

**Minutes  
Indian Hills General Improvement District  
District Office  
3394 James Lee Park Rd. #A  
Carson City, NV 89705  
June 20, 2007  
6:00 P.M.**

**Trustees Present:** Chairman Brian Patrick, Vice Chairwoman Laura Lau, Secretary/Treasurer Denise Pierini, Trustee William Eisele, Trustee Kathryn Clark-Ross

**Trustees Absent:** (none)

**Staff Present:** General Manager Dennis Longhofer, District's Attorney Jennifer Yturbide, District's Engineer Brian Randall, Executive Assistant Vicki Reifer, Administrative Manager Nancy Fredrickson, Recreation Manager Sandi Eisele, Streets Supervisor Russ Sterling, Wastewater Operations Supervisor Andy Joyner

**Others Present:** Douglas County Engineer Carl Ruschmeyer, Farr West Engineering Representative Kim Borgzinner, Art Baer, Riley Evans, Penni Eisele, Bill Moriarty, Susie Vasquez, Carl Carter, Stationary Engineers, Local 39 Union Representative Jerry Frederick, Dale Morlan

1. **Call to Order:** Chairman Patrick called the meeting to order at 6:06 P.M.
2. **Pledge of Allegiance:** Led by Chairman Patrick.
3. **Approval of Agenda:** Chairman Patrick asked the Board and members of the public if they requested any agenda revisions. Trustee Eisele requested that agenda item no. 17 and agenda item no. 18 are moved after agenda item no. 7. General Manager Longhofer requested postponement of agenda item no. 18 due to additional revisions required in the personnel policy. Trustee Eisele recommended that the Board consider the section in the personnel policy pertaining to "Drug and Alcohol Free Workplace." General Manager Longhofer recommended that revisions in the personnel policy are completed prior to adoption of specific sections in the policy. He clarified that the personnel policy in the Board meeting packet is not the final revised version and that a workshop meeting is scheduled next week with Nevada Pool Pact to review and revise the personnel policy. Chairman Patrick requested that agenda item no. 17 is moved after agenda item no. 7 and agenda item no.18 is postponed until the July 18, 2007 Board of Trustees meeting.

**Public Interest Comment:** Stationary Engineers, Local 39 Union Representative Jerry Frederick mentioned that if the "Drug and Alcohol Free Workplace" section in the personnel policy is revised, the matter would need to be reviewed and negotiated by the Union. He clarified that the collective bargaining agreement could be adopted by the Board without the Board having to approve the personnel policy.

There were no additional requested changes to the agenda.

*Vice Chairwoman Lau moved to approve the agenda as amended by moving agenda item no. 17 after agenda item no. 7, including postponement of agenda item no. 18 until the July 18, 2007 Board of Trustees meeting . Seconded by Secretary/Treasurer Pierini. Chairman Patrick*

*voted aye. Vice Chairwoman Lau voted aye. Secretary/Treasurer Pierini voted aye. Trustee Eisele voted nay. Trustee Clark-Ross voted nay. Motion carried 3 to 2.*

4. **Public Interest Comment:** Carl Carter inquired on the status of improving Vista Park and Vista Grande Boulevard. He is concerned with the delay with improvements to Vista Park and the increased traffic conditions on Vista Grande Boulevard behind the Home Depot and Target shopping center. He understood that a portion of Vista Grande Boulevard would be redesigned to slow down traffic.

Chairman Patrick understood that a portion of the residential construction tax (RCT) funds received from Douglas County for Vista Park improvements might have been reallocated and used for other James Lee Park improvements. Executive Assistant Reifer explained that an application for RCT funding for James Lee Park Expansion Project #3 to complete Vista Park was filed by the former General Manager in July of 2004 however; the Vista Park project funding was delayed due to Douglas County allocating RCT funds for Johnson Lane Park, Phase 1. General Manager Longhofer explained that the District is in the process of obtaining an easement as part of the Vista Park project which would allow for a trailhead from James Lee Park to Vista Park and would be funded by a 90% grant through the State of Nevada Division of Parks, Recreational Trails Program. He intends to complete the trailhead by summer 2008 and that Vista Park would be completed when Douglas County RCT funds are available. He explained that the trailhead would cost approximately \$100,000 which might be reduced if Syncon Homes develops a portion of the trailhead.

