

Best Water! Best Service!



Gardnerville Water Company  
Regular Board Meeting Minutes  
Tuesday, March 12, 2019 5:00 p.m.  
Board Room  
1579 Virginia Ranch Rd  
Gardnerville, NV 89410

Board Members Present:

Carl Spahr, *Chairman*  
Mark Hussman, *Vice Chairman, Treasurer*  
Barbara Henningsen, *Secretary*  
Dave Ellison, *Member-at-Large*  
Ken Deering, *Member-at-Large*

Staff Members Present:

Mark Lovelady, *GWC Manager*  
Kristien Bennett, *GWC Financial Officer*  
Trebeca Itzen, *GWC Administrative*  
Chuck Zumpft, *Attorney*  
Mark Chase, *CPA*

Public Present:

None

Carl Spahr called the March 12, 2019 Regular Board meeting to order at 4:55 p.m.

**Approval of Agenda: Barbara Henningsen made a motion to approve the Agenda for the March 12, 2019 Board meeting. Ken Deering seconded the motion. Motion was approved.**

**Discussion and Possible Action Regarding Board of Director Vacancies:**

Jason Spotts resigned his position as Board of Director. **Barbara Henningsen made a motion to appoint Dave Ellison to replace Don Wilcks and Ken Deering to replace Jason Spotts, Mark Hussman seconded the motion. Motion was approved.**

**Minutes of the February 12, 2019 Regular Board Meeting: Mark Hussman made a motion to approve the February 12, 2019 Regular Board Meeting Minutes with the following correction under Board Comments; strike out the following words which are incorrect per Barbara Henningsen: *...that Barbara Smallwood brought to her attention.* Ken Deering seconded the motion. Motion was approved.**

**Financial Statements for February 2019: Mark Hussman made a motion to approve the January 2019 Financial Statements. Dave Ellison seconded the motion. Motion was approved.**

- Financial Plan Presented by Kristien Bennett - Kristien presented a review of 2018 income and expenses. She also presented a five-year projection of GWC's financial situation.

**AGENDA ITEM 1: 2018 Audit Presentation by CPA Mark Chase, of Chase and Sheets**

Mark Chase from Chase and Sheets CPA's presented the 2018 Audit.

Mark expressed the importance of board involvement, encouraging that all aspects continue to be reviewed. The audit also checks for fraud, which is a growing issue. Mark said GWC's internal controls are very strong for a small company. A thorough review of the audited financials was explained to the board, Mark expressed that GWC is in a good position. He sees a lot of consistency in the numbers.

Mark will revise the wording in Compensated Absences and Member's Equity sections of the Summary of Significant Accounting Policies and reissue the financial statements to the board.

## AGENDA ITEM 2: Old Business

### A. Kriss Lot Line Adjustment at Well 10 Site

The Lot Line Adjustment for Charles Kriss was approved by Mr. Kriss and has been submitted to Douglas County. After the lot line adjustment, the property will be about 2.56 acres at a cost of \$1,100 to complete the new deeds.

### B. Parceling of Well 10 Site

Option A - 2 parcels of approximately 1 acre with the house and 1.5 acre for well 10

- Already approved by Douglas County, Town of Gardnerville and NDOT
  - Estimated cost: \$16,000 and approximately 2 months to complete
  - Value of house parcel \$300,000 - \$350,000
  - Profit: \$334,000
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Option B - 3 parcels of 0.88 acre each

