

**Minutes  
Indian Hills General Improvement District  
Board of Trustees Meeting  
District Office  
3394 James Lee Park Rd. #A  
Carson City, NV 89705  
November 17, 2021  
Regular Board Meeting 6:00 P.M.**

**Trustees Present:** Vice Chairman Clark-Ross, Secretary/Treasurer Eisele, Trustee Gray and Trustee Dunham.

**Trustees Present via Zoom Meeting:** none

**Trustees Absent:** Chairman Garcia

**Staff Present:** General Manager John Lufrano, Administrative Services Supervisor/Human Resources Brooke Thompson, and District Accountant Stacie Cobb.

**Others Present:** Ryan D. Russell, Esq. with Allison MacKenzie, LTD., Residents Chris Johnson, Penny Eisele, Don Gray, Ashley Enslow, Gavin Smith, Doreen Hoffman, Dennis Hoffman, Kendra Wilson, Bonnie Altman, Keith Altman, Chris Hill, and Theresa Allen.

**Others Present via Zoom Meeting:** Vanessa Davis with Steele and Associates

**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 Vice Chairman Clark-Ross.
3. **Public Interest Comment:** none
4. **Approval of Agenda**

*Chairman Garcia motioned to approve the agenda. Secretary/Treasurer Eisele seconded. Motion carried unanimously.*

5. **Discussion and possible action to accept the annual audit for fiscal year ending June 30, 2021. Presentation by District audit firm Steele and Associates.**  
Vanessa Davis with Steele and Associates introduced herself to the board. Vanessa stated to try to make this as painless as possible. On page 4 is the first page of the independent auditor's report, it is a clean opinion. There are two pages of opinions. Pages 6, 7, 8 and 9 are management discussions, basically managements interpretation of what the district did.

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Vanessa stated that those pages were sent to Stacie, and she approved it. The statement of net difference is presented according to gap. The balance sheet page is a full accrual snapshot of where you are at the end of the year. The income statement on page 11 is also full accrual and includes the GASB 68 pers adjustments they have to make every year those are included in the expense accounts. Vanessa stated you will notice the prior period adjustment of \$47,344 that relates to some additional guidance they received from GASB and the way they have to calculate the adjustments. Basically, they received clarification from GASB that they were deferring too much of the employer's contribution as deferred and they should only defer half of it as opposed to 100% of it. Because that is considered a correction of an error they had to go back and make the appropriate adjustment. Vanessa stated in her opinion this is not a big deal, but it does reduce the net position by \$47,000. If you move on to page 12 this is the government fund only current assets and liabilities, it is showing you have enough current assets to cover your current liabilities by more than \$2,000,000. Page 13 is the government fund income statement, the GASB adjustments have been removed so it is more comparable to budget. You will notice there are two areas in benefits you exceeded what you anticipated in the budget but overall, you did much better than what you expected, you expected a loss of \$95,000, you had income of \$64,907 so a good job of controlling costs. Page 14 this is just adding long term assets and liabilities in. Page 15 is the statement of net position for sewer and water they break them out for USDA because they want to see if each fund is self-supporting. Page 16 is your income statement, but also shows the water and sewer fund had a net income of statement, so both operate at a profit which makes USDA happy. Page 17 is the statement of cash flows for just the water and sewer funds, you can see cash increased. From page 19 on are basic foot notes very few of them ever change, they are basically accounting principles, how you handle your budget, an explanation of equity. Page 25 last year they included o and m as restricted funds, USDA said those are not restricted funds, so they have been removed. The next page shows your capital assets, there is a reduction in the business fund of \$81,447 that is merely a change in categories it was accrued last year and paid this year, so they moved it to equipment, which is why there is the reductions, it is just a reclass. The next few pages cover long term debt that is outstanding until 2037 for water and sewer it is also a breakout of bonds, notes as far as long term and current. The next pages are the GASB verbiage pages. Page 35, note nine shows the four items that exceeded budget, note ten is contingent events it is the same footnote as last year basically saying covid is still out there and still impacting the economy and we are not sure what effects that will have. Note eleven explains in greater details how that adjustment was arrived at and why it was done. GASB has decided that this current adjustment has to be made so your showing how much of the retirement liability belongs to your employees, it shows how the adjustment has to be made. Vanessa stated that she personally does not think it adds any value to the financial statements, it is a paper adjustment. Page 37 is supplementary information; it is the comparison for water and sewer the GASB adjustments have been removed and it is back on a budgetary basis. Page 41 and 42 is a line item break down of government fund expenditures. Page 43 is a break down of what is in your water and sewer expenditures. The final report is a report on internal control, there were no significant deficiencies, you are complying with laws, regulations, and everything looks good. The auditors' comments reiterate what the report says with the exception that there were no difficulties in conducting the audit and there were two material adjustments that they had to report and out of all the adjustments we managed to increase your net income by a total of \$8,753. Vanessa stated that she is open for questions.