Carl Carter stated his concern with the high MCL Arsenic level at 10.00 ppb and the high MCL Gross Alpha level at 15 pCi/L as indicated in the 2006 Water Quality Report. He questioned if the water was safe to drink and if something was being done to control those levels.

General Manager Longhofer explained that the State of Nevada Division of Environmental Protection set a new arsenic standard of 10 ppb in 2006 from the previous regulation of 30 ppb. He stated that the District was granted an exemption by the State Environmental Commission to comply with the new regulation of 10 ppb by 2009 and that the District is in the process of conducting a pilot test to determine the media needed to remove arsenic from ground water.

Art Baer stated his opposition of the Board's acceptance of a proposal at the May 17, 2007 Board of Trustees meeting from HDR Engineering for design services in the amount of \$113,527 for the centrifuge dewatering system.

Douglas County Engineer Carl Ruschmeyer informed the Board that Douglas County has applied for a master plan amendment application to expand the water and sewer service areas in the Indian Hills/Jacks Valley area to include the Clear Creek development. The amendment language includes identification of Douglas County or the Indian Hills General Improvement District as a potential water and sewer service provider to the Clear Creek development. He stated that the County is requesting formal action by the District in support of the master plan amendment application. General Manager Longhofer advised the Board that the matter would be an agenda item at the July 18, 2007 Board of Trustees meeting.

Riley Evans requested that the District expedite the arsenic removal project several months ago at a Board of Trustees meeting. He understood that the arsenic removal project was to be subsidized by the 2003 \$1.7 million Drinking Water Loan which has been depleted. He inquired as to the reasons that nothing was said about arsenic removal when the \$2 million loan was obtained but just recently the arsenic removal project was added. Chairman Patrick

understood that the \$1.7 million loan was expended and arsenic removal was not completed at that time and that the District obtained a \$2 million loan to complete several water and sewer capital improvement projects including completion of the arsenic removal project. He stated that arsenic removal was tabled for one year because the District was waiting for test bedding and updated treatment. He discussed an alternative solution by working with Douglas County to remove arsenic levels which would reduce the District's cost for that project. Riley Evans recalled that the Board decided several years ago to remove arsenic prior to the 2009 deadline. Riley Evans stated his concerns regarding the high arsenic level in the District's drinking water. Chairman Patrick reminded Riley Evans about the State of Nevada Division of Environmental Protection establishment of a new arsenic standard of 10 ppb in 2006 from the previous regulation of 30 ppb. He mentioned that residents of the District have been drinking water with about 30 ppb arsenic level for several years with no particular health issues and that the 30 ppb arsenic level is now high according to N.D.E.P.

Riley Evans requested that the arsenic removal issue be an agenda item at the next Board of Trustees meeting due to the delays with the project. Chairman Patrick assured Riley Evans that the arsenic removal project would be an agenda item at the July 18, 2007 Board of Trustees Meeting. General Manager Longhofer explained that the 2003 \$1.7 million Drinking Water Loan was used to build the Ozone treatment system including expansion of the water treatment plant to accommodate future arsenic removal equipment and that the District intends on completing the arsenic removal project by 2008.

**5. Discussion and possible action on approval of Consent Calendar:**

- a. Approval of Draft Minutes of Board Meetings of May 17, 2007.**
- b. Acceptance of Budget Status Reports for May 31, 2007.**
- c. Acceptance of Bank Accounts' Reconciliation at May 31, 2007.**
- d. Acceptance of Paid Current Bills as presented.**
- e. Approval of Large Payment to JNA Consulting Group for \$7,865.02 and Dinter Engineering for \$12,919.60.**
- f. Approval to renew the District's workers compensation and employers liability insurance policy at a total cost of \$26,221 for fiscal year 2007-08 and to approve payment to Warren Reed Insurance for the renewal premium of \$26,221.**
- g. Approval to change the meeting time of the District's Board of Trustees meetings from 7:00 P.M. to 6:00 P.M.**
- h. Adoption of Resolution 2007-02, a Resolution providing for augmentation and revision to fiscal year 2006-07 budget. (Exhibit A)**

*Trustee Eisele moved to approve consent calendar agenda items 5a, 5b, 5c, 5d, 5e, 5f, 5g and 5h. Seconded by Trustee Clark-Ross. Motion carried unanimously.*

