

Minutes
Indian Hills General Improvement District
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
April 18, 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, Streets Supervisor Russ Sterling, District's Attorney Jennifer Yturbide, District's Engineer Brian Randall

Others Present: Jim Ryan, Carl Carter, Jim Murphy, Penni Eisele

1. **Call to Order:** Chairman Patrick called the meeting to order at 7:00 P.M.
2. **Pledge of Allegiance:** Led by Chairman Patrick.
3. **Approval of Agenda:** Chairman Patrick requested to amend the order of the agenda items by moving agenda item #11 before agenda item #7. 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.

Vice Chairwoman Lau moved to approve the agenda as amended by moving agenda item #11 before agenda item #7. Seconded by Trustee Eisele. Motion carried unanimously.
4. **Public Interest Comment:** (none)
5. **Discussion and possible action on approval of Consent Calendar:** General Manager Longhofer requested that agenda items 5b and 5c are pulled from the consent calendar.
 - a. **Approval of Draft Minutes of Board Meetings of March 21, 2007 and April 4, 2007.**
 - b. **Acceptance of Budget Status Reports for February 28, 2007 and March 31, 2007.**
 - c. **Acceptance of Bank Accounts' Reconciliation at March 31, 2007.**
 - d. **Acceptance of Paid Current Bills as presented.**

Public Interest Comment: (none)

Vice Chairwoman Lau moved to approve consent calendar agenda items 5a and 5d. Seconded by Trustee Clark-Ross. Motion carried unanimously.

- 6. Action on items pulled of the Consent Calendar:** Agenda item 5b and 5c was pulled from the consent calendar. Administrative Manager Nancy Fredrickson requested input from the Board in regards to the format of the budget status reports. General Manager Longhofer suggested that current monthly expenditures and percent of budget be included in the budget status reports. Vice Chairwoman Lau and Trustee Clark-Ross agreed with including current monthly expenditures. Vice Chairwoman Lau recommended that titles and page numbers are included on the budget status reports. Administrative Manager Fredrickson informed the Board that some General Improvement Districts do quarterly budget status reports rather than monthly budget status reports which could be an option for the Boards consideration. The Board of Trustees agreed with the continuation of providing monthly budget status reports. Vice Chairwoman Lau suggested that the Board consider quarterly budget status reports in a year once the new Board gets familiar with the reports and the budget process. Secretary/Treasurer Pierini requested a footnote key to explain items and terminology in the report such as the title "Actual" meaning "Year to Date." Trustee Eisele recommended that a percentage of budget is included in the budget status reports.

Administrative Manager Fredrickson explained that the QuickBooks generated budget status reports would be similar to the past ACCPAC generated reports because of the items recommended by the Board and District staff to be included in the budget status reports. She clarified to Chairman Patrick that the 2007 water and sewer \$2,000,000 loan is deposited in a State Treasurer reserve fund and that general ledger sub accounts have been created in QuickBooks to track project expenditures. Administrative Manager Fredrickson will be meeting with the District's Auditor next week to review the current fiscal year budget to determine if the current budget will need to be augmented. She will be inquiring from the Auditor if the 2007 water and sewer \$2,000,000 loan could be used to cover current expenses related to water and sewer capital improvement projects. General Manager Longhofer commented on vacation and sick leave benefits paid out to the recent retired parks department employees which were not included in the 2006-2007 General Fund budget. Administrative Manager Fredrickson discussed her concerns regarding the District's increasing debt and lack of connection fee revenue.

Chairman Patrick recommended that specific items or areas of concerns are flagged on the budget status reports and communicated to the Board.

The Board of Trustees and Administrative Manager Fredrickson reviewed and discussed line items in the February 28, 2007 and March 31, 2007 budget status reports.

Public Interest Comment: (none)

5b. Acceptance of Budget Status Reports for February 28, 2007 and March 31, 2007.

Trustee Eisele moved to approve consent calendar agenda item 5b. Seconded by Trustee Clark-Ross. Motion carried unanimously.

5c. Acceptance of Bank Accounts' Reconciliation at March 31, 2007.

Trustee Eisele moved to approve consent calendar agenda item 5c. Seconded by Trustee Clark-Ross. Motion carried unanimously.

- 11. Discussion on Street Improvements and Maintenance:** General Manager Longhofer informed the Board that District staff and the District's Engineer Brian Randall agreed that the
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District should consider focusing maintenance efforts on streets which are not in complete deterioration. The District will be budgeting expenses related to those streets which need complete overlays.

