PALOMINO VALLEY GENERAL
IMPROVEMENT DISTRICT

BOARD MEMBER'S HANDBOOK

CHAPTER III

ADMINISTRATION

REVISED October 16, 2025

Administrative Services and Accounting

The Board hires independent contractors (not employees) to perform the administrative and accounting functions of the PVGID.

It is customary for such independent contractors to submit a formal "Letter of Engagement" which outlines the contractual agreement, and should include, but is not limited to, the following:

- Services to be Provided, including an item "Any additional, mutually agreed upon, services"
- Fees for Services and Billing Increments (if applicable)
- Reimbursement for Out-of-pocket Expenses and Mileage (at IRS Business Mileage Rate)
- Professional Liability Insurance - $1,000,000 Policy, Premiums Paid by Contractor, and PVGID Listed as Additional Insured
- Non-Employee Status - Statement that contractor is a non-exclusive, Independent Contractor and not an employee of the PVGID
- Term of Agreement and Any Early Termination Stipulations

Assistant to the Secretary, Bookkeeper, and Assistant to the Board

From the first PVGID meeting in January 1974, the Board has utilized the services of an independent contractor to provide secretarial services, including writing the meeting minutes, and most of these contractors also handled the bookkeeping tasks. These contractors were called the "Assistant to the Secretary."

In 2011, a second independent contractor was hired to assist the Assistant to the Secretary, and became known as the "Assistant to the Board."

As of 2023, there are two independent contractors, a Bookkeeper and an Assistant to the Board.

The Bookkeeper handles the financial matters, including:

- All accounting functions utilizing Quickbooks software
- Financial Reporting
- Payroll and Employee Benefits

The Assistant to the Board handles administrative tasks, such as:

- Prepare Agendas and Meeting Materials
- Attend Meetings
- Write Minutes
- Maintain Records and Files
- Handle Correspondence
- Maintain Calendar of Important Dates

Finances

Bank Accounts

Currently, there are three (3) bank accounts, and all three are established with Wells Fargo Bank.

Note: Per the annual audit reports of the PVGID's financial statements: Wells Fargo Bank participates in the Nevada Collateral Pool program which provides collateral for uninsured public funds in financial institutions, and thereby secures all cash and cash equivalents deposited with the bank. Therefore, the District does not need to have a deposit policy related to custodial credit risk.

[www.nevadatreasurer.gov/Finances/CollateralPool/CP_Home/]

Bank Account Management Policy:

This policy sets certain requirements for opening, closing, updating, and maintaining the PVGID's bank accounts. The purpose of this policy is to establish adequate controls over the financial assets and to minimize the risk of financial loss.

Initiating and Authorizing

The establishment of, or a change in, or the closure of any bank account requires Board of Trustees approval. The request must be signed by the President of the Board, or his/her designee, and then sent to the Bookkeeper for record keeping.

Key Executives

The Key Executives have authority and control over managing the bank accounts. The following positions are assigned to the Key Executive role: President, Treasurer, Bookkeeper, and Assistant to the Board.

Authorized Signers

Authorized signers are legally permitted to spend or commit monies from the assigned account. They can write checks, transfer money between accounts, and deposit money, but only after proper approval is granted by either the President or Treasurer. They can access bank balances electronically. When assigned the role of Authorized Signer, the individual has a fiduciary responsibility to act in the best interest of the PVGID.

The following positions have been assigned as Authorized Signers on all three (3) bank accounts: President, Vice President, Treasurer, Bookkeeper, and Assistant to the Board.

An authorized signer who is separated from the PVGID, or otherwise has a change in responsibilities, must be removed from the bank accounts immediately.

Reconciling and Reporting

The Bookkeeper reconciles each account monthly and at year end. A copy of the account statement will be filed with each account reconciliation.

Finances (Contd)

Credit Cards

The Board determined there was a need to allow certain Trustees and employees the use of a credit card to make purchases when items are needed but when it is not expedient, practical, or desirable to have a check available when payment is demanded. Also, having a credit card allows the GID to participate in equipment and vehicle auctions, because auction companies require a credit card to be on file before you can bid.

At the December 20, 2018 meeting, the Board approved getting Wells Fargo Business Elite Credit Cards (BECC) with the Cash Rewards Program. With the cash rewards program, the GID receives a quarterly statement credit equal to 1.5% of all purchases made on both credit cards for the previous calendar quarter. The credit cards are used to make purchases and pay any bills where the vendor does not charge a processing fee for using a credit card (usually 3%). For example, a former GID legal counsel's law firm did not charge an extra fee for using a credit card, so monthly invoices were paid using the credit card and the GID received a 1.5% BECC statement credit.

Credit Card Policy:

Initiating and Authorizing

The establishment of, or a change in, or the closure of any credit card requires Board of Trustees approval. The request must be signed by the President of the Board, or his/her designee, and then sent to the Bookkeeper for record keeping.

At present day, there are two (2) credit card accounts established with Wells Fargo Bank. The total credit limit for the PVGID is $50,000. The designated cardholders and their individual credit card limits are as follows:

Treasurer - limit $35,000

Operations Manager (OM) - limit $15,000

Any trustee or employee who is issued a credit card acknowledges their responsibility to comply with this credit card policy.

Electronic Administrator Access

The following positions have been assigned administrator access to view activity and process online payments on the credit cards: President, Bookkeeper, and Assistant to the Board.

When necessary to grant administrator access to a newly named individual, the form "Small Business Card authorization to grant Wells Fargo Online administrator access" must be completed and faxed to Wells Fargo.

Finances (Contd)

Credit Card Policy (Contd):

Authorized Purchases

In order to maximize cash rewards, the OM is encouraged to use the credit card to make purchases which are deemed appropriate for the conduct of the PVGID's business, but only when no additional fee is imposed for using a credit card.

