

Minutes
Indian Hills General Improvement District
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
January 17, 2007
7:00 P.M.

Trustees Present: Trustee Brian Patrick, Trustee Laura Lau, Trustee Denise Pierini, Trustee William Eisele, Trustee Kathryn Clark-Ross

Trustees Absent: (none)

Staff Present: General Manager Dennis Longhofer, Executive Assistant Vicki Reifer, Administrative Manager Nancy Fredrickson, District's Attorney Jennifer Yturbide, District's Engineer Brian Randall, Accounts and Purchasing Officer Jimmy Weaver, Customer Service Representative Kathy Martin, Wastewater Treatment Operator Andy Joyner, Parks Maintenance Technician III Rick Watkins, Streets Supervisor Russ Sterling

Others Present: Penni Eisele, Ron Lynch, Jim Murphy, Pat Murphy, Chuck Swanson, Riley Evans, Adele Basham-Nevada Division of Environmental Protection, Kim Borgzinner-Farr West Engineering

1. **Call to Order:** Trustee Lau called the meeting to order at 7:03 P.M.
2. **Pledge of Allegiance:** Led by Trustee Lau.
3. **Swearing in of new Trustees:** Executive Assistant Vicki Reifer swore in William Eisele and Kathryn Clark-Ross.
4. **Election of Officers of the Board of Trustees of the District for calendar year 2007:**

Trustee Lau asked for nominations for Chairman of the Board.

Trustee Eisele nominated Brian Patrick as Chairman of the Board. Seconded by Trustee Clark-Ross. There were no other nominations. Trustee Lau called for a vote. Trustee Eisele voted aye. Trustee Clark-Ross voted aye. Trustee Lau voted aye. Trustee Pierini voted aye. Trustee Patrick abstained. Motion carried 4 to 0.

Chairman Patrick asked for nominations for Vice Chairman of the Board.

Trustee Clark-Ross nominated Laura Lau as Vice Chairwoman of the Board. Seconded by Trustee Eisele. There were no other nominations. Chairman Patrick called for a vote. Chairman Patrick voted aye. Trustee Eisele voted aye. Trustee Pierini voted aye. Trustee Clark-Ross voted aye. Trustee Lau abstained. Motion carried 4 to 0.

Chairman Patrick asked for nominations for Secretary/Treasurer of the Board.

Vice Chairwoman Lau nominated William Eisele for Secretary/Treasurer of the Board. William Eisele graciously declined the nomination for Secretary/Treasurer of the Board.

Trustee Clark-Ross nominated Denise Pierini for Secretary/Treasurer of the Board. Seconded by Trustee Eisele. Denise Pierini discussed her concerns with not knowing the responsibilities of the Secretary/Treasurer position. Attorney Brooke explained that the Secretary/Treasurer position mostly consists of treasurer duties because District staff takes care of the secretarial duties such as minutes. He stated that the treasurer has the responsibility for reviewing the District's financial reports and giving a brief report at each meeting on the findings of those reports.

There were no other nominations. Chairman Patrick called for a vote. Chairman Patrick voted aye. Vice Chairwoman Lau voted aye. Trustee Eisele voted aye. Trustee Clark-Ross voted aye. Trustee Pierini abstained. Motion carried 4 to 0.

5. Approval of Agenda:

Trustee Clark-Ross moved to approve the agenda as presented. Seconded by Vice Chairwoman Lau. Motion carried unanimously.

6. Public Interest Comment: (none)

7. Reports to the Board:

a. General Manager's Report (Exhibit A)

General Manager Dennis Longhofer discussed items as written in the General Manager's Report. He commented on additional items. He informed the Board of Trustees that the District's Engineer Brian Randall completed the District's stormwater management map which was required by the Nevada Division of Environmental Protection. The map describes the location of all stormwater discharge from within the District. Storm drain markers will be placed on all District storm drain inlets. General Manager Longhofer discussed various components of the District's stormwater management plan which include providing public education, implementation of stormwater fees and a stormwater ordinance. The District is required to adopt ordinances and a plan for regulation of illicit discharge and elimination of sediments in 2007. The District will also have to implement stormwater fees in 2007.

He discussed the grant process with the State of Nevada Recreation Trails Program to complete a trail from James Lee Park to Vista Park including a parking lot area. Engineer Randall is working with Capital Engineering in order for the District to obtain an easement needed to complete the trail from James Lee Park to Vista Park.

