

Minutes
Indian Hills General Improvement District
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
September 17, 2008
6:00 P.M.

Trustees Present: Chairman Laura Lau, Vice Chairwoman Denise Pierini, Trustee Brian Patrick, Trustee Kathryn Clark-Ross

Trustees Absent: Secretary/Treasurer William Eisele

Staff Present: Interim General Manager Art Baer, District Analyst Human Resources & Community Sandi Eisele, Water Supervisor Dave Wright, Water Operator II Josh Joyner, Administrative Assistant Karen Ziemer

Others Present: Attorney Scott Brooke, Engineer Brian Randall, Bill Moriarty, Dale Morlan, Ron Lynch, Ron Kruse, Jim Taylor, Jim Murphy, Pat Murphy

1. **Call to Order:** Chairman Lau called the meeting to order at 6:04 P.M.
2. **Pledge of Allegiance:** Led by Chairman Lau
3. **Approval of Agenda:** Vice Chairwoman Pierini asked if Item 10 could be discussed in Secretary/Treasurer Eisele's absence. Engineer Brian Randall offered to discuss the item with the Board. Interim General Manager Art Baer commented that Secretary/Treasurer Eisele asked Art to propose that item 8 regarding the direction to go forward with the General Manager Position, be removed from the agenda due to an ethics complaint against Secretary/Treasurer Eisele and whether he could vote on the General Manager Position.

Trustee Patrick motioned to approve the Agenda as it stands. Trustee Clark-Ross seconded. Motion carried 4-0. Secretary/Treasurer Eisele absent.

4. **Public Interest Comment:** Resident Ron Lynch commented on information he asked for and received from Interim General Manager Art Baer regarding O.S.H.A., IRS late charges and South Sunridge Park conditions. Ed Terleau, a resident from South Sunridge commented that poop bags are missing from the park and suggested they be checked when employees are mowing lawns and picking up garbage. Ed reported that the irrigation in the Park is constantly flooding with runoff going into the sewer system. There are mud, mosquito and algae problems and a bad smell. Ed commented this was in violation of IHGID rules and generally a wasteful use of water. Ed asked where he could go from here and who he could talk to. Trustee Patrick offered to call Ed Terleau the next day.
5. **Reports to the Board:**
 - a. **General Manager's Report:** Interim General Manager Art Baer reviewed his September 12, 2008 Report to the Board. Art commented that he contacted O.S.H.A. yesterday to report what the District has accomplished so far. The consulting firm of Brown and Caldwell should have a rough draft of our required Health and Safety Manual by September 23, 2008. The Material and Safety data sheets are up to date.

O.S.H.A. was happy with Art's update and gave the District another 30 day extension. They agreed to reduce the \$3,300.00 fine down by 40% and might rescind it entirely, depending upon how the District progresses. Trustee Patrick asked Art to bring the Brown and Caldwell \$6,000 contract to the Board for payment at their next meeting since Art's approval limit is \$5,000 as stated in the IHGID policy book. Art reported that the Accountant Position may be filled shortly. There were two candidates chosen and references of one are being check now. Art commented that Peggy Hoffman, C.P.A. has been keeping the District current on expenses and check writing, etc., but not straightening out the books. Trustee Patrick requested that Art ask Peggy Hoffman to compile a list of all delinquent bills and amounts that were paid. The list needs to be available at the next Board meeting. Chairman Lau asked that consultants Brown and Caldwell work with Sandi Eisele to educate her on O.S.H.A. requirements. Chairman Lau asked Art for an update on the posting of the Arsenic Out of Compliance. Art answered that as of October 12, 2008 we need notify the public, and according to Bert Bellows from SEC, we can post it at the same locations that we post Agendas. Water Supervisor Dave Wright explained that the public must be notified that there is a meeting in November in Reno, so they may attend if they wish. Dave commented that the notice can be posted on the IHGID website. Chairman Lau asked Art if he had signed a draft contract for his job as Interim General Manager. Art Baer replied he had made notes on a draft and given it to Attorney Scott Brook. Scott Brook will get a revised final copy to all Board Members for review and approval of the contract can be on the next Board meeting agenda.

