

Minutes
Indian Hills General Improvement District
Board of Trustees Meeting
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
January 17, 2024
Regular Board Meeting 6:00 P.M.

Trustees Present: Chairman Dale Dunham, Vice Chairman Stulac, Secretary/Treasurer Lufrano, Trustee Garcia, and Trustee Siegman.

Trustees Absent: none.

Staff Present: General Manager Chris Johnson, District Accountant Stacie Cobb, and Administrative Services Supervisor/Human Resources Brooke Thompson.

Others Present: District Counsel Chuck Zumpft, District Engineer's Collin Sturge. Jonathan Steele with District Audit firm Steele and Associates. Residents Dale Morlan and Dallas Debatin.

6:00P.M. - Regular Meeting

- 1. Call to Order**
Request that Cell Phones and Pagers be turned off for recording purposes.
Vice Chairman Stulac called the meeting to order at 6:00PM.
- 2. Pledge of Allegiance:** Led by Chairman Dunham.
- 3. Discussion and possible action to elect officers of the IHGID Board of Trustees for calendar year 2024 – Chairman**

a. Election of Chairman

Trustee Garcia nominated Trustee Stulac for Chairman for calendar year 2024. Trustee Dunham seconded. Nomination carried unanimously.

Chairman of the Board for Calendar Year 2024 is Bob Stulac.

b. Election of Vice Chairman

Trustee Dunham nominated Trustee Garcia for Vice Chairman for calendar year 2024. Trustee Lufrano seconded. Nomination carried unanimously.

Vice Chairman for the Board for Calendar Year 2024 is Robert Garcia.

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c. Election of Secretary/Treasurer

Trustee Garcia nominated Trustee Siegman for Secretary/Treasurer for calendar year 2024. Trustee Lufrano seconded Nomination carried unanimously.

Secretary/Treasurer for the Board for Calendar Year 2024 is Russ Siegman.

4. Public Interest Comment: none

5. Approval of Agenda

Vice Chairman Garcia motioned to approve the agenda. Secretary/Treasurer Siegman seconded. Motion carried unanimously.

6. Reports to the Board:

a. General Manager Report

General Manager Chris Johnson reviewed his report with the board. Chirs stated for the record, the confidence he has in our staff is great. On Tuesday morning one of our parks crew went to Harbor Freight to buy a tarp, and our card was declined. We talked about it and said that is not right, Stacie, who is on vacation this week, wouldn't have left us in that situation. Having that confidence in the staff is great.

1. Administrative

General Manager Chris Johnson reviewed the Administrative report with the board.

2. Water

General Manager Chris Johnson reviewed the Water report with the board.

3. Wastewater

General Manager Chris Johnson reviewed the Wastewater report with the board. Vice Chairman Garcia stated for the record, they are hauling the sludge inhouse which is a cost saving measure. General Manager Chris Johnson stated it is a huge cost savings measure. Vice Chairman Garcia stated for the record he thinks it is important to acknowledge that staff and specifically the wastewater department has taken this on themselves, for a cost savings and did a great job on the sludge hauling. This is another example of cost savings that were initiated by staff. Robert stated the other thing is the rebuilding of the pump at \$1,800 instead of the bid of \$30,000, that is another cost saving optimization that district staff has done on their own. Costs are going up everywhere and this is another example that staff, and the board are trying to reduce costs.

Secretary/Treasurer Siegman stated these are things that should be in the newsletter, show off employees' work, the public doesn't know what you did for them so show them.

Trustee Dunham stated in announcing the arriving of the equipment

we need to order the brick; he will come into the office soon and talk to Chris.

b. District Accountant Report

General Manager Chris Johnson reviewed the Accountant report with the board.

c. Engineer Report

District Engineer Collin Sturge stated the contractor for the Indian Drive project Spanish Springs Construction has been fantastic to work with. He is impressed with them because they are very transparent and care a lot about the community. The project is going well. The water portion of the project is 95% complete. The sewer lining will start next week and will take a few weeks. The yard project for the wash pad has already started. Overall, the project has been and is on schedule. Collin stated that he has been coordinating with Matt and NDEP on the sanitary survey, there are only two items remaining at this time. Matt is waiting on Western Nevada Supply for materials and the other is the exception for the North Hobo tank work, which is the next item on the agenda. As requested, he provided the sanitary survey along with the responses in the board packet. The sewer lining presentation will not be possible prior to the work beginning, unfortunately the timing of the project does not work.