General Manager Longhofer passed the examination for Sewer Collection Operator Grade I. Andy Joyner passed the examination for Wastewater Treatment Plant Operator Grade IV. Russ Sterling passed the examination for Sewer Collection System Operator Grade II.

A formal protest was filed with the Nevada Division of Environmental Protection on December 8, 2006 by the Pyramid Lake Paiute Tribe of Indians against the District's exploratory well drilling project, serial number 74518. Engineer Randall will comment on the protest by the Pyramid Lake Paiute Tribe of Indians during the Engineer's Report discussions.

General Manager Longhofer discussed "Attachment B" of the General Manager's report regarding the District's past agreement that connection fees have been paid or waived in lieu of improvements to all Sunridge Business Park parcels. Sunridge Medical Properties at 973 Mica demands that the past commitment to waive connection fees be honored. General Manager Longhofer with the assistance of the District's Attorney Scott Brooke will send a letter to Attorney Sandra Lawrence of Sunridge Medical Properties to address the matter regarding the difference in connection fees for a 1 1/2" meter versus a 3" meter.

General Manager Longhofer commented on the poor condition of the District's 1979 sander truck. He described the sander truck's various mechanical problems and referred to the pictures of the sander truck which were included in the Board meeting packet. He mentioned that the Board approved an installation payment up to \$15,000 for the purchase of a dump truck with plow and sanding equipment for the fiscal year 2006-2007 budget. District staff is researching new or used equipment to replace the inadequate 1979 sander truck.

The District will no longer be using Tri State Water Operations wastewater treatment services due to District employee Andy Joyner passing the Wastewater Treatment Operator Grade IV examination. Wastewater Treatment Operator Andy Joyner will be submitting the District's quarterly discharge monitoring reports to the State of Nevada.

Trustee Patrick inquired on the process of replacing twenty feet of hypochlorite injection line at the Water Treatment Plant. General Manager Longhofer clarified that no flooring was torn apart because there is a pipe chase.

Trustee Clark-Ross inquired if leasing vehicles and equipment would be an option for the District. General Manager Longhofer explained that the District is researching various alternatives to purchase new and used vehicles and equipment.

Public Interest Comment: Chuck Swanson suggested that the District watch its stormwater management plan closely. He is concerned that the District maybe asked to put more into the plan than it really should which would commit the District to certain financial obligations. He suggested that the District be careful about its authority to write ordinances in particular to what the District can or can not write and enforce.

General Manager Longhofer commented on the intention that the District would adopt Douglas County's stormwater codes and ordinances. Chairman Patrick questioned if the District was part of the County or a separate entity. Attorney Brooke clarified that the District is a separate entity with separate responsibilities and jurisdiction. General Manager Longhofer commented on his intention of revising sections of the District's stormwater management plan. He informed the Board of Trustees that Carson City's stormwater management plan is fourteen pages and the District's stormwater management plan is forty one pages which he plans on reducing.

Riley Evans mentioned that he signed a piece of paper approximately six years ago stating that the District's 1979 sander truck was unsafe to drive. His concern with the 1979 sander truck is a lack of maintenance. He discussed his experience with a sander truck. Riley Evans stated that the District has

not paid for the cost of the street sweeper and that the District's past street sweeper service contract was \$2,000 per occurrence to sweep the entire District which took only ten days to complete.

General Manager Longhofer responded that the District paid \$2,500 or \$2,800 for one sweeping of the entire District for a \$10,000 a year contract to sweep the District four times. He stated that the District has made two complete sweeps and several other smaller sweeps of the District. Riley Evans inquired if the entire District was swept. Streets Supervisor Russ Sterling confirmed that the entire District was swept twice.

Secretary/Treasurer Pierini questioned if the sander was as old as the truck and if the sander could be installed on a newer truck. Trustee Eisele recommended that both the sander and truck be replaced because they are in bad condition.

