

Minutes
Indian Hills General Improvement District
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
January 18, 2006
6:00 P.M.

Trustees Present: Chairman Charles Swanson Secretary/Treasurer Laura Lau, Vice Chairman Riley Evans, Trustee Art Baer, Trustee Brian Patrick

Trustees Absent: None

Others Present: Mimi Moss, Carl Ruschmeyer, Frank Johnson, Brian Randall, Scott Brooke, Paul Williams

Call to Order: Chairman Swanson called the meeting to order at 6:00 P.M.

Pledge of Allegiance: Led by Chairman Swanson.

Election of Officers of the Board of Trustees of the District – as provided for by statute: The position of Chairman, Vice Chairman and Secretary/Treasurer was open for nominations. The current Chairman of the Board, Chuck Swanson, opened nominations for the Chairman position.

Brian Patrick nominated Laura Lau for Chairman of the Board. Art Baer nominated Chuck Swanson for Chairman of the Board. Riley Evans inquired on the possibilities of Chuck Swanson being absent at three upcoming meetings. Chuck Swanson informed the Board of a schedule change and clarified that he would not be present at the May 2006 Board of Trustees meeting. There were no other nominations. *Chairman Swanson entertained a motion to close nominations for the Chairman position. So moved by Art Baer. Seconded by Riley Evans. Motion carried unanimously.*

Chuck Swanson and Laura Lau excused themselves from Chairman nomination discussions. Riley Evans led discussions on the Chairman nominations. Riley Evans asked Brian Patrick and Art Baer if they were in favor of Chuck Swanson as Chairman of the Board. *Riley Evans, Brian Patrick and Art Baer were in favor of Chuck Swanson as Chairman of the Board. Chuck Swanson was elected as Chairman of the Board with the consensus of Riley Evans, Brian Patrick and Art Baer.*

Chairman Swanson opened nominations for the Vice Chairman position. Art Baer nominated Riley Evans for Vice Chairman of the Board. There were no other nominations. *Chairman Swanson entertained a motion to close nominations for the Vice Chairman position. So moved by Art Baer. Seconded by Brian Patrick. Motion carried unanimously. Riley Evans was elected Vice Chairman of the Board with the consensus of Art Baer, Brian Patrick, Laura Lau and Chairman Swanson.*

Chairman Swanson opened nominations for the Secretary/Treasurer position. Vice Chairman Evans nominated Laura Lau for Secretary/Treasurer of the Board. Laura Lau nominated Brian Patrick for Secretary/Treasurer of the Board. There were no other nominations. *Chairman Swanson entertained a motion to close nominations for the Secretary/Treasurer position. So moved by Trustee Baer. Seconded by Vice Chairman Evans.*

Laura Lau and Brian Patrick excused themselves from Secretary/Treasurer nomination discussions. Chairman Swanson led discussions on the Secretary/Treasurer nominations. Chairman Swanson asked

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Vice Chairman Evans and Trustee Baer if they were in favor of Laura Lau as Secretary/Treasurer of the Board. *Chairman Swanson, Vice Chairman Evans, and Trustee Baer were in favor of Laura Lau as Secretary/Treasurer of the Board. Laura Lau was elected Secretary/Treasurer of the Board with the consensus of Chairman Swanson, Vice Chairman Evans and Trustee Baer.*

Approval of Agenda: *Chairman Swanson moved to approve the agenda as presented. So moved by Vice Chairman Evans. Seconded by Trustee Baer. Motion carried unanimously.*

Public Interest Comment: Chairman Swanson recommended that the public interest comment period be held at 7:00 P.M. With the consensus of the Board, the public interest comment period would be conducted at 7:00 P.M.

Discussion and possible action to develop and approve interview questions for the General Manager position: Chairman Swanson inquired from the Board if they had any deletions or revisions on the General Manager interview form. Secretary/Treasurer Lau suggested a language revision by adding, "working with personnel" on question #1.

Vice Chairman Evans moved to approve the interview questions for the General Manager position as modified by adding "working with personnel" on question #1. Seconded by Secretary/Treasurer Lau. Motion carried unanimously.

Interviews of Candidates for the District's General Manager position. (Interview session will be lead by the Chairman of the Board): Chairman Swanson inquired on the order of interviewing candidates for the position. Interim General Manager Williams informed the Board that the three applicants drew lots. Interviewing of candidates for the General Manager position was conducted in the following order: William W. Krajewski, Leo D. Havener, Jr. and Dennis Longhofer. Applicants were interviewed separately in the boardroom without other candidates present in order to ensure a fair interview process.

