

Minutes
Indian Hills General Improvement District
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
July 15, 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, Accountant Stacie Hunter, Administrative Assistant Karen Ziemer

Others Present: Attorney Scott Brooke, Engineer Brian Randall, Art Baer, Ron Kruse, Kay Vernatter, Kathryn Clark-Ross, Carl Carter, John Allred, Bill Moriarty, Kurt Hildebrand, Bob Hadfield, Douglas County Manager Michael Brown, Douglas County Commissioner Mike Olson, Dave Reuter, David Sheets, Andy Burnham

1. **Call to Order:** Chairperson Humble called the meeting to order at 6:00 P.M.
 2. **Pledge of Allegiance:** Led by Trustee Lau
 3. **Approval of Agenda:** The Board approved the Agenda as it stands.
 4. **Public Interest Comment:** Kathryn Clark Ross reminded those present that a free Concert will take place at James Lee Park this Saturday night, July 18, 2009 from 6-8 P.M.
 5. **Discussion only regarding USDA Rural Development Water and Facilities programs. Presentation by USDA Rural Development representative for determination if USDA RD funding would be appropriate for IHGID upcoming projects: (Exhibit A)**
Kay Vernatter introduced herself as the Acting State Director for USDA Rural Development Community Programs in the State of Nevada. Kay reviewed the programs available from USDA for financing assistance via loans and grants for infrastructure and community facility needs. Kay stated that because of IHGID MHI (Median Household Income), we are not eligible for a USDA grant but USDA could leverage other federal and state grants to put together a financing package. Kay explained how funds may be used, terms of loans and the application process.
- Public Comment:** Carl Carter asked what the meaning of MHI is. Kay Vernatter replied it is Medium Household income. Kay explained that IHGID MHI calculated from the 2000 census is \$56,109. Kay suggested that IHGID could do an income survey if they think that there has been a change to their MHI and they might qualify for grant funds. Carl Carter asked if there is money available to meet arsenic contaminant levels. Kay replied yes, at a rate of 4.375 percent, with a term up to 40 years and no prepayment penalties.
6. **Discussion and possible action regarding proceeding with connection to a future water supply pipeline coming from Douglas County or proceeding with an IHGID on site**

filtration system in order to become compliant with standard contaminant levels of arsenic: (Exhibit B)

- a. Letter from Brent Farr, Farr West Engineering**
General Manager Jim Taylor presented a letter from Brent Farr regarding Connection to Douglas County Water Transmission Main.
- b. Letter from Ed James, Carson Valley Conservation**
General Manager Jim Taylor presented a letter from Edwin James, General Manager of Carson Water Subconservancy District regarding Evaluation of the two alternatives to meet the federal arsenic standard for IHGID.
- c. Dave Reuter PE, Manhard**
David Reuter from Manhard Consulting gave a Powerpoint presentation regarding the North Douglas County Water System Analysis that Manhard was commissioned to do. Manhard met with all entities involved; IHGID, Carson City, Douglas County, Vidler Water Company and the Town of Minden to find out the current and future demands that would drive infrastructure size. Dave explained the two phases of demand allocation between the entities and the overall cost allocation for the phases by entity. Phase I includes existing demands and a short-term growth component. Phase II demands encompass full build-out demands for IHGID. The cost allocation estimate for IHGID in Phase I is \$3,012,222 and Phase II \$2,246,888, for a total of \$5,259,110. Dave explained the water will be supplied from the Town of Minden and be delivered to the IHGID water system to be distributed to IHGID customers as it is today. The water pressure will not be affected. Dave estimated that design and construction timelines will depend upon all entities agreeing to the pipeline project and having signed agreements in place. If all goes well, the plans could go out to bid by March or April of 2010 with construction following.

Public comment: Carl Carter questioned if Dave had stated there was a 24" line. Dave replied that there is a 24" diameter existing line at Heyborne Road. Initially water will be delivered to IHGID at 1400 gallons per minute with future delivery up to 2500 gallons per minute. Dave explained the pipelines are sized by the velocity within the pipeline and that an 18" pipe will handle the future 2500 gallons per minute. Dave commented that if federal water standards change, a capability of this system is that a regional treatment center could be utilized rather than building individual treatment plants.

Douglas County Manager Michael Brown stated that several people were present tonight to be a resource for questions regarding the pipeline: Engineer Carl Ruschmeyer from Douglas County, Town of Minden Chairman David Sheets, Town of Minden Vice Chairman Bob Hadfield, Douglas County Commissioner Mike Olson and Andy Burnham.

