

Minutes
Indian Hills General Improvement District
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
April 14, 2010
6:00 P.M.

Trustees Present: Chairman Brian Patrick, Vice Chairman Denise Pierini, Secretary/Treasurer Ronny Lynch, Trustee Dianne Humble, Trustee Laura Lau

Staff Present: General Manager Jim Taylor, Accountant Stacie Hunter, Field Operations Supervisor John Lufano, Administrative Assistant Karen Ziemer

Others Present: Attorney Jennifer Yturbide, Engineer Tim Russell, Dave Fournier, Art Baer, Ron Kruse, Bill Eisele, Marco Manor, Brad Rubenstein, Betty Luoma, Michelle La Fontaine, Leslie Tench

1. **Call to Order:** Chairman Patrick called the meeting to order at 6:06 P.M.

2. **Pledge of Allegiance:** Led by Chairman Patrick
Chairman Patrick introduced candidates running for IHGID Trustee Positions whose names will appear on the November 2010 election ballot. Current Board members up for re-election are Denise Pierini, Ronny Lynch and Brian Patrick. Others running for election who were in the audience were Ron Kruse, Bill Eisele, Marco Manor and Art Baer.

3. **Approval of Agenda:**

Trustee Humble motioned to approve the Agenda as it stands. Secretary/Treasurer Lynch seconded. Motion carried unanimously.

4. **Public Interest Comment:**

Brad Rubenstein, a resident on Starshine Ct. near South Sunridge Park commented on a letter he wrote to the District regarding a latrine that was put at street level in South Sunridge Park without consulting the neighborhood. The latrine had been removed as of yesterday. Art Baer a resident living on Princeton Ave. commented the Board has violated the open meeting law. He stated there was information given to the Board of Trustees in their Board packet that was not in the Board packet he picked up previous to this meeting.

5. **Reports to the Board:**

a. **General Manager Report (Exhibit A)**

General Manager Jim Taylor explained that port-a-potties were a leftover item from last year when several residents in the area didn't have a restroom facility to use. When spring came and the usage of the parks was going to be developed again, Jim thought we could do a test run on the port-a-potties, instead of spending thousands of dollars installing restrooms without the knowledge if they would be used or not. He took it upon himself and staff to install a port-a-potty at North Sunridge Park and South Sunridge Park. The company that installed the potties was to collect usage results. They have been removed now and were used frequently according to the company's results.

Jim reported staff is seeing very fluid movement in the sewer system, and the system is getting backup in different areas. The sewer system has never been filmed on camera. Staff is looking at having the entire system filmed to see if there are any problems now and it can be used for future reference. Jim is working with RCI for a solution and will have better information at the next Board meeting.

Trustee Dianne Humble commented that Sunridge Golf Course was sold today. She asked where this puts IHGID in regards to a water and sewer agreement with Las Vegas Paving. Dianne asked if a contract should be negotiated with the new owner at a better price for the G.I.D. General Manager Taylor replied he has not had time to talk with counsel regarding the contract. Attorney Jennifer Yturbide commented that she or Attorney Scott Brooke would be happy to review the existing contract.

Public Comment: Art Baer, commented that RCI should have a video of every pipe in the sewer System. It has been videoed a couple of times. Brad Rubenstein commented regarding the latrines being reported as heavily used. Brad stated one looked spotless and unused when he saw it Monday night and the Company may have a vested interest in the District thinking it was heavily used. General Manager Taylor stated he would share a written report from the Company with Brad.

b. District Analyst-Community & H.R. Report (Exhibit B)

General Manager Taylor commented that 33 hours of call out time on the Payroll Report was for Browns Well and with the pipeline this won't be an issue.

c. District Accountant Report (Exhibit C)

Chairman Patrick commented regarding reports that show a loss and asked if this included depreciation numbers. Accountant Stacie Hunter replied yes.

Public Comment: Art Baer commented that water and sewer are both enterprise funds. Last year both wound up in the red. He asked if General Manager Jim Taylor would be able to balance the budget this year. General Manager Taylor replied yes.

e. Attorney Report

Attorney Jennifer Yturbide stated she was filling in for Attorney Scott Brooke tonight. She noted she would be speaking about Agenda Item 10.