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Chairman Garcia stated that you Vanessa, that is a lot of information but in a nutshell, we are in good shape. Thank you to our staff and Stacie specifically, also John and staff who have kept us in the black.

**Public comment: none**

**Board of Trustees further discussion/comment:** Chairman Garcia stated thanks Stacie and Vanessa for getting this done, they really appreciate you both.

*Chairman Garcia motioned to accept the annual audit for fiscal year ending June 30, 2021.  
Vice Chairman Clark-Ross seconded. Motion carried unanimously.*

**6. Discussion and possible action to resume the landscaping and irrigation maintenance granted to Indian Hills General Improvement District pursuant to Nevada Department of Transportation Permit No. 2-194-03.**

Kathryn Clark-Ross stated that she is going to give the floor to Ryan Russell. Ryan Russell introduced himself to the board, he is an attorney with the Allison Mackenzie law firm. Ryan stated that he is here on behalf of Kathryn Clark-Ross who will be participating in this item in her individual capacity not as a member of the board but as a member of the public. She will be abstaining on any vote for this issue if it comes. Ryan stated that he appreciates the board having him, Mr. Lufrano, staff, Mr. Russell, and Mr. Zumpft. Ryan stated the last time he was here was four years ago working through the final stages of an interlocal water agreement, he appreciated being here then and he appreciates being here tonight. Ryan stated that he wanted to brush up on the General Improvement District before he came, he wanted to let us know, one that he is here on behalf of Ms. Ross in the spirit of hopeful collaboration and two that there is no contention. He went to our website getting ready for today and he read a statement or proclamation if you will, this boards purpose and this board itself is dedicated on moving forward to accomplish goals and objectives established by the community to provide the best possible utility service, streets, parks, and open space maintenance and any other special needs of the community in order to make Indian Hills the best possible community to live in in Douglas County. Ryan stated that is an admirable goal and it's an honorable statement. In 2002 the district took a big step forward in accomplishing just that especially in regards to open space maintenance when it applied to the Nevada Department of Transportation for a permit to irrigate, landscape and maintain a portion of the NDOT the right of way that permit was granted, when it was granted this board and this District' request, the Indian Hills GID accepted and agreed to installation of a landscape area to provide visual screening and a sound buffer for its existing residential lots located adjacent to the west right of way line of US HWY 395 south which is elevated as much as 20 feet above homes and more importantly when the permit was granted, when Indian Hills accepted that permit, it agreed that Indian Hills will provide all future landscaping, irrigation, maintenance and operation. That process started and was in operation for about 10 or 11 years, in 2013 the decision was made to stop irrigating and landscaping that area. Following that decision Ms. Clark- Ross took it upon herself to hook up irrigation to the area north of the Chevron and has done so, it is a beautiful portion of the Indian Hills community and as he understands, it is enjoyed by a great number of residents walking their dogs or just walking themselves. He thinks it is a benefit to Indian Hills. Indian Hills further dedication to provide open space maintenance to ensure that Indian Hills

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is the best place to live in Douglas County. That benefit that it is being deferred upon all the residents of Indian Hills is being borne upon in both time and money by Ms. Clark-Ross alone, so they come here tonight to request that this board resume irrigation and maintenance as it is permitted to do in the permit issued by NDOT and in doing so continue to provide open space maintenance to the benefit to the entire community. Ryan thanked the board for listening to him tonight and he appreciates the boards consideration. He is happy to answer any questions and will listen to the discussion, deliberations and any action that will be taken on this item.

Vice Chairman Clark-Ross stated she has nothing to say at this time.

Secretary/Treasurer Eisele stated he has nothing to say.

Trustee Dunham stated he has nothing.

Trustee Gray stated that she is wondering there is just a very small section right now that is highlighted, if we were to do that on both sides of the highway that is an extreme amount of money in water and trees. She does not know if that would be a benefit to our residents.

Secretary/Treasurer Eisele stated he was on the board when this came to the board several years ago, it was voted on to not to go ahead and do this because we could not afford it and could not afford to maintain it. He does not know what the different is now.

Vice Chairman Clark-Ross stated it looks great when sitting on the highway. When she first moved here people were dumping their garbage out there, there was washers, driers, rolls of carpet it looked like slumville it was awful, you could see dogs through the fences it was awful. The whole community cleared that and planted two hundred or so trees. Now you can see the flow of beautiful trees, then the watering stopped, and it is getting back to slumville. She likes to have pride in Indian Hills she always works for that. You see it as you first come into Indian Hills, it is an entrance.

