

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

TUESDAY

3:45 P.M.

OCTOBER 10, 2006

PRESENT:

Bob Larkin, 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
Jerry McKnight, Finance and Customer Service Manager

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:

**06-39STM SUPPORT IMPLEMENTATION INTERLOCAL AGREEMENT –
REGIONAL WATER ENTITY CREATION**

Jerry McKnight, Finance and Customer Service Manager, said the outline on the discussion of this item at the September 29, 2006 joint meeting of the water purveyors was in the staff report dated October 2, 2006 along with the Outline of Interlocal Agreement dated June 1, 2006.

Chairman Larkin explained the Board lacked a quorum at the September 29, 2006 meeting, but the other three Boards had a quorum and voted to continue with the interlocal agreement process to create a regional water entity as outlined at the June 1, 2006.

Steve Cohen, Local Managing Board (LMB) Chairman, said this item reaffirmed what was done in June 2006 in light of subsequent action by the SCR 26 Subcommittee.

Chairman Larkin said there was discussion on whether or not the three differences between the June 1st Outline and the SCR 26 Bill Draft Request (BDR) should be incorporated.

4:09 p.m. Commissioner Sferrazza arrived at the meeting.

Mr. Cohen read the three differences listed on Page 2 of the staff report.

Chairman Larkin stated the Outline was passed and TMWA staff was directed to work on the Interlocal Agreement.

Commissioner Galloway stated the one difference that needed to be part of the June 1st agreement was that the new water entity would not take over ownership or operation of water plants or facilities.

4:12 p.m. Commissioner Humke arrived at the meeting.

In response to the call for public comment, Gary Schmidt supported the movement towards the Interlocal Agreement and opposed any sellouts based on intimidation by the State Legislature. He felt water rights were dedicated to General Improvement Districts (GID's) in return for services and with an accompanying anticipation of control and review through the local electoral process of the GID Board. He said any dilution to a larger Northern Nevada State process was inappropriate and probably not allowed under the State Constitution or the United States Constitution.

Mr. McKnight said the Sun Valley GID wanted their legal counsel involved in any discussions or preparation, and they were preparing a draft document that would be submitted for staff to review and deal with as part of the whole process.

On motion by Commissioner Galloway, seconded by Commissioner Humke, which motion duly carried, it was ordered that the Board of Trustees reaffirm their position in keeping with the June 1, 2006 Outline of Interlocal Agreement and based on the understanding that the new entity would not own or operate any facilities used by the existing utilities. It was further ordered that staff be directed to proceed forward with implementation of the Interlocal Agreement to create a new regional water entity.

06-40STM JOINT TECHNICAL COMMITTEE – DEVELOP FORMAL INTERLOCAL AGREEMENT – REGIONAL WATER ENTITY CREATION

Commissioner Galloway felt the Joint Technical Committee (JTC) could become more political, and the committee should be left as it was.

Chairman Larkin said appointing elected officials would be inconsistent with the advice from Richard Gammick, District Attorney. He said Mr. Gammick had a problem with elected officials serving on subcommittees who then vote on their recommendations.

Commissioner Humke said he would break from the Local Managing Board (LMB) on this issue because of the District Attorney's stance. He also did not feel this elected board had the expertise that would lend itself to a technical advisory board.

In response to the call for public comment, Gary Schmidt said a General Improvement District (GID) could not bargain away water rights. He stated water rights

could not be confiscated by the State through eminent domain. He said this Board should resist any attempts by the State to do so, and he commented on the rights of the individual GID members.

In response to Commissioner Sferrazza, Steve Cohen, LMB Chairman, said the JTC representatives were himself, Lori Williams, Truckee Meadows Water Authority General Manager; Steve Bradhurst, Water Resources Director; and Diana Langs, Sun Valley General Improvement District representative. Mr. Cohen said he made the motion out of frustration and because he felt it was the best thing to do at the time. Commissioner Sferrazza stated he was satisfied with the level of expertise on the Committee and that Mr. Cohen was an elected official.

Commissioner Galloway said Mr. Cohen was allowable because he was not a professional paid manager of STMGID. He felt that satisfied the desire of the LMB to have an elected official on the JTC.

Chairman Larkin said it was agendized to respond to the LMB. He understood there was not a majority that would approve this item and suggested moving on rather than calling for a motion. Commissioner Galloway agreed the Governing Board could take the position to leave things the way they were by moving on to the next item.

Commissioner Humke said LMB members were elected officials that were elected to a technical board. He stated that was an exception to the rule unless the District Attorney had a problem. Melanie Foster, Legal Counsel, replied she had no objection.

PUBLIC COMMENTS

There was no response to the call for public comments.

BOARD, LOCAL MANAGING BOARD, STAFF COMMENTS

Steve Cohen, Local Managing Board (LMB) Chairman, indicated the LMB was looking for a lobbyist because Fred Hillerby, Lobbyist, would not be able to represent STMGID in the next session of the Legislature. He stated he did not know if it would be brought back on the next agenda.

Commissioner Galloway agreed with Mr. Schmidt's comments on water rights. He said water rights in the State of Nevada were property rights, and he felt they should stay that way. He felt the Legislature was treading on thin ice by going further than the water purveyors were agreeing to do in the Interlocal Agreement.

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

ROBERT M. LARKIN, 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:
Jan Frazzetta
Deputy County Clerk*