

MINUTES OF MEETING
CAVE ROCK ESTATES GENERAL IMPROVEMENT DISTRICT
Thursday, November 9, 2023
1:30pm

This meeting of the Cave Rock Estates General Improvement District Board of Trustees was held on Thursday November 9 at 1:30 PM at 1317 Winding Way, Glenbrook NV 89413 and as a virtual meeting. The Zoom login is <https://us06web.zoom.us/j/6908379676?pwd=MhfR24hw0c6VGceDNGPOHxbyfjiJM5.1>; Meeting ID is 690 837 9676. Passcode: Financial. For phone, dial in at 16694449171, ID;6908379676, PW:8366472. Copies of the agenda were posted at the following locations at least 3 business days prior to the meeting day: Cave Rock/Winding Way

1. CALL TO ORDER: Meeting called to order by Chairperson Ralph Miller at 1:43 pm.

2. ROLL CALL - Establish Quorum: Ralph Miller, Norman Hauge, Dick Dernbach, Perry Muir and Mark Holmlund

GUESTS: Marge Hauge and Steve McVicar

3. PUBLIC COMMENT - Marge commented on the erosion control issue (agenda item #7) and noted the GID's reserves are limited, and major costs may eventually require a special assessment to homeowners. She recommended a discussion with Buckeye Excavation to explore more limited expenditures. This issue will be further discussed during agenda item #7.

4. APPROVAL OF AGENDA

Dick moved to approve the agenda, Norm seconded. All ayes.

5. Approval of Minutes of Regular Meeting on June 5, 2023

Dick moved to approve the Minutes of the Regular Meeting on June 5, 2023, and Mark seconded. All ayes.

6. Financials

Petition and Resolution for Exemption

Steve McVicar reviewed that this petition is a request for the State to allow the GID to do a compilation rather than a more expensive audit. The cost of the audit would be much higher and is not advised at this point because the financial activity of the GID is not complex enough to warrant an audit.

The motion to approve the Petition and Resolution for Exemption was made by Mark with a second by Norm. All ayes.

Compilation Report and Financial Statements FYE June 30, 2023

The current Balance Sheet was reviewed by Steve McVicar. The Board was advised that tax revenues plus an \$18,000 reimbursement by the County for road repairs fell short of actual expenditures by a minor amount of \$4,000. Snow removal costs were far in excess of forecast due to the heavy snow, and other expenditures were below budget. This \$4,000 deficit reduces our reserves.

Dick made the motion to approve the Compilation Report and Financial Statements FYE June 30, 2023, with a second by Norm. All ayes.

Financial Reports this fiscal year-to-date

Steve McVicar fully reviewed the fiscal report year to date. The Board discussed how the GID's reserves are invested and whether current high interest rates might justify adjusting the current investments. Steve concurred that revisiting the investment allocation would be a good idea, and the Board will further review the options available.

It was noted that, over the past few years, the income from taxes approximately covers the annual expenses, with only minor increases/decreases to our reserves. Therefore, we cannot count on accumulating larger reserves in future years. It took us 25 years to accumulate the reserve we currently have, and we should not plan on further growth until conditions change. This creates a dilemma, because deferring maintenance can be expensive, so we must find a way to perform some ongoing maintenance. Developing a strategy for addressing the most pressing needs is recommended by Steve McVicar.

Mark congratulated the Board on the excellent work on managing the road repairs and the ultimate project outcome.

Steve McVicar reviewed the Check Register to further clarify and illustrate the expenses paid.

Dick suggested that the fiscal year-end meeting with the auditors be scheduled at the end of October in 2024, rather than early November, to allow time to enter into needed contracts for the upcoming year. Steve will adjust the schedule for 2024.

7. Discussion and approval of road maintenance projects:

Snow Removal Contract

Ralph explained that the proposed snow-removal contract for next year is essentially the same as the current contract. A minimum monthly fee of \$4,000 will be assessed, with additional costs charged based on time. The costs are carefully determined with detailed invoices to show the actual time incurred. It was noted that CREGID's maximum responsibility for the clearing of the Villas driveway area is \$2,000. After the \$2,000 has been spent by the CREGID, Buckeye Excavation will bill the Villas directly.

The motion to approve the contract with Buckeye Excavation was made by Dick with a second by Norm All ayes.