- Douglas County approval; Cost: Less than \$4k; Time: 2-3 months
  - Town of Gardnerville approval; Cost: \$2-\$3,000; Time: 2-3 months
  - NDOT access approval; Time: 3-4 months – No Cost, per meeting that Mark Lovelady attended.
  - Water Conveyance Committee approval; Time: 2-3 months
  - Engineering - required by Douglas County; Cost: \$18,000; Time: 2-3 months
  - Grading and Storm Drainage study required by Douglas County and Town of Gardnerville; Cost: Included in Engineering Cost; Time: 2-3 months
  - Ditch changed to culvert for access may be required by Douglas County and Town of Gardnerville; Time: 2-3 months
  - Road construction/improvement may be required by Douglas County and NDOT; Cost: \$30,000-\$40,000, Time: 2-3 months
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- Estimated cost: \$22,000 – \$45,000 and approximately 2-3 months to complete
  - Value of house parcel: \$300,000
  - Value of 1 - 0.88-acre parcel: \$185,000
  - Total value: \$485,000
  - Profit: \$379,000 - \$459,000

Dick McCole did a comparable analysis of an 0.88-acre parcel and determined it would list for \$185,000 (see attached report). He did mention that a couple negatives of the parcel were access, limited sight from Hwy 395 and the trees block the view to and from the parcel and are a hazard.

Scott Smith was contacted regarding the house side of the parcel. He confirmed that the Jones Hummel Automotive is interested in the parcel, depending on price, as parking and storage. They should close next to Heritage Bank late April or early May.

Dan Trampe from Carson Pump was contacted to discuss the minimum needs of a well site. Dan says 0.88 acre will work but recommends, at minimum, an acre.

**\*\*A final decision is need by Board for parceling of the property\*\***

Mark Lovelady reviewed the changes to the anticipated costs of parceling. The changes resulted in a total of \$8-10,000 additional cost for parceling. There was much discussion about the best possible solution to the parceling of the property.

A decision was made to follow the recommendation of Ken Deering to retain the back portion of the house lot. This additional space can be used by GWC to have more well site area and for the possibility of adding solar panels. Ken also suggested removal of the current barn on the site, replacing the storage space with a new building that will ultimately be more usable.

It was agreed to provide the current tenants with notice to vacate by June 30, 2019 with the plan to rehab the home in the month of July and put the home on the market by August 2019 tentatively. Mark Lovelady will obtain a quote for converting the oil heater to natural gas via a retrofit if possible. It was requested by the board that GWC obtain a minimum of three bids for the well design, using RCI, Lumos & Associates and R.O. Anderson.

**Consensus of the board was to create three parcels at an approximate additional cost of \$8-10,000, to have tenants vacate the house by June 30, 2019, and allow Mark Lovelady to obtain proposals for well 10 design.**

**AGENDA ITEM 3A: Discussion and Possible Action Regarding Well 10 Tree Removal and Trim Proposal Award**

This item was tabled from the February 12, 2019 Regular Board Meeting agenda. There were 4 bid proposals received by GWC for the tree removal and trimming for the Well 10 site. There are 14 trees to be removed and 6 trees to be trimmed. Staff has cut down trees within their capabilities, however the other trees are very large and too dangerous for GWC staff which require a professional tree service company.

NV energy did come out to look at the trees and declined to remove any. They will however trim two trees away from the power lines for the tree contractor.

The lowest bid of \$9,000 is lower than GWC's insurance deductible of \$10,000 if the trees fall on the house, tenant's property, or on the tenants themselves. GWC could be found liable for the trees falling on power and telecommunications lines. Other issues include losing power to our well 10 after it is completed. Dick McCole also mentioned that a couple negatives of the parcel was limited sight from Hwy 395 and the trees block the view to and from the parcel and are a hazard.

The tree removal is required to protect our property investment, rental home and resolve any future power problems due to trees growing into the power lines. This will also allow proper survey of the parcels which is delayed until the trees are removed.

The bid proposals are as follows:

Sierra Peaks Tree Service	\$9,000
Chris McRae's Tree Service	\$9,725
Joe Benigno's Tree Service	\$19,650
Alpine Tree Service	\$29,850
Barr Tree Service	Declined

**Recommendation**

Staff recommends awarding the Well 10 tree removal and trim project to Sierra Peaks Tree Service in the amount of \$9,000.