**6. Action on items pulled of the Consent Calendar:** No agenda items were pulled from the consent calendar.

7. **Presentation on Western Pozzolan Lassenite ATS soil amendment:** Western Pozzolan Corporation Representative Sean Hamilton explained to the Board that Pozzolan is a volcanic ash with a high amount of diatoms. He discussed the benefits of adding Pozzolan to soil. Pozzolan increases moisture retention, and allows soil to absorb and hold water. Pozzolan reduces frequency of watering and reduces use of fertilizers. Pozzolan promotes deeper roots and increases the number of fine root hairs. It allows for the efficient movement of water that adds to the permanent availability of water to turf and plants. It reduces labor costs associated with intensive turf management and reduces compaction. He discussed the application process by applying the Pozzolan Lassenite soil amendment topically to existing turf or tilled into soil prior to laying sod or seed. He clarified to Trustee Eisele that a common application process is to apply Pozzolan Lassenite soil amendment to existing turf by aeration and by using a spreader. Trustee Eisele inquired if Western Pozzolan Corporation Representative Hamilton would be willing to apply the Pozzolan Lassenite soil amendment to a test area in the District. Western Pozzolan Corporation Representative Hamilton agreed to conduct a Pozzolan Lassenite test bed for the District. Western Pozzolan Corporation Representative Hamilton informed Trustee Clark-Ross that the District is researching the Pozzolan Lassenite soil amendment product to repair all turf in the District. He explained that the Pozzolan Lassenite soil amendment cost per ton is \$350.00. He clarified to Secretary/Treasurer Pierini that the Pozzolan Lassenite soil amendment is applied one time only to existing turf and will last forever. He explained that the soil amendment will not wash or blow away and will work itself into the root system. He explained that the Lassenite soil amendment application guideline to existing turf is to apply 400 to 500 pounds per 1,000 square feet of turf. He clarified to Vice Chairwoman Lau that the Pozzolan Lassenite soil amendment is an inorganic product and is 100% chemical free.

*The Board of Trustees agreed to conduct a Pozzolan Lassenite soil amendment test bed.*

**Public Interest Comment:** Riley Evans inquired if there was a time frame for using the ballfields once the Pozzolan Lassenite soil amendment is applied. Western Pozzolan Corporation Representative Hamilton explained that it depends on the soil conditions of the turf but typically there are no usage restrictions.

17. **Discussion and possible action to approve the Proposed Collective Bargaining Agreement with Stationary Engineers, Local 39:** General Manager Longhofer discussed the modifications in the proposed collective bargaining agreement.

- Article V “Overtime” Section C, Compensatory Time (page 5) – Added
- Article VIII “Wages” Section C, Standby (page 8) – Amended previous amount from \$1.63 per hour increased to \$2.00 per hour
- Article VIII “Wages” Section D, Meal Allowance (page 9) – Added
- Article IX “Holidays” Section A, Legal Holidays (page 9) – Added One Floating Holiday Per Fiscal Year
- Article X “Vacation” Section C, Vacation Buy-Back Provisions (page 12) – Amended
- Article XIII “Health & Welfare” Section A, Health Insurance - District Plan (page 12) – Amended to cover eligible dependents
- Article XVII “Pay & Expenses For Education, Training & Licensing” Section B, Education Incentive (page 15) – Amended previous reimbursable amount from \$250.00 to \$300.00.
- Article XVIII “Vacancies” Section A, Minimum Requirements (page 16) – Added
- Article XVIII “Vacancies” Section B, Notice (page 16) - Added

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**Public Interest Comment:** Stationary Engineers, Local 39 Union Representative Jerry Frederick thanked Trustee Eisele and General Manager Longhofer for their hard work with negotiations.

*Trustee Eisele moved to approve the Proposed Collective Bargaining Agreement with Stationary Engineers, Local 39. Seconded by Trustee Clark-Ross. Motion carried unanimously.*

8. **Presentation by Farr West Engineering on the District's Water and Sewer Rate Study including discussion and possible action on the selection of rate options and scheduling a public hearing:** Farr West Engineering Representative Kim Borgzinner informed the Board and members of the public that Farr West Engineering conducted the District's water and sewer rate study at no charge to the District through a grant from the Nevada Division of Environmental Protection and the Bureau of Safe Drinking Water. A PowerPoint presentation was provided which focused on important topics of the District's water and sewer rate study.

Farr West Engineering Representative Borgzinner explained that rates must be reviewed annually for conformance with the District's proposed fiscal budget. The District is preparing to meet its financial demands including...

