

**Minutes**  
**Indian Hills General Improvement District**  
**Board of Trustees Meeting**  
**District Office**  
**3394 James Lee Park Rd. #A**  
**Carson City, NV 89705**  
**May 16, 2013**  
**6:00 P.M. Public Hearing and Regular Meeting**

**Trustees Present:** Chairman Brian Patrick, Vice Chairman Chris Johnson, Secretary/Treasurer Bill Eisele, Trustee Denise Pierini and Trustee Ronny Lynch.

**Staff Present:** General Manager John Lufrano, Administrative Assistant Brooke Thompson and Accountant Stacie Cobb.

**Others Present:** Engineer Tim Russell, Attorney Scott Brooke and Resident Penni Eisele.

**1. Call to Order**

Chairman Patrick called the Regular meeting to order at 5:58 P.M. Chairman Patrick requested that all cell phones and pagers be turned off for recording purposes.

**2. Pledge of Allegiance:** Led by Trustee Pierini.

**3. Approval of Agenda – Chairman**

*Trustee Pierini motioned to approve the agenda. Vice Chairman Johnson Seconded. Motion passed unanimously.*

**4. Public Interest Comment: none**

**5. Public Hearing on the previously adopted Tentative Budget for the District for next Fiscal Year 2013-2014, and including adoption of a Final Budget for Fiscal Year 2013-14 with direction to the General Manager to have the adopted Final Budget for FY 2013-14 prepared on the appropriate forms and timely submitted to the State Department of Taxation.**

General Manager John Lufrano explained that this is the third viewing of the budget and there have been very few changes since last month.

Trustee Lynch stated that there was mention of needing to replace meters and wants to make sure that it is in the budget. General Manager stated there are monies in there but it will not all be done at once.

Secretary/ Treasurer Eisele asked what the changes were. General Manager John Lufrano stated that in anticipation of District Attorney Scott Brooke's agenda item they bumped up the professional services line item and left the sludge hauling trailer in there.

Trustee Denise stated that she is very impressed and was thankful for the extra column put in the budget.

**Public Interest Comment: none**

*Trustee Pierini motioned to adopt the Final Budget for Fiscal Year 2013-14 with direction to the General Manager to have the adopted Final Budget for FY 2013-14 prepared on the appropriate forms and timely submitted to the State Department of Taxation. Seconded by Secretary/Treasurer Eisele. Motion passed unanimously.*

**6. Discussion and possible action to allow District staff to request the use of remaining USDA loan funds for the purchase of a trailer for hauling sludge from the wastewater plant for disposal.**

General Manager John Lufrano explained that we have the opportunity to use the USDA funds to purchase the trailer that we had budgeted for in the Sewer department. USDA has given us the ok to use the loan funds to purchase the sludge hauling trailer if we chose to.

Secretary/Treasurer Eisele stated he thinks it would be cheaper in the long run to tie this into the loan and not use our money for this.

Trustee Lynch asked General Manager John Lufrano what he would prefer to do. General Manager John Lufrano stated he would prefer to put it into the loan and keep the money we have for something else.

Vice Chairman Johnson stated he thinks we should put it into the loan.

Chairman Patrick stated that we have the money budgeted but if something breaks we may need that money so he would like to tie it into the loan as well.

*Secretary/Treasurer Eisele motioned to use the remaining USDA loan funds for the purchase of a trailer for hauling sludge from the wastewater plant for disposal. Trustee Lynch Seconded. Motion passed unanimously.*

**Public Interest Comment:**

**7. Discussion and possible action to approve a three year agreement for Legal Services with Brooke, Shaw & Zumpft.**

District Attorney stated that this is a simple proposal he thought it made sense to make a commitment on both sides. It is a little bit of an increase on the monetary commitment. He thinks the District is in better condition now that it has been in a number of years in terms of the way it is operating and running. He would be happy to include in the retainer agreement all administrative matters because he is pretty confident that things will be running more smoothly. He found the need to increase the retainer fee as it has not been increased in many years. He wants to continue to represent the District if the District wants to continue the relationship.

District General Manager John Lufrano stated that in 2009 Mr. Brooke was asked to lower the retainer fee then it went from \$3,000 to \$2,200 so we have been working on that for

three years now. I agree with Scott that things outside of the retainer are not there anymore and he is encouraged to see Scott handle that dialogue in the retainer. I am happy with a three year contract. Once we get a few things handled this year it will mellow out a great deal.