**Agenda Item 3A a request was made for a new quote with the consideration of trimming up the live trees, removing only dead trees and the trees that threaten the power lines.**

**AGENDA ITEM 3B: Discussion and Possible Action Regarding Manager and Staff Purchasing Levels and Contract Limitations**

This item was tabled from the February 12, 2019 Regular Board Meeting Agenda to make necessary corrections. There are currently no purchasing levels for the Manager or contracting authority for the Manager. The board is requested to provide direction and establish purchasing levels for the Manager and contracting authority levels for the Manager.

Staff recommends the board adopt a Purchasing and Contracts Policy. This policy will establish purchasing levels for the Manager and contracting authority levels.

Purchasing levels would be:

- General Manager not to exceed \$1,000
- Purchases, in amounts exceeding \$1,000, shall require the approval of the Board of Directors, except under “Emergency Conditions”.
- Contracts over \$1,000 shall be approved by the Board of Directors and reviewed by the GWC Attorney and after approval by both, the contract can be signed by the Manager.

A survey of local utilities was done to see other manager/staff purchase levels.

Utility	Manager Limits	Staff Limits
Round Hill GID	\$5,000	\$100
STPUD	\$25,000	\$2,000 - \$10,000
MGSD	\$10,000	\$1,500
Douglas County	\$50,000	\$5,000
Indian Hills GID	\$5,000	\$750
GRID	\$25,000	\$2,000 - \$5,000
Town of Minden	\$10,000	\$2000

**Recommendation**

Staff recommends the board adopt the attached Purchasing and Contracts Policy as presented.

**Barbara Henningsen made a motion to adopt the Purchasing and Contracts Policy with the following modification: *Contracts: Proposed contracts exceeding \$1,000 shall be approved by the Board of Directors and reviewed by the GWC Attorney at the boards’ discretion.* Mark Hussman seconded the motion. Motion was approved.**

**AGENDA ITEM 3C: Discussion and Possible Action Regarding Office and Staff Hours**

Currently GWC office hours are 7:00am-5:00pm. Staff is recommending changing the office hours to 8:00am-5:00pm.

All office staff: Mark Lovelady, Kristien Bennett, and Trebeca Itzen work hours are 8:00am-5:00pm with a 1-hour lunch.

Operator’s hours to 6:30am-3:30pm and 7:30am-4:30pm. Beginning no later than January 1, 2020 all operator’s hours will be 7:30am-4:30pm. Any variations in work hours must be pre-approved by the manager.

New office hours would begin Monday, April 1, 2019. GWC would inform the customers and public via GWC website, newsletters, and Facebook.

Survey of local utility hours:

Utility	Office Hours	Lunch	Staff Size
Town of Gardnerville	8:00am – 5:00pm M-F	Closed 12-1	3

Town of Minden	8:00am – 5:00pm M-F		4
GRID	8:00am – 5:00pm M-F		2
MGSD	9:00am – 4:30pm M-F	Closed 12-1	2
Douglas County Utilities	7:30am – 4:00pm M-F		
Indian Hills GID	7:30am – 4:00pm M-F	Closed 12-12:30	2
Carson City Utilities	8:00am – 5:00pm M-F	Closed 12-1	2
Round Hill GID	7:00am – 4:00pm M-TH 7:00am – 11:00am F	Closed 12-12:30	2

**Recommendation**

Staff recommends effective Monday, April 1, 2019 new office hours of 8:00am-5:00pm. All office staff work hours are 8:00am-5:00pm. Beginning no later than January 1, 2020 all operator’s hours will be 7:30am-4:30pm. Any variations in work hours must be pre-approved by the manager.

**Dave Ellison made a motion to approve the office hours to be changed to 8:00am – 5:00pm. Ken Deering seconded the motion. Motion was approved.**

**AGENDA ITEM 3D: Discussion and Possible Action Regarding Updating GWC’s Backflow Policy**

Currently GWC Backflow Policy was last revised in 2010. The Backflow Policy has been updated to current NRS statutes and current policies in backflow management. This policy has been researched extensively by Trebeca Itzen. The updated policy has been reviewed by office staff and by Chuck Zumpft, GWC Attorney.

