Minutes
Indian Hills General Improvement District
Board of Trustees Meeting
District Office
3394 James Lee Par Road #A
Carson City, NV 89705
December 17, 2025
Regular Board Meeting
6:00 P.M.

Trustees Present: Chairman Garcia, Vice Chairman Stulac, Secretary/Treasurer Siegman, Trustee Clark-Ross, and Trustee Jones.

Trustees Absent: none.

Staff Present: General Manager Chris Johnson, Administrative Services Supervisor/Human Resources Brooke Thompson.

Others Present: District Engineer Collin Sturge, District Counsel Chuck Zumpft, and Resident Lynn Dement.

6:00 P.M. – Regular Meeting

1. Call to Order
Request that Cell Phones and Pagers be turned off for recording purposes.
Chairman Garcia called the meeting to order at 6:00PM.

2. Pledge of Allegiance: Led by Trustee Clark-Ross.

3. Public Interest Comment: None

4. Approval of Agenda-Chairman

Vice *Chairman Stulac motioned to approve the agenda. Secretary/Treasurer Siegman seconded. Motion carried 5-0.*

5. Discussion and possible action to accept the annual audit for fiscal year ending June 30, 2025. Presentation by District audit firm Steele and Associates.
Audit Presentation: No formal presentation from Steele Associates as they did not arrive. General Manager Chris Johnson summarized findings.

- Key Points:
    - The audit concluded that the district's financial statements are represented fairly and the district's position is in accordance with GAAP.

    - Note 9 flagged potential budget overruns, but these are covered by reserves; no actual violation of NRS occurred.
    - Past overruns (e.g., $70K pump replacement) were covered by reserves and did not indicate fiscal mismanagement.
    - The district has increased reserves by 300% in recent years, strengthening financial stability.
- Discussion on Budget Overruns:
    - Vice Chairman Stulac noted auditors recommend monitoring and requesting budget augmentations from the state for overages.
    - Chris Johnson and Chairman Garcia clarified that annual end-of-year letters are sent to the state to update them on overages, satisfying this requirement.
    - The audit language is CYA (potential violations); it does not indicate actual violations or lack of internal controls.
    - Board suggested adding language to the audit to reference that these letters are sent, making the internal control process clear.
- Board Consensus: The audit is sound, and no immediate action is needed. Further discussion may occur at the next board meeting regarding the audit language or future budget adjustments.

This conversation emphasizes financial compliance, proper internal controls, and transparency with the state, while clarifying that reported "potential violations" are standard auditor language and not reflective of mismanagement.

Public Comment: none

Audit Follow-Up – Direction to General Manager & Overages Review

- The Board directed the General Manager to contact Steele Associates to explore adding language on page 53, paragraph two, to reflect that annual augmentation letters regarding budget overages are being sent to the appropriate state authorities.
- Additionally, the Board requested that the GM and staff review the causes of the $500,000+ capital outlay overages identified in Note 9 (page 38) to determine whether these were anomalies or recurring items.
- The intent is to have this review completed before the next budget cycle, so any patterns can inform budget adjustments and potentially reduce future "potential violation" notes.
- Timing: The GM indicated detailed information will be available by the end of January, ahead of the March start of the next budget preparation.
- Board consensus: No action is being precluded on the current audit; this is preparatory for future budgeting and planning.

Trustee Clark-Ross motioned to accept the annual audit for fiscal year ending June 30, 2025. Presentation by District audit firm Steele and Associates. Chairman Garcia seconded. Motion carried unanimously.

6. Discussion and possible action to approve a one-year agreement for auditing services with Steele & Associates, LLC.

General Manager Chris Johnson recommended tabling the item until the next board meeting so that Steele Associates can be available to address the Board directly.

- Board Decision: Without objection, agenda item six was tabled to the next meeting in hopes that Steele and Associates will be in attendance.

Discussion Points:

- The proposed contract cost **is** $46,500, as noted on page 59, paragraph five, just above the bold "Reporting" section.
- The previous year's contract was $45,000, so the increase is minimal considering current cost trends.

Public Comment: none

This item was tabled and will be brought back to the January meeting.

