



**Sun Valley General Improvement District
Board Meeting Minutes of
April 07, 2016**

Board Members Present:

Sandra Ainsworth	Chairperson
Susan Severt	Vice Chair
Margaret Reinhardt	Secretary
Garth Elliott	Treasurer
Joseph Barstow	Trustee

Board Members Not Present:

Staff Present:

Darrin Price	SVGID, General Manager
Chris Melton	SVGID, Field Supervisor
Erin Dowling	SVGID, Customer Service Supervisor
Carol Bratcher	SVGID, Accountant
Jennifer Merritt	SVGID, Administrative Assistant
Maddy Shipman	SVGID, Legal Counsel

Audience Members Present:

Carmen Ortiz	Audience
Michael Rider	Cal Ripken
Glenda Walls	Audience

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, Secretary Reinhardt, Treasurer Elliott, and Trustee Barstow. A quorum was present.

Item# 2. Pledge of Allegiance.

Led by Trustee Barstow.

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

Michael Rider commented the Sun Valley Cal Ripken Baseball League held it's Opening Ceremonies and there was a great turn out; he thanked Vice Chair Severt for attending.

Item# 4. Motion to approve the agenda.

Secretary Reinhardt made a motion to approve the agenda. Vice Chair Severt seconded the motion. The motion carried unanimously.

Item# 5. Certify posting of the agenda.

Jennifer Merritt certified posting of the agenda.

Item# 6. Review and discussion of the Sun Valley General Improvement District tentative budget for FY 2016-2017 with action to approve.

Mr. Price reported the District is required to prepare and submit a tentative budget to the Nevada Department of Taxation on or before April 15, 2016. He stated there will be a standing agenda item regarding the budget on every agenda until the District holds its public hearing on the tentative budget on May 26, 2016. Mr. Price thanked staff for their time working diligently on the preparation of the proposed budget. He proceeded with a brief overview of the District's proposed tentative budget for fiscal year 2016-2017. The tentative budget for the District includes revenues and expenses for the water, sewer, acquisition, properties and garbage, and recreational funds. He stated the District's 2016-2017 projected tentative budget for the District's Water Fund consists of; Revenues \$3,027,000.00, Expenses \$2,428,700.00, giving an Operating Income of \$598,300.00. Once you apply Depreciation \$740,000.00, Non-Operating Revenue \$8,500.00 and Non-Operating Expenses \$205,522.00 with a total Net Income (Loss) for the Water Fund (\$338,722.00).

Mr. Price highlighted on some of the general line items on the Water Operating Budget. He reported there is a minimal increase in the operating revenue due to the collection of credit card fees. He reminded the Board of the recent credit card fee increase; however this revenue will offset the expenses for credit card transactions for both water and sewer. He stated there are no requested increases for compensation for both field and office employees. He believes staff can continue to work with the amount that was budgeted for last year and still be able to reward employees for their hard work. He reported he has not received the District' Health Insurance renewal quote yet. In anticipation of an increase, staff increased health benefits by 15%. He is hoping the quote will come in much less like prior years.

Mr. Price reported Truckee Meadows Water Authority Board has had several discussions regarding a water rate increase. At the last Standing Advisory Committee meeting, the committee made the recommendation for no water rate increase for this year. He stated to be conservative he added an increase to water purchased should the Truckee Meadows Water Authority Board approve a water rate increase later this year or next year.

Treasurer Elliott inquired about depreciation; he wanted to know the life expectancy for the District's underground infrastructure.

Mr. Price responded the underground infrastructure has a life expectancy of 50 to 100 years. The District has software program for depreciation, once the District purchases a new asset it gets loaded into the program and the depreciation amount is automatically generated.

Ms. Bratcher commented the District's depreciation program provides a depreciation calculation twice a year, every six months. Assets start depreciating at the time of purchase.

Treasurer Elliott stated he has some concerns regarding some of the District's bigger assets when it comes to repairs and/or replacements. He would like the District to be somewhat aggressive with depreciation to help avoid any short falls when it is time for replacement.

