a total of \$52,881 in losses.

Chairperson Ainsworth inquired if the 8% increase is contributed to the District adding new equipment and increase in salaries.

Mr. Rossi responded the increase is a combination of factors; increase in salaries, new equipment, losses and the overall 12% POOL/PACT "Group" increase.

Trustee Elliott reported the District recently purchased a backup generator to be used during power outages. He hopes this is taken into consideration and provides a decreases in rates to the District since the District will not be exposed to business interruptions.

Stephen Romero with Willis Pooling Services representing Nevada Public Agency Insurance Pool. He provided an organizational chart for informational purposes. The chart shows all of the different services that the POOL/PACT provides to each of its members. He stated the POOL program is primarily a Risk Management program. Any improvements the District makes it not only a benefit to the District but it also provides a savings benefit to other POOL/PACT members and visa-versa.

Mike Rebaleati with POOL/PACT stated a representative is assigned to the District and performs an asset assessment of the District to evaluate what savings can be offered to the District as well as other savings from other members. He also informed the District that currently the POOL/PACT offers \$3M in Cyber Security; however the POOL/PACT may no longer offer this coverage to its members within the next two to three years.

After further discussion Vice Chair Severt made a motion to approve the renewal of the District's insurance with POOL/PACT in the total amount of \$61,816.05. Chairperson Ainsworth seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 13. Discussion and action regarding District employee health, dental and vision insurance renewal.

Mr. Combs reported during the May 24, 2018 District Board Meeting, a presentation was provided by LP Insurance representative going over each of the health plans that are available for the District for consideration. The Board had requested the District health insurance renewal to be brought back as an action item so the Board could formally approve what plan they would like to offer to the District employees. He reported the District's current Health Insurance plan has a renewal increase of 9.1% a \$9,000 increase to health insurance premiums with a total renewal cost for health, vision, dental and life of \$263,079.00.

Trustee Elliott stated any increases to the District is paid by the rate payer. He would strongly encourage the Board to take in consideration not only the health insurance benefits tonight, but also the potential approval of annual raises.

Additional discussion ensued regarding the difference in coverage on the various plan options for consideration.

Vice Chair Severt made a motion to renew the District's current Hometown Health Insurance Plan, Superior Visions and Standard Life and Dental. Chairperson Ainsworth seconded the motion.

Trustee Elliott suggested the District look into joining a health insurance pool to help with premiums. He was appalled last year when the Board approved to renew the District's health insurance that was equivalent to a \$36,000 increase and also approved raises to employees' compensation. He strongly encourages staff to look in to options to minimize future increases.

Vice Chair Severt commented she does not believe public agencies are allowed to pool for health insurance according to the Affordable Care Act. She inquired what health insurance plan would Trustee Elliott support.

Trustee Elliott responded based on the plan options provided to the District there is not a significant savings to change. He stated the District could potentially save if the District changed plans that drastically change the deductibles and out of pocket expenses and put more of the increases on the employees, but that is not what the rest of the Board wants.

After discussion the motion carried by the following:

Yeas: Treasurer Ortiz, Vice Chair Severt, Chairperson Ainsworth

Nays: Trustee Elliott

There were no public comments.

Item# 14. Discussion and action to approve final summer PipeLine newsletter for distribution.

Mr. Combs provided a copy of the final draft of the summer PipeLine newsletter for review and approval.

Vice Chair Severt made a motion to approve the final draft of the summer PipeLine newsletter as submitted. Trustee Elliott seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 15. Discussion and action to proclaim July as Recreation Month.

Mr. Combs reported the District is participating in celebrating Park and Recreation Month, an initiative of the National Recreation and Park Association. The initiative invites and encourages everyone to explore A Lifetime Discovery at the Sun Valley local park and recreation facilities. He stated the District had been supporting Park and Recreation Month for several years and requested approval to proclaim July as Recreation Month.

After some discussion Treasurer Ortiz made a motion to adopt Proclamation designating July as Park and Recreation Month. Vice Chair Severt seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 16. Presentation by Jon Combs regarding the District Electronic/Appliance Recycling Event.