Chairman Garcia stated right now when you head into Sunridge from south Sunridge all the water has been taken away from that area, it is all back to natural. We are in a drought as you all know and have been for many years, on south Sunridge entrance off the highway all the water was turned off there too, so it wasn't something that was targeted for any one area. It was a prudent decision to turn the water off, they looked at what was not part of Indian Hills but adjacent to Indian Hills to reduce the water. Robert stated for prospective everyone in Indian Hills complains about our streets and everyone in Indian Hiss drives on our streets and that we are not doing repairs quick enough. This board along with John and his staff are working very hard to do that, to repair the streets that all of us drive on. By comparison there is a much smaller group that enjoys the trees, not the community at large, on top of that this was a permit not a contract so there is no legal obligation to continue.

Trustee Dunham stated what he is reading here, number 12 "all shrubs and plant material placed within a highway right-of-way must be low profile in nature (2' and lower) and shall be maintained to ensure proper sight distance for the traffic. All trees must have a four-inch caliper or less at maturity. Permittee is completely responsible for all maintenance of plant materials and irrigation systems." That is a conflict of interest. The trees are larger, and bushes are larger, how does that work we are not following that permit. If you don't follow the permit, it is invalid right. It is beautiful and nice but not the letter of the permit.

Chairman Garcia stated Robert thank you Dale.

**Public comment:** Resident Chris Hill stated he lives at 3567 Vista Grande Boulevard. he is a 44-year resident of Indian Hills, he moved here in 1978. Highland estates subdivision. A little history

of his impression of Indian Hills, he was first looking for a place to live in the valley it was 1970 driving by Ridgeview estates, he really wanted to live in Douglas county but not there. Now he is really proud of what Indian Hills has done, we use to be the most expensive GID, but he doesn't mind paying that because he has seen the fruits of what it is doing. Chris stated that he is proud and loves to live here. He first met Ms. Clark a few years ago one day walking in the neighborhood he met Ms. Ross in the park area, he didn't know it existed, it is very nice. He learned the history of it from Kathryn, he would like to support as a resident of Indian Hills anything we can do to continue that park area. It is nice for the district he realizes there are legal issues, liability, monetary issues, and water issues but it would be great as a community to continue it in the future, it adds to the district.

Resident Theresa Allen stated she lives at 3353 Vista Grande her question is Sunridge golf course is watered by reclaimed water why can't the trees and other landscaping be too.

General Manager John Lufrano stated Sunridge Golf Course was the only one granted to use effluent water and we have no infrastructure anywhere else except the golf course to get them the effluent water. There is no possible way to use it in our parks. They are the only ones, the golf course, there is literally no possible chance to use effluent water anywhere else. The golf course is the only one that has the NDEP permit.

Resident Kendra Wilson stated that she lives at 3326 somerset she is a financial advisor in the Edward Jones office by Quail Ridge Animal Hospital. She hears what we are saying about people driving roads verse people using that area. She is one person that likes that area, she has brought her nephews there. It is a nice surprise; it is a great area quite a delight to have that space. When she learned that Kathryn maintained that all herself, she was blown away she would like to support Kathryn in maintaining it.

Resident Gavin Smith stated he lives at 949 Opalite, he is new to the area he moved here last summer. He started walking his dog around the neighborhood and stumbled upon tree area, it is great they love to play there. One of the reasons he moved to Indian Hills is because he is as a big fan of the open space anything we can do is great. He knows everything is not always feasible, but we have to weigh it all out. He is a proponent of the area, and his new neighborhood. He came to show support of this area.

Resident Bonnie Altman stated that she lives at 940 Lehigh. Bonnie stated that she supports Kathryn and what she is doing. She doesn't agree that not that many people enjoy it, because everyone coming down the freeway enjoys it, it stands out. They may not go to it, but they enjoy it. There are many that go down there, she has been back there, and it is very pleasant, and it is a big plus to our community.

Resident Josh Steele stated he lives at 3567 Opalite Court, he came here from Redding please don't hold that against him. He rented in this area before purchasing, one reason for staying in area is Ms. Clark-Ross' beautiful arboretum. In Redding they have a beautiful arboretum with trees from all over the world. He thinks it is a great area, it can become that. It is feasible within the realm of possibilities. There is a lot of passion to this project to shut it down is short sighted by the community. If we are worried about the number of small people who enjoy this park and that not many people benefit from it, he does not benefit from James Lee Park, he does not get any benefit from it, let's tear out James Lee park and Vista Grande park, we can't possibly say not everyone gets to use it so let's never do it. He thinks that is a ridiculous argument. If one single citizen has maintained this all on her own spare time and on her own money. It is hard to believe that this district cannot afford it when one single citizen has done it out of the kindness of her heart for 20 years now.

Doreen Hoffman stated she lives at 3575 Green Acres Drive, Kathryn has done a great job it is beautiful, why would you not want to preserve them. You have to go that extra mile to make things nice. She supports Kathryn.