Chairman Swanson advised each Board member to complete a General Manager interview form for each candidate. Interim General Manager Williams advised the Board to calculate the total score on the interview form for each candidate. Chairman Swanson mentioned that the Interim General Manager would collect the interview forms at the end of the interview session. He commented that the interview forms would be a District record and filed appropriately. Chairman Swanson stated that the Board would have a general discussion and rate each candidate based on the consensus of the Board at the end of the interview process.

The interview consisted of a question and answer session. Chairman Swanson asked each applicant a total of thirteen interview questions. During the interview process, some Trustees asked additional information from the candidates in regards to their work experience relating to the District's administrative operations including budget preparation and field operations (water, sewer, streets and parks).

The Board of Trustees took a short break to calculate total scores and review information on each candidate's interview form.

Break at: 6:42 P.M.

Reconvened at: 6:55 P.M.

Chairman Swanson entertained a motion to close the interview session for the General Manager position. So moved by Trustee Baer. Seconded by Trustee Patrick. Motion carried unanimously.

Discussion and possible action to select the best candidate for the General Manager position and to authorize the Chairman of the Board, District's Attorney and General Manager negotiate the agreement/contract for that position and to schedule a date to approve that agreement/contract preferably on Wednesday, February 1, 2006: Candidates for the General Manager position were not present in the boardroom during the selection process discussions. Chairman Swanson inquired from each Trustee which candidate for the General Manager position was their first selection. Trustee Patrick's first selection was Leo D. Havener, Jr. Trustee Baer's first selection was Leo D. Havener, Jr. Vice Chairman Evan's first selection was William W. Krajewski. Secretary/Treasurer Lau's first selection was Leo D. Havener, Jr. Chairman Swanson's first selection was Leo D. Havener Jr.

Vice Chairman Evans commented that the total score for Leo D. Havener Jr. was higher than the other applicants' scores. He stated his agreement with the Board's first selection of Leo D. Havener Jr. due to his higher score.

Chairman Swanson entertained a motion to select Leo D. Havener Jr. as the first selection for the General Manager position. So moved by Trustee Patrick. Seconded by Trustee Baer. Motion carried unanimously.

Chairman Swanson inquired from each Trustee which candidate for the General Manager position was their second selection. Trustee Patrick's second selection was Dennis Longhofer. Trustee Baer's second selection was Dennis Longhofer. Vice Chairman Evan's second selection was William W. Krajewski. Secretary/Treasurer Lau's second selection was Dennis Longhofer. Chairman Swanson's commented that the total score for Dennis Longhofer was higher. He stated that either of the two final candidates were acceptable for the General Manager position.

Secretary/Treasurer Lau stated that both final candidates were well rounded, had strong points but she thought that experience with budget and financing was more important. Chairman Swanson asked the Board if they should have an alternative candidate.

Vice Chairman Evans stated his preference of reviewing the other six qualified applicants and that the Board should have an alternative candidate. Interim General Manager Williams stated that twenty-two applications were received and nine applicants were qualified. He stated that four applicants were invited to the interview session but one declined. Trustee Patrick stated that if the Board moved to select Leo D. Havener Jr. as the first candidate for the General Manager position and he declines, then the Board would have to do the interview and selection process over again.

Vice Chairman Evans inquired on the possibilities of interviewing the remaining qualified candidates. Trustee Patrick commented that the Board should move on and make a motion. Chairman Swanson stated his opinion that he did not feel comfortable with the final two candidates. He stated that the question before the Board is to go with a single candidate and if that person declines, then the selection should come back to the Board. Trustee Patrick understood that the Chairman asked the Board for first and second selections for the General Manager position and that three Board members selected Dennis Longhofer as the second candidate. He stated that the Board should go with Leo D. Havener Jr. as the first candidate and Dennis Longhofer as the second candidate.

Chairman Swanson entertained a motion to select Leo D. Havener Jr. as the first candidate for the General Manager position and to select Dennis Longhofer as the second candidate for the General Manager position. So moved by Trustee Patrick. Seconded by Trustee Baer. Motion carried unanimously.

After the Board concluded discussions for the General Manager candidate selection, William W. Krajeski, Leo D. Havener, Jr. and Dennis Longhofer returned to the boardroom.

Chairman Swanson informed those present at the meeting of the Board's decision. He stated that Leo D. Havener Jr. was selected as candidate #1. Dennis Longhofer was selected as candidate #2. William W. Krajeski was selected as candidate #3.

Chairman Swanson commented that the next part of the agenda includes recommendation for negotiation of a contract with candidate #1, Leo D. Havener Jr., or candidate #2, Dennis Longhofer, if candidate #1 does not accept the employment contract.