Public Comment: Ron Lynch commented that Board members could get a copy of O.S.H.A. results of the meeting he tried to attend. Ron suggested the Board read the report to see if O.S.H.A. items are taken care of and review it with Art Baer. Sandi Eisele commented that the District does not have the report yet, but we can go to O.S.H.A's website to find violations. Sandi will provide current information from the website to Board members. Bill Moriarty commented that management is responsible for health and safety. Bill read and discussed IHGID penalties and citations from O.S.H.A. Sandi Eisele commented that each of the citation areas Bill mentioned are in the IHGID Health and Safety manual, but need to be more detailed. Sandi explained that the citations were given for not implementing and furthering the program we do have. Ed Turleau suggested management sit down with Sandi to discuss priorities and give employees priority. Ed commented that this government requirement is priority. Attorney Scott Brooke commented that more discussion on O.S.H.A. should be put on the Agenda for the next Board meeting

b. District Analyst-Community & H.R. Report:

Sandi Eisele reported two new employees were hired by posting job openings in house. Cheyanne Dahili is training with Jimmy Weaver in the Utility Billing position. Kathy Martin will come back if needed to train a new Customer Service Representative. For the Accountant position, Peggy Hoffman C.P.A., Claudette Springmeyer, Kathy Martin and Sandi interviewed the top three candidates who had passed testing through Douglas County for accounting, QuickBooks and Excel. Out of this process two highly qualified candidates were selected, and one may be hired shortly.

- c. Engineer Report (Exhibit A):** Engineer Brian Randall reviewed his report to the Board dated September 17, 2008. Brian updated the Board regarding projects for Hobo Lift Station, Clear Creek Wastewater Service, Granite Court Sewer Line Repair and the Storm Water Management Plan. Brian commented that the original Storm Water Management Plan contained much more than needed. Revisions will be made for the

2007 report that will be submitted to NDEP by September 30, 2008. Brian suggested that another report should be submitted at the beginning of next year. Brian commented that Roger Gilmore has not received a report from Pall Corporation regarding the Arsenic treatment project findings. Brian asked Roger to prepare a report for the Board regarding preliminary findings, costs and timeframes that Brian will present at the next Board meeting. The expected findings are that the microfiltration process is highly effective and expensive. Roger Gilmore will come before the Board with a presentation on results and the Board will need to decide if we should go forward with the design of the Arsenic Removal System based on the Pall Pilot Test. If the Board decides to go forward, they would request a proposal from Roger Gilmore for the design and management construction of the Arsenic Removal System. Brian commented that NDEP has given all the extensions for compliance they are allowed to give and it now goes to the EPA as the administrative authority. There will be a hearing on November 12, 2008 before the Nevada State Environmental Commission (SEC) regarding the status of different entities that are not in compliance with the arsenic rule. This meeting needs to be publicly noticed. Then, a hearing takes place in November or January with the SEC for presentation of the status of different entities in compliance. Brian's understanding is that IHGID can go before the SEC and show intent, money spent, and a specific schedule. SEC may then issue IHGID an Administrative Order to comply with timeframes established in IHGID's schedule.

Public Comment: Bill Moriarty asked if the District has the capacity to serve Clear Creek, and can we make any money from them. Engineer Brian Randall replied that the District has the capacity and will require expansion of the Wastewater Plant. The Agreement was prepared in a way to avoid many of the problems the District has encountered in the Interlocal Agreement with Douglas County for the commercial area. In the Agreement with Douglas County for Clear Creek service, the District will receive full payment for connection fees, annual service fees and the quality of the wastewater discharge. Ed Trileau commented that future costs should be billed to Clear Creek as actual costs when they occur. Brian Randall explained that the Interlocal Agreement is between IHGID and Douglas County. Douglas County will be operating and maintaining their system with a single connection to IHGID at one location.

- d. **Attorney Report:** Attorney Scott Brooke reported he has been monitoring outstanding Open Meeting Law complaints. He met with POOL/PACT regarding pending employee issues. He made minor modifications to the Cricket Lease. He reviewed the Steele and Associates proposal and their contract which are OK. Scott will be reviewing the Clear Creek Agreement before the next meeting.