Resident Ashley Enslow stated that she lives at 949 Opalite, she supports this project. Her dog is rowdy, so she doesn't go to the dog park, and this is an awesome place for her to take her dog. To have this place is great and safe she supports this, it is beautiful.

**Board of Trustees further discussion/comment:** Chairman Garcia stated thank you all for the comments made. Kathryn has done a wonderful job; her volunteer efforts are well established and appreciated. He would like to summarize what he had heard. Being pragmatic in these situations because that is what they were elected to do.

Secretary/Treasurer Eisele stated one thing the audience needs to know, this is a right of way no matter what we do, or Kathryn does there, the state can come in at any time and do away with it all, they don't even need to give us notice. If they want to come in and enlarge the highway or do anything at any time, they can do that, and we cannot say anything about it. He just wants everyone to know that. He compliments Kathryn and everything she has done there.

Chairman Garcia stated if the board moves forward with a project not inside of Indian Hills, they are opening themselves up to a precedent for many other liabilities from other entities that want us to their projects, we could also have other residents who complain about us paying for water for something that is not within Indian Hills, it opens up pandoras box. We do have a vast park system and he didn't say that no one uses that park all he said was how much our roads need more attention and that is where the board has to focus their efforts. There has been discussion about raising two million dollars for a community center through volunteer efforts, supported by community dollars not Indian Hills dollars. We are going through a process now to get funds to reduce even more water because it is so important to reduce the water usage because of the drought and because it makes fiscal sense for the district. Robert stated that we have no legal recommendations to endorse this process and nothing he has heard today that would change a decision made by the board prior, he does not hear any new information. It hurts his heart to say that, but it needs to be a community effort not Indian Hills.

General Manager John Lufrano stated Mr. Chairman he is not seeing any at this time, may he take a crack at trying to fill in some gaps that are out there. John stated in 2013 he is the one who brought this back to the board for consideration to see if the board, the district as a whole wanted to continue. What we found out in that research was in 2002 this was never brought to the board for approval or consideration to begin with. The General Manager at the time went to the state and applied for the permit and finished in 2003 and then the project began. Some of the things that he is concerned about is where do we stop, look at all the homes that border the highway, if you go ahead with this project and go back to what it was how is the district going to look at any other person that says they want the district to screen the highway from their house. Next thing you know we have pockets of people who have pine trees behind their home, that is where this has potential to go and he does not think this board can tell anyone of them no, if we continue, go back to doing what we stopped doing with this project in 2013. It's not, first off it is not a park so please stop referring to it as a park, this is a group of trees that were planted and admitted hiding the homes because they weren't taking care of the homes and to hide them from the highway, what are we doing spending taxpayer dollars to do that. In his opinion if that is the case and the manager wanted to embark on a project like this he should have gone to the homeowners and asked them to plant trees to hide their property because they were not maintaining them. The idea that the district as a whole is responsible for this is far reaching. Those trees would be better served in our parks, irrigated like

every other tree and used by the community as a whole whether you use the park or not, it is still used by the community and it is funded by the community. The intent of those trees was to serve ten or eleven residents, he cannot justify that as the manager managing the money residents give the district. We shouldn't be doing these things; we are fracturing the district by doing these what he calls feel good things, what are we doing is not only creating that precedent by saying hey anyone who wants some trees in their backyard now the district has to figure it out, then we have to sit there and tell everyone it will only benefit a few. He has lived here for 21 years he does not want the board using his tax dollars for that. He wants his taxpayer money to go towards our parks, streets, and storm water system that is how they are supposed to be spent and the responsible way to spend them. The idea that a General Manager did this without a board approval is absurd to him, he was shocked when he found that out, he fully expected that when we did our research that the board agreed to this. That is a different scenario. That is not the way it is supposed to happen. Right now, he worries more about the board can't say no, he has a drainage ditch behind his house that he does not like looking at, he is going to come to the board and request trees be planted behind his house. That is the door that was opened, in 2013 he shut that door and said no we are going to be more responsible with taxpayer dollars and that is his job, and this boards job. If we go back to doing this, we cannot say no, you better not tell him no. When he comes back in January and says that he wants six trees planted behind this house because remember he is just a resident at that point he better not expect to hear no. You better figure it out, you better figure out how you are going to get water there, you better figure out how you are going to maintain those trees because he does not want to look at that drainage ditch. Bad precedent, it was a tough precedent to set and a tough precedent to manage, he hopes we look at the very large picture. Yes, it will put an undue burden on the district that we all should not be funding. He realizes people walk back there that is great, the dirt road will be there anyway. It is a utility easement. The trees that are being irrigated that Kathryn chose to irrigate; it was her choice she knew what she was getting into. Yes, the pocket of trees look nice, he does not believe we all say oh gosh those trees look great. We should be encouraging people to plant trees in their own properties. The idea of the trash back there, who is putting it back there, people are not coming from Carson City but guess what that is NDOT's right of way and they should be maintaining it. We have a small crew, two full time people for parks and streets right now and in the summer, we have one seasonal if we can get one. The more we do these little things the more we fracture what these two guys can handle. Then what happens if the general manager has to approach the board saying that we can't keep up with all these feel-good things we want to do and we need to hire more people. That is a huge cost. We try and try and can't keep up that is why we his predecessor stopped irrigating south Sunridge islands and took the grass out of the mica tiers, this is what we have had to do because we had no money in our streets budget. Ten years ago, we had six people in parks and street and now we have two because we could not afford what we were doing, we didn't have money to maintain our streets. We didn't have money to maintain the things that we are told we have to maintain when this district was created in 1973. We have certain infrastructure that we have to maintain, it is expected of us to maintain from the State of Nevada and from Douglas County things like this, the feel-good things are not what our infrastructure is, that is not here to spend taxpayer dollars on. The more we do this the more we are going to run into problems where we are fracturing our workforce and can not say no to anyone else after this. John stated that he hopes the board would not consider ok we will do it for one but not for anyone else. It is tough for him sitting in that chair, it was a maintenance nightmare which is why he brought it to the board in 2013. It was done incorrectly from day one, when he brought a landscaper out there those are the numbers, he brought to the board in 2013. Trustee Dunham stated he brought these points out that are in this permit it is not that he doesn't