7. Reports to the Board:

a. General Manager Report

General Manager Chris Johnson reported that:

- The Board confirmed the district is already invested in the State Investment Pool; it will be added once as a new item to formally acknowledge it, then removed.
- Discussion focused on developing public-facing GIS maps, including a disc golf course map, accessible via links on the district website.
- GIS development was identified as a major General Manager goal for the year.
- The General Manager will also work on creating a written volunteer policy.
- The Chairman thanked the General Manager for agreeing to research potential USDA loan opportunities.
    1. Administrative
    2. Water
    3. Wastewater
    4. Parks & Streets

b. District Accountant Report

General Manager Chris Johnson reviewed the accountant report with the board.

c. Engineer Report

- District Engineer Collin Sturge reported that bids for the FY 25/26 project were received on December 3, with recommendations included under agenda item 8.
- Agenda item 9 will cover Lumos's construction services proposal.
- Plans for the Remedy Medical Center development has been reviewed, and a report has been completed.

- Work is ongoing on the District's MS4 submittal, which is targeted for completion by the end of the week ahead of the year-end deadline.
- No general questions were raised for the District Engineer at that time.

d. Attorney Report

District Counsel Chuck Zumfpt stated he has nothing to report.

Further Board comments:

- Secretary/Treasurer Siegman requested clarification on a paragraph in the engineering and construction services proposal, specifically the addendum regarding the control verification survey (page 95).
- District Engineer Collin Sturge asked whether to address the question immediately or during agenda item 9.
- Chairman Garcia confirmed the discussion would occur under agenda item 9**.**
- Secretary/Treasurer Siegman agreed to wait until that item.

Public Comment: none

8. Discussion and possible action to award bid to RaPiD Construction Inc., in the amount of $3,497,754.30 for the FY 25/26 Street Rehabilitation Project and to authorize a $175,000.00 force account to be added to the contract, to be used for unforeseen changes in construction.

District Engineer Collin Sturge presented his recommendation for awarding the FY 25/26 project, with details on pages 91–92 of the agenda.

- Four bids were received, ranging from approximately $3.49 million to $4.19 million, all below the engineer's estimate of $4.2 million.
- Rapid Construction was identified as the apparent low bidder at $3,497,754.30.
- Since the agenda was published, the district was notified of an outstanding labor claim against Rapid Construction related to a Carson City project.
- The District Engineer confirmed:
  - Rapid Construction is not on the Labor Commissioner's disqualified contractor list**.**
  - The claim is unresolved, with no determination made.
  - There is no legal basis to reject the bid.
- The General Manager confirmed written verification from the Labor Commissioner that Rapid Construction is not disqualified.
- The District Engineer recommended awarding the contract to Rapid Construction for $3,497,754.30, plus a $175,000 force account (approximately 5%) for unforeseen construction issues, to be used at the General Manager's discretion.
- The purpose of the force account was explained as a way to address unforeseen conditions without delaying construction, with any changes over $5,000 requiring board approval.

Public Comment: Chairman Garcia opened public comment for agenda item 8. Chairman Garcia stated:

- No oral public comments were received.

- Written documentation was submitted in lieu of oral comment and made available to both the Board and the public.
- The documentation, submitted by the labor union, outlines an outstanding labor claim, the reasons for the claim, and a resolution recommendation, including waiving certain fees.
- The Board acknowledged the materials and reaffirmed that the bid remains qualified.

Further Board comments:

- Trustee Clark-Ross had no comments.
- Trustee Jones noted the bid was impressively lower than the engineer's estimate and emphasized that the force account amount is minor compared to the overall savings and other bids.
- Chairman Garcia highlighted that projects typically come in overestimate due to rising costs and time delays, making this outcome unusual and positive.
- General Manager Chris Johnson referenced a prior project where bids came in significantly overestimate due to economic conditions.
- Chairman Garcia stated the bid is qualified, responsible, competitive, and not an outlier, noting the contractor's local experience and prior work with Carson City.
- Vice Chairman Stulac echoed the positive feedback, emphasizing the significant cost savings and benefits for future infrastructure projects.
- The Board expressed overall satisfaction with the favorable bid outcome.

Vice Chairman Stulac motioned to award bid to RaPiD Construction Inc., in the amount of $3,497,754.30 for the FY 25/26 Street Rehabilitation Project and to authorize a $175,000.00 force account to be added to the contract, to be used for unforeseen changes in construction. Trustee Clark-Ross seconded. Motion carried unanimously.

9. Discussion and possible action to accept addendum #1 from Lumos & Associates, Inc. in the amount of $309,050.00 for professional engineering and construction services for the IHGID FY 25/26 Street Rehabilitation Project.

