

**Minutes**  
**Indian Hills General Improvement District**  
**District Office**  
**3394 James Lee Park Rd. #A**  
**Carson City, NV 89705**  
**March 21, 2007**  
**7:00 P.M.**

**Trustees Present:** Chairman Brian Patrick, Vice Chairwoman Laura Lau, Secretary/Treasurer 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, Recreation Manager Sandi Eisele, District's Attorney Scott Brooke, District's Engineer Brian Randall

**Others Present:** Art Baer, Ron Lynch, Dale Morlan, Lisa Granahan, Jay Hoogestraat, Carl Lackey, Boomer Shultz, Pat Murphy, Jim Murphy, Penni Eisele, Jennifer Ripplinger, Marty Johnson, Beth Detro, Howard Detro

1. **Call to Order:** Chairman Patrick called the meeting to order at 7:01 P.M.
2. **Pledge of Allegiance:** Led by Trustee Eisele.
3. **Approval of Agenda:** Chairman Patrick requested to amend the order of the agenda items by moving agenda item #12 before agenda item #7. General Manager Longhofer requested that agenda item #5b be removed from the consent calendar. Chairman Patrick asked the Board and members of the public if they requested any additional agenda revisions. There were no additional requested changes to the agenda.

*Trustee Clark-Ross moved to approve the agenda as amended by moving agenda item #12 before agenda item #7 and removing agenda item #5b from the consent calendar. Seconded by Trustee Eisele. Motion carried unanimously.*

4. **Public Interest Comment:** Recreation Manager Sandi Eisele discussed the upcoming annual Easter Egg Hunt which will be held at James Lee Park on Saturday, April 4, 2007 at 1:00 P.M. Volunteers are needed to assist with a variety of activities for the Easter Egg Hunt and prizes will be given to children in various age groups.
5. **Discussion and possible action on approval of Consent Calendar:**
  - a. **Approval of Draft Minutes of Board Meeting of February 21, 2007.**
  - b. **(REMOVED) Acceptance of Budget Status Reports for February 28, 2007.**
  - c. **Acceptance of Bank Accounts' Reconciliation at February 28, 2007.**
  - d. **Acceptance of Paid Current Bills as presented.**

- e. **On adoption of an updated District Boundary Map, including a recent annexation of 3292 Plymouth Drive APN # 1420-18-301-004.**

**Public Interest Comment:** (none)

*Trustee Eisele moved to approve consent calendar agenda items 5a, 5c, 5d and 5e. Seconded by Trustee Clark-Ross. Motion carried unanimously.*

6. **Action on items pulled of the Consent Calendar:** Agenda item 5b was removed from the consent calendar and will be considered by the Board at the April 18, 2007 regular monthly meeting.
12. **Discussion and possible action to adopt 2007 Water and Sewer Bond Resolution providing for the issuance of its General Obligation (Limited Tax) Water and Sewer Bond (Additionally Secured by Pledged Revenues) in the maximum aggregate principle amount of \$2,000,000:** JNA Consulting Group Representatives Marty Johnson and Jennifer Ripplinger provided the Board with water and sewer bonds bid summary documentation. **(Exhibit C)** A request for financing was sent to several financial institutions which were given financial statements, budgets and other information about the District. Financial institutions CitiCapital, Bank of America, and GE Public Finance submitted bids which were included in the water and sewer bonds summary documents. The annual debt service for the CitiCapital bid is \$700,000 less than the Bank of America bid. JNA Consulting Group recommends that the bid from CitiCapital is accepted by the Board.

**Public Interest Comment:** Howard Detro asked why the District needs \$2,000,000 in bonds. General Manager Longhofer discussed various upcoming District water and sewer infrastructure improvements and their associated costs which includes the sewage lift station replacement, arsenic removal, sludge de-watering system, emergency power for Brown's well and emergency power for the wastewater treatment plant. General Manager Longhofer clarified that the District would use the \$2,000,000 bond money to cover expenses related to a specific water and sewer capital improvement project or State of Nevada mandated improvement project. Howard Detro questioned why the agency that mandated the improvement does not pay for that improvement project's expenses. Chairman Patrick discussed the District's July 9, 2005 sewage spill which prompted the Nevada Division of Environmental Protection to evaluate and mandate several improvements to the District's existing sewage infrastructure. General Manager Longhofer invited members of the community to take a tour of the District's various water and sewer facilities to view the progress with its several improvement projects.