Alon Asphalt Operations and Marketing Manager Jim Ryan was present at the Board meeting to discuss the differences between surface seals. Jim Ryan is also President of the California Chip Seal Association. The California Chip Seal Association promotes all surface seals including fog seal, slurry seal and chip seal. He explained that all surface seals are tools which should be used in conjunction with a street maintenance program in order to avoid major reconstruction in the future and to extend the degradation curve of a street. He stated that a good asphalted road with a good base should last between fifteen to thirty years which could be extended to forty to fifty years if the road is maintained from the beginning. He referred to the statement, "Worst First." He explained that most Federal and State agencies have come to the conclusion that money would be saved in the long run if brand new roads are protected and maintained because those roads would not require extensive reconstruction later on. He stated that water, weather and stress are challenges for pavement. Water affects the base of roads which causes separation or cracking of the road. Oxidation makes asphalt brittle which also creates cracks.

Jim Ryan stated that placement of the TOPEIN C product or similar fog seal in the first few years of a roads existence would extend the life of that road. He mentioned that California Transit, Arizona Department of Transportation and Nevada Department of Transportation all use some form of a pavement preservation program. Jim Ryan discussed the differences between TOPEIN C, slurry seal, chip seal and cape seal. The TOPEIN C product is a rejuvenator which brings flexibility back into the asphalt and would seal the road against weather when applied. The TOPEIN C product works for two to three years which would extend the degradation curve. The next product to use would be a slurry seal. A slurry seal is a mixture of emulsified asphalt, water, well-graded fine aggregate and mineral filler that has a creamy fluid-like appearance when applied. Slurry seal gives a stress bearing surface and seals the road from weather which extends the degradation curve for six to seven years. A chip seal is the application of an asphalt binder on the pavement followed by the application of crushed aggregate which creates more of a stress bearing surface and is thicker than slurry seal. Different size crushed aggregate gives different surface textures and is used for different traffic situations. Chip sealing is not a product of choice for a residential area. Cape seal is the application of a chip seal followed by the application of a slurry seal after the chip seal has been allowed to cure which is thicker than a chip seal. Jim Ryan explained to Chairman Patrick that cape seal extends the degradation curve for ten to twelve years depending on weather and traffic conditions. Jim Ryan stated that the cost for a rejuvenating fog seal TOPEIN C product is estimated between .50 cents to .70 cents a square yard per the "Federation For Pavement Preservation Guidelines." The price estimate did not include transportation costs. Jim Ryan mentioned that there are other products that will perform similar to the TOPEIN C product. He explained that the TOPEIN C product is a natural product and that the Nevada Department of Transportation uses TOPEIN C. The cost estimate for slurry seal is \$2.00 to \$3.00 per yard. The cost estimate for chip seal is \$3.00 to \$4.00 per yard.

Jim Ryan informed the Board that general contractor Intermountain Slurry Seal provides chip, slurry, fog and cape sealing services. Both the Nevada Department of Transportation and Washoe County uses asphalt services provided by Intermountain Slurry Seal. Sierra Nevada Construction also provides asphalt maintenance services.

General Manager Longhofer informed the Board that one mile of pavement in the District needs an overlay and two to three miles of pavement needs slurry seal. Engineer Randall,

General Manager Longhofer and Streets Supervisor Russ Sterling recommended that TOPEIN C is applied on ten miles of pavement in the District including James Lee Park parking lot and Easterling trail. General Manager Longhofer stated that a cost estimate will be provided to the Board and a request to go to bid will be an agenda item at the May 17, 2007 Board of Trustees meeting.

Vice Chairwoman Lau recommended that the District's five year street maintenance program is revised and reviewed by the Board at the May 17, 2007 meeting. General Manager Longhofer informed the Board that crack sealing would need to be completed prior to application of slurry seal and TOPEIN C. Chairman Patrick inquired on the time frame to complete crack sealing. Streets Supervisor Sterling informed Chairman Patrick that crack sealing could be completed in two months if four employees working five days a week were available. He commented on the District's new method of filling cracks with asphalt rather than sand. He mentioned that the Sunridge area is near completion and that two tons of crack sealing material has been used thus far. Streets Supervisor Sterling discussed asphalt separation at various locations in Sunridge. He informed the Board that Black Eagle Engineering will conduct core sampling to determine the reasons for any subsurface structure damage. He stated that a pallet of crack sealing material costs \$1,300 and can last three days.

