

Minutes
Indian Hills General Improvement District
Board of Trustees Meeting
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
October 19, 2011
6:00 P.M.

Trustees Present: Chairman Denise Pierini, Vice Chairman Brian Patrick, Secretary/Treasurer Bill Eisele, Trustee Art Baer, Trustee Dianne Humble

Staff Present: General Manager John Lufrano, Wastewater Supervisor Andy Joyner, Administrative Assistant Karen Ziemer

Others Present: Attorney Scott Brooke, Engineer Tim Russell, Penni Eisele, Kathryn Clark-Ross, Dale Morlan, Steve Mokrohisky, Michael Olson

1. **Call to Order:**
Chairman Pierini called the meeting to order at 6:02 P.M.
2. **Pledge of Allegiance:** Led by Chairman Pierini
Secretary/Treasurer Eisele disclosed that his daughter-in-law Sandi Eisele works for the District in Human Resources.
3. **Approval of Agenda:**
Chairman Pierini motioned to move agenda item 9 to item 5 and move item number 5 to 5a. Seconded by Vice Chairman Patrick. Motion carried unanimously.
4. **Public Interest Comment:**
Kathryn Clark-Ross reminded those present that the dog park event is this Saturday starting at 12:00 P.M.
5. **Discussion and possible action to approve an Inter-Local Agreement between Douglas County and Indian Hills General Improvement District for Valley Vista Park Phase Two construction:**
Douglas County Manager Steve Mokrohisky introduced himself and Mike Olson, County Commission Chairman. Steve commented he looks forward to working with the IHGID Board and has enjoyed working with IHGID General Manager John Lufrano in the past several months. Steve has toured some of our facilities and parks with John and understands many of the issues we are dealing with and the opportunities we have as a county with you as a GID to share services and cooperate together. The County is supportive of the agreement and hopefully the Board will view this as a positive. Steve commented it is about time the money be appropriated for the work at the park. Steve and Commissioner Mike Olson have talked and are very supportive of continuing discussions with IHGID in the future about funding for the final phase of the park work.

Vice Chairman Patrick commented that according to the Interlocal Agreement it is for \$60,000, is that correct? Steve Mokrohisky replied that the Interlocal Agreement provides

\$60,000 for previous phase work as well as \$20,000 reimbursement for the pavilion that was done.

General Manager John Lufrano commented we have Phase Two engineer estimates of \$50,000 which is for the demonstration garden area. We asked the County for \$60,000 to have a buffer. This will be funding all of Phase Two out of the \$60,000 and the \$20,000 is reimbursement for the Gazebo we already have. Once this agreement is signed by both Boards we can go back and ask for reimbursement for \$20,000 that we have already done the improvements for.

Public Comment: (none)

Vice Chairman Patrick motioned to approve an Inter-Local Agreement between Douglas County and Indian Hills General Improvement District for Valley Vista Park Phase Two construction. Trustee Humble seconded. Motion carried unanimously.

5a. Discussion only regarding possible changes to the Effluent Storage and Disposal Agreement between IHGID and Sunridge Corporation for water delivery to the Sunridge Golf Course:

General Manager John Lufrano reported that the agreement before the Board was set in motion many years ago. Wastewater Supervisor Andy Joyner is here tonight along with Engineer Tim Russell to answer questions. Mr. Wellman, former owner of Sunridge called today and gave John some history. Mr. Wellman offered to come back to another Board meeting in December or January for discussion. Mr. Wellman said there are not many people who knew what the original contract was, it was first put together in 1985-1986.