Attorney Brooke recommended that the motion include the adoption of the Resolution and acceptance of the bid from CitiCapital.

*Chairman Patrick entertained a motion to adopt the Resolution, a resolution of the Board of Trustees of the Indian Hills General Improvement District, Nevada, designated by the short title "2007 Water and Sewer Bond Resolution"; providing for the issuance of its general obligation (limited tax) water and sewer bond (additionally secured by pledged revenues), series 2007, in the maximum aggregate principal amount of \$2,000,000; providing the form, terms and conditions thereof; providing for the levy and collection of annual general (ad valorem) taxes for the payment of the bond; additionally securing its payment by a pledge of revenues derived from the utility system of which the financed project is a part; and providing other matters relating thereto; and to accept the bid from CitiCapital. So moved by Vice Chairwoman Lau. Seconded by Trustee Clark-Ross. Motion carried unanimously.*

7. **Presentation by Douglas County Community Development on an Ordinance concerning Bear Proof Containers:** Assistant to the Douglas County Manager Lisa Granahan, Douglas County Code Enforcement Officer Jay Hoogestaat, Nevada Department of Wildlife Biologist Carl Lackey and Douglas Disposal Representatives were present at the meeting to conduct a PowerPoint presentation regarding bear education and Douglas County's Chapter 6.32 Bear-Proof Container Ordinance. The following is a compilation of information which was presented and discussed.

**What is the Bear-Proof Trash Container Ordinance?**

The bear-proof container ordinance was enacted and is enforced to protect the welfare of the community. Unsecured trash is an enticement to bears and creates situations in which a chance meeting between a hungry bear and an unsuspecting individual could result in injury or death. The ordinance helps to educate and create awareness regarding unsecured trash. It gives the County a tool for enforcement if there are problem areas.

**Does the ordinance make it mandatory for everyone to install a Bear-Proof container?**

Bear-Proof containers are not mandatory until after two violations in a two year period. After a second violation in two years, the County will require the responsible party, at their cost, to install a bear-proof container within 30 days of the second incident. The cost of the bear-proof enclosure starts at approximately \$500. The enclosures can not be moved because they are bolted into a concrete base.

**What constitutes a violation of the Bear-Proof Container Ordinance?**

A site inspection and investigation will take place when a complaint is received. If it is determined that a bear gained access to unsecured trash, then a notice of violation will be issued. All other scattered and unsecured trash issues will be noticed under the County's current public nuisance code, Chapter 8.14.

**Why is the County considering expanding the Bear-Proof Container Ordinance to apply to all of Douglas County?**

The bear population moves for various reasons. One of the reasons is the available food sources and trash. Greater awareness and enforcement in the Tahoe basin and use of bear-proof containers has caused some bears to move down the foothill and valley portions of the County.

**Do we really have a problem with bears in the valley portion of the County?**

There have been recent reports of bears in several different locations outside of the Tahoe Township in Douglas County. The Nevada Department of Wildlife received 21 bear complaints in the Carson Valley in 2004 and this increased to 50 in 2006.

- Nevada's black bear population is estimated at 200 - 300 animals.
- Bear complaints have been increasing since 1987.
- Drought might have been the catalyst for bears frequenting urban areas in search of food.
- 95% of bear complaints are garbage related.
- It is the responsibility of the resident to remove attractants such as garbage, fruit trees, compost piles, bird feeders, fish ponds, barbecue grills and pet food before further steps are taken by the Nevada Department of Wildlife.
- Nevada Department of Wildlife will not relocate a nuisance bear under most circumstances. 100% of bears will return to the capture area or they are killed trying.