Trustee Dianne Humble commented regarding the water report and meters that were re-read, turned off and door knockers hung for non payments. Trustee Humble commented that for one of the properties she rents out for her client a zip code was incorrect. Dianne suggested that possibly there is a glitch in the billing system that didn't kick out a wrong zip code, which could be why we have delinquencies. General Manager Taylor stated he would look in to this matter tomorrow. Trustee Humble commented that she noticed there is an odor in her sewer. General Manager Taylor replied that the sewage system has been backing up and a camera will help find out why.

d. Engineer Report

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Engineer Tim Russell reported last month he has been working on coordination of the pipeline with Minden and Douglas County. He has been working with USDA and the District's Manager on funding. There have been hang-ups with the cultural analysis and the state historic preservation, some progress has been made. He has also worked on small items with General Manager Taylor such as televising of the sewer.

Chairman Patrick commented the District has an agreement with the Ski Pond to pump water to them from Browns Well. When we get the pipeline, they will probably still want water. Who will pay the electric bill and how will we work that out. Tim Russell replied we will have to work out if we will keep Browns Well to service the Ski Pond with water, or do we pump water back to them. Chairman Patrick commented on the need for redundancy for fire protection and if the District isn't using Browns Well 98% of the time, he'd like to have someone paying for the electricity to pump water. Engineer Tim Russell commented that typically for the power service on a well like this, payment is made for the highest usage for the month. So if it was turned on and used to its maximum amount you would pay that same rate over the month. If you didn't use it at all that month, the bill may be almost non-existent. Tim stated these are things we can work through.

Public Comment: Brad Rubenstein asked what the schedule is for water coming from Douglas County through the pipeline. Engineer Tim Russell replied we are anticipating water to be delivered to IHGID by February 2011, give or take a month or two. It is dependent on coordination with USDA who is providing funding of the pipeline for the District. Tim commented that construction in the fall and winter is better for crossing a river in the floodplain as the water level of the river is lower. The only issue is if it gets wet and muddy. Tim Russell stated the District has received an administrative order from the state indicating that April, 2011 is the deadline for delivery of water. Art Baer commented with so many people out of work, we should be pushing to get the pipe in the ground to get the best deal.

6. Discussion and possible action to adopt the Tentative Budget for

Fiscal Year 2010-2011: General Manager Jim Taylor and Accountant Stacie Hunter reviewed the Tentative Budget in detail with the Board and answered questions as they were asked.

Public Comment: Brad Rubenstein commented regarding capital equipment and depreciation. Betty Luoma commented regarding the purchase of water from Minden. Michelle La Fontaine Commented regarding Valley Vista Park. Leslie Tench of NV Rural Water Association commented regarding funding of depreciation.

Trustee Humble commented for the record that she found the cover letter on her budget copy from General Manger Taylor asking the Board to call or stop by his office with questions regarding the budget rather than having long drawn out questions at the Board Meeting. Trustee Humble felt that was not an open door policy to omit the input of other elected representatives, specifically the taxpayers.

Vice Chairman Pierini motioned to adopt the Tentative Budget for Fiscal Year 2010-2011 with changes that were discussed. Trustee Lau seconded.

Trustee Humble motioned to make an amendment to page 10, remove line 59 and 60 from Parks and budget those amounts to Streets. No second, motion failed.

Vice Chairman Pierini motioned to approve the Tentative Budget for Fiscal Year 2010-2011 with modifications discussed by General Manager Taylor. Trustee Lau seconded. Motion carried 4-1, 4 ayes by Chairman Patrick, Vice Chairman Pierini, Secretary/Treasurer Lynch, Trustee Lau; 1 nay by Trustee Humble

Recess: 7:40

Reconvene: 7:50PM

- 7. Discussion and possible action to change the May 19, 2010 Board Meeting to Thursday May 20, 2010 to coincide with a required Public Hearing on the Tentative 2010-2011 Budget:** General Manager Taylor explained the change in date was due to the Department of Taxation requirement for a Public Hearing on the Tentative Budget.

Secretary/Treasurer Lynch motioned to change the May 19, 2010 Board Meeting to May 20, 2010 to coincide with a required Public Hearing on the Tentative 2010-2011 Budget. Trustee Lau seconded. Motion carried unanimously.