The bookkeeper shall use the Treasurer's credit card to pay recurring bills such as utility bills, and any other invoices in order to not deplete the OM's available credit balance. Again, only when there's no added charge for the use of a credit card.

For the OM: If a single purchase will exceed $1,500, the OM will get verbal approval from a Trustee, preferably the President of the Board.

For all credit card holders: PVGID credit cards are not to be used for personal expenditures or to obtain cash, even if the intent is to reimburse the PVGID.

Recording and Processing

The Operations Manager will provide the Bookkeeper with all original receipts, including any approvals. The Bookkeeper reviews receipts to ensure accuracy, reasonableness of the classification of the expense, and that the appropriate authorizations, if any, were obtained.

Reconciling

The Bookkeeper reconciles each credit card statement monthly. A copy of the account statement will be filed with each account reconciliation.

Payment

The PVGID must pay credit card statement balances in full each month. The Bookkeeper will process the monthly credit card payment, electronically, no later than one day before the due date.

Finances (Contd)

Petty Cash

The Board established a petty cash fund to pay for incidental expenses. Currently, the petty cash fund is $400.

Petty Cash Control Policy:

Initiating and Authorizing

The establishment of, or a change in the amount of, the petty cash fund requires Board of Trustees approval. The request must be signed by the President of the Board, or his/her designee, and then sent to the Bookkeeper for record keeping.

Recording and Processing

When an employee, trustee, or independent contractor presents an original receipt for a purchase made on behalf of the PVGID and receives reimbursement, that individual will acknowledge receiving the funds by signing the store receipt.

If an advance is made from the petty cash fund to an employee, trustee, or independent contractor, the person responsible for maintaining the fund shall write a simple note to that effect and the individual given the advance will sign the note. After the purchase is made, the original receipt and any change will be turned in and the note attached to the receipt.

Items purchased for the PVGID should be on a separate receipt and not co-mingled with items purchased for the individual.

When the person maintaining the petty cash fund deems it necessary to replenish the fund, that individual will provide the Bookkeeper with the original receipts and an accounting of the cash on hand. The Bookkeeper will review the request to ensure accuracy and reasonableness of the classification of the expense(s). Then the Bookkeeper (or other authorized bank account signer) will obtain the cash needed to replenish the fund.

Reconciling and Reporting

Just prior to the end of the fiscal year, June 30th, the petty cash fund is to be replenished through the above process. This is to ensure that all expenses are accounted for and recorded in the fiscal year in which they were incurred.

Finances (Contd)

Financial Reporting

As a governmental entity, the GID's financial statements are different than those of a private business. The focus is not on profit and loss, but whether or not the District is spending within the budget, and most importantly, not spending money they don't have. The Board must administer the funds in accordance with the budget documents filed with the Department of Taxation. The accounting of these funds is done through a single, General Fund, which accounts for all revenues and expenditures.

Sources of Income:

1. Ad Valorem Tax/Property Tax: Tax on the assessed value of all real property within the District, including taxes on personal, business, and centrally assessed property.
2. Consolidated Tax (CTX): This tax consists of a percentage of the total sales and use tax rate imposed statewide (combined for the Supplemental City-County Relief Tax, Basic City-County Relief Tax, Cigarette Tax, Liquor Tax, Government Services Tax, and Real Property Transfer Tax).

   The PVGID's CTX distribution reflects an alternate formula created by a May 15, 2012, interlocal agreement (IA) with the Truckee Meadows Fire Protection District. In summary, the IA stipulates that, 1. The parties agree to adjust their respective property tax rates effective July 1, 2012, such that PV's tax rate shall decrease by 0.0687 from 0.4885 to 0.4198, and TM's tax rate shall increase by 0.0687 from 0.4713 to 0.5400, and 2. The parties agree that for the years following FY 12-13, effective July 1, 2013, they shall install an alternative formula for distribution of their respective Consolidated Tax base in order to keep PV whole in its revenues. For FY 13-14, this alternative formula will include an adjustment of each entity's base Consolidated Taxes through the Department of Taxation by increasing PV's Consolidated Tax base by the greater of $45,000 or the amount the 0.0687 tax rate would generate and decreasing TM's Consolidated Tax base by the greater of $45,000 or the amount the 0.0687 tax rate would generate. In each subsequent fiscal year starting with FY 14-15, the alternative formula will be reviewed to provide PV an amount equal to the greater of the amount generated by the Consolidated Tax adjustment or the amount the 0.0678 tax rate would generate.
3. Local Government Tax Act (LGTA) [aka Fair Share or AB 104]: This income source is another component of the Consolidated Tax (CTX). This tax was established to make up for revenues lost by certain counties, including Washoe County, when the Supplemental City-County Relief Tax (SCCRT) distributed to those counties was reduced and the SCCRT revenues going to Clark County were increased to more closely match the sales taxes derived from Clark County.
4. Miscellaneous Income: Mainly interest income on various bank accounts.

Finances (Contd)

Taxation – Ad Valorem/Property Tax and the GID Tax Rate

Per Nevada Revised Statutes (NRS) Chapter 318, the PVGID has "the power and authority to levy and collect general (ad valorem) taxes on and against all taxable property within the district."

Each February, as part of the budgeting process for the upcoming fiscal year (beginning July 1st through June 30th of the next year), the Board must determine the tax rate for the next fiscal year. Therefore, the February agenda will contain an item for "Determination of Tax Rate."

Statutorily (NRS 361), there is a limitation on the total property tax rate. As of this revision (October 16, 2025), "the total ad valorem tax levy for all public purposes must not exceed $3.64 on each $100 of assessed valuation." Note: As of this revision (12/1/2024), the maximum total tax levy is $3.66, because 2 cents was added to the State's tax rate in 2023.

