

Best Water! Best Service!



Gardnerville Water Company  
Regular Board Meeting Minutes  
Tuesday, February 11, 2020 5:00 p.m.  
Board Room  
1579 Virginia Ranch Rd  
Gardnerville, NV 89410

Board Members Present:

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

Staff Members Present:

Mark Lovelady, *GWC Manager*  
Kristien Bennett, *GWC Financial Officer*  
Brooke Stevens, *GWC Administrative Assistant*  
Chuck Zumpft, *GWC Attorney*

Public Present:

John Raper, Mark Neuffer

Carl Spahr called the February 11, 2020 Regular Board meeting to order at 5:00 p.m.

**Approval of Agenda: Ken Deering made a motion to approve the Agenda for the February 11, 2020 Board meeting. Doug Sonnemann seconded the motion. Motion was approved.**

**AGENDA ITEM 1: Attorney Report**

A. Discussion and Possible Action Regarding Farmstead at Corley Ranch Annexation

The Gardnerville Water Company Board of Directors approved proceeding with the annexation of the Farmstead at Corley Ranch, 130.55-acre project into the GWC Service Territory at the February 13, 2018 GWC Board meeting. The Farmstead at Corley Ranch have two (2) years from the date of their approval letter, March 20, 2018.

GWC sent the Corley's a letter on January 30, 2020 regarding their expiration on March 20, 2020.

Mark Neuffer, consultant for the Corley's, has indicated they intend on asking for an extension of time. Mr. Neuffer will be planning on attending the February 11, 2020 Regular Board Meeting.

The board may decide that no action is appropriate, in which case the commitment would expire as indicated or grant an extension.

Recommendation

Manager and staff recommend the Board of Directors permit the Corley's annexation application a one-year extension.

*Mark Neuffer addressed the board and asked for a one-year extension. The project has a new developer interested in going forward with the project. The developer plans on continuing the proposed project as presented to the Board last year.*

**Barbra Henningsen made a motion to approve a one-year extension for the Corley's annexation application. Doug Sonnemann seconded the motion. Motion was approved.**

**Minutes of the January 14, 2020 Regular Board Meeting: Ken Deering made a motion to approve the January 14, 2020 Regular Board Meeting Minutes. Dave Ellison seconded the motion. Motion was approved.**

**Financial Statements for January 2020: Doug Sonnemann made a motion to approve the January 2020 Financial Statements. Barbra Henningsen seconded the motion. Motion was approved.**

*The emergency reserve account will now be \$250,000 in cash and \$250,000 in a short-term investment that will accrue an estimated \$4,000 annually in interest with a maturity of a year or less.*

*The 2019 audit has been completed by Mark Chase which he will present to the Board at the March meeting. Also, at the March meeting, Kristien will present reserve options to the Board.*

## **AGENDA ITEM 2: Old Business**

### **A. Fill Station**

The new merchant account has been setup for the fill station. LA Perks will be scheduling the installation soon.

### **B. Parceling of Well 10 Site**

RO Anderson is still working on civil improvement plans for water, sewer, power, cable, and gas to serve each newly created parcel. Once the final plans are complete, GWC will submit them to Douglas County and sewer plans to MGSD.

### **C. Well 10 Development**

RCI has begun work on the CMAR well house building project. Staff would like the building to be built similar to the fire booster station appearance, metal roof, 3 rooms (well, electrical, chemical), and the storage building would be renovated to also look similar to the well house.

Hydro Resources West drilled and set the cement conductor on 12/17-18/2019. They are in process of drilling the well.

## **AGENDA ITEM 3: New Business**

### **A. Discussion and Possible Action Regarding Well 9 VFD Replacement**

Well 9 has had its problems with motors back it in 2017. Once Well 9 received the final rebuilt and rewind motor, the VFD started having faults show up and shut down. The VFD was maxed out on amperage. Our solution was to set the VFD to run at 90% which still produced a little more than 1,000 gallons a minute. This prolonged the life of the VFD until now.

On January 17, 2020, the VFD failed upon being called to fill the tanks. GWC's electrician, Bryant Electric, was called in to verify the fault code, diagnose further issues and determine a resolution. Bryant Electric determined that the VFD was beyond repair. A quote was requested for a new VFD.