Public Comment: Ron Lynch commented he could have submitted his information regarding his letter to Art Baer as an Agenda item, but chose to bring it up under Public Comment at a meeting so the public would know about it. Attorney Scott Brooke commented that Ron is free to send a letter and bring it up at a meeting like he did, or it could be included as correspondence in the Board Packet which would be available to the public as well. If Ron wanted the Board to discuss the information, the proper procedure is to request an Agenda item.

6. Discussion and possible action on approval of Consent Calendar:

- a. **Approval of Draft Minutes of Board Meeting of August 20, 2008**

Trustee Clark-Ross motioned to approve Draft Minutes of the Board Meeting of August 20, 2008. Trustee Patrick seconded. Motion carried 3-0. Chairman Lau abstained due to not being in attendance at the August 20, 2008 meeting. Secretary/Treasurer Eisele absent.

7. Action on items pulled off the Consent Calendar: (none)

8. Discussion and possible action regarding direction to go forward with General Manager Position: Interim General Manager Art Baer commented there have been issues and complaints by the Ethics Committee regarding the General Manager Position job application process. Art reported there were 45 applications received that were placed in an envelope until the job posting closing date. No one read the applications until Sandra Haugen of Haugen & Keck picked them up and did the pre-screening by criteria that were advertised. There were 3 qualified applicants that met the minimum requirements and Mr. Taylor was included as well. Art then took the 4 applications to Bob Spellberg and Bob Hadfield to review. Carl Rushmeyer and County Manager Michael Brown were not available to review applications. Art did not contact Ed James to review them. The Board discussed doing reference checks of a selected candidate after the interviews. Chairman Lau asked Art Baer to contact Ed James regarding interview questions. Sandi Eisele commented that Sandra Haugen had provided a suggested list of interview questions, copies of which will be distributed to the Board.

Public Comment: Ron Lynch suggested the Board ask the County Human Resources Department to do the background check. Chairman Lau asked Sandi Eisele to contact the County and ask them to do the background check. Sandi Eisele commented that Claudette Springmeyer's preference is to do background checks before interviews. Bill Moriarty suggested the Board pick an interview date of two weeks from tonight to do the interview. Ed Turleau commented on the weighting of interview questions.

Trustee Clark-Ross motioned to set a date for interviews of the top 4 candidates for General Manager on Monday, October 13, 2008 at 6:00 P.M. Trustee Patrick seconded. Motion carried 3-1. Ayes-Chairman Lau, Trustee Patrick, Trustee Clark-Ross; Nay-Vice Chairwoman Denise Pierini. Secretary/Treasurer Eisele Absent.

Trustee Clark-Ross changed her motion to interview for the General Manager Position on Monday, September 29, 2008 at 6:00 P.M. with an alternate date of Monday, October 13, 2008 at 6:00 P.M. Motion carried 4-0. Secretary/Treasurer Eisele Absent.

8:22 Recess

8:40 Reconvened

9. Discussion and possible action regarding the non Board approved cancellation of the Caselle software contract (Follow up from 8/20/08 Board Meeting): Trustee Clark-Ross explained why this item was brought back from the 8/20/08 Board meeting. There had been questions by a Trustee as to why the Caselle contract was cancelled without Board approval. The contract has been cancelled and money returned to IHGID. Trustee Patrick commented he had asked for this item to be brought back to the Board because the Board didn't know the difference between the two software products. Trustee Patrick had asked Art Baer to have a representative from RVS come to tonight's meeting to explain the current software we have and options for updates. Trustee Kathryn Clark-Ross commented that originally she felt the Caselle software cost too much and Caselle did not supply IHGID with a product. Kathryn commented that Art Baer had determined that RVS, the current software can do the same thing as Caselle. Chairman Lau commented that if this was the case, then Art should have come to