- Covering all operating expenses for both water and sewer
- Implementing an arsenic treatment program
- Funding water and sewer capital improvements
- Funding reserves to repair and replace aging infrastructure

Farr West Engineering Representative Borgzinner commented on the District's current rates being insufficient to cover the proposed 2007-2008 budget expenses or to generate appropriate reserve funds. She explained that the District's water and sewer rate study presents rate increase options for both the water and sewer systems to meet budgeted expenses for fiscal year 2007-2008.

A brief overview of the revenues and expenses in the District's 2007-2008 budget was presented.

Water Revenues	\$1,498,000	Sewer Revenues	\$2,220,080
Water Expenses	\$1,898,063	Sewer Expenses	\$2,671,955
<u>Operating Income (loss)</u>			
Water	(\$400,063)	Sewer	(\$451,875)
<u>Actual Operating Income (loss)</u>			
Water	\$49,937	Sewer	(\$1,875)

Farr West Engineering Representative Borgzinner advised the District that connection fees should not be used for operating expenses and that connection fees should be set aside for future projects.

The following water rate increase options were presented based on historical water consumption data from May 2006 to April 2007.

1. Increase base rate

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2. Increase base rate and consumptive rate
3. Increase base rate and implement increasing block rate

Farr West Engineering Representative Borgzinner explained that a method to determine rates is through meter sizes because of the capacity requirements to serve a particular sized meter. She clarified that the District does not have records indicating meter sizes and therefore, that method was not used in the rate analysis. Farr West Engineering recommends that the District investigate and document actual meter sizes for future studies.

Meter Size	American Water Works Association Multipliers
¾"	1.0 x base rate
1"	1.67 x base rate
1 ½"	3.33 x base rate
2"	5.33 x base rate

Farr West Engineering recommended increasing the base rate based on a 25% depreciation reserve. Five scenarios were presented which were based on an average usage of 15,000 gallons. Farr West Engineering recommended scenario 4. The monthly bill calculates as followed: \$17.60 plus \$29.25 ( $1.95/1000 \times 15,000$ ) = \$46.85.

	New Monthly Base Rate (\$)	Depreciation Funded (%)	Annual Amount of Depreciation Funds Set Aside (\$)
Scenario 1	32.55	100	450,000
Scenario 2	27.55	75	337,500
Scenario 3	22.60	50	225,000
Scenario 4	17.60	25	112,500
Scenario 5	12.65	0	0

Farr West Engineering presented an alternative rate option by increasing the base rate and increasing consumptive rate. This alternative promotes water conservation and allows users up to 4,000 gallons. Five scenarios were presented which were based on an average usage of 15,000 gallons. Farr West Engineering recommended scenario 4. The monthly bill calculates as followed: \$14.10 plus \$33.75 ( $2.25/1000 \times 15,000$ ) = \$47.85

	Base Rate (\$)	Consumption Fee (\$)/1000 gal	Depreciation Funded (%)	Annual Amount of Depreciation Funds Set Aside (\$)
Scenario 1	29.00	2.25	100	450,000
Scenario 2	24.05	2.25	75	337,500
Scenario 3	19.05	2.25	50	225,000
Scenario 4	14.10	2.25	25	112,500
Scenario 5	9.10	2.25	0	0

Farr West Engineering Representative Borgzinner explained that the State will not provide funding through either a grant or a loan if the District does not fund for depreciation. She stated that the Department of Taxation has requested that the District start complying with depreciation reserve funds.

Farr West Engineering Representative Borgzinner explained that sewer rates are typically structured on water meter sizes and equivalent capacity ratios, indoor (winter) water consumption and budgeted expenses. A sewer rate example based on indoor water use was presented. Farr West Engineering Representative Borgzinner stated that the method is fair to lower consumers however; it does not guarantee base revenues will be generated (especially if conservation occurs to keep rates low) and implementation of this method requires additional time and resources increasing administrative expenses.

Annual Sewer Expenses (including 25% depreciation)	\$828,455
Approximate Indoor Water Consumption (Gallons)	123,120,000.00
Cost per 1000 gallons	\$6.73
Indoor Use Per Household (Gallons)	5,000
Rate (Cost of Service)	\$33.64
Indoor Use Per Household (Gallons)	7,000
Rate (Cost of Service)	\$47.10

Farr West Engineering presented an alternative sewer rate option as recommended in scenario 4. This method guarantees all revenues will be generated to satisfy the proposed budget and is typical and generally an accepted method for determining sewer rates.