Mr. Price proceeded with the Water Operating budget and reported there is a significant increase to Hardware/Software Contracts. This increase is related to the new Sensus Data Logic Center. The District is a subscriber to the Data Logic Center for meter reads and there is an annual fee associated for the use of the Data Logic Center. Additional discussion ensued how the District collects meter reads and how it used to collect meter reads in the past. Mr. Price reported there is a minimal increase for SCADA; the District's current SCADA equipment is very old and is obsolete making it difficult to perform repairs. The District has budgeted for new SCADA equipment under Capital Improvements and believes there will be ancillary purchases needed. He reported on other minimal increases related to tanks and vehicles.

Mr. Price proceeded with the District's 2016-2017 projected tentative budget for the District's Sewer Fund that consists of; Revenues \$2,805,900.00, Expenses \$1,943,185.00, giving an Operating Income of \$862,715.00. Once you apply Deprecation \$755,000.00, Non-Operating Revenue \$3,500.00 and Non-Operating Expenses \$128,676.00 with a total Net Income (Loss) for the Sewer Fund (\$17,461.00). He stated the sewer deprecation increased this year due to the recent purchase of the new sewer cleaning truck. Mr. Price also reported the last sewer rate increase was 2009 and staff is not recommending any rate increase for the District's Sewer.

Treasurer Elliott inquired when the last water rate increase was.

Mr. Price responded the last water rate increase was 2011. He proceeded with Sewer Fund and reported there is a modest increase to sewer operating revenue due to the City of Reno's use of the sewer interceptor. He reminded the board the increase in expenses for health benefits, credit card fees, SCADA, and hardware/software contracts are split 50/50 both in water and sewer funds. He stated last year staff budgeted on the high side for the Joint Plant Operations because of the catastrophe that took place at the treatment plant. He does not anticipate the treatment plant expenses reducing because they have some capital improvement projects coming up, but staff over estimated last year's budget and reduced the Joint Plant Operation by \$40,000.00. He stated there is also a minimal increase in printing and mailing of the bills.

Ms. Dowling reported the District has not received an increase from the District's vendor for printing and mailing of the bills. The increase is related to an increase in customers and a large turn over in rental properties. She stated staff was hoping to see a reduction in printing and mailing of the bills by offering paperless billings, and online account access on the website, but customers still prefer a hard copy of their bill.

Mr. Price proceeded with the District's 2016-2017 projected tentative budget for the District's Acquisition Fund consists of; Revenues \$515,409.00, Expenses \$1,645,000.00 with a total Net Income (Loss) for the Acquisition Fund (\$1,129,591.00). He reported there is only a Net Income Loss if the District performs all of the requested Capital Improvement Projects that had been delayed for the past few years because of the down economy. He stated staff would like to consider completing some of these projects this coming fiscal year.

Ms. Bratcher reported on the Acquisition Fund revenue. The Acquisition Fund revenue comes from Water and Sewer Facilities Fees, Advalorem Tax, Interest Earned on investments and other miscellaneous revenues.

Mr. Price reported any Capital Improvement Project that has a "MP" next to the title are projects recommended by the District's engineer, Shaw Engineering, to coincide with the District's Water and Sewer Master Plans. These projects are spread out over a four year period. Other water and sewer non-master plan projects include; the request to purchase new SCADA equipment, new service truck, new 1 Ton truck, expansion of the shop building, leak audit, water transmission main replacement on east 4th Avenue, Sparks Treatment Plant expenditures, sewer system cleanout, continuation of building a GPS archive of the District's infrastructure, raising of manholes and valves for upcoming road resurfacing projects, and some other smaller miscellaneous projects.

Treasurer Elliott inquired about the alternate energy consultant item.

Mr. Price responded researching alternative energy continues to be pushed back a year because NV Energy has discontinued its solar rebate program.

Additional discussion ensued on the need of the replacement of the District's SCADA system, expansion of the shop building, field vehicles, repaving of the Annex, and the District's bond and loan obligations for both water and sewer.

Mr. Price reported on the recreation capital projects. He stated the District was not awarded funding from the Community Development Block Grant for the pool deck resurfacing and baby pool filtering. He will continue to apply for other grant funding for the pool, but the District will need to budget for pool projects in the event no funding is awarded. Staffs have evaluated the integrity of the parking lots of all the parks and have recommended a resurfacing schedule over a four year period.