The properties within the PVGID fall into four taxing districts. All four taxing districts are considered to be overlapping districts, as follows (and shown in the table below):

1. 4000 - Truckee Meadows Fire Protection
   Overlapping Districts: State, WC Schools, WC, & TMFire
   (These properties have gone through the PVGID exclusion process)
2. 4400 - Truckee Meadows Fire Protection
   Overlapping Districts: State, WC Schools, WC, PVGID, & TMFire
3. 9000 - Washoe County (Unincorporated)
   Overlapping Districts: State, WC Schools, & WC
   (These properties have gone through the PVGID exclusion process, and are North of the Township 22 line and not in the TMFire District)
4. 9400 - Palomino Valley GID (Non-fire District)
   Overlapping Districts: State, WC Schools, WC, & PVGID
   (These properties are North of the Township 22 Line)

WASHOE COUNTY
OVERLAPPING TAXING DISTRICTS

ENTITY	TAXING DISTRICT	OVERLAPPING DISTRICTS	TOTAL PROPERTY TAX RATE
Reno	1000, 1001, 1002, 1011, 1030,	10+20+100+201	3.6600
	1800, 1811, 1831	10+20+100+201	3.6600
Sparks	2000, 2002, 2020	10+20+100+202	3.6600
Truckee Meadows Fire Protection	4000, 4011, 4500, 4811	10+20+100+307	3.2402
	4020	10+20+100+306+307	3.4698
	4400	10+20+100+303+307	3.6600
North Lake Tahoe Fire Protection	5000	10+20+100+302	3.3482
Incline Village GID	5200	10+20+100+301+302	3.4852
Washoe County (unincorporated)	9000	10+20+100	2.7002
Palomino Valley GID (non-fire district)	9400	10+20+100+303	3.1200
Gerlach GID	9601	10+20+100+310	3.0000
Grandview Terrace	4030	10+20+100+307	3.2402

ENTITY CODE	ENTITY	ENTITY RATE
10	State of Nevada #	0.1700
20	Washoe County School District	1.1385
100	Washoe County	1.3917
201	Reno	0.9598
202	Sparks	0.9598
301	Incline Village GID	0.1370
302	North Lake Tahoe Fire Protection District	0.6480
303	Palomino Valley GID	0.4198
306	Sun Valley Water & Sanitation District	0.2296
307	Truckee Meadows Fire Protection District	0.5400
310	Gerlach GID	0.2998

 # PURSUANT TO AB1 (2023, 34th Special Session), 2¢ ADDED TO STATE TAX RATE; $0.0118 FOR CAPITAL PROJECTS & $0.0082 FOR CONSERVATION OF NATURAL RESOURCES. OUTSIDE PROPERTY TAX RATE CAP.

Finances (Contd)

Taxation – Ad Valorem/Property Tax and the GID Tax Rate (Contd)

The total tax rate limitation of $3.66, has been met for taxing district #4400, and cannot be exceeded (at this time). Therefore, when addressing the "Determination of Tax Rate" agenda item in February, the Board currently has only two choices: to keep the 0.4198 tax rate the same or reduce it. A motion must be made and voted on, with an affirmative vote of at least three Trustees. The approved action must be reported to the State Department of Taxation by the deadline date (normally, on or about February 21st).

The property tax bill property owners receive from Washoe County, includes the GID property taxes. The GID's tax rate is applied to the assessed value and appears as a separate line item on the property owner's tax statement.

Example:

Assessed Value	=	$250,000
PVGID Tax Rate	=	0.4198
GID Taxes Due Before Abatement	=	$1,049.50*

*Property Tax Cap/Partial Abatement

In 2005, the Nevada State Legislature passed a law providing a property tax cap system designed to protect homeowners from drastic increases in their property taxes year over year. The tax cap limits the amount that property taxes can increase from one year to the next. For residential properties that are the owner's primary residence, the tax cap is either 3% or the average growth rate of the last 10 years, whichever is lower.

A cap of up to 8% on the tax bill is applied to residences that are not owner occupied, and also applies to land, commercial buildings, business personal property, aircraft, etc. New construction or property that has a change of use (zoning change or manufactured home conversion) does not qualify for any cap for the first fiscal year but will receive the 3% or up to an 8% cap starting the following fiscal year.

Example of Tax Cap/Abatement:

Previous Year Assessed Value	=	$225,000
Previous Year PVGID Tax Rate	=	0.4198
Previous Year GID Taxes Due	=	$ 944.55
3% Tax Cap/Abatement	=	x 1.03
Maximum GID Tax Bill for Current Year	=	$ 972.89
Current Year GID Taxes Due Before Cap Applied	=	$1,049.50
Maximum GID Tax Bill for Current Year	=	$ 972.89
Amount of Abatement	=	$ 76.61

Finances (Contd)

Taxation – Ad Valorem/Property Tax and the GID Tax Rate (Contd)

The majority of taxpayers pay their property taxes in four installments. Therefore, the GID receives the ad valorem income four times per fiscal year, usually within one month of the installment dates, as follows:

- First tax installment is due on the third Monday in August – The GID usually gets its largest check in September (this is due in part because some property owners pay the entire amount due in August, instead of spreading the amount owed over the four installments).
- Second tax installment is due on the first Monday in October and the GID receives their revenue in November.
- Third tax installment is due on the first Monday in January and the GID receives their revenue in February.
- Fourth tax installment is due on the first Monday in March and the GID receives their revenue in April.

This schedule of property tax collection means that cash flows from this revenue source are uneven; from mid-April to mid-September, property tax revenue may be non-existent or insignificant.

Transaction Report

A monthly transaction report is prepared by the bookkeeper which lists the bank account balances (including the petty cash account, if any), income received from all revenue sources: Ad Valorem/Property Tax, Consolidated Tax (CTX), and Local Government Tax Act (LGTA)/Fair Share Tax, and interest income and any other income, payments that have already been made and have cleared the bank (via auto pay, bill pay, check, etc.). A list of “Pending Invoices” is provided which lists payments that have been made but have not cleared the bank as of the transaction report date.

