

Best Water! Best Service!



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, February 9, 2021 5:00p.m.
Board Room
1579 Virginia Ranch Rd
Gardnerville, NV 89410

Board Members Present:

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

Staff Members Present:

Mark Lovelady, *GWC Manager*
Kristien Bennett, *GWC Financial Officer*
Amber Ambrose, *GWC Administrative Assistant*

Public Present:

Ramon Naranjo. *USGS*
Keith Shaffer *RCI*

Ken Deering called the February 9, 2021 Regular Board meeting to order at 5:00 p.m.

Approval of Agenda: Carl Spahr made a motion to approve the Agenda for the February 9, 2021 Board meeting Agenda. Dave Ellison seconded the motion. Motion was approved.

Minutes of the January 12, 2021 Regular Board Meeting: Barbara Henningsen made a motion to approve the January 12, 2020 Regular Board Meeting Minutes. Dave Ellison seconded the motion. Motion was approved.

Financial Statements for January 2021: Dave Ellison made a motion to approve the January 2021 Financial Statements. Carl Spahr seconded the motion. Motion was approved.

Kristien Bennett requested approval to check in with other financial institutions for possible lower bank fees. Dave Ellison inquired about the difference in balance of Construction Work in Progress. Kristien explained that at the end of 2020 all completed projects are moved those funds to Assets. Dave asked for clarification on what Water User Fees are. Kristien said they are from customer water usage and final bills. Dave Ellison requested a budget for Well 10.

Consensus of the Board of Directors to proceed with proposals from other local banks.

AGENDA ITEM 1: Old Business

A. Parceling of Well 10 Site

Douglas County has completed the parceling of the property in to three parcels. 1401 Interest Ln is the 0.88-acre lot, 1405 is the 1.27-acre well 10 lot, and 1409 Interest Ln is the 0.48-acre house.

B. Well 10 CMAR Project

Current status:

- Permitting – design review submitted to DC on 01/28/21 - Expect admin review from DC in March
- Pump sizing and piping works design requires design support of Electrical Engineering and CMAR
- Collaboration with RDC to assist with pump manufacture and layout - will have design and scope meetings this week.
- Pump controls, drives and electrical agreement has been provided by Jensen
- Pump House Building design is ongoing – conceptual site plan and preliminary building design will be provided by Keith
- Geotechnical Report is finished, and foundation design will be done with the structural design
- Structural Design – not started until floor plan is finalized
- Electrical design – by Jensen Engineering – to be awarded 02/09/21
- HVAC design is part of the Jensen Engineering Fee Proposal
- Site Design Ongoing - may be revised and refined based on comments from DC design review and Town of Gardnerville

C. 1394 Hwy 395 Parceling

Keith is still preparing a cost estimate for the engineering, county fees, and improvement requirements for the board. It is anticipated to review these costs at the March board meeting.

D. Highway 395 Waterline Improvement Project

GWC has sent NDOT requested information however has not received any communication back regarding the project.

E. 1.5MG Tank Interior Painting and Rehabilitation Project

A request for proposals for the 1.5MG tank interior painting and rehabilitation project was sent to 23 contractors. Bids are due 03/01/2021 with the boards award at the March 9th board meeting.

Carl Spahr asked for an ETA on the tank repairs. Mark Lovelady said we have no bids yet. Kristien said two people came to look at it and the project will take 2-3 months out

Agenda Item 2A: Discussion Only Regarding USGS Groundwater Management Study

Objective – The objective of this study is to evaluate the effects of a suite of potential groundwater management options for the Carson Valley on groundwater resources and Carson River flow.

Approach – To evaluate potential groundwater management options, a three-year project is proposed that includes four main tasks:

Task 1: Update Yager model with recent data and recalibrate as needed

Task 2: Evaluate impacts of increased groundwater use for a number of growth rate projections

Task 3: Evaluate changes to hydrologic system associated with moving domestic well use to municipal water supply

Task 4: Optimization of water management options

Task 5: Publication

Task 6: Progress Updates

Timeline – This project is planned for a 3-year period starting mid Fiscal Year 2021 and will be completed in FY 2024.