**Break at:** 8:10 P.M.

**Reconvened at:** 8:20 P.M.

- 8. Discussion and possible action to withdraw filed Protests on Water Right Applications 71674, 71675 and 71676:** Douglas County Engineer Carl Ruschmeyer discussed Douglas County's historical ownership and operation of the North County water system. In 2000, Douglas County purchased a water system which served the Clear Creek industrial center. That water system had two wells, a water tank and a small distribution system which had to be abandoned in order for Douglas County to develop the Carson Valley Plaza site. Douglas County drilled one new well which is located near the Wal-Mart site. Douglas County expanded that water system by drilling a new well on Topsy Lane and Center Drive. That water system has two wells with forty two acre feet of water rights. In 2002, the County entered into an inter-local agreement with the District for a supplemental water supply which was accomplished by installation of an inter-tie with the Jacks Valley school tank to supplement fire flow to the Home Depot commercial center. In 2004, Douglas County filed applications to expand the place of use with the purpose of having an inter-tie. The District's former General Manager protested those water rights. Douglas County is requested that the District withdraw its protests to allow the State Engineer to take action on Douglas County's applications absent any protests.

General Manager Longhofer stated that a goal is to have an inter-tie of the District's and County's water systems. He mentioned that the water is not coming from the District's aquifer. The District's Engineer Brian Randall stated that the water rights that Douglas County is applying to change already includes the District as part of the service area and that the intent of the applications filed is to expand the place of use to include the Redevelopment District; Indian Hills General Improvement District; Jacks Valley; the proposed Clear Creek development; the area on the East side of Highway 395 to the Carson City boundary line; not including Alpine Estates; and not including a portion of Ridgeview Estates. He stated that it could be argued that the water rights are in the same aquifer as Indian Hills because Indian Hills also serves Jacks Valley School from wells that are located in Jacks Valley. He could not speak on behalf of former General Manager Jim Bentley in regards to his intent of filing the protests but at the time, the District was involved in its incorporation efforts. He mentioned that Carson City did not file a protest and that the District was probably the only agency that filed protests. Former General Manager Bentley's intent could have been to protect the District due to potential competition created by the County in providing duplicate service and possible future attempt on providing full service to the District. Engineer Randall discussed the State Engineer's concerns with the sub-basin located at Jacks Valley School. The District is under strict constraint on the use of water from that sub-basin from the State Engineer. Any water pumped in that sub-basin can not be used in Indian hills because that is part of the Carson Valley aquifer and is intended only for Jacks Valley School. He mentioned that the State Engineer might not approve Douglas County's applications because of the State Engineer's concern with transporting water from that sub-basin back towards the direction of the District and the County and its possible affect on domestic wells in that area. Engineer Randall clarified that the State Engineer will make that decision to approve or not approve the County's applications.

**Public Interest Comment:** Art Baer informed the Board of Trustees that homeowners North of Jacks Valley Road have domestic wells in that aquifer. He mentioned that the District has annexed several properties in that area because their wells have gone dry and that a reason for filing the protests was to protect that aquifer.

Douglas County Engineer Carl Ruschmeyer clarified that the expansion of the County's service area was included in the County's Master Plan. He explained that the County has a water system that is split in two hydrographic basins. There are wells in both basins so water can be moved back and forth so there is not a single movement of water from one basin into another basin. He agreed with Engineer Randall that the State Engineer will make the final determination regarding the County's applications.

There was discussion on the development of a regional water system for the entire Carson River watershed. Engineer Randall commented on existing redundancy of the water supply and the inter-tie of the system which would have cost the District substantial money. Trustee Clark-Ross requested that former Trustee Art Baer comment on the reasons that former General Manager Bentley filed the protests.

**Public Interest Comment:** Art Baer stated that the District was involved with incorporation efforts and that there were many things going on between Douglas County and the District regarding water and sewer at the time. He informed the Board that the District's boundary was modified due to Douglas County's expansion of its redevelopment area which prompted several former Board members to question the future of the District and its service area. He stated that protection of the District's future service area might have been a reason for former General Manager Bentley to file the protests. Trustee Clark-Ross asked former Trustee Art Baer if he sees any repercussions if the District withdrew its protests. Art Baer responded that incorporation is done and that the District is surrounded with redevelopment area so he does not see if the protests make any difference.

Secretary/Treasurer Pierini questioned if the expansion of the water system would encourage more growth in the area. Board members and members in the audience discussed the lack of growth in the District due the expansion of the County's redevelopment area.