Chairman Swanson entertained a motion that the employment contract negotiation team for the General Manager position includes the Chairman of the Board, District's Attorney and General Manager. So moved by Trustee Patrick. Seconded by Trustee Baer. Motion carried unanimously.

Chairman Swanson entertained a motion to authorize a special meeting to approve the negotiated employment contract for the General Manager position on Wednesday, February 1, 2006. So moved by Trustee Baer. Seconded by Trustee Patrick. Motion carried unanimously.

The Board of Trustees thanked William W. Krajeski, Leo D. Havener, Jr. and Dennis Longhofer for participating in the interview process.

Members of the audience remaining at the meeting after the General Manager interview and General Manager selection process were Douglas County Employees, Mimi Moss and Carl Ruschmeyer. There were no other members of the community present.

Public Interest Comment: (none)

Reports to the Board:

a. General Manager's Report (Exhibit A)

Interim General Manager Paul Williams discussed items as written in the General Manager's Report. Interim General Manager Williams stated that staff was responsive to several emergencies over the holidays. In addition, Interim General Manager Williams informed the Board that there was an additional sidewalk repair item located on Plymouth that added approximately \$700 to the projects' cost estimate. He commented that the tank filters were determined not to be a hazard material and therefore could be disposed of by using Douglas Disposal. He informed the Board of a disposal problem with the tank filters. He stated that Douglas Disposal is not allowed to move anything that is wet and that staff is looking into other disposal alternatives.

Trustee Baer commended field staff for responding to several emergencies during the holiday season.

Vice Chairman Evans inquired on the price difference for producing the newsletter in black and white. Interim General Manager Williams stated that the cost for a black and white newsletter was approximately \$2,000, which was half the cost of producing the newsletter in color.

Trustee Baer stated his concern with a lack of available funding in the budget for back-up power at the Wastewater Treatment Plant. Interim General Manager Williams mentioned that the proposed sewer rate increase included capital improvement figures that might assist with funding concerns for back-up power.

Trustee Patrick inquired on the status of Silver City RV Park's equivalent dwelling unit requirements for sewer service. Interim General Manager Williams informed the Board that Silver City RV Park stated that the deadline to receive information was December 20, 2005 and that the District has granted an extension due to Silver City RV Park losing their Operations Manager. He stated that the District has already counted fixtures and spaces.

Vice Chairman Evans inquired on the status of the July 9, 2005 sewer spill insurance claim and reimbursement. Interim General Manager Williams informed Vice Chairman Evans that the District submitted information over two months ago and that the District is contacting the insurance provider on a weekly basis to inquire on the reimbursement.

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 that the Nevada Division of Environmental Protection performed two reviews in 2005. The first review was the annual Wastewater Treatment Plant site inspection that was conducted on September 13, 2005 and the second review was a result of the July 9, 2005 sewer spill. N.D.E.P. has not responded to issues related to the July 9, 2005 sewer spill.

District Engineer Randall informed the Board that an estimate was received for the Hobo lift station no. 1 replacement. He stated that the estimate was more than the amount initially budgeted for. He anticipates completion of the District's Storm Water Management Plan Mapping by the end of January 2006. District Engineer Randall reviewed a preliminary set of plans for the arsenic removal system. He is uncertain of Gilmore Engineering's status on designing the arsenic removal system.

The Board of Trustees discussed the market value of water rights and the supply/demand component of water rights. Engineer Randall stated the District's water rights are obligated to the future development of the District. He mentioned that there might be a time that the District should obtain more water rights. He stated that the District controls a range of 500 to 600 acre-feet a year more than the District would ultimately need. He stated that it would be a long time before the District would find itself in the position of going forward with the marketing of water rights.

Chairman Swanson inquired on the possibilities of the District accepting ownership a modified drainage system for Valley Vista Phase 7. District Minutes of the January 18, 2006 Board of Trustees Meeting

Engineer Randall gave a detailed explanation of drainage issues with Valley Vista Phase 7 and Vista Grande Apartments. He informed the Board that during the construction of the Vista Grande Apartments, a large diameter storm drain system was installed through the apartment complex. The storm drain system was extended to the future location of Valley Vista Phase 7. Unfortunately, the storm drain system was not extended past Valley Vista Phase 7 boundary. He mentioned that the drainage within the apartment complex is taken care of by onsite infiltration galleries. The Vista Grande Apartments property owner is concerned with Valley Vista Phase 7 drainage coming through the apartment complex. The property owner is also concerned with a detention pond adjacent to the apartment complex that might eventually create ground water problems with some of the apartment buildings. District Engineer Randall commented that the District is in the position of not really having anything to say about the drainage issues as long as the storm drain system is properly engineered and as long as there is an adequate easement in place that would allow the District to maintain it in the future.

