



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, April 10, 2018 5:00 p.m.
Board Room
1579 Virginia Ranch Rd
Gardnerville, NV 89410

Board Members Present:

Jason Spotts, *Chairman*
Carl Spahr, *Vice Chairman*
Don Wilcks, *Treasurer*
Barbara Henningsen, *Secretary*
Mark Hussman, *Member-at-Large*

Staff Members Present:

Mark Gonzales, *GWC Manager/Engineer*
Kristien Bennett, *GWC Financial Officer*
Tonya Church, *Office Assistant*
Chuck Zumpft, *Attorney*

Public Attendees

Sarah Sanchez
Michelle Scott
Pat Cardinal
Barbara McRoberts
Donald McRoberts
Cynthia Sawyer
Jeanette Johnson
Gary Thurm

Jason Spotts called the April 10, 2018 Regular Board meeting to order at 5:00 p.m.

Approval of Agenda: Don Wilcks made a motion to approve the Agenda for the April 10, 2018 Board meeting. Carl Spahr seconded the motion. Motion was approved.

Minutes of the March 13, 2018 Regular Board Meeting: Barbara Henningsen made a motion to approve the March 13, 2018 Regular Board Meeting Minutes. Mark Hussman seconded the motion. Motion was approved.

Financial Statements for March 2018: Mark Hussman made a motion to approve the March 2018 Financial Statements. Don Wilcks seconded the motion. Motion was approved.

Public Comment: There was no public comment

Agenda Item 1: Discussion and Possible Action Regarding Request by Carson Valley Community Food Closet to waive or reduce Fire Impact Fees for CVCFC

Mark Gonzales reviewed the following report:

History

The Carson Valley Community Food Closet, a 501(c) (3) organization Domestic Non-Profit Corporation, is proposing to construct a 10,000 square foot office and warehouse building. The new building is proposed to be constructed on a 1 acre lot located just west and next door to the present Food Closet location. (See attached Exhibits A & B)

In December 2016, CVCFC submitted a Major Design Review Application to the Douglas County Community Development Department to allow the Douglas County staff and local utilities and entities an opportunity to review and comment on the proposed project. Exhibit C is a review letter sent to Douglas County from GWC as a preliminary review of the project. In the letter, one of the requirements indicates “Domestic and fire connection shall be subject to current GWC impact fees”. (See Exhibit C)

The current Fire Impact Fees were approved and adopted by the GWC Board at the November 8, 2011 Board meeting. The fee structure for the Fire Impact Fee Rate was set up to fund an estimated construction cost of \$1,300,000 by using fire supply line diameter sizes to assess the impact fee. (See Exhibit D) The following commercial and Multi Residential sites have paid Fire Impact Fees for fire sprinkler supply connections:

<u>Business</u>	<u>Diameter Fire Service</u>	<u>Cost</u>
Douglas County Community Center	4-inch	\$50,000
Parkway Vista Apartments	2-inch	\$8,000
Washesu Casino	¾-inch	\$1,000
Washesu Casino	4-inch	\$50,000
Washoe Travel Center	4-inch	\$50,000
WalMart	8-inch	\$115,000
Total		\$274,000

Request by Carson Valley Community Food Closet

The Carson Valley Community Food Closet has requested the Gardnerville Water Company to waive or reduce the Fire Impact Fee for a proposed 4-inch fire supply connection to their proposed new building amounting to \$50,000.00. (See attached request letter)

Analysis

Historically the only fees that GWC has waived are the bi-monthly water fees for the Garden Cemetery, approximately \$1500 annually.

Mark contacted other local entities to see how they handled requests of this nature:

- Tim De Turk, Douglas County Utilities, indicated that Douglas County Utilities does not waive or reduce impact and connection fees
- Cam McKay, General Manager Kingsbury General Improvement District, indicated that KGID had waived a \$12,000 connection fee for Douglas County Parks Department for a park bathroom hookup.
- Frank Johnson, General Manager Minden Gardnerville Sanitation District, indicated that MGSD has not granted a reduction in fees or waived any fees for non-profits.

Legal & Financial Analysis

Mark contacted Mark Chase and Chuck Zumpft for their analysis and input on the request by CVCFC. Chuck indicated that if the Board agreed to waive or reduce fees, a document would need to be recorded indicating the fees were waived or reduced for the Food Closet, but if the ownership or use of the new property changed, then applicable unpaid fees would be due and payable as a condition of continued service.

Mark Chase had the following comments:

- As far as an audit goes, he sees no problem with reduction of fees. The Board would need to make a decision at a regular Board meeting to waive or reduce fees with minutes taken and kept of the action.
- Put together Pros & Cons of possible action.
- Qualify decision compared to other non-profits such as churches “that a church serves a specific congregation as compared to the Carson Valley Community Food Closet that serves the entire area and region.
- Have Chuck put together a legal document on the Board decision.

Pros & Cons for Waiving or Reduction of Impact Fees

Pros

- The Carson Valley Community Food Closet can utilize the additional monies saved for building construction and other community service benefits.
- The Gardnerville Water Company would benefit from Positive Public Relations as a donation

Cons

- Payment of Impact Fees to help repay the GWC Capital Account would be extended or delayed.

Recommendation

GWC staff does not recommend waiving the fees for Fire Impact Connection. Staff does recommend reduction of fees between \$40,000 to \$48,000 or total fire impact fees between \$2,000 and \$10,000. Staff also recommends the GWC Board instruct GWC legal counsel to construct a document to be recorded that defines the Board action and the ownership of the current property and dictates that if ownership or use of the property changes, then the unpaid fees would be due and payable as a condition of continued service to the property.