Trustee Lynch stated that there are times that we have to take things to Pool Pact who determines when we go to them.

District Attorney Scott Brooke stated that is correct the District has an insurance policy with Pool Pact as a deductible. When you get sued and if it is covered it is typically tendered to Pool Pact. If it is a minor matter it wouldn't be worth it to go through Pool Pact. The current pending litigation is handled by Pool Pact because you pay for insurance and I assist the Pool Pact attorney which I have been doing.

District General Manager stated he will first call Scott who will direct him to use Pool Pact or not.

Trustee Lynch stated that his only concern is that Board members were talking to you a lot in the past that I think that is not the thing to do. I wish there was a process for the Board to take things to Scott.

Chairman Patrick stated that he thinks in the last year and a half Scott has been used a lot more than in the past.

Secretary/Treasurer Eisele stated that the day to day issues are what Scott mostly handles and he thinks he has done a great job. He does not see the Board being an issue.

Trustee Pierini asked what the current hourly rate is as the proposed is \$220. District Attorney Scott Brooke stated it is currently \$200 per hour. Trustee Pierini stated that this is a 39% increase. District Attorney Scott Brooke stated it is not quite that high. Chairman Patrick stated that yes it is an increase. I had John check into other District's and we are in the ballpark of where everyone else is. Scott did us a favor by holding his fees down in 2009. In the four years that have gone by we have seen due diligence and we are getting what we pay for. It is an increase but it is an increase back to where he was.

Trustee Pierini stated that she appreciates the job Scott has done for the District she knows he is loyal and that he is worth it. She feels that every meeting the Board directs the General Manager to save, save, save and she doesn't feel like she can then explain an increase for the Attorney. She also asked John for other entities fees and it is about 50/50.

Chairman Patrick stated that Scott is going to include everything in the retainer fee and there will be no hourly rate. District Attorney Scott Brooke stated on page twenty number one he took out all administrative legislative proceedings, litigation is so uncertain he will leave it in there but litigation is almost always handled by Pool Pact. The \$3,000 monthly retainer fee will cover everything for the District.

Trustee Pierini stated that the only projects in the works are the ski pond agreement and the golf course agreement and we use Charles Cockerill for the union negotiations. I cannot rightfully tell the staff reduce, reduce, reduce and then approve an increase. I personally am in favor of keeping it the same.

Secretary/Treasurer Eisele stated there are things he can do that we cannot do.

Vice Chairman Johnson stated that in 2009 it was dropped to the \$2,200 and now we are taking it to the same \$3,000 and there will be no hourly fee so we are not even taking it back to where it was. Do you believe we can get the same service for the same cost?

Trustee Perini stated that Minden just recently hired an Attorney out of Carson. General Manager John Lufrano stated they do not have a retainer. It is \$250.00 per meeting and an hourly rate for all other matters.

Trustee Lynch asked how long Scott has been representing the District. District Attorney Scott Brooke stated ten years. Trustee Lynch stated that you have to look at the experience that this man has with the District. I am willing to pay more for more experience and great work. I think it is worth it.

Chairman Patrick stated that in 2003 he was billing us \$150 per hour then it went to \$190 per hour. I assume part of the reason for the retainer is to cut our costs to begin with. I feel very strongly about the length of service we have had with Mr. Brooke.

Trustee Pierini stated that she is in favor of a year to year contract not a three year contract.

*Trustee Lynch motioned to approve a three year agreement for Legal Services with Brooke, Shaw & Zumpft taking the monthly retainer fee from \$2,200 per month to \$3,000 per month. Secretary Treasurer Eisele Seconded. Motion carried. 4-0, 4 ayes, Trustee Pierini abstained from voting.*

*Trustee Pierini amended the motion to be a year to year contract. No second, motion fails.*

**Public Interest Comment: none**

**8. Discussion only to consider amending the Parks Policy to not charge residents for facility use.**

General Manager John Lufrano stated that several residents have brought this to our attention as something to consider. I am looking for your thoughts on this. Do I spend more time researching this. We are looking at not charging residents the hourly rate but we would still charge a deposit. The thought was to give back a little something; we do not generate a lot of money on this now.

Secretary/ Treasurer Eisele stated that we still have to maintain and clean up and there are costs associated with this. I would keep it the way it is.

