

**Minutes
Indian Hills General Improvement District
Board of Trustees Meeting
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
October 21, 2020
Regular Board Meeting 6:00 P.M.**

Trustees Present: Trustee Bill Eisele

Trustees Present via Zoom Meeting: Chairman Chris Johnson, Vice Chairman Robert Garcia, Secretary/Treasurer Ronny Lynch and Trustee Clark-Ross.

Trustees Absent: none

Staff Present: General Manager John Lufrano and Administrative Services Supervisor/Human Resources Brooke Thompson.

Staff Present via Zoom Meeting: none

Others Present: District Counsel Chuck Zumpft.

Others Present via Zoom Meeting: Residents Kendra Wilson and Russ Seigman.

6:00P.M. - Regular Meeting

- 1. Call to Order**
Request that Cell Phones and Pagers be turned off for recording purposes.
Chairman Johnson called the closed session meeting to order at 6:00PM.
- 2. Pledge of Allegiance:** Led by Chairman Johnson.
- 3. Public Interest Comment:** Resident Kendra Wilson stated that she lives in Indian Hills and her office is in Indian Hills, her house is on Somerset, and her office is the Edward Jones office that is in the same building as the Quail Ridge Animal Hospital. Kendra stated that she loves Indian Hills, she loves her neighbors, and she loves how close we are to the outdoor space. Kendra stated that she has news that has her wanting to talk about ways to make our community even better. Kendra stated that she is recently engaged, her boyfriend lives in Reno and they are trying to figure out where to set roots and grow their family after they get married. One thing that is mandatory for both of them is a bike park. There are bike parks in Reno, and she has been really having to fight to get him to move to Indian Hills if we do not have a bike park. Kendra stated that she wants to talk to the Board about what a bike park looks like and the benefits of a bike park and how it could be good for our community. A neighborhood bike park could look like a loop, a very mellow bike loop, she would also

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recommend that there be a strider or kids' area with bumps. There should also be an area with small jumps, medium jumps, and large jumps. Kendra stated that there are a bunch of bike parks in the surrounding areas, there is one in Gardnerville off Mitch Drive, Bijou bike park in South Lake Tahoe, Truckee's got a great bike park, Reno has a few, Sierra Vista is the new one, that is the old Northgate Golf Course and one in Sun Valley but we do not have one in Carson. Indian Hills has the great space that would be so great for a bike park. At these bike parks, if you have never been to one, they are great family areas because everyone in the family can enjoy it. Her nephews who are one and two love it, she rides the bike park, it is good for the whole family and with the different areas she thinks it is even better than a skate park. It could serve more people than a skate park could serve.

Chairman Johnson stated since this is public interest comment you are limited to three minutes and the Board cannot discuss anything during this time. He recommends that Kendra agendize this item for the next meeting so she can actually present it to the Board, and they can discuss it, and come up with a plan. Kendra stated ok very good, how does she get this on the agenda. Chairman Johnson stated call John or Brooke at the office, or a Board member can get it on the agenda. Kendra stated ok great, that is all for today then. General Manager John Lufrano stated that he and Kendra have spoken at one point regarding this, he thinks it is a worthwhile item to have further discussions on. Chairman Johnson stated thank you Kendra he appreciates your input. Resident Kendra Wilson stated that you for letting her start the conversation.

4. Approval of Agenda

Chairman Johnson motioned to approve the agenda. Trustee Clark-Ross seconded. Motion carried unanimously.

- 5. Discussion and possible action to approve a proposal from Thompson Garage Doors in the amount of \$11,744.30 for replacement of the water plant north rolling steel door.** General Manager John Lufrano stated that you have an estimate from Thompson Garage Doors to repair the north door, we repaired the south door last budget cycle, after that the north door fell off the tracks, the guys fixed it thinking that it would hold. About a month ago it fell off again, at that point John asked Matt to get ahold of Thompson Garage Doors who did the first one and get a quote to replace that door. There are other issues with it, the door now is a residential garage door, we want to go with a commercial door, that rolls up. The reason for that is, one it is a safer door, two the door now if the heaters are on the door when rolled up blocks the heaters. John stated the funding for this \$11,744.30 is the USDA O&M set aside fund that we were required to start setting aside for when we took out the loan for water. This falls under the O&M so we have that money, we have about \$120,000 sitting in that fund. John stated that we are not adding to that fund anymore, USDA does not require that anymore so we are trying to spend that money, it will not come out of operational money. John stated that he would have preferred to do this at budget time, but this happened after the budget had been submitted so he has to do it this way.

