

Minutes
Indian Hills General Improvement District
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
June 17, 2009
6:00 P.M.

Trustees Present: Chairperson Dianne Humble, Vice Chairperson Denise Pierini, Secretary/Treasurer Brian Patrick, Trustee Laura Lau, Trustee Ronny Lynch

Trustees Absent: none

Staff Present: General Manager Jim Taylor, District Analyst Human Resources & Community Sandi Eisele, Accountant Stacie Hunter, Administrative Assistant Karen Ziemer

Others Present: Attorney Scott Brooke, Engineer Brian Randall, Jimmy Weaver, Ron Kruse, Art Baer, Carl Ruschmeyer, Mike Glucksman, Ann Wiswell, Jim Norton, David Fournier, Kathryn Clark-Ross, Art Baer, Kurt Hildebrand, Greg Malavazos, Dale Morlan, Douglas County Commissioner Mike Olson

1. **Call to Order:** Chairperson Humble called the meeting to order at 6:00 P.M.
2. **Pledge of Allegiance:** Led by Trustee Ronny Lynch
3. **Approval of Agenda:**

Chairperson Humble motioned to approve the agenda as it stands. Secretary/Treasurer Patrick seconded. Motion carried unanimously.

4. **Public Interest Comment:** Kathryn Clark-Ross passed out flyers as a reminder that the Summer Kickoff Party is June 20 with the swap meet and community yard sale starting at 6:00 A.M. All other activities will begin at 11:00 A.M. General Manager Taylor announced the passing of long time employee Kathy Martin.

5. **Reports to the Board:**

- a. **General Manager's Report (Exhibit A):** General Manager Jim Taylor reviewed his reports to the Board. Jim commented on the initiative that seasonal employees have taken in planting flowers and installing irrigation under the light pole at South Sunridge Park. Jim reported that the Douglas County Road Department came to James Lee Park with three dump trucks, a loader and a grader last week and hauled off 80 loads of dirt and trash. Jim is investigating purchasing a lowboy trailer. An old lowboy trailer has been taken to auction. An 18 foot trailer will handle transporting the Kabota tractor or two mowers at once. The cost is approximately \$3,200.00. Jim reported the handhelds are here and will be used starting on June 24, 2009. Secretary/Treasurer Patrick inquired about an item in Jim's report regarding the billing department's 113 accounts deemed to be uncollectible accounts. Jim replied that our auditors have advised the District to write off the uncollectibles amounting to \$23,000.00 before the end of the

year. Chairperson Humble asked General Manager Jim Taylor why the electrical panel at the Hobo water treatment plant did not have over voltage lightening protection. Jim replied that we do have over voltage lightening protection, but when lightning hits there is a surge that the electronic board was not protected from. Chairperson Humble asked if the generator had been hooked up. Jim replied that the ozone water treatment generator has not been hooked up. Jim explained when the treatment plant was refurbished, Dinter overlooked installing backup power on the ozone system generator. Monday morning Dave Buffo will install a wire to hook into the backup panel so when power is lost and the backup generators come on, the ozone system will work also.

- b. **District Analyst-Community & H.R. Report (Exhibit B):** Sandi Eisele reviewed her report to the Board. Sandi noted that the Skate Board Contest event almost paid for itself. Sandi has been asking for donations to pay for summer kickoff. She has already received monetary donations and gift baskets for the raffle. Sandi stated the event has been noticed in the newspaper.

