

**Minutes
Indian Hills General Improvement District
Board of Trustees Meeting
District Office
3394 James Lee Park Rd. #A
Carson City, NV 89705
June 19, 2013
6:00 P.M. 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 and Administrative Assistant Brooke Thompson.

Others Present: Engineer Bruce Scott, Attorney Scott Brooke, Jim Norton, Ann Wiswell, Kendra Follett and Residents Richard Leigh, Jan Fagnoli, Ralph Fagnoli, Art Baer, Dale Morlan and Ruth Rodway.

1. Call to Order

Chairman Patrick called the Regular meeting to order at 6:01 P.M. Chairman Patrick requested that all cell phones and pagers be turned off for recording purposes.

2. Pledge of Allegiance: Led by Trustee Lynch.

3. Approval of Agenda – Chairman

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

4. Public Interest Comment: Resident Kathryn Clark-Ross stated that the six trees that were removed from the back of Opalite and NDOT cut the water lines while doing some work. She would like some direction of who to call and what to do next. Chairman Patrick stated that the Board cannot discuss this matter now as it is not on the agenda, he advised her to contact General Manager John Lufrano after the Board meeting. General Manager John Lufrano stated he will go to Kathryn's house and talk to her about this.

5. Discussion and possible action regarding the District's policy coverage with Warren Reed Insurance.

Jim Norton with Warren Reed Insurance stated that they are a liaison to Nevada Public agency insurance pool with us tonight is Ann Wiswell who is the Risk Management Specialist with the pool. Mr. Norton stated that there is no bad news this year, no increase. He did some research and the District has been with the pool for twelve years. There is really nothing exciting about this renewal this year. I like to stress is the ongoing stability of the pool with pricing and coverage for instance this year there is no rate increase this year there is a 3% increase due to profit and loss across the board. Ann Wiswell stated that the pool looks at ways to broaden the coverage and one that has come up is Cyber Security identity theft. If someone hacks into your server they would get a lot of information about residents and employees and could potentially steal someone's identity. If that happened then the person would come after the District, this policy will cover and protect the District. The

Cyber security event and privacy response expense coverage. On the first page you will see what that personal information is what types of info someone would have to piece together in order to have personal identifiable information. The second page shows what defines a cyber security event. It is difficult to place a monetary amount on an event like this what typically happens is they offer two years of credit monitoring services which becomes a part of the privacy response expense that is covered here which covers up to \$500,000. The \$500,000 would cover the cost of providing the credit monitoring services and notifying people of a breach. The cyber security event coverage is a \$2,000,000 limit which covers the cost of services to have a security services expert to come in and determine the scope of the breach, what was accessed what was stolen and whether or not there was any malicious access, services and consultants for attorney's, services of a contractor and if necessary the services of a public relations consultant to respond to any type of media coverage. This has not increased your coverage at all.

Trustee Pierini stated that she is glad this was addressed tonight. How often do you monitor it or how do you find out there has been a breach.

Ann stated there are many ways, in your policies and procedures you should have a FACTA policy that has some red flags to look for. You can access the bulletin on FACTA on our website.

General Manager John Lufrano stated that the two grants the District just received were sent to Ann who approved them for us.

Jim Norton stated that all the recent improvements to the Sewer Plant have been updated on our policy.

Trustee Lynch stated that he 30 years ago he taught and employee of Warren Reeds and wants to make sure he can vote on this. District Attorney Scott Brooke stated you are fine and can vote on this.

Public Interest Comment: none

Trustee Pierini motioned to accept the District's renewal policy with Warren Reed Insurance for 2013-2014 Seconded by Secretary/Treasurer Eisele. Motion passed unanimously.

6. Discussion and possible action, consideration and approval of a Resolution of the Board of Trustees of the Indian Hills General Improvement District, Nevada, providing for the issuance of its Sewer Revenue Bond Series 2013, in the maximum aggregate principal amount of \$1,382,000; providing the form, terms and conditions thereof; and providing other matters relating thereto.

