

TOPAZ RANCH ESTATES GENERAL IMPROVEMENT DISTRICT

1490 Albite Road, Arden Square, Suite 8 (Topaz Ranch Estates), Wellington, Nevada, 89444 / 775.266.3000

MEETING MINUTES

REGULAR MEETING MINUTES

DATE: April 12, 2023

TIME: 6:00 P.M.

LOCATION: TOPAZ RANCH ESTATES COMMUNITY CENTER

3939 Carter Drive, Wellington, NV 89444

Supporting material and the audio tape is available for public inspection at the TREGID office during regular business hours (8:00 a.m. to 4:00 a.m.), Monday through Friday, except legal holidays. Please make your request to the TRE GID office at the address and phone number above OR by email directed to: TREGID2023@gmail.com

- 1) **CALL MEETING TO ORDER:** Led by Chairman Brandon Taylor **TIME: 6:07 pm**
- 2) **BOARD MEMBERS PRESENT:** Brandon Taylor, Dave Akola, Lisa Sandbo (via call-in), Michael Tanner, and Kaitlyn Insell
- 3) **STAFF MEMBERS PRESENT:** Cody Dalhaus, Jeremy Bradley, Christine Bradford, Jeff Dines, Reid Howard, Larry Hathcock
- 4) **INTRODUCTION OF GUESTS:** Counselor Frank Flaherty, Cody Black, County Commissioner Danny Tarkanian, County Commissioner Mark Gardner, Kendra Follett, Dave Silva and 2 DCSO.
- 5) **PLEDGE OF ALLEGIANCE:** Led by Chairman Brandon Taylor
- 6) **AGENDA APPROVAL: For Possible Action:** Board action to approve the April 12, 2023, Agenda.

Public Comment before Board Action: No Public comment.

Dave Akola made a motion to approve the April 12, 2023, Agenda. Mike Tanner seconded. Motion carried 5-0.

- 7) **MINUTES APPROVAL:** For Possible Action: Board action to approve the Minutes of the March 8, 2023, Regular Board Meeting.

Public Comment before Board Action:

1. Fred Farley – reviewing notes made on previous minutes from March 2023 meeting in regard to the statements made by Dave Akola’s Treasurer’s Problem paper / discussion.

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Kaitlyn Insell made a motion to approve the Minutes of the March 8, 2023, Regular Board Meeting. Dave Akola seconded. Motion carried 5-0.

8) PUBLIC COMMENT: Not for Board Action:

- Nancy Clark – curious in regard to why one of the board members had an image of one of the employees that was their mug shot, in their clear file box.
- Sharon Becker – I want to take this time to publicly acknowledge and personally thank all those who helped during the catastrophic weather in March, Thank you to all the community members who helped their neighbors in their time of need. Mike Kearns and the shovel brigades that helped any person who contacted him. Apalo Insell and friend Chris for working for working with their equipment to help clear culverts, drainage and driveways of those neighbors who sought them out. Cathy Consolo, who was vacationing. She reached out on Facebook and allowed her backhoe to be used by skilled operators wherever necessary. Thank you to whoever used this equipment to help their neighbors. Pablo, Billy, and Jeremy, who worked with the GID employees to facilitate the repair of the broken water main and restore the water service. These guys volunteered for several days in the mid, rain and cold weather. There was even a call to my husband from a Topaz Lake resident who wished to help if needed. She was willing to pick up medication and groceries for any person stranded. Commissioner Mark Gardner for his time to lend his knowledge and expertise in the aiding TRE in possibly acquiring emergency federal funds for repairs necessary after the storm. GID employees who worked tirelessly for several days to mitigate damages during and after the storm. Under Cody's supervision and with limited personnel and equipment, they worked furiously to prevent storm damages to residence homes. Also, Christine, the bookkeeper for coming into TRE just to bring lunches to hose working and to Erica Taylor for providing breakfast burritos for the work crews. This community pulled together to help one another to get through this unforeseen event. Thank you to Kaitlyn Insell, our board secretary, for initialing the gathering of evidence to substantiate the claim of the severe damages sustained to the infrastructure in TRE. This brought light to the community by allowing news coverage by KOLO. It further allowed a timelier evaluation by Douglas Count and the State of Nevada to estimate the dollar amount needed to restore the community's waterways and roads. Lastly, Brandon Taylor, thank you for all your efforts during this time. You do not often get accolades or recognition for the work you do behind the scenes. You took off days from your paying job to help with the water main repair. You continued to follow up with calls and meetings with the Douglas County engineer and state personnel to obtain evaluations of damages, estimates for repairs and possible access to funding for the destruction. You and Kaitlyn are shining examples of the dedication elected representatives of and for the TRE community. You both worked endlessly to aide our community regardless of your personal obligations with the hope of repairing and restoring the roads and waterways in TRE. And to anyone

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I may have missed, thank you for all your efforts behind the scenes. I am personally proud to be a TRE resident.

