

**Minutes**  
**Indian Hills General Improvement District**  
**District Office**  
**3394 James Lee Park Rd. #A**  
**Carson City, NV 89705**  
**March 15, 2006**  
**7:00 P.M.**

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

**Trustees Absent:** (none)

**Staff Present:** Attorney Scott Brooke, Engineer Brian Randall, Executive Assistant Vicki Reifer, Street's Supervisor Russ Sterling, General Manager Dennis Longhofer

**Others Present:** Ron Lynch, Beverly Worthylake, Terry Worthylake, William Gilmartin, Mike Carrion, Bill Sweetwood, Dale Morlan, Claire Provan

1. **Call to Order:** Chairman Swanson called the meeting to order at 7:01 P.M.
2. **Pledge of Allegiance:** Led by Chairman Swanson.
3. **Approval of Agenda:** *Trustee Baer moved to approve the agenda as presented. Seconded by Trustee Patrick. Motion carried unanimously.*
4. **Public Interest Comment:** Bill Sweetwood suggested that the Indian Hills area needs an extension of a Senior Citizens Center. He stated that a perfect location for the Senior Citizens Center could be near the Sheriff's Sub-station. He would appreciate if the Board would consider a Senior Citizens Center.
5. **Reports to the Board:**
  - a. **Engineer's Report (Exhibit A)**

The District's Engineer Brian Randall discussed items as written in the Engineer's Report. Engineer Randall commented that a change order on the agenda pertains to the sludge pond liner project and involves no fiscal change to the contract amount. As part of the Engineering Wastewater Evaluation dated November 17, 2005, Engineer Randall informed the Board that the Nevada Division of Environmental Protection is requiring that the District develop and adopt a vegetation control plan by the end of 2006 and that the District install emergency back-up power at the Wastewater Treatment Plant by 2007-2008. A draft technical memorandum on the assessment of arsenic removal alternatives prepared by Gilmore Engineering was received and will be an agenda item at the April 2006 meeting for the Board's review and approval. Engineer Randall was informed by Trustee Baer that the building permit for the structural enclosure for field #2 baseball dugouts was approved by the County. Construction of the dugout enclosures will be a District staff effort.
  - b. **Attorney's Report (Exhibit B)**

The District's Attorney Scott Brooke had no further additions to the written General Counsel Report. Secretary/Treasurer Lau requested additional information on the open meeting law violation complaint. Attorney Brooke informed the Board that the Attorney General's office received a complaint on February 17, 2006. The complaint stated that a public interest comment period was missed for an agenda item at the February 13, 2006 special Board of Trustees meeting. The District has not received a response from the Attorney General on the open meeting law violation complaint for approximately three weeks. Secretary/Treasurer Lau inquired on the normal response time from the Attorney General's office for open meeting law violation complaints. Attorney Brooke commented that the Attorney General's office usually responds within ten days of a complaint. Attorney Brooke reviewed the complainant's letter and meeting audio tapes. Attorney Brooke determined that the specific complaint was not valid. He stated that the audio tape was clear that there was a public interest comment period for the agenda item. Once a response is received from the Attorney General's office on the matter, Attorney Brooke will report back to the Board.

Trustee Patrick inquired if there was any established County ordinance regarding allterrain vehicles and their distances to dwellings. Attorney Brooke responded that he was uncertain if there was a specific ordinance other than the nuisance ordinance. He would look into the matter. Trustee Baer informed the Board that the Douglas County ordinance number is listed on various posted District signs and that the distance is five hundred feet from a residence. Trustee Patrick asked where a resident would file a complaint. Attorney Brooke informed Trustee Patrick that a person can file a complaint with the County's Code Enforcement Officer through the Community Development Department.

**Public Interest Comment:** (none)

6. **Approval of Draft Minutes of Board Meetings of February 13, 2006 and February 15, 2006:** Attorney Brooke suggested that the February 13, 2006 meeting minutes recite those officers that were elected at the January 18, 2006 Board of Trustees meeting. Chairman Swanson suggested a word revision from "surprise" changed to "level playing field" on the February 13, 2006 meeting minutes on page 2, Public Interest Comment, paragraph 1.

*Secretary/Treasurer Lau moved to approve the Draft Minutes of Board Meeting of February 13, 2006 as amended with the following revisions: Reciting of elected officers at the January 18, 2006 meeting and word revision from "surprise" to "level playing field." Seconded by Vice Chairman Evans. Motion carried unanimously.*

Secretary/Treasurer Lau indicated a typographical error of the word "possible" corrected to "possibly" on the February 15, 2006 meeting minutes on page 5, last paragraph. Secretary/Treasurer Lau indicated a word insertion from "Trustee Baer comment that are" revised to "Trustee Baer commented that there are" on the February 15, 2006 meeting minutes on page 6, second to the last paragraph.

