

A special meeting of the Walker River Irrigation District (WRID) Board of Directors was held on May 30, 2019. The meeting was called to order at 10:00 AM at the District Board Room, 410 N. Main St, Yerington, Nevada by President Jim SNYDER.

Present:

Jim SNYDER	President
Marcus MASINI	Vice President
Richard NUTI	Treasurer
David GIORGI	Director
Robert BRYAN	General Manager
Jessica HALTERMAN	Secretary
Gordon DePAOLI	Legal Counsel
Dale FERGUSON	Legal Counsel

Public Present:

Mike Bryan	David Sceirine	Darrel Pursel	Silas Adams
Rob Lewis	Ron Menesini	Joanne Sarkisian	Ed Ryan
Isaac Metcalf	Donald Giorgi	Wendel Forrester	Don Smith

1. Public Comment:

None presented.

2. Roll Call and Determination of Quorum:

Director Acciari was absent.

3. Presentation from Walker River Irrigation District staff and District legal counsel regarding the requirements under N.R.S. Chapter 539 for the formation of local improvement districts to acquire existing multi-user irrigation ditches diverting from the River from existing owners (ditch companies and/or tenants in common) for purposes of their continued operation and maintenance by a newly formed improvement district and issues related thereto:

GM BRYAN stated the presentation and information given at the workshop is to serve as an overview of what the District is proposing; no decisions are to be made today. The Board of Directors will need to approve or deny any proposal to form a local improvement district.

Counsel DePAOLI presented information on the process of dissolving a ditch company and forming a local improvement district. Important points include:

- WRID has an example of a ditch company becoming a local improvement in the District- the Saroni Canal. The Saroni Canal went through the process of petitioning the District, completed the court process and became a local improvement district. One issue arose with the laterals of the canal; not everyone along the ditch benefits from the laterals so there were questions on if the all users were to be assessed. Laterals would be something a ditch company would need to consider.
- To form a LID, a petition to the District Board is needed. The petition must be signed by either the majority of the electors (not a headcount, but the amount of water righted acres one owns) or 1/2 of the total acreage to be affected by the improvement district.

- The boundaries of the improvement district must be defined. The ditch company must be cognizant of the Lyon County parcels as well since the assessments will be based on Lyon County Assessor Parcels; no new parcels can be created.
- Director GIORGI inquired if Lyon County will be assessing the ditch companies; Counsel DePAOLI advised the assessments will be figured by WRID and the advisory boards then just billed through the Lyon County assessment roll. GM BRYAN stated the Saroni Canal Advisory Board sets the annual assessment rate, the WRID Board approves the assessment then passes it to Lyon County to put on the annual tax bill. The assessments are paid to Lyon County, then Lyon County writes a check to WRID.
- President SNYDER inquired as to how big of a problem the boundaries are going to be; Counsel DePAOLI stated he is uncertain how big it would be or if it will be a problem, but it is something to consider. It may present as looking at a parcel where an improvement district would split the parcel into two different improvement districts.
- Vice President MASINI inquired about easements and how they would be considered; Counsel DePAOLI stated the ditch entity would convey the ditch to the improvement district and he suspects the ditches are relying on prescriptive rights through properties, but it would not be any different of a problem that it already is for the ditch company. GM BRYAN stated the benefit of being an improvement district of the District because there is language in statute that allows the District to do work in the easement.
- Ron MENESINI expressed concern of taking power away from the ditch company by forming an improvement district; GM BRYAN stated each improvement district would have an advisory board which would make decisions- aside from emergency decisions- that would be taken to the District Board for approval. GM BRYAN stated he does not recall a time where the District Board has disagreed or changed what an Advisory Board has requested. GM BRYAN stated each improvement district will have an annual meeting where the Advisory Board will be presented with any problems the District sees along the canal, what the District recommends as repair and maintenance and the Advisory Board will decide what needs to be done, the priority of the projects, and the assessment needed to cover the projects. GM BRYAN would like to have one set of by-laws that encompasses everything the ditch companies expect from the improvement ditch. As it is right now, if anything other than what was previously approved or is an emergency on the Saroni Canal, still gets brought to the Advisory Board. Before any decisions are made, GM BRYAN contacts the Saroni Advisory Board for guidance. MENESINI stated he is still concerned with losing the permanent decision over the ditch. Vice President MASINI inquired if a user on the Saroni wants to sell water rights and the Advisory Board approves the sale, the District Board can stop the sale; GM BRYAN stated the District Board does not currently approve or deny sales or purchases as of right now, so that would be a new issue to bring to the Board. Counsel DePAOLI stated the bottom line is that the District Board is the final decision maker.
- Ron MENESINI inquired where the assessments would go if water is moved from a ditch. GM BRYAN stated water has been sold off a ditch in the past, but the assessment still stays with the original ditch company and is to be paid by the water owner. Where it benefits the ditch company becoming an improvement district, is that the District can go after the delinquent assessments and put a lien against the property and eventually