support Kathryn and what she has done at the same token he has three large trees that he found out are not on this property and he has been maintaining for 28 years. Dale stated that he is here to support the whole area, his personal feelings are not involved. It is not that we do not support Kathryn, she does an awesome job. That is not the position that he is coming from they are looking at it in a realistic way it is very expensive and not realistic. We only have so much money he does not want people leaving here thinking we do not support her it is that we support the whole community as a whole he understands she does not want to see it go. The letter is right here in what it is supposed to be two feet height, four-inch caliper and that is not being followed. Not to mention the cost to redo the irrigation. Cleaning up the neighborhood is more of a concern to him. We only have so much money. He does not want people leaving here thinking we do not support Kathryn. He understands she does not want to see it go.

General Manager John Lufrano stated he hopes everyone realizes the positions they are in and the big picture that they have to look at. He believes these trees opened up a pandoras box, that we shut down in 2013. It is his hope, again he is gone January 1, but he will be in the audience, and he will make sure his points come across. He hopes that everyone paying property taxes and utility bills here knows there is a bigger picture here that we have to look at, we have to make sure we manage this place accordingly. We have to be stewards of public funds and we have to be smart with that. Chairman Garcia stated again there is no new information that has come to light that would make him consider overturning a board decision made on this same item.

Vice Chairman Clark-Ross stated this was started to set up a trust fund if something happens to her, to pay to continue the watering, the problem is it has to be disconnected from her house. She is asking for a solution, can we put a tank out there and she pay to have the tank filled. She did not ask Indian Hills to pay for anything. She thinks it would be a great thing if community gardens and things popped up all over. It was not going to be taxpayer money. As far as Dale's question she thinks it is just a statement they put in there how you could expect trees to stay small and be a sound barrier, it doesn't make sense. She remembers that it went to the board, and it was accepted by the board. She has been told for years there is no records and an agreement she found it at Douglas. Secretary/Treasurer Eisele stated if there was a motion made, he would vote against it for the simple reason that Kathryn can and has put a lot of money into it, it looks good she put her heart and soul into this but his problem is he has worked with state and county for a long time, and they can come in at any time and remove it and we could not do anything about it, he would hate to see that.

No action was taken in this item.

Recess 7:22PM

Reconvene 7:30PM

**7. Discussion and possible action to approve or approve with amendments a General Manager employment agreement with Chris Johnson.**

Chris Johnson stated good evening, the board should have his contract in front of them. Chris stated he will give you some highlights, it is actually pretty simple. His salary starting at \$90,000, he believes that is 1/3 of the way through the salary range given his experience and professional level that is not much to ask, he is also asking for an additional two weeks' vacation due to, in part on a professional level but also because he does volunteer at the air races and that is something that he would prefer to maintain that relationship and continue to volunteer with them, so that time is to accommodate that. Chris stated that he also requested

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a five-year term. John's original contract in 2011 was a one-year term and then three-year terms. Chris stated he thinks a five-year term will give stability both for himself and the district. It is always nice for the district to know that you have a general manager that is going to be with you. Chris stated so mentioning the salary and the additional two weeks' vacation time one thing he did put in there is that he will not be taking the district medical coverage so that is a savings of about \$8,500 annually. Chris stated two other things on your page 64, section 7, paragraph b this contract was used with John's contract as a templet. In there it says the salary of the employee shall be reviewed and adjusted in the event of extension of the agreement after its term. Chris stated because he is asking for a five-year term, obviously he does not want to do a review and adjustment in five years he would like to change the wording in that to state the salary of the employee shall be reviewed and adjusted annually. Chris stated that he would prefer a December 1 start date that is working well for he and John. John is gone January 1<sup>st</sup> so he would like to start on December 1<sup>st</sup>. He had made the accommodations at his current job.