Chairman Swanson asked Engineer Randall who performed the drainage structures analysis. District Engineer Randall informed Chairman Swanson that Western Engineering completed the design for Vista Grande Apartments and Capital Engineering completed the design for Valley Vista Phase 7. He mentioned that Capital Engineering is re-evaluating Valley Vista Phase 7 drainage system because they are installing a significant detention basin at the head of the drainage line.

Trustee Patrick asked if the January 1, 2006 event was a precursor of the drainage issues with the Vista Grande Apartments. District Engineer Randall stated that the January 1, 2006 significant rainfall event did not help because the infiltration gallery system did not work properly as a probable result of inadequate maintenance. He informed the Board that infiltration galleries are sensitive to maintenance. District Engineer Randall is uncertain that the property owner of the Vista Grande Apartments felt that the infiltration gallery failure was a result of the Valley Vista Phase 7 drainage system. He believes that the January 1, 2006 rainfall raised a red flag to the apartment complex property owner of future problems that could be created once the storm drain is in place and used by Valley Vista Phase 7. He explained that Valley Vista Phase 7 water is discharged up through a grate into the street. He stated that everything that goes through the storm drain system ultimately rises up and flows out through the grate in the middle of the apartment complex driveway. He mentioned that an item of discussion would be the need to relocate the grate into the street.

Chairman Swanson asked Engineer Randall what keeps the structure clean without scouring. Engineer Randall stated nothing. Chairman Swanson stated that it would become a District maintenance problem. Engineer Randall confirmed that it would be a maintenance problem. Trustee Patrick asked if the District would be in the position to lend some wisdom to the development of the drainage situation. District Engineer Randall stated that there is a solution but that the District should not be responsible for that solution. His opinion of a possible solution would be to extend the storm drain down to Mica Drive and discharge into the storm drain system on Mica Drive. He stated that if the

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District was not diligent in cleaning and maintaining that storm drain system, it would eventually not function properly.

Secretary/Treasurer Lau requested clarification that the Vista Grande Apartment property owner installed the storm drain but they do not use it. District Engineer Randall replied that essentially that is the case. He explained that the original apartment complex builder is not the current apartment complex property owner. Secretary/Treasurer Lau asked if it was normal for a project such as this, that a storm drain installation is required for someone else. District Engineer Randall replied that in this case, yes, because the natural flow of drainage from the Valley Vista Phase 7 area was right through the middle of the Vista Grande Apartment complex. He believed that they were probably required, as a condition of approval, to provide for the future discharge of storm drainage. Secretary/Treasurer Lau questioned why the Vista Grande Apartment complex is now making an issue with drainage from Valley Vista Phase 7. District Engineer Randall advised that the District should not get in the middle and that the Vista Grande Apartment complex owner and Syncon Homes should resolve drainage issues. He mentioned that the District requires a storm drainage system that has adequate easements in place for maintenance purposes.

Vice Chairman Evans inquired on the costs associated with the coring analysis for the Vista Grande rehabilitation project. Engineer Randall informed Vice Chairman Evans that Geocon's invoice total for coring analysis was \$17,035. Vice Chairman inquired on the Engineer's costs associated with the Vista Grande rehabilitation project. District Engineer Randall informed Vice Chairman Evans that current engineering costs including aerial topography is approximately \$15,000. Vice Chairman Evans mentioned that the Vista Grande rehabilitation project would have commenced in spring of 2006. District Engineer Randall informed the Board that the project commencement date is dependent on Douglas County approving the design. He mentioned that a hydrology report is still required. Vice Chairman Evans asked the District's Engineer if he recommends an overlay or complete reconstruction of Vista Grande. District Engineer Randall does not recommend an overlay. He stated that an overlay would be a waste of money.

There was discussion on severe drainage concerns and the increase of traffic on Vista Grande.

Trustee Baer inquired on the possibilities of auctioning off the inadequate lift station #1 generator and the generator for the Water Treatment Plant. District Engineer Randall informed Trustee Baer that the Hobo lift station #1 generator is worthless and the Water Treatment Plant generator has some capacity to run the transfer pumps but it is not adequate to operate the plant. He mentioned that the Water Treatment Plant generator could be mobile, placed on a trailer, to operate some lift stations. He stated that the District is faced with engineering a properly sized generator.