*Secretary/Treasurer Lau moved to approve the Draft Minutes of Board Meeting of February 15, 2006 as amended with the following revisions: typographical error corrected from "possible" to "possibly" and word insertion, "there." Seconded by Vice Chairman Evans. Motion carried unanimously.*

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7. **Acceptance of Budget Status Reports for February 28, 2006:** Trustee Baer questioned the Uniform Expense on line 10, page 3 of the Wastewater Enterprise Fund Budget Status Report and on line 13, page 5 of the Water Enterprise Fund Budget Status Report. He stated that uniforms were not budgeted for employees and that safety clothing expenses were a separate line item. Vice Chairman Evans commented that the uniform expense was probably for jackets. Chairman Swanson stated that uniforms are a good idea but he questioned reasons for the loss of a budgeted uniform expense. Vice Chairman Evans commented that uniform expenses were budgeted in the past but some employees objected to wearing uniforms. District Streets Supervisor Russ Sterling informed the Board that staff never objected wearing uniforms and that the lack of uniforms in the budget was the previous General Manager's decision. He mentioned that staff does need a washer and dryer at the Water Treatment Plant for sewer sanitary reasons.

Vice Chairman Evans mentioned that there are several items over budget as shown on page 4 of the Water Enterprise Fund Budget Status Report and that other line items are close to being over budget. Chairman Swanson recommended that the General Manager and staff monitor expenditures closely especially Enterprise Fund expenditures.

Trustee Patrick stated that the District will soon need to repay Douglas County \$140,000 per the inter-local agreement for the Vista Grande overlay. He asked the Board when that amount should be refunded to the County. Chairman Swanson suggested that the District should start reimbursing the County in July 2006 and that the \$140,000 amount should be reflected in next year's fiscal budget as a General Fund expenditure. Trustee Patrick did not want to stretch the time for repayment of the \$140,000 to the County. Chairman Swanson reminded the General Manager that the fiscal year 2006-2007 budget should reflect the \$140,000 expenditure.

Trustee Baer asked General Manager Longhofer if a written response from the County for reimbursement of the \$140,000 was received. General Manager Longhofer informed the Board that a letter had not been received. He reminded the Board that they previously requested a written letter from the County requesting repayment of the \$140,000. Trustee Baer recalled that at a County meeting, the Commissioners were going to send a letter but he did not know when. Chairman Swanson stated that the amount is an obligation that the District owes the County.

Trustee Baer stated that the District has been counting on connection fees as a water and sewer revenue source. Trustee Baer commented that connection fees are listed as "other" on page 1, line 3 and line 11 of the Enterprise Fund Budget Status Report. Trustee Baer stated that the District has not received \$109,800 in water connection fees and \$248,000 in wastewater connection fees. Trustee Baer informed the Board that the property on the corner of Vista Grande Boulevard and Mica Drive has been sold. There was discussion amongst the Board on the approximate amount of townhouses that were to be built on the lots.

Trustee Patrick inquired on the status of the townhouse project on the corner of Vista Grande and Mica. Engineer Randall stated that the townhouse project might commence but he does not know when. The District has heard nothing about the project.

Secretary/Treasurer Lau inquired on the \$37,000 Equipment Purchase Capital Outlay on line 32, page 7 of the Streets Department General Fund Budget Status Report. She asked if equipment should be purchased before that budgeted amount becomes unavailable. Vice Chairman Evans recalled that the money was reserved for gilsonite. Secretary/Treasurer Lau asked if there was equipment that the Streets Department could use. District Streets Supervisor

Russ Sterling informed the Board that the Streets Department needs a lot of equipment especially a new sander. Chairman Swanson mentioned that the Equipment Purchase Capital Outlay amount should remain in the budget.

*Secretary/Treasurer Lau moved to accept the Budget Status Reports for February 28, 2006. Seconded by Vice Chairman Evans. Motion carried unanimously.*

**Public Interest Comment:** (none)

8. **Acceptance of Bank Accounts' Reconciliation at February 28, 2006:** Secretary/Treasurer Lau requested more information on the return deposits amount of (\$127.50) on the Operating Account Monthly Checking Reconciliation. General Manager Longhofer informed the Board that he would make inquiries from staff on the return deposits amount.