General Manager Chris Johnson stated for the record, the sanitary survey. Matt prepped for this and takes a high level of pride in this plant. He was told during the survey that he would not receive any surprises and then he received this. Matt was beside himself, a lot of these items that were labeled as deficiencies are not accurate and the photos showed that. They should not have been on here to begin with. Matt took it as a personal hit on his pride and the quality of work he provides. He just wants it out there that Matt does an outstanding job.

Chairman Stulac stated it is interesting about the backflows, he cited a number of backflow prevention device violations he found it ironic that a lot of these things MSDS have been on the book since the eighties, uniform plumbing code has been around for decades. He made a call to NDEP and talked with the supervisor there and told him it was interesting that all of these things were cited. He asked why all of a sudden are these things being cited now. His comments were that he took over the program a year ago, he has new staff, and they are trying to document all of these things now. Bob stated it just seemed odd that this is now here, have they never noted these things before. Chris stated that no and a good example of that is the big green tank, all previous inspections didn't mention it. District Engineer Collin Sturge stated what he mentioned to Bob on the phone jives with everything he has been hearing as well. He has talked to the GM of the Rancho GID, Eureka County and he has heard some rumbles from TMWA that they are all experiencing the same things we did so it is not specific to Indian Hills sounds like everyone is in the same boat.

d. Attorney Report

District Counsel Chuck Zumpft stated he has nothing to report. Congratulations on your elections.

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Public comment: none.

7. Discussion and possible action to approve a proposal from Lumos and Associates in the amount of \$12,250 for engineering and related services for the North Hobo Tank Painting Project.

District Engineer Collin Sturge stated this is for the Hobo tank painting and coating systems that was called out in the NDEP sanitary report, we will notify them that we are in the process or correcting it. This is for engineering work to get the job started and out to bid.

Chairman Stulac stated Collin do you have a rough idea of the cost for this. District Engineer Collin Sturge stated yes so Ridgeview tank was \$160,000 and is almost twice the size of this tank that was in 2021 so he is assuming it will be somewhere in the range of \$100,000-\$150,000, just a rough guess.

Vice Chairman Garcia stated on task five, observe holiday testing on inside and out. Is holiday a technical term. District Engineer Collin Sturge stated yes, it is. The contractor uses a certain voltage and runs a broom with that voltage through the broom and if it does not meet the required thickness specified by him the voltage will get through to the tank and spark. This is our way of verifying so they will observe that and if there are any spots that need fixing, they will correct it. Vice Chairman Garcia stated there is a certain amount to hold back. District Engineer Collin Sturge stated yes retention is 5% up to 50% of the work. They have to complete the punch list items before they are paid. Vice Chairman Garcia stated and that is all part of your fee. District Engineer Collin Sturge stated yes. General Manager Chris Johnson said yes, that is all part of the contract.

Chairman Stulac stated what is the cost for a new tank that size. General Manager Chris Johnson stated when we were redoing the school tank it was something like twenty million. Chairman Stulac stated oh, ok that puts it into perspective.

Public comment: none.

Vice Chairman Garcia motioned to approve a proposal from Lumos and Associates in the amount of \$12,250 for engineering and related services for the North Hobo Tank Painting Project. Trustee Lufrano seconded. Motion carried unanimously.

8. Discussion and possible action to approve a three-year agreement for auditing services with Steele & Associates, LLC.

General Manager Chris Johnson stated if you notice the date on this March 30, 2023, they thought they sent this over then, but she hadn't. Last month they noticed that their contract has expired so before you is their request to renew the contract with our auditors. They have been with us for a while.

Vice Chairman Garcia stated it is \$45,000 annually and this is a three-year contract. General Manager Chris Johnson stated that is correct. Vice Chairman Garcia stated we have to acknowledge that costs are going up everywhere and it hurts, but it aligns with the CPI. He does not remember the previous costs.

General Manager Chris Johnson stated it was around \$39,000 so it went up \$6,000 and this was not a surprise.

Chairman Stulac asked if this is typical for other districts. General Manager Chris Johnson stated he has not researched it, but he would guess yes.

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Public comment: none.

Trustee Dunham motioned to approve a three-year agreement for auditing services with Steele & Associates, LLC. Vice Chairman Garcia seconded. Motion carried unanimously.

Vice Chairman Garcia stated is the something that we can pool with other agencies with like we do for insurance. General Manager Chris Johnson stated my pool expert is over here shaking her head no but we can ask the question.