- District Engineer Collin Sturge explained the scope of services, including:
  - Construction management and coordination meetings.
  - Responding to RFIs and reviewing contractor submittals.
  - Construction surveying, including reestablishing control points, staking utilities and grades, and resetting centerline monuments.
  - Construction inspection and oversight of sewer, water, and surface improvements.
  - Materials testing for concrete, asphalt, and earthwork compaction.
  - Preparation of record (as-built) drawings reflecting all project changes.
  - On-call survey services as a contingency.
- The Secretary/Treasurer asked about inspection coverage and testing; it was clarified that inspection will vary by project phase and inspectors will also perform certified materials testing.
- The Secretary/Treasurer requested explicit inclusion of certified payroll verification in the scope due to the contractor's prior labor issue; the District Engineer agreed to add this language in the final version.

- It was noted that this clarification can be added post-approval without issue.
- Trustee Jones confirmed that Lumos's role is to oversee and ensure the contractor's work meets District standards.
- The General Manager explained prior project design changes, including full sidewalk replacement, which improved project quality and efficiency.
- Trustees expressed no further concerns, and the addendum was viewed favorably.

Public Comment: none

Further Board comments:

- Trustee Jones asked about Lumos's comfort level and working relationship with Rapid Construction.
- The District Engineer stated he has worked with Rapid on several projects, considers them a good contractor, and believes the proposed scope is sufficient for proper oversight.
- The General Manager noted that inspector–contractor interactions are standard for construction projects.
- The General Manager also highlighted the benefit of Lumos performing materials testing in-house, simplifying coordination.
- Chairman Garcia asked for clarification on "centerline monuments."
- The District Engineer explained that these are small survey markers, typically located at intersections or along curbs, used to establish roadway centerlines and curve radii.
- Reestablishing these monuments after construction must be done by a licensed land surveyor, as required by state law.
- Trustees acknowledged the explanation, and the discussion concluded with lighthearted comments.

Secretary/Treasurer Siegman motioned to accept addendum #1 from Lumos & Associates, Inc. in the amount of $309,050.00 for professional engineering and construction services for the IHGID FY 25/26 Street Rehabilitation Project. Vice Chairman Stulac seconded. Motion carried unanimously.

10. Discussion only regarding the IHGID boardroom rental fees.

- Chairman Garcia requested the item to review whether district residents and in-district HOAs should receive special consideration compared to non-district users.
- The current fee structure exists, with a $25/hour rate and a maximum of $175 for six hours, applied equally to all users.
- Chairman Garcia emphasized:
  - Residents already contribute through ad valorem taxes.
  - In-district HOAs maintain their own infrastructure while paying the same taxes.
  - Residents and in-district organizations should still pay a fee, but possibly at a reduced rate or with a cap.
- Discussion included options such as:
  - Capping fees for in-district organizations (e.g., HOAs) at $50 per meeting (equivalent to two hours), even if meetings last longer.
  - Keeping current rates for out-of-district organizations or potentially increasing them.

- Staff clarified:
  - Only meetings are allowed in the boardroom (no parties).
  - The primary users are two in-district HOAs, with limited outside HOA use.
  - Government agencies and nonprofits are already exempt under a separate policy.
- The General Manager proposed bringing the item back at the next meeting with specific draft language for board review.
- The Board generally agreed to revisit the item with proposed language, though the Secretary/Treasurer expressed opposition pending review of a written proposal.
- No action was taken; the item will return for further discussion at a future meeting.
- Chairman Garcia confirmed that the General Manager and staff will bring back a proposed fee schedule for in-district organizations and residents at a future meeting.
- At that time, the Board can discuss, amend, and vote on the proposal.

Public Comment: none

11. Discussion and possible action to approve Draft Minutes from the November 19, 2025, Board Meeting.

Public Comment: none

Vice Chairman Stulac motioned to approve Draft Minutes from the November 19, 2025, Board Meeting. Trustee Clark-Ross seconded. Motion carried unanimously.

12. 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 an item or topic be placed on a future agenda.

Chairman Garcia noted a Christmas card addressed to the Board and requested it be passed around for all members to see.

Chairman Garcia shared information about the district's policy regarding employee use of district vehicles.

- Employees who are on call**,** including weekend coverage for SCADA systems (water and wastewater), are authorized to take a district vehicle home to respond quickly if needed.
- Observing a district vehicle on a Sunday or outside district boundaries in this context is consistent with policy and not a concern.
- General Manager Chris Johnson clarified that there are two employees on call 24/7**,** with only the SCADA on-call staff taking vehicles home. He personally does not use a district vehicle.
- This discussion ensures Board members are informed and prepared to address any public inquiries about vehicle use.

13. Adjournment

Secretary/Treasurer Siegman motioned to adjourn the meeting. Trustee Clark-Ross seconded. Motion carried 5-0.

Meeting adjourned at 7:25PM

FINAL APPROVED MINUTES AS PRESENTED

Secretary/Treasurer
Russ Siegman