Finances (Contd)

Estimated Net Operating Funds for Road Improvements Report

The Estimated Net Operating Funds for Road Improvements report is a planning tool that provides the Board with an estimate of how much money might be available for road improvement projects. The report covers the period from September 1st to August 31st of the following year. The summer months (May through August) are typically when the major road improvement projects happen. However, the revenue received by the District for the fourth (last) Ad Valorem (property tax) installment is received in April, and the next (first) Ad Valorem revenue installment is not received until September. That leaves the District without any, or an insignificant amount of, Ad Valorem income during the five months of May through August, which coincides with the construction season.

Report Components:

1. Estimated Operating Funds Through August 31st

   This figure is comprised of the total cash in all bank accounts as of the date the monthly transaction report was generated, plus the additional revenue expected through August 31st.

   The additional revenue expected comes from the chart on page 2 of the report showing the actual and estimated revenue from the three main revenue sources: Ad Valorem (Property Tax), Consolidated Tax (CTX), and the Local Government Tax Act (LGTA).

2. Estimated Expenses & Reserves Through August 31st

   The expenses and reserves are funds that include the average monthly expenses for payroll and other, non road maintenance, expenses; holdbacks for the capital outlay budget, pre-approved road improvement projects, and miscellaneous fixed expenses, such as the quarterly workers' comp insurance, the annual audit of the financial statements, and the liability insurance annual premium; and lastly, the reserve funds which, statutorily, must equal the ending fund balance per the final budget.

3. Estimated Net Operating Funds for Road Improvements as of August 31st

   The Estimated Net Operating Funds for Road Improvements as of August 31st figure is the result of subtracting the Estimated Expenses & Reserves Through August 31st amount from the Estimated Operating Funds Through August 31st amount. [Formula: 1 minus 2 equals 3]

This report becomes useful as a planning tool in the spring when the Board is assessing the road improvement projects that are needed throughout the District. At this time, six to eight months have passed since the 12-month reporting period started, and actual revenue received can be compared to the estimated revenue figures. Any major deviations can be analyzed and taken into consideration when determining, conservatively, how much money will be available to spend on road improvement projects during the summer construction season.

Finances (Contd)

Budget Process

Being a governmental entity, the GID is subject to very specific and strict budget guidelines.

The fiscal year runs from July 1st to June 30th.

The budget process starts all over from scratch for each new fiscal year. There is no “rolling over” or “carrying forward” budget figures from one year to the next.

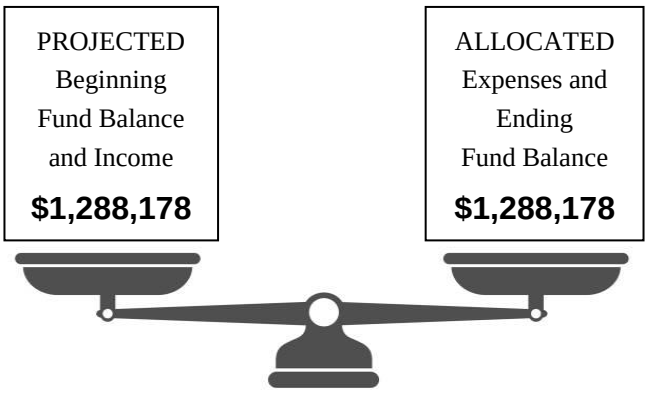
There is a misconception that if the GID doesn’t use what is budgeted, they lose it. That is not the case. Actual revenues received go into the GID’s bank account and no entity can take that money from the GID.

The annual budget process begins with the tentative budget, which is due to the State Department of Taxation no later than April 15th. The GID starts working on the tentative budget in February and finalizes and approves it at the March meeting because the April meeting is usually held after the April 15th deadline.

By the April meeting, the GID has the final, most accurate, revenue projections and work on the final budget begins. The GID holds a public hearing on the budget during the May meeting. Statutorily (NRS 354), this special budget hearing is required to be held “no sooner than the third Monday in May and no later than the last day in May.” Therefore, if the regular monthly meeting (currently held on the third Thursday) does not fall between the statutory dates, a special meeting must be held. When this occurs, historically, the Board has rescheduled May’s monthly meeting to the fourth Thursday. At this meeting, the final budget is approved and signed by the Board members (at least three). The deadline for the final budget to be submitted to the State Department of Taxation is June 1st.

“Balance the Scales” Budgeting Concept

The fundamental budgeting concept is to “balance the scales” as shown in this example:



The total projected income plus the beginning fund balance are on one side of the scale equaling $1,288,178. In order to balance the scales, that same $1,288,178 total is then divided up or allocated to expenses and the ending fund balance.

Finances (Contd)

Budget Process (Contd)

This “balanced scales” diagram shows the breakdown of the income side and the expense side.

PROJECTED	
Beginning Fund Balance (Est)	337,418
Ad Valorem (WC/State Proj)	325,195
CTX Consolidated Tax (St Proj)	567,465
LGTA (Fair Share)	38,000
Interest Income	100
Other Income-FEMA Reimb	20,000
TOTAL BEGINNING FUND BALANCE & INCOME	**$1,288,178**

ALLOCATED	
Salaries & Wages	170,900
Employee Benefits	76,000
Servs, Supps, Oth Chgs	831,278
Capital Outlay	150,000
Ending Fund Balance	60,000
TOTAL EXPENSES & ENDING FUND BALANCE	**$1,288,178**

The budget documents that are prepared pursuant to Nevada Revised Statutes are largely a formality. That is said because the Board cannot spend money they don’t have. The Board has to be mindful of what is in the bank and what additional revenues might come in. Then they must look at what the anticipated expenses might be. As explained earlier in this chapter, the Board uses the Estimated Net Operating Funds for Road Improvements report to monitor their financial position. That report allows the Board to make informed spending decisions.