Mr. Combs reported the District held an Appliance/Electronic Recycling Event on April 21, 2018. The event was a huge success and thanked all of those who volunteered with the event. He thanked SIMS Metal Management and Lifecycle Solutions who also partnered with the event. The District budgeted \$8,000 to host the recycling event. He was proud to announce the District collected 9.54 tons of metal from recycled appliances;

providing the District \$696.92 in recycled metal. The District collected 237 TV's and 74 monitors costing the District \$7,595 to recycle, however the Board approved to allow each customer the opportunity to recycle two units at no charge and collect \$20 for each additional unit. The District collected \$377.00 for the disposal of additional TV's and monitors. The District also received \$161.40 from recycled batteries. He reported after applying the monies collected from the recycled material and for additional TV's and monitors, the event cost approximately \$6,341.68, not including staff time.

Mr. Melton reported that the District has been notified that next year there will be a fee to all recycled TV's, no matter what type of television. Flat screen monitors will still be able to be recycled at no charge.

There were no public comments.

Item# 17. Ratification of action taken at the special meeting June 7, 2018 regarding the setting of the new General Manager salary; ratification recommended by counsel as the subject of salary wasn't explicit in the June 7, 2018 agenda item.

Ms. Shipman requested this agenda item to be on the safe side. She stated she rewrote the June 7, 2018 agenda item implicit and the hiring includes the salary for the hiring of the new General Manager. Because salary was not a part of the agenda item she is requesting for ratification of the Boards action taken during the District's Special Meeting held on June 7, 2018.

Vice Chair Sever made a motion to ratify action taken on June 7, 2018 regarding the setting of the new General Managers salary. Chairperson Ainsworth seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 18. Update by District General Manager regarding promotion within for Public Works Director.

Mr. Combs announced he promoted Chris Melton from Field Supervisor to Public Works Director effective June 28, 2018. He believes Mr. Melton will do a great job for the District.

Mr. Melton thanked the Board and Mr. Combs for the opportunity.

There were no public comments.

Item# 19. Discussion and possible action per District personnel policy 9.3.1.; Board to determine percentages for potential staff wage increase and/or consideration of alternative incentives.

Mr. Combs reported June of each year the Board sets the percentage for potential raises based on employee evaluations. The employee evaluation scores are determined by District management and supervisors. He reported the approved 2018/2019 budget has 5% built in for potential raises or consideration of alternative incentives for the employees.

Chairperson Ainsworth commented she had the opportunity to speak with prior General Manager, Darrin Price, who can't make it to tonight's meeting. Mr. Price stated the District has been subject to a lot of changes over the past year especially with new development. He feels that the employees still deserve a raise due to the amount of work load increases and suggested a 3% increase. She also stated she would like to see at least a cost of living

raise for the employees. She has seen the cost of living percentage between 2.25% and 2.5%.

Mr. Combs reported the Western States CPI is 3.2%. The 2.25% and 2.5% is the average raises that the other General Improvement Districts are offering to their employees.

Trustee Elliott briefly recapped what the Board approved last year for employees. He believes that some employees received over a 5% increase if they received the evaluation multiplier. He stated the increase that was approved for the employees was on top of the \$36,000 increase the Board approved to absorb by renewing for employee health benefits. He will support no more than a 2% for annual raises.

Mr. Combs reported there will be three employees that will not be eligible for an annual raise and those positions will be the General Manager, Public Works Director and Field Supervisor. He also reported there is only one field employee who qualified for the multiplier; he is the same employee that is being considered for a promotion to Field Supervisor.

Ms. Dowling reported of the four full time office employees two of them are eligible for the multiplier and the other two are eligible for whatever percentage is set by the board. She briefly went over the accomplishments for the 2017/2018 fiscal year. It has been a huge year for growth, change and managing the District's daily operations while trying to stay current with all the new technology changes. The biggest change is District management; she hopes that management can evaluate alternative ways to attracting and being able to recruit new employees as vacancies occur. She reminded the Board that in September 2014 the Board took action to require all new hires to be responsible for half of the health insurance premiums for their spouses and dependents. Currently, three of the District employees are subject to this requirement and they would be greatly impacted if no raises are offered, yet they still have an increase in their share of the health insurance premiums. She also stated the District lost an employee this year and rumor has it, it was due to the cost of health insurance they were responsible for. She stated the employees are extremely appreciative of the health insurance provided by the District especially when it is 100% paid for. The new hires are feeling the impacts of the health insurance deductions as premiums increase. She is also concerned if raises are not approved by the Board how it will impact the employees' morale. Employees are working together very hard, especially with it being recreation season and with all the new development. She is very proud of all the work and accomplishments by both the field and office employees.