	New Monthly Base Rate (\$)	Depreciation Funded (%)	Annual Amount of Depreciation Funds Set Aside (\$)
Scenario 1	47.36	100	450,000
Scenario 2	42.80	75	337,500
Scenario 3	38.25	50	225,000
Scenario 4	33.65	25	112,500
Scenario 5	29.10	0	0

Farr West Engineering evaluated the District's capacity fees (new connections). There are two methods that can be used which are the incremental cost method and buy in method. The incremental cost method assigns to new development the incremental cost of system expansion needed to serve the new development. The objective is to provide system expansion to serve new development. This method works best when a significant portion of the capacity required to serve new customers must be provided by the construction of new facilities. Farr West Engineering Representative Borgzinner commented on the risk factor with the incremental cost method in areas where new development may be slowing down or sporadic. If the development does not occur, existing customers may bear the cost of the new and unnecessary facilities.

Farr West Engineering Representative Borgzinner recommended the buy in method. The buy in method is based on the principal of achieving capital equity between new and existing customers. The goal is to determine the equity of the existing system as it relates to customer investment in the system. The Indian Hills General Improvement District 2006 financial statements indicate the District's water and sewer net assets are \$18,830,686 (including depreciation and debt service). Historically, water and sewer assets were not tracked separately, it will be assumed that half of the assets belong to the water system and half belong to the sewer system (\$9,415,343). Dividing the total equity in the system by the total number

of connection (1835) yields the average net equity investment per connection of \$5,130. Farr West Engineering Representative Borgzinner further explained that the buy in method is based on the principle of equity. The proposed capacity fees are as followed:

Meter Size	Equivalent Meter Ratio	Equity In System per Meter Size
¾"	1.00	\$5,130
1"	1.67	\$8,567
1 ½"	3.33	\$17,083
2"	5.33	\$27,343
3"	10.67	\$54,737

Farr West Engineering Representative Borgzinner recommended that the District do the following:

1. Choose an appropriate amount of depreciation reserves to begin funding. Farr West Engineering recommends 25% as a start.
2. Choose a rate increase as outlines in the rate analysis study to increase water and sewer rates at a minimum to cover all operating expenses including depreciation reserves. Farr West Engineering recommends increasing the base rate at a minimum.
3. Set a goal to eventually fund 100% depreciation reserves and plan for annual rate increases to meet that goal.
4. Include 5-year projections on the proposed budget.
5. Inventory customer water meter sizes for future rate studies.
6. Evaluate the adequacy of existing policies regarding late fees, bad check fees, call out fees and standby fees.
7. Implement the proposed capacity fees as outlined in the study.
8. Continue to inventory water and sewer facilities to determine a more accurate depreciation amount for set aside funds.

Farr West Engineering Representative Borgzinner presented the District with a water system asset inventory and depreciation schedule. Farr West Engineering gathered asset information on the District's water system and used the data to perform an asset depreciation analysis. The asset depreciation analysis will increase the District's knowledge of the water system and enable the District to make more informed financial decisions regarding depreciation of both older assets and newly constructed assets. The asset database and depreciation schedule will assist the District plan for needed improvements and set appropriate water and sewer rates. She reminded the Board that the sewer system asset inventory was not completed due to grant restrictions.

Farr West Engineering Representative Borgzinner commented on the recent adoption of Assembly Bill 311 which amended Nevada's requirements for each supplier of water to prepare and adopt a water conservation plan. Chapter 540.011, Section 1.0 of the Nevada Revised Statutes requires that rates that are proposed to be charged will maximize water conservation with due consideration to the essential service needs of customers and the economic burdens on business, public services and low-income households.

**Public Interest Comment:** Bill Moriarty commented on the comprehensive presentation. He recommended that the first increment be \$.025 rather than \$.05. He suggested that the tier water rate be implemented to promote water conservation. He advocated using winter monthly water usage to



establish the sewer rate because it is fair to the customer. He commented on the previous Interim General Manager's analysis of winter water usage which determined that there was a wide discrepancy of monthly usage. Art Baer informed Farr West Engineering that a majority of meters in the District are ¾" excluding some commercial and industrial meters. He advised that the District be diligent with establishing rates and fees due to the District being near build out and senior citizens on fixed incomes. He stated that the Nevada Department of Taxation will continue to require funding for 100% depreciation funding but not many water and sewer purveyors fund for 100% depreciation.

