

Minutes
Indian Hills General Improvement District
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
May 18, 2006
7:00 P.M.

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

Trustees Absent: Chairman Charles Swanson

Staff Present: General Manager Dennis Longhofer, Executive Assistant Vicki Reifer, District's Attorney Jennifer Yurbide, District's Engineer Brian Randall

Others Present: Jim Murphy, Pat Murphy, Bill Eisele, Gerald St. Leger-Barter, Becky Templin, Kathryn Clark-Ross, Steve, Black, Terry Weaver, Greg Malavazos

1. **Call to Order:** Vice Chairman Evans called the meeting to order at 7:02 P.M.
2. **Pledge of Allegiance:** Led by Vice Chairman Evans.
3. **Approval of Agenda:** *Trustee Patrick moved to approve the agenda as amended by moving agenda items #12 and #13 after agenda item #8. Seconded by Secretary/Treasurer Lau. Motion carried unanimously.*
4. **Public Interest Comment:** (none)
5. **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 mentioned that at a recent meeting with Douglas County, Douglas County's Community Development Director Mitch Dion discussed the possibilities of a three year extension for completion of arsenic removal systems.

He elaborated on OSHA compliance discussions with Senior Loss Control Representative Rick Hudson from the Nevada Public Agency Insurance Pool. He stated that the District will be implementing a new hire employee orientation program and conducting CPR and first aid courses.

General Manager Longhofer discussed the District's coordination with Douglas County on chip sealing various District streets. He stated that Douglas County estimated the cost for chip sealing at .15 cents per square foot to .18 cents per square foot and that chip sealing is less expensive than \$1.52 per square foot for an overlay. Trustee Patrick recalled that the District's Engineer's estimate for chip sealing was approximately .45 cents per square foot to .50 cents per square foot. General Manager Longhofer informed the Board of Trustees that Vista Grande North of Mica, Plymouth, Amador and East Mica would be chip sealed.

General Manager Longhofer initiated a BOD “Biological Oxygen Demand” analysis test to research if there are any adverse affects from sewage coming from the North Valley commercial area into the District’s Wastewater Treatment Plant.

General Manager Longhofer reminded the Board of Trustees that drilling for the exploratory well would commence in one to two months once the ground dries out.

Vice Chairman Evans commented on a previous Douglas County chip sealing effort on Vista Grande to the James Lee Park entrance that was completed about two years ago. He stated that the street has not held up well. General Manager Longhofer advised that all cracks in streets need to be sealed prior to chip sealing.

The Board of Trustees requested the opinion from the District’s Engineer on chip sealing. Engineer Brian Randall explained that the purpose of chip sealing is to save what remains on a roadway and that chip sealing is not a structural fix. He stated that chip sealing would be replacing what has been lost over the years from asphalt oxidation and that chip sealing would hold up well if it is done correctly. He commented that chip sealing should salvage a roadway for quite a while. He advised the Board of Trustees that District residents might not like chip sealing due to chips that would remain on side walks and that a resident would not want to walk bare foot on a street after it has been chip sealed. He commented on several District streets that were chip sealed about ten years ago that have held up just fine and that chip sealing significantly extended the life of those streets. He recalled that the District applied a gilsonite coating on some streets that were chip sealed. Trustee Patrick requested an explanation of gilsonite. Engineer Randall explained that gilsonite is a surface rejuvenator. He stated that asphalt becomes brittle and inflexible as it ages and that gilsonite softens asphalt; keeps it flexible and reduces oxidation. He mentioned that gilsonite coating should be done on a regular basis, preferably on a four year rotation and that asphalt has a twenty year life but only if it is maintained.

