

Best Water! Best Service!



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, May 12, 2020 5:00 p.m.
Board Room
1579 Virginia Ranch Rd
Gardnerville, NV 89410

Board Members Present:

Carl Spahr, *Chairman*
Ken Deering (via phone), *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*

Public Present:

None

Carl Spahr called the May 12, 2020 Regular Board meeting to order at 5:05 p.m.

Approval of Agenda: Dave Ellison made a motion to approve the Agenda for the May 12, 2020 Board meeting. Doug Sonnemann seconded the motion. Motion was approved.

Minutes of the March 10, 2020 Regular Board Meeting: Barbra Henningsen made a motion to approve the March 10, 2020 Regular Board Meeting Minutes. Doug Sonnemann seconded the motion. Motion was approved.

Minutes of the April 2020 Regular Board Meeting: Ken Deering made a motion to approve the April 2020 Regular Board Meeting Minutes. Barbra Henningsen seconded the motion. Motion was approved.

Financial Statements for March 2020: Doug Sonnemann made a motion to approve the March 2020 Financial Statements. Dave Ellison seconded the motion. Motion was approved.

Financial Statements for April 2020: Doug Sonnemann made a motion to approve the April 2020 Financial Statements. Dave Ellison seconded the motion. Motion was approved.

AGENDA ITEM 1: Old Business

A. Fill Station

LA Perks installed the new equipment on 04/01/2020. Everything is working and customers are now using the credit card option.

B. Parceling of Well 10 Site

RO Anderson has completed the work on civil improvement plans for water and sewer to serve each newly created parcel. The final plans were submitted to Douglas County and MGSD. We will have to install the services or put up a bond for the future. No engineer estimate is available currently.

C. Well 10 Development

Hydro Resources West has completed the well test. The well flowed approximately 2,000 gallons a minute with a drawdown of 102 ft. They are waiting now for gravel pack to finish the well. Due to COVID-19, gravel pack is not available. There will be a full refund of sounding tube which will be installed at well completion.

D. 1394 Hwy 395 Parceling

After discussing the idea of parceling GWC’s old office at 1394 Hwy 395 with Bruce Scott, he suggested GWC submit a pre-application with Douglas County to learn of any possible considerations the county may want with the parceling. Once Douglas County offices open, we will submit a pre-application.

AGENDA ITEM 2A: Discussion and Possible Action Regarding Booster 1 RTU Replacement

GWC engaged Sierra Controls to do a Master Plan of the GWC SCADA system. Sierra Controls identified four items to be addressed:

1. Well 1 RTU - Completed
2. Radio network
3. HMI Server and workstation
4. Booster Station 1 RTU

Booster Station 1 is one of the most critical sites in the GWC system. The PLC in the Booster Station 1 RTU is almost 15 years old and is in need of an upgrade. Sierra Controls recommends that the entire RTU be replaced in order to consolidate site SCADA equipment and to bring the site up to the standards of the rest of the GWC system. Sierra Controls proposal is \$31,775.

The Radio network and HMI server and workstation will be included in the budget for 2021 with an expected budget of \$65,000. With this upgrade, GWC’s SCADA system will be up to date. GWC had budgeted \$80,000 for SCADA upgrades for 2020.

Recommendation

Manager and staff recommend the Board of Directors award the Booster 1 RTU replacement to Sierra Controls in the amount of \$31,775.

Ken Deering made a motion to award the Booster 1 RTU replacement to Sierra Controls in the amount of \$31,775. Barbra Henningsen seconded the motion. Motion was approved.

AGENDA ITEM 2B: Discussion and Possible Action Regarding Employee Health Benefit Renewal

GWC’s employee health benefit renewal has been submitted by LP Insurance, GWC’s insurance broker, for Hometown Health’s health insurance options. The current PPO \$2,000 deductible plan has an 11% increase (\$8,136 annual). Optional plans include a PPO \$3,000 deductible plan, HMO \$2,000 deductible plan, and HMO \$1,000 deductible plan. Note: the premiums listed below are total premiums before employee deduction for dependents.

	CURRENT 20SGPPO 30- CO 2000	RENEWED PLAN 20SGPPO 30- CO 2000	OPTION 1 20SGPPO 30- CO 3000	OPTION 2 20SGHMO 30- CO 2000	OPTION 3 20SGHMO 30- CO 2000
Type	PPO	PPO	PPO	HMO	HMO
Deductible	\$2,000	\$2,000	\$3,000	\$2,000	\$1,000
Primary Care Co-Pay	\$30	\$30	\$45	\$35	\$30