**Public Interest Comment:** (none)

*Secretary/Treasurer Lau moved to accept the Bank Accounts' Reconciliation at February 28, 2006. Seconded by Trustee Patrick. Motion carried unanimously.*

9. **Public Hearing on the Proposed Action to adopt Resolution 2006-02 establishing new residential and commercial sewer service monthly rate effective May 1, 2006:** Chairman Swanson questioned the format and formality of Resolution 2006-02 because it has an **OR**, in the paragraph starting with NOW, THEREFORE, BE IT RESOLVED. Attorney Brooke stated that Resolution 2006-02 has two alternatives that were suggested by the Ad Hoc Sewer Rate Study Committee and were reviewed by the Board at the previous public hearing. He stated that the Board needs to select one of the two alternatives. He stated that language in Resolution 2006-02 for the alternative not selected would be deleted. He commented that the two options could have been presented as two separate resolutions in which the Board could choose between the two separate resolutions. Attorney Brooke advised that Board discussions should result in the selection of one option.

Chairman Swanson read a section of Resolution 2006-02.

**NOW, THEREFORE, BE IT RESOLVED**, by the Indian Hills General Improvement District Board of Trustees that the recommended Option 1 Option 2(Select) by the Ad Hoc Sewer Rate Study Committee are herewith adopted, and beginning with the effective date, to wit: the sewer service monthly rate structure is changed to \$18.66 per month **OR** A base rate of \$8.95 per month plus \$1.00 per 1,000 gallons of water used per month for residential customers and \$1.47 per 1,000 gallons of water used per month for commercial customers with the average of the lowest three winter months usage being used to determine the annual average monthly usage with a minimum of 3,000 gallons.

Chairman Swanson asked the Board if they had any questions on Resolution 2006-02. Vice Chairman Evans stated his opinion that neither the flat rate nor usage rate would generate enough revenue for the Enterprise Fund sewer budget. Chairman Swanson calculated the District's possible revenue based on 1,900 sewer customers with a \$18.66 flat rate. He figured that the District would generate \$425,000 in revenue.

Vice Chairman Evans is concerned with the costs associated with various sewer capital improvement projects such as a lift station replacement and sludge pond liner. Trustee Baer commented that there is no base calculation for commercial customers.

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Chairman Swanson stated that one issue involves sewer rate revenue covering budgeted sewer expenditures. Chairman Swanson asked the Board's opinion on a flat rate versus a usage rate. Secretary/Treasurer Lau preferred a usage rate. Vice Chairman Evans preferred a flat rate because a usage rate would involve more administrative time to process bills and would cause confusion with customers. Trustee Baer commented that there are a number of rental properties in the District. He stated that a usage rate would cause several billing adjustments due to tenants moving in and out. Trustee Baer favored a flat rate. Trustee Patrick had questions regarding the usage rate and was uncomfortable with the usage rate. He informed the Board that he received two water bills in two successive months where the usage figure was huge one month and then the following month, the usage figure was small. He questioned the accuracy of water meter readings. He commented that as a result of possible inaccurate water meter readings, he would question the accurateness of his household's sewage contribution with a usage rate. Trustee Patrick preferred a flat rate.

Chairman Swanson opened a public comment period on the agenda item. Attorney Brooke clarified that the direction for the agenda item is to have a public hearing on Resolution 2006-02. Chairman Swanson stated that Resolution 2006-02 was not ready because there were questions from the Board regarding the rate. Attorney Brooke informed Chairman Swanson that there would be no need for a public hearing if the Board was not going to take any action on the rate. Attorney Brooke clarified that if the Board intends on going forward with Resolution 2006-02, a public hearing process would need to commence. Chairman Swanson stated his intention of meeting with the General Manager and Secretary/Treasurer Laura Lau to review the rate structure and then conduct a public hearing at the next Board of Trustees meeting. Attorney Brooke suggested that the public hearing commence because it was advertised in the local newspaper. Trustee Patrick inquired from Attorney Brooke's on the requirements for advertising and conducting public hearings if the sewer rate figures were revised. Attorney Brooke believed that two meetings would be required. There was discussion on the public hearing process when revising rates charged to customers. Attorney Brooke reviewed the Nevada Revised Statutes. He determined that per NRS 318.199, the Board of Trustees shall hold a public hearing after thirty days notice has been given for any rate change and that the Board can have as many public hearings as they so choose. Chairman Swanson opened the public hearing for public discussion.