Kendra Follett stated she is with Sherman and Howard who is bond counsel to the District. This is the final step in the financing for the sewer project you have an outstanding interim debtor that you used to construct the project and USDA has an outstanding obligation to the District to fund up to \$1,512,000 you will only be financing \$1,382,000 with USDA. The interest rate is 3.375% for forty years it is expected to close in July and this money will be used to pay off the construction financing. As I understand it is substantially complete which is why USDA is willing to fund at this time. The resolution authorizes the form of the bond to be issued to USDA. It is a monthly repayment which is standard for USDA. USDA said

July 1st they will have new interest rates available which they will give you if it is lower than the 3.375%.

General Manager John Lufrano added that the projection is 2.75% at this point.

Trustee Pierini motioned to approve a Resolution of the Board of Trustees of the Indian Hills General Improvement District, Nevada, providing for the issuance of its Sewer Revenue Bond Series 2013, in the maximum aggregate principal amount of \$1,382,000; providing the form, terms and conditions thereof; and providing other matters relating thereto. Seconded by Vice Chairman Johnson. Motion passed unanimously.

Public Interest Comment: Resident Jahn Fagnoli asked if this is a new project or one that is already completed. Chairman Patrick stated that is it already complete, we upgraded the entire Sewer Treatment Plant.

Resident Richard Leigh stated a few months ago the District was talking about things getting stuck in the pumps has this issue been resolved? General Manager John Lufrano stated yes on the Sunridge side it has but I have an issue with another area in the District.

Recess at 6:24 P.M.

Reconvene at 6:34 P.M.

Chairman Patrick stated that this project has been a long time coming and he is thankful for everyone who has been involved and devoted themselves to this. He is thankful for the people who in many ways put there foot in the middle of it and came up with a solution.

7. Discussion and possible action to approve putting out to bid a contract to do crack repair in the Valley Vista area of the District, not to exceed \$15,000.

Chairman Patrick stated that over the last seven years the District has taken a small portion of funds and done small projects in the streets or sidewalks. The year before last we took care of 80 cracks in Sunridge. I am asking for \$15,000 to repair cracks in the Valley Vista area. This is only 5% of the big picture and plan the District has. This was exacerbated by resident Nick Muller who brought it to my attention that cracks in his area are egregious. They may not be the biggest cracks in the District but these little things may help to improve the worth of our neighborhood slowly. Part of our focus should be to begin to improve slowly the values of the people and places of Indian Hills.

Vice Chairman Johnson asked what the plan to repair these is. General Manager John Lufrano stated in the past our practice has been to have a contractor come in they will cut the asphalt out repack the base and then fill and compact with fresh asphalt. Approximately a year later we will come in and fill the cracks as the asphalt always cracks in this area due to the weather. The industry itself is finding out that the materials and mixes they are coming out with now are far better and more durable with more elasticity so they can move. So everyone knows in the winter the streets shrink the most in the summer is when they will expand. We tried to grind down the old asphalt and reuse it but they were not able to grind it up.

Secretary/Treasurer Eisele stated that he has a problem with Mr. Muller and his cracks he went up there with the General Manager and Chairman to talk to Mr. Muller. The first time he went to look at the cracks there was not a for sale sign and the next time he went there was a for sale sign. The other issue is we have much larger cracks in the District some are

eight inches wide and a foot deep. The ones by Mr. Muller's are an inch and a half at the widest and a quarter inch deep this is one of our best streets in the District based on the Engineer report that we spent a lot of money on.

Chairman Patrick stated that his only response to that is he is trying to spread the wealth a little bit.

Trustee Pierini asked how much he says we have saved to put into streets this year. General Manager about \$290,000 from what was carried over this budget and last year's budget. Trustee Pierini the reason she asked is because she wants the public to know what we spend annually on average. General Manager John Lufrano stated we spend about \$50,000 a year but to clarify last year we spent that on the ADA ramps as we have to comply with the new ADA accessible laws. With the Vista Grande project we also have to do more ADA ramps. Trustee Perini stated she wanted to give credit to our Engineer Tim Russell who uses a formula that the Army Corps of Engineers use and the street in question Silverado is rated at 81-100 which is an excellent condition. Looking at the map there are several other streets that are in worse condition. This is only part of the District the other section will be done soon. I along with Mr. Eisele would love nothing better than to fix all the roads but it is just not feasible. We have roads that are in extremely poor condition given that I cannot support this.