Kathryn Clark Ross asked for clarification of the comparative chart costs. Kathryn asked if there will be separate charges to IHGID from Douglas County, who is building the pipeline and from Town of Minden supplying the water. Dave Reuter replied there will be cost sharing for the cost of pipeline and a delivery fee for the water. Dave commented that compared to an arsenic treatment facility the pipeline is still a better option. Kathryn asked if anyone had calculated how the pipeline will affect IHGID customer's water rates. General Manager Michael Brown replied that the actual rate to IHGID has not been developed yet. The Town of Minden will talk about improvements and cost.

Town of Minden Chairman David Sheets commented that rates for water coming from Minden have been taken very seriously. The Town of Minden has a \$15,000,000.00 commitment in Phase 1. There will be a component based on delivery of water such as so many cents per thousand gallons. There will be other items that will go into the rate figure. In the future money will have to be accumulated to fix things. The Town of Minden has basic figures they will be able to share.

Town of Minden Vice Chairman Bob Hadfield stated that all 5 of their current Board members are committed to what Town of Minden has been talking about for 20 years. Town of Minden is blessed with a good supply of good quality water. Town of Minden wells, if equipped, can go 2-4 gallons per minute with no trouble at all. Their water service area is the whole Carson Valley. They have worked with the state engineer every year for the past 15 years to find out how Town of Minden could provide an answer to difficult problems they saw coming up throughout Carson Valley. Bob commented that what is before the Board tonight is a collaborative effort between Douglas County, Minden, Carson City, Vidler Water and we hope IHGID. Town of Minden will be 2 more wells immediately. The Town's policy is to have double the pumping capacity in the Town of Minden for the total demand on our system. For the noted 7500 gallons, we'll have well capacity reserves to pump 15,000 gallons per minute. Bob stated the Town of Minden is going to wholesale the water to Douglas County. The Town of Minden will put the water in the pipe. The Town's agreement will be with Douglas County. Town of Minden has agreed with Douglas County that it is critical to get this project going. Bob commented the Town of Minden is going to sell water rights to get the \$15,000,000.00 to put the improvements in so they can do what is necessary now. They have already invested \$1,800,000.00 to put a water line to the Minden airport. They have already put in \$500,000.00 in the streets of Minden. They have already hooked up 2 of their wells that can go 7500 Gallons per minute, with no problems at all.

Bob stated that at their next meeting, Town of Minden will decide on a contract to drill 2 new test wells. As soon as they get money from selling water rights they will re-equip wells, drill brand new wells and put everything in place before the pipeline is complete. Bob commented the Town of Minden has been ready to go for 15 years on this project and it is essential that everyone understands that the Town of Minden is doing this because it is the right thing to. It protects the water rights of every water right holder in the Carson Valley.

Bob Hadfield commented regarding a question posed about water quality. Part of the water rate component being worked on is a small incremental charge that will be put aside in a special fund so should money will be set aside to deal with a regional treatment plant if needed in the future. Bob stated we are trying to figure this out with projections of use and to make sure we have covered every contingency. IHGID is a critical component of the whole plan. It will take all of us working together to get the critical mass that we need to make this happen. Carson City is critical also; they have a water supply that has uranium problems. Carson City owns water rights in Carson Valley and Town of Minden has agreed to pump that water to Carson City so that their peak demands can be met. This pipeline is being sized for summer peak demands and to be very efficient so as not to use electricity pushing water through the wrong size pipe. Bob stated that the figure of 65 cents is in the ball park. The more that is pumped; there will be economies of scale. It's the right thing to do and the right time to do it. By doing this now we can put people to work and we can get the best bid prices now. Bob stated that Town of Minden is anxious to be a partner and will follow all rules and regulations.

Public Comment: Carl Carter asked Bob Hadfield if the water quality will remain constant. Bob replied yes, he and engineers do, because of where the well field is. We are going to test a few wells. The well site at Bently headquarters is part of our system and it meets standards. Town of Minden wells are 400' deep and have water at 10'. The last well we redrilled went down 500'. As part of their standards, they vary the level of wells in case of contamination. The wells have proven quality and quantity. They have test pumped the wells to the maximum and never had a problem with quality.

Bill Moriarty asked for clarification of the Vidler Water Company component since they are a private company. Bob Hadfield replied that the Town of Minden plans to sell the water to Vidler. Vidler has expertise with the construction of improvements. Town of Minden needed a reliable purchaser of water to be able to put the improvements in.