- c. **District Accountant Report (Exhibit C):** Vice Chairperson Pierini asked when we are going to start funding for depreciation. General Manger Taylor replied depreciation is not in the accountant report, but there is a line item in the budget for depreciation. Chairperson Humble commented that she and Accountant Stacie Hunter have talked about a budget report format change. Chairperson Dianne Humble suggested a need for more clarification of depreciation. The last accounting firm put all of the depreciation in the water and wastewater departments which made them look in the hole instead of closer to break even. Dianne stated she has not found any building depreciation in the administration budget, no equipment depreciation in parks and no maintenance buildings being depreciated. Dianne stated that the former Board passed a resolution that 1% of the expenses should be depreciated. Dianne commented that General Manager Taylor had told her \$45,000.00 had been set aside for depreciation. Dianne commented that at the beginning of the year this Board had agreed to do some forensic examination of the books regarding why all items are lumped together into two categories. Dianne would like to see the forensics done to help with clarification and make the budgets easier to understand. General Manager Taylor asked the Board to look at a report later that will show how hard it is to put items into categories. Secretary/Treasurer Brian Patrick stated that what the Board did was to fund depreciation. Brian explained that depreciation comes in two ways, one to write off property and capital, the second to fund it. The Board was asked to fund depreciation and only funded for 1% of the enterprise funds. The Board was going to fund 1% more each year to slowly build up a bank account to pay for things that are broken. Brian suggested that General Manager Taylor is looking for what to write off and where the amounts should be taken from. The funded amount of 1% or \$45,000.00 that is been put away is coming from 1% of the enterprise fund. It sits in a separate account and grows interest. It is not related to the annual budget at all. Brian commented that the forensic study was not to look for how we handled funds but to discover the manner in which IHGID was doing its books and the process of how they were being kept. From the forensic study the District received a series of ideas and recommendations of how to keep our books. Chairperson Humble asked General Manager Jim Taylor if the \$45,000.00 depreciation set aside was for both of the enterprise funds. Jim replied yes it was for both and there is a line item in the budget. Accountant Stacie Hunter stated the budget report the Board is looking at came from the Auditors and does show the depreciation in the enterprise funds.

d. **Engineer Report:** (none)

e. **Attorney Report:** (none)

7. **Discussion and possible action regarding connection to a water pipeline proposed to extend to North Douglas County:** General Manager Jim Taylor reported he cannot give the Board an action to vote on yet. Jim has taken calls from Roger Gilmore who is providing the engineering for doing a filtration system at the water plant. Roger could not recall if he took a test for coagulation filtration before it went through the ozone system, or after. Monday of this week Jim delivered two 5 gallon containers of water to a California lab. The raw water will be tested to see if coagulation filtration will work in our system, which would be cheaper to operator. The filtration system presented by Roger Gilmore is still very costly. Jim stated that he believes the pipeline is the way to go. Filtration of any kind will require maintenance every day and how much manpower will be needed is unknown. Jim suggested that in ten years the water plant may have to be gone through and rebuilt. A filtration system could be a maintenance problem. Jim stated he is 80% in support of the pipeline and 20% in favor of filtration. He noted that Ken Bellows from NDEP is also a strong supporter of the pipeline due to not having maintenance issues. Jim should have some raw figures on pipeline costs from Manhard Engineering tomorrow. There will be a July 1, 2009 meeting to discuss the proposal and raw figures. Jim is working on a presentation to be given to Board members which will address Roger Gilmore's filtration system and the pipeline.

Trustee Lynch asked if we get Douglas County water will we still have to have water plant. General Manager Jim Taylor replied yes. Ron asked why Jim is 20% in favor of filtration. Jim replied that with filtration we control our own destiny but we need to start looking at cost. Jim stated he is just not 100% sure the pipeline is the answer for IHGID. Jim stated we don't have enough water now for our own system. Another well would need to be dug and maintained. It Lynch commented that a big selling point of the pipeline is if something does go wrong with it, all citizens will be connected to it. Ron asked if eventually Douglas County would have to run the pipeline to Carson City anyway. Jim replied yes and that Carson City's use of the pipeline will be 25% whereas IHGID use will be 20%. Jim stated that the connection from IHGID up to the pipeline will be owned by IHGID. Vice Chairperson Pierini asked what water Genoa uses. Carl Ruschmeyer from Douglas County replied that Douglas County owns and runs the West Valley Water System which is Genoa. The County anticipates when the pipeline is run it will be tied into the North County System which is the redevelopment area adjacent to Indian Hills. Then a link will be provided over to the West Valley Water System. The County will maintain wells in Genoa and the Mondeaux area. Carl stated the County has done exploration work and found they cannot develop enough water supplies to meet the needs of IHGID as well as Genoa. There will be an alternate or additional water supply coming in from the North County main. Secretary/Treasurer Patrick asked Carl Ruschmeyer if at one time there was talk of running a pipeline over Jacks Valley Road. Carl replied yes, that that pipeline is planned. It is a requirement of the Clear Creek development to extend the water line from our West Valley Water System where it terminates at Montana today, all the way up to the Jacks Valley tank. Carl stated that connection is still planned, but given what the County has found in water resources on the west side and now that the pipeline may be a reality, in concept the County would reverse the flows from that which was anticipated initially. The Jacks Valley pipeline is still a part of the plan and there will be a link wrapping around the valley. Chairperson Humble asked General Manager Jim Taylor how the decision would affect employees at the water plant. Jim replied we will need one employee at the water plant to