Street Sweeping

Dick reported that the street sweeping cost for FY 2023 was \$8,500, not including up to \$2,500 for dump fees, for a total of \$11,000.

Dick moved to approve the contract with Bi-State Sweeping, not to exceed \$13,000 for Fall 2023. Norm seconded. All ayes.

Retaining Walls

Ralph reported that the bid to replace all of the failing wooden and rock retaining walls was submitted by F & B Excavation. The bid included armoring the retaining walls with restocking the rock at an angle.

The Board agreed that the amount was far beyond the capability of the GID to finance without a special assessment. Mark suggested that the retaining wall on Gull Court is the one which needs the most attention. The other three areas are in less need of repair, and it would be possible to defer them. Concern had been expressed that an NV Energy power pole on Gull Court might be endangered, and Dick reported that he had checked with NV Energy, and they are not concerned about the stability of that pole.

Dick also pointed out that the possibility of federal grant money to fund the project had been discussed with the emergency funding department in Douglas County. The costs of repair would not be considered if the wall had not actually fallen. The federal funds are for remediation only, not for preventive measures.

Dick is also concerned about a sewage line vent tube leak which may have caused the failure. Marge suggested that CREGID contact the Tahoe Douglas Sewer District for further evaluation of the vent pipes. Ralph agreed to speak with the Sewer District.

Perry suggested that we address the wall on Gull Court initially at a cost of \$56,250 from the F & B Bid Proposal dated July 7, 2023.

Perry proposed scheduling the project at Gull Court as soon as possible, preferably to be done in Spring, 2024. He requested that the current bid be forwarded to the Board members for further review. Ralph suggested that F & B Excavation be notified that the CREGID is interested in pursuing the project and establish a schedule date for the work. Once we know that the contractor can fit us in their schedule, a future Board meeting will be scheduled to approve the project.

Drain Cleaning

Dick assumes that the street sweeping will address the drain cleaning, but the outcome is not yet known as the sweeping is not yet complete. If additional work is required, the drain cleaning can be added to the landscaping contract with Granite Creek Landscaping, as noted by Dick and authorized by the Board.

Chukkar Sign Replacement

Dick advised the Board that the signage at the end of Chukkar has disappeared, including a notice prohibiting overnight parking and camping, along with associated fines

Dick made the motion to purchase replacement signage, not to exceed \$500, for sign replacement, seconded by Mark. All ayes.

Road Run-Off Migration

Ralph reported that water runoff from the spring snow melt had caused significant road damage at the top of Winding Way. He investigated the cause, and determined that the County may be liable for the damage.

There is an old logging road which runs downhill to the cul-de-sac at the end of Winding Way. The run-off, which was extreme, ran down that logging road, onto the pavement of Winding Way, and the torrent undermined the road. It also washed down significant mud which blocked free access to both Winding Way and Robin Circle.

That area is owned by the US Forest Service, so Ralph contacted the Forest Service about remediation. He was told that the road itself is owned by Douglas County, not by the Forest Service, and further examination of ownership records confirmed that Douglas County is, in fact, the owner of the road. Ralph also learned that Douglas County ordinances require that water deflectors be installed on all such logging roads to prevent exactly what occurred. But Douglas County had not installed the deflectors which they require by ordinance. There is a watershed which runs alongside the logging road, so if the required deflectors had been installed the damage would not have occurred.

Ralph also met with the Fire Chief, and learned that the fire department has experience with installing such deflectors, and is available and willing to install them if the County will cover the material and labor costs.

Ralph has made repeated attempts to contact the responsible people in Douglas County to discuss remediation. Numerous phone calls and emails to Rick Robillard have never been answered. His phone call to John Erb went to voice mail, and his request for a call back has never been answered.

After discussion with the Board, Ralph was asked to contact Doug Ritchie to begin a legal discussion about responsibility and action.

Mark will ask for additional estimates from Cruz Construction to mitigate and/or address this issue, which may include the installation of wattles.

Comment:

Mark brought to the attention of the board a neighborhood issue regarding parking on the street. This may become a concern when plowing the roadway.

8. ADJOURNMENT

The motion was made by Norm to adjourn the meeting with a second by Mark. All ayes. The meeting was adjourned at 3:16 pm.

Respectfully submitted,

Dick Dernbach, Secretary
Cave Rock Estates General Improvement District