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Secretary/Treasurer Lynch stated that he has no problem with it, we need it and there is money available for it.

Trustee Clark-Ross stated that we have to have it, she likes Thompson Garage Doors, they have done a good job for her and recommends them.

Trustee Eisele stated that he thinks that Thompson are the only ones that handle this type of big steel roll up door anyways, everyone else is residential garage doors. Bill stated that he has no issues.

Vice Chairman Garcia stated that it is also a safety issue we need to address, and we should not delay when we have an issue that could affect the safety of our employees.

Public comment: none

Board of Trustees further discussion/comment: none

Chairman Johnson motioned to approve a proposal from Thompson Garage Doors in the amount of \$11,744.30 for replacement of the water plant north rolling steel door and to fund it from the USDA O & M fund. Trustee Eisele seconded. Motion carried unanimously.

6. Discussion only regarding COVID-19 related suspension of shut offs due to non-payment and when to resume the shut off process.

General Manager John Lufrano stated he believes everyone is aware that when the Governor gave that directive, we had already started the process in late March to suspend shut offs. John stated what he wants to do is start working from April 1st as a start date. So, the discussion needed at the Board level is when do we go back to our policy for shut offs due to nonpayment. We have been bouncing around the office, possibly the idea of ride out until the end of this year the suspension of shut offs, so give these residents a few more months to get their affairs in order. Then maybe we start effective January 1, 2021, take the balance due. The past due balances are all over the place right now some residents have \$200 balances and some \$1,000, some that have paid a portion of and others have paid nothing. Therefore we see some substantial balances, the thinking is, if we say we have given you nine months, from April 1-December 31 if we take that balance on the books that we have not been charging interest or fees on, take that balance and divide it by nine months giving them a minimum amount they have to pay each month, along with their regular monthly bill. We like this option more, tell them they have nine months to pay the COVID balance off, it might be that they can pay a larger amount a few months or they cannot afford anything one month. We do not care as long as they pay the COVID balance off within the nine months while maintaining the monthly bill. At the end of the nine months most should be caught up, if not we look at putting them in the shut off rotation and revert back to what our policy reads, which is you have to pay at least half now and you have 14 days to bring the account to a zero balance to avoid being shut off. That is the biggest push in the office, but he would like to hear from the Board. We realize that there are people out there hurting, we have given everybody a fair amount of time, do we want to start now or go to the end of the year. He would like to hear from the Board, the public, and then Chuck if you think we have any legal issues that we have to address he certainly would like to hear that.

Secretary/Treasurer Lynch stated how much past due do we have on the books. General Manager John Lufrano stated yes, we have about 70 residents and approximately \$35,000 past due.

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Secretary/Treasurer Lynch stated that he likes John's solution if he understands correctly, John you are saying after December they have nine months to pay back the money plus the monthly fee. General Manager John Lufrano stated that is correct. Secretary/Treasurer Lynch stated that he thinks we are going to have to play this by ear because we are living in troubled times and he does not think the economy will come around for a while. They say we should get the Country rolling but the legislatures in Washington DC are balking at it. Secretary/Treasurer Lynch stated that these people do not have money coming in, he knows that it is costing us money, but he feels bad for these people.

Trustee Clark-Ross stated that she disagrees about that, people that have been out of work are getting unemployment and stimulus checks so it seems like they could try to pay. Kathryn stated that they should pay, she is worried that people will think they do not have to pay this back and that it is a free ride. That is harmful, give them too much rope, they will hang themselves. Then we will be liable. General Manager John Lufrano stated we recover our funds through escrow. Trustee Clark-Ross stated ok, she likes the plan, she prefers we start right away but is fine with waiting until January, we need to do it though.

Trustee Eisele stated that he thinks John's plan is great we should start at the beginning of the year. Bill stated that we should put out a letter with lots of details of how it will work so everyone understands. Bill stated that is important. General Manager John Lufrano stated that we will and some procedural things he and Brooke have come up with is, cold call all of the past due residents, send a reminder insert in with the bill and send a certified letter to them. This will give them a heads up that this is coming in January. He wanted to make sure the Board knows that staff is discussing that as well.