The new VFD is a 125HP that will be installed in the existing enclosure. Bryant Electric's quote for parts, installation and setup at \$13,430. Sierra Controls will need to do the programming to integrate the new VFD with the GWC SCADA system. Sierra Controls quote for VFD integration is \$7,100. Total cost of the new VFD is \$20,530.

#### Recommendation

Manager and staff recommend the Board of Directors award the Well 9 VFD replacement to Bryant Electric not to exceed \$13,430 and Sierra Controls not to exceed \$7,100.

**Ken Deering made a motion to approve the Well 9 VFD replacement to Bryant Electric not to exceed \$13,430 and Sierra Controls not to exceed \$7,100. Barbra Henningsen seconded the motion. Motion was approved.**

#### B. Discussion and Possible Action Regarding Revisions to Rules and Regulations

The GWC Rules and Regulations were last revised in September 2016. The suggested revisions include:

- Complete revision of Section XII - Adjustment of Bills for Error - C - Adjustment of Bills Due to Leak - pg 26
- Section XXI - Expansion of Service Area to Serve New Development - pg 28-30
  - Item B. Content and Submission of Application
    - 6. Removes word "administrative"
    - 7. Revises "cash advance" to "deposit" and adds deposit
    - 8. Removes submittal deadlines
  - Item C. Disapproval of Annexation
    - Revises "cash advance" to "deposit"
  - Item D. Approval of Annexation
    - Item 2. Revises "cash advance" to "deposit"
    - Item 5. Adds new overestimate of water rights rule
  - Item E. Failure to Complete - Adds new rule

Chuck Zumpft has reviewed the revisions to the Rules and Regulations.

#### Recommendation

Manager and staff recommend the Board of Directors adopt the revised GWC Rules and Regulations as presented.

**Doug Sonnemann made a motion to adopt the revised GWC Rules and Regulations as presented. Ken Deering seconded the motion. Motion was approved.**

#### C. Discussion and Possible Action Regarding Revisions to Bylaws

The GWC Bylaws were last revised in October 2018. The suggested revisions include:

- Article III - Board of Directors
  - Item 4. Term Limits - adds term limits of three four-year terms plus any portion of appointments beginning with November 2020 election
  - Item 6. Candidates - revises how candidates apply
  - Item 7. Election Procedure and Timing - adds notification by mail or electronic delivery, allows for online voting
  - Item 9. Newly Created Directorships and Vacancies - adds rules regarding noticing eligible owners

- Item 10. Removal - adds rule regarding loss of property ownership
- Item 12. Compensation. Changes “hourly rate of \$10.00 to “Nevada minimum wage”
- Article V - Meetings
  - Separates regular meetings from annual meetings
- Article VI - Annual Meeting of the Members
  - Separates regular meetings from annual meetings

Chuck Zumpft has reviewed the revisions to the Rules and Regulations.

Recommendation

Manager and staff recommend the Board of Directors adopt the revised GWC Bylaws as presented.

**Consensus of the Board of Directors to table the adoption of the revised GWC Bylaws to the March 10, 2020 board meeting with changes.**

D. Discussion and Possible Action Regarding Revisions Purchasing Levels and Contract Limitations

The current Purchasing and Contracts Policy only allow the General Manager \$1,000 purchasing level and all other staff has a \$0 purchasing level. By revising the policy, the Manager and Staff would be able to purchase budgeted items and allow the Board meetings to focus on GWC’s mission.

Purchasing levels would be:

- General Manager not to exceed \$2,500
- Financial Officer not to exceed \$2,500
- Staff not to exceed \$200
- Purchases, in amounts exceeding \$2,500, 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
Indian Hills GID	\$5,000	\$750
MGSD	\$10,000	\$1,500
Town of Gardnerville	\$10,000	\$2,000
Town of Minden	\$10,000	\$2,000
GRID	\$25,000	\$2,000 - \$5,000

Recommendation

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

**Ken Deering Made a motion to adopt the revised Purchasing and Contracts Policy. Doug Sonnemann seconded the motion. Motion was approved.**

#### E. Discussion and Possible Action Regarding Purchase of Waterworth Software

Setting water rates is difficult because it requires striking a delicate balance between collecting sufficient revenue to cover all costs associated with providing the service and keeping rates low, so they are affordable. Staff must do this analysis every year to ensure revenues will meet budget needs. Since this is time consuming, it can draw effort away from other important projects. Results rely on complicated financial models that are not easy to interpret or communicate. This can make it difficult to defend proposed changes to residents. However, the alternative of bringing in outside consultants is prohibitively expensive and supporting these kinds of contracts is also very labor intensive.