Trustee Dianne Humble commented that she has a problem with 100 years being in the agreement. She talked to Steve Weaver who said we originally had the agreement so we had a place to store effluent. Dianne remembered the Washoe Indians offered to take the overflow effluent. She is concerned that the District is paying to pump the effluent and would like to reopen the contract. Attorney Scott Brooke replied there is no reason the Board can't reopen the contract. Scott remembered that in the 1980's and 1990's the tribe did take water for some period of time and that was part of the initial intent. They could not accept on a regular committed basis all of the water the District needed to dispose of. That was the first application, then sometime after Sunridge started Mr. Wellman developed the idea of the Golf Course and that became the favored alternative. Scott commented that the golf course has the obligation to take all of IHGID effluent and the District is benefitted because the District has the obligation to dispose of it under a permit by the State, all of its effluent. Trustee Humble commented that in the agreement we are giving them supplemental water. She believes they don't use a lot of supplemental water so we are not talking about a lot of money, but we are pumping. Whatever little bit that is, we should reopen this with the new attorneys from the new owners of Sunridge.

Wastewater Supervisor Andy Joyner commented that Dave Wright would know how much supplemental water is being pumped from the wells. During the 2005-2009 years when we had the industrial park on our wastewater system, we made a lot more effluent. We were averaging about 375,000 gallons a day which makes more effluent. In the fall of 2009 when the industrial park went away, we went down to 290,000 gallons a day which is 39 million gallons less a year that we have to send to them. The guys running the golf course now do not use as much water as they did back when we had a lot of water. They are aware of the water problem. They put most of the water on the greens and let the fairways get a little

bad. Back in 2008 they were putting about 1.5 million gallons a day on the golf course. Now in the very heat of the season they are using about 850,000 gallons, so they have cut a lot. There is about 100 acre feet of water in Hobo well. When water gets low in July we turn it on. It is hardly used and hasn't been run for about a month. Andy builds up a pond and sends it. If we didn't have the golf course Andy doesn't know what we would do with our effluent. It costs the golf course \$50,000 a year to run their pumps. The District sends the water and they pump it out.

Attorney Scott Brooke commented that Mr. Wellman has historical information. He represented Sunridge Corporation which has sold all of the property subject to this agreement to another corporation. Scott doesn't have the deed but he can get it easily. The new owner replaces Sunridge in terms of the obligations and benefits of the contract. That is who we would be negotiating with. Times have changed and they might be willing to open negotiations as there might be something they'd like to talk about as well. As background, at the time the initial agreement was negotiated and the deal made for the District to essentially have a permanent place to put its effluent water on the golf course, the outlook for the District was very different. The District still had all of the redevelopment area within its service area. The expectation and our numbers for total output in the future are very different than they are now and will ever be in the future. This is an opportune time to take care of any issues that anyone wants to bring up and to give staff an indication of anything the Board would like to see different.

Vice Chairman Patrick asked for a hard figure if we are pumping from Hobo to give Sunridge a supplemental amount. The cost would be the electricity to pump the water out of Hobo. General Manager Lufrano replied he has the figure from last year. We pumped them 30,600 gallons in May, 0 gallons in June, 9.65 million gallons in July, 10.93 million gallons in August and 4.55 million gallons in September. The energy to the pump at Hobo cost us \$3,815.00, which is the dollar amount in question to pump the supplemental water from Hobo to the golf course for basically 5 months that we supplement water from Hobo. Trustee Humble commented that we can't afford to give the golf course something for free when it is costing us.

Attorney Scott Brooke advised the Board to keep in mind the benefit and the reason the District entered this contract. The District has an obligation to dispose of its water. The District is satisfying that obligation with this contract and the District has a location to put this water. The District is covered for 100 years. Scott suggested the Board discussion might be what if any other alternatives there are on a long term basis to dispose of effluent. We should keep in mind now what the benefit is that we get. Even if it costs us something, it is satisfying disposing of effluent.

General Manager John Lufrano commented he learned from Bill Wellman that if the two gentlemen who have the Sunridge Golf Course default, it will go back to Mr. Wellman. Mr. Wellman has a huge concern on the management of the golf course and ponds. RCI has talked to IVGID about their transmission line that runs right down Harris Road and down Sunridge Drive about the possibility if something happens to the golf course down the road could we possibly inject our effluent water into their lines which goes out to their basins. IVGID did say there was a possibility to look into this down the road if your agreement or the golf course went under. Mr. Wellman will continue to run the golf course as he still has a casino he wants to build and the golf course would be a big draw.