Trustee Clark-Ross inquired from Farr West Engineering which rate would be recommended to address a potential "Brown out" throughout the District and to assist those residents on a fixed income. Farr West Engineering Representative Borgzinner recommended a tiered rate. She discussed resistance from residents at the public hearing and rate increases having minimal impact on condition of yards in the District.

The Board of Trustees preferred establishing a rate at the special public hearing meeting. The District's Attorney recommended re-notification when the rate is established.

*Trustee Clark-Ross moved to hold a special public hearing on Monday, July 30, 2007 at 6:00 P.M. Seconded by Trustee Eisele. Motion carried unanimously.*

**Break at:** 7:30 P.M.

**Reconvened at:** 7:46 P.M.

## **9. Reports to the Board:**

### **a. General Manager's Report (Exhibit B)**

General Manager Dennis Longhofer discussed items as written in the General Manager's Report. He commented on additional items. General Manager Longhofer had a few meetings with the Washoe Tribe Operations Manager to discuss the possibility of the Washoe Tribe using the District's effluent for irrigation. He explained to the Washoe Tribe Operations Manager that the District has an effluent storage and disposal agreement with Sunridge Golf Course but there is a sewer pipeline that runs from Genoa to the wastewater treatment plant which might be converted into a water pipeline. The conversion of the sewer pipeline to a water pipeline was discussed at a meeting with Douglas County to promote water redundancy. There was discussion at that meeting of blending the District's water system with the County's water system to reduce the District's arsenic levels. A pilot test will be conducted. Usage of the District's Nitrate well for construction water was also discussed at a meeting with the County. Douglas County and the District will be working together to possibly complete an overlay on Vista Grande Boulevard. Douglas County has offered to paint main roads in the District.

**Public Interest Comment:** (none)

### **b. Engineer's Report**

The District's Engineer Brian Randall commented on his efforts with the street sealing project bids and pond bypass project bids and working with HDR Engineering for the sludge dewatering project. He is involved with reviews of new projects such as "The Cottages" located on Vista Grande and Mica Drive. He discussed Valley Vista, Phase 7

drainage issues and easement issues. He mentioned that Valley Vista, Phase 7 open space and a trailhead should be conveyed to the District once issues have been resolved.

**Public Interest Comment:** (none)

**c. Attorney's Report**

The District's Attorney Jennifer Yturbide commented on her efforts to assist the District with obtaining an easement to complete the trailhead from James Lee Park to Vista Park. She met with the property owner to discuss the possibility of the District obtaining the easement. A draft pathway easement agreement has been prepared and will be presented to the property owner for their review and possible consent.

**Public Interest Comment:** (none)

- 10. Discussion and possible action to approve an inter-local agreement to transfer sewer improvements, in the Ridgeview service area, from Douglas County to the District:** General Manager Longhofer recommended that the agenda item be postponed due to the District's requirement of having Douglas County inspect the sewer lines due to the age of the system.

*Agenda item postponed.*

- 11. Discussion and possible action to withdraw filed Protest on Water Right Application 71000:** General Manager Longhofer informed the Board that water right application 71000 corresponds with water right applications 71674, 71675 and 71676 which were withdrawn by Board action at the March 21, 2007 Board of Trustees meeting. Douglas County Engineer Carl Ruschmeyer explained that the water right application was filed by the County to move a water right purchase by Douglas County from the Eagle Valley basin in Carson City to the Wal-Mart well. He mentioned that both Indian Hills General Improvement District and Carson City filed a protest at the time the application was filed. Douglas County is working with Carson City on having their protest withdrawn. Douglas County is requested that the District withdraw its protests to allow the State Engineer to take action on Douglas County's applications absent any protests.

*Trustee Eisele moved to withdraw filed Protest on Water Right Application 71000. Seconded by Vice Chairwoman Lau. Motion carried unanimously.*

- 12. Discussion and possible action to approve Purchase of a Used Grader not to exceed \$7,500:** Streets Supervisor Russ Sterling discussed features of the used grader. He mentioned that he has operated the used grader twice and it functions well except for a leak in the hydraulic system which could be repaired by the District. The grader was previously owned by the County. It is all wheel drive and is all hydraulic. He informed the Board that the grader will assist the District with snow removal, reconfiguration of the roads at the wastewater treatment plant, construction of a fire break at the wastewater treatment plant, and improvements to the ballfields. He clarified that the grader was probably built in the late 1970's or early 1980's. Trustee Eisele discussed various uses for the grader.