maintain filled tanks, pumping, testing and the chlorine level of water. Jim will need to find out if a Level 1 or Level 3 Operator will be required to be able to turn valves on and off. Chairperson Humble asked Engineer Brian Randall if we went with the pipeline from Douglas County would we have to give up our water rights. Brian Randall replied that IHGID has twice as much water rights that we need for service to the District. Brian stated the District would be well advised as a component of the pipeline cost, to convey to Douglas County the water rights necessary for service from the pipeline to Indian Hills. Brian commented that IHGID is at an advantage in not having to pay what others might pay to purchase water rights as part of their component cost.

Engineer Brian Randall suggested the Board needs something in front of them to show a basis for comparison of options available. The options are: 1-Pipeline, 2-Water Filtration, 3-Coagulation Filtration which was the system originally proposed for Browns Well water treatment using charcoal filtration. Brian offered a history of the arsenic removal project. Roger Gilmore originally was going to recommend coagulation filtration because it is a much less costly system to install and operate than micro filtration. Through pilot testing Roger found that coagulation filtration wouldn't work because of the unusual chemistry of water in Browns well, such as the high silica, natural absence of iron and high ph. This chemistry would require significant treatment before coagulation filtration will work. Even with those options in place it did not appear to provide the coagulation (which is the settling of dirt out of the water) necessary to filter the arsenic out of the water. At the time Roger was pilot testing, he tested the water after it was ozonated because the ozonation was removing color from the water. Roger Gilmore and the District knew in 2002 they would have to remove arsenic. After all the pilot testing, coagulation filtration was found to be too costly for the process itself. The second alternative of micro filtration which is twice as expensive, was a better alternative in removing arsenic. The Board agreed with Roger Gilmore's recommendations and Roger proceeded with a preliminary design of a micro filtration system. The District would then purchase a fabricated micro filtration system that would go out to bid and be installed by a contractor. At this same time the pipeline became a reality because Douglas County could not provide water service to new development in the north valley with resource development it had at this end of the valley. The third option is the pipeline. Roger Gilmore sent Brian Randall an email stating that Roger had talked to an expert and found out that in the past there has been difficulty with coagulation filtration of arsenic after it has gone thru ozone treatment. The expert told Roger there has been very good success in the absence of ozone. Roger wanted the Board to be fully aware and to disclose that before ozone treatment the water test could give different results. Brian Randall stated that Roger recommended the District should consider testing again for coagulation treatment of well water before treatment of ozone. General Manager Taylor took water samples to California and the lab is currently doing the bench testing. The testing results should be available by this Friday. Depending on these results we may want to do another pilot test. Brian Randall commented that the District is on the edge of needing a new well with summertime use of Browns well. A new well will need testing because the water could have an entirely different chemistry. The cost for a new well may be \$750,000.00 up to \$1,000,000.00 along with costs for maintenance, operation and micro filtration. Brian suggested the Board wait for information to compare costs for micro filtration and the estimated cost of the pipeline to the District before making a decision. Carl Ruschmeyer from Douglas County stated adequate budget numbers have been provided to all parties. A written preliminary report will be available to all parties tomorrow. The County will be asking for comments from all parties. There will be a meeting on July 1, 2009 to go over all information, to finalize the participants and the report. The final report will go before the Douglas County Commission at their first meeting in August, 2009 for presentation and