Wastewater Supervisor Andy Joyner commented that if he were going to look at the contract he would look at the 600,000 gallons per day. This plant will never do 600,000 gallons a day. If we get to 80% if required to by the state, we would have to build another basin. The amount should be based on reality of what the plant could do if it was maxed out at 300,000-400,000 gallons per day.

Vice Chairman Patrick commented the golf course is using water more conservatively than before. Even if IVGID would be willing to take our effluent there would be a charge for us. Vice Chairman Patrick thinks we have an ideal situation that may cost \$312.00 a month to give the golf course extra water. Keeping the 100 year contract as it is, with the situation we are in, may be the most prudent thing to do. There would probably be a charge if we sent water to the tribal lands as well.

Trustee Humble commented that right now this is not a problem. She suggested General Manager Lufrano speak with Attorney Scott Brook to see if it is worth coming up with something else or sticking with this contract. Power costs continue to increase. Possibly we could put a clause in that if both parties are willing, this contract can be renegotiated if we find it is no longer economically feasible for both of us, or something to that affect.

Trustee Baer commented the District use to charge .08 or .15 cents per thousand gallons for supplemental water. Attorney Scott Brooke explained that the current 2005 agreement may have modified three other prior referenced agreements in 1992, 1993 and 1996. Scott noted that parties always have the opportunity to mutually renegotiate a change for any reason. Scott suggested the contract could be amended so the length of time were at the District's discretion as opposed to Sunridge discretion we would be protected. We could keep it if we wanted or get out of it if we wanted.

General Manager Lufrano commented that Wastewater Supervisor Andy Joyner had sent 61 million gallons of treated effluent to the golf course this season. \$9,000 is what we are looking at if the .15 cents was a number used previously. There are 100 years that Mr. Wellman and the two Sunridge owners have to do something with the water. It is not our responsibility once we send it to them, they have the permit. If this is the direction the Board wants we can weigh the pros and cons to bring back to the Board in a couple of months.

Wastewater Supervisor Andy Joyner voiced concern with the 600,000 gallons a day and being held with our feet to the fire. Sunridge could come and say they are going to start putting 2 million gallons of water a day 365 days a year. It is not just during golf season, we store it for them also. They could say we have not given them 600,000 gallons a day and we have to pump Hobo and Browns well to get us up to the 600,000 gallons per day. General Manager Lufrano commented staff is looking internally to see if we are going to send from Browns Well or Hobo Well next year.

Public Comment: (none)

6. Reports to the Board:

a. General Manager Report (Exhibit A)

General Manager John Lufrano reviewed his report with the Board.

John commented that Dave Wright is watching the arsenic level and the content of water coming from Minden. Engineer Tim Russell added that at this point the harder

Minden pumps their wells the arsenic gets better, so the levels will be lower as they pump harder in the summer.

John commented that the USFS will not assist us with burning. No agency will take this on due to liability. The District will do the burn at the Wastewater plant. We have an agriculture permit to burn whenever we want.

b. District Analyst-Community & H.R. Report

General Manager John Lufrano reported that Sandi Eisele has been putting in a lot of time for the upcoming Dog Park Event. There has been a huge change in overtime since we got on Minden water. On-call time is not necessary. There may be potential for not needing a weekend person if we can get 100% automated on SCADA. This could be a savings of \$4,500 per year in differential pay.

c. District Accountant Report (Exhibit B)

d. Engineer Report

Engineer Tim Russell reported he has coordinated with John on minor repairs and concrete at the District. Majority of the time is spent on solar and sludge and wrapping up pipeline project. May be additional grant funds left over from pipeline, will see if USDA can use those to buy some upgrades to the Districts water system telemetry, the radios that no longer meet FTC requirements so they must be upgraded sooner or later. We are trying to get those covered as part of the remaining grant funds so the district will not have to buy them a couple years down the road. In preliminary discussions with USDA it looks like there will be a chance, but we don't know yet. In talking to USDA in regards to solar project they were extremely happy with all the work that had been done by District associated with the pipeline project.