Also during the February meeting, the Road Maintenance Operations Manager (OM) will submit a capital outlay budget request report to the Board for consideration (see “Assets - Acquisition” later in this chapter).

When reviewing the budget, there are a few fundamentals the trustees should keep in mind:

1. The ending fund balance should be no less than four (4) percent of the actual expenditures for the previous fiscal year (NAC 354). Historically, the ending fund balance has been two months of average expenses. However, keep in mind that the ending fund balance reported on the final budget cannot be spent. It must be held in reserve, and therefore, should not be excessively high.
2. It is unlawful to spend more than what was budgeted (NRS 354). However, because the GID is a one-function, one-fund entity, specific line item amounts can be moved around within the four budget expenditure categories. Also, at the end of a fiscal year, if the actual expenditures in any of the four budget categories exceeds the final budget amount, a budget adjustment can be made and must be approved by the Board at the July meeting.
3. The Board must adhere to the budget. There are provisions in the NRS to augment the budget, but this involves a lot of paperwork, a public hearing, etc. and can be costly. It is better to budget higher-than-expected amounts and spend less, than to have to go through the budget augmentation process.

Finances (Contd)

Audit Process

Per NRS 354, the GID's financial statements and accounting procedures are subject to an annual audit. An auditor or auditing firm is designated at the March meeting, and that designation must be reported to the Nevada Department of Taxation by March 30th.

Requests for proposals for the current year and options for two additional years are sent out every three years, or more often if deemed necessary. There is no statute requiring a new auditor every so many years. The PVGID is very limited with auditors. A local auditing firm is necessary because the GID doesn't have an office for an auditor work in, so the records have to be taken to the auditor's office. Also, the auditor must be certified to conduct government audits.

The objective of the audit is to determine if the GID's financial statements conform with generally accepted accounting principles of the United States and governmental accounting practices. The auditor will also report on internal controls related to the financial statements and compliance with the provisions of applicable Nevada Revised Statutes, other laws, regulations, contracts, agreements, and grants.

The Bookkeeper and the Assistant to the Board work together to provide the auditor with all records, reports, and any other requested information. The audit must be completed and delivered to the Board by November 30th. The audit must be agendized for acceptance by the Board, and thereafter, submitted to the Department of Taxation and the Washoe County Clerk by December 31st.

Assets

Inventory

An inventory of assets (land, vehicles, equipment, etc) is maintained so there is an accurate record of the property owned by the District. Purchase documents (and titles, if applicable) are retained in an “Assets” binder. The inventory is used by the GID’s auditing firm to calculate and record the annual depreciation expense. Also, the inventory of vehicles, equipment, buildings, and improvements (not land or water rights), is necessary to obtain liability insurance (see “Insurance” later in this chapter).

Items purchased, which cost less than $5,000 [increased from $1,000 per recommendation from Auditing Firm Silva, Sceirine and Associates] or will be used up within a year, are not listed on the inventory. However, the costs for upgrades, accessories, transport, and other such costs associated with the purchase of a capital asset, are included in the cost of the asset.

Acquisition

Capital Outlay for Equipment, Vehicles, Buildings, and Yard Improvements:

During the annual budget process, the Road Maintenance Operations Manager (OM) submits a capital outlay budget to the Board for approval. The budget will consist of a list of anticipated capital outlay needs.

For capital outlay items (assets) and the annual Five Year Capital Improvement Plan, the minimum level of expenditure for items classified as capital assets is $5,000. Note: Road improvement projects are not classified as Capital Improvement Projects.

Purchases of equipment, vehicles, etc. on the pre-approved budget list can then be made by the OM, but only after conferring with the Board president, who will be responsible for verifying that the cash is available before any purchase is made.

Disposal

Road Maintenance Equipment and Vehicles:

Assets (mainly equipment and vehicles) become slated for disposal for various reasons, including having reached the end of their useful life, are damaged beyond repair, are being replaced, etc. Once identified, the OM presents a list of surplus property to be disposed of to the Board for their approval. Often times, this coincides with the OM’s annual capital outlay budget, especially when the OM is proposing to replace a vehicle or piece of equipment; the existing item becomes surplus once it is replaced. For example, the Zieman tilt-bed trailer needed to be replaced. Once a replacement trailer was purchased, the Zieman trailer became surplus and could be sold or scrapped.

The popularity of online buy/sell/trade sites has changed the way the PVGID disposes of surplus property. The OM should attempt to sell any surplus assets that have some market value, primarily by advertising on free buy/sell/trade sites, such as Craig’s List, and in some cases, by using an auction service (fees are charged). It is also understood that some surplus property has no market value, but may have scrap value, and should be taken to a local scrap yard.

Assets (Contd)

Water Rights

As of this BMH revision date, October 16, 2025, the GID owns 21.98 acre feet of water rights. Purchase and permit information is as follows:

Acre Feet	Purchase Price	Date Purchased	Seller(s)
8	$4,400	09/15/1989	• Double P Partnership, Lorne **Pratt**, partner • Thought to be purchased along with the Wayside Gravel Pit • However, a Quitclaim Deed was found: Grantors were Dennis R. and Genie M. Moore and Jan S. McCrorey • Unable to find purchase information--found purchase price comment in PVGID Long Range Plan [Revised 5/28/1996]
9.98	$19,960	02/24/1995	• Richard P. **Dodge** [John Cobb, Personal Representative] • $2,000 pd 1/12/95 + $500 pd 2/14/95 + $17,460 Deed of Trust held by Mr. Dodge--Full Reconveyance 05/08/1997
4	$12,800	07/25/2001	• George W. and Lolita L. **Newell**--Paid in Full 06/01/2001
21.98	**Total Water Rights Owned by PVGID as of December 2024**		

Location of Well (aka Point of Diversion) and Water Rights Attached

5105 Wayside Road

Acre Feet	Purchased From	$/acre foot	Certificate Number	Permit Number
8	Pratt	$550	19180 (09/10/2013)	77335
4.98	Dodge	$2000	--	76938
1	Dodge	$2000	19178 (09/10/2013)	76042
13.98				

4270 Ironwood Road

Acre Feet	Purchased From	$/acre foot	Certificate Number	Permit Number
4	Dodge	$2000	--	76043
4	Newell	$3200	21788 (03/16/2020)	76937
8				

Assets (Contd)

Water Rights (Contd)

Nevada's water laws are complex, and a water rights surveyor is hired to be sure the PVGID is in compliance with State water rights regulations and reporting.