**Public Hearing:** Ron Lynch stated that a goal of the Ad Hoc Sewer Rate Study Committee meetings was to determine and make certain that the sewer rate would generate enough revenue necessary to cover repairs and improvements. Ron Lynch suggested a review and evaluation of the figures. He thought that objective was accomplished at the Ad Hoc Sewer Rate Study Committee meetings. Bill Moriarty commented that he attended the Ad Hoc Sewer Rate Study Committee meetings. He thought that the budget was reviewed and analyzed by the Interim General Manager Paul Williams. He was dismayed that the Board was still unsure on the numbers that were analyzed and discussed for several months at the Ad Hoc Sewer Rate Study Committee meetings. Bill Moriarty read a letter that was published in the Record Courier newspaper on March 10, 2006. (Exhibit C) The letter encouraged residents to attend the March 15, 2006 sewer rate public hearing. The letter explained the two rate options; usage rate and flat rate. Bill Moriarty stated in his letter that it seems fair to pay for what you use and not an average of the District. Bill Moriarty indicated in the letter that other municipalities such as Los Angeles and St. Louis implemented a usage rate and suggested that the District implement a usage rate as well. Bill Moriarty stated that a usage rate may be a new idea but it makes sense for people to pay for what they use.

Vice Chairman Evans appreciated Bill Moriarty's letter. Vice Chairman Evans assumed that District customers would receive a reduced sewer rate if a usage rate was implemented. Bill Moriarty was

informed by Interim General Manager Williams that the average monthly water usage was 8,000 gallons. He commented that commercial users should have a higher rate because they generate more sewage. Vice Chairman Evans replied that the District might lose part of its commercial customers. Vice Chairman Evans commented on the District's upcoming capital improvements and associated costs for those improvements. Bill Moriarty replied that the Ad Hoc Sewer Rate Study Committee discussed those improvements and associated costs at several meetings. Vice Chairman Evans explained that some new sewer improvements have just come up. Bill Moriarty recommended that figures be re-evaluated if sewer capital improvements have changed. He stated that it should not refute the argument that it is fairer for the customers to have a usage rate versus a flat rate.

There were no further public comments from members present at the meeting. Chairman Swanson closed the public hearing.

Chairman Swanson requested a motion from the Board on either a flat rate or usage rate. *Vice Chairman Evans moved to approve a flat rate structure which would be the focus at the next meeting. Seconded by Trustee Patrick.*

Trustee Baer commented that some Board members might be more comfortable if there was more confidence in the figures. Chairman Swanson replied that the focus of the next meeting would include a review of sewer expenditure and revenue figures. Trustee Patrick recommended that commercial charges be reviewed at the next meeting. Chairman Swanson explained that if the District implemented a flat rate, the commercial rate would be based on equivalent dwelling units.

Chairman Swanson restated Vice Chairman Evan's previous motion.

*Vice Chairman Evans moved to approve a flat rate structure which would be the focus at the next meeting. Seconded by Trustee Patrick. Chairman Swanson, Vice Chairman Evans, Trustee Baer and Trustee Patrick voted aye. Secretary/Treasurer Lau voted nay. Motion carried 4 to 1.*

Chairman Swanson clarified that the Board approved a rate structure based on a flat rate and that the Board would review the budget at the next meeting. Chairman Swanson inquired if the notice for the next public hearing should include the rate itself. The District's Executive Assistant informed the Board that the public hearing notices included a detailed explanation of rate option #1 and rate option #2. Due to time restraints, Chairman Swanson suggested that the public hearing occur in May 2006. Attorney Brooke clarified that the public hearing adopting a resolution to change the rate would require a thirty day public notice. Chairman Swanson stated that at the next meeting, the agenda item would include discussions and analysis of the budget and flat rate structure.

Vice Chairman Evans inquired if an annual rate increase would be a consideration of the Board. Attorney Brooke clarified that he found no prohibition of implementing an annual rate increase and that the resolution should reflect such an increase.

10. **On approval to annex APN 1420-07-703-004 into the District, as requested by the owners of the parcel, Edward & Jo-An Mason and approval for the District to provide water and sewer services to that parcel:** Claire Provan, Project Manager for RO Anderson Engineering was present at the meeting to answer questions from the Board and the public regarding the annexation. Chairman Swanson inquired on the proximity of the District's water and sewer infrastructure to the Mason property. Claire Provan estimated that the District's existing water

and sewer infrastructure was located approximately three to four hundred feet from the parcel. She explained that there are two parcels that would be subdivided into nine parcels. They intend on building single family dwellings. Vice Chairman Evans inquired if the parcel was included in Douglas County's redevelopment area. Claire Provan was unaware but would research the matter. The District's Executive Assistant commented that the preliminary title report should indicate if the property was part of Douglas County's redevelopment area. She mentioned that the property owner has the option of requesting from Douglas County that the parcel be removed from the redevelopment area. Claire Provan stated that Douglas County is aware of the project and that they are requiring annexation of the parcel into the District.