Chairman Patrick stated that he wants to take care of one area that has not had any help and the other part it to recognize that as we do this we are improving the value of the District. I am trying to spread it around within the District.

Secretary/Treasurer Eisele I agree but that is one of the best streets so let's pick another area that needs it more.

Vice Chairman Johnson stated that the cracks in question are very shallow. We have the equipment to do this right, why don't we crack seal this the cost to do it is minimal. General Manager John Lufrano stated that it has been sealed this year.

General Manager stated the procedure that we use now is any crack less than two inches we fill it, anything over two inches they suggest to cut and replace it. When we go crack seal that tar is over four hundred degrees we sand the crack ahead of time and then fill it with the tar. Inevitably the tar settles but the integrity of the crack that is sealed is there and that is all we are trying to achieve. Our focus is to seal the crack so water is not getting in it. We spend a lot of time crack sealing that area because the cracks are two inches or less.

Chairman Patrick stated that this is up to the board and if they choose not to do this then they can field the phone calls.

Secretary/ Treasurer Eisele stated that we just had this whole survey done by our engineer and they say there are worse cracks. I think we should spend the money on the really bad ones.

General Manager John Lufrano stated that the Engineer Tim Russell and himself have identified a major street project that we want to do which is Vista Grande from Mica all the way up to Valley Vista Park or as far as we can go. There are three components in that project one is we have extremely old water lines and if we are going to replace the street we

need to replace the water line first. The second is the ADA ramps when you redo a street you have no choice you have to redo the ADA ramps. The third is to do the actual asphalt work. Tim and I fear we need every dime we have which is the \$290,000 because the ADA ramps are very costly and we have some strange elevations up there that we need to try to blend. I fear spending any of that \$290,000 to band aid this is not the solution. If the Board came to me and said do something I would suggest fixing Parkview where there are a dozen cracks six inches or better because a quarter of our District uses that street to get to the mailboxes to me that would be a better choice to spend \$15,000 cause Mr. Muller's can be sealed. Maybe we wait until the Vista Grande project is done and see if we have any money left for another project.

Trustee Pierini stated the ADA ramps on Vista Grande and Coloma are patch work.

Trustee Lynch stated that it is a real problem that a lot of people don't understand what an Improvement District is. John and I decided to maybe explain in the next newsletter what an Improvement District is. We have some tough decisions to make and we need to be patience I don't think we should touch that money and go on with the plan that we have. I feel that John and his crew are trying to do the best they can with what they have.

Trustee Lynch motioned to approve putting out to bid a contract to do crack repair in the Valley Vista area of the District, not to exceed \$15,000. No second. Motion fails.

Public Interest Comment: Resident Jahn Fargnoli why was this study done on only half of the District and how long does it take to do the survey. General Manager John Lufrano stated we will be completing the other half and it takes about six months.

Resident Art Baer stated we just had our Engineers go out and do a survey and he suggests that we follow there recommendation.

Resident Ralph Fargnoli stated he was happy to see some of South Sunridge getting crack repair done but it seems they stopped in the middle of it when will the rest be done. General Manager John Lufrano stated that he cannot honesty say when it will be done he does not have the man power right now. He will get it done as soon as possible.

Resident Richard Leigh stated that the Sheriff's department has volunteers maybe you could use them to help with crack sealing. General Manager John Lufrano stated they need to be certified flaggers so that would not work but he has contacted a temp agency who has certified flaggers who are looking for work and he may utilize that service.

Secretary/Treasurer Eisele stated that the General Manger should let Mr. Muller know what the Board decided. Chairman Patrick stated that he would like someone from the Board to go with him.