*Trustee Eisele moved to withdraw filed Protests on Water Right Applications 71674, 71675 and 71676. Seconded by Vice Chairwoman Lau. Motion carried unanimously.*

## **9. 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. The District will be reimbursing Douglas County's Building Project Manager Scott McCullough for design and bidding work on the District's de-watering system project. General Manager Longhofer was elected to the Nevada Training Coalition Board at the Nevada Rural Water Conference. General Manager Longhofer was informed at a Nevada Training Coalition meeting at the Nevada Rural Water Conference that financial training of Board members of local government agencies might be required in order to qualify for a State of Nevada Revolving Loan.

The "Administrative Fee" which appears on the District's water bills might be amended to "Basic Water Fee." The fee covers the District's costs on providing water to the door of each residential property. Improvements to the District's main office exterior lighting will be budgeted in the fiscal year 2007-2008 budget. General Manager Longhofer was elected to be Vice Chairman of the Board for the Carson Water Subconservancy District's Technical Advisory Committee. The District received a check from the Insurance Company for \$241,000. Two Parks Department employees will be retiring in a few weeks.

Updating of job descriptions are still in progress. Seasonal employees will be hired for various field work. General Manager Longhofer intends on combining the Parks and Streets Departments.

The Nevada Division of Environmental Protection has directed that the District improve its maintenance of effluent storage pond #1 which includes development of an enhanced draining system which will allow for annual removal of cattails. The District's Engineer is in the process of preparing improvement plans for the installation of a pipeline interconnection between effluent storage ponds #1 and #2. This will allow for the storage in pond #1 to be gravity drained to pond #2 for annual maintenance and to allow for more winter storage. The District will be required to publicly bid on the improvement plans for the pond bypass project. General Manager Longhofer informed the Board that plans have to be submitted to the Nevada Division of Environmental Protection next month. He commented on the District's past failed efforts to remove the cattails which include spraying of herbicides and pulling them out.

General Manager Longhofer clarified to Chairman Patrick that the check for \$241,000 from the Insurance Company was deposited into the District's reserve fund. He would like to use a portion of the \$241,000 to reimburse Douglas County for the remaining \$70,000 for the terminated Vista Grande inter-local agreement. He would like to use the remaining \$171,000 for street improvements or to pay off the District's VAC-CON truck.

General Manager Longhofer was informed at the Carson Water Subconservancy District meeting on March 21, 2007 that tiered water rates might be mandated by the State of Nevada. The District has \$412,000 in its reserve fund and \$98,000 is set aside for water and sewer capital improvement projects.

Chairman Patrick asked if connection fees were received for the Morgan Meadows Subdivision housing project. General Manager Longhofer clarified that Morgan Meadows has paid water and sewer connection fees for four parcels and that no parcel has been connected to the District's sewage system because the lift station required to serve that subdivision is not yet installed. There were discussions on future upcoming development projects in the District and potential connection fees that the District will receive for those projects.

Trustee Clark-Ross inquired if Mr. Lund was notified about the communications between the District and the Post Office in regards to issues with the cluster mailboxes in Sunridge. General Manager Longhofer informed Trustee Clark-Ross that Mr. Lund was notified.

Vice Chairwoman Lau inquired on the time frame for the Nevada Division of Forestry to complete a "National Environmental Protection Analysis" regarding the drainage issues with the District's lighted ballfield. General Manager Longhofer responded that it depends on where the District is on the Nevada Division of Forestry's list and that it could take a matter of months or longer. He is in communications with the Nevada Division of Forestry's Engineer and Ranger on the matter.

There were discussions amongst the Board and General Manager Longhofer if the District could possibly resolve the drainage issue. It was determined that the District should not assume resolving the drainage issue because of the steep slope of the hill. General Manager Longhofer mentioned that another adult baseball team is scheduled to use the District's lighted ballfield. He clarified to Vice Chairwoman Lau that Parks Manager Sandi Eisele informed Dennis Young of the District's efforts with the Nevada Division of Forestry to resolve the drainage issues on the lighted ballfield. The Board of Trustees agreed that the drainage issue be resolved prior to the District spending any money on additional infield improvements. General Manager Longhofer informed the Board that the District will continue to contact the Nevada Division of Forestry to further the efforts of resolving the drainage issue.