**Public Interest Comment:** Art Baer recalled that the District already had a grader. Streets Supervisor Sterling clarified that there was a rental grader which was left on District property for approximately a year but it was not used or owned by the District. It was rented by another individual and just left on District property.

Streets Supervisor Sterling mentioned that a new grader would cost approximately \$140,000. He clarified to Secretary/Treasurer Pierini that the grader usage is by hours of operation and not by mileage and that the grader will be kept outside at either the maintenance shop yard or the wastewater treatment plant.

*Trustee Clark-Ross moved to approve Purchase of a Used Grader from Genoa Tree Farms, not to exceed \$7,500. Seconded by Trustee Eisele. Motion carried unanimously.*

- 13. Discussion and possible action to approve hiring of two additional seasonal employees for a full-time crack sealing crew for a time period of sixty to ninety days:** Streets Supervisor Sterling commented on the need to complete crack sealing for the upcoming street sealing and slurry projects. He clarified to Trustee Eisele that one full time District employee will be supervising the seasonal employees performing crack sealing due to safety issues and complexity of the crack sealing equipment. Streets Supervisor Sterling clarified to Chairman Patrick that there are currently three employees designated to park functions, three days per week, but the focus is to complete crack sealing. He discussed the process of crack sealing including preparation of the streets by filling holes with sand. He mentioned that ninety days would be needed to complete the crack sealing project. Streets Supervisor Sterling clarified that training seasonal employees to perform crack sealing is minimal however; the crack sealing kettle temperature needs to be monitored.

**Public Interest Comment:** (none)

*Trustee Clark-Ross moved to approve hiring two additional seasonal employees for a full-time crack sealing crew for a time period of sixty to ninety days. Seconded by Vice Chairwoman Lau. Motion carried unanimously.*

- 14. Discussion and possible action on Awarding Bid for Street Sealing Project:** Engineer Randall commented on the Nevada Revised Statutes requirement to solicit bids for the street sealing project. Engineer Randall informed the Board that three contractors picked up contract documents but only two contractors' submitted bids, Intermountain Slurry and Sierra Nevada Construction. Intermountain Slurry bid \$89,421.97. Sierra Nevada Construction bid \$58,003.44. Engineer Randall verified the contractor's license for both Intermountain Slurry and Sierra Nevada Construction. Engineer Randall recommended that the Board accept the bid from Sierra Nevada Construction. General Manager Longhofer recommended that the District consider completion of the slurry seal project due to the low bid from Sierra Nevada Construction.

**Public Interest Comment:** (none)

*Vice Chairwoman Lau moved to approve and award the Bid for the Street Sealing Project to Sierra Nevada Construction for \$58,003.44. Seconded by Trustee Clark-Ross. Motion carried unanimously.*

- 15. Discussion possible action on Awarding Bid for Pond Bypass Project:** Engineer Randall informed the Board that three contractors picked up contract documents but only two contractors' submitted bids, Sierra Nevada Excavation and Action Construction Company. Sierra Nevada Excavation bid \$29,775.00. Action Construction Company bid \$24,850.00. Engineer Randall verified the contractor's license for both contractors. Engineer Randall recommended that the Board accept the bid from Action Construction Company. He explained that the difference in the bids came down to mobilization of equipment. Engineer Randall

explained that the July 2007 deadline depends on getting the contract executed but he speculates that the project would be completed the first or second week in August 2007. General Manager Longhofer mentioned that Action Construction Company might replace the District's faulty valve for time and material costs only.

**Public Interest Comment:** (none)

*Trustee Clark-Ross moved to accept the Awarding Bid for the Pond Bypass Project from Action Construction Company for \$24,850.00. Seconded by Trustee Eisele. Motion carried unanimously.*

- 16. Discussion and possible action to approve Amended and New Job Descriptions and Job Titles for Non-Exempt Employees:** General Manager Longhofer explained that the Board requested that the agenda item which was approved at the May 17, 2007 be placed on the June 20, 2007 Board of Trustees meeting agenda for reconsideration due to additional questions by the Board. General Manager Longhofer referred to the draft organizational chart which was included in the Board meeting packet. He mentioned that the new positions and job descriptions are the positions listed under the Field Operations Supervisor. He mentioned that some job descriptions have positions which are not currently filled such as water / wastewater operator in training. Trustee Clark-Ross requested that job descriptions for exempt positions be provided. General Manager Longhofer informed Trustee Clark-Ross that job descriptions for exempt employees would be provided directly to the requesting Board member. Trustee Eisele mentioned that he will be requesting an agenda item at the next Board meeting to go out and have a survey done on the four exempt positions in the District.