General Manager Longhofer informed the Board of Trustees of vandalism at South Sunridge Park where vehicles have been driving on the grass.

b. Engineer's Report (Exhibit B)

The District's Engineer Brian Randall discussed items as written in the Engineer's Report. He informed the Board of Trustees that the District drilled an exploratory well in the fall of 2006 because the District is reliant on a single source of water from Browns well. He discussed the District's need for a second well as a stand by water source in case Browns well were to fail. The first process was to determine if the well site was reliable. Engineer Randall stated that the exploratory well which is located off of Hobo Hot Springs Road just east of the District's Wastewater Treatment Plant was proven to be an excellent well as far as its production however, there are some quality issues. He mentioned that the exploratory well water quality is the same as the water quality from Browns well. He explained the process of the District filing an application to transfer water rights to the exploratory well location. He informed the Board of Trustees that property owners within the 2,500 feet of the well site were notified by certified mail of the proposed water permit as required by statute. A formal protest of the application was filed on December 8, 2006 at the Division of Water Resources by the Pyramid Lake Paiute Tribe of Indians. Engineer Randall stated that other applications that are filed along the Carson River basin are being protested by the Tribe because they are concerned with the effects of water appropriations of downstream users. A decision on the application and the protest will be made by the Nevada State Engineer. Engineer Randall stated that the protest does not affect the District until a decision is made by the District to go ahead with the development of the well.

Engineer Randall discussed the process for filing of a Proof of Beneficial Use under eleven District water right permits on various wells. He stated that Resource Concepts filed an Application for Extension of Time requesting a one year deadline extension on all eleven permits and that the Division of Water Resources will not grant an extension on any permit for a period of more than one year.

Engineer Randall discussed one of the District's primary projects of replacing the sewage lift station located at the Water Treatment Plant. He informed the Board that all the sewage in the District gravities to a single lift station located at the Water Treatment Plant and that a large pump station pumps the sewage out

to the Wastewater Treatment Plant. He stated that the lift station at the Water Treatment Plant failed almost two years ago and is in need of replacement and that the State of Nevada Division of Environmental Protection mandated that the lift station be replaced. ROMTEC Utilities and Resource Concepts continue to work on the design and preparation of bid documents for the replacement lift station. The Nevada Division of Environmental Protection is also mandating emergency generator power to the lift station, Water Treatment Plant and Wastewater Treatment Plant. The District entered into a contract with Dinter Engineering to research various alternatives on providing emergency power, make recommendations and to provide a cost estimate. A preliminary report from Dinter Engineering was received which is currently being reviewed. General Manager Longhofer and Engineer Randall will be providing suggestions and requests for additional considerations to Dinter Engineering. A final report from Dinter Engineering should be completed and received the week of January 22, 2007. He informed the Board that the District is looking at several different configurations for emergency power with a price range of a half million dollars. Resource Concepts will complete the replacement lift station design once Dinter Engineering completes the final report and when the District selects the alternative for providing emergency power to the Water Treatment Plant, Wastewater Treatment Plant and lift station facilities.

Engineer Randall commented on the completion of the stormwater management map. The map describes the location of all points of stormwater inlets, discharge and stream flows within the District and where stormwater enters the Carson River and Clear Creek systems. The map is intended for the State of Nevada to describe the District's stormwater management program.

Trustee Eisele asked Engineer Randall what would happen if Browns well failed. He asked how long would the District have and what would the District need to do to divert water from the exploratory well. Engineer Randall explained that the exploratory well can not be used because it only has a six inch casing and it has no pump. Engineer Randall clarified that the District does have other sources if Browns well failed. He mentioned that the District is vulnerable in the summertime. He stated that there are several wells throughout the District which are low producers with the exception of a well located at the Water Treatment Plant which is a decent producer but it does not have good quality water because of its high arsenic content. Engineer Randall explained that the District has a substantial amount of storage tanks as well as a cross connection to the two million gallon tank that Douglas County installed near Jacks Valley School which was built to provide service to the North Valley commercial area. He stated that the District could use water from the two million gallon tank in an emergency situation however Douglas County does not maintain a full tank. He stated that the District would be in a very difficult situation if Browns well went down for more than one day in the summertime.

Chairman Patrick requested information from Engineer Randall on reasons for the District not being able to use the exploratory well and the costs involved. Engineer Randall informed Chairman Patrick that a contract was issued for \$24,746 with Aqua Drilling to drill the exploratory well and that the total cost was approximately \$26,000 which included a \$700 electrical log. He explained that the District would not know if it had a reliable source without drilling the

exploratory well and that the reason for drilling the exploratory well was for the vulnerability of the District not having a stand by source. Engineer Randall clarified that drilling the exploratory well was not done for purposes of water production except to identify its viability as a future source. He stated that drilling the well remains simply an exploration of the ground water to determine whether or not there was a viable water source and whether or not the water quality was treatable until the District makes the decision to go forward with it.

Public Interest Comment: Riley Evans commented on water quality issues at his home. He discussed the District's \$1.7 State of Nevada water revolving loan for the color and arsenic removal project. He questioned the delay for the arsenic test bed results. He is concerned with additional costs to conduct additional arsenic test beds.