Treasurer Elliott would like to look at expanding parking at the Sun Valley Community Park.

Mr. Price stated the District's 2016-2017 projected tentative budget for the District's Properties and Garbage Fund consists of; Revenues \$111,700.00, Expenses \$102,425.00, giving an Operating Income of \$9,275.00. Once you apply Deprecation \$12,820.00 with a total Net Income (Loss) for the Properties and Garbage Fund (\$3,545.00). He stated the Properties and Garbage Fund revenues are garbage franchise fees collected through Washoe County and monthly rental income for the Prosser properties. Mr. Price reported the District continues to use the Garbage Franchise Fees to offer garbage subsidies, dumpster program with Washoe County, and beautification projects.

Additional discussion ensued regarding Washoe County Franchise Agreement with Waste Management and the Board insuring that the District continues to receive its portion of the franchise fees in efforts to continue offering community assistance and beautification.

Mr. Price continued and stated the District's 2016-2017 projected tentative budget for the District's Recreation Fund consists of; Revenues \$323,550.00, Expenses \$299,280.00, giving an Operating Income of \$24,270.00. Once you apply Deprecation \$94,900.00, Non-Operating Revenue \$100.00 and Non-Operating Expenses \$60.00 with a total Net Income (Loss) for the Recreation Fund (\$71,130.00). He stated the operation revenues come from the Recreational Fee; this fee is split between Parks 60% and Pool 40%. He reported the increase in revenue is contributed to the recreation fee increase, park user fees increase, and now requiring all tenants paying their share of the utilities and rent. The increase in deprecation is contributed to the new Gepford Park Community Building. He stated last year the staff recommended hiring a seasonal employee to perform the park maintenance at all

the parks in place of contracting out the maintenance. After putting out for bid the landscaping maintenance, the District will continue to save money by contracting out the landscaping maintenance. Staff reduced this year's budgeted amount for a park employee by \$20,000.00 and increased the budgeted amount for Landscaping by \$19,000.00. He reminded the Board, the biggest savings to the District is when you combine the compensation and benefits for a park employee. He reported on the proposed increase for garbage in the parks, this is contributed to the increase in use at the parks. He also reported staff has been diligent at negotiating compensation for the Lifeguards and staff does not recommend any increases at this time.

Mr. Price recommended that the Board of Trustees approve the proposed Tentative Budget for Fiscal Year 2016-2017, direct staff to submit the Tentative Budget to the Nevada Department of Taxation, and establish Thursday, May 26, 2016 as the date for the public hearing on the tentative budget and possible approval as the final budget.

Vice Chair Severt request to combine any bids/quotes for the resurfacing and repaving of a portion of the Sun Valley Community Park and the Annex to receive a potential discount. She also request that any changes to the budget worksheets be highlighted so the Board is aware that there was a change in the budget.

Audience member Mr. Rider inquired if Cal Ripken was able to obtain a concession building for the Sun Valley Community Park, how would that impact the District's depreciation.

Mr. Price responded depreciation would all depend on the value of the concession building.

Vice Chair Severt made a motion to approve the District's 2016-2017 Tentative Budget as proposed. Secretary Reinhardt seconded the motion.

During discussion Trustee Elliott stated he wishes the District could reduce the budget by a few percent. He stated the District's budget is getting tighter and he is pleased that the District doesn't have to raise rates at this time. He is happy staff has been able to manage the budget over the years considering some of the larger hits the District has received.

Vice Chair Severt thanked staff, the Board has made a lot of changes and staff has been able to implement the changes. She also thanked Ms. Bratcher for providing a budget that is very clean and easy to understand.

After further discussion the motion carried unanimously.

Item# 7. Public Comments.

None

Item# 8. Adjournment.

Secretary Reinhardt made a motion to adjourn at 7:35 pm. Trustee Elliott seconded the motion. The motion carried unanimously.

Approved by the SVGID Board of Trustees on April 28, 2016.

Minutes Prepared by:

Jennifer Merritt, Administrative Assistant