Vice Chairman Evans commented on several areas on Vista Grande where the roadway has sunk down. Engineer Randall stated that chip sealing would not repair a sunken roadway. He recalled that the Board of Trustees withheld street repair expenditures on Vista Grande North of Mica because an overlay is required and that several water and sewer lines were also being replaced. General Manager Longhofer inquired if cold patch could be placed on sunken roadways. Engineer Randall recommended application of a hot asphalt patch to level the roadway prior to chip sealing. Vice Chairman Evans stated that a fiberglass material type cloth could be used to level streets. Engineer Randall explained that the non-woven geotextile fabric is comparable to a half an inch of asphalt and its purpose is to reduce cracking.

b. Engineer's Report (Exhibit B)

The District’s Engineer Brian Randall discussed items as written in the Engineer’s Report. The District’s Engineer Brian Randall informed the Board of Trustees of another unexpected change order for the sludge pond liner project. He stated that an error was made when calculating the pond’s base. He

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explained that at the time the base was calculated, the pond was a third full of sludge. He clarified that the pond is five feet or six feet wider than originally anticipated and that the amount of the change order would be approximately \$3,000 to \$5,000. He intends on presenting the change order for the Board's consideration at the June 21, 2006 meeting.

Trustee Baer inquired on the status of the Hobo lift station replacement design. Engineer Randall informed the Board that he intends on presenting a set of preliminary plans for the Hobo lift station replacement at the June 21, 2006 Board of Trustees meeting. Trustee Baer inquired if the District's Engineer reviewed Valley Vista, Phase 7 storm drainage plans. Engineer Randall replied that he reviewed the storm drainage plans on several occasions. He provided an engineering improvement plan review to Capital Engineering, Syncon Homes and the District's General Manager about two to three weeks ago addressing discharge revisions of the storm drainage system.

c. Attorney's Report (Exhibit C)

The District's Attorney Jennifer Yturbide had no further additions to the written General Counsel Report. Secretary/Treasurer Lau inquired on the status of Douglas County's request for the District to transfer seventeen sewer capacity units to the Ridgeview system. Attorney Yturbide would inquire from Douglas County as to their pending request that the District transfer those units. Vice Chairman Evans commented on the Attorney's report pertaining to the obligation for payment for the Interstate Utility Constructor's settlement. Attorney Yturbide informed the Board that Attorney Brooke determined that the District was obligated to incur additional expenses per the project contract documents. She would be inquiring from Attorney Brooke if he reviewed the documents that were discovered by General Manager Longhofer written by former General Manager Jim Bentley that pertain to funding project expenses per the Ridgeview agreement between Douglas County and the District.

Trustee Patrick requested clarification from the District's Attorney pertaining to resident Mike Carrion's flooding problem and the easement ownership issue. He questioned if the easements were granted back to Douglas County. Attorney Yturbide clarified that Douglas County has not accepted the easements and if they did accept the easements, the County would also accept maintenance responsibilities of those easements. She stated that it is not unusual practice for Douglas County not to take that action. She confirmed that per the easement ownership issue report, Attorney Brooke advised that the District would need to submit a written request to Douglas County requesting that the County accepts the easements and then the County could transfer the easements to the District, if the District has any interest in accepting and maintaining those easements. Trustee Patrick understood that Mr. Serpa offered the easements to Douglas County, but the County never accepted the easements. Attorney Yturbide clarified that Douglas County would need to accept the easements first and then the easements could be transferred to the District.

Public Interest Comment: (Reports: General Manager, Engineer, Attorney) (none)

- 6. Approval of Draft Minutes of Board Meeting of April 19, 2006:** *Vice Chairman Evans entertained a motion to approve the Draft Minutes of Board Meeting of April 19, 2006 as Minutes of the May 18, 2006 Board of Trustees Meeting*

amended with the following revision: typographical error corrected from “met” to “meet” Page 6, Paragraph 1. So moved by Trustee Baer. Seconded by Trustee Patrick. Motion carried unanimously.

Public Interest Comment: (none)

7. **Acceptance of Budget Status Reports for April 30, 2006:** Trustee Baer recommended a revision to the General Fund Budget Status Report format by indication of a lump sum line item for Administration, Parks and Streets.

Public Interest Comment: Ron Lynch asked what happened to the \$140,000 that was received by the District for Vista Grande that is now owed to Douglas County. Trustee Patrick explained that per an interlocal agreement with Douglas County, the County transferred jurisdiction and maintenance responsibilities, but not ownership, for a portion of Vista Grande and that the \$140,000 was provided to the District for Vista Grande roadway improvements and maintenance. He further explained that the Board of Trustees decided to terminate the interlocal agreement with Douglas County after it was determined that it would cost the District more than \$140,000 for an overlay to reconstruct Vista Grande. Trustee Patrick clarified that he was not a Board member at the time when the District approved the interlocal agreement with Douglas County for Vista Grande and received the \$140,000. He assumed that the \$140,000 was deposited into the General Fund and used for daily General Fund expenditures when it should have been deposited into a separate bank account. General Manager Longhofer assumed that the \$140,000 was spent on park improvements and that the District is now much more accountable with its revenue.