Vice Chairman Garcia stated that he thinks it is reasonable and a compassionate response. Giving these folks who have delayed their payments for the last several months the same amount of time to repay is great. Robert stated it is important to remind them that we have every right to call the entire balance due at one time, and that what we are doing is a courtesy that the District is extending to them. Whether or not we start January 1st or now, he just does not have any idea of how many people just did not pay and held on to their money to see what happens. The federal government is not stepping forward and saying we will help so you can waive the balances for people and Nevada is not either. Robert stated in some ways it is important to indicate that the balance is due and payable now that the freeze has been lifted so this is a courtesy, and we are willing to work with them. Robert stated with the payment plan those that have been holding back and can pay will pay and those that cannot pay will call the District to make payment arrangements. Those are his thoughts.

Chairman Johnson stated Robert he could not agree more. Chris stated that we have discussed a lot about different scenarios, that really is not in our jurisdiction, we are supposed to be fiscally responsible for the District and represent the people in this District. In that same note we cannot say what if this happens or that happens, we cannot stop that. The governor did put a moratorium on evictions and late fees but that ended in July. Chris stated that he did the same thing at the airport, they suspended late fees until August, anyone who could not make rent did not get late fees until August. Chris stated that he would like to see that same thing here, we are suspending shut offs, late fees will start again on the monthly amount, the rears will not accrue a late fee but they will be required to pay it back in the set time. Chairman Johnson stated that he likes John's plan, but his concern is what happens when someone in February does not pay their water bill.

General Manager John Lufrano stated starting January 1st it reverts back to the shut off policy.

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Chairman Johnson stated the point he is making is, the amount in the rears will have to be a separate bill or item because there is a 10% late fee and that should only be applied on current bills not the past due.

General Manager John Lufrano stated yes we talked about that, if we give them the nine months to repay, starting January 1st, his question is at the end of nine months what are we doing with the accounts that are not paid in full, are we putting them in the queue as late and then go into the procedure of shut off. If we do not put them into the shut off process, we just let it ride, at some point it has to get folded in. General Manager John Lufrano stated that he is hopeful that everyone realizes nine months is a heck of a grace period and all will pay it back. John stated and most people have paid something, maybe 10 people have paid nothing everyone else has paid something when they can. It is not a lot of people that are holding on to the larger balances.

Chairman Johnson stated in response to that we could put the policy in place that after the nine months there is a 10% late fee on the COVID amount.

General Manager John Lufrano stated if we fold that into the amount remember that the late fee is 10% the first month and 1.5% every month after that, so that language is in place in our policy already. John stated that he does not think we need to do an additional policy or anything because that language is already in place.

Chairman Johnson stated he agrees with what Robert was saying, there are lots of people having a hard time right now and he is sympathetic to that but on the same note he is also an employer who has not been able to fill a couple positions all year because people are making more on unemployment. It has been a problem for him, it is really hard. People apply for the job and then they just do not show up for interviews or they offer them the job and they decline. It is because people are getting great unemployment, he knows that unemployment stopped he believes at the end of July. Chris stated hopefully people are getting back to work and we start to see businesses pick up again soon. Chris stated that he likes the plan.

Vice Chairman Garcia stated Chuck we are within our rights to maintain this legally, to continue to waive the late fees on the COVID amount as long as they are keeping up with the payments and current bill. We have never waived anything before so he just wants to make sure that we are ok to do so and this would be an emergency onetime deal for this lifetime event.

Chairman Johnson stated exactly that is why he said we need to set a policy otherwise we are setting a precedent.

District Counsel Chuck Zumpft stated is it a deferral or a waiver. General Manager John Lufrano stated a deferral. District Counsel Chuck Zumpft stated yeah deferrals are ok he does not think you can waive it. The District has the discretion to defer it but not waive it.