Budget – Estimated total cost for this project is approximately \$553,000. Currently the USGS can provide 35% match which is about \$193,500. This estimate is subject to change based on availability of USGS cooperative matching funds. Douglas County would be responsible for the remainder of the cost or about \$359,500.

USGS presented two proposals regarding groundwater management options. The first proposal is to measure the status of water levels, arsenic, and nitrate in the Douglas County aquifer and development of an interactive web-based tool for visualization of hydrologic data. This study would take all the available water level data and nitrate data to compile a more recent status of trends. USGS would like to create a website or an online portal to show the current water level, status of stream flows, current conditions of snow water in the mountains etc. They will be pulling data from the USGS database as well as the State Engineer's database in order keep the public better informed.

The second approach would utilize a groundwater monitoring tool to show water availability to purveyors and the public and possible outcomes when pumping more in certain areas and the secondary impacts that could have. USGS would be updating the current Yager model by incorporating climate scenarios and new data. USGS will also be working with Douglas County regarding different pumping scenarios by increasing the supply and how that may affect the 2% population growth, impacts on the water budget, and streamflow conditions. USGS and Douglas County are hoping to minimize the impacts to the river and to the aquifer with this tool. The monitoring tool is expected to help with what impacts existing pumping or projected pumping will have on the water quality issues like nitrate and arsenic which gets into two different zones of the aquifer as nitrate is associated with the higher side of the aquifer where arsenic is associated on the lower side.

Carl Spahr asked for clarification regarding the different options for buildout of current development plan rates. Ramon explained they are numbers coming from Douglas County based on future or projected growth but they are preliminary numbers at this point. Projections shown are from past studies using a higher projection to provide cushion. Doug Sonnemann said that Douglas County is still at 2%. Carl asked about the impact snow/weather recharge the aquifer. Ramon explained that it varies due to the amount of snowfall and stream flow. USGS has stream monitor gauges to measure recharge. Carl asked if the West side wells are less affected than the East side wells when it comes to having to drill deeper and finding more arsenic as a result. Ramon referred to information from the State Engineer's database for the number of wells that have been deepened throughout the state and two of the hotspots Ruhenstroth and Johnson Lane. Because those wells are deeper, the arsenic levels are higher. Carl asked who the stakeholders are. Ramon said the water purveyors. Ken Deering asked if any of the \$359,000 cost of this study could be put onto the purveyors. Mark said that it will not affect GWC this year and the County will most likely be taking care of it for the next couple years but they may reach out to water purveyors later on. Ken asked if East side wells get river recharge. Ramon said it depends on the depth of the well and the location it could get groundwater too. Ken asked how Johnson Lane can

legally drill deeper wells. Ramon said that domestic well owners have a right to water with a permit and it would only be an issue if it was taking from streamflow. Ken asked if it's possible to freeze development until freezing and traffic studies are done, is that possible? Chuck Zumpft said it would be a big step and a possible political issue. Dave Ellison asked about future management scenarios this plan may anticipate. Ramon said it pertains to applying different pump rates, placement of new wells, etc. Dave asked what happens if one water utility doesn't have water, how does that affect the other utilities in the area. Ramon explained that is the intent of looking at these studies. Dave asked if geothermal is feasible to inject in aquifer. Ramon said that Washoe is doing so. Dave asked how the East side recharges. Ramon said from the Pinenuts, agriculture, precipitation, and streamflow.

Agenda Item 2B: Discussion and Possible Action Regarding Well 10 CMAR Electrical Award

Jensen Engineering, Inc. has submitted a proposal for professional electrical engineering services associated with the GWC Well #10 project. The contents of this proposal are based on information provided by GWC and outline our understanding of the project and the scope of work for Jensen Engineering, Inc.