- 8. Discussion and possible action regarding a proposed Public Hearing on May 20, 2010 to amend the water rate schedule structure to comply with monthly Rates required for Grant Funding of IHGID Water Improvements for Arsenic Compliance:** General Manager Jim Taylor explained that Grant money is not a loan, Grant money does not need to be paid back. The District is getting \$800,000 from USDA on a Grant and \$900,000 from NDEP on a Grant. With USDA 47% of the money needed for our project is Grant eligible and with the State 45% is Grant eligible, if we meet the requirements. One of the requirements is the rate needs to be at \$55.12. Jim stated advice was taken from some residents to use water usage rates for increases in rates. In this scenario, along with the \$24.16 monthly service fee, staff has come up with \$1.95 per 1,000 gallons up to 10,000 gallons of water usage and \$2.30 per 1,000 gallons for any usage over 10,000 gallons. Jim commented that March billing usage shows 93% of customers would not be affected by this change. Engineer Tim Russell explained that the \$55.12 is based on an assumed usage of 15,000 gallons per month. Most residents don't exceed 10,000 gallons per month approximately 8 months out of the year.

Chairman Patrick clarified for the public why and how the District came up with the \$55.12 figure. There was an income survey sent out to customers to try to get an estimate of income levels in the District. The funding of the Grant was based on 1.5% of our income. With the survey results the figure from USDA came up as \$55.12. Aside from the Grant money coming to the District this rate will allow IHGID to be eligible for a loan for other pipeline funding at a rate of 3.4% from the State Revolving Fund.

Public Comment: Brad Rubenstein commented he is very glad to see a move to a progressive rate structure.

Trustee Humble commented that General Manager Jim Taylor's example of March water usage was not heavy usage month and asked if he had checked a heavy usage month. Jim replied that he can bring this information to the next Board Meeting.

Trustee Lynch suggested simplifying this information in a clear format that is understandable to the public, possibly a newsletter item.

General Manager Taylor stated that without the change to the required rate and getting a Grant, the District's payments would be \$77,000 per year. With the Grant the payments will be \$35,000 per year. Over a lifetime with this project situation the District will be saving \$120,000 or will be paying \$800,000. If we do not pass this, USDA will bow out and the IHGID portion of the pipeline will have to be paid in full by IHGID. Engineer Tim Russell stated in addition, the State funding would disappear without the rate change and a loan may be at a higher interest rate.

Public Comment: Art Baer commented when he was on the Board and a water increase was done, the District found that water consumption decreased.

Trustee Humble motioned to publish a Public Hearing Notice for May 20, 2010 to amend the water rate schedule structure to comply with monthly rates required for Grant Funding of IHGID Water Improvements for Arsenic unfunded mandate requirements. Secretary/Treasurer Lynch seconded. Motion carried unanimously.

9. Discussion and possible action regarding proposed water rate amendments:

a. Rates Based on Line Size

General Manager Jim Taylor stated he is working on these items for a future date. He explained information regarding a break down for water rates based on line size (**Exhibit D**) and reviewed a report of Water Rates in the Carson River Watershed provided by Carson Water Subconservancy District (**Exhibit E**).

Public Comment: Art Baer commented that previously Douglas County took portions of the District into a Redevelopment District which IHGID gets no ad valorem taxes for.

Trustee Humble asked Attorney Jennifer Yturbide if there is an opportunity to go back to Sunridge Golf Course Contracts since they are under new ownership even if the property is in the redevelopment district. Attorney Yturbide stated she would have to do research before she could give an opinion on this and if the Board asked her to, either she or Scott Brooke will look into this matter.

b. Hydrant Meter Rate (Exhibit F)

General Manager Taylor reported he could not find that IHGID had a hydrant rate charge. He explained information included in the Board Packet.

Trustee Lau suggested this be revisited once a year as opposed to going 4 years without any review of rates. General Manager Taylor commented that he has suggested to the Board previously that October of each year could be the rate month.

Public Comment: (none)

Discussion only, no action taken.