Trustee Patrick asked the District's Engineer about routinely dealing with some severely damaged District streets. District Engineer Randall informed Trustee Patrick of the priority listing for street replacement.

1. Vista Grande, from Mica Drive, North to Home Depot
2. Indian Drive
3. Plymouth Drive
4. Mica Drive on the Sunridge side, from the U.S. Hwy 395 intersection to North Sunridge Drive.

He recommended that the District get back on a roadway maintenance program. He stated that there should be more involvement rather than just gilsonite application. He commented that there are a number of streets that are on a routine chip seal maintenance plan. There was discussion on the importance of a routine street maintenance and street replacement plan.

c. Attorney's Report (Exhibit C)

The District's Attorney Scott Brooke discussed items as written in the General Counsel Report. He informed the Board of a recent discussion with the Plaintiff's Attorney on the Interstate Utility Constructors litigation. The Plaintiff's Attorney recommended that his client accept the District's offer of settlement. His client has not yet responded to the settlement offer. Attorney Brooke expects to have an update on the matter at the next Board meeting.

Vice Chairman Evans inquired on the amount of the litigation settlement offer. Attorney Brooke informed Vice Chairman Evans that the settlement offer is roughly \$14,000 based upon an audit conducted by the District's Engineer. Attorney Brooke mentioned that the plaintiff's demand was \$50,000 and that the District made an offer of what was determined as owed.

Public Interest Comment: (no audience present)

Approval of Draft Minutes of Board Meeting of December 21, 2005: *Chairman Swanson entertained a motion to approve the Draft Minutes of Board Meeting of December 21, 2005 as amended with the following apostrophe correction of edus' to edu's on page eight, paragraph three. So moved by Trustee Baer. Seconded by Vice Chairman Evans. Motion carried unanimously.*

Public Interest Comment: (no audience present)

Acceptance of Budget Status Reports for December 31, 2005: Vice Chairman Evans and Trustee Baer were pleased with numbered rows and additional summary in the Budget Status Reports. *Vice Chairman Evans moved to accept the Budget Status Reports for December 31, 2005. Seconded by Secretary/Treasurer Lau. Motion carried unanimously.*

Public Interest Comment: (no audience present)

Acceptance of Bank Accounts' Reconciliation at December 31, 2005: *Secretary/Treasurer Lau moved to accept the Bank Accounts' Reconciliation at December 31, 2005. Seconded by Vice Chairman Evans. Motion carried unanimously.*

Public Interest Comment: (no audience present)

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Report to the Board on the status of the Indian Hills/Jacks Valley Planning Area for Douglas County's Master Plan Update. (Presented by Douglas County Planning Manager, Mimi Moss): Mimi Moss, Douglas County's Assistant Community Development Director and Planning Manager presented the Board with documentation regarding the September 21, 2005 Douglas County 10-Year Master Plan Update Indian Hills/Jacks Valley Planning Area Community Workshop. **(Exhibit D)**

Mimi Moss mentioned that over one hundred members of the community attended the September 21, 2005 workshop. She referred to the citizen comment forms submitted by residents at the workshop. She mentioned that most residents were concerned with potential commercial development on the east side of Highway 395 in the north Douglas County area and how commercial development would impact their neighborhood with trash, debris, and excessive lights. Some residents at the workshop suggested that the commercial area be set aside for affordable housing. She commented that there is a housing component with that specific portion of north Douglas County and that the County had several workshops a few years ago to discuss residential land use and commercial land use. She stated that over eighty acres of commercial area is available on the east side of Highway 395 and there is a residential component that could support six hundred to seven hundred residential units. She mentioned that there were several comments at the workshop that were centered on the County's redevelopment area expansion. There was discussion at the workshop on traffic concerns on Highway 395 due to commercial development and the compatibility of land use in terms of maintaining a neighborhood's character.

Mimi Moss informed those present at the meeting of a Douglas County joint meeting with the Planning Commission and County Commissioner's on Thursday, January 19, 2006 at 6:00 P.M. to review priority items under the master plan update. Mimi Moss informed the Board that the master plan was adopted in April 1996 and is good until 2015. She commented that a master plan review allows the County to focus on goals and priorities, both long-term and short-term. She mentioned that Douglas County is looking at hiring a consultant to conduct public meetings and to move forward with element updates. She stated that a consultant is updating the County's transportation element and another consultant is preparing a water budget study for the Carson Valley. Both elements should be completed by September 2006.

Mimi Moss explained the master plan update process and the timeline to amend the plan. Douglas County is hoping to extend the hearing dates to October 2006, November 2006 or December 2006 in order to incorporate the water budget study and traffic components.