General Manager Longhofer informed Riley Evans that the media was changed because arsenic quickly saturated the media and that the arsenic contractor is working on reducing the pH level. He understood that the most recent arsenic test bed conducted a few months ago by Gilmore Engineering was the only test bed conducted. Riley Evans commented on a previous arsenic test bed where compounds were placed in plastic cylinders in which various phases were performed to remove arsenic. General Manager Longhofer would research the matter because he did not recall that arsenic test bed.

Riley Evans requested that the District go forward with its arsenic removal project. General Manager Longhofer informed the Board that Mobile Process Technologies will be conducting a free arsenic test and that the District has an extension with the State of Nevada to comply with the new arsenic standard by 2009.

Attorney Brooke interjected by advising Chairman Patrick that the agenda item being discussed is the Engineer's report and it would be appropriate for the dialogue in progress to be an agenda item in the future.

c. Attorney's Report

The District's Attorney Scott Brooke did not have any carry over legal matters. He is working with General Manager Longhofer on connection fee issues. Attorney Jennifer Yturbide will be providing the Board with updated information for the "Trustees Orientation Manual" in regards to changes made by the legislature. Attorney Yturbide will discuss the updated information with the Board at the February 21, 2007 meeting in accordance with the scheduled open meeting law training. Attorney Brooke and Attorney Yturbide are available for the Board at any time to assist with the transition of the new Board and to answer questions of the Board.

Public Interest Comment: (none)

8. Approval of Draft Minutes of Board Meeting of December 20, 2006. Attorney Brooke stated that there is not a majority of Board members at tonight's Board meeting that were present at the December 20, 2006 Board meeting. He suggested that the new Trustees indicate that they were not present at the December 21, 2006 Board meeting if they are willing to participate in a vote. Attorney Brooke clarified that the new Trustees need not abstain because of their absence.

Public Interest Comment: (none)

Chairman Patrick entertained a motion to approve the Draft Minutes of Board Meeting of December 20, 2006 as presented. Seconded by Vice Chairwoman Lau. Chairman Patrick voted aye. Chairman Patrick was present at the December 20, 2006 meeting. Vice Chairwoman Lau voted aye. Vice Chairwoman Lau was present at the December 20, 2006 meeting. Secretary/Treasurer Pierini voted aye. Secretary/Treasurer Pierini was a member in the audience at the December 20, 2006 meeting but was not a member of the Board of Trustees. Trustee Eisele voted aye. Trustee Eisele was member in the audience at the December 20, 2006 meeting but was not a member of the Board of Trustees. Trustee Clark-Ross voted aye. Trustee Clark-Ross was a member in the audience at the December 20, 2006 meeting but was not a member of the Board of Trustees.

- 9. Acceptance of Budget Status Reports for December 31, 2006:** General Manager Longhofer informed the Board that the December 31, 2006 Budget Status Report is the half way point for the fiscal year 2006-2007 budget. Administrative Manager Nancy Frederickson offered to review the reports with the new Board members. Chairman Patrick appreciated the detailed professional services summary in the Budget Status Reports. Vice Chairwoman Lau inquired if Administrative Manager Nancy Fredrickson was comfortable with the Budget Status Reports and if she had any concerns with the status of the District’s revenues and expenditures. Administrative Manager Nancy Fredrickson stated that she had no concerns with the status of the Budget Status Reports for December 21, 2006.

Public Interest Comment: (none)

Vice Chairwoman Lau moved to accept the Budget Status Reports for December 31, 2006 as presented. Seconded by Trustee Clark-Ross. Motion carried unanimously.

- 10. Acceptance of Bank Accounts' Reconciliation at December 31, 2006:** Administrative Manager Nancy Fredrickson explained the differences between the District’s various accounts which include the operating account, money market account and reserve fund account. The operating account is the District’s primary checking account in which payroll and accounts payables are paid. The District’s tax revenue is deposited into the money market account. Any of the District’s reserve funds are deposited into the reserve fund account.

Public Interest Comment: (none)

Vice Chairwoman Lau moved to accept the Bank Account’s Reconciliation at December 31, 2006 as presented. Seconded by Trustee Eisele. Motion carried unanimously.

- 11. On adoption of an updated District Boundary Map, including recent annexations:** Executive Assistant Vicki Reifer presented a revised District boundary map to the Board which was prepared by Resource Concepts that showed the most recent approved annexations. Engineer Randall showed the Board of Trustees the parcels that were annexed into the District. The following parcels were previously annexed and included on the revised boundary map.