Vice Chairman Garcia stated so the suspension is just to pay a temporary stay on the fees that are due, eventually they will have to pay it. There is nothing the government direction that tells us as part of the suspension that we have the leeway to be able to soften the blow by not taking late fees. District Counsel Chuck Zumpft stated that he is not aware of the authority that allows this District to waive the late fees. Vice Chairman Garcia stated ok that also needs to be stated, they need to understand that this is a courtesy not something that we are required to do and by law we are not allowed to waive any of the late fees. Robert stated the cold calling is good, that is an absolute compassionate response that is necessary to something like this that we have never had to deal with before. If we need help, he is willing to volunteer to help make calls.

Chairman Johnson stated so we don't have the power to waive the late fees, but do we have it in our power to defer the start time of those late fees. We have people that at this point are nine months behind if they get hit with 10% on that number that is significant. What is the largest one out there John.

General Manager John Lufrano stated about \$1,000.00. Chairman Johnson stated so that is a \$100 late fee on top of someone already having trouble, so can we defer the start of the late fees.

Vice Chairman Garcia stated that is the difficult position that we are in there is only so much we can do to help folks. We have an obligation, and we have to be good stewards and have laws we have to follow.

General Manager John Lufrano stated tracking late fees for the last seven or nine months will prove to be difficult to sort through, he doesn't even know how we can possibly do that especially with some people paying portions and others not paying anything. Chuck you do not think the board has the authority to say they are going to waive all late fees associated with COVID until January 1st and then we will start applying late fees. District Counsel Chuck Zumpft stated that he is not aware of the authority, he is not saying it is illegal, he is not saying that we don't have the authority, he is just saying that he is not aware of the authority to waive the late fee. The fees are established policies of the District, waive them and then you are deviating from your policy, he does not think that is appropriate. General Manager John Lufrano stated so then if the Board adopts a new policy for the COVID related expenses can they at that point say they are going to waive these fees until January 1st. District Counsel Chuck Zumpft stated that he is not prepared to say that the authority is there or not there. He can research it and see. Chairman Johnson stated lets also look into the governor's directive, he put the moratorium on evictions he is not sure what all that entails. There might be something in there that gives us the power to flex on this. That is something that we definitely need to address if we can.

General Manager John Lufrano stated it will prove to be difficult to sort through the 10% and 1.5%, he is not going to lie. If it is something, we can't do then we will figure it out and let everyone know that during the cold calling period that we are not allowed to waive any late fees associated with the COVID balance. John stated that he is just thinking through as we talk, which is why this is a discussion only. John stated Brooke had a question, in the past people have come to the board asking for late fees to be waived, the Board could have waived the late fees based on a vote so is it possible that we fall under that umbrella. If the Board was able to do it then maybe there is a mechanism in place to waive the late fees, the board did not vote to waive the late fees then. John stated part of the reason that he pushed this out to January 1st is because he figured there would be questions that we do not have answers for which will require some looking into. John stated that he appreciates the discussion tonight.

Trustee Clark-Ross stated the report that Brooke sent the board, we have been pretty generous to do this not everyone did this, and we did not have too. General Manager John Lufrano stated we did have too, but we did not have too as long as we did. Those agencies that chose not to, were not following the governor's directive. It is only a couple of them, and he does not know if they have gotten in trouble or not. For the most part everyone on the list did and just used a shorter window, there were only two that did not.

Public comment: Resident Kendra Wilson stated that she would hope that the late fees could be waived, and that people know that this will not be waived, they will have to pay it. The sooner they know this the better.

Board of Trustees further discussion/comment: Chairman Johnson stated, again he would like us to look into the governor's directive, there might be something in there that gives us the power to flex on this. He does not know, but we should look into it.

General Manager John Lufrano stated to recap, set aside any issues that Chuck brought up in waiving the late fees. Starting January 1st is an ok date to start this nine-month period, is what he heard from everybody. John stated that he threw out there two options, one take the balance and divide it by the nine months and give them a minimum amount they have to pay plus the current bill or just give them nine months to pay the balance we don't care how much they pay each month as long as it is paid off by the end of the nine months. Does anyone have a preference, he would like a feel from the Board. Chairman Johnson stated splitting it into equal payments is better for budgeting, also this will drag us into next fiscal year, should we do six months.

General Manager John Lufrano stated funny you asked that, he talked to Stacie, she said it will not have any effect if we do the nine months, it does not matter either way.