Trustee Gray stated that she has no comments or questions.

Trustee Dunham stated that he has nothing.

Secretary/Treasurer Eisele stated he has a couple of things, one is the first year you are on probation that is standard, the other is, if you get married and want to take our insurance you will pay the regular insurance fee. Bill stated those are the only two things that he could see going through the contract.

Chris stated if he did get married, she would keep her current insurance.

Secretary/Treasurer Eisele stated ok that takes care of that one, but he thinks it is standard to have a one-year probation period. That can be verbal or written.

Chairman Garcia stated he agrees that there should be language in there that stipulates the \$90,000 salary is in lieu of accepting medical coverage, it would be a liability essentially on the district, so he thinks that needs to be in there, probably section A just to clarify that. Robert stated he has no issues with the four weeks' vacation someone starting at your level and experience it is standard considering the amount of time you will be giving the district outside of normal business hours. Robert stated he believes the one-year probation is standard he does not see there being any issues, but it is standard and to protect both parties.

District Counsel Chuck Zumpft stated so even though there is a contract here before you for a five-year term, it is still an at will employment arrangement so what function does the one-year probation term have. If termination occurs within the first year, how is it different if it goes beyond a year. What does the probation accomplish.

Chairman Garcia stated the probation accomplishes in the unlikely event that performance is not up to their expectations that the board would have opportunity to revisit what they want to do going forward.

District Counsel Chuck Zumpft stated you can do that anyway. Chris Johnson stated yes that is stated in the contract. General Manager John Lufrano stated you have a thirty-day termination clause. District Counsel Chuck Zumpft stated the only difference he conjures up in his mind is if within the first year there is a termination then the severance provision does not apply. That is not a suggestion just an observation.

Chairman Garcia stated he is happy with starting on December 1, but that means we will be paying two salaries for one month, can we do that he would like feedback from Stacie and John that we can cover that.

General Manager John Lufrano stated the original plan was the same thing even if kicked over until January 1<sup>st</sup>. He would contract for that month, so nothing has changed they are just moving the start date up.

Chairman Garcia stated is this budgeted.

District Accountant Stacie Cobb stated no because when we did the initial budget, we didn't budget for two people.

Chairman Garcia stated ok right it is not in our official budget, but do we have the money.

General Manager John Lufrano stated yes, we have money.

District Accountant Stacie Cobb stated yes in the reserve funds, money market.

Secretary/Treasurer Eisele stated what are we talking about for the two salaries for the month.

General Manager John Lufrano stated \$11,000 something a month for his salary and Chris' salary.

Chairman Garcia stated ok we have the money in our reserve fund, he wanted to hear it from Stacie that makes him feel better. Chris Johnson stated he does not think it will be that much. His total will be \$116,894 with everything annually, so divide that by twelve.

District Counsel Chuck Zumpft stated that he would like to add a couple of observations if he could, page 62, section two subparagraph b, the first phrase of that, except as set forth in subparagraph f below should be deleted. That was included when contemplating another design. Second Mr. Johnson made a proposal on page 64, section 7 b should read, Chris' proposal was that the salary of the employee shall be reviewed and adjusted annually. Chuck stated that his recommendation for that is, it should read the salary of the employee shall be reviewed and may be adjusted annually. The word shall requires a revision to the salary and that may or may not be appropriate, may leaves the discretion to the board.

General Manager John Lufrano stated he would like to speak.

Vice Chairman Clark-Ross stated the probation was her main thing, she did not see that in the contract. Kathryn stated that she has no issue with the salary, she does not like the four weeks' vacation because we have employees who work fifteen years before they get four weeks off, and since we have been talking about money the entire meeting, she does not like paying two salaries. You have always said you would come over and help him out. General Manager John Lufrano stated no that is incorrect we have always said there will be one month of cross over whether it is December or January there would be one month of cross over.

General Manager John Lufrano stated two things he would like to make sure we address here, the first is if the contract is approved tonight for December 1st staff will take the next two weeks to get everything that Chris would need in place. General Manager John Lufrano stated what he would prefer starting December 1 is that Chris is the General Manager and he, John will be here every day with him to make sure he understands the process. John stated we can't have two General Manager's and he thinks it is best if Chris takes the lead, so he has a month under his belt before he leaves. The second is if the board gives Chris the ok, if Chris is not comfortable in the one month being up to speed Chris has the ok to work out an extension with John for the month of January if needed. John stated that he just wanted to get that out there tonight.

Vice Chairman Garcia stated that it makes sense to put Chris in the driver's seat right away, he is curious how does that effect John's contract.

