

**Minutes
Indian Hills General Improvement District
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
October 17, 2007
Regular Meeting and
Water and Sewer Rate Public Hearing
6:00 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, Sandi Eisele and Nancy Fredrickson.

Present: Ron Kruse, Art Baer, Penni Eisele, Bill Moriarty, Brian Randall, Sandra Haugen, Tom Keck and Brent Farr.

1. **Call to Order:** Chairman Patrick called the meeting to order at 6:01 PM.
2. **Pledge of Allegiance:** Led by Chairman Patrick.
3. **Approval of Agenda:** Trustee Eisele motioned to accept agenda as presented. Motion seconded by Laura Lau. Motion carried unanimously.
4. **Awards Ceremony-2007 Yard Improvements Contest:** Kathryn Clark Ross presented awards to Lloyd & Kathy Austin from 933 Lehigh Circle, Maggie Kersten from 851 Amador Circle and Pat & Sean Sanderson of 3469 Tourmaline Way. Kathryn commented on the great jobs everyone did and hopes to make this an annual event.
5. **Discussion and Possible action on approval of Consent Calendar:** Brian Randall recommended that items c, d and e be pulled from consent calendar due to lack of information.

A. Approval of Draft Minutes of Board Meeting of September 17, 2007

Motion made by Denise Piereni to accept the draft minutes of September 17, 2007 as presented. Motion seconded by William Eisele. Motion carried unanimously.

B. Approval of Draft Minutes of Board Meeting of September 26, 2007

Motion made by Denise Piereni to accept the draft minutes of September 17, 2007 as presented. Motion seconded by William Eisele. Motion carried unanimously.

- C. **Approval of Change Order No. 1 in the amount of \$368.52 as a deduction from the contract total amount with Sierra Nevada Construction, Inc. for Topein C Seal Coat application to District streets.** Item removed from consent calendar.

- D. Approval of Nevada Construction, Inc. under Application and Certification for Payment No 2. in the amount of \$2,531.65 as Final payment for Topein C Seal Coat application to District Streets in compliance with the Agreement dated July 9, 2007.**
Item removed from consent calendar
- E. Approval of payment to Sierra Nevada Construction, Inc. under Application and Certification for Payment No 2.in the amount of \$2,704.62 as Final Payment for Type II Slurry Seal application to District Streets in compliance with the Agreement dated August 7, 2007.** Item removed from consent calendar
- 6 Action on items pulled off the Consent Calendar.**
Brian Randall requested that items c, d and e be pulled from the consent calendar due to lack of information from the contractors.
- 7 Discussion and Acceptance of Budget Status Reports for August 31, 2007.**
Denise Perini motions to accept budget status report as presented. Motion Seconded by William Eisele. Motion carried unanimously.
- 8. Discussion and Acceptance of Budget Status Reports for September 30, 2007.**
Denise Perini motions to accept budget status report as presented. Motion seconded by Laura Lau. Motion carried unanimously.
- 9. Discussion and Acceptance of Bank Accounts' Reconciliation at September 30, 2007.**
Laura Lau motioned to accept bank reconciliations as presented. Motion seconded by Kathryn Clark-Ross. Motion carried unanimously.
- 10. Discussion and Acceptance of Paid Current Bills as presented.**
William Eisele motioned to accept payment of current bills as presented. Motion seconded by Kathryn-Clark-Ross. Motion carried unanimously.
- 11. Reports to the Board:**
- A. Engineer's Report**
- Brian Randall informed the board of the upcoming bid for the Hobo Lift Station. He informed them that will be going out to bid and be closing on November 6, 2007. The bid will then go to the board for approval. The installation and construction should follow begin sometime in January 2008 and be completed in June 2008.
- He also talked about the emergency generators that will be installed at the water and wastewater plants.

12. Public Hearing on the proposed action to adopt Resolution 2007-04, A Resolution to establishing new water and sewer to acceptor rates, service fees, capacity fees and a storm water management fee.

Brett Farr from Farr West Engineering said that he understands that rate hearings are not a very popular but necessary to keep up with depreciation costs. He felt the proposed rates were not out of the “norm”.

He stated that the Board should be careful how they look at the increase on the 1,000 gallon user. It looks high because of the base rate was raised from 6.35 to 15.00. If you are using 0 gallons or ten thousand gallons the District still has cost. For example if everyone turned off their tap and used no water you still would have to pay salaries, debt and overhead you still have fixed costs. Everybody pays for those fixed costs equally. What you paying for above that is your variable cost which is the cost of producing water. Your fixed costs were to low to start with that’s why it looks like 1,000 gallon user is getting hit hard.

Chairman Patrick wanted to remind everyone that it was the NDEP that told us to replace the sewer lift station and power generators, they did not tell us we had to put install a centrifuge building but they did tell us to abandon the sludge ponds that would have costs us \$500,000.00

13. Public Comment:

General Manager Dennis Longhofer commented that there are very few 1,000 gallon users in the District and that the last board approved a \$2.00 per year rate increase over the next three years which was budgeted, if you took out depreciation and debt for the 2 million dollar loan that would leave less than a \$2.00 increase that the last board approved.

Art Baer presented the board and the public with a 4 sheet packet (see attached) which showed his version of calculations of the water and sewer rate hikes. He commented that he wanted the public to see how ridiculous the proposals from Farr West were. He feels the current Board has no idea what they are voting on. He feels the residents should not be paying for these increases.

He stated that the fallacy is coming from the General Manager when he states that there are very few 1,000 gallon users. Mr. Baer insisted there is a majority of 1,000 gallon users and they will be the ones most affected by proposed rate hikes.