9. Discussion and possible action to evaluate a potential rate increase for the water enterprise fund.

General Manager Chris Johnson stated this is the increase from the interlocal agreement with Douglas County for water. When our costs and rates go up, we have to increase our rates to meet those costs. Brooke prepared a base water rate increase for you all to see, it is broken down by year. Stacie provided a projection of the increase as far as our revenue after our water costs we are looking at an increase in revenue of \$43,000 a year in the water department. That revenue will go towards the increased costs of operating the water department, anything in excess of that will go into reserves.

Chairman Stulac stated ok so there is a 1% increase for operation and reserves.

Chairman Stulac asked if ozone treatment is used much and if it is cost effective, it is more than chlorine.

General Manager Chris Johnson stated they treat the water before it comes to us, and we just add chlorine to put it at the levels needed. He does not know what kind of treatment they use in Minden. District Engineer Collin Sturge stated you still have to use some amount of chlorine because you have to hold it at a certain residual.

Vice Chairman Garcia stated so the increase is proposed at 5%, 4% of that is going to Douglas County and 1% is for our operational costs and reserves. General Manager Chris Johnson said yes. A good example is chlorine, the price of chlorine doubled overnight, that is why I'm saying it will go into the cost of operations and if there is excess it will go to reserves for infrastructure.

General Manager Chris Johnson stated that is correct. This cost increase came to us it is not an option.

Secretary/Treasurer Siegman stated ok so the 4% increase is coming every year for five years. General Manager Chris Johnson said yes. We will do a 5% rate increase annually for five years.

Public comment: none.

Administrative Services Supervisor/Human Resources Brooke Thompson stated just so the board knows this will come back to the board, we have to do a public hearing and notice for the rate increase. Brooke stated she will start working on that tomorrow.

General Manager Chris Johnson stated for the record, the public asked how they will know this money will be going to infrastructure reserves and we will do that again, put it in the newsletters. These are enterprise funds, and the money has to stay in those funds, water in water and sewer in sewer.

Chairman Stulac stated, and this will be effective when.

General Manager Chris Johnson stated the intent is to be effective July 1, 2024.

Vice Chairman Garcia motioned to proceed with the proposed 5.0% annual rate increase for five years for the water enterprise fund. 4.0% for the pass-through increase and 1% for operational costs. Secretary/Treasurer Siegman seconded. Motion carried unanimously.

10. Discussion and possible action to evaluate a potential rate increase for the sewer enterprise fund.

General Manager Chris Johnson stated that if you recall in the sewer enterprise fund, we are pulling 20% from the reserves to the operational costs for wastewater. The maintenance costs have gone up, chemical costs are through the roof. It made sense to increase the sewer base rate at the same time to offset the rising costs of the wastewater plant. Their budget has been below, and we have been augmenting the budget from reserves for a while and we need to stop that. This is a 5% annual increase for 5 years; this will stay in the wastewater enterprise fund for wastewater operations and maintenance. Chris stated when we all lost power last year you still had water and sewer services.

Vice Chairman Garcia stated we are talking about over a million-dollar revenue that is a drop in the bucket compared to what we are currently budgeting to maintain operations. This is less straight forward for him because there is no pass through, but what he is hearing is the 5% is still justified because we will no longer be moving money from reserves for operations costs. General Manager Chris Johnson stated precisely. Vice Chairman Garcia stated we were moving money to operations from reserves to stave off this increase happening earlier. General Manager Chris Johnson said yes and that is a good way to put it. It is necessary if you recall the wastewater department was hit hardest in the latest project.

Public comment: none.

Secretary/Treasurer Siegman stated will this require a public hearing as well. General Manager Chris Johnson said yes. Chairman Stulac stated ok, and you are looking at July 1st as well. General Manager Chris Johnson stated correct. Trustee Dunham stated when will the public hearing be. Administrative Services Supervisor/Human Resources Brooke Thompson stated most likely in March or April.

General Manager Chris Johnson stated again for the record, the public asked how they will know this money will be going to infrastructure reserves and we will do that again, put it in the newsletters. These are enterprise funds, and the money has to stay in those funds, water in water and sewer in sewer.

Trustee Dunham motioned to proceed with the proposed 5.0% annual rate increase for five years for the sewer enterprise fund. Secretary/Treasurer Siegman seconded. Motion carried unanimously.

11. Discussion and possible action to approve amendments to the District's Personnel Policy.

Administrative Services Supervisor/Human Resources Brooke Thompson stated these are amendments suggested by Pool Pact after the latest legislative session. Brooke went through the memo with the Board.