The board was given a copy of the policy at the February 12, 2019 meeting to review.

This policy only applies to commercial and irrigation customers.

**Recommendation**

Staff recommends the Board of Directors adopt GWC’s Backflow Policy Updated March 2019.

**Mark Hussman made a motion to adopt GWC’s Backflow Policy Updated March 2019. Ken Deering seconded the motion. Motion was approved.**

**AGENDA ITEM 4: Attorney’s Report**

**A. Discussion and Possible Action Regarding Trinity Lutheran Utility Easement**

Chuck Zumpft reviewed with the board the utility easement for the Trinity Lutheran parking lot. This item was not finished when before the project was completed. Chuck said the Church did not agree to the wording of “any structure” not being allowed on the easement area in question. Mark Lovelady visited the site which consists of parking lot, irrigation, and curb and gutter. He did not feel there was an issue with removing the wording.

**Mark Hussman made a motion to approve the recording of the utility easement as presented by Trinity Lutheran to GWC. Dave Ellison seconded the motion. Motion was approved.**

**AGENDA ITEM 5: Manager’s Report**

The following is a recap of work completed by GWC staff in the month of February 2019.

1. Meters, Plan Reviews & Impact fees
  - A. There were 4 meters replaced in February 2019
  - B. There was 1 plan review in February 2019
  - C. There were \$1,125.00 in impact fees invoiced in February 2019
  
2. Service Orders  
There were 59 service orders completed by GWC staff in February 2019

3. Locates

There were 14 locates completed by GWC staff in February 2019

4. Leak Notices

There were 29 leak notices completed by GWC staff in February 2019

5. Monthly Staff Projects

- A. Monthly Bacteria and Turbidity Sampling and Testing
- B. Leonard Pitts in training and working with Jonas Austin
- C. Multiple well sites getting a fresh coat of floor paint
- D. Well 10 clean-up - on hold due to weather
- E. Well 9 necessary electrical repairs were completed by Bryant Electric
- F. Trebeca still working on GIS Mapping utilizing Google Earth
- G. Kristien has been working on the PUC Annual Report and the GWC Financial Plan

6. Approved Projects

Thoroughbred Crossing Apartments, 1321 US Highway 395 N (behind Guns and Ammo) was approved on 2/25/19. The project consists of 5 4-plex units. Each of the 20 units are served with its own ¾” water meter and a 1 ½” water meter for irrigation. Each of the 5 4-plexes have a 4” fire sprinkler service.

7. Current Projects in Correspondence

- A. High Sierra Fellowship Church
- B. CV Med waterline improvement
- C. Richard Clark (Garden and Ranch Center)
- D. The Homestead at Corley Ranch Annexation
- E. Stoneridge Villas, 158 manufactured home 55+ community

8. Suez Full Well Asset Management Program

Jon Summers and Mark attended a class regarding well management. The Suez Company (a world-wide company with local headquarters in Sacramento, CA) offers a Full Well Asset Management Program. Their water well maintenance program is an all-inclusive preventative maintenance program that covers all well assets, and includes initial rehabilitation, annual cleanings, future rehabilitations and pump and motor repairs/replacement, to maintain a guaranteed performance for a fixed annual fee. GWC is obtaining more information, references and full cost proposal to see if this a worthwhile program to utilize.

**AGENDA ITEM 5: Board Comments**

Barbara Henningsen welcomed new Board Members, Dave Ellison and Ken Deering. Sadly, says goodbye to Jason Spotts who has served on the GWC Board for 6 years, thank you for your service to the GWC.

**AGENDA ITEM 6: Adjournment**

**Barbara Henningsen made a motion to adjourn the Board meeting. Dave Ellison seconded the motion. Motion was approved. The meeting was adjourned at 8:20 p.m.**