Bill Moriarty felt it was unfair that the board did not consider the small user when it came to raising the water rates. He feels he does not use the average amount of water in the winter time. He said he will be paying an extra \$190.00 per year with the new rate hikes. He would like the board to look at different type of billing that would calculate the sewer rates by your water usage. He says that there are other entities in our area that use this system with no problems.

Ron Kruse stated that he believes that the small users in the District are the ones that will be most effected by these water rates. He states that he is 1,000 gallon user and the highest his bill has gone to was 5,000 gallons in the high peak of the summer.

Ron Kruse also asked the Board if any notices besides the newspaper had gone out to the residents as a courtesy regarding this Public Hearing.

He also stated that the County is getting better commercial rates on our sewer than the residents are due to a local agreement. He recommended that the board postpone this meeting so that could look at the packet and maybe get a committee together.

Discussion and possible action on selection of new residential and commercial water rate. The Board is considering action to increase the existing monthly water charge to a base rate of \$15.15 which includes the first 4,000 gallons. Brian Patrick motioned to accept as presented. Motion seconded by Laura Lau. William Eiesele, Kathryn Clark Ross and Denise Pierini voted nay. Motion failed 3-2

Discussion and possible action on selection of new residential and commercial sewer rate.

The Board is considering action to increase the existing monthly sewer charge of \$23.54 (flat rate) to \$31.37 (flat rate) a month for residential customers. Commercial establishments which discharge a residential-equivalent standard wastewater quality will be charged a flat rate of \$31.37 per EDU per month of sewer service. Motion made by Laura Lau to approve as presented. William Eiselie, Kathryn Clark Ross, Brian Patrick and Denise Pierini voted nay. Motion failed 4-1

Discussion and possible action on selection of new residential and commercial water connection fee. Based on the Equivalent Meter size Ratio and Equity Buy in Costs. Brian Patrick motioned to accept. Motion seconded by Denise Perini. Motion carried unanimously.

Discussion and possible action on selection of new residential and commercial sewer connection fee. The Board is considering action to increase the sewer capacity fee to \$5,130 for residential customer. Commercial establishments will be charged a sewer connection fee of \$5,130 per EDU as formulated by the District computation by number of fixtures. Brian Patrick motioned to accept. Motion seconded by William Eisele. Motion carried unanimously.

Discussion and possible action on selection of new service fees, including (see attached resolution)

- a. **Shut Off / Reconnect Fee (Water)**
- b. **Meter Re-read (Water)**
- c. **Meter Real Estate Read (Water)**
- d. **Sign Up Fee (New Account)**
- e. **Return Check Fee**

Brian Patrick motioned to accept as presented. Motion seconded by Laura Lau. Motion carried unanimously.

- 14. Discussion and possible action on selection of new storm water management fee. Proposed was a .10 per customer fee.** William Eisele motioned accept as presented. Motion was seconded by Kathryn Clark Ross. Motion carried unanimously.

Break at 7:37

Reconvened at 7:47

- 15. Discussion and possible action to approve District Sponsored Holiday Events including a Community Food Drive and Turkey Raffle, Holiday Celebration and Outdoor Lighting/Decoration Contest.**

Sandi Eisele announced the upcoming events and budgeted money for each event.

- 16. Discussion and possible action to approve recommendations from Haugen & Keck Employment Consultants.** Sandra commented on some of the procedures that employees used when it came to purchasing from purchase orders credit card, etc. She felt that a lot of the purchasing was not done appropriately; she has a packet put together for staff that shows the appropriate way to make a purchase.

Sandra Haugen commented that the General Manager had not made himself available to her to talk to. The General Manager disagreed.

She also commented on getting a CPA to create integrated spreadsheets for the budget status reports and other financial reports.

She also commented on the timecards, she felt that the current timecards were not efficient for the District; she feels that they should use a timesheet that she would create. She also recommended that the District look at a payroll service.

She also advised the Board to look into a new utility billing system that would better coordinate with the handhelds.

Laura Lau suggested that management do the training with the new forms and procedures instead of Haugen & Keck, Sandra felt that the field crew would be resistant to any training from management. Kathryn Clark Ross also agreed management should do the training.

Brian thanked Haugen & Keck for their recommendations approved recommendations from board all agreed. She will be coming back to the next board meeting with the final report.

- . **Discussion and possible action to approve an Amendment to the Agreement for Legal Services with Legal Counsel Brooke, Shaw and Zumpft.** Kathryn Clark Ross motioned to approve agreement with Brooke, Shaw and Zumpft beginning September 1, 2007. Motion seconded by William Eisele. Motion carried unanimously.
- 17. Reports to the Board: (continued)
 - B. General Manager's Report (see attached)
 - C. Attorney's Report
- 18. **Discussion and possible action to accept a proposal from Florence Fence for fence material and labor for the Haystack Drive Retention Basin, estimated at \$6,300.**
Brian Patrick motioned to accept proposal as presented. Motion seconded by Laura Lau. Motion carried 3 to 2. Kathryn Clark Ross and Denise Pierini voted nay.
- 19. **Public Interest Comment. (No Action)**
- 20. **Chairman and Trustees' Reports.**

Under this item the Board Members will briefly identify relevant communications received by them before the meeting, or meetings attended, or potential business of the District. No action will be taken on any of these items, but a Member may request such item or topic be placed on a future agenda.
- 21. **Adjournment. 9:27 pm**

FINAL MINUTES AS APPROVED

Denise Pierini/Secretary Treasurer