Secretary/Treasurer Lau moved to accept the Budget Status Reports for April 30, 2006. Seconded by Trustee Patrick. Motion carried unanimously.

8. **Acceptance of Bank Accounts' Reconciliation at April 30, 2006:**

Public Interest Comment: (none)

Secretary/Treasurer Lau moved to accept the Bank Account's Reconciliation at April 30, 2006. Seconded by Trustee Patrick. Motion carried unanimously.

12. **Public Hearing on the Proposed Action to adopt Resolution 2006-02 establishing new residential and commercial sewer service monthly rate:** Vice Chairman Evans explained that the Board of Trustees is considering increasing the District's monthly sewer rate currently at \$17.60 to \$23.54. He recommended that \$2.00 dollars out of the \$5.94 increase should be deposited into a separate bank account to be used exclusively for capital improvements. Trustee Patrick discussed reasons for the District's sewer rate increase including Nevada Department of Environmental Protections' mandated sewer capital improvements and warnings from the Nevada Department of Taxation that the Enterprise Fund needs to be self-sustaining. He mentioned that the Enterprise Fund completed a second fiscal year with another net loss. Trustee Baer commented on the District's increasing operating expenses such as rising electrical costs and that the District has not raised its rates since 1996. General Manager Longhofer informed those present at the meeting that the District's 1996 monthly sewer rate increase percentage would be the same percentage as the proposed new monthly sewer rate increase. He stated that the District's proposed \$23.54 monthly sewer rate is \$16.00 less than Douglas County's Johnson Lane residential monthly sewer rate. Secretary/Treasurer Lau stated that a sewer rate increase would have been easier on District residents if the District increased its sewer rate in small amounts each year since 1996 but unfortunately because the District did

not do so, District residents will be financially impacted at once by a higher monthly sewer rate increase amount.

Trustee Patrick described a scenario that compares a required home improvement to a required rate increase. He stated that for example, after a fire in a home, it was determined by the insurance carrier or builder that the home needs to be brought up to code by installation of new equipment. He explained that the Nevada Department of Environmental Protection is mandating that the District replace the outdated and inadequate lift station that caused the District's 2005 sewer spill. District Engineer Randall discussed other mandated Nevada Department of Environmental Protection capital improvements including emergency power at the Wastewater Treatment Plant, additional sludge pond lining and a sludge pond bypass system.

Trustee Patrick informed those present at the meeting that the District received approximately \$80,000 from the insurance carrier for the 2005 sewer spill and that the claim check received is in a special reserve fund bank account separate from the General Fund. General Manager Longhofer mentioned that 5% of all District revenue would be deposited into that reserve fund.

The Board of Trustees agreed that 5% of all District revenue should be deposited into a reserve fund rather than depositing \$2.00 dollars out of the \$5.94 monthly sewer rate increase.

Public Interest Comment: (none)

Secretary/Treasurer Lau moved to adopt Resolution 2006-02, A Resolution to amend the monthly service rate structure and the rates charges for sewer service provided by the District to all customers. Seconded by Trustee Baer. Motion carried unanimously.

13. Discussion and possible action to amend Section 5, Monthly Service Charge, of the Commercial / Industrial Sewer Service Policy in conformance with adoption of Resolution 2006-02 establishing a new commercial sewer service monthly rate:

Public Interest Comment: Terry Weaver inquired on the boundaries of the District. General Manager Longhofer provided a District boundary map to resident Terry Weaver. She asked how the District determines the commercial rate. Vice Chairman Evans and General Manager Longhofer explained that commercial facilities provide plumbing plans that indicate the total number of fixtures and that the District charges a flat rate per EDU "Equivalent Dwelling Unit." Terry Weaver inquired if Sunridge had its own Improvement District because Sunridge has its own rules such as landscaping requirements. Secretary/Treasurer Lau informed Terry Weaver that those requirements are CCR's "Declaration of Covenants, Conditions and Restrictions" which do not involve the Indian Hills General Improvement District. General Manager Longhofer informed Terry Weaver that the District maintains both North and South Sunridge Parks. Trustee Baer explained that the District treats the wastewater from the North Valley commercial area but it is not within the District's boundary and that the County will be decoupling the District's sewer line in order to transfer the sewage to Douglas County's North Valley Wastewater Treatment Plant.