- d. **Marty Johnson, Finance Advisor (Exhibit C):** Marty Johnson from JNA Consulting Group spoke regarding options for paying for whatever type of improvements IHGID chooses to do. He reviewed detail regarding General Obligation Revenue Bonds and Revenue Bonds that are used for financing in the state. The General Obligation Revenue Bonds can be issued without a vote.

Public Comment: Carl Ruschmeyer, Douglas County Public Works Director commented that this item is scheduled for action at the August 6, 2009 Board meeting of the Douglas County Commissioners to move forward with this project. Carl requested either a letter of support or having an IHGID board member in attendance at the meeting to show support. Douglas County will be meeting with IHGID regarding a schedule to meet NDEP compliance. The concept is Minden will wholesale to Douglas County and Douglas County will have contracts with users downstream. Town of Minden is in the process of developing a rate structure that includes depreciation, overhead and operations. Douglas County will then have a rate component added for downstream users. The rate will be cost of service based for the cost of the pipeline and depreciation. There is no firm number. Rough numbers may be 10-20 cents. Diane Humble asked if the rate is 60-65 cents, is this another 10-20 cents added on top. Carl Ruschmeyer replied yes, Douglas County will purchase water from Town of Minden at a wholesale cost and in turn will charge for the cost to get the water to users.

Kathryn Clark-Ross asked if money has been put aside for arsenic treatment. General Manager Taylor stated we will still have to go out for a bond to complete Phase 1.

Chairperson Humble motioned to approve proceeding with making a connection to the future water supply pipeline coming from Douglas County. Trustee Lynch seconded. Motion carried unanimously.

Recess 7:15 PM

Reconvened 7:23 PM

7. **Discussion only regarding introduction of new Board member Ronny Lynch to the Board and residents of Indian Hills. Statement by Ronny Lynch of his ideas on the present and future direction of the District. No Public Comment:** Trustee Lynch read four statements that were provided in the Board packet.
8. **Discussion only regarding introduction of Board member Dianne Humble to the Board and residents of Indian Hills. Statement by Dianne Humble of what she would like to see for the District, why she ran for office, what she saw prior and how it is different now. No Public Comment: (Exhibit D)** Chairperson Humble read a statement aloud.
9. **Reports to the Board:**

- a. **General Manager's Report (Exhibit E):** General Manager Jim Taylor reviewed his reports to the Board. Jim reported he will look at the Manhard figures and money in the bank to report to the Board next month how we will go forward with the pipeline. Jim commented we are responsible for the pipeline from our front door to the pipeline location across the River. After the Board decision tonight, Jim will go forward with right of ways needed for the pipeline connection. Jim commented we will have to raise the base rate. He looked at 11 different communities that range from \$40.50 down to \$6.39 base rate. IHGID base rate is \$6.39, the lowest of the communities. Jim stated IHGID pays \$17,000.00 per month for electric with 71 percent of that going for water pumping, treating, etc. June, 2009 electric bill was \$12,000.00. We should see a savings to this amount when IHGID hooks up to the pipeline. Chairperson Humble asked if Jim had checked out windmills. Jim replied no, that windmills would be a problem because we'd need so many. Jim commented that solar panels would be the best way to go. He has been talking to suppliers of solar panels to find out cost. For every 30kw of solar panels we put in we can get refunded \$138,000.00 back from Nevada Energy, which is more than half of their cost. Jim stated a site by the wastewater treatment plant is an ideal situation since the hill there faces south. Vice Chairperson Pierini asked for more information on a meeting between Jim Taylor and Sandra Wendel, Landscape Architect regarding Valley Vista Park. Jim replied that Sandra brought several prints of the park showing space use. Sandra took comments from IHGID on what we can supply. Valley Vista Park is going forward and at the end of July there will be grading work started. Vice Chairman Pierini asked if a low boy trailer had been purchased. General Manager Taylor replied yes, it has been purchased and is being used.

Trustee Lau questioned a Memo from Andy Joyner, Wastewater Supervisor regarding getting back to discuss the sludge dewatering issue. General Manager Taylor said this morning there was a belt press demonstration which takes the wastewater and presses water out of it. A proposal will be sent to IHGID from the company. Jim would like to look at one more press at Incline Village. Jim has been talking to the state regarding money available from the state for this project.

Public Comment: Art Baer commented that the Board had voted on changing the watering of the park ball field to using the nitrate well. He asked if this was still going to happen. General Manager Jim Taylor replied yes, there is a meter being read for two weeks to size the tank that will be needed. The tank will be purchased or moved to the site.