**Public Interest Comment:** Art Baer stated that the cost of the light bulb is minor compared to the cost of having to replace them. He inquired as to the reasons for the failing water meters. General Manager Longhofer responded that several meters were replaced because of corroded wires and that most of the faulty meters have been replaced. He mentioned that the meter registers are free.

**b. Engineer's Report (Exhibit B)**

The District's Engineer Brian Randall discussed items as written in the Engineer's Report. He commented on additional items. Engineer Randall discussed the District's filed application # 74518 with the Division of Water Resources to transfer 109.5 million gallons per year of water rights out of Brown's well into the District's new well. The Pyramid Lake Paiute Tribe protested the District's application on the grounds that the Nevada State Engineer's approval would adversely affect their downstream interests on the Carson River. A pre-hearing meeting was scheduled by the Nevada State Engineer on April 17, 2007 to discuss proceeding with a resolution of said protest.

Engineer Randall discussed the District's filing of protests for applications filed by Rolling J. Ranch to transfer water rights from an area south of Johnson Lane to new wells in and adjacent to the District. The water is proposed to be used for development of the North Valley redevelopment area north of Jacks Valley Road, the area East of Highway 395 between the District and Carson City and the Clear Creek development. The District filed the protests on the basis that the transfer of water rights would interfere with existing rights held by the District. Rolling J. Ranch was given thirty days to provide notice to the Division of Water Resources that Rolling J. Ranch actually owns the water rights to be changed and if they are still interested in pursuing the applications. The Division of Water Resources has not received a response from Rolling J. Ranch.

Engineer Randall discussed Dinter Engineering's recommendation for generator power at the District's water and wastewater treatment facilities. He stated that all of the generator improvements will be part of the lift station replacement project and that bid prices should be improved due to the large size of the contract. The effluent storage pond #1 bypass was discussed during the General Manager's Report. Engineer Randall clarified that the effluent in the pond will need to be pumped out. He explained the process of bypassing the pond. There is a line that comes off of the basins that goes directly into the pond. They will have to go through the embankment of the pond and put a line in the bottom of it

and then connect that line to the line that is coming from the wastewater treatment plant and run it down to the pond below. After the bypass is installed, the process will be to shut off the line going into the pond, open the valve and drain down the pond. A levy will be dug on the west end in order to get a line to the bottom of the pond.

The Board of Trustees and District's Engineer discussed removal of the cattails which would consist of pulling them out, spraying of herbicides and possible lining the edge of the effluent storage pond with commercial grade weed control material.

Engineer Randall clarified to Chairman Patrick that the District owns Vista Grande North of Mica and Douglas County owns Vista Grande South of Mica in regards to street improvements on Mica and Vista Grande for "The Cottages" development.

**Public Interest Comment:** (none)

**c. Attorney's Report**

The District's Attorney Scott Brooke did not have pending or carry over legal matters.

**Public Interest Comment:** (none)

**10. Discussion and possible action to approve a Proposal from Dinter Engineering for Electrical Engineering Services estimated at \$38,879 for Recommendation # 2 which includes the purchase of the generators by IHGID, and for installation of the ROMTEC lift station and generator, the second water plant generator with lift station automatic transfer switch inter-tie, and the wastewater treatment plant generator:**

The following information is Dinter Engineering's recommendation for stand-by generator power as indicated in the stand-by generator option report as "Recommendation No. 2."

**Recommendation No. 2:**

1. **First**, proceed with the new sewage lift station complete with new 230KW generator. This is the most critical item since the lift station has the most critical need for stand by power. This plan would eliminate Option 1 from consideration. Also it pays for the generator under a present lift station budgeting plan.
2. **Second**, once the new lift station is in service, relocate the existing 150KW generator to the Brown's well (Option 6). While this is not as critical for stand by, it is quite useful in event of a long term outage and makes good use of a surplus generator.
3. **Third**, proceed with Option 4, purchasing a new generator to back up the water plant load not presently served by the existing 250KW generator. While providing automatic redundant back up for the sewage lift station, this scheme also allows for the two water plant generators to manually back up each other. While this is a costly option, it is less expensive than recommendation no. 1. This plan increases the reliability of the water and sewage lift processes and it frees up one generator for use at the Brown's well. This

option has the most complex operational scheme of all options.