Trustee Eisele questioned if crack sealing material was applied in Sunridge where the asphalt is separating from the curb. Streets Supervisor Sterling informed Trustee Eisele that crack sealing material has not yet been applied along the curb. Trustee Eisele questioned if additional seasonal employees might be needed to assist with crack sealing efforts. Streets Supervisor Sterling stated that there is a lot of work to do and that crack sealing could be completed if four employees working five days a week were available.

Engineer Randall commented on the reasons for the asphalt separation in Sunridge. He stated that roads in Sunridge are not old and that those roads were never given any original maintenance. He informed the Board that the greatest damage in Sunridge is the separation between the curb and asphalt where water is seeping into the subsurface structure as a result of not having the streets properly maintained.

Streets Supervisor Sterling recommended that the District put a full time crew working five days a week to complete crack sealing because the District is years behind. Vice Chairwoman Lau stated that streets in the District would not be in poor condition if the District followed its five year street maintenance program.

Streets Supervisor Sterling suggested that the District focus maintenance efforts on better condition roads versus trying to save the roads which need complete reconstruction. Trustee Clark-Ross inquired from Streets Supervisor Sterling if he could provide a list of streets which have been crack sealed and streets which are going to be sealed with slurry, TOPEIN C, chip or cape sealed. Streets Supervisor Sterling informed Trustee Clark-Ross that streets on Vista Grande Boulevard, some areas in the Valley Vista subdivision and the Meadow Vista subdivision area were crack sealed this year. A street maintenance list will be provided to the Board at the May 17, 2007 meeting.

The Board of Trustees and District staff discussed a complete reconstruction (overlay) of Vista Grande (North of Mica Drive through Highland Estates), Plymouth Drive (Vista Grande to District Boundary) and Indian Street (between Mica and Vassar.)

Public Interest Comment: (none)

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Break at: 8:20 P.M.

Reconvened at: 8:30 P.M.

7. **Discussion and possible action to approve an Annual Spring and Summer Yard Improvements Contest, and including approval of prizes/awards for winning entries:** Trustee Clark-Ross discussed the assistance from Truckee Meadows Water Authority regarding their annual water-efficient landscape contest. The Board of Trustees referred to the draft entry form for a District annual yard improvements contest which was included in the Board meeting packet. Trustee Clark-Ross explained that residents would need to complete the entry form and submit requested items by the deadline date of September 7, 2007. She informed the Board that Home Depot and Greenhouse Garden Center have offered to donate prizes including the possibility of gift certificates and/or landscaping material. Greenhouse Garden Center offered to donate either a gift certificate or a plant for those residents that enter the contest. Executive Assistant Vicki Reifer commented on the District's option to select its judges which could include a member of the Board, water operator employee and parks department employee or an employee of one of the sponsors. Executive Assistant Reifer suggested that the Board determine gift certificate amounts if the District would be contributing to the prizes and number of winners to select after judging.

Secretary/Treasurer Pierini commented on the various sizes of yards in the District and possible complications with judging improvements because of those various sizes. Vice Chairwoman Lau recommended a point system for judging criteria. Executive Assistant Reifer provided the Board with a percentage judging criteria for both Truckee Meadows Water Authority and the City of West Jordan. Vice Chairwoman Lau suggested that the contest rules are relocated to page two of the entry form. The District's Attorney Jennifer Yturbide stated that the Board could adopt other criteria and it would be a policy decision by the Board to determine what kinds of goals the Board wants to promote. Certain goals that the District would want to promote more than others would have a larger percentage point system if the District decides to have the contest.

Public Interest Comment: Jim Murphy inquired if an entry fee was considered and if judging criteria would include removal of non-operable vehicles and repainting of structures. The Board of Trustees clarified that the judging criteria does not include removal of non-operable vehicles and repainting of structures but might be a consideration in the future.

Trustee Eisele moved to approve the contest and approve the entry form as amended with the following revisions. Contest rules be moved to page two. Number 4 Judging Criteria: (Add percentages and category) Aesthetics - Overall Attractiveness (30%), Plant Selection (25%), Irrigation System (20%) Maintenance (20%), Mulches (5%). Last paragraph sentence amended to, "Winners will be recognized at the October 2007 monthly Board of Trustees meeting." Seconded by Vice Chairwoman Lau. Motion carried unanimously.

8. **Discussion and possible action to approve an Annual Barbecue "Summer Kickoff or Family Day" for District residents:** Trustee Clark-Ross informed the Board that Recreation Manager Sandi Eisele will be scheduling a barbecue and that Board discussion and action is not required.

Public Interest Comment: (none)

No action.