Trustee Patrick mentioned that Douglas County would have recognized that the parcel was part of their redevelopment area and would have mentioned it to the property owner and RO Anderson Engineering. Vice Chairman Evans informed the Board of a previous annexation request where one parcel out of two parcels were part of Douglas County's redevelopment area and that the County refused to remove that parcel from their redevelopment area. Attorney Brooke clarified that the preliminary title report showed no indication that the parcel was part of Douglas County's redevelopment area. Vice Chairman Evans mentioned that the District would lose tax revenue for the parcel if it were included in the redevelopment area but the District could still provide water and sewer services and collect revenue for those services.

Chairman Swanson was concerned with the elevation of the parcel as it relates to sewage transfer. Claire Provan explained that there are plans to install a lift station in order to transport sewage from those nine dwellings. Chairman Swanson identified that the District would own and maintain that lift station. Chairman Swanson inquired on a drainage analysis. Claire Provan informed Chairman Swanson that drainage analysis was completed and that RO Anderson Engineering is working with the Nevada Department of Transportation to relocate a drainage channel which is part of N.D.O.T.'s right of way. She explained that the end of the cal de sac would slope East with a single catch basin and culvert pipe. The culvert pipe would run East with an outlet into N.D.O.T.'s right of way. Chairman Swanson identified that there would be an additional discharge for the District's Stormwater Management Plan. It was determined that there would be additional maintenance responsibilities for the District such as water, sewer streets and drainage.

Secretary/Treasurer Lau asked if the property owner would be responsible for sidewalk improvements. Chairman Swanson and Claire Provan agreed that those improvements are the responsibility of the property owner or developer.

**Public Interest Comment:** (none)

The District's Engineer Brian Randall commented on sewer and drainage issues. He was concerned with the lack of space for a lift station. He stated that RO Anderson Engineering would have to deal with the location of a lift station which should preserve their building area while at the same time allowing lift station accessibility for maintenance by District staff. He commented that there are no provisions for easements which would be needed by District staff to maintain storm drains. He recommended that the District be involved with sewer and drainage developments with the project.

There was discussion between members of the Board and the District's Engineer Brian Randall on drainage coming from Indian Drive into the proposed development.

*Vice Chairman Evans moved to approve the annexation of APN 1420-07-703-004 into the District, as requested by the owners of the parcel, Edward & Jo-An Mason and to approve that the District provide water and sewer services to that parcel subject to the improvements of streets, sidewalks, curbs, gutters of the project's frontage and approval by the District on easements and review of the drainage study. Seconded by Trustee Patrick. Motion carried unanimously.*

11. **On approval to annex a section of APN 1420-07-210-014 into the District, as requested by the owners of the parcel, William & Pamela Hill Gilmartin and approval for the District to provide water service to that parcel:** Property owner William Gilmartin was present at the meeting to answer questions from the Board and the public regarding the annexation. William Gilmartin was informed by the District's Engineer that a District water pipe exists on Pawnee. Engineer Randall explained that the water pipe runs East and West on Pawnee which is adjacent to the property within twenty feet. Chairman Swanson informed William Gilmartin that he is responsible for all improvements. Vice Chairman Evans inquired on the distance between the parcel to a District water tank. Engineer Randall explained that there are two tanks located near the property. The small tank is owned and maintained by the G.I.D. located off of Jacks Valley Road and the large tank is owned and maintained by Indian Hills G.I.D.

**Public Interest Comment:** (none)

*Trustee Patrick moved to approve the annexation of a section of APN 1420-07-210-014 into the District, as requested by the owners of the parcel, William & Pamela Hill Gilmartin and to approve that the District provide water service to that parcel. Seconded by Secretary/Treasurer Lau. Motion carried unanimously.*

**Break at:** 8:26 P.M.

**Reconvened at:** 8:40 P.M.

12. **Approval of Change Order No. 1 to the contract with Telesto Nevada LLC for installation of the East Sludge Pond Liner, deleting selected portions of the original Contract Documents determined to be not applicable to the project, such deletions representing no change to the Contract amount:** The District's Engineer Brian Randall informed the Board that there were administrative changes that related primarily to technical responsibilities that were not the Contractor's responsibility. Vice Chairman Evans inquired on the use of sump pump. He mentioned that the cost for a sump pump was not included. Engineer Randall stated that a change order would be submitted if a sump pump was needed. There was further discussion on the process of removing sludge from the ponds.