District Counsel Chuck Zumpft stated he doesn't know that it effects the parties' rights, John is going to defer the manager responsibilities to Mr. Johnson, he thinks that is ok, he doesn't see an issue there.

Chairman Garcia stated ok, so we are going to give direction to Chris to be General Manager as of December 1<sup>st</sup>. General Manager John Lufrano stated so basically all we are doing is contracting with John for his professional services for the month of December. Chairman Garcia stated right but Chris will be the General Manager as of December 1<sup>st</sup> so is there any language we need to add or would that just be part of the motion. Chris Johnson stated he thinks if the contract is approved tonight, it would be implied.

Chairman Garcia stated if we decide to move forward as amended then he is wondering how we make sure the motion is made properly with the amendments. Do we specify the amendments. Administrative Services Supervisor/ Human Resources stated yes. General Manager John Lufrano stated yes absolutely. We should go back through before the motion and make sure we have touched on all changes we have discussed, and Robert make sure you read those changes into your motion.

Trustee Dunham stated so John takes on January 1st as a consultant, what would that salary be. Would that be hourly or a flat fee.

Chairman Garcia stated he believes that would be negotiated by Chris with John and brought back to the board. District Counsel Chuck Zumpft stated that would not happen until the middle of January. General Manager John Lufrano stated the problem with that is timewise, Chris is not going to know in the middle of December if we have a meeting if he will be ready to go January 1<sup>st</sup>. January's meeting is in the middle of January, and we will already be two weeks behind. That is why it is probably important that tonight everybody understands that you have given some ok to Chris to produce something that doesn't need to come back to board so there is no overlapping time missed.

Chairman Garcia stated ok he agrees with it in principle, but it would need to be does not exceed a certain amount, hours, or weeks. Something that would give him guidance.

District Counsel Chuck Zumpft stated the agenda item is an approval of a General Manager contract conclude that negotiation and come back in December to consider the issue of whether or not additional services are required of the current General Manager and if so, the board can ponder what authority or can just make the determination of what that compensation would look like. Chuck stated that he would counsel against granting to Mr. Johnson the ability to negotiate a contract that will cost the district money without the board's approval.

General Manager John Lufrano stated that he highly doubts there will need to be an extension, he would hate to be in limbo. That is a great idea, we will bring something back in December that covers everything.

Chairman Garcia stated so the changes to be made are to have a start date of December 1<sup>st</sup>, page 61, section one there are blanks for the starting date, page 62, section 2 paragraph a term will be December 1, 2021 - November 30, 2026, paragraph b the opening phrase up through the comma delete that so b will start with the first word being employee, page 64 section 7, paragraph b should read the salary of the employee shall be reviewed and may be adjusted annually. Those are the changes that he heard discussed. Administrative Services Supervisor/Human Resources Brooke Thompson stated page 65, section 11 c this agreement shall be effective December 1, 2021. Brooke asked for clarification on where we are with the probation. General Manager John Lufrano stated what Chuck said. Chairman Garcia stated Chuck's legal opinion is that really superfluous because they have the opportunity

during the review period to address that. District Counsel Chuck Zumpft stated you have that opportunity at anytime during the term of the contract to terminate the contract subject to the severance provisions of the contract.

Administrative Services Supervisor/Human Resources Brooke Thompson stated so the only protection the probation would give would be not having to pay the severance. District Counsel Chuck Zumpft stated yes but they did not follow through with any of that discussion. That is the only reasonable result of a probation period.

Chairman Garcia stated unless it is with cause of some sort. District Counsel Chuck Zumpft stated correct.

**Public comment: none**

**Board of Trustees further discussion/comment: none**

*Chairman Garcia motioned to approve with amendments a General Manager employment agreement with Chris Johnson. Amendments: a start date of December 1, 2021, page 62 section 2 A. the term effective December 1, 2021, to November 30, 2026, section 2 B. remove except as set forth in subparagraph F below, will start at Employee agrees, page 64 section 7 B. should read The salary of the employee shall be reviewed and may be adjusted annually, page 65 section 11 C. This agreement shall be effective as of December 1, 2021. Secretary/Treasurer Eisele seconded. Motion carried 4-1. Ayes by Chairman Garcia, Secretary/Treasurer Eisele, Trustee Gray and Trustee Dunham. Nay by Vice Chairman Clark-Ross.*

**8. Discussion and possible action to approve a proposal from Inland Potable Services, Inc. in the amount of \$5,750.00 for diving services for potable water tank cleaning and inspection to include Jacks Valley School Tank, Big Green Tank, North Tank and South Tank.**

General Manager John Lufrano stated what you have before you is an agreement to do four of our five tanks because the fifth tank is going to have a total refurbishment in February or March weather dependent, so we only have to do four tanks. John stated per our NDEP permit every three to five years we have to have our tanks dove in order to make sure that they are of standard or see if there are any minor repairs needed. The last time this was done was five years ago, so we are up against that window. He is asking for approval tonight to get the four tanks inspected to make sure we are good to go.