District Engineer Bruce Scott stated that the District has started with the pavement improvement program is a great program but it takes a long time. If you stick with it, it does work very well. The District has come a long way. He encourages the Board to not lose sight of the plan they have

8. Discussion and possible action to approve an agreement with Asian Pacific Group regarding Sunridge Golf Course.

District Attorney Scott Brooke stated that this is the contract that is an update of the previous contract. He presented to Asian Pacific what the staff requested and they have accepted and signed it.

Secretary/Treasurer Eisele it states the term of the contract will automatically renew after 25 years. District Attorney Scott Brooke stated the reason for that is to ensure the District has a place to dispose of the effluent water for fifty years.

Trustee Pierini asked if we own the ponds at the Golf Course. District Attorney Scott Brooke stated no and I don't know why you would want to. You just want to dispose of your effluent water. Trustee Pierini asked who wrote the amendments. District Attorney Scott Brooke stated he did with input from John and Tim.

Trustee Lynch asked on page 102 section 3.1 one hundred acre feet of ground water can you clarify that. District Attorney Scott Brooke stated that this is water used for irrigation purposes.

Trustee Pierini stated that it should come back to the Board when it is going to be renewed and they Asian Pacific are going to be giving us monthly meter readings.

District Attorney Scott Brooke stated you will hear about it. General Manager John Lufrano stated that their concerns when negotiating this contract was one that we have some where to put our effluent water as we do not have enough storage, the second was giving them acre feet of water it's our water in there well for them to use. This is their second line of defense to irrigate and fill those ponds, they are paying for that we are not. The third is that we will not be pumping Hobo well and paying for the electric they will be which is about a \$3,000-\$4,000 a month savings.

Trustee Lynch motioned to approve an agreement with Asian Pacific Group regarding Sunridge Golf Course. Secretary/ Treasurer Eisele Seconded. Motioned passed unanimously.

Public Interest Comment: Resident Ralph Fagnoli asked if it is an automatic renewal why not just make it a 50 year agreement to begin with. Chairman you may want to update things periodically.

9. Discussion and possible action to amend the District's Parks and Recreation Policy to include not charging resident applicants a rental use fee.

General Manager John Lufrano stated that this is a concept that I brought to you last month and was asked to bring it back for your consideration. Right now we charge everyone who uses the District facilities if they reserve it. This is an opportunity to give back to our residents as we do not generate a lot of revenue from it. We have only generated about \$125 this year with two reservations so far. The proposal is to not charge residents to reserve the gazebos or tennis courts. While going through the policy we cleaned a few things up. This is the proposal that we would like to go to. The main changes are on page 123 we added number 2, we took out 124 as it is redundant of 122 and 123. On 125 and 126 is the new language for insurance which explains the insurance much better. On 129 we amended the number of people for the North and South Park gazebos because we cannot accommodate 100 people in those. Tournament fee we raised the deposit. On 131 the only thing we cleaned up was the rental of the Board room and we will not allow them to move the big Board table and it will only be available for meeting and trainings not parties unless it is an IHGID sponsored event.

Trustee Pierini asked District Attorney if he went over this and what he thought. District Attorney stated yes and it is pretty clear and self explanatory. Vice Chairman Johnson

wanted to make sure we will still charge the deposit fee. General Manager John Lufrano stated yes we are.

Public Interest Comment: Resident Jahn Fagnoli asked so if I am a resident I do not have to pay to reserve the gazebo. General Manager John Lufrano stated that we have two processes here one you can reserve it or it is first come first serve. We recommend that you still fill out the paper work and that way it is reserved.

Vice Chairman Johnson motioned to amend the District's Parks and Recreation Policy to include not charging resident applicants a rental use fee. Secretary/Treasurer Eisele Seconded. Motioned passed unanimously.

10. Discussion and possible action to offer East Fork Swimming Pool District an additional location for a swim center in James Lee Park.

Vice Chairman Patrick stated that he swims a few times a week at the Swim Center and I ran into one of the Board members. I ask him if the Board has any interest in expanding. He responded yes they have talked about buying property. Brian asked if Indian Hills were to give you property would you be interested. He asked for a map of the location he is talking about. Chairman Patrick stated that it is west of the skate park and the plus is that it already has infrastructure and pipe going right to it and there is plenty of parking the other plus is that it is not ours it will be East Fork's. If we can entertain the offer it is a matter of few agreements. It is a conversation and worth a shot. I want to go to their Board meeting and start a conversation but the thing to remember is it would be their pool. I think it would be great for everyone.