Recent advances in cloud-based technology have made a promising new option for water rate management possible. “Waterworth” is an affordable and easy to use web-based software tool that will allow us to continue to do rates analysis in-house, combined with professional support, when and if we need it. The company offering this product, Econics, has worked in rates consulting for over a decade, and invested their experience into developing this new tool. Because they have been at this for a long time, their team can also provide professional support to users via phone and online. While the approach is quite new, Waterworth is already being used successfully by dozens of communities around North America (see [www.waterworth.net](http://www.waterworth.net)). Locally the Gardnerville Ranchos GID and Kingsbury GID utilize the program.

Waterworth is funded through an annual subscription at a value of \$3,495. Because we are Nevada Rural Water Association members, we also receive a subscription to a professional support package at no cost, valued at \$1,495, a savings of about 30%.

By comparison, the cost of a consulting contract to undertake a water rate study can range from \$30,000 to \$50,000 or more, depending on what is included in the scope of work. Subscribing to Waterworth does not entail any long-term commitments. Staff can simply export our data and discontinue use at any time with no penalty, then either revert to doing rates analysis entirely in-house or explore other options.

The advantages of using Waterworth include the following:

- Easy access to real-time, readily communicated information about the full costs of funding our water services and our revenue options to meet that requirement
- Enhanced ability to run different scenarios and explore opportunities to control costs and keep rates as low as possible
- The simple graphic interface provides better ability to communicate the need for rates and rate changes - that the board and the public will be able to clearly see how revenue is used to fund essential water services
- Reduced staff effort on annual rates analysis, freeing up capacity to focus on other important projects
- Low cost compared to using consultants, with no long-term commitments required
- Ability to access professional support any time to help with rate setting challenges and ensure we are following best practices

#### Recommendation

Manager and Staff recommends the board allow the purchase a one-year trial, in the amount of \$3,495, of Waterworth, with the option of continuing use in future years. And permit a one-time 2020 budget increase adjustment to Computer & Software Support of \$3,500 to cover this purchase.

**Ken Deering made a motion to the purchase a one-year trial, in the amount of \$3,495, of Waterworth, with the option of continuing use in future years. And permit a one-time 2020 budget increase adjustment to Computer & Software Support of \$3,500 to cover this purchase. Dave Ellison seconded the motion. Motion was approved.**

**AGENDA ITEM 4: Manager's Report**

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

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1. Meters, Plan Reviews & Impact fees
  - A. There were 0 meters replaced in January 2020
  - B. There were 0 plan reviews in January 2020
  - C. There were \$0 in impact fees invoiced in January 2020
  
2. Service Orders

There were 65 service orders completed by GWC staff in January 2020
  
3. Locates

There were 24 locates completed by GWC staff in January 2020
  
4. Leak Notices

There were 53 leak notices completed by GWC staff in January 2020
  
5. Monthly Staff Projects
  - A. Monthly Bacteria and Turbidity Sampling and Testing
  - B. Well 10 well drilling
  - C. Generator maintenance
  - D. Snow removal
  - E. Audit Preparation & PUC Report
  - F. Water Audit
  - G. Conservation Plan Revision
  
6. Current Projects in Review
  - A. Thoroughbred Crossing Apartments - plans approved
  - B. Residence 1861 - Plan revisions
  
7. Current Projects Under Construction
  - A. High Sierra Fellowship
  - B. Firestone - Tires Plus
  - C. Dotty's Casino

**AGENDA ITEM 5: Board Comments**

None

**AGENDA ITEM 6: Adjournment**

**Dave Ellison made a motion to adjourn the Board meeting. Doug Sonnemann seconded the motion. Motion was approved. The meeting was adjourned at 8:12 pm.**