Specialist Co-Pay	\$60	\$60	\$90	\$70	\$60
RX Co-Pays	10/55/110	7/55/110	10/65/130	10/60/120	7/55/110
Laboratory Co-Pay	\$30	\$30	\$50	\$40	\$30
Emergency Room Co-Pay	\$800	\$1,000	\$1,200	\$1,100	\$1,000
Urgent Care Co-Pay	\$80	\$80	\$90	\$80	\$80
Outpatient Surgery Co-Pay	\$900	\$900	\$1,000	\$950	\$900
X-ray & Routine Tests	\$60	\$60	\$60	\$60	\$60
CT-Scan & MRI	\$275	\$300	\$400	\$350	\$300
Monthly Premium	\$6,452	\$7,130	\$6,799	\$6,075	\$6,207
Annual Premium	\$77,424	\$85,560	\$81,588	\$72,900	\$74,484
Premium Difference	\$0	\$8,136	\$4,164	-\$4,524	-\$2,940
Premium % Change	0%	11%	5%	-6%	-4%

Recommendation

Manager and staff recommend the Board of Directors renew the employees' health benefit with Hometown Health plan HMO \$2,000 deductible (20SGHMO 30-CO 2000) for the term of 7/1/2020 - 6/30/2021.

Barbra Henningsen made a motion to renew the employees' health benefit with Hometown Health plan HMO \$2,000 deductible (20SGHMO 30-CO 2000) for the term of 7/1/2020 - 6/30/2021. Ken Deering seconded the motion. Motion was approved.

AGENDA ITEM 2C: Discussion Only WaterWorth Rate Report Update

Objective:

- Working towards a rate increase and a change to rates for January 2021
- Rates need to support accumulation of ample capital reserves so that future borrowing will not be required
- Reserve revenue annual amount \$534,391 (75 year) - \$930,624 (100 year)
- Ensure Customer classes are not subsidizing each other

Decision Points:

- Board goal to not use borrowing
- Need reserve increase to align with asset management plan
- Rates are currently lowest in region
- Last rate increase January 2018

Action Items:

- PowerPoint presentation to review with board as follows:
 - o Asset Schedule analysis which is proposing the reserve target for 2042 of around \$11m
 - o Need consensus around how to increase rates over the coming years to meet that target
 - o Lock down the revenue increase for 2021 so that we can work with that revenue requirement figure as we develop rate proposals

- Explore changes to rates
 - o Option: adjust meter charges to reflect AWWA Meter Equivalency Ratios
 - o Option: adjust residential allowance from 8,000 to 5,000
 - o Option: adjust all meter size rates charges
 - o Option: blend of several options

Consensus of the Board was the following:

- Reserve target goal – 50 year - \$535,000
- 2042 target goal - \$9M - \$11M
- Rate increase no more than every 3 years
- Rate increase no more than 10% for 2021
- Irrigation customers must be brought up to the average cost of water by billing class
- Provide history of rate increases
- All options for rate changes
- Further discussion at July 14th board meeting

AGENDA ITEM 3: Attorney’s Report

None

AGENDA ITEM 5: Manager’s Report

The following is a recap of work completed by GWC staff in the month of March & April 2020.

1. Meters, Plan Reviews & Impact fees
 - A. There were 7 meters replaced in March & April 2020
 - B. There were 1 plan reviews in March & April 2020
 - C. There were \$0 in impact fees invoiced in March & April 2020
2. Service Orders

There were 130 service orders completed by GWC staff in March & April 2020
3. Locates

There were 45 locates completed by GWC staff in March & April 2020
4. Leak Notices

There were 54 leak notices completed by GWC staff in March & April 2020
5. Monthly Staff Projects
 - A. Monthly Bacteria and Turbidity Sampling and Testing
 - B. Well 10 well drilling
 - C. Construction Inspections
 - D. COVID-19 Response Plan
 - E. WaterWorth Rate Report
 - F. Water Audit
 - G. Conservation Plan Revision
6. Current Projects in Review
 - A. Thoroughbred Crossing Apartments - plans approved
 - B. Great Life Church
 - C. Carson Valley Medical Center addition

7. Current Projects Under Construction

- A. High Sierra Fellowship
- B. Firestone - Tires Plus
- C. Dotty's Casino

8. Notice of Elections

Carl Spahr, David Ellison, and Doug Sonnemann are up for reelection this year. The notice of elections is scheduled to appear in the Record Courier legal section on May 30, 2020. The notice will also be on the GWC website and Facebook page. GWC will accept applications June 26 to August 14, 2020. Attached is a copy of the Notice of Elections.

9. Intertie with Gardnerville Ranchos GID

Greg Reed, Manager for the Gardnerville Ranchos GID, has contacted GWC regarding discussions for the two entities to develop an intertie. This would be a benefit to GWC for an emergency source of water. If a substantial event occurred and GWC lost water in the upper pressure zone, GWC could source water from the intertie with GRID. GRID also needs the availability of an emergency source of water. There may be grant funding through the Sub conservancy district.

Consensus of the Board was to begin discussion and planning of infrastructure, placement, costs, and funding options.

AGENDA ITEM 6: Board Comments

None

AGENDA ITEM 6: Adjournment

Ken Deering made a motion to adjourn the Board meeting. Doug Sonnemann seconded the motion. Motion was approved. The meeting was adjourned at 6:40 pm.