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. Preventive maintenance training has commenced. General Manager Longhofer met with the Nevada Division of Environmental Protection about placement of wastewater treatment biosolids on wastewater treatment plant property. Discussions with N.D.E.P included the possibility of placing biosolids on annual crops such as feed corn with the provision that nitrogen levels are maintained. General Manager Longhofer responded to Chairman Patrick's inquiry that the District has one hundred and twenty acres at the wastewater treatment plant. The Nevada Department of Transportation will be constructing a cable barrier or guard rail on Highway 395. General Manager Longhofer clarified to Vice Chairwoman Lau that the emergency and contingency \$315,860 reserve fund money could be used for either General Fund or Enterprise Fund emergencies. General Manager Longhofer discussed resolution of the drainage issues regarding runoff from the Nevada Division of Forestry property onto the District's lighted ballfield. The District will perform maintenance and drainage improvements on the multi purpose road which is owned by the Division of Forestry. The intent of the improvements is to have minimal impact on forestry service land. The east side of the multi purpose road will be built up by using existing dirt on the road and additional dirt from James Lee Park which will form a natural runoff. The runoff will come off the western slope and flow into an existing storm water ditch on District property.

General Manager Longhofer informed the Board that the James Lee Park concession stand is open almost every day and a soccer team is using one of the ballfields. Trustee Eisele recommended that an alarm system be installed on the concession stand. General Manager Longhofer informed Trustee Eisele that the District would research the matter. Secretary/Treasurer Pierini inquired on the schedule of events for the various ballfields in James Lee Park. Trustee Eisele recommended that the schedule of events is included in the Board meeting packet. Secretary/Treasurer Pierini asked who was responsible to clean up trash after ball games or soccer games in James Lee Park. She recommended that more trash receptacles are placed in James Lee Park or street light pole mounted trash receptacles are installed. General Manager Longhofer thought that those renting the ballfield would clean up their trash or District staff would clean up the trash.

Secretary/Treasurer Pierini questioned if those that rent or use the District's ballfields are required to have their own liability insurance. It was clarified that per the District's Parks and Recreation Policy Liability section 1.04.120, any applicant to whom an exclusive special use permit has been granted must agree in writing to hold the District harmless and indemnify the District from any and all liability for injury to persons or property occurring as a result of the activity sponsored by the applicant and that person shall be liable to the District for any and all damage to parks and non-park facilities of any persons involved as a result of the special use permit.

General Manager Longhofer informed the Board that the concrete skate park will be sealed on an annual basis and that a skate competition would be scheduled this summer.

Public Interest Comment: (none)

b. Engineer's Report

The District's Engineer Brian Randall commented on the District's five year street maintenance program. He stated that the five year street maintenance program was possibly not followed due to funding issues and a lack of priority. He advised that the District budget for streets that require complete reconstruction and to schedule routine street maintenance. Resource Concepts worked on site surveys and continues to assist Dinter Engineering on the dewatering project and emergency generators for Brown's well and the wastewater treatment plant. He received a set of plans for the residential development of forty eight units called "The Cottages." The Cottages residential development will be located at the intersection of Mica and Vista Grande. Engineer Randall will review the plans and submit comments and suggestions to the developer within the next few days. Construction of The Cottages residential development might be completed by the end of summer 2007.

Engineer Randall discussed the letter from Attorney Robert C. Maddox & Associates regarding the protest filed by the Pyramid Lake Paiute Tribe of Indians regarding the District's exploratory well water rights. **(Exhibit B)** The Pyramid Lake Paiute Tribe's major concerns are that the committed ground water resources of Basin 105 greatly exceed the annual recharge and the use of Basin 105 ground water by junior appropriators conflicts and interferes with the senior surface storage and diversion rights of downstream water users. Engineer Randall stated that all new construction developments which involve Basin 105 ground water are on hold due to the Tribe's protests because the Nevada Division of Water Resources cannot approve the change of a water right from one well to another or change the designation of a water right from agricultural to municipal. He explained that the District had to file an application (Application #74518) with the Division of Water Resources to transfer some water rights to the new location of the exploratory well prior to drilling of that well. The Tribe protested the District's transfer of water rights from Brown's well to the exploratory well. The Division of Water Resources scheduled a pre-hearing meeting on April 17, 2007. The purpose of the pre-hearing was to determine how to proceed and to explore the possibilities if some protests could be withdrawn or to allow some of the smaller applications to go through. Engineer Randall predicts that the Division of Water Resources will require the Tribe to provide evidence to support their protests within a certain time period and that the District would have to respond to the Tribe's supporting evidence within a certain time period. He believes that the Tribe has no basis for protest of the District's application and that the District has other alternatives that will avoid the conflict with the Tribe. He stated that the Division of Water Resources could still allow the District to develop the exploratory well. He explained that the District is not asking for more water but is asking to move water rights from one location to another. He clarified that those water rights have already been approved in the past by the Nevada Division of Water

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Resources. He clarified that the District is not increasing the amount of water coming out of the system.