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Vice Chairman Garcia stated these revisions have already been in practice it is just now in writing, and they are all recommended by pool pact. Administrative Services Supervisor/Human Resources Brooke Thompson stated that is correct.

Public comment: none.

Trustee Lufrano asked what positions are safety sensitive positions. Administrative Services Supervisor/Human Resources Brooke Thompson stated all field staff, any position that drives a district vehicle. Trustee Lufrano asked and are you, Chris. General Manager Chris Johnson said yes. Trustee Lufrano stated by choice or required. General Manager Chris Johnson stated its part of the job. Trustee Lufrano asked who oversees the random process. Administrative Services Supervisor/Human Resources Brooke Thompson stated we use a third-party company out of Reno that selects. Trustee Lufrano stated Sinnett. Administrative Services Supervisor/Human Resources Brooke Thompson stated yes. Trustee Lufrano stated ok so then they send you the list. Administrative Services Supervisor/Human Resources Brooke Thompson stated yes, then I make an appointment with Occupational Health. Trustee Lufrano if we have any DOT positions. Administrative Services Supervisor/Human Resources Brooke Thompson stated no, none of our positions require a CDL, however in all the job descriptions it states ability to achieve if determined by the district, but none of them are required to have it.

Trustee Dunham stated so no vehicles have airbrakes. General Manager Chris Johnson stated no.

Vice Chairman Garcia motioned to approve amendments to the District's Personnel Policy. Trustee Lufrano seconded. Motion carried unanimously.

Recess 7:46PM
Reconvene 7:51PM

12. Discussion and possible action to approve Draft Minutes from the November 15, 2023, Board Meeting.

Secretary/Treasurer Siegman stated you wanted details added. Vice Chairman Garcia stated yes it was added. Robert stated he looked it over it is fine, it is adequate.

Public comment: none.

Vice Chairman Garcia motioned to approve Draft Minutes from the November 15, 2023, Board Meeting. Secretary/Treasurer Siegman seconded. Motion carried unanimously.

13. Discussion and possible action to approve Draft Minutes from the December 20, 2023, Board Meeting.

Chairman Stulac stated that he would like more info on the water report, there was a good discussion that he, Chris and Collin had.

Public comment: none.

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No action was taken on this item, Chairman Stulac requested the board clerk to elaborate more on the water report. This item will be brought back to the board in February.

14. Chairman and Trustees Reports, Correspondence

Under this item the Board Members will briefly identify relevant communications received by them before the meeting, or meetings attended, or potential business of the district. No action will be taken on any of these items, but a member may request such item or topic be placed on a future agenda.

Trustee Lufrano stated that she had a discussion with Lynn two items were already discussed. Chris, did she mention a community garden to you. General Manager Chris Johnson stated she brought it up, but she said it is not realistic, she wants more playground equipment and stated that it was inexpensive. Chris stated that he told her he would look into it. She also asked about the speed trailer.

Vice Chairman Garcia stated he has not had a chance to thank Chris for letting him drive the buggy and represent the district in the holiday parade, thank you he had a lot of fun and is looking forward to next year. General Manager Chris Johnson stated thank you for doing that. Vice Chairman Garcia stated regarding the meeting minutes he doesn't think it is practical and would be too labor intensive to do them verbatim but have a synopsis of what is discussed the key points, so it doesn't appear to the public that the board isn't doing much. Administrative Services Supervisor/Human Resources Brooke Thompson stated she did do that this month and will continue to do minutes like that in the future. Vice Chairman Garcia stated it is just good for the public to see that the board is engaging in discussions and debates. Chairman Stulac stated he agrees.

Trustee Lufrano asked if the district job descriptions are on the website. Administrative Services Supervisor/Human Resources Brooke Thompson no they are not.

General Manager Chris Johnson stated we have a little conflict with the meeting next month, someone approved a week vacation for the board clerk. As of right now we do not have anything for the February agenda, we have a few options, move the meeting up, don't have a meeting or move the meeting back to the 28th.

Chairman Stulac asked District Counsel Chuck Zumpft if we have any legal requirement to have a meeting. District Counsel Chuck Zumpft stated if there is no business to conduct you do not have to have a meeting.

The board agreed that unless there is an emergency that comes up, we will not have a meeting in February.

15. Adjournment

Vice Chairman Garcia motioned to adjourn the meeting. Trustee Lufrano seconded. Motion passed unanimously.

Meeting adjourned at 8:06P.M.

FINAL APPROVED MINUTES AS PRESENTED

**Secretary/Treasurer
Russ Siegman**