The PVGID's water rights are well established, and currently, if water pumpage for any consecutive 12-month period equals or exceeds the amount of water rights attached to a well, Proof of Beneficial Use (PBU) should be filed for any uncertificated water rights (as of 12/1/2024, permits 76938 and 76043), and those water rights will be certificated. Otherwise, the water rights surveyor will file a request for an extension of time. As of 2020, instead of annual extension-of-time filings, the State allows for 5-year extension-of-time applications.

Late in 2019, an online account for reporting well meter readings was established in order to be in compliance with State regulations. The Road Maintenance Operations Manager (OM) is responsible for providing monthly well meter readings (on or about the first day of the month) to the Assistant to the Board. The Assistant to the Board is responsible for entering those meter readings into the State's online reporting system, and for maintaining well meter reading and usage reports, which should be shared with the OM.

Note: Per NRS Chapter 534, the State levies a special tax on water rights which covers the costs of administering the State's water rights program. The annual tax is collected by the Washoe County Treasurer, and the bill looks like a property tax statement.

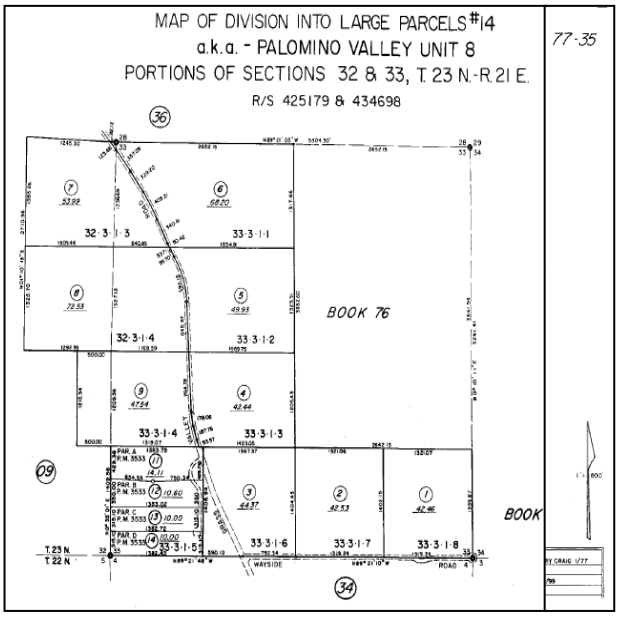
Assets (Contd)

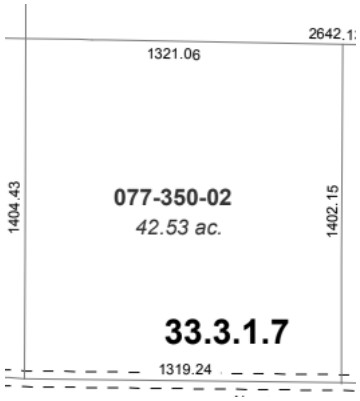
Land

As of this BMH revision date, October 16, 2025, the GID owns two properties, the Wayside Yard (1) and the Ironwood Well Site (2), and has an easement to a third parcel of land, the Ironwood Pit (3).

(1) Wayside Yard

Address: 5105 Wayside Road, Reno, NV 89510
Date Acquired: Closing/Settlement Date - September 15, 1989
Seller: Double P Partnership (Pratt) via Palomino Valley Realty
Sales Price: $34,350.00 Acres: 42.53
Assessor's Parcel Number: 077-350-02 (Parcel #33-3-1-7)





Easement for Stirrup Dr, Doc #571230, Bk1330 Pg715, Dated 11/17/78

AN EASEMENT,
Granted to: CATTLEMEN'S TITLE GUARANTEE COMPANY,
a Nevada corporation, as Trustee under Trust
Agreement #214
More particularly described as follows:
An easement for ingress, egress and public utility purposes within the Southeast 1/4 of Section 33, Township 23 North, Range 21 East, Mount Diablo Base and Meridian. Said easement being 66 feet in width, lying 33 feet on each side of the following described centerline:

Beginning at the Southwesterly corner of Parcel 33-3-1-7 as shown on Record of Survey Map filed in the office of the Washoe County Recorder, Washoe County, Nevada on November 10, 1976 under File No. 434698;

Thence South 89°21'10" East 33.00 feet along the South line of said Parcel 33-3-1-7 to the TRUE POINT OF BEGINNING; thence North 00°01'21" East 650.36 feet; thence North 12°38'03" East 770.48 to a point on the North line of said Parcel 33-3-1-7, said point being the POINT OF ENDING.

The boundary lines of said easement are to be extended or foreshortended so as to terminate on the property of the Grantor.