Secretary/Treasurer Eisele stated he believes this is mandatory by the State. We need to do this.

**Public comment: none**

**Board of Trustees further discussion/comment: none**

*Chairman Garcia motioned to approve a proposal from Inland Potable Services, Inc. in the amount of \$5,750.00 for diving services for potable water tank cleaning and inspection to include Jacks Valley School Tank, Big Green Tank, North Tank and South Tank. Vice Chairman Clark-Ross seconded. Motion carried unanimously.*

**9. Reports to the Board:**

Minutes of the November 17, 2021, Regular Board of Trustees Meeting

- a. **General Manager Report** General Manager John Lufrano stated there are a few things he would like to add to his report, when the reports were due, they hadn't been completed yet. The first is that Douglas County road department came out with their big cat and cut the new fire break in below east of green tank it was an area when we had the fire earlier this summer the trucks had issues getting up and over the hill. Shortly after the fire he ask Douglas County if there was a possibility of them being able to bring out the cat and cut that road so brush trucks could get up that hill and down the other side. Once again that cooperation between us and Douglas County has been tremendous, especially on the road department side. The two new employees are vaccing all of our storm drains, they will be done with those tomorrow so he can then submit the ms4 permit to NDEP. The trunk or treat as some of you know was an absolute success, it was shocking the success. We did not know what was going to happen in year one, he can tell you it is not going away it was a fantastic event. It brought a lot of people here and lasted several hours. John he will be glad to pass that one on. The last thing is the GID's have met to discuss the possibility of a coalition of GID's within Douglas County the reason for this is to request money. Douglas County has received money from the feds, that dollar figure was based on population size and Douglas County has not reached out to the GID's which has a tremendous population within Douglas County to ask to see if we want any money because it is based on population size. Because that did not happen, they met to discuss the possibility of a coalition to go to Douglas County and ask for a portion of the federal funds they received. It is definitely in the early stages; he will bring it back in December if the letter is done and get the board approval to go ahead and add Indian Hills in on that coalition. It will be a few months of a process before Douglas County actually sees that they need to give the GID's some funds. He only mentions the GID's because the County has control over the Town's. It is the GID's that have to go at it alone with the County because they have no oversight of the GID's. Chairman Garcia asked if we could add a future section to the reports to the board, so we don't lose track of things, like discussions with Douglas County for parks. General Manager John Lufrano stated you will see that next month. Chairman Garcia stated he is optimistic about future infrastructure funds.
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. Chairman Garcia stated thank you Stacie, you are doing an awesome job, he is glad she is part of the team.
- c. **Engineer Report** District Engineer Tim Russell stated that he has been doing preliminary work on the Indian drive project. He anticipates bringing something to the Board at the December meeting. He anticipates spending a

lot of time with John and Chris in the month of December.

- d. **Attorney Report** District Council Chuck Zumpft stated he has nothing to report. Chuck asked if Brooke has a word version of Mr. Johnson's contract, please make the changes, and send to him. Administrative Services Supervisor/Human Resources Brooke Thompson stated yes, she will do that and send it to Chuck for review.

**Public comment: none**

**Board of Trustees further discussion/comment: none**

**10. Discussion and possible action to approve Draft Minutes from the October 14, 2021, Board Meeting.**

*Chairman Garcia motioned to approve Draft Minutes from the October 14, 2021, Board Meeting. Secretary/Treasurer Eisele seconded. Motion carried unanimously.*

**11. Discussion and possible action to approve Draft Minutes from the October 20, 2021, Board Meeting.**

*Chairman Garcia motioned to approve Draft Minutes from the October 20, 2021, Board Meeting. Secretary/Treasurer Eisele 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 item or topic be placed on a future agenda.**

Vice Chairman Clark-Ross stated the trunk or treat was great, thank you all board members for coming out. John and Brooke did a wonderful job. Brian's letter was awesome, she got cards from people in the community saying what a wonderful job we did. Parents interacted with the kids; the community loved it. General Manager John Lufrano stated we spent about \$900.00 on candy. Vice Chairman Clark-Ross stated they built a nice, big arch way, the people who decorated their trunks did great, it was just awesome.

Chairman Garcia stated thank you Kathryn for stepping in as chair last meeting he appreciates it.

Chairman Garcia asked Brooke to please note the item of a contract for Johns additional services in January if needed.

**13. Adjournment**

*Chairman Garcia motioned to adjourn the meeting. Trustee Gray seconded. Motion carried unanimously.*

Meeting adjourned at 8:26P.M.

**FINAL APPROVED MINUTES AS PRESENTED**

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**Secretary/Treasurer**  
**Bill Eisele**