<u>Assessor’s Parcel #</u>	<u>Property</u>	<u>Owner</u>	<u>Board Approved</u>
1420-07-701-002	Mica / Vista Grande	Pacific West Communities	October 18, 2006
1420-07-210-009	810 Pawnee	Virgil Gentner	December 20, 2006

Public Interest Comment: (none)

Trustee Eisele moved to adopt the updated District Boundary Map, including recent annexations. Seconded by Trustee Clark-Ross. Motion carried unanimously.

- 12. Discussion and Ratification of changing the meeting time of the regular monthly Board of Trustees meeting on Wednesday, February 21, 2007 from 7:00 P.M. to 6:00 P.M. to conduct Open Meeting Law training:** Executive Assistant Vicki Reifer informed the Board of Trustees that Ann Wiswell at the Nevada Pool Pact Public Agency Risk Management will conduct open meeting law training for one hour at the February 21, 2007 Board of Trustees meeting and that there are no fees associated with the training session. She mentioned that the public is also invited to attend the open meeting law training session.

Chairman Patrick questioned public attendance at Board training sessions. Attorney Brooke stated that any gathering of more than two Trustees would be a meeting unless it is exempt. He clarified that any workshops and training sessions are within the pur-view of the open meeting law and should be publicly noticed whether or not any action is taken. Vice Chairwoman Lau asked what would be exempt. Attorney Brooke stated that exemptions would include personnel matters, union matters and discussions regarding litigation with the District's Attorney.

Public Interest Comment: (none)

Chairman Patrick stated that the meeting time of the regular monthly Board of Trustees meeting on Wednesday, February 21, 2007 will be changed from 7:00 P.M. to 6:00 P.M. to conduct Open Meeting Law training.

- 13. Discussion and possible action on scheduling an All Day Session or Two Half Day sessions through Farr West Engineering for Financial Planning Training:** Farr West Engineering Representative Kim Borgzinner provided the Board of Trustees with a summary of services provided by Farr West Engineering. (Exhibit C) Kim Borgzinner informed the Board of Trustees that Farr West Engineering has a contract with the Nevada Division of Environmental Protection and the Bureau of Safe Drinking Water to conduct technical assistance to public water systems throughout the State of Nevada. Farr West Engineering has done evaluations on three hundred and fifty different water systems to assess individual needs that the water systems may have so that they can remain in compliance with regulations and to improve system performance. There are three areas to improve system performance which include technical, managerial and financial performance. Farr West Engineering Representative Kim Borgzinner commented on Resource Concepts providing technical assistance to the District. Farr West Engineering's primary focus is to provide managerial and financial assistance for the District's water system. Farr West Engineering will provide a variety of tasks to help improve the water systems performance which includes operator and Board training, rate studies, financial software assistance, grant and loan applications, preparation of required plans, water audits, arsenic compliance, outreach and education programs. Funding is possible through a grant from the Nevada Division of Environmental Protection and the Bureau of Safe Drinking Water. Farr West Engineering Representative Kim Borgzinner informed the Board that Farr West Engineering is already assisting the District with an asset management plan, capital improvement plan and rate analysis. She mentioned that Farr West Engineering can provide Board training which includes open meeting law, utility record keeping, water rights and land use, water conservation, water quality standards, financial planning and staffing needs. Farr West Engineering also provides assistance and training with budget preparation.

Adele Basham Manager of the Office of Financial Assistance at the Nevada Division of Environmental Protection which includes the State of Nevada drinking water and wastewater revolving loan fund program and State grant programs for drinking water introduced herself to the Board of Trustees. She encouraged the Board of Trustees to take advantage of the various training services provided to the District by Farr West Engineering. She mentioned that the District has two State of Nevada drinking water revolving loans and that the Nevada Division of Environmental Protection routinely reviews the District's financial health. She stated that the Nevada Division of Environmental Protection has not been completely satisfied with what they have seen in the past.

Administrative Manager Nancy Fredrickson asked why the Nevada Division of Environmental Protection does not provide services or training for wastewater systems. Adele Basham stated that the sources of funding are provided from federal grants which they allow the Nevada Division of Environmental Protection to have more broad activities for drinking water systems than wastewater systems. She mentioned that the Nevada Division of Environmental is starting to assess a fee for its wastewater loans in order to provide similar assistance in the future for wastewater systems.

