

# Douglas sewer conundrum in holding pattern



Douglas County commissioners are not all in agreement in how to handle the sewer district issue. Photo/Jessie Marchesseau

## By Jessie Marchesseau

STATELINE – A possible ordinance dissolving the Douglas County Sewer Improvement District was by far the most popular item on the agenda for Thursday's Douglas County Board of County Commissioners meeting.

So much so, the fire marshal was actively turning people away at the door because attendance exceeded the maximum capacity, set at 98 people, for the two front rooms at the Tahoe Transportation Center in Stateline. An estimated 50 or so people were directed to the judicial court across the street where the meeting was streamed live on TVs.

The state of the DCSID has been a hot topic since May 23 when Douglas County District Attorney Mark Jackson brought to light a handful of questionable practices at an open meeting in Gardnerville of county commissioners.

At the May 23 meeting, Jackson alleged corruption, illegal collusion and political malfeasance on the part of DCSID board

members. Jackson played audio recordings from recent DCSID board meetings to support his accusations. The meetings were supposedly open to the public; however, no citizens were present.

In these recordings, board members can reportedly be heard discussing the need to find someone to file an ethics complaint against Planning Manager Hope Sullivan as part of their efforts to convince county commissioners to approve their plan for two lined effluent holding ponds, a gravel mining operation, and concrete and asphalt plants in the East Valley. The gravel mining, concrete and asphalt plants were included to subsidize the cost of building the ponds, board members said.

A few months later, the Ethics Commission received the aforementioned ethics complaint from Don Miner, a former Douglas County commissioner and personal friend of the DCSID engineer and one of the board members. DCSID board members said they were aware that Miner was filing the complaint, but it was not at their request.

The recordings were not played again at Thursday's meeting, and Jackson said his charges are not focused specifically on the gravel pit or holding pond issues. The tapes were used as an example of the conduct of the DCSID board, these just happened to be the topics the board was discussing last November through February.

He pointed out DCSID is a public entity, but has not had an election in more than 30 years. Something Jackson said is a violation of Nevada state law. He also accused the board members of not being qualified to run a sewer district.

The DCSID board currently consists of three board members who run some of the largest corporations in Stateline and none of who lives within the district he is serving. Chairman of the DCSID board is Mike Bradford, CEO of Lakeside Inn & Casino,

also on the board are John Koster, chief of operations for Harrah's in Northern Nevada, and Steve Johnson who runs Edgewood and is overseeing the new Edgewood Lodge development.

Jackson cited Nevada statutes which outlawed local improvement districts like DCSID nearly 50 years ago, which require all improvement districts to abide by state election laws and which also require board members to reside within the district.

Severin Carlson, attorney for the district, said DA Jackson is not reading his statutes correctly and these laws do not apply as Jackson is indicating. Carlson did not make a formal presentation during the meeting, but did make some remarks during the public comment portion.

Since the BOCC was only considering whether or not to introduce the ordinance to dissolve the DCSID on June 16, meaning they would start considering the issue, but not actually make a decision until later, the district attorney was only tasked with presenting them with sufficient reasons to look into the matter further.

He enlisted the assistance of Carl Ruschmeyer, Douglas County director of public works, to present to the commissioners an analysis of the current workings of DCSID and identify possible inefficiencies. He pointed out how Incline Village GID operates more facilities than DCSID, is subject to the same environmental issues, and runs with fewer full-time employees. IVGID also performs cleaning and maintenance of their systems in-house, something DCSID contracts out for hundreds of thousands of dollars.

Ruschmeyer also compared DCSID to Douglas County Sewer Utility. It also operates with fewer employees than DCSID. His calculations indicate DCSU spends an average of about \$73,000 per full-time employee. DCSID, however, spends more than \$130,000, he said.

Ruschmeyer concluded that by allowing Douglas County to run the DCSID for a period of time, they could restructure it to run more efficiently, reduce the number of employees, cut back on the number and cost of contracted services by using Douglas County engineers, and save DCSID about \$900,000 per year.

“It’s not just about those that are in control or believe that they’re in control. It’s not about the directors or trustees of the districts up here at the lake, or about those staff members that may possibly not have a job in the future,” Jackson said. “At the end of the day, it’s about the ratepayers.”

Jackson indicated Douglas County running the district would not be for the long term. They would work to return control to more qualified lake residents as soon as possible.

After a question and answer session between Jackson and the commissioners, the room was opened to public comment, and ratepayers had their say.

Several stepped up in support of the board, mostly emphasizing how much they like their low rates and don’t want them to go up, something they fear will happen if Douglas County or another entity were to take over. Few, however, offered opinions as to whether or not they believed the board was lawful or ethical.

Some called it just another lake versus valley dispute.

Several expressed support for DA Jackson, disgruntled with the DCSID board for what they saw as conflicts of interest, willfully disobeying laws and unduly influencing the system for their own benefit.

Assemblyman Jim Wheeler, R-Minden, let everyone know the Legislature would likely be discussing the issue at their next meeting in August.

The DCSID board members also had a chance to say a few words.

Koster explained when he was transferred by Harrah's to Lake Tahoe in 2007, he was told he must join the DCSID to replace the outgoing Harrah's representative. He said he had no idea at the time what running an improvement district was even about. He admitted their meetings are very informal and apologized for the off-color jokes he was heard making on the recordings.

Bradford, chairman of the DCSID board, said they are and always have been committed to their ratepayers. He took a moment to express how much he appreciated the friendship of some of the commissioners and other Douglas County political figures. One of the benefits of a small town, he said. He was disappointed the issues weren't brought to him on a personal level before it blew up in public.

Board member Steve Johnson was not able to attend, however he submitted a letter which Commissioner Doug Johnson read to the room. In it, he said DCSID ratepayers are happy, and dissolving the district is not necessary, nor is it beneficial to anyone.

All board members indicated a willingness to work with the county to correct the issues at hand.

After another short question and answer session between the BOCC and the district attorney, Commissioner Greg Lynn motioned to table the ordinance pending an opinion from Nevada Secretary of State Barbara Cegavske. He also added into the motion that all interested parties, including existing GIDs at the lake, DCSID and Douglas County Board of Commissioners, work together to resolve the issues in question.

Commissioner Johnson reiterated that voting to introduce the ordinance, did not mean they were taking one side or another, but simply agreeing to look into the issue further and would prevent it from dragging on too long.

In the end, after nearly four and a half hours of discussions, the BOCC voted 4-1 in favor of Lynn's motion, with Johnson in opposition. So DCSID returns to business as usual for the time being.

The BOCC plans to actively pursue an opinion from the secretary of state.