Secretary/Treasurer Lau moved to amend Section 5, Monthly Service Charge, of the Commercial / Industrial Sewer Service Policy in conformance with adoption of Resolution 2006-02 establishing a new commercial sewer service monthly rate. Seconded by Trustee Patrick. Motion carried unanimously.

9. **Discussion and possible action to accept maintenance responsibilities for the easement and dedicated storm drainage system on that easement for Valley Vista, Phase 7. (Requested by Syncon Homes, Steve Black):** Syncon Homes Representative Steve Black was present at the meeting to request that the Board of Trustees consider maintaining a storm drainage system and the storm drainage easement for Valley Vista, Phase 7. Steve Black presented the Board of Trustees with a map which illustrated the location of the storm drainage easement and storm drainage system. He discussed various components of the storm drainage system including various revisions of the original storm drainage system plan by not discharging into the Vista Grande Apartment complex. He demonstrated how the storm water would flow through the revised storm drainage system.

Trustee Patrick inquired on the status of building thirty six homes on the vacant lot located near the easement. Steve Black informed the Board of Trustees that building thirty six homes is on hold pending the approval of the Valley Vista, Phase 7 storm drainage system. Trustee Baer mentioned that jurisdiction on that easement would transfer between Indian Hills General Improvement and Douglas County because of its location. Vice Chairman Evans inquired on the District's maintenance responsibilities for the storm drainage system. Steve Black informed the Board that the storm drainage system consists of 300' feet of reinforced concrete pipe with two manholes. One manhole is located at the detention basin on Valley Vista, Phase 7 and the other manhole is located on Mica Drive. He stated that reinforced concrete pipe is fairly maintenance free.

Vice Chairman Evans requested the opinion from the District's Engineer regarding Valley Vista, Phase 7 storm drainage system. Engineer Randall commented that the easement and storm drainage system is not within the District's boundary that the District would be responsible for maintaining the storm drainage system. He mentioned that there are other easements out of the District's boundary such as Jack's Valley Road that the District has maintenance responsibilities. Engineer Randall commented that the revised drainage system is more improved than the original design in which storm water was proposed to be diverted to the storm drainage system at the Vista Grande Apartment complex. Engineer Randall mentioned that he previously recommended a few plan revisions that would give the District the ability to get to the storm drain pipe to flush debris out of the pipe by using the District's Vac Con truck. He stated that reinforced concrete pipe is the best material for storm drainage systems and that the detention basin's large size would allow for flows to be released at a fairly slow rate. He mentioned that the detention basin could accumulate a one hundred year storm. Vice Chairman Evans requested clarification from the District's Engineer on the District's involvement with maintenance of the storm drainage system. Engineer Randall clarified that District staff time would be required on an annual basis to maintain the storm drainage system. He stated that there would be problems if the storm drainage system were to fail considering the residential subdivision developments in the area.

Trustee Patrick requested clarification that the easement was open or if a pipe was buried. General Manager Longhofer clarified that there is a buried 18" inch pipe. Engineer Randall informed the Board that the pipe design has the capacity for the discharge but the pipe would still need to be cleaned out on a routine basis.

Trustee Baer recommended that Representative Steve Black from Syncon Homes contact Douglas County in regards to the portion of the easement that that is within Douglas County's boundary.