General Manager Longhofer inquired if a preliminary engineering report was required by the Nevada Division of Environmental to place a project on the State of Nevada drinking water and wastewater revolving loan fund program priority list. Adele Basham stated that a preliminary engineering report is not needed to place a project on the State of Nevada drinking water and wastewater revolving loan fund program priority list. General Manager Longhofer inquired if more than one project could be placed on the priority list. Adele Basham stated that more than one project could be placed on the priority list. General Manager Longhofer asked if project could be placed on the priority list if a District improvement project would not commence for possibly a year. Adele Basham recommended that the District list those future improvement plans on the priority list.

Chairman Patrick asked the Board if they preferred a full day or two half days for training. The Board of Trustees discussed options for scheduling the training. Farr West Engineering Representative Kim Borgzinner stated that scheduling Farr West Engineering is flexible with the time and day including evenings and Saturdays. Executive Assistant Vicki Reifer suggested that the Board members select a date and time due to scheduling challenges with others using and renting the meeting room. The Board of Trustees agreed to postpone scheduling the time and date for financial training.

Public Interest Comment: Chuck Swanson stated that he is discouraged to hear that the Nevada Division of Environmental Protection was disappointed with the District and it was the first time he ever heard that comment. He recommended that the Board review the goals as established at the last Board of Trustees goal setting workshop meeting and how those goals could be integrated with the financial training. He discussed the advantages of the training which includes rate analysis, payment schedules for repayment of capital improvements loans, development of a capital improvement plan and asset management. He suggested that the Board not limit themselves and to look at the whole picture to see how it all relates together.

No action taken.

- 14. Discussion and possible action to approve a Proposal from V & C Construction not to exceed the amount of \$13,000.00 to repair sidewalks at approximately seventeen (17) locations within the District:** General Manager Longhofer informed the Board of Trustees

that other construction companies were contacted to submit estimates but they did not respond. Streets Supervisor Russ Sterling stated that V & C Construction repaired sidewalks for the District last year and that they were the only construction company that responded last year for sidewalk repair. He mentioned that V & C Construction did a great job last year and that the District will improve the notification process to residents of the sidewalk repair.

Chairman Patrick asked Streets Supervisor Russ Sterling if the sidewalks repaired last year were still holding up and if there were other sidewalk areas in the District in need of repair. Streets Supervisor Russ Sterling stated that sidewalks repaired last year are in good condition and that there are several other sidewalk areas in the District in need of repair. General Manager Longhofer clarified that there is \$15,000 in the 2006-2007 budget to repair sidewalks.

Public Interest Comment: Riley Evans stated that the estimate to repair the sidewalks was a reasonable price and that the sidewalks need to be repaired.

Trustee Clark-Ross moved to approve a Proposal from V & C Construction not to exceed the amount of \$13,000.00 to repair sidewalks at approximately seventeen (17) locations within the District. Seconded by Trustee Eisele. Motion carried unanimously.

15. Discussion and possible action to amend the District's meeting room rental agreement policy and meeting room rental fees: General Manager Longhofer stated that the meeting room rental agreement and meeting room rental fees have not been reviewed for a year. He suggested an increase of the hourly rate, the removal of the kitchen or coffee room and that no alcohol is reconsidered.

Chairman Patrick inquired on the number of requests were received in the last six months to rent the meeting room. General Manager Longhofer was unable to provide an answer due to the absence of the Recreation Manager at work. General Manager Longhofer mentioned that a scrapbooking class and Girl Scout Troop routinely rent the room. Customer Service Representative Kathy Martin mentioned that the scrapbooking class does use the oven on occasions. She informed the Board that the District's janitorial staff had to clean the oven after the scrapbooking class left a mess.

The Board of Trustees discussed their concerns with the use of the District's oven, refrigerator and alcohol in the meeting room. Trustee Clark-Ross commented on a potential problem with having a function catered in which a kitchen would be needed and that the District would limit its potential customer base. Secretary/Treasurer Pierini mentioned that the District would limit the full use of the space if the kitchen was excluded. Vice Chairwoman Lau suggested a padlock on the refrigerator. Executive Assistant Vicki Reifer mentioned that there was a conflict with the refrigerator space being used by the scrapbooking class when on the same day, the District needed the refrigerator space for the "Meet the Candidates" event refreshments. Secretary/Treasurer Pierini suggested that a history of meeting room rental users is provided to the Board.