**Public Interest Comment:** (none)

*Trustee Baer moved to approve Change Order No. 1 to the contract with Telesto Nevada LLC for installation of the East Sludge Pond Liner, deleting selected portions of the original Contract Documents determined to be not applicable to the project, such deletions representing no change to the Contract amount. Seconded by Trustee Patrick. Motion carried unanimously.*

13. **Discussion and possible action to approve a donation to resident Chris Balcom for Youth Baseball training and tournaments. (Presented by resident Chris Balcom):** Resident Chris Balcom was not present at the meeting. Trustee Patrick asked if the District made similar donations in the past. Vice Chairman Evans stated that the District made small donations in the

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past but not particularly to baseball related activities. Chairman Swanson recommended that the agenda item be deferred until the next meeting due to Chris Balcom's absence.

*Trustee Patrick moved to reject the approval of a donation because it would set a precedence for others to make similar requests. No second. Item failed.*

Chairman Swanson directed that the agenda item be tabled until the next Board of Trustees meeting.

No action taken.

**14. Discussion and possible action to correct a continued flooding problem of easement-drainage ditch near 3350 Plymouth Drive. (Requested by resident Mike Carrion):**

Resident Mike Carrion commented that the previous General Manager had been working with him for several years to resolve the flooding issue. He mentioned that flooding of his property started when the easement pad was originally cut. At that time, he attempted to resolve the matter with the Nevada Department of Transportation, Brown Brothers Construction and the District but no one wanted to take responsibility. Mike Carrion showed the Board various pictures of the easement. He commented that frequent vehicles traveling on the easement have caused deterioration and misplacement of the material. Mike Carrion informed the Board that bringing in material and re-grading might alleviate the problem.

Chairman Swanson inquired on the ownership of the easement. Mike Carrion was informed by the previous General Manager, Jim Bentley, that the District purchased the easement. Vice Chairman Evans inquired if there were other utilities on the easement such as cable and electricity. Mike Carrion understood that the only utility on the easement was cable.

Chairman Swanson recommended that ownership of the easement is researched and verified. He asked about the history of the parcel. Engineer Randall explained that the easement was created as part of the west subdivision development and its original purpose was for drainage. He mentioned that there is poor soil on the easement that would not sustain traffic. He recommended placement of better material on the easement and perhaps re-channeling. Chairman Swanson inquired on the easement's purpose. Engineer Randall clarified that the easement's purpose is a combination of power, drainage and separation of one subdivision from another.

Trustee Patrick commented on culvert cleaning and vegetation on the easement. He mentioned that culvert cleaning and vegetation have not alleviated any flooding problems on Mike Carrion's property. Engineer Randall discussed problems on the easement with erosion. Mike Carrion recommended that the easement road go towards the culvert as a possible solution.

District Street's Supervisor Russ Sterling suggested a solution of bringing in road base and re-grading both the North and South easements at a cost of approximately \$5,565.50. He recommended a culvert installation at one property due to the resident continually accessing their backyard. He mentioned that emergency vehicles would have a difficult time traveling on the easement in its current condition and could get stuck because of the soil. He suggested a delay on bringing in material or re-grading the easement until the soil dries out.

Chairman Swanson asked if the easement was a public access route and if the District had the authority to close the easement. District Street's Supervisor Russ Sterling commented that it

would not be fair to deny the resident access to the back of their property because that access has been grandfathered in for a long time. He mentioned that most households on the easement have backyard gates. He recommended that the easement be fixed and installation of a culvert behind one property. General Manager Longhofer commented that installation of a culvert behind one property might obligate the District to install additional culverts behind other properties.

There was further discussion on continued maintenance problems with the easement due to residents accessing their backyard.

Chairman Swanson concluded that vehicle traffic was causing a problem on the easement. He recommended two solutions; to either close the easement or build a road which would generate more maintenance roadway expenditures for the District. Attorney Brooke suggested another option of a license agreement in which the District would allow the resident access to use the District's property and that the license agreement could establish that the property owner maintain their own gates and culverts. Mike Carrion stated that the easement was never fixed from its original creation. He suggested placement of better material and re-grading to alleviate the problem.