assume the property for non-payment; a private ditch company has no authority to anything if someone refuses to pay the assessment.

- Counsel DePAOLI continued with the process of becoming an improvement district. Interested ditch companies would need to petition the District Board to form the improvement district which can approve or deny the request. If any costs are to be included in the petition, they must be clearly defined, and the Nevada State Department of Taxation would need approve the petition as well. If the District Board approves the petition, there must be an election of only electors within the boundaries of the improvement district. That election must be approved by 2/3 vote of the electors voting in that election. The next step would be the District Board must apportion the benefits-look at the land in the boundaries of the improvement district and decide how the lands are to be assessed. History has been to assess by the number of water righted acres. Once the petition and apportioning are completed, the next step would be to go to District Court. The court confirmation process is a time for anyone against the formation of the improvement district to complain; if they do not complain at that time, they can no longer complain about the formation. Also, once the apportionment formula is set, it cannot be changed. The next question would be how to transfer ownership of the ditch to the District. If it is a corporation, the corporation would come to the District. If it is a tenant in common ditch, one would try to get a deed from the owners of the land. The tenants in common transfer must be unanimous. If there is opposition, the District could claim eminent domain and condemn interest in the ditch.
- Darrel PURSEL inquired about ditch companies losing the ability to use private contractors. GM BRYAN stated the Advisory Board would suggest outside contractors for projects and the landowners are welcome to do repairs and maintenances as the like.
- Vice President MASINI inquired on what is to be done if a user does not agree with signing over the ditch and the ditch company board approves the transfer, can the user sue and who can they sue? Counsel DePAOLI advised the court process allows for objections and that would be the time for the user(s) to bring their complaint; if the user does not present opposition or the court confirms the formation, there is no recourse for the opposing user.
- Treasurer NUTI presented a situation where a user bypasses the Advisory Board and goes straight to the District Board; could there be a rule or regulation that states a user must go to the Advisory Board first? Counsel DePAOLI stated there is not anything in statute right now, but it may be able to be written into the District's regulations that requires the Advisory Board to be the first contact.
- Director GIORGI inquired on the timeline of forming an improvement district. Counsel DePAOLI advised there isn't a timeline as the ditch companies would need to petition the board and go through the court process. Isaac METCALF asked for a list or flowchart on what needs to be done and presented to the District; GM BRYAN stated he and Counsel would create a document and would distribute on the website and to the ditch companies.

4. Public Comment:
None presented.

5. Adjournment:

Director GIORGI made a motion to adjourn the meeting; Treasurer NUTI offered a second. The motion was voted on and passed unanimously. Meeting was adjourned at 11:38 AM by Vice President MASINI.

Jim Snyder, President

Marcus Masini, Vice President

Richard Nuti, Treasurer

ABSENT
Dennis Acciari, Director

David Giorgi, Director

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