Public Interest Comment: Riley Evans suggested an hourly rate of \$25, use of the kitchen and that alcohol is used with discretion. Chuck Swanson informed the Board that he put together a rental program for facilities in Lyon County. He stated that it was difficult to satisfy the needs of everyone. He stated that Lyon County required that the person renting the space have liability insurance. He suggested that the District only offer the meeting room and not the kitchen if the District requires no liability insurance. He stated that the kitchen was never designed to be part of the meeting room space

and that the District should not be in the rental business. He recommended a rate of \$25 per hour with liability insurance, no alcohol and no kitchen.

Chairman Patrick requested that the agenda item is postponed until next month for staff to prepare a written proposal. Vice Chairwoman Lau agreed with Chuck Swanson that the meeting rental fee should be \$25 per hour with liability insurance, no alcohol and no kitchen.

Agenda item postponed.

- 16. Discussion and possible action to approve a Professional Services Contract with Kohn Colodny LLP for CPA and Annual Audit Services:** General Manager Longhofer explained that District's professional services are being reviewed and that two meetings were conducted with Kohn Colodny LLP. Administrative Manager Nancy Fredrickson discussed Kohn Colodny's advice to the District to simplify its accounting functions by replacing its accounting software with QuickBooks. She stated that Kohn Colodny LLP is offering to assist the District more than its current auditor.

Chairman Patrick inquired if the price was less or more for services from Kohn Colodny LLP. Administrative Manager Nancy Fredrickson stated that the price is comparable however Kohn Colodny is willing to assist the District more than its current auditor.

Public Interest Comment: Riley Evans commented on the problems with the District's current accounting software and computer costs involved to service the District's current accounting software.

Administrative Manager Nancy Fredrickson stated that the District would be saving money with implementing the QuickBooks software because the software is user friendly and licenses are less expensive than the District's current accounting software licenses with ACCPAC.

Secretary/Treasurer Pierini questioned the statement in the proposal from Kohn Colodny LLP which states, "We typically do not bill for short telephone conversations as we want to assist and be available to our clients to answer quick questions when they arise. If we believe it is necessary to bill you for additional services we will inform you prior to commencing the work." Secretary/Treasurer Pierini inquired on the cost for those additional services. Administrative Manager Nancy Fredrickson stated that the costs for those services are approximately \$120.00 per hour however Kohn Colodny LLP offered not to charge the District for phone calls.

Public Interest Comment: Chuck Swanson recommended that the District implements the QuickBooks accounting software.

Vice Chairwoman Lau asked Attorney Brooke if she should vote on the agenda item because she uses Kohn Colodny LLP. Attorney Brooke stated that Vice Chairwoman Lau would only be precluding from voting if she had some sort of financial benefit and that Vice Chairwoman Lau's disclosure is adequate. Vice Chairwoman Lau disclosed that she uses Kohn Colodny's services.

Trustee Clark-Ross moved to approve the Professional Services Contract with Kohn Colodny LLP for CPA and Annual Audit Services.

Attorney Brooke informed Chairman Patrick that the proposal from Kohn Colodny LLP is for three years of service.

Trustee Clark-Ross moved to approve the Professional Services Contract with Kohn Colodny LLP for three years for CPA and Annual Audit Services. Seconded by Vice Chairwoman Lau. Motion carried unanimously.

- 17. Discussion and possible action to negotiate a successor collective bargaining agreement with Stationary Engineers, Local 39 Union and to approve the appointment of negotiators to include the General Manager and / or up two IHGID Board members:** Chairman Patrick asked for volunteers to negotiate a successor collective bargaining agreement. General Manager Longhofer clarified that the Trustees and General Manager would be negotiating a new Union contract.

Public Interest Comment: Chuck Swanson clarified that two Trustees were involved with the last collective bargaining agreement negotiations and that a possible negotiation issue would involve health insurance. He recommended that two Trustees are involved with negotiations. He clarified to the Board that there were approximately three to four meetings conducted for the previous union negotiations. Riley Evans stated that a dispute arose during the previous union negotiations and a Labor Law Attorney was hired by the District which cost the District between \$25,000 to \$28,000.

Chairman Patrick questioned if a motion was required. Attorney Brooke clarified that a motion is not necessary for those Trustees that volunteer.

Trustee Eisele and Trustee Clark-Ross volunteered to assist the General Manager to negotiate a successor collective bargaining agreement.

- 18. Discussion and possible action to appoint a member of the IHGID Board to serve as a Board of Director for the Nevada League of Cities:** General Manager Longhofer stated that the Board of Directors for the Nevada League of Cities meets four times a year with two meetings in Las Vegas and two meetings in the Reno and Carson City area.

