

Best Water! Best Service!



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, July 14th, 2020 5:03 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*
Bruce Scott, *GWC Engineer*
Chuck Zumpft, *GWC Attorney*

Public Present:

Eric Nelson, *Town of Gardnerville*
Jonathan Lesperance, *Lumos & Associates*

Carl Spahr called the July 14th, 2020 Regular Board meeting to order at 5:03 p.m.

Approval of Agenda: Dave Ellison made a motion to approve the Agenda for the July 14th 2020 Board meeting Agenda. Ken Deering seconded the motion. Motion was approved.

Minutes of the June 9th 2020 Regular Board Meeting: Ken Deering made a motion to approve the June 9th, 2020 Regular Board Meeting Minutes. Doug Sonnemann seconded the motion. Motion was approved.

Financial Statements for June 2020: Dave Ellison made a motion to approve the June 2020 Financial Statements. Ken Deering seconded the motion. Motion was approved.

AGENDA ITEM 1: Old Business

A. Parceling of Well 10 Site

GWC's contractor, Sierra Nevada Excavation, will begin the project at the end of July. Once the project is completed, Douglas County will complete the parceling of the property in to three parcels. We will obtain new deeds and then put the house and lot up for sale.

B. Well 10 Development

Hydro Resources West has completed their contract. The gravel pack was installed, and all other items completed. Bruce Scott has signed-off on the contract and approved final payment of retention funds.

C. Well 10 CMAR Project

Resource Concepts has been working on the CMAR project details. Bruce Scott will be attending the July 14, 2020 board meeting to discuss specific details of the project with the board.

Bruce Scott proposed a pre-statement of qualifications meeting with four different contractors in order to move forward with the CMAR project.

D. 1394 Hwy 395 Parceling

Still waiting for a full opening of Douglas County offices to submit a pre-application.

E. Booster Station RTU

The Board awarded the Booster 1 RTU replacement to Sierra Controls in May. Unfortunately, Sierra Control did not process the notice of award to begin the project. After following up again, the parts are now ordered, and installation will occur early August.

F. Exterior Tank Painting of 1.5 and 2.6 MG Tanks

Blackhawk Painting began the exterior tank painting project on July 1, 2020. The project will take a couple weeks to complete.

AGENDA ITEM 2A: Discussion and Possible Action Regarding Annexation Request

The Town of Gardnerville has requested annexation of the Hellwinkel property into the Gardnerville Water Company's (GWC) service territory. The Town of Gardnerville wishes to develop portions of the Hellwinkel property to include community amenities (e.g. a renovated barn for hosting events). The property currently does not have domestic water or fire water services, which will be required in order to serve the Town's anticipated uses. Annexation into the GWC's service territory, as well as the construction of new water service infrastructure, will serve to facilitate the Town's use of the property.

The application is presented to the GWC Board for approval or denial of the application. If the application is approved by the Board the applicant is required to enter into an annexation agreement with GWC that includes required fees and costs for completing an application for service area expansion to the Nevada Public Utilities Commission (PUC) for approval.

The annexation agreement also will include a requirement to provide a deposit to GWC to cover anticipated costs for the preparation of an annexation agreement, PUC report preparation, a water model analysis, PUC application fees, legal ad cost, adjusted service area boundary description and map, report drafting, and any other costs necessary to obtain PUC approval.

Recommendation

Manager and staff recommend the Board of Directors grant the Town of Gardnerville approval of annexation of the Hellwinkel property APN 1320-33-402-088, 1320-33-310-006, and 1320-33-412-001, 19.61 acres subject to the following conditions:

1. execute a written agreement with GWC;
2. provide a non-refundable deposit of \$30,000;
3. agree to comply with all provisions of GWC's Tariff and all other reasonable conditions imposed;
4. upon execution of the agreement pay the current annexation fee;
5. agree to pay for the value of the water rights necessary to serve the property;
6. provide such other information GWC may reasonably require.

Chuck Zumpft inquired why the Annexation Request did not include a domestic connection, Eric Nelson explained that Town of Gardnerville will not be needing domestic service for at least 5 years.

Approval

Dave Ellison made a motion to approve the Annexation Request. Ken Deering seconded the motion. Motion was approved.

AGENDA ITEM 2B: Discussion Only regarding Water Cost of Service Rate Study

Analysis

Several objectives should be considered in the development of a financial plan and in the design of rates. The major objectives of the study were:

- Ensure Revenue Sufficiency to meet the operation and maintenance (O&M) and capital needs of the GWC water utility
- Plan for Revenue Stability to provide for adequate operating and capital reserves and the overall financial health of the water utility
- Provide for Fairness and Equitability in the development of a system of user charges

Revenue Requirement

In order to meet projected revenue requirements and to maintain desired operating and reserve fund balances, the following revenue adjustment are recommended:

<u>Effective Date</u>	<u>Increase</u>
January 1, 2021	10 percent

Rate Recommendation Options

- Option A - AWWA Equivalent Meter Size Ratio - Meter service charge 10% rate increase and adjusted meter ratios; no commodity increase; Irrigation commodity change: 0 to 300k gallons to 0 to 200k gallons.
Average residential increase: \$24 annual - \$2 monthly
Average commercial increase: \$162 annual - \$14 monthly
Average irrigation increase: \$384 annual - \$48 monthly
- Option B - Meter service charge 5% rate increase and 10% commodity rate increase; Residential commodity change: 8k to 4k usage included in meter service charge; Irrigation 20% commodity rate increase and commodity change: 0 to 300k gallons to 0 to 200k gallons.
Average residential increase: \$70 annual - \$6 monthly
Average commercial increase: \$85 annual - \$7 monthly
Average irrigation increase: \$847 annual - \$106 monthly
- Option C - Meter and commodity 10% rate increase; Irrigation 20% commodity rate increase and commodity change: 0 to 300k gallons to 0 to 200k gallons.
Average residential increase: \$42 annual - \$4 monthly
Average commercial increase: \$117 annual - \$10 monthly
Average irrigation increase: \$681 annual - \$85 monthly

Recommendation

Provide direction to Manager and staff regarding Board's direction of rate increase.

Consensus of the Board of Directors to approve Option A for the Water Cost of Service Rate Study.

AGENDA ITEM 3: Attorney Report – Chuck Zumpft

No Report.

AGENDA ITEM 4: Manager's Report

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

1. Meters, Plan Reviews & Impact fees
 - A. There were 5 meters replaced in June 2020
 - B. There were 1 plan reviews in June 2020
 - C. There were \$0 in impact fees invoiced in June 2020

2. Service Orders

There were 60 service orders completed by GWC staff in June 2020

3. Locates

There were 37 locates completed by GWC staff in June 2020

4. Leak Notices

There were 54 leak notices completed by GWC staff in June 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

6. Current Projects in Review
 - A. Great Life Church
 - B. Maverik Gas Station

7. Current Projects Under Construction
 - A. High Sierra Fellowship
 - B. Firestone - Tires Plus
 - C. Doty's Casino

8. Human Resources

Eamon Webb was hired as a Water Operator Trainee. His first day is July 13, 2020.

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 6:49 PM.