

Minutes
Indian Hills General Improvement District
Regular Board of Trustees Meeting
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
November 17, 2010
6:00 P.M.

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

Staff Present: General Manager Jim Taylor, Field Operations Supervisor John Lufrano, Administrative Assistant Karen Ziemer

Others Present: Attorney Scott Brooke, Engineer Tim Russell, Penni Eisele, Kathryn Clark-Ross, Craig Whitener, Dale Morlan, Edwin James, Jonathan Steele, Vanessa Davis

1. **Call to Order:** Chairman Patrick called the meeting to order at 5:59 P.M.
2. **Pledge of Allegiance:** Led by Chairman Patrick
Trustee Eisele disclosed that his daughter in-law Sandi Eisele works for the District.
3. **Approval of Agenda:**

Secretary/Treasurer Lynch motioned to approve the agenda as stated. Trustee Humble seconded. Motion carried unanimously.

4. **Public Interest Comment:**
Kathryn Clark-Ross commented she had called the office a couple of times regarding where the gazebo is for Phase 1 of Valley Vista Park and asked what the problem was with the gazebo not coming. Chairman Patrick responded that the Board is not allowed to answer during the public comment period.
5. **Discussion and possible action to accept the annual audit for fiscal year ending June 30, 2010. Presentation by District audit firm Steele and Associates:**
Jonathan Steele from Steele and Associates reviewed the audit his company performed for the District for Fiscal Year ending June 30, 2010. Jonathan stated his firm has issued an unqualified opinion that state and bond investors want to see from the District. Jonathan commented that management and staff were a pleasure to work with again. There were no problems getting information for the audit. The District did a really good job this year in doing better than they budgeted for. Bonds are coming due in the next couple of years. The District needs to stay on top of planning to make sure that if revenues don't increase because of the economy and taxes, that the District can anticipate paying those interest payments out of operations, which could affect how we maintain streets and services, etc. in the District. The Enterprise Fund which is Sewer is cash flow positive. This is a good thing as it is kind of a quasi business so you want to be making money on it. It is still losing money primarily due to depreciation. With depreciation, as assets get older they need to be replaced. In the future, getting the budget and operations where cash is at least matching the depreciation is important. The notes to the financial statements didn't change from last year except for various figures and amounts that needed to be updated. There is a new GASB54

(Governmental Accounting Standards Board) that will take effect for the 2011 financial statements and will affect fund reporting. Right now it is just in the Enterprise and General Fund. The new standards will require more detail work. Steele and Associates will be working with General Manager Jim Taylor and Accountant Stacie Hunter to get the standards in place long before the year end so the District is in compliance with the new accounting standards. The internal controls and findings showed nothing terribly significant to report. The Accounts Receivable and QuickBooks are two different systems. An adjustment to the financials had to be made to bring the two systems together, which caused a finding. This is nothing major but auditors are required to report it due to the amount. The second finding was the accrual basis which is an extension of the other finding. Other findings were related to the last year audit report and were present at the beginning of the year, but not present at the end of the year due to timing. Jonathan stressed that everything that management and staff is doing is heading in the right direction. Although there may be some cleanup work, these are very minor things. The letter to the Board of Trustees at the end of the audit is a list of best practice findings that are recommendations. The auditors went over the list with General Manager Jim Taylor and some items were cleaned up. These are items that the auditors think the District should be doing, not necessarily serious problems. Jonathan has talked with Jim about auditors coming in on a quarterly basis to eliminate some of the audit comments for next year. Jonathan noted that it is unlawful to spend money not in the budget. There was a Vista Park outlay that was not part of the original budget that could have been brought to the Board as an amendment to the budget. Jonathan reported that with USDA funding coming up there will be another aspect to the Audit which is the A133 Audit. This is a new requirement that is part of receiving funds from USDA.