10. Discussion only regarding legislation affecting Homeowner's Associations. Report by District's Attorney Scott Brooke: (Exhibit G)

Attorney Jennifer Yturbide reported that Attorney Scott Brooke had been directed by the IHGID Board at their last meeting to look into legislation that was recent to look for

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legislation that gave District's the responsibility to enforce CC&Rs. A memorandum from Attorney Scott Brooke was provided in the Board Packet. In addition there was another memo sent out yesterday dated April 12, 2010 that will be available to Board members and the public tomorrow morning due to a breakdown of the copy machine.

Attorney Yturbide reported the legislation research did not impact the District and give them responsibility for enforcing the CC&Rs. There was some recent legislation that gave Homeowners Associations the power to go in to get abatement assistance in light of the many recent foreclosures. There was a follow up question whether CC&Rs are effective and whether the District is required to follow them. The issue is whether the North and South Sunridge Parks have actually been deeded to the District and are subject to the CC&R's. without doing some research the District's Attorneys cannot answer this question.

Public Comment: Art Baer commented that Douglas County has code enforcement people. Attorney Yturbide commented that Civil Courts are available to individuals as well.

Discussion only, no action taken.

11. Discussion and possible action to approve an expenditure of \$7822.50 to ARMAC Construction for Slurry Seal in South Sunridge Park and for Re-Striping the Basketball Court:

General Manager Jim Taylor explained this item is before the Board since it is over his \$5,000 limit. The path is torn up due to the sprinkler system that goes over the walkway and the best way secure the path is with a slurry seal. It is a small seal over the asphalt that keeps the walkway in good shape for 3 years or more.

Secretary/Treasurer Lynch motioned to approve an expenditure of \$7822.50 to ARMAC Construction for Slurry Seal in South Sunridge Park and for Re-Striping the Basketball Court. Trustee Humble seconded. Motion carried unanimously.

12. Discussion and possible action to approve amendments to the Employment Agreement between IHGID and its General Manager James Taylor regarding benefits to allow for a combined accrual rate for both annual and sick leave and an immediate one time addition of 80 hours to his combined leave bank:

The District's Attorney Jennifer Yturbide reported there was some confusion with what Attorney Scott Brooke drafted for Board discussion. Scott Brook will draft amendments as necessary. Jennifer commented that Scott would probably want to see the existing contract that is in place now and the collective bargaining agreement that deals with sick, annual and buyback provisions which is referenced in the General Manager's contract.

Trustee Humble asked General Manager Taylor to look at and consider the Haugen and Keck study that was done previously which shows that the General Manager position could be part time.

Attorney Jennifer Yturbide commented that General Manager Jim Taylor and Attorney Scott Brooke did get together and came up with an amendment, but they may need additional documents to determine if Jim Taylor isn't under the collective bargaining agreement. Jennifer understood that the previous General Manager got the same benefits as the collective bargaining unit and that Jim Taylor's contract followed through with it. This could have potential financial impact with combined annual and sick benefits.

Discussion only, item tabled.

13. Discussion and possible action regarding filling an upcoming vacancy on the IHGID Board of Trustees.

General Manager Jim Taylor stated the Board is losing a Trustee tonight. Jim would like to advertise for the vacancy and asked the Board to choose a meeting date prior to the May 20, 2010 Board Meeting so a new Trustee may vote at the May 20, 2010 meeting. Jim suggested advertising for letters of interest as was done for the last Board vacancy.

Secretary/Treasurer Lynch motioned to publish a Monday, May 10, 2010 interview meeting at 6:00 P.M. Vice Chairman Pierini seconded. Motion carried unanimously.

14. Discussion and possible action on approval of Draft Minutes for the March 17, 2010 Board Meeting:

Trustee Lynch motioned to approve the Minutes for the March 17, 2010 Board Meeting as written. Trustee Humble seconded. Motion carried unanimously.

15. Chairman and Trustees Reports, Correspondence:

Chairman Patrick announced he had been asked by the District employees to present Trustee Laura Lau a Plaque they had made up, to thank her for her work at the District.

16. Adjournment:

Trustee Lynch motioned to adjourn the meeting. Vice Chairman Pierini seconded. Motion carried unanimously. Meeting adjourned at 8:55 P.M.

FINAL APPROVED MINUTES AS PRESENTED

**Secretary/Treasurer
Ronny Lynch**