Secretary/Treasurer Lynch stated offer them both options. General Manager John Lufrano stated yes, we could, if option a is a set amount and option b is pay whatever you want they will go with option b. Chairman Johnson stated that he thinks it would behoove us to keep it uniform, so that it is the same across the board. Vice Chairman Garcia stated yes it needs to be the same for all and we need to set that expectation.

General Manager John Lufrano stated so what happens if they don't make a payment, we have given them nine months to make those payments, so if in month 3 they don't make a payment are they going into the shut off que. That was the issue of why we kind of went with just give them nine months to pay off the balance. That was a problem talking through this at the staff level.

Chairman Johnson stated that he is honestly good either way, he just thinks we need to choose one path and keep it that way. Do not give them the option, we do not want to present an uneven playing field.

General Manager John Lufrano stated he prefers that, again he likes black and white, gray poses problems. He would prefer we pick one or the other and stick with it. John stated that he will come back to the board with something more permanent in November to make sure everyone is on the same page and knows what is going on.

Trustee Clark-Ross stated that she likes payments because we will know right off the top the committed ones, the longer it is strung out it is bad for the resident and us.

General Manager John Lufrano stated Kathryn you understand that if a person that does not make the payment in month two, they will go into the shut off que. Trustee Clark-Ross stated yes, I understand that.

Vice Chairman Garcia stated if they do not make that second payment then we can build something in the policy maybe. If they call in maybe, we can make arrangements with them. Some might be waiting for a check to come in, we can give them some contact information for resources that might be able to help them pay their bill.

Chairman Johnson stated that being said, the State and Douglas County got a lot of grant money, Indian Hills might be able to get some money to offset the lost revenue from the fees and bills.

General Manager John Lufrano stated yes, we give that out now to residents. If that is available, he would prefer that the residents seek that out on an individual basis. If the County has some funds available and they are sitting on a pocket of money he would love to send residents in that direction. Trustee Eisele stated we always have a certain amount of people who do not pay their bills even without a pandemic, those are the same people that won't pay the bill and the ladies in the office still have to deal with it.

7. Reports to the Board:

a. General Manager Report

General Manager John Lufrano reviewed his report with the Board.

Chairman Johnson stated that he is happy to see that we filled those two positions. General Manager John Lufrano stated as are we. Trustee Clark-Ross stated the new girl Miranda is nice.

1. Administrative

General Manager John Lufrano reviewed the Administrative report with the Board.

2. Water

General Manager John Lufrano reviewed the Water report with the Board.

3. Wastewater

General Manager John Lufrano reviewed the Wastewater report with the Board.

b. District Accountant Report

General Manager John Lufrano reviewed the Accountant report with the Board.

c. Engineer Report

District Engineer Tim Russell stated that he has nothing significant to report, the typical random stuff that comes up with John and the guys. Tim stated that the sealing project is done, we are close to issuing final payment for that. Douglas County is looking to start reconstructing their portion of Plymouth drive basically from the end of our project south. They just sent us a schedule today, it will be interesting to see if they will be able to meet their schedule. They are scheduling paving in December. There are some drainage issues and then they will repave from the end of our project to Hobo.

Chairman Johnson stated Tim do you think they will pave in December. District Engineer Tim Russell stated no he does not. General Manager John Lufrano stated, and it is the third week of December that they have on the schedule, we will see what happens. District Engineer Tim Russell stated it will be interesting.

d. Attorney Report

District Counsel Chuck Zumpft stated that he has nothing to report. Chuck stated that he now has a project to get with John on, he will advise the board next month. Chairman Johnson stated that he appreciates it, this year has introduced a lot of new projects and things to think about.

Public comment: none

Board of Trustees further discussion/comment: none

8. Chairman and Trustees Reports, Correspondence

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.

Chairman Johnson requested that we place an item on the next agenda for Kendra to present the bike park.

9. Discussion and possible action to approve Draft Minutes from the September 16, 2020 Board Meeting.

Chairman Johnson motioned to approve Draft Minutes from the September 16, 2020 Board Meeting. Trustee Eisele seconded. Motion carried unanimously.

10. Adjournment

Chairman Johnson motioned to adjourn the meeting. Trustee Eisele seconded. Motion passed unanimously.

Meeting adjourned at 6:59P.M.

FINAL APPROVED MINUTES AS PRESENTED

**Secretary/Treasurer
Ronny Lynch**