4. **Fourth**, proceed with Option 8; purchase and install a new 250KW generator at the sewage treatment plant.
5. Total construction cost opinion for the work listed in recommendation no. 2: \$287,573 (plus \$12,000 for the installation of the lift station 230KW generator, equals: \$299,573).

**Public Interest Comment:** (none)

*Trustee Eisele moved to approve the Proposal from Dinter Engineering for Electrical Engineering Services estimated at \$38,879 for Recommendation # 2 which includes the purchase of the generators by IHGID, and for installation of the ROMTEC lift station and generator, the second water plant generator with lift station automatic transfer switch intertie, and the wastewater treatment plant generator. Seconded by Secretary/Treasurer Pierini. Motion carried unanimously.*

11. **Annual Performance Evaluation of the General Manager including Discussion and Possible action Relative to the Salary Level, Bonus Provisions, and other terms of the General Manager's Contract:** General Manager Longhofer commented on several issues he had to tend with at the beginning of his employment with the District last March including but not limited to preparation of the budget, sludge pond lining project, low employee morale, and stormwater management issues. The following is a compilation of General Manager Longhofer's accomplishments which were discussed.

#### General Manager's Accomplishments

- **Employee morale improved**
- **Safety program improved**
- **Relationship with Douglas County improved**
- **Employee work accountability improved. Initiated "Log Books" for employees to keep track of work performed.**
- **Job description amendments and re-organization of District near completion**
- **Employee "Team Player" attitude improved**
- **Employee "fair and equitable" job salary survey in progress**
- **Engineering fees "Passed Through" for payment by project developer**
- **Reduction in Attorney's fees**
- **Annexation and Will Serve fees implemented**
- **Credit Card payment option for water/sewer bills**
- **Deferred Compensation benefit for employees initiated**
- **Completion of several water and wastewater certification exams**
- **Financial Training through Farr West Engineering initiated**
- **Discharge Monitoring Reports done internally; no longer contracted out**
- **Member of the Board for the Nevada Rural Water Training Coalition**
- **Vice Chairman of the Board for the Carson Water Subconservancy District's Technical Advisory Committee**
- **Reduction in "Stand-by Pay" for snow removal**
- **Solar application grant submitted**
- **Financial accountability of District's revenue and expenses improved**

- **Public relations improved**
- **Trailhead from James Lee Park to Vista Park initiated and in progress**
- **Sludge pond dewatering system initiated and in progress**
- **5-year street maintenance program revisions initiated and in progress**
- **Administers all water and wastewater capital improvement projects including several parks and streets projects. Several of the District's water and wastewater projects are State of Nevada mandated to be completed by a specific date.**

General Manager Longhofer presented the Board with a salary survey which showed salary ranges and job titles for management positions at various local government agencies. **(Exhibit D)**. He discussed differences between each government agency and the scope of work performed by the government agency.

General Manager Longhofer requested a 5% salary increase; \$575 monthly auto allowance be moved to salary; term of the agreement be more than one year; and two additional weeks vacation bonus for this year only. Secretary/Treasurer Pierini had concerns with the General Manager's request for a 5% salary increase because of the District's current financial situation and expenses related to upcoming projects. General Manager Longhofer commented on salary's needing to be competitive in order to maintain good employees. Vice Chairwoman Lau stated that the past year has been very challenging and General Manager Longhofer stepped up to the plate. She has noticed a turn around in the District since General Manager Longhofer's employment with the District and that there are still improvements needed but General Manager Longhofer is willing to lead the District into the right direction for the benefit of the District. Trustee Eisele completed the evaluation form. He discussed his working relationship with General Manager Longhofer over the past several months. He stated that General Manager Longhofer is strong with water and sewer issues but there are other areas that could be worked on such as more involvement with budgeting and improved communications with staff by conducting weekly staff meetings. Trustee Eisele recommended that the Board meet twice a month to improve communications with the Board pertaining to the progress with the District's various improvement projects. He stated that he admires General Manager Longhofer's improved relationship with Douglas County and several State of Nevada agencies with their cooperation to assist the District with its several projects which will save the District money. Trustee Clark-Ross was not against giving General Manager Longhofer a 5% increase or two week vacation bonus but she is concerned with giving the General Manager a five year contract. General Manager Longhofer clarified that he did not specifically request a five year contract but requested that the term be longer than one year. Trustee Clark-Ross suggested that the employment contract be renewed annually.