General Manager Jim Taylor reported he met last Thursday with Steele and Associates. Since their meeting, items 2, 5, 6 and 7 on the last page of the Draft Audit have been taken care of. Jim will take the page as it is and give the Board a response in writing at the next Board meeting on all 7 issues to tell them if the issues are cleaned up or taken care of.

Public Comment: (none)

Vice Chairman Pierini motioned to accept the annual audit for fiscal year ending June 30, 2010 as presented by the firm of Steele and Associates. Trustee Eisele seconded. Motion carried unanimously.

6. Reports to the Board:

a. General Manager Report (Exhibit A)

General Manager Jim Taylor commented that the Douglas County Pipeline is being installed now. They are digging and laying pipe going north. There may be a need for a special Board meeting, possibly December 27 or 28 to award the bid for construction of IHGID's portion of the pipeline, dependent upon how quickly we get USDA approval.

Jim reminded the Board that all newly elected Board members must be sworn in, whether they are on the Board now or not. Staff will notify Board members when a date has been set for the Douglas County swearing in ceremony.

Trustee Dianne Humble commented on the Wastewater Report regarding the water line break out at the effluent pump line. Although this has been fixed, Dianne is

concerned with prior reports stating the lift station is in desperate need of repair. General Manager Taylor responded that staff has agreed it needs repair and that it will hold until next year. It is a costly item that will be in next year's budget. If the bulk approval of the budget as it stood is approved, the replacement will begin in July most likely. Trustee Humble asked that General Manager Taylor include information items in his General Manager report such as the auditor's report issues so the Board knows the status of issues before a Board meeting. Trustee Humble asked for the status of the patch of grass that was left to die near the last house on Mica. General Manager Taylor replied it has been left to dry as staff is planning to plant a Christmas tree and decorate it with lights. Pavers will then be placed around the area. Trustee Humble commented her concern is that this area has been a takeoff point for sledding. Without grass there, there is curbing the sleds must to go over. When sledding further down, the courtesy fence is kicked down and the District repairs it. Although it is not our responsibility we do it as a courtesy. Putting a tree at this site eliminates the opportunity kids have to sled there. Having curbing there is a safety issue. General Manager Taylor responded that he will look into this issue.

Public Comment: Kathryn Clark-Ross asked about the status of the gazebo at Valley Vista Park. General Manager Jim Taylor responded that the gazebo has not been ordered. Staff is trying to decide the proper size to order by working with the contractor to see where the columns should go. Scott Morgan of Douglas County has not contacted Jim regarding the \$20,000.00 the County agreed to pay for the project. Jim will notify Kathryn Clark-Ross when the funds are obtained.

Trustee Dianne Humble commented that last month General Manager Jim Taylor told the Board they had paid for an architect for the Dog Park. She had not known we had paid an architect for it. The Board was shown a conceptual plan showing a plot of grass, not two. The plan did not show a picnic table or shade area. Dianne asked if Jim could come back to the Board with an altered plan the Board can see.

John Lufrano, Field Operations Supervisor commented that Alana Stroll from Parks for Paws recommended that we do not install grass and that we put down DG (decomposed granite) with an irrigation system. This recommendation came after the conceptual drawing for the Dog Park. The conceptual drawing does not show 5 trees in the center of the park. There is give and take with the conceptual plan. Staff decided on 4 trees and to exclude turf in one area because if we would have put grass in at both the locations we wouldn't have had shade. A conceptual drawing doesn't mean we are holding steadfast with a plan. It was not recommended that we use any grass in the Dog Park. Real grass will die from the dog urine. Maintenance of grass was not recommended due to spending more money in the long run for mowing, irrigating and replacement of turf. At one point there was talk of going to some synthetic turf to eliminate the maintenance. Trustee Humble commented she would like to have seen any changes for the Park brought back to the Board. The first plan was brought to the Board and any changes should have been brought to the Board.