Vice Chairman Evans commented on the District's expenses associated with maintaining the storm drainage system. He questioned what the District would gain by accepting maintenance responsibilities of the storm drainage system. Steve Black responded that development of the vacant property for the remainder of the Valley Vista residential subdivision development project needs to go forward because the vacant property is a liability. He stated that the vacant property is a fire hazard for the numerous residential properties that surround it and that the vacant property attracts off road vehicles. Vice Chairman Evans replied that to a certain extent, there is a benefit to all. Steve Black commented on the owner's of the property and Syncon Homes demonstrating their involvement with the community for several years. He gave an example of Syncon Homes involvement and support of the community by their participation of cleaning the storage ponds at Sunridge Golf Course. Engineer Randall reminded the Board that a developer conveying to the District maintenance responsibilities for various facilities is not uncommon and that the only difference is that the easement is outside of the District's boundary.

Secretary/Treasurer Lau requested the opinion from the District's General Manager regarding maintenance responsibilities for Valley Vista, Phase 7 storm drainage system. General Manager Longhofer responded that the District's involvement with maintenance of the storm drainage system would include flushing of the 18" inch reinforced concrete pipe. He stated that if there is a problem, it would be on Mica Drive due to the location of storm drainage being within the County's jurisdiction.

Public Interest Comment: Ron Lynch inquired on the difference between a catch basin and detention basin. Steve Black informed Mr. Lynch that a detention basin is considerably larger. Ron Lynch inquired if a fence would surround the detention basin. Steve Black responded that a fence would not be installed because the detention basin is designed to hold water for a few hours. Ron Lynch challenged the design of the detention basin due to his observance of water in catch basins in the area. He commented on the significant amount of debris and brush in catch basins he encounters as Douglas County's Mosquito Control Officer. He has a problem with using taxpayers' money to maintain a developer's storm drainage system. Steve Black commented on the District's Engineer involvement with the design of the storm drainage system. He mentioned that the District's Engineer requested a manhole location revision in order for the District's Vac Con truck to access that manhole. He stated that there was significant attention to the design of the storm drainage system and that Syncon Homes received input from Capital Engineering, Resource Concepts Engineering and Douglas County Planning Department.

Trustee Patrick questioned if placement of clay on the detention basin would alleviate growth of vegetation, particularly cattails. Steve Black assured that installation of a clay liner would be a good system. Engineer Randall had a difference of opinion on placement of clay in the detention basin.

Secretary/Treasurer Lau inquired if there were other detention basins in Douglas County that do not have fences. Ron Lynch and Steve Black responded that there are several detention basins that do not have fences. Secretary/Treasurer Lau inquired if the District would maintain the detention basin. Steve Black clarified that the District would maintain the detention basin.

General Manager Longhofer asked if the design for the detention basin included landscaping. Steve Black replied that rockery rip rap would be installed.

Secretary/Treasurer Lau and Vice Chairman Evans asked if the District's Attorney reviewed the storm drain facility easement agreement. Attorney Yturbide stated that she briefly reviewed

the agreement and questioned who offered the agreement. Steve Black stated that Syncon Homes had to acquire the easement and then drafted the agreement. He mentioned that he previously worked with Attorney Brooke on development of the sewer service agreement for "The Springs" residential subdivision development on Long Drive. Attorney Yturbide inquired if Douglas County would be reviewing the storm drain facility easement agreement. Steve Black confirmed that the County would be reviewing the agreement.

Secretary/Treasurer Lau stated her concerns with the lack of fence surrounding the detention basin when there could be the possibility of children near the detention basin. Steve Black stated that the residential properties that back up to the detention basin have fences and that other areas near the basin have fences such as the Vista Grande Apartment complex. He mentioned that a gate would be installed on the access road.

Public Interest Comment: Ron Lynch commented on his experience with fences that back up to a ditch or detention basin. He stated that some people throw grass and brush clippings over fences. He stated that a fence would keep people out but might not alleviate a potential mess behind the fence.

There was discussion that discarded debris would be an additional maintenance responsibility for the District.

General Manager Longhofer recommended that Syncon Homes incurs the cost for the District's Attorney to review the storm drain facility easement. Vice Chairman Evans requested that a motion include a provision that the District's Attorney review the storm drain facility easement agreement and that Syncon Homes incurs those associated costs.

Trustee Patrick moved that the District accept the maintenance responsibilities for the easement and dedicated storm drainage system on that easement for Valley Vista, Phase 7 subject to the review of the storm drain facility easement agreement by the District's Attorney and that Syncon Homes incurs the District's Attorney's fees associated with the review of said agreement.