Vice Chairman Johnson stated that the deposit is refundable. If someone reserves the gazebo and leaves garbage keep the deposit if they leave the property the way they found it give it back.

Trustee Pierini stated that she is in favor of leaving it the way it is.

Trustee Lynch stated he thinks it is very fair. We should cut some slack and as long as we have the deposit. I like it; it seems like a fair deal to not charge residents for facility use.

Chairman Patrick stated he is fine with the whole concept of just a refundable deposit. I don't think we should allow anyone to sell alcohol here. Would the tournament fees remain the same and what about the tennis court fees. General Manager John Lufrano stated that yes the tennis court fee and gazebo fee is all we have considered.

Trustee Lynch stated that he would like General Manager John Lufrano to bring this back to the Board.

**Public Interest Comment: none**

**9. Discussion and possible action to pass a Resolution of Acceptance in regards to the Sludge Dewatering Project.**

District Engineer Tim Russell stated that the project is done with the exception of some SCADA communication items. This resolution is required by USDA to finish up the project. My recommendation would be to pass a resolution of acceptance of the sewer project subject to the completion of the SCADA improvements. The SCADA improvements are suppose to be done next week and I didn't want to wait until the next meeting to bring this to the Board.

Chairman Patrick once we do this does this result in us being billed for the bond. General Manager John Lufrano stated that he and Stacie met with Marty Johnson yesterday to start that process.

*Vice Chairman Johnson motioned to pass a resolution of acceptance in regards to the Sludge Dewatering Project subject to the completion of the SCADA improvements. Secretary/ Treasurer Eisele Seconded. Motioned passed unanimously.*

**10. Reports to the Board:**

**a. General Manager Report**

District General Manager John Lufrano reviewed his report with the Board. General Manager John Lufrano stated that he would like to mention the Summer Kick-Off party is a month away and he is looking for people to help BBQ as the service clubs have fallen through.

Trustee Lynch asked about the green belt and the fire danger. If a fire started in this area who would be responsible for the damage to this area. General Manager John Lufrano stated that the property owner would be. Trustee Lynch asked District Attorney if the District has a responsibility to clean this up. District Attorney Scott Brooke stated the District would have some responsibility to clean up or maintain the drainage easement because it has a property right but by large the defensible space concern is the property owner's. The Fire Department would help enforce that, they have some jurisdiction as well. If it is a danger it needs to be addressed. I don't think the reasonableness requires the clearing of all vegetation. Maybe tour the area with a representative of the Fire District.

Chairman Patrick stated it may be worth it to talk to the Fire Department. General Manager John Lufrano stated yes but I can tell you Dale did that and the Fire Department told him there is nothing they can do, its private property.

District Attorney Scott Brooke stated that if the Fire department says hands off there is nothing they can do then that helps establish that the District has done what they can and you don't have any responsibility. You cannot protect others from the possibility of a fire.

Trustee Lynch stated that all we can do is advise people of the potential danger.

Trustee Pierini stated that a lot of those properties are steep and it is hard to get to. If you were to take an aerial view of the District that is not the only place in the District that is a fire danger. She thanked General Manager John Lufrano for applying for the small grant money.

### **Parks & Streets**

District General Manager John Lufrano reviewed the Parks and Streets report with the Board.

Chairman Patrick asked how soon the Board would get a proposal for a street repair. District Engineer stated probably at the July meeting. We will put it out for bid at the end of June and then award it in July at the meeting.

### **1. Water**

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

Trustee Lynch stated on page 32 the new meters would save money in the long run and brass meters are no longer ok. General Manager John Lufrano stated that we can collect a lot more data from these new meters. If we have a customer that says there is no way they used that much water we can go back and show them when they used the water. Trustee Lynch asked if there is a time frame to replace all the meters. General Manager John Lufrano stated as they go bad we will replace them.

Chairman Patrick stated that he gets the feeling that we have chronic people with this issue, is it worth our while to replace their meter. General Manager John Lufrano stated yes and only because it takes up so much staff time. Chairman Patrick asked if we charged for rereads. General Manager John Lufrano stated no not at this time but we will be bringing that to you next month. There has never been anything in writing so we stopped charging for rereads.

## **2. Wastewater**

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

Trustee Lynch asked what a transducer is. General Manager John Lufrano stated it picks up the level of the water as it rises inside a well when it hits a certain level it turns the pump off.