e. Attorney Report

Attorney Scott Brooke reported he has located all of the past Sunridge documents to do a review. He has completed the USDA documents coming in. He has been working with General Manager John Lufrano. Scott has nothing new to bring to the Boards attention. Secretary/Treasurer Eisele asked to see the Silver City Trailer Park agreement. Scott replied we will find it.

Public Comment: (none)

7. Discussion and possible action to approve with conditions, or deny a change order request of \$6,850 to allow for a 100 KW inverter to be utilized in place of the originally specified 75 KW inverter due to an inability to obtain the 75 KW inverter in time to meet the NV Energy deadline for the District's \$150,000 rebate for solar panels:

Engineer Tim Russell explained that when the contractor for the solar panel project started to get delivery dates for the 75KW inverters, they were looking at a 7-9 week lead time which put them right at or just past the deadline for obtaining a rebate from NV Energy. They were able to find an in stock 100KW inverter in the San Francisco area that could be here in less than 5 days. This would allow us to meet our requirement for the NV Energy rebate. The larger inverter can be utilized to a greater degree than the originally specified one. In the future should the District find funds or another NV Energy rebate program and wanted to put in additional solar panels, we could keep using the additional capacity. We only have 30KW now with the current system we are putting in.

Public Comment: (none)

Trustee Baer motioned to accept the change order as presented. Trustee Humble seconded. Motion carried unanimously.

8. Discussion only regarding changing speed limit signs from 25 MPH to 15 MPH within the District:

General Manager John Lufrano explained this item was brought back to the Board from their last meeting to discuss what the procedure would be if the Board wanted to change speed limit signs throughout the District. John would need to present the Board with proposed locations of signs and areas we want to change speed limit signs. The Board would approve it if desired. Then it would be taken to Jeff Foltz, County Engineer. Jeff would review it, then it would be taken to the County Commission for approval. John called Mrs. Templin since she came to the last Board meeting and asked if there was an alternative that would work such as posting slow children at play signs on her street. Mrs. Templin thought it was a nice gesture but it is an enforcement issue if we don't have deputies on the streets. It is open for discussion if we want to have safer streets by changing the speed limits.

John estimated it would cost less than \$1,000 to have new signs made. There are 7 access points into the district, 3 on the east side and 4 on the west. We would put up signs that say 15 MPH on all streets unless otherwise posted. Then we could choose which streets that we want to post 25 MPH signs. Enforcement is the issue.

The Board discussed complaints and enforcement.

The Board agreed there would be no more discussion on this issue.

9. Discussion and possible action to approve an Inter-Local Agreement between Douglas County and Indian Hills General Improvement District for Valley Vista Park Phase Two construction:

Item 9 moved to Item 5.

10. Discussion and possible action to approve Draft Minutes for the September 28, 2011 Board Meeting.

Public Comment: (none)

Trustee Humble motioned to approve the Draft Minutes for the August 15, 2011 Board Meeting and August 17, 2011 Board Meeting. Trustee Baer seconded. Motion carried unanimously 4-0-1. 4 ayes by Chairman Pierini, Vice Chairman Patrick, Trustee Baer, Trustee Humble; 1 absent Secretary/Treasurer Eisele

11. Chairman and Trustees Reports, Correspondence:

Chairman Pierini announced the next Board Meeting is Wednesday November 16, 2011.

12. Adjournment

Vice Chairman Patrick motioned to adjourn the meeting. Trustee Humble seconded. Motion carried unanimously.

Meeting adjourned at 7:21 P.M.

FINAL APPROVED MINUTES AS PRESENTED

**Secretary/Treasurer
William Eisele**