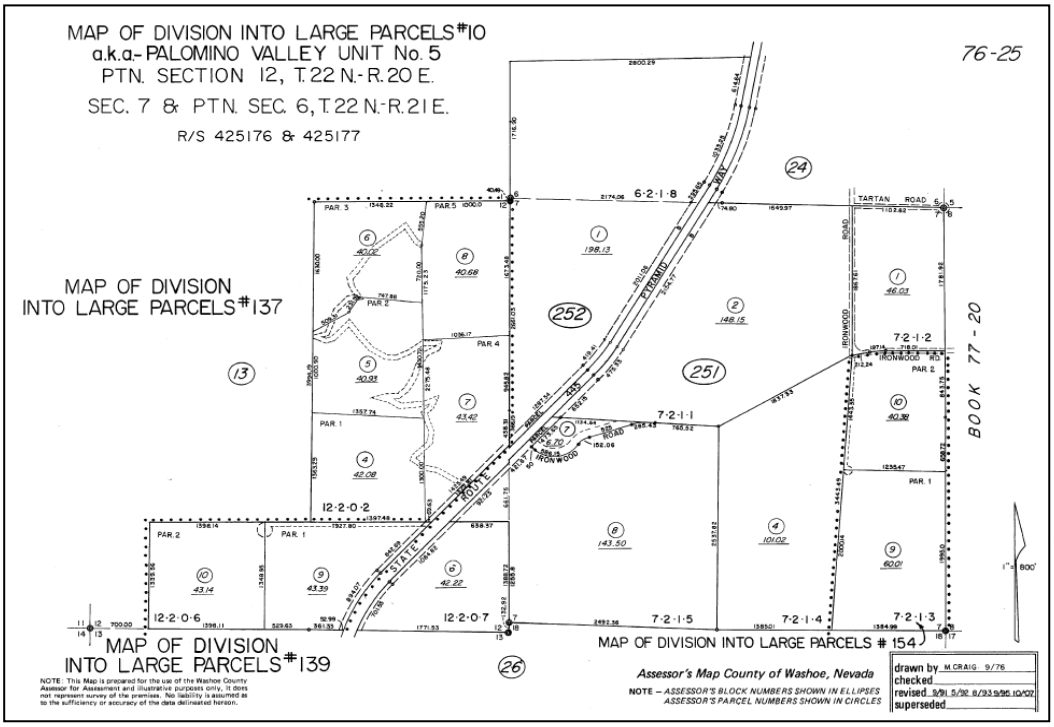
According to the Deed recorded November 17, 1978 in Book 1330, Page 715, as Document No. 571230.

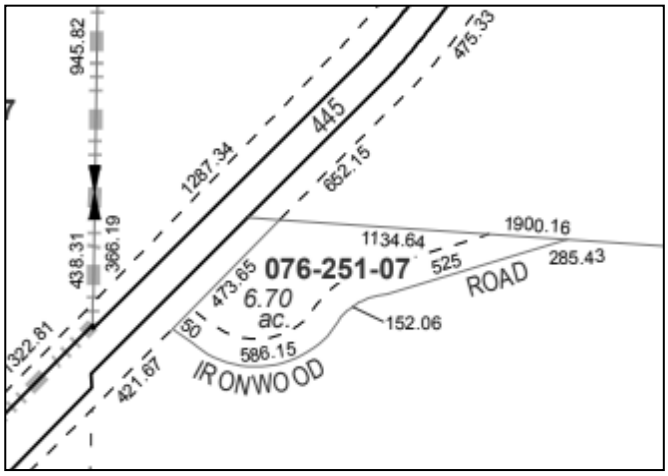
Assets (Contd)

Land (Contd)

(2) Ironwood Well Site

Address: 4270 Ironwood Road, Reno, NV 89510
Date Acquired: July 7, 1993 [Deed Document #1691499]
Seller: Gerald and Delores Demopoulos
Sales Price: $4,000.00
Assessor's Parcel Number: 076-251-07 Acres: 6.70





This parcel was originally purchased to relocate the Ironwood Road (formerly Buckshot Road) entrance from Pyramid Highway (as depicted on this parcel map).

The entrance was not relocated, but the road was straightened, which moved the road out of an area that was prone to flooding.

Assets (Contd)

Land (Contd)

(3) Ironwood Pit

Address: 700 Ironwood Road, Reno, NV 89510

Date Acquired: April 28, 1977 [Deed Document #461826]

The Board accepted the easement from McCulloch Properties at the May 13, 1976 meeting. The recorded deed to the material site and storage yard was presented to the Board on May 12, 1977.

Assessor's Parcel Number: A portion of 077-210-11 Acres: 15.01

Legal Description: [from Deed Document #461826]

EXHIBIT "A"
LEGAL DESCRIPTION

An easement for material sites and equipment yard as shown on that Record of Survey Map filed in the Office of the Washoe County Recorder, Washoe County, Nevada on July 8, 1976 under File No. 415812 and that Division of Land Map filed in the Office of the Washoe County Recorder, Washoe County, Nevada under File No. 415814 being more particularly described as follows:

A portion of the South 1/2 of Section 17, Township 22 North, Range 21 East, Mount Diablo Base and Meridian, also being a portion of Parcel 17-2-1-4 as shown on said Record of Survey and Division of Land Maps, being more particularly described as follows:

Commencing at the East 1/4 corner of said Section 17, said point also being the TRUE POINT OF BEGINNING;
thence S. 00°48'47" W., 544.45 feet;
thence N. 89°25'00" W., 1,200.00 feet;
thence N. 00°35'00" E., 544.45 feet;
thence S. 89°25'00" E., 1,202.18 feet to the TRUE POINT OF BEGINNING.

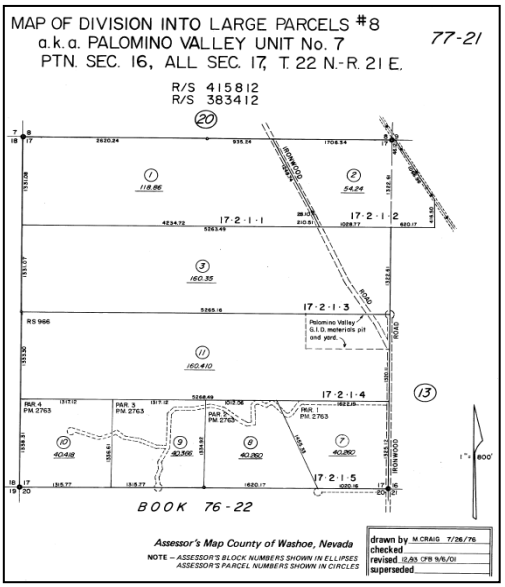
Containing 15.01 acres, more or less.