b. District Analyst-Community & H.R. Report (None)

c. District Accountant Report (Exhibit B)

d. Engineer Report

District Engineer Tim Russell reported that the pipeline is close to going out to bid. There are a couple of minor items that USDA is holding us accountable for. There is a Forest Service permit that is essentially complete and has been sent to the Forest Service. The Forest Service has not signed it to complete the process. Plans are 99%

complete. There is a requirement to be at bid for 23 days and hopefully we will be opening bids before Christmas. Douglas County's portion of the pipeline is under construction. Tim has talked to General Manager Taylor regarding a requirement that the District must have an MS4 Stormwater Permit. Tim is trying to get the District exempted from those requirements. Tim has just had discussions with staff at the State to be exempt. The MS4 Permit is through the State Department of Environmental Protection. There are certain requirements regarding pre treatment or monitoring, cleaning of storm drains and things like that. Along with the permit is a huge reporting component that is costly and time consuming. The District is small and we are trying to get the permit waived so the District won't have to pay for services needed for reporting purposes.

Public Comment: (none)

e. Attorney Report

Attorney Scott Brooke reported he has been assisting on the completion of USDA loan documents that have been submitted. He has no information regarding movement on litigation outstanding with the District. Secretary/Treasurer Lynch asked for details on the complaint by Art Baer to the Attorney General's office regarding Board compensation in 2007. Scott Brooke replied that the Attorney General's Office has not contacted him or the District. No request or response has been made. Secretary/Treasurer Lynch asked if there is a time limit since 2007 was 3 years ago. Scott Brooke stated he hasn't expended any time or reviewed this issue.

Public Comment: (none)

7. Discussion and possible action to approve a onetime bonus for the General Manager outside of his recent Board approved contract:

General Manager Jim Taylor pulled Agenda Item 7 and stated he will work within his contract as discussed at a previous Board meeting

No Action was taken

8. Discussion and possible action regarding a donation to Jacks Valley Elementary School for Thanksgiving Turkeys:

Chairman Patrick explained that last year turkeys were donated by Liras Market. Liras is no longer in business. His wife works at Jacks Valley Elementary School and asked if the Board would consider a donation. Chairman Patrick stated he would not vote or speak to this request. He read a portion of a letter dated November 9, 2010 from Pam Gilmartin, Principal of Jacks Valley Elementary School asking for a donation of \$500.00 to purchase turkeys, fresh vegetables and drinks for food baskets.

General Manager Jim Taylor commented he does not have money budgeted for a donation. Jim has received letters from several people asking for donations. Staff has been in contact with a program called Food for Thoughts. Jim recommended that money be set aside in next year's budget for donations. Jim asked the Board where they can draw the line with donation requests. He can find \$500.00 to donate if the Board approves it.

Attorney Scott Brooke pointed out that the District doesn't have social services responsibilities. These requests could be directed to the County. The District would be using utilities funds that the District doesn't have the authority to do.

Public Comment: Kathryn Clark-Ross commented the District hasn't donated money before and will need to be careful how this is handled. Once it is set up you may have to hire someone to decide who donations go to. Kathryn suggested using the \$500.00 to make the District Christmas event more personal rather than just having cookies for the children. Ham, turkey and other food could be served which would bring in more people from the community.

Craig Whitener commented he does not think the District should be giving charity. The community and churches give constantly.

No Motion Made, No Action Taken

9. Discussion and possible action to approve Draft Minutes for the October 20, 2010 Board Meeting:

Trustee Eisele motioned to accept the minutes for October 20, 2010. Secretary/Treasurer Lynch seconded. Motion carried unanimously.

10. Chairman and Trustees Reports, Correspondence:

11. Adjournment:

*Trustee Eisele motioned to adjourn the meeting. Secretary/Treasurer Lynch seconded. Motion carried unanimously.
Meeting Adjourned at 7:29 P.M.*

FINAL APPROVED MINUTES AS PRESENTED

**Secretary/Treasurer
William Eisele**