Trustee Pierini congratulated Andy on his appointment to the NWEA Certification Board.

### **b. District Accountant Report**

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

Chairman Patrick asked if the \$142,000 in money market is saved for looking at the pipes. General Manager John Lufrano stated yes.

Trustee Pierini stated that she has missed seeing the payroll reports and that she would like to see a report on depreciation. General Manager John Lufrano stated that the payroll report is supposed to be included and he will get it to them. He will get an update on the depreciation.

### **c. Engineer Report**

District Engineer Tim Russell stated that in the last month they have been finalizing the sludge project. It should be closed out in the next few weeks. He has been working on tabulating the water and sewer infrastructure so we know what we have and what we should be putting away to take care of it in the future. The County is moving forward they are half way through the construction of their booster station that will deliver water to Carson City. They are working on a slight increase on the wholesale water rates and we may see new interlocal agreements. He will be gone for the June Board meeting but Bruce Scott will be here.

Secretary/Treasurer Eisele asked how close we are at getting the SCADA improvements completed. District Engineer Tim Russell stated that within the next few weeks it should be completed.

Trustee Lynch asked if he do you anticipates the water rates to increase. District Engineer Tim Russell stated yes but there are a lot of factors that go into that.

Trustee Pierini asked if the SCADA that you are talking about is at Brown's well. District Engineer Tim Russell stated yes and with anticipation of Brown's Well going back to the owner this is something that has needed to be done.

**d. Attorney Report**

District Attorney Scott Brooke stated that we have offers out on the pending matters with the Golf Course but have not had a response back yet. Brown's well is in a similar situation we have a pending offer out but no word back yet. I am hopeful that this will put us on the path for some resolution. Their concern was the condition of the well and their lack of knowledge. There will be some agreements on the pipeline coming soon.

Secretary/Treasurer Eisele asked what responsibility we have for Brown's well and why is it taking so long. District Attorney Scott Brooke stated that we are trying to resolve the dispute and terminate the contract amicably and they want to know how it works. The first time we went out it didn't work very well at all. We are talking about a replacement pump. We have been billing them for the water since it started. We are going to put the well in a condition that they will accept. The agreement never stated anything about termination of the contract. They are trying to hang on us giving them our water rights which is not an option. They think this is some type of leverage. We will reach an agreement it is just been a lot harder than it should be. We are trying to avoid a fight with this. It is an old contract that was not written very well.

Trustee Pierini asked who wrote the agreement. District Attorney Scott Brooke stated that it was negotiated by Rick Gardner who is an attorney and one of the equity owner's of the ski pond and your private attorney Jeff Raebeck. I talked to Jeff Raebeck who said he would never have drafted something that left water rights to a private party. He is pretty confident in our position and apologizes that it is taking so long.

**11. Discussion and possible action to approve Draft Minutes from the April 10, 2013 and April 23, 2013 Board Meeting.**

Trustee Pierini stated in the closed session minutes is a closed session why does it show others present. Administrative Assistant Brooke Thompson stated that these are just from the open part of the meeting. I have to follow the agenda outline which includes the closed session part of the meeting. There are separate minutes for the closed personnel session meeting that are not made public.

*Trustee Pierini motioned to approve Draft Minutes from the April 10, 2013 Board Meeting. Vice Chairman Johnson Seconded. Motion carried unanimously.*

*Trustee Pierini motioned to approve Draft Minutes from the April 23, 2013 Board Meeting. Trustee Lynch Seconded. Motion carried. 4-0, 4 ayes, Vice Chairman Johnson abstained from voting as he was not present at the meeting.*

**12. Chairman and Trustees Reports, Correspondence.**

Vice Chairman Johnson stated that as you drive through the District there are several issues with code enforcements. He would like to schedule a meeting with John and the code enforcement guy. A lot of communities have a community trash day maybe we can do



this to help encourage people to clean up a little bit. He also thanked us for the flowers while he was in the hospital.

Secretary/Treasurer Eisele and Trustee Lynch both volunteered to help clean up the District if needed.

### **13. Adjournment**

*Secretary/Treasurer Eisele motioned to adjourn the meeting. Vice Chairman Johnson seconded. Motion passed unanimously.*

Meeting adjourned at 7:31 P.M.

**FINAL APPROVED MINUTES AS PRESENTED**

---

**Secretary/Treasurer  
Bill Eisele**