adoption. Secretary/Treasurer Patrick questioned if there will be a cost of water for IHGID in the report figures. Carl Ruschmeyer replied that it is an engineering report. The report shows hydraulic modeling, figures as far as consumption from parties and guidelines to meet IHGID schedule. The cost allocation of 20% for IHGID is based on flow rate and is pro-rated. Carl shared that the County has a contract with Minden for the East Valley Water System and pays .60 cents per 1,000 gallons. Carl commented that as we grow and get a bigger customer base we believe the cost will come down. Trustee Lau asked Carl Ruschmeyer if the Board waits a month to make their decision will it still meet the August deadline. Carl replied yes.

Public Comment: (none)

No Action Taken.

6. Discussion and possible action regarding Acceptance of a Renewal Proposal from Nevada Public Agency Insurance Pool (POOL). Renewal Presentation by POOL:

Agent Jim Norton from Warren Reed Insurance introduced himself as the District's agent for POOL. He introduced Ann Wiswell, Risk Management Specialist for e POOL. Jim Norton reported that the POOL package was successfully renewed. There is extra cost this year due to earthquakes. The strength of the pool carrier is high with reserves that are double what would be a minimum standard. Stability over the years has been exemplary. The POOL has not invested in any sub-prime mortgages. Jim invited Board members to call him if any orientation information is needed regarding how the POOL process works. Ann Wiswell stated that POOL/PACT is a member owned, municipal shared risk, self insured group primarily in rural Nevada. IHGID has an ownership interest in POOL/PACT. It is through the governance of their members that they develop their risk management programs. Ann stated that IHGID has been active in using risk management programs available such as Human Resources consultant services, online training for safety and OSHA compliance; all at no cost. Risk management grants can be applied for up to \$10,000.00. The grants could be used to purchase personal protection equipment, OSHA compliance, bringing in a third party trainer or attendance at risk management or safety conferences. Grant funding could be used by IHGID Board members to attend risk management conferences. Training is available for blood born pathogens awareness, CPR, emergency vehicle operation and confined space.

Trustee Lynch asked if a lawsuit should come up against the District, does POOL/PACT take over for the District. Ann replied yes, the District will be assigned counsel to take over. Trustee Lynch asked if any entity in the group has a high number of incidences does the rate go up. Ann replied the program is experience rated meaning losses are taken in to consideration and a factor is applied to the premium based on exposures, number of employees, number of vehicles, building values and liability experience. Those POOL members who contribute more heavily to the loss experience do see a slightly higher premium. Trustee Lynch asked Ann if the money IHGID is paying to POOL/PACT for insurance is taxpayer money. Anne replied yes. Chairperson Humble asked to clarify if the spike in the graph for 2005 was due to a no fault sewage spill and earthquake and not due to lawsuits. Jim Norton replied that is correct, it was due to a sewage spill loss. Chairperson Dianne Humble stated she was told that IHGID 2009 property insurance went up by twelve percent and we are currently at eleven percent. Dianne asked for clarification that the increase was not due to lawsuits. Ann Wiswell replied that is correct, none of the increases shown in the graphs are attributable to IHGID loss experience. Secretary/Treasurer Patrick asked if there is a claim, is IHGID liable for a deductible amount. Jim Norton replied that IHGID has a deductible of \$1,000.00 that applies to any and all losses. Ann Wiswell commented it would be beneficial for her to come out and give the Board of

Trustees an orientation of how POOL/PACT was formed. Ann will get costs for a Red Cross class that could be made available to the public.

Public Comment: Attorney Scott Brook commented that POOL/PACT provides insurance services that other insurance companies don't. They provide training and advice. The counsel POOL/PACT employs for defense of claims are quite experienced in their fields.