Chairman Swanson recommended that the item be placed on the next agenda. He suggested that the District notify those households located along both the North and South easements to inform them that discussions at the meeting would include repairs to the property(s) and possible closure of the property(s) to vehicle traffic.

Trustee Patrick asked Attorney Brooke how the District would be affected because residents have been accessing their backyard for nearly thirty years. Attorney Brooke stated that it would depend upon when and how the District acquired ownership. He mentioned that nobody can establish rights against public property but the District might have acquired the property with pre-existing rights. He was uncertain if that was the case but it could be possible that there were restrictive rights previously established.

Chairman Swanson restated that there would be continued discussions on the matter as an agenda item at the next Board of Trustees meeting. He stated that the Board recognizes that there is a drainage problem that needs to be repaired and the question the Board will need to address is the continued public access on District property(s) whether the Board allows that to continue or the option of changing the easement into another public use such as a park.

District Street's Supervisor Russ Sterling asked if in the mean time he could do something with the ditch. Chairman Swanson informed Russ Sterling to go ahead and run the grader to clean up the ditch.

15. **Discussion and possible action to authorize hiring of seasonal staff for Park, Streets and Wastewater Departments:** General Manager Longhofer informed the Board that the Interim General Manager Paul Williams authorized advertisement for seasonal staff. Trustee Patrick had concerns with the salary. General Manager Longhofer mentioned that last year's seasonal staff advertised salary was at \$8.00 per hour and the District only received three employment applications. The District has already received ten employment applications with advertising the \$12.00 per hour wage. General Manager Longhofer commented that other local burger fast food restaurants offer a wage starting at \$12.00 per hour. Trustee Patrick commented that last year's seasonal staff was hired at a \$10.00 per hour wage. He understood that another seasonal

person was needed for vegetation removal at the Wastewater Treatment Plant and that person was hired at \$12.00 per hour. General Manager Longhofer was unaware of the matter.

Trustee Baer inquired on the number of seasonal staff requested to be hired. General Manager Longhofer informed the Board that three seasonal personnel are needed. He informed the Board that a seasonal worker is needed in the Streets, Wastewater and Parks Departments. He stated that three seasonal staff might not be enough. Vice Chairman Evans understood that in the past, seasonal staff were juggled between several Departments. District Street's Supervisor Russ Sterling informed the Board that since his employment with the District, no seasonal staff were transferred to assist the Streets Department.

There was discussion on the Streets Department's needs of having three employees with one employee's primary function of flagging traffic.

*Vice Chairman Evans moved to authorize the hiring of two seasonal personnel now and then possibly reconsider the hiring of two more additional seasonal personnel later on, if needed. No second. Item failed.*

**Public Interest Comment:** (none)

*Trustee Baer moved to authorize the hiring of three seasonal personnel subject to available funding in the fiscal year 2005-2006 and 2006-2007 budgets. Seconded by Trustee Patrick. Chairman Swanson, Secretary/Treasurer Lau, Trustee Baer and Trustee Patrick voted aye. Vice Chairman Evans voted nay. Motion carried 4 to 1.*

- 16. Discussion and possible action on the District's Custodial Agreement pertaining to a rate increase:** Trustee Patrick commented on the 30% increase on the District's custodial services. He spoke with several people that operate custodial services. He found out that they charge basically \$25.00 per hour. He questioned the amount of time it takes to clean the District's main office. He is concerned about the cost for the District's current custodial service and that the Board did not approve the past or current custodial service agreements. Trustee Patrick was bothered when he drove by the office a few times and saw the lights off and someone watching television. Secretary/Treasurer Lau commented that notification of the custodian's rate per hour increase was dated December 2005. She was concerned that the Board was now being notified of the increase. Chairman Swanson mentioned that the General Manager has certain authority up to a specific dollar amount for purchasing and entering into service contracts.

There was discussion on going out to bid for the District's custodial services. Chairman Swanson stated that the custodial contractor will need to have a Nevada license and most have insurance. Trustee Baer commented on the amount budgeted for custodial services.

**Public Interest Comment:** (none)

The District's Executive Assistant mentioned that the District has both contract services and professional services. She commented that professional services include the District's Attorney, District's Engineer, Computer and CPA services. She informed the Board that there are several service contracts that the Board has not approved such as air conditioning maintenance and wastewater treatment operations. She inquired if the Board should approve those service contracts. Chairman Swanson requested the Board is provided with those contracts for their review at the next Board meeting. The Board recommended that those contracts are included as an attachment to the General Manager's Report.