She informed the Board that citizen comment forms submitted by residents at the workshop would be reviewed at the January 19, 2006 Douglas County joint meeting. She stated that similar concerns with residents are traffic, growth and water via the citizen comment forms gathered at the workshops.

Trustee Patrick inquired if the County is looking into an alternative road other than Vista Grande for emergency vehicles. Mimi Moss informed Trustee Patrick that when development occurs north of Jacks Valley, Vista Grande would be extended which would be developer driven. Trustee Patrick commented that an extension of Vista Grande would create increased traffic in the District and would create another issue of emergency vehicles being capable of getting in and out of the area. Mimi Moss stated that Vista Grande is the only collector street in the District; is used frequently and unfortunately is falling apart. She stated that the County's focus is to determine and plan for one or second collector streets. She commented that the Vista Grande issue would be a good comment to provide to the County Commissioners. She informed the Board that the consultant performing the Highway 395 corridor study might identify a need for additional roadways to serve Indian Hills.

Trustee Patrick inquired on the status of building the new fire station in the District. Mimi Moss informed Trustee Patrick that the East Fork Fire Department recently purchased property on the south side of North Sunridge Drive and construction might commence in spring 2006.

There was discussion on limitations in the District for an alternative collector street on the west side of Highway 395.

Vice Chairman Evans commented on the deterioration of the roadway and lack of a culvert at the intersection of Mica and Vista Grande, which is causing a major drainage issue in that area. Mimi Moss mentioned that the County has discovered several roads without proper culverts installed and a deficient storm drain system.

Chairman Swanson stated his concern with the extension of Vista Grande causing increased traffic in the District. Mimi Moss informed the Board that the transportation element shows Vista Grande extending north of Jacks Valley to Clear Creek to serve the commercial development in the future as an alternate route other than Highway 395. She stated that it is logical to line up of Vista Grande with the southern portion of Vista Grande.

Vice Chairman Evans commented on the narrowness of Vista Grande and lack of sidewalks compared to other streets in the District. Mimi Moss agreed with the Vice Chairman's comment that Vista Grande is substandard for its function.

Trustee Patrick inquired with whom the County works with on transportation issues. Mimi Moss informed Trustee Patrick that County staff works on transportation elements based on comments from residents and the Nevada Department of Transportations' future plans. She mentioned that Douglas County has a transportation plan that shows future roadways and future extensions.

Trustee Patrick commented that public comments at meetings are usually complaints and not ideas. Mimi Moss informed Trustee Patrick that the public would have the opportunity to comment on the transportation element of the master plan once it is completed.

Interim General Manager Williams questioned how the County was capable of having a developer pay to improve Mueller Parkway but the County cannot have a developer pay for improvements once an area is already developed. Mimi Moss commented that the issue involves funding. She stated that if a street has to be extended to serve a development, it is required by the County to be extended. She mentioned that Douglas County collects funds for future improvements at different intersections. She informed the Board that Johnson Lane improvements were a result of an agreement with Douglas County and the Nevada Department of Transportation. She mentioned that Douglas County would incur all the costs associated with the Stephanie Lane traffic signal.

Vice Chairman Evans informed Mimi Moss that Mica Drive is the most dangerous intersection in Douglas County. Mimi Moss explained that the Nevada Department of Transportation is in the process of conducting a Highway 395 corridor study between Clearview Drive in Carson City to Topaz Lane in Douglas County. The corridor study analysis will consist of determining roadway capacity and safety necessities. She informed the Board that several Highway 395 corridor study public meetings have already been held and at those meetings, several residents commented on safety concerns. She was uncertain if Mica Drive was discussed at those public meetings.

Chairman Swanson requested that Douglas County transportation Engineers/Designers be invited to discuss District related transportation element issues with the Board of Trustees. Mimi Moss informed Chairman Swanson that a future meeting would be scheduled.

Public Interest Comment: (no audience present)

Discussion and possible action to select a contractor from among the bids properly presented for the sludge pond liner project, including awarding and approval to execute a contract for that project: District Engineer Randall informed the Board that he requested proposals from three contractors. Marv McQueary Excavating submitted a proposal with a cost at \$77,945.95. Joy Engineering submitted a proposal with a cost at \$98,291.22. Telesto Nevada submitted a proposal with a cost at \$50,590. District Engineer Randall's opinion was that Joy Engineering did not understand the project. Marv McQueary Excavating and Telesto Nevada Representatives were both taken to the job site. District Engineer Randall recommended that the Board accept the proposal submitted by Telesto Nevada.