Attorney Yturbide interjected with a recommendation that the motion include a subject to review and approval by Douglas County and that the storm drainage system is built to the District's storm drainage system specifications subject to review and approval by the District's Engineer.

Steve Black commented that Douglas County and the District's Engineer have previously reviewed and approved the design of the storm drainage easement.

Trustee Patrick moved to accept the maintenance responsibilities for the easement and dedicated storm drainage system on that easement for Valley Vista, Phase 7 subject to the review of the storm drain facility easement agreement by the District's Attorney and that Syncon Homes incurs the District's Attorney's fees associated with the review of said agreement. Seconded by Secretary/Treasurer Lau. Motion carried unanimously.

Break at: 8:47 P.M.

Reconvened at: 9:00 P.M.

10. **Discussion and possible action on installation of a fence at 955 Opalite. (Requested by Resident, Becky Templin):** Becky Templin commented that when the District's Housing Rehabilitation Program was terminated, the previous General Manager Jim Bentley verbally told her that the District would furnish the fence. Trustee Patrick asked if the fence installation is specifically for her home. Becky Templin responded that only a section of her property needs to be fenced because the construction company for the Opalite Village Apartments put in half of the fence. Secretary/Treasurer Lau inquired if the fence was knocked down. Becky Templin clarified that the surveyor for the Opalite Village Apartments determined that she had sixty seven more feet of property. She stated that since a promise was made by the previous General Manger Jim Bentley that the promise should be kept. Secretary/Treasurer Lau asked if General Manager Bentley put anything in writing. Becky Templin responded that General Manager Bentley did not put anything in writing but that others were present when General Manager Bentley verbally told her that the District would install a fence.

There was discussion amongst the Board of Trustees regarding reasons for the District terminating the Housing Rehabilitation Program. Trustee Patrick inquired on the length of the fence. Becky Templin described the area but did not have the actual length of the fence. Vice Chairman Evans commented that General Manager Bentley had recently promised other District residents installation of a fence and then soon after, about twenty-five other residents wanted the District to install a fence on their property as well. He stated that he was present when General Manager Bentley told Becky Templin that the District would install a fence on her property.

District resident Kathryn Clark-Ross assumed that the there was an agreement with the Opalite Village Apartment's construction company and that the construction company was going to install the section of fence on Becky Templin's property.

Becky Templin informed the Board of Trustees that the District's Customer Service Representative was also present when General Manager Bentley told her that the District would install a fence. General Manager Longhofer stated that if the District installs a fence for one resident, others would want a fence installed as well. He questioned if the District has access to the property if the Board approves installation of a fence.

There was discussion on access to the easement behind Becky Templin's residence that is currently inaccessible due to construction of the Indian Hills shopping center. Vice Chairman Evans clarified that the easement is a utility easement and that the Nevada Department of Transportation has the right of way. He stated that there is access to the easement behind Home Depot but the access is not for the public. He mentioned that the District needs to have access to the easement to maintain the trees on Opalite. Vice Chairman Evans had a discussion with the Manager of the Chevron gas station regarding Tribal Police stopping residents from driving on the easement. He mentioned that the Manager of the Chevron gas station is willing to work with the District on allowing access to the easement but the Manager is concerned with liability.

There was discussion on the District obtaining an encroachment permit from the Nevada Department of Transportation to plant the trees on Opalite.

Secretary/Treasurer Lau asked if the District was involved in knocking Becky Templin's fence down. Becky Templin stated that when it was determined that she had more property, she wanted a new fence installed and that General Manager Bentley told her that the District would install the fence because the Housing Rehabilitation Program would not cover installation of

the fence. Secretary/Treasurer Lau asked Becky Templin if she had an estimate to install the fence. Becky Templin mentioned that she was deciding on either a wood fence or a chain link fence. She did not have an estimate. General Manager Longhofer mentioned that a few years ago the cost to install a fence was \$10.00 dollars a linear foot. Secretary/Treasurer Lau apologized to Becky Templin for an unfulfilled promise made by the previous General Manager. She stated that it was not right for General Manager Bentley to promise Becky Templin installation of a fence because it was not his money but money from Indian Hills residents. Discussions between the Board of Trustees and resident Becky Templin concluded with the determination that General Manager Bentley made a promise to install a fence for resident Becky Templin approximately four years ago. Trustee Patrick commented that a promise was made that shouldn't have been made and that in three to four years that promise was not made good.