Public Interest Comment: Chuck Swanson commented on the purpose of the Nevada League of Cities regarding the upcoming legislative session. He stated that the Nevada League of Cities takes the general concerns of cities collectively in which any legislative action that would affect the District and other local government entities is watched by the Nevada League of Cities. Riley Evans suggested that another Trustee should volunteer to be an alternate Board of Director for the Nevada League of Cities.

Chairman Patrick volunteered to serve as a Board of Director for the Nevada League of Cities.

- 19. Chairman and Trustees' Reports:** Trustee Clark-Ross inquired on a possible agenda item for those that requested to start a Little League softball team in order to play on the District's various ball fields. Executive Assistant Vicki Reifer informed Trustee Clark-Ross that an agenda item should not be necessary because those requesting to play softball or baseball on the District's ball fields can reserve a field according to the District's parks and recreation policy.

General Manager Longhofer informed the Board that a Trustee can discuss any item and that the matter could be placed on a future agenda if requested during the Chairman and Trustees' Reports. Vice Chairwoman Lau recommended that the Board of Trustees discuss issues and concerns directly with the General Manager and not to discuss matters with District employees.

Vice Chairwoman Lau requested that the Board set up a time and date for the financial training session with Farr West Engineering. Secretary/Treasurer Pierini recommended Monday

evenings. The Board of Trustees agreed on scheduling financial training sessions on Monday evenings, to start the financial training sessions at 5:30 p.m. and to conduct the financial training sessions for approximately two and a half hours.

Trustee Eisele requested that any letters of concern or complaints from the public regarding the District be placed in the Board of Trustees mail boxes. Vice Chairwoman Lau informed Trustee Eisele that District staff does place a copy of letters of concern from the public and other important documents and correspondence in the Trustees' mail boxes.

Chairman Patrick discussed the possibility of the District conducting two meetings a month. He stated that one meeting would be held to conduct regular or routine business of the Board of Trustees and the other meeting would be held for informational purposes to discuss the different programs and functions of the District in order to give leadership and direction to those different areas of the District. Chairman Patrick inquired from Attorney Brooke if the District could conduct informational meetings where no decisive action would be conducted. Attorney Brooke clarified that there is no problem having such a meeting but the meeting is a public meeting where the public would be invited and that the meeting has to be noticed according to the open meeting law. Chairman Patrick commented on the Board not having to be present at those meetings if they so chose not to attend because it would not be a regular business meeting. General Manager Longhofer suggested that the District consider forming various committees. He discussed the formation of various committees at South Tahoe Public Utility District where two Trustees would discuss issues with staff regarding finance, operations, parks and streets. Chairman Patrick inquired from Executive Assistant Vicki Reifer on the time frame required to notice a meeting. Executive Assistant Vicki Reifer informed Chairman Patrick that three working days is required to notice a meeting. Attorney Brooke clarified that any workshop meetings have to comply with the State of Nevada open meeting law.

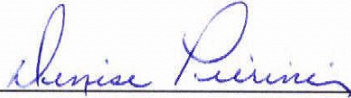
Public Interest Comment: Executive Assistant Vicki Reifer stated that to draft detailed minutes takes time and that to continue drafting detailed minutes would be a burden depending on the number of meetings conducted per month. Chuck Swanson stated that the past minutes use to have one to two lines per each agenda item and that the Executive Assistant does a great job doing the minutes but there should be a compromise to meet somewhere in the middle. The Board of Trustees agreed to reduce the detail on workshop meeting minutes but to maintain detailed minutes for the regular monthly meeting. The Board of Trustees discussed possibly meeting the first or second Wednesday of each month at 6:00 p.m. Secretary/Treasurer Pierini discussed her scheduling difficulties to attend workshop meetings due to her work schedule. The Board of Trustees agreed on meeting Monday evenings at 6:00 p.m. for workshops.

20. Adjournment: *Trustee Eisele moved to adjourn the meeting at 9:21 P.M. Seconded by Vice Chairwoman Lau. Motion carried unanimously.*

The next regular Board of Trustees meeting will be on Wednesday, February 21, 2007 at 6:00 P.M.

Exhibit A General Manager's Report
Exhibit B Engineer's Report
Exhibit C Farr West Engineering - Summary of Services

FINAL APPROVED MINUTES AS PRESENTED



**Secretary/Treasurer
Denise Pierini**