CONSENT CALENDAR

A. For Possible Action: Bills to be Paid for: March 2023

1. Water Bills: \$466,359.71 (\$407,302.50 of that is for the Stonehouse drilling for the water project.)
2. Road Bills: \$11,482.16
3. Bergkamp: \$2,122.00 (**Monthly payment for truck used for plowing and patching of roads**)

Public Comment:

- Jeff Mahoves – do we pay road taxes to the county?
 - Brandon Taylor – you do not pay road taxes to TRE specifically, you do pay taxes to Douglas County, of which we receive 0.86% per \$100.
 - Dave Akola – the money that we pay to the county comes back to TRE for the roads, the taxes are based on assessed value of the properties in TRE.

Board Comment:

- Brandon Taylor – what portion of the attorney bills goes to what portion of the billing of the water bills and road bills?
 - Christine Bradley – attorney bills are split 60/40

Dave Akola made a motion to approve the March 2023, Bills to be Paid. Kaitlyn Insell seconded. Motion carried 5-0.

9) REPORTS

REPORTS: For Discussion

- A. Treasurer's Report:** no report from Dave Akola. Partial treasurer's report provided by Christin Bradley, the switch from the desktop version of QuickBooks to the online version does not allow us to break down the bills into roads vs water. The 1st page of the treasurer's report is not complete, I was told to do it by hand which is not a functioning system.
- B. Water Operator's Report:** Total gallons produced through March 31, 2023, 4,969,800 gallons. Total man hours through March 31, 2023, 292 hours. Total customer consumption through March 31, 2023, 4,644,500 gallons. Bulk water consumption as of March 31, 2023, zero gallons. Water sampling, all 5 routine bacteriological water samples taken on March 20, 2023, came back negative. General maintenance, regularly scheduled PRV vault inspections, March 22, 2023, vault checks and well maintenance. Major repairs, leak repair at 1315 Topaz Ranch Road. Future projects short range, continue to work with SHAW Engineering to begin the rehab on Well #6, continue to replace locks on all wells, tanks and boosters.

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- C. Road Report: Total man hours through March 31, 2023, 192 hours. General maintenance, March 3, 2023, filled potholes on Sandstone. March 9, 2023, worked on emergency flood channel on Ballman. Future projects, continue to clear road edges, brush will be burned if weather permits or loaded into container.
- D. Attorney's Report: Frank Flaherty – I intent to prepare a memorandum to the board that explains the requirements under NRS Ch 354, which is local government finance, I want to make sure that you are aware of all the deadlines and things that need to happen by specific dates.
- E. Engineer's Report: see item #2

10) ADMINISTRATIVE AGENDA

1. **For Discussion and Possible Action to approve, approve with modifications or conditions, or deny:**

Presentation of annual audit report by Dave Silva. Board to accept report or modify report before submission to State. The Board may take action based on the auditor's recommendations. DA

- Dave Silva with Silva, Sceirine and Associates, LLC – presented the fiscal year 2021-2022 audit budget. Full audit is available for public viewing at the TRE GID office.

Open for Public Comment before Board action:

- Donna Tanner – are you saying that we might benefit from hiring a company that does bookkeeping/payroll?
 - Dave Silva- one thing that clients find pretty easy to farm out to is payroll services, there are numerous services and really inexpensive.
- Terri Akola – is there a list that we can use of things that need to be done within certain times so we can ensure that we can get these things done in a timely fashion?
 - Dave Silva – we do provide a list of dates / times when items are due.
- Fred Farley – from what I am hearing there are a lot of findings. Or would you say that these findings are average?
 - Dave Silva – I would not say that there are “lots” of findings, you did not have lots of findings. Because there has been a decent amount of turnover in that position specifically, there are not a lot of findings based on that.
 - This was not a “fraud audit,” but I can say that robust internal controls are a must.