Trustee Baer requested clarification that the proposal included liner material and liner installation. District Engineer Randall stated that the proposal included liner material, liner installation and liner testing. He informed the Board that the proposal did not include geotechnical testing. He stated that the District would provide for geotechnical testing.

Trustee Baer moved to accept the proposal at \$50,590 from Telesto Nevada LLC as the sludge pond liner contractor. Seconded by Vice Chairman Evans. Motion carried unanimously.

Public Interest Comment: (no audience present)

Discussion and possible action to provide direction for the written response to N.D.E.P. as a result of follow-up items on the 2005 Wastewater Treatment Plant Site Inspection: District Engineer Randall commented that the Nevada Division of Environmental Protection is concerned with back-up power at the Wastewater Treatment Plant. He stated that N.D.E.P. acknowledges the District's financial pressures. He suggested that the Board put a plan in place with a specific schedule. He stated that back-up power is a budgeting issue and that the new General Manager would need to be involved and interface with the District's Engineer to follow through. He reminded the Board that back-up power has two parts. He suggested that the one part of the back-up power, the bypass of one pond, could be done next year.

Vice Chairman Evans moved that the District respond to N.D.E.P. with a detailed and implemented Vegetation Control Plan and to establish back-up power for the Wastewater Treatment Plant to be engineered in 2006-2007 with construction commencing in 2007-2008. Seconded by Trustee Patrick. Motion carried unanimously.

Trustee Baer inquired if the District had a vegetation control plan in place. District Engineer Randall stated that N.D.E.P. is asking that the Board adopt the vegetation control plan that was suggested in the Engineer's wastewater evaluation report.

Public Interest Comment: (no audience present)

Discussion and possible action to approve an inter-local agreement with Douglas County to transfer the portion of the sewer system constructed under Phases 1 and 2 of the Ridgeview Sewer System Rehabilitation Project from Douglas County to Indian Hills General Improvement District: Interim General Manager Williams discussed the District's involvement with Douglas County to assist with the various Ridgeview Sewer Rehabilitation Project phases.

The District's Attorney Scott Brooke commented that neither the prior agreement nor the current agreement deals with the billing process. He informed the Board that the District bills the County and

that the County is the District's customer as opposed to out of District boundary homeowners being the District's customer. He recommended that the billing process should be in writing to confirm an arrangement. He stated that clarification of the billing process could be addressed in the current agreement or in a separate agreement with the County.

Trustee Baer moved to approve an inter-local agreement with Douglas County to transfer the portion of the sewer system constructed under Phases 1 and 2 of the Ridgeview Sewer System Rehabilitation Project from Douglas County to Indian Hills General Improvement District with the proviso that Douglas County is billed by the District and that Douglas County then pays the District on behalf of their Ridgeview customers. Seconded by Vice Chairman Evans. Motion carried unanimously.

Public Interest Comment: (no audience present)

Discussion and possible action to terminate the inter-local agreement between the District and Douglas County that transferred jurisdiction and maintenance responsibilities of a portion of Vista Grande Boulevard approximately located between Mica Drive and the entrance to James Lee Park: Interim General Manager Williams informed the Board that Douglas County Commissioners unanimously terminated the inter-local agreement at their January 5, 2006 meeting. At that meeting, the Commissioner's directed the County Manager to work with the District to develop a new agreement. Chairman Swanson inquired on a direction from the County to return the \$140,000 that was funded to the District for that agreement. Interim General Manager Williams informed Chairman Swanson that the \$140,000 would be a future discussion with the County.

Trustee Baer stated his concern that termination of the contract might delay roadway repairs on Vista Grande. Interim General Manager Williams informed the Board of Trustees that at the January 5, 2006 County Commissioner's meeting, the Commissioners directed the County Manager to work with the District to develop a new agreement and they directed the County Streets Department to make any necessary repairs on Vista Grande.

Trustee Patrick moved to terminate the inter-local agreement between the District and Douglas County that transferred jurisdiction and maintenance responsibilities of a portion of Vista Grande Boulevard approximately located between Mica Drive and the entrance to James Lee Park. Seconded by Secretary/Treasurer Lau. Chairman Swanson, Trustee Patrick, Trustee Baer, Secretary/Treasurer Lau voted aye. Vice Chairman Evans voted nay. Motion carried 4 to 1.

Public Interest Comment: (no audience present)

Trustee Patrick moved to postpone agenda item #18 through agenda item #23 until the February 1, 2006 special Board of Trustees meeting. Seconded by Vice Chairman Evans. Motion carried unanimously.