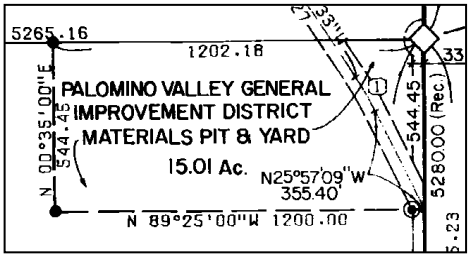
Subject to all easements for roadway and utility purposes over and across said parcel as delineated on said Record of Survey Map and said Division of Land Map.

The Palomino Valley General Improvement District shall be solely responsible for the operation and maintenance of the material site and shall in its operation take care not to permit a nuisance to exist that could be considered detrimental to the adjoining land owners.

Any materials used shall be for use solely within the boundaries of the Palomino Valley General Improvement District.

If and when the need for the above described land or materials or any portion thereof no longer exists, lands and materials or any portion thereof shall revert to the then present owner of said Parcel 17-2-1-4. In this event it shall be the responsibility of the Palomino Valley General Improvement District to rehabilitate said material site.





Insurance

The GID has had various levels of liability insurance coverage over the years. In April 2012, the Board voted to join the Nevada Public Agency Insurance Pool (NPAIP) and the Public Agency Compensation Trust (hereinafter the POOL/PACT).

Through the POOL/PACT, the GID has two policies:

1. POOL - Property and Liability, including Unintentional Errors and Omissions (covers elected officials)
2. PACT - Workers' Compensation

The "maintenance deductible" is $1,000 per occurrence.

Note: The GID also has separate health insurance benefits for the employees.

Legal Counsel

NRS Chapter 318 states, "Employees: Power to hire and retain. ***The board shall have the power to hire and retain*** agents, employees, servants, engineers and ***attorneys***, and any other persons necessary or desirable to effect the purposes of this chapter." Almost continuously from its inception, the GID has retained legal counsel.

Currently, the attorney is retained on a per hour basis, and attends meetings via Internet video conference. In order to control costs, legal counsel handles matters that the Board has designated to him/her, and addresses the Judicial and Government Affairs items on the agenda.

Relationship with County and State

On the State level, the GID is certified by the State as a corporation and organized pursuant to NRS Chapter 318.

The Washoe County Board of County Commissioners established the PVGID in 1973 (Effective/Certified Date is August 1, 1973), pursuant to the powers granted to them in NRS Chapter 318:

> *Except as otherwise provided in this chapter, the board of county commissioners of any county within this State is hereby vested with jurisdiction, power and authority to create districts within the county which it serves.*

The NRS also dictates the relationship between the GID and various other Washoe County agencies. For instance:

- NRS 19.035 does not allow a county clerk to charge or collect fees for services rendered to certain governments or officers, including "Any general improvement district which is located within that county …"
- NRS 333.470 provides that local governments and districts (which includes GIDs), are authorized to use the facilities of the State Purchasing Division on a voluntary basis.
- NRS 318.098 allows the GID to enter into agreements with County officials [agencies] for assistance. The cost to the GID for services cannot be more than the actual additional expense to the agency necessitated by the request.
- For the Comprehensive Plan Amendment (2009) and the Special Use Permit (2010) required for the Ironwood Well site, Community Development waived the filing fees because the GID is a political subdivision of the County.
- Note: Washoe County District Attorney, Mills Lane, wrote an opinion dated July 8, 1994 in which he stated that the County Recorder **can** charge GIDs fees for services.

Washoe County, through the Board of County Commissioners (BCC), has stepped in on numerous occasions to provide assistance to the District. That assistance has been in the form of emergency funding via community grants, and various interlocal agreements in which the County provided materials (i.e. cold mix) and/or road maintenance in which the GID repaid the actual costs.

Records Retention

As a local government entity, the GID is subject to the Public Records Act found in NRS Chapter 239, and must adhere to the provisions found in the "Local Government Records Retention Schedules" as to the retention of records. The responsible State agency for records management is the Nevada State Library, Archives and Public Records, Website: https://www.nsla.nv.gov/home (Local Government Records Retention Schedules).

Note: Local government entities do not designate a "records official" with the Nevada State Library, Archives and Public Records (NSLAPR). However, NSLAPR does have a local government contacts list for any general information they may send out, and whoever is responsible for records retention (currently the Assistant to the Board) should be the contact person for NSLAPR.

The Local Government Records Retention Schedules have been used by the PVGID since early 2009.

Important News (as of the 10/16/2025 BMH revision date):

The Nevada State Library, Archives & Public Records (NSLAPR) State Records Program (SRP) has initiated an initiative to update the Local Government Records Retention Schedule. This project aims to improve the efficiency, clarity, and accessibility of public records management for local government entities across Nevada.

Final approval and publication of the new retention schedules are expected by January 2026.

Public Records Requests

From time-to-time, the public may request access to and/or copies of GID documents and records. As a public entity, the GID must respond to such requests under the provisions of the Nevada Revised Statutes (NRS) relating to the specific request.

Below are two types of requests and the applicable NRS the GID should use for guidance in responding to each type of request.

1. Requests for copies of records.

   NRS Chapter 239 addresses public records requests, including time to respond, confidential records, fees to provide copies, and other such matters. It is recommended that the statute is reviewed before fulfilling any public records request to ensure current regulations are adhered to.

2. Requests to listen to or obtain a copy of audio recordings of open sessions of public meetings.

   Even though the approved, written minutes are the official records of the meetings, according to NRS Chapter 241, audio recordings are to be made available to the public within 30 working days after the adjournment of the meeting and during the retention period (currently three years).