Mr. Melton reported there are a lot of contractors involved with the new growth. Aside of the contractors, there is a lot of preparations involved by the District day to day. He reported the District was unable to fill the part-time park maintenance position this year, so District field staff had to pick up these additional duties.

Treasurer Ortiz commented as a single mom the last thing she wants to do is raise rates on the rate payers. She is both sad and angry of the five year rate increase passed by Truckee Meadows Water Authority forcing the District to raise rates. The District is now struggling with keeping amazing employees who are experienced and loyal who can leave at any minute because there are better financial opportunities available. She would like to see the District do what it can to keep current and future employees.

Vice Chair Severt concurred with Treasure Ortiz's comments. She does not believe that Truckee Meadows Water Authority needed the rate increase, but they were able to get a

multiyear increase passed. It is a burden on every customer who has to purchase water within our region. She would be content with a 2.5% or 3% raise for the employees. She also stated she requested the District in 2014 to consider having the employees be responsible for a portion of the health insurance premiums to help alleviate some of the burden on the District having to pay for the annual premium increases. Many other employers require the employees to pay a portion of their spouse and dependents premiums and overtime the burden will be on all the employees, unless another Board changes it.

Chairperson Ainsworth stated she was going to support a 2% raise taking into consideration the continuation of renewing the District's current health insurance plan. After being reminded the total increase in premiums is not absorbed 100% by the District and it being shared by some of the employees who pay for their spouse and dependents, she would support a 3% raise.

Treasurer Ortiz inquired how much of an increase would an employee need to receive in order not to go backwards with the increase in health insurance premiums. She suggested a 3.2% or 3.5% to assure the employees are not going backwards.

Ms. Dowling responded she does not have a quick answer for Treasure Ortiz, it would be something that staff would have to analyze. Each employee is subject to a different premium; employee only, employee plus spouse, employee plus dependents, or employee plus family. The biggest impact to employees is those who are hired at an entry level. This could be something the District could evaluate in the future if directed; she just wanted to make sure the Board was aware of the situation going forward.

Trustee Elliott commented the existing board and prior board members are more concerned about the employees than they should be. He and some of the prior board member are more concerned of the rate payers. He does not want to second guess decisions the Board has made regarding cost sharing for health insurance, which is a step in the right direction to help with balancing District financial obligations. He believes the District is very generous with training its employees in hopes to retain them. It is rare that the District loses an employee due to more pay; majority of the loss of employees is due to interactions with the employee and staff.

Additional discussion ensued regarding proposed rate increase(s) and past approved increases. It was reported that staff on a daily basis watches and suggests ways to save in efforts to keep costs down that in return help keep rates low as possible for the rate payers. Staff also directs customers to other agencies that provide alternate resources.

Audience member Ms. Walls commented she is a rate payer and she would be ok with a 3% raise to the employees. She is always welcomed in the office and everyone is eager to assist her when needed. The District has a new manager who has new ideas which will result in potential additional savings to the rate payers.

Vice Chair Severt commented she has heard past debates regarding the District paying its employees too much. She reminded the Board that the District provides clean and safe drinking water and also are responsible for providing safe sanitary services to the Sun Valley residents. It requires to have trained, knowledgeable and experienced employees to provide these services. She was originally going to support a 2.5%, but she will support a 3%.

Mr. Combs briefly reported on some of the savings to the District's budget related to compensation for both the office and field due to the change in staffing. There is an approximately \$14,000 in savings with the new General Manager, approximately \$19,000 in savings with the new Public Works Director and Field Supervisor and approximately \$10,000 in the lower field positions.

Trustee Elliott made a motion to approve a 2%, the motion died due to the lack of a second.

*Vice Chair Severt made a motion to approve a 3% plus the multiplier. Chairperson Ainsworth seconded the motion. The motion carried by the following:
Yeas: Treasurer Ortiz, Vice Chair Severt, Chairperson Ainsworth
Nays: Trustee Elliott*

Item# 20. Update by District representative, Chairperson Ainsworth, regarding Western Regional Water Commission business, including but not limited to, the Trustees taking a position regarding the possible action of the Commission to disband itself via the 2019 legislative session.