Trustee Eisele questioned the reasons for General Manager Longhofer wanting a contract because Douglas County's Manager and several Managers at other government agencies do not have contracts. General Manager Longhofer requested that Attorney Brooke comment on the matter. Attorney Brooke stated that there are different jurisdictions with different people. He mentioned that no one works in the City of Reno without a long term contract with a severance clause. He stated that it depends on what you had to give someone in order to entice them to come and work for you. Attorney Brooke referred to General Manager Longhofer's position of having a sense of security.

Chairman Patrick appreciated General Manager Longhofer's discussions regarding his accomplishments. Chairman Patrick was impressed with the accomplishments and that General Manager Longhofer has grown but there are areas for improvement. He appreciated General

Manager Longhofer's willingness and tenacity to resolve an issue. Chairman Patrick recommended that the Board meet in the next few months to give General Manager Longhofer a list that the Board would like the General Manager to accomplish.

**Public Interest Comment:** Ron Lynch recommended that the Board consider a contract where General Manager Longhofer would be able to get five years vested in retirement. He mentioned that General Manager Longhofer has a lot on his plate and has come through very well. Ron Lynch commented on his efforts to fight the District's incorporation efforts and that the District wasted a lot of money on its attempt to become a City in which that money should have been spent on various District improvements. He mentioned that Board meetings are more pleasant which he credits to General Manager Longhofer, District staff and the Board of Trustees. He commented on Douglas County's higher wages and that General Manager Longhofer is worth it.

General Manager Longhofer suggested amendments to his employment agreement which includes a 5% salary increase; \$575 monthly auto allowance be moved to salary; term of the agreement be more than one year; and two additional weeks vacation bonus for this year only. The Board of Trustees discussed the need of having a longer term for General Manager Longhofer's employment agreement. General Manager Longhofer recommended at least a two year employment term and clarified that an annual performance evaluation would still be a requirement in the contract.

*Trustee Eisele moved to approve amendments to the General Manager's employment agreement which includes a 5% salary increase, \$575 monthly auto allowance be moved to salary; the term of the agreement be one year; and two additional weeks vacation bonus for this year only. Seconded by Trustee Clark-Ross. Motion carried unanimously.*

**13. Discussion and possible action on scheduling a special meeting to adopt a Tentative Budget for fiscal year 2007-2008 including approval of Budget revisions for fiscal year 2006-2007:**

**Public Interest Comment:** (none)

The Board of Trustees agreed on scheduling a special meeting to adopt a Tentative Budget for fiscal year 2007-2008 on Wednesday, April 4, 2007 at 6:00 P.M.

**14. Discussion and possible action on scheduling special meeting(s) to conduct Financial Planning Training provided by Farr West Engineering:**

**Public Interest Comment:** (none)

The Board of Trustees agreed on scheduling a special meeting to conduct Financial Planning Training on Saturday, April 14, 2007 from 9:00 A.M. to 4:00 P.M.

**15. Chairman and Trustees' Reports:** Trustee Clark-Ross requested two agenda items for the next meeting that the Board considers an annual Spring and Summer "Yard Improvements Contest" and an annual barbecue for District residents possibly called "Indian Hills Summer Kickoff."

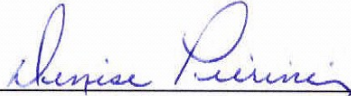
**Public Interest Comment:** (none)

16. **Adjournment:** *Vice Chairwoman Lau moved to adjourn the meeting at 10:25 P.M. Seconded by Trustee Eisele. Motion carried unanimously.*

The next regular Board of Trustees meeting will be on Wednesday, April 18, 2007 at 7:00 P.M.

*Exhibit A            General Manager's Report*  
*Exhibit B            Engineer's Report*  
*Exhibit C            JNA Consulting Group, LLC - Water and Sewer Bonds Bid Summary*  
*Exhibit D            General Manager Salary Survey*

**FINAL APPROVED MINUTES AS PRESENTED**



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**Secretary/Treasurer**  
**Denise Pierini**