Discussion and possible action to approve the amended job description(s) for the position of:
Agenda item postponed until the February 1, 2006 special Board of Trustees meeting.

- **General Manager**
- **Manager – Administrative Operations**
- **Manager – Parks & Recreation, Safety, Human Resources former job title Recreation Program Director**
- **Executive Assistant**
- **Customer Service Representative**
- **Accounts & Purchasing Officer**

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- **Water Treatment Operator (DIII-TIII) former job title Water Distribution Operator**
- **Water Distribution Operator (DII)**
- **Sewer Collection System Operator / Supervisor Streets Maint.**
- **Sewer Collection System Maint. Tech. II / Streets Maint. Tech.**
- **Parks & Recreation Maint. Tech. III**
- **Parks & Recreation Maint. Tech II**
- **Sewer Operator III**
- **Sewer Treatment Operator II / Sewer Collection Tech. I former job title Utilities Maint. & Underground Construction Tech.**
- **Facility/Equipment Maint. Mechanic III former job title Utilities Maint. Supervisor**

Discussion and possible action to approve a revised District Organizational Chart in conformance with the approval of amended job descriptions: *Agenda item postponed until the February 1, 2006 special Board of Trustees meeting.*

Discussion and possible action to approve the Draft Safety and Health Program Manual: *Agenda item postponed until the February 1, 2006 special Board of Trustees meeting.*

Discussion and possible action to increase the reward amount from \$50 to \$500 for the Secret Witness Program: *Agenda item postponed until the February 1, 2006 special Board of Trustees meeting.*

Discussion and possible action to adopt Resolution 2006-01, a resolution establishing special rental rates for non-profit groups and amending the District's meeting room rental agreement policy and meeting room rental fees: *Agenda item postponed until the February 1, 2006 special Board of Trustees meeting.*

On approval to surplus and dispose of certain listed items of depreciated inventory, and including approval to donate surplus electronic items to Computer Corps: *Agenda item postponed until the February 1, 2006 special Board of Trustees meeting.*

Discussion and possible action to terminate the Interim General Manager's contract effective February 2, 2006: Chairman Swanson requested an agenda item at the February 1, 2006 special Board of Trustees meeting to appoint a temporary General Manager, if needed.

Vice Chairman Evans moved to terminate the Interim General Manager's contract effective February 2, 2006. Seconded by Trustee Baer. Motion carried unanimously.

Public Interest Comment: (no audience present)

Chairman and Trustees' Reports: Trustee Patrick informed the Board of an acquaintance that has a backhoe and trailer for sale. He asked the Board for permission to get pertinent information on the items and then bring it back to the Board for their consideration. Some Trustees commented that it would be beneficial to obtain information on the backhoe and trailer.

Secretary/Treasurer Lau inquired if the L' Dagio residential community is within the District's boundary. Interim General Manager Williams clarified that L' Dagio is within the District's boundary and that the District provides water/sewer service but does not maintain L' Dagio streets.

Trustee Baer inquired if the Board, at a previous meeting, already approved disposal of items listed on agenda item #23. Interim General Manager Williams clarified that a previous meeting agenda item

requested Board approval to dispose a Snapper lawnmower. Vice Chairman Evans inquired on the Snapper lawnmower disposal status. Interim General Manager Williams informed Vice Chairman Evans that two more payments were required.

The Board of Trustees thanked Interim General Manager Williams for his outstanding work and service.

Chairman Swanson thanked the Board for their confidence in re-electing him as Chairman of the Board.

Adjournment: *Chairman Swanson entertained a motion to adjourn the meeting at 10:18 P.M. So moved by Vice Chairman Evans. Seconded by Trustee Patrick. Motion carried unanimously. A special Board of Trustees meeting will be on Wednesday, February 1, 2006 at 7:00 P.M. The next regular Board of Trustees meeting will be on Wednesday, February 15, 2006 at 7:00 P.M.*

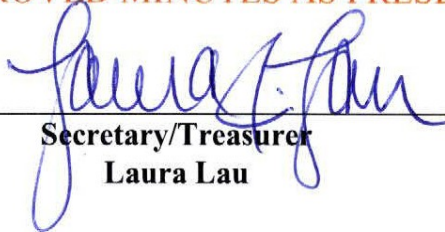
Exhibit A General Manager's Report

Exhibit B Engineer's Report

Exhibit C General Counsel Report

Exhibit D Douglas County 10-Year Master Plan Update Indian Hills/Jacks Valley Planning Area Community Workshop, September 21, 2005

FINAL APPROVED MINUTES AS PRESENTED



Secretary/Treasurer
Laura Lau