Secretary/Treasurer Eisele stated that he thinks it is a great I would love to start conversations.

Trustee Lynch agreed and does not see any negatives to this.

Trustee Pierini stated that over the years they have served on the Board together they have all expressed the want and need for this. She asked District Attorney what his thoughts are. District Attorney Scott Brooke stated that he thinks this is a very good idea and legally there are not impediments in doing this if they want to do this all we need is to get some agreements together.

Secretary/Treasurer Eisele motioned to offer East Fork Swimming Pool District an additional location for a swim center in James Lee Park. Seconded by Trustee Pierini. Motioned passed unanimously.

Public Interest Comment: None

11. Reports to the Board:

a. General Manager Report

District General Manager John Lufrano reviewed his report with the Board. He stated that he wanted to inform the Board of an issue brought up by Commissioner Penzel. The County is looking at changing the County code to allow residents to store recreational vehicles in front yards for any homes built before the code was adopted. The meeting will be on July 1, 2013 at 4:00PM., I will be attending this meeting and encourage any of you to attend.

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The vehicle needs to be behind a six foot fence as the code stands now.

Trustee Lynch asked if the County codes cover the District. General Manager John Lufrano stated yes they do.

Trustee Pierini stated that some residents may not be able to access their back yards or have enough room to store something on their property.

He received some information on the online bill pay and it is very inexpensive.

Vice Chairman Johnson asked if the convenience fee is standard. General Manager John Lufrano stated yes it is.

Trustee Pierini stated she would like to acknowledge the \$3,763.58 grant that we received for fall protection equipment.

Parks & Streets

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

1. Water

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

2. Wastewater

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

b. District Accountant Report

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

Chairman Patrick asked if we have money in the road project to replace the water line. General Manager John Lufrano stated yes we do.

c. Engineer Report

District Engineer Bruce Scott stated that he has nothing to add at this time.

d. Attorney Report

District Attorney Scott Brooke stated that he and Tim have been working on the Brown's well water ski pond matter and they had a successful meeting. They are working for a settlement and he feels positive about it. He has received an amendment to the pipeline water agreement regarding rates and he will bring that to the Board at the next meeting.

12. Discussion and possible action to approve Draft Minutes from the May 16, 2013 Board Meeting.

Trustee Lynch motioned to approve Draft Minutes from the May 16, 2013 Board Meeting. Vice Chairman Johnson Seconded. Motion carried unanimously.

13. Chairman and Trustees Reports, Correspondence.

Vice Chairman Johnson stated he would like an update on the Disc Golf. General Manager John Lufrano stated he just meet with Mike today and gave him some contact information for Reno Disc Golf Association and he was extremely excited and will be making that contact soon.

Trustee Pierini asked what is going on with Clear creek Golf Course. General Manager John Lufrano stated yes he had a talk with the County Manager and they meet with the Developers and he thinks in the next few months something will be brought back to the Board.

Trustee Pierini asked District Engineer Bruce Scott if he has heard anything he stated not really but it does sound like they are moving forward.

Chairman Patrick stated that he would like John to work something up and bring back to the Board charging for turn on and offs. General Manager John Lufrano stated that we actually had to put a public notice out and it will be brought back next month.

Public Interest Comment: Resident Richard Leigh stated that part of them coming was to find out more about Asian Pacific. They have heard talks of a school/academy being put in and Chinese children being brought over to become golf pros. Who owns the property?

Chairman Patrick stated that the Board has no idea the business the District has with them is water only.

District Attorney Scott Brooke stated that Asian Pacific should tell you what their plans are. You can go to the County and talk with the staff.

14. Adjournment

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

Meeting adjourned at 8:17 P.M.

FINAL APPROVED MINUTES AS PRESENTED

**Secretary/Treasurer
Bill Eisele**