Item died for lack of a motion.

Attorney Yturbide advised Vice Chairman Evans to open a public comment interest period on the agenda item.

Public Interest Comment: (none)

11. **Public Hearing on the previously adopted Tentative Budget for the District for next fiscal year 2006-07, and including adoption of a Final Budget for FY 2006-07 with direction to the General Manager to have the adopted Final Budget for FY 2006-07 prepared on the appropriate forms and timely submitted to the State Department of Taxation:** Trustee Patrick asked if the tax rate was revised in the 2006-2007 final budget. General Manager Longhofer clarified that the tax rate was revised to \$.8159 and that the Ad Valorem amount was revised to \$772,000.

General Manager Longhofer informed the Board of Trustees that actual costs were used in service and supplies in the General Fund and Enterprise Fund 2006-2007 tentative and final budget.

Trustee Baer commented that the \$316,513.87 amount on Row 6, Column P "2005-2006 Final Budget" cannot be counted as a reserve because it is a percentage that the State of Nevada Revolving Loan Fund mandated that the District reserve for a final payment of a loan. Trustee Baer requested that the District's total reserve figure should represent what is in a bank account excluding any mandated revolving loan fund reserve. Trustee Baer suggested that the District have more than \$200,000 in reserves.

The Board of Trustees and General Manager discussed the importance of continuing to budget for streets capital maintenance projects.

General Manager Longhofer commented on other revisions to the budget as followed.

Enterprise Fund, Water Operations, Row 64, Column S \$5,000 Arsenic Test Bed
Enterprise Fund, Water Operations, Row 82, Column S \$62,000 Generator

The Board of Trustees requested no 2006-2007 final budget revisions.

Public Interest Comment: There were no members of the community present.

Trustee Patrick moved to adopt the Tentative Budget for FY 2006-2007 and to adopt the Final Budget for FY 2006-07 with direction to the General Manager to have the adopted Final Budget for FY 2006-07 prepared on the appropriate forms and timely submitted to the State Department of Taxation. Seconded by Secretary/Treasurer Lau. Motion carried unanimously.

- 14. Discussion and possible action to consider an extension of the inter-local agreement with Douglas County which provides sewer transport, treatment, and disposal services to the County's North Valley Commercial Area and possible action to amend the rate charged for those services currently at \$9.47 per 1,000 gallons and to direct that the General Manager provide written notice to the County of amendments to the inter-local agreement:** General Manager Longhofer suggested that the rate charged for sewer service to the County's North Valley commercial area is revised from \$9.47 to \$12.67 per 1,000 gallons to coincide with the adoption of new monthly sewer rates.

Trustee Patrick inquired if the \$12.67 was included in the adopted fiscal year 2006-2007 final budget. General Manager Longhofer mentioned that the rate is based on equivalent dwelling units. He mentioned that the District would receive \$3,000 a month or \$30,000 a year if the Board approves \$12.67 per 1,000 gallons.

Public Interest Comment: There were no members of the community present.

Trustee Baer moved to approve the extension of the inter-local agreement with Douglas County which provides sewer transport, treatment, and disposal services to the County's North Valley Commercial Area and to amend the rate charged for those services currently at \$9.47 per 1,000 gallons to \$12.67 per 1,000 gallons and to direct that the General Manager provide written notice to the County of amendments to the inter-local agreement. Seconded by Trustee Patrick.

Attorney Yturbide suggested that the motion include direction that the General Manager enters into an extension with Douglas County through June 30, 2007.

Trustee Baer moved to approve the previous motion as amended to include direction that the General Manager enters into an extension with Douglas County through June 30, 2007. Seconded by Trustee Patrick. Motion carried unanimously.