Dave Akola made a motion to accept and approve the audit as presented by Dave Silva of Silva, Sceirine and Associates, LLC. Kaitlyn Insell seconded the motion. 5-0

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Frank Flaherty stated that pursuant to NRS 354.624(6), the audit must be filed as a public record with the District's Secretary, the County Clerk and the Department of Taxation. Also, pursuant to NRS 354.6234(9), the Board must act on the auditor's recommendations within three months of receipt.

2. For Discussion and Possible Action to approve, approve with modifications or conditions, or deny:

To award contract for grant-funded project Phase 1B, Well 6 Equipping, Main Repairs and Gen Sets to Simerson Construction, LLC and to approve the financing in connection with the constructions contract, including the bond resolution, authorizing the issuance of the bond to pay in part the cost of the construction contract as authorized by the board, in an amount not to exceed \$806,817.00 which includes a \$30,000 force account. Project is jointly funded by USDA and State of Nevada Office of Financial Assistance. (Cody Black)

- Cody Black with SHAW Engineering – we advertised bids for Well 6 equipping projects. This will be phase 1B. It went out to public bid for 4 weeks; this is the second of four phases to bring two new wells online into the system. All documents and contracts have been reviewed by the United States Department of Agriculture for part of the funding.
- Kendra Follet, bond counsel, made a presentation to the Board regarding the bond and the bond documents.

Open for Public Comment before Board action:

- Jeff Mehoves – you were speaking about five other wells that are dead. How long will this new well be sustainable?
 - Cody Black – we have much better set up with the new well than we did with the previous five that are no longer in use.
 - Brandon Taylor – not all of these wells just went dry, some of them were contaminated, there were septic systems put too close to some of them, so things happened 30 years ago. Placement of the well came into question a lot as well.
- Gene Blakeman – are all three of these wells on the same aquifer?
 - Cody Black – yes, they are all in the same aquifer, this is one giant basin, I have not seen any evidence of there being separate basins.

Dave Akola made a motion to approve the award of the construction contract for grant-funded project Phase IB, Well 6 Equipping, Main Repairs and Gen Sets to Simerson Construction, LLC and to approve the financing in connection with the construction contract including the bond resolution authorizing the issuance of the bond to pay in part the costs of the construction contract, as previously authorized by the Board in April 13, 2022. Mike Tanner seconded the motion. 5-0

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There was a pause in the meeting while necessary documents were executed in connection with the adopted motion.

3. For Discussion and Possible Action to approve, approve with modifications or conditions, or deny:

Repeal Item #2 from the March 8, 2023, General Meeting. Item #2 from March 8 reads, "Prohibit all purchases for the next 120 days unless approved by the Treasurer. DA" This vote would give authority back to the District Operations Manager to make purchases as needed for the District without receiving approval from the GID Trustee, Treasurer. The District Operations Manager is already required to get approval for anything over \$1,000.00 (One Thousand Dollars). BT

- Brandon Taylor – first and foremost the vote was 3 to 2, then we had this natural disaster happen, as I was standing out there personally with all the ladies and gentlemen that were out there helping us, at one point we had a tire go flat on one of the pieces of equipment, as we were in the middle of an emergency, we had to make a quick fix, so I told Cody Dalhaus to get 8 cans of fix-a-flat, he then said that he had to call the Treasurer to get approval. We then had a contractor contact us, saying I can be there right now with my equipment to help try to mitigate the flooding, I fully approve this, but the Treasurer had to be contacted first. Then there were many other times where we had something catastrophic happen and we had to make a call before being able to repair each to get approval. Then the phone was not even answered several times. There is a reason we have a Board; it is so that the Board approves things.
- Mike Tanner – This was about internal control, which was recommended in this audit. There have been a lot of little things that have fallen through, no one is pointing fingers, we are just trying to get a handle on this thing while we can.

Open for Public Comment before Board action:

- Sharon Becker – I understand the concerns of Lisa and Mike; however, this audit was for the year 2021 – 2022, it is not the current year.
- Sandy Fritche – does the Board represent us, the community?
 - Brandon Taylor – yes, we are elected officials by the community.
 - Mike Tanner – we represent the entire community. We are trying to protect everyone's money here in the community.
 - Lisa Sandbo – there is not one area only that needed help.
 - Jeff Mehoves – why not vote to add another person for contact from the Board.