Chairperson Ainsworth gave a brief history of the formation of the Western Regional Water Commission. During that time Sun Valley General Improvement District had to hire a lobbyist to secure a seat for the Sun Valley General Improvement District and be recognized as a member of the Western Regional Water Commission. She has been the District's representative for several years on the Western Regional Water Commission and on various occasions they have discussed disbanding the commission. The conversation has resurfaced and some of the members would like to have the commission disband during the upcoming 2019 Legislative Session. If the commission is disbanded the Sun Valley General Improvement District will no longer have representation other than the Northern Nevada Water Planning Commission that currently acts as an advisory committee to the Western Regional Water Commission. Her concerns if the Western Regional Water Commission disbands is what will happen to the 1.5% Regional Water Management Fee, what will happen to the Northern Nevada Water Planning Commission and Sun Valley General Improvement District representation on any water commission. She stated there is discussion to potentially discuss the possible request to disband the Western Regional Water Commission this summer in efforts to allow enough time for the City of Sparks, City of Reno and Washoe County the opportunity to submit a Bill Draft Request in time for the 2019 Legislative Session. She inquired what the Board would like to do at this time; is the Board in favor of disbanding the Western Regional Water Commission or does the Board want to continue to have representation. She commented the District would have to hire another experienced lobbyist to help the District maintain its representation on the commission and/or another commission or potentially try to fill the At Large vacant seat on the Truckee Meadows Water Authority Board to provide representation for the General Improvement Districts.

Additional discussion ensued regarding the importance of continuing to maintain representation on any and all water related commissions or boards. Staff was directed to follow the possibility of disbanding of the Western Regional Water Commission.

There were no public comments.

Item# 21. Legal report by Maddy Shipman.

None

Item# 22. Field report by Chris Melton.

Mr. Melton reported on the following items;

- Ladera Ranch will begin construction of homes approximately in two weeks.
- The District's water and sewer upgrades related to the middle school project are on schedule.

Item# 23. Office report by Erin Dowling.

Ms. Dowling reported on the following items;

- The 6th Annual Dive Into Summer Event was a very big success including the opening of the Sun Valley Pool for the 2018 pool season.
- The District is currently offering Senior Swim Session at the Sun Valley Pool June 25th thru June 29th from 11am until noon. She reported attendance has been low; one individual has taken advantage of the swim session twice this week.
- She reported that the Sun Valley Pool is still hiring lifeguards for the season. Hiring of lifeguards has become very competitive with private pools.
- Swim sessions continue next week and registrations have been very good.
- She thanked the Board of Trustees for the approval of raises for the employees; the employees are very appreciative.
- The District will be closed Wednesday, July 4th in observance of Independence Day.

Item# 24. Manager's report by Jon Combs.

Mr. Combs reported on the following items;

- He attended the Truckee Meadows Water Authority board meeting; he is following the discussion and possible action of repurposing of the Meter Retro Fit Fee. There is currently nothing to report at this time.
- His meeting with Washoe County Health regarding the District's waiver request for small water projects less than 500' ft. was postponed; he is waiting for the meeting to be rescheduled at this time. This would be a savings to the small property owners who would like to develop one to two lots. The District would still require all subdivisions be subject to a water project study.
- He thanked the Board on behalf of the employees for the approved raises and renewing of the District's Health Insurance.

Item# 25. Public Comments.

None

Item# 26. Board Comments.

Treasurer Ortiz announced the Washoe County School District approved to extend summer break by one week starting in 2019. She also thanked the Board for the opportunity to attend the 2018 American Water Works Association conference. The conference was extremely informative. She commented the approved meal per-diem was not enough for the time spent at the conference due to the high casino prices. She would like to review the District per-diem policy to evaluate if it needs to be modified.

Vice Chair Severt reported the Sun Valley area recently had a small brush fire from someone playing with fireworks. She reminded everyone that the fire season this year is very high. She has contacted the Washoe County Sheriff's Office and requested for additional patrol throughout the community.

Item# 27. Future Agenda Items.

Mr. Combs reported the following items will be on the next agenda;

- Marketing update by Nancy Eklof
- Review of the suggested article ideas for the fall newsletter
- Public request to waive rental fees for the use of the Sun Valley Neighborhood Center.
- Update by Sierra Nevada Construction regarding the water and sewer mainline improvements for the middle school project.

Item# 28. Adjournment.

Vice Chair Severt made a motion to adjourn at 8:05 pm. Treasurer Ortiz seconded the motion. The motion carried unanimously.

Approved by the SVGID Board of Trustees on July 12, 2018.

Minutes Prepared by:
Jennifer Merritt, Administrative Assistant