Jensen Engineering, Inc. will include design, drafting, and construction administration services as required to accomplish the following tasks:

1. Retention of Mechanical and Plumbing Engineer and incorporation of mechanical and plumbing drawings into the drawing set.
2. Coordination with the serving electrical utility company as required for design and specification of new electrical service entrance.
3. Design and specification of new main electrical service equipment and power distribution equipment as required (including variable frequency drive for pump motor).
4. Design and specification of standby electrical power generation system and transfer switching system.
5. Design and specification of electrical connections for relevant electrical utilization equipment within the pump-house including lighting, convenience power, monitoring and telemetry system power, etc.
6. Design and specification of monitoring and communication system including conduit and cabling for telemetry elements.
7. Design and specification of exterior lighting plan for the site including IECC complaint lighting control elements.
8. Generation of Model Energy Compliance Certificates for exterior lighting.
9. Generation of progress sets of the electrical drawings for review procedures and incorporation of relevant electrical items identified during review.

10. Remote attendance at not more than three coordination meetings during design via telephone or web-based conferencing software and not more than three coordination meetings during construction.
11. Generation of original electrical construction documents (using CAD) and replication of drawings as required for submission to the building authority.
12. Generation of electronic versions of the electrical drawings in '.dwg' and/or '.pdf' format for each of the submittal phases listed above.
13. Incorporation of relevant electrical items identified during internal review or Building Department plan-check procedures.
14. Construction Administration assistance including:
 - a. Prompt response to reasonable electrical questions with arise during bidding or construction (RFIs).
 - b. Review of manufacturer's shop-drawings and datasheets for lighting fixtures and electrical power distribution equipment.
 - c. Engineer's visit to the project site upon substantial completion and generation of electrical deficiency punch-list.

Fees and Compensation

Jensen Engineering proposes to accomplish the electrical engineering design work detailed above for the fixed fee of Seven Thousand Eight Hundred Dollars (\$7,800) according to the following breakdown:

Electrical Engineering Design: \$4,600

Mechanical/Plumbing Engineering Design: \$3,200

Total Engineering Design Fees: \$7,800

Jensen Engineering proposes to accomplish the Construction Administration tasks detailed above for the fixed fee of Three Thousand Dollars (\$3,000) according to the following breakdown:

Electrical Construction Administration: \$1,500

Mechanical/Plumbing Construction Administration: \$1,500

Total Construction Administration Fees: \$3,000

Recommendation

Manager and staff recommend the Board of Directors award Well 10 CMAR Electrical Award to Jensen Engineering Inc in the amount of \$10,800.

Carl Spahr is concerned about the travel cost fee. Keith Schaffer explained that it is a common fee, and that Jensen is a critical player in this project to keep going with NV Energy. He gave them the time frame for all construction details and is trying to get the project done sooner if possible. Keith also explained the Well 10 budget is tentative until NV Energy gives more details. Douglas County will be reviewing the plans the 2nd or 3rd week in March and hopes to have more details for the March meeting. Ken Deering said the contract looks good, Dave Ellison asked Chuck Zumpft if it looked good said the Jensen Contract looked good.

Barbara Henningsen made a motion to award the SCADA Server upgrades to Sierra Controls in the amount of \$27,495. Dave Ellison seconded the motion. Motion was approved.

Agenda Item 2C: Discussion and Possible Action Regarding Selling 1401 & 1409 Interest Ln

Dick McCole has conducted an evaluation of the two properties that now available to sell.

1401 Interest Ln - 0.88acre lot
Suggested listing price: \$175,000
Full market research attached

1409 Interest Ln - 0.48acre house & lot
Suggested listing price: \$400,000
Full market research attached

Recommendation

Manager and staff recommend the Board of Directors list for sale: 1401 Interest Ln \$175,000 and 1409 Interest Ln \$400,000.

Mark recommended listing the 1401 Interest Ln. for \$225,000 to offset the cost of Well 10. Barbara agreed the price is low. Kristien said that Dick mentioned the noise from the car wash may be an issue. Barbara suggested that GWC should sit on the land and asked how much was put into the rehab and preparation. Mark said permits were \$42