*Chairman Swanson moved to go out to bid for the District's custodial services for the District's main office and to continue the District's existing custodial services contract until a bid is approved by the Board of Trustees. So moved by Vice Chairman Evans. Seconded by Trustee Patrick. Motion carried unanimously.*

- 17. Chairman and Trustees' Reports:** Secretary/Treasurer Lau asked if the District was required to have its own Stormwater Management Plan separate from the County's Stormwater Management Plan. Chairman Swanson confirmed that the District is required to have its own Stormwater Management Plan. Secretary/Treasurer Lau inquired on the \$14,000 as mentioned in February 15, 2006 Board of Trustees meeting minutes where Vice Chairman Evans inquired how the \$14,000 amount related to the original agreement with Douglas County and if the District came out in the hole. The minutes state that Attorney Brooke informed Vice Chairman Evans that he would have to review the project contract and funding source and that he would get back to the Board on that matter.

Attorney Brooke clarified that the \$14,000 is the settlement amount for the Interstate Utility Constructors litigation which was the agreed amount as owed under the Ridgeview project. He assumed that the amount was contained within the contingency but he would have to confirm that with the District's Financial Officer. He does not believe that there was any separate source of money such as grant funds.

Vice Chairman Evans mentioned that Ridgeview belongs to Douglas County and the County issued a contract with the District in which they provided a specific amount of funding to the District for the Ridgeview project. Attorney Brooke commented that the District's Engineer was not aware of that contract and that he would inquire from other sources to verify if there was such a contract. Vice Chairman Evans questioned if the District received enough funding from the County for the Ridgeview project. Trustee Baer understood that the money for the additional work was part of the contract but the Contractor never submitted a change order. Attorney Brooke commented on Vice Chairman Evan's position. He stated that Vice Chairman Evan's recalled that the District's funding for the Ridgeview project came from another source and there might be money still available from that source. Attorney Brooke stated that he would review the contract documents for the project. He should have a report to the Board on the matter at the April 19, 2006 Board of Trustees meeting.

Trustee Baer informed the Board that he had a conversation with Douglas County Manager Dan Holler in regards to the time frame on when the County intends on decoupling the North Valley commercial area from the District's sewer line. He mentioned that the County Manager would get back to the District on the matter. Douglas County Manager Dan Holler informed Trustee Baer that decoupling of the sewer line could occur within six to eight months into the next fiscal year 2006-2007.

Trustee Baer commented on the dugout permit process with the County. He stated that a County Planner told him that a licensed contractor is required only if a project is over \$75,000. He informed the Board that the District's dugout project is less than that amount. Secretary/Treasurer Lau mentioned that the information given to Trustee Baer from that County Planner was not correct. Trustee Baer questioned the additional check payable to the County for the dugout permit. Secretary/Treasurer Lau recommended that Trustee Baer visit the County Building Department and speak directly with a Planning Department Representative.

Vice Chairman Evans commented on the Water Department staff changing to a ten hour, four day shift. He stated that the change in work hours has affected the meter reading process. Vice

Chairman Evans suggested that a change in work hours and work days for that Department should be approved by the Board. Trustee Patrick thought that Interim General Manager Williams discussed the work hour and work day change with staff and that he determined that the change in the work hour schedule was acceptable.

Chairman Swanson recommended that a goal setting special workshop meeting is conducted. The Board scheduled Wednesday, April 12, 2006 at 6:00 P.M. for the goal setting meeting.

The District's Executive Assistant recommended that the Board submit articles for the April newsletter.

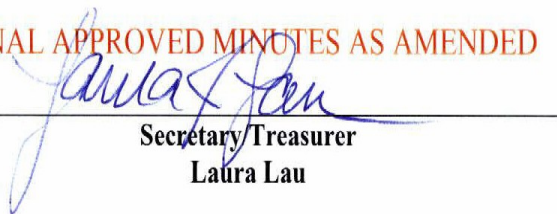
- 18. Adjournment:** *Chairman Swanson entertained a motion to adjourn the meeting at 9:45 P.M. So moved by Vice Chairman Evans. Seconded by Trustee Patrick. Motion carried unanimously.* The next regular Board of Trustees meeting will be on Wednesday, April 19, 2006 at 7:00 P.M.

*Exhibit A Engineer's Report*

*Exhibit B General Counsel Report*

*Exhibit C Letter to the Editor from resident Bill Moriarty*

FINAL APPROVED MINUTES AS AMENDED



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Secretary/Treasurer  
Laura Lau