Chairperson Humble motioned to accept the Renewal Proposal from Nevada Public Agency Insurance Pool. Vice Chairperson Pierini seconded. Motion carried unanimously.

Recess 7:24 PM

Reconvened 7:30PM

- 8. Discussion and possible action regarding a possible pay increase for General Manager Jim Taylor, increasing his salary from \$72,000.00 to \$84,000.00 per year. (follow up from 5/21/2009 Board Meeting):** Trustee Patrick asked General Manager Taylor if the \$1,000.00 per month increase would carry over all through next year until the next year's contract. General Manager Jim Taylor replied yes as per his letter to the Board, he will waive any other wage increase for the next year and that includes a new contract in November if there is one. The Board discussed the amount of a possible pay increase and the responsibilities the General Manager has.

Public Comment: Kathryn Clark-Ross stated she feels Jim Taylor is doing an excellent job. Kathryn shared comments and emails from the public regarding a raise for Jim due to economy concerns. Art Baer commented that he sat as Interim General Manager for three months and there are headaches that come through every hour on the hour, seven days a week. Art commented Jim didn't ask for enough when he took the job.

Secretary/Treasurer Patrick motioned to increase Mr. Taylor's salary by \$1,000.00 per month until November, 2010 when his contract is up for re-negotiation. Trustee Lynch seconded. Motion carried 4-1, 4 ayes by Chairperson Humble, Secretary/Treasurer Patrick, Trustee Lau, Trustee Lynch; 1 nay by Vice Chairperson Pierini.

- 9. Discussion and possible action regarding an amendment to the IHGID Records Request Policy to clarify payment of fees by the Board of Trustees:** Chairperson Humble stated she asked for this agenda item because it had come to her attention that Board members were not paying for record copies. In the past a lot of items have been requested by other agencies or entities that were not paid for. Attorney Scott Brooke voiced his opinion that Board trustees should be allowed materials at no charge. Scott will do research to see if there is any prohibition for charging outside administrative agencies for record copies. Scott commented that the General Manager has the authority to deal with the public regarding records. Chairperson Humble stated she would like to table this item and leave it up to the General Manager's discretion as to the handling of record requests.

Public comment: Art Baer recalled when he was Interim General Manager, an agency in Las Vegas requested copies of prior Board meetings that took an employee three days to copy. Art commented prices for copies of records or CDs should apply to anyone. General Manager Taylor commented that the state charges for copies.

No action taken.

- 10. Discussion and possible action on approval of Draft Minutes for the May 21, 2009 Board Meeting:** Secretary Treasurer Patrick requested a change to the spelling of Biddler to Vidler on page 3 under the Engineer's report.

Secretary/Treasurer Patrick motioned to accept the Minutes for the May 21, 2009 Board Meeting as amended. Chairperson Humble seconded. Motion carried 3-2, 3 ayes Chairperson Humble, Vice Chairperson Pierini, Secretary/Treasurer Patrick; 2 abstains by Trustee Lau, Trustee Lynch.

- 11. Chairman and Trustees Reports, Correspondence:**

Chairperson Humble requested that General Manager Taylor provide Attorney Scott Brooke with a door hanger containing false information that is being distributed throughout the District by a plumber soliciting for work. Trustee Lynch asked General Manager Taylor to inform residents of the status of projects to let them know why some may not have been done yet. Trustee Lynch requested an item be put on the Board Meeting Agenda for July 15, 2009 to introduce himself.

- 12. Adjournment:** Meeting adjourned at 8:20 P.M.

Vice Chairperson Pierini motioned to adjourn the meeting, Chairperson Humble seconded. Motion carried 3-2. 3 ayes by Chairperson Humble, Vice Chairperson Pierini, Trustee Lau; 2 nays by Secretary/Treasurer Patrick, Trustee Lynch.

FINAL APPROVED MINUTES AS PRESENTED

**Secretary/Treasurer
Brian Patrick**