Public Interest Comment: (none)

c. Attorney's Report

The District's Attorney Jennifer Yturbide did not have pending or carry over legal matters. Attorney Yturbide commented on the time sensitivity to respond to the Division of Water Resources regarding the Pyramid Lake Paiute Tribe's protests and that the Attorney will assist the District on responding if requested.

Public Interest Comment: (none)

10. Discussion and possible action to approve solicitation of Construction Proposals for Effluent Pond Bypass: Engineer Randall discussed the Nevada Division of Environmental Protection's "2005 Compliance Evaluation Report" in which N.D.E.P. requested that the District have a vegetation removal program for the clay-lined effluent storage ponds. The excessive amount of cattails in the ponds is a result of the District's current inability to empty and dry out the ponds. The intent is to install a new pipeline which will allow the District to bypass the pond which currently cannot be drained. He mentioned that one of the problems is that there is no means to discharge Pond #1 other than to overflow or by pumping into Pond #2. General Manager Longhofer suggested that an alternative could be to pump rather than install a bypass line and drain line. Engineer Randall informed the Board that installation of a drain line is expensive. Engineer Randall reconfigured the design to eliminate the discharge line and simply construct a bypass line. The estimate was revised from \$53,000 to \$23,000. He discussed another alternative to temporarily use the emergency storage pond which would require pre-approval by the Nevada Division of Environmental Protection. He clarified that designation of the second lift station effluent pond for emergency storage of raw sewage was required by N.D.E.P in the event of a power loss. Engineer Randall will inquire if the second lift station pond for emergency storage would still be a requirement by the Nevada Division of Environmental Protection once emergency power is installed at the wastewater treatment plant. He will suggest to N.D.E.P that the District will proceed to direct all discharge to the second lift station pond, bypassing both Pond #1 and Pond #2 when emergency power is in place and operational. This will allow for pumping down of both ponds and vegetation removal from both. He advised that the District go forward with the Pond #1 bypass line due to the lead time to purchase and install emergency power at the wastewater treatment plant. He stated that solicitation of bids might be premature until N.D.E.P. approves the plans submitted by the District. General Manager Longhofer recommended that the second lift station effluent pond remain an emergency storage pond until emergency power is installed and possibly a larger emergency pond is constructed.

General Manager Longhofer clarified to Chairman Patrick that the 2007 water and sewer \$2,000,000 loan would not cover expenses related to the effluent pond bypass line. Engineer Randall stated that the District could select a contractor per the Nevada Revised Statutes because the estimate to construct the effluent pond bypass line is \$23,000 however; he recommended that the District solicit proposals.

Public Interest Comment: (none)

Trustee Eisele moved to approve solicitation of Construction Proposals for Effluent Pond Bypass. Seconded by Secretary/Treasurer Pierini. Motion carried unanimously.

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12. **Discussion and Ratification of changing the meeting date of the regular monthly Board of Trustees meeting for the month of May 2007 from Wednesday, May 16, 2007 to Thursday, May 17, 2007:**

The Board of Trustees agreed to conduct the regular monthly Board of Trustees meeting for the month of May 2007 at 6:00 P.M. on Thursday, May 17, 2007.

13. **Chairman and Trustees' Reports:** Trustee Clark-Ross informed the Board of Trustees that Nevada Department of Transportation will be completing the Right-of-Way cleanup project by the end of the month.

Public Interest Comment: (none)

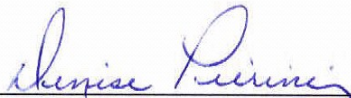
14. **Adjournment:** *Trustee Clark-Ross moved to adjourn the meeting at 9:52 P.M. Seconded by Trustee Eisele. Motion carried unanimously.*

The next regular Board of Trustees meeting will be on Thursday, May 17, 2007 at 6:00 P.M.

Exhibit A General Manager's Report

Exhibit B Letter from Attorney Robert C. Maddox & Associates (Pyramid Lake Paiute Tribe of Indians Protest Change Point of Diversion Application #74518)

FINAL APPROVED MINUTES AS PRESENTED



Secretary/Treasurer

Denise Pierini