the Board to discuss this issue since it was a Board approved action to purchase the Caselle software. The contract should not have been cancelled. Art Baer commented that the District is looking into new touch read probes as the current ones are now obsolete. Trustee Patrick recalled that Caselle had offered to give IHGID used sensors to give us the ability touch read meters better. Water Supervisor Dave Wright commented that Caselle gave the District a big presentation. Caselle has a lot of water and utility companies as customers. The hand held units we use now that download meter reads into the billing computer will be obsolete. They are battery operated and go down frequently. The used sensors Trustee Patrick was referring to were radio reads. Upgrading to a radio read system means you don't have to actually go read the meters. The meters report back to a central unit. Other entities have gone to a more modern reading system and the District could get their used radio read units. There are several generations of the radio read units, so the District would be getting the first generation, whereas other entities would be getting the third generation. Even with used equipment this would be a big upgrade for IHGID. The cost of the used equipment would cost about ½ of what new units would cost. At the last Budget meeting Dave recalled discussing \$250,000 to \$300,000 for the upgraded equipment. Dave commented on issues with the current RVS software. When changes were made to data in Kathy Martin's computer, they were not changed in the billing computer due to a conflict with the software. When the meters were read, the handheld unit would pick up the read from the meter, but it wouldn't get transferred in to the billing computer because the touch read number wasn't updated in the billing computer. So, the Billing computer showed an unread meter. No one could explain this conflict. This was part of the issue to upgrade the software. Dave remembered discussions in staff meetings that Caselle was waiting for data from our meter reads to do the programming. Art Baer commented that Caselle never got our data. Trustee Patrick asked Dave if RVS does the same job. Dave responded that RVS is an older system that the District first got when they went to the touch read system. The hand held meter read units were purchased from Sensus through Western Nevada Supply. Caselle is a newer, fancier software.

Art Baer reported that the C.P.A. working for the District stated the interface between the two Utility Billing computers that is not working should be left that way because the computers each perform separate functions, with checks and balances on meter reads and billings, which is a safeguard. Those numbers are then manually given to the Accountant who enters them into her computer and they are then available in the billing software. It may take a few days for her to do the data entry changes. Caselle had an interface that would automatically download the information.

Trustee Patrick asked Art Baer to have a representative from RVS come to the next Board meeting to explain what their system does and what possibilities for upgrading they have for the District, particularly if the touch read is becoming obsolete.

Public Comment: (none)

10. **Discussion only on alternatives to Brown's Well treated water use, such as using the well located at Vista Grande:** Interim General Manager Art Baer commented that Engineer Brian Randall previously looked at using the Vista Grande well to water the park ball fields. Art reviewed the Alternatives Cost Comparison reported by Engineer Brian Randall in May of 2005. Art commented that over one million gallons are used per month to water the fields. The well is plumbed to and stubbed out at the tennis courts. The pipe is already laid up to the green tank on the hill. The green tank needs to be taken out as it is not seismically safe and has many holes that cannot be patched. Engineer Brian Randall commented that his study done 3 years ago needs to be updated. Alternative 2 is no longer viable since the Vista Grande storage tank

is not usable. Brian would like to look at the well again as it hasn't been run for 5 years. There needs to be a pump test done on the well.

Public Comment: (none)

The Board reached a consensus to have Engineer Brian Randall come back to the Board with an updated Nitrate Well Irrigation System Alternatives Cost Comparison.

- 11. Chairman and Trustees Reports, Correspondence:** Interim General Manager Art Baer presented the Steele and Associates, LLC letter of engagement for auditing services to Vice Chairwoman Pierini for signature. Attorney Scott Brooke has reviewed the letter of engagement. Art reported that a forensic auditor has been hired by our insurance carrier and there will be no cost to the District. Steele and Associates, LLC will work with the forensic auditor so as not to duplicate work and therefore, may reduce their price.

Chairman Lau asked that a contract with Interim General Manager be signed. Attorney Scott Brooke had sent each Trustee a draft copy for their approval or to make changes. Chairman Lau asked that an agenda item be placed on the October 15, 2008 meeting agenda for the approval of Art Baer's contract.

Chairman Lau asked for an Agenda Item on the October 15, 2008 meeting agenda to approve the contract with Brown & Caldwell for a fee not to exceed \$6,000.

- 12. Adjournment:**

Trustee Patrick motioned to adjourn the meeting. Trustee Clark-Ross seconded. Motion carried 4-0, Secretary/Treasurer Eisele absent. Meeting adjourned at 9:35 P.M.

FINAL APPROVED MINUTES AS PRESENTED

**Secretary/Treasurer
William Eisele**