- 15. Discussion on the District's standby after hour's emergency response:** Vice Chairman Evans recommended discussion on the issue of standby due to his concern that more than one District employee is receiving standby pay on the same work day. General Manager Longhofer commented that two District employees might be paid for standby pay on the same day if snow removal was required. He advised the Board of Trustees that he made revisions to standby pay for snow removal. General Manager Longhofer commented that standby pay would be paid under winter snow storm conditions only. He mentioned that during the entire winter season, the Interim General Manager allowed standby pay for one District Street Department employee.

Trustee Baer recalled that the Stationary Engineers, Local 39 standby addendum mentions nothing about snow removal and that the only provision in the addendum designates standby pay for a "qualified employee."

There was discussion between the Board of Trustees and General Manager pertaining to the condition of the snow removal equipment and the time frame to remove snow from District

streets. Vice Chairman Evans mentioned that last payroll period he signed four payroll checks that indicated that they were paid for being on standby. General Manager Longhofer stated that he would investigate the matter. He mentioned that he is researching other possibilities on reducing the amount of standby.

The Board of Trustees and General Manager discussed the re-negotiation of the Stationary Engineers, Local 39 collective bargaining agreement expiring on June 30, 2007 including re-evaluation of the special salary for operating the District's Vac Con truck. Trustee Patrick inquired if Board members could be involved with collective bargaining agreement negotiations. Trustee Baer recalled that Board members are not allowed to be involved with collective bargaining agreement negotiations.

No action required; discussion agenda item only.

Public Interest Comment: There were no members of the community present.

- 16. Discussion and possible action to approve an Annexation Policy and Fee schedule:** Vice Chairman Evans suggested a combined motion and action for agenda item #16 and agenda item #17. Attorney Yturbide recommended a separate motion and action for agenda item #16 and agenda item #17.

The Board of Trustees requested no revisions to the Annexation Policy and Fee Schedule.

Trustee Baer moved to approve the Annexation Policy and Fee schedule. Seconded by Trustee Patrick. Motion carried unanimously.

Public Interest Comment: There were no members of the community present.

- 17. Discussion and possible action to approve a Will Serve Policy and Fee Schedule:**

The Board of Trustees requested no revisions to the Will Serve Policy and Fee Schedule.

Trustee Patrick moved to approve the Will Serve Policy and Fee Schedule. Seconded by Trustee Baer. Motion carried unanimously.

Public Interest Comment: There were no members of the community present.

- 18. Chairman and Trustees' Reports:** Trustee Baer inquired on the outcome of the meeting with the District's CPA regarding depreciation. General Manager Longhofer mentioned that the District has \$770,000 accumulated depreciation expenses and that the District does need to budget for depreciation. He commented that the State of Nevada is concerned with the District ending another fiscal year with a net loss for the Enterprise Fund. Trustee Patrick mentioned that the District's CPA was specific that the District starts some sort of depreciation account that the District funds over the years. General Manager Longhofer commented on the District's need to build its emergency reserve funds. Secretary/Treasurer Lau mentioned that items with a zero value need to be removed from the District's fixed asset database.

The Board of Trustees agreed on the District hosting a "Candidates Open House" in September 2006 or October 2006 for the upcoming Board of Trustees elections.

The Board of Trustees agreed on conducting a special goal setting workshop meeting on Thursday June 8, 2006 at 6:00 P.M.

Secretary/Treasurer Lau suggested an open meeting law training session at a future Board of Trustees meeting. Executive Assistant Vicki Reifer mentioned that she contacted Neil Rombardo from the Attorney General's Office regarding open meeting law training on several occasions by telephone but never received a return phone call. She mentioned that she will attempt to contact Neil Rombardo regarding any open meeting law training via e-mail.

Public Interest Comment: There were no members of the community present.

19. Adjournment: *Trustee Patrick moved to adjourn the meeting at 10:06 P.M. Seconded by Trustee Baer. Motion carried unanimously.*

The next regular Board of Trustees meeting will be on Wednesday June 21, 2006 at 7:00 P.M.
A special goal setting workshop meeting will be on Thursday June 8, 2006 at 6:00 P.M.

Exhibit A General Manager's Report

Exhibit B Engineer's Report

Exhibit C Attorney's Report

FINAL APPROVED MINUTES AS AMENDED



Secretary/Treasurer
Laura Lau