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- Fred Farley – the 120-day suspension is producing results, but it is also a temporary suspension? What exactly does it mean to get a handle on things?
 - Lisa Sandbo – the 120-day suspension says it will be re-evaluated. How many people do we have in the community? So, in this room is not the entire community.
 - Dave Akola – Item #2 from the agenda states “prohibit all purchases for the next 120-days unless approved by the Treasurer”, it does not say anything beyond that.

Kaitlyn Insell made a motion to amend action item #2 from the March 8, 2023, meeting, to be amended to give authority to the Board Treasurer or the Board Secretary to approve purchases as needed for the district for the remainder of the 120 days. Dave Akola made a motion to approve as rewritten. Mike Tanner seconded the motion. 5-0

4. For Discussion Only:

Review the 120-day single person oversight of the payables, including employee payment, reimbursements, and purchase orders for established accounts. (Sharon Becker)

Open for Public Comment: no public comment

Sharon Becker removed the agenda item.

5. For Discussion and Possible Action to approve, approve with modifications or conditions, or deny:

The Volvo Backhoe has a switch that changes the controls from right-handed to left-handed. This switch is currently inoperable and needs to be repaired. This vote will give the District Operations Manager approval to contact Battle Born Equipment Repair for a quote for the repair. This vote will give the DOM approval to make the repairs if the quote is \$1,500.00 (One Thousand Five Hundred Dollars) or less. BT

- Brandon Taylor – the piece of equipment does not work as it should, it only works one direction, there is only one employee that can operate this equipment as it is right now.

Open for Public Comment before Board action: No public comment

Kaitlyn Insell made a motion to allow the DOM (Cody Dalhaus) to get a quote to repair the Volvo backhoe and proceed with repairs if the quote is less than \$1,500. Dave Akola seconded the motion. 5-0

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6. For Discussion and Possible Action to approve, approve with modifications or conditions, or deny:

3870 Granite Way can be purchased by the district. The purchase price is \$4,136.15 (Four Thousand, One Hundred, Thirty-Six Dollars and 15/100) This vote will give the GID Trustee Chairman approval to continue with this and make the purchase. BT

Re-written : 3870 Granite Way can be purchased by the district. The purchase price not to exceed \$5,000. This vote will give the GID Trustee Chairman approval to continue with this and make the purchase. BT

- Brandon Taylor – Chairman Mark Gardner brought this to my attention and stated that this piece of property is available for purchase by the District, we have looked at the property, and he brought it up at his meeting as well, and one of the neighbors had attended.
- Mark Gardner – every year there are properties brought up that government entities are able to purchase for the lien amount only prior to it going to public auction. The property is currently zoned residential, so after purchase it would need to be brought back to the County Commissioners and rezoned for commercial.

Open for Public Comment before Board action:

- Lori Dunn – if this property is rezoned commercially, will that affect the surrounding properties?
 - Brandon Taylor – those are questions that we cannot answer with certainty but again Douglas County itself is in this to help us get that property and not have adverse effects on the surrounding properties.

Kaitlyn Insell made a motion to give the go ahead for the GID Trustee Chairman to go ahead with the purchase of 3870 Granite Way by the District as allowed in NRS for only the lien amount, not to exceed \$5,000, prior to public auction of the property on May 25, 2023. Dave Akola seconded the motion. 5-0

7. For Discussion and Possible Action to approve, approve with modifications or conditions, or deny:

Make the Treasurer responsible for signing all checks unless sick or out of town. If the Treasurer is not available, the Secretary shall sign the checks. DA

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- Brandon Taylor – we cannot vote on this item without changing a standing rule. In the Bylaws that are in the standing rules, it states that there has to be two signatures, Section 3, Article 4.

Open for Public Comment before Board action:

Removed from the agenda, cannot be voted on.

8. For Discussion and Possible Action to approve, approve with modifications or conditions, or deny:

Require the bookkeeper to send all checks over \$10,000 by certified mail. DA

Re-written : Require the bookkeeper to make payments electronically, if unable to do so, any check over \$10,000 to be sent via certified mail.