Sarah Sanchez, Director of the Carson Valley Community Food Closet, addressed the board. Sarah read a letter that is included in the April 10, 2018 Board Meeting packet. The letter reviewed the history of the Carson Valley Community Food Closet, the benefits it provides to the community and how the monies they acquire from community donations and grants can and will be used. The letter also stated that when planning for the building of a new facility the proposed cost of 1.4 million did not include the Fire Impact Fee estimates, as those planning were not aware of these fees. It is estimated that a four inch connection is what will be needed.

Michelle Scott, Client of Carson Valley Community Food Closet, addressed the board. Michelle reviewed the benefits received from the Food Closet and how much it has meant personally.

Cynthia Sawyer, Carson Valley Community Food Closet Board, addressed the board. Cynthia reviewed the needs filled by the Food Closet and asked the board to have “heart” and see the benefits to waiving or reducing the Fire Impact Fees.

Don McRoberts, Board Chairman of Carson Valley Community Food Closet, addressed the board. Don reviewed the situation and the hardship that will be presented should the Food Closet have to pay the Fire Impact Fees as there is no continual income as the Food Closet is based on donations and small grants. Don also reviewed goals in place to raise more funds and thanked the Board for meeting with the representatives of the Food Closet.

Gary Thurm, Three Castles Engineering, LLC, addressed the board. Gary did not realize the cost of the Fire Impact Fees and reviewed the benefits for the Carson Valley Community Food Closet if Impact Fees were to be reduced or waived.

Mark Gonzales reviewed the reason for Fire Impact Fees and the cost as well as the community benefits for the Fire Booster Station, which includes being able to keep rates low for customers.

The Board members asked the representatives of the Carson Valley Community Food Closet for details and reasons for reduction or waiving of Fire Impact Fees. The Board also expressed concerns for doing so and the effects it would have on the Gardnerville Water Company customers. All expressed their appreciation for the Food Closet. One concern, is that once these fees are reduced or waived, it will set a precedent and other non-profit customers will be asking for similar considerations.

The representatives of the Carson Valley Community Food Closet were excused and the Board discussed the reduction or waving of the Fire Impact Fees. Mark Gonzales proposed the option of extending the time for fees to be paid and possibly coming up with a payment plan in order to reduce the hardship for the Food Closet.

Mark Hussman made a motion to offer the Carson Valley Community Food Closet the ability to pay the published Fire Impact Fee over time. \$10,000 to be required as a down payment and \$10,000 per year until paid in full. Collateral will be provided. Carl Spahr seconded the motion. Motion was approved

Agenda Item 2: Old Business

Corley Ranch Annexation

Mark Gonzales estimated the cost to complete the Nevada Public Utilities Commission and Nevada Bureau of Safe Drinking Water application at \$24,800.00. This estimated cost was sent to the Corley Ranch on March 20th. As soon as the above amount is submitted to GWC, Mark will contact legal, surveyor, and modeling engineer to begin their work necessary for completion of the applications referenced above.

Tank Site & Waterline Route Survey

All field utility locates have been completed and we have given the go ahead for Resource Concepts to begin field surveying of the tank site and waterline routes. They were scheduled to begin survey work the week of April 2nd, however Mark has not heard back from Resource Concepts to verify if the work has been done.

Agenda Item 3: Attorney Report

The easement has been signed by the Spinattos, returned to Chuck Zumpft and Mark Gonzales had it recorded.

Agenda Item 4: Manager/Engineer's Report

The following is a recap of work completed by GWC staff in the month of March 2018 along with other items of interest and projects occurring in early April 2018.

1. Meters, Plan Reviews & Impact fees
 - A. There were 12 meters replaced in March 2018.
 - B. There was one (1) plan review completed in March 2018. I reviewed and sent requested plan changes to the engineer for the new Chase Bank.
 - C. There were \$0 in impact fees collected in March 2018.
2. Service Orders

There were 78 service orders completed by GWC staff in March 2018.
3. Locates

There were 11 locates completed by GWC staff in March 2018.
4. Monthly Staff Projects
 - A. Monthly Sample Station & Hydrant
 - B. Monthly Bacteria & Turbidity Sampling & Testing
 - C. Bill Processing & Mail Outs
 - D. Well Maintenance

Update on Office Assistant Position

Kristien Bennett reviewed the progress made in finding a new office assistant. So far, there are 33 applicants, 8 applicants qualified to test, 4 as possible to test, and 21 do not have the qualifications for the position. April 27th is the deadline for accepting applications.

Manager, Manager/ Engineer Position

There are two applicants. One from Missouri, and one from Oklahoma.

Kristien reviewed the places where the job is being advertised and the cost of advertising.

A consensus of the Board is to be able to review the resumes as they come in and when the time comes, perform a first interview over Skype.

Agenda Item 5: Board Comments

Barbara Henningsen expressed appreciation for the Carson Valley Community Food Closet. Barbara expressed her desire to make a donation and will note that it was due to the Board meeting tonight at the Gardnerville Water Company that moved her to make a donation.

Agenda Item 6: Adjournment:

Don Wilcks made a motion to adjourn the Board meeting. Mark Hussman seconded the motion. Motion was approved. The meeting was adjourned at 6:58 p.m.