**Public Interest Comment:** (none)

*Trustee Clark-Ross moved to approve Amended and New Job Descriptions and Job Titles for Non-Exempt Employees. Seconded by Vice Chairwoman Lau. Motion carried unanimously.*

- 18. Discussion and possible action to approve Proposed Amendments to District's Personnel Policy:**

*Agenda item postponed.*

- 19. Discussion and possible action to authorize hiring a full time employee for "Field Operations Supervisor", currently a vacant position:** General Manager Longhofer stated that Russ Sterling is currently acting Field Operations Supervisor. He commented on the Stationary Engineers, Local 39 collective bargaining agreement requirement that the position must be posted because it is a new position. General Manager Longhofer clarified that Russ Sterling's previous position was eliminated. Wastewater Operations Supervisor Andy Joyner informed the Board that the Nevada Division of Environmental Protection is requiring a wastewater operator in training position due to requirements of having weekend coverage. A letter from the Nevada Division of Environmental Protection will be sent to the District addressing the matter. The Board of Trustees and District staff discussed the possibility of having the District's current Wastewater Operations II employee working on the weekends or hiring a part-time employee. Wastewater Operations Supervisor Joyner explained to the Board that the wastewater operator in training employee can obtain the operator in training certification and has two years year to complete the grade I certification. He discussed the need of hiring an operator in training to assist with daily laboratory work and additional daily treatment operations.

**Public Interest Comment:** (none)

*Trustee Eisele moved to authorize hiring a full time employee for "Field Operations Supervisor", currently a vacant position. Seconded by Trustee Clark-Ross. Motion carried unanimously.*

- 20. Discussion and possible action to approve formation of District Committees:** General Manager Longhofer informed the Board that Minden Gardnerville Sanitation District and South Tahoe Public Utility District have committees where one to two board members meet with staff and the public to discuss goals for example, parks. He explained that committees are subject to the open meeting law including posting and distribution of agendas, drafting of minutes and recording of audio. There was discussion of setting up committees rather than having special Board meetings and having periodic committee meetings to discuss for example parks, streets and finances. Attorney Yturbide discussed options for the Board. An option of the Board could be to have reports submitted by District departments if the Board wants further exploration or information from a certain department. Another option is to have District committee meetings which would be subject to the open meeting law. Trustee Eisele preferred having a committee meeting where the public would be present including as many Board members as possible present. Attorney Yturbide mentioned that a committee meeting would have to be advertised as a Board meeting if a quorum is present. Trustee Eisele suggested having Board members present including District staff at committee meetings. Attorney Yturbide suggested that the Board consider what the functions of the District committee meeting would be and what information the Board is trying to gather. The Board of Trustees discussed the possibilities of establishing round table meetings with all Board members and the public. Vice Chairwoman Lau recommended that the Board of Trustees determine the end result that the Board would be looking for.

**Public Interest Comment:** (none)

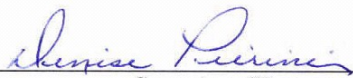
*Agenda item postponed.*

- 21. Chairman and Trustees' Report:** Trustee Clark-Ross reminded the Board and those present at the meeting about the District's community barbecue and swap meet on Saturday, June 23, 2007 starting at 11:00 A.M. in James Lee Park. Secretary/Treasurer Pierini commented on a call from a resident in regards to residents not removing their yard sale signs. General Manager Longhofer informed that District staff will remove yard sale signs on Mondays.
- 22. Adjournment:** *Trustee Eisele moved to adjourn the meeting at 8:55 P.M. Seconded by Secretary/Treasurer Pierini. Motion carried unanimously.*

The next regular Board of Trustees meeting will be on Wednesday, July 18, 2007 at 6:00 P.M.

Exhibit A      Resolution 2007-02 - Enterprise Fund Budget Revisions 2006-2007 FY  
Exhibit B      General Manager's Report

**FINAL APPROVED MINUTES AS PRESENTED**



Secretary/Treasurer  
Denise Pierini