- b. **District Analyst-Community & H.R. Report:**
General Manger Taylor commented that the payroll report shows several hours of overtime for Browns well. This is an issue that will go away.
- c. **District Accountant Report:** Stacie Hunter reported she has been working on closing out the year and getting read for the auditors to come in a couple of months. Vice Chairperson Pierini asked about bonds the District is responsible for and how much is left of the \$2,000,000.00 bond. Secretary/Treasurer Patrick commented that yes there is money available but as far as he knows, the money is spoken for to dewatering and not to arsenic. The bond was stated as site specific for particular projects. Engineer Brian Randall commented

he does not know the limitations of the bond. Stacie commented on the three cash balances in the investment pool of \$1,135,000.00 which is all the bonds we have. Some of this money is not available to spend on actual projects and is only available to repay debt.

Public Comment: Art Baer commented that for every bond that is written, 10 percent of the bond is held in your bank account but you can't use it. This is to be sure you make your last payment.

d. Engineer Report

Brian Randall commented regarding Valley Vista Park. RCI is sub-consulting to Sandra Wendell, Landscape Architect. RCI is doing the civil side such as grading and utilities. Brian understands that the preliminary plans are done. Brian forewarned the Board that there will probably be no dirt moving by end of this month. Valley Vista Park still needs the County's blessing. Douglas County Parks will insist on being a part of this. Sandra will sit down with County staff to be sure the plans meet the County requirements before the work is ready to be put out to bid. Brian recommended that grass and plants be planted after the heat of summer. He estimated that the park won't be done this summer but probably next spring can be made available for public use.

Brian commented on the easement issue on the pipeline. Brian voiced his opinion that the Board made the proper decision tonight for the future of the District and the cost of water service to the District. Brian recommended going forward with the pipeline. He commented that the state will be very appreciative of the IHGID participation in the pipeline. The state will do everything they can to work with IHGID on the schedule or adjustments to it. Brian mentioned issues for IHGID in getting our portion of the pipeline in place for connection. IHGID will need to obtain authorization for crossing private property, crossing the highway and the river before the pipeline can be put in the ground. IHGID is responsible for permitting, funding, design and construction bidding of our portion of the pipeline to be put in place for connection. Brian suggested IHGID stay focused and get going on this project to be ready to connect as soon as Douglas County has their pipeline extension completed.

Brian Randall reported he was contacted yesterday by NDEP regarding sludge dewatering. NDEP is anticipating there may be stimulus money available specifically to IHGID for green power projects. Solar power for sludge dewatering may be the type of project NDEP is looking for. RCI provided to General Manager Taylor a rough draft of the Stormwater Management System Plan for IHGID to comply with NDEP requirements. Douglas County is doing the mapping and RCI provided the data for the mapping.

- e. Attorney Report:** Attorney Scott Brooke reported he has been working with General Manager Jim Taylor on personnel matters and contracts. Scott stated he concurs with the recommendation for the pipeline. Scott suggested the Board form a negotiation team made up of a Board member, General Manager, Engineer Brian Randall and an Attorney to negotiate serious issues regarding the pipeline. Chairperson Humble asked for this item to be placed on the next Board meeting agenda.

- 10. Discussion and possible action on approval of Draft Minutes for the June 17, 2009 Board Meeting:** Chairperson Humble asked for a correction on page 1, item 5a. to state that one lowboy trailer has already been taken to auction.

Chairperson Humble motioned to accept the Draft Minutes for the June 17, 2009 Board Meeting with the correction. Vice Chairperson Pierini seconded. Motion carried unanimously.

11. Chairman and Trustees Reports, Correspondence:

Trustee Ronny Lynch asked Scott Brook what a majority vote is at Board meetings with only 3 Board members present. Attorney Scott Brooke replied that with three members present the Board can take no action unless all 3 members vote aye. The vote must be 3-0.

Trustee Lynch requested an Agenda Item for the August Board Meeting regarding a proposal for IHGID trustees to use the Douglas County Commission Resolution No. 2009R-033 as a model for conducting meetings and related functions.

12. Adjournment:

Chairperson Humble motioned to adjourn the meeting. Trustee Lynch seconded. Motion carried unanimously. Meeting adjourned at 8:02 P.M.

FINAL APPROVED MINUTES AS PRESENTED

**Secretary/Treasurer
Brian Patrick**