- Dave Akola – there was a bill from Stonehouse Drilling that was almost \$450,000, the staff was directed to hand deliver the check to Stonehouse, staff attempted to do that, but it was a residential house, staff took it upon themselves to mail the check. I had promised Stonehouse that the check would be hand delivered. That check took almost 2 weeks to get to them.
 - Brandon Taylor – If we had our bank account set up electronically, we could avoid this issue all together, they could have the money within 15 minutes.

Open for Public Comment before Board action: no public comment

Dave Akola made a motion to require the bookkeeper to pay bills electronically, unless unable to do so, then any check over \$10,000 to be sent via certified mail. Mike Tanner seconded the motion. 5-0

9. For Discussion and Possible Action to approve, approve with modifications or conditions, or deny:

Cody to provide a reconciliation of all budgeted items for current budget. DA

- Dave Akola – we budgeted a number of things, roads, equipment, etc..
 - Cody Dalhaus – gave a list of amounts spent on different pieces of equipment that was purchased.

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Open for Public Comment before Board action: no public comment

Cody Dalhaus to provide full numbers to Dave Akola.

Dave Akola requested to change this item to “for discussion only,” and no action was taken.

10. For Discussion and Possible Action to approve, approve with modifications or conditions, or deny:

Discuss and approve tentative budget – must be submitted to Department of Taxation no later than April 15, 2023, and it must also be submitted to the County Auditor and the County Clerk. DA

- Dave Akola – The preliminary budget is due in just a few days, so I would suggest that we just add 15% to last year’s budget, that way we can submit it on time.

Open for Public Comment before Board action:

- Brad Becker – is 15% really enough?
 - Brandon Taylor – yes it will be enough to cover everything and then some. We will not have the expenses we had last year (equipment purchases, etc.).

Kaitlyn Insell made a motion to add 15% to the 2023 and work with the accountant to submit to the County Clerk and the department of taxation, no later than April 15, 2023. Mike Tanner seconded the motion. 5-0

Frank Flaherty stated that pursuant to NRS, the Board must notice a public hearing regarding the tentative budget and publish a notice in the newspaper regarding the hearing no sooner than 14 days and no later than 7 days before the hearing in a local newspaper. Mr. Flaherty also stated that the public hearing must be no sooner than May 15th and no later than May 31st.

11. For Discussion Only:

Runoff from Minnehaha Canyon, the dike above sandstone. (Randy Brock)

Open for Public Comment:

Community member left before this item was able to be discussed.

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12. For Discussion Only:

Address the condition of the levy – breached and flash flooded on Monday, March 20, 2023, and flooded my property and the street. No actions have been taken so far to fix this problem of canyon flooding and breaching levy. (Don Youmans)

Open for Public Comment:

Community member left before this item was able to be discussed.

13. For Discussion Only:

General ops status of GID. (Fred Farley)

- Fred Farley – employee mugshot at the last meeting, it was placed so that everyone could see it. There were also accusations being thrown around about staff.

Open for Public Comment:

14. For Discussion Only:

Road potholes and \$9,600 damage to my vehicle, insurance paid for most of it but \$2,100. (Jeffrey Mehoves)

- Brandon Taylor – the GID is not going to pay to repair your car because of the potholes.

Open for Public Comment:

Community member left before this item was able to be discussed.

11) TRUSTEES' REPORTS:

12) PUBLIC COMMENT: Not for Board Action: This portion of the meeting is open to the public to speak on any topic within the authority of the Board that is not on tonight's agenda

Open for Public Comment:

- Mark Gardner – 1) we talk about the roads and potholes, the roads division manager said we are working with a new road material 2) our code enforcement officers are working on 2 specific clean up areas in TRE, public health and safety issue 3) the assessments from the storm in the neighborhood are in the realm of 5 million dollars, this played a huge role in Douglas County in getting the major FEMA support, I am working with the County to get help for TRE to get all the available funding.

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- Reid Howard – I believe that it has been since January since our Treasurer has been appointed, and we have requested to have direct deposit set up. We are not getting our direct deposit, we are paying fines with our banks because we aren't meeting the agreement between us and our banks.

A COMPLETE RECORDING OF THIS MEETINGS DISCUSSION CAN BE FOUND AT THE GID OFFICE

- 13) ADJOURNMENT:** Kaitlyn Insell made a motion to adjourn. Mike Tanner seconded. Motion carried 5-0.

TIME: 10:05 pm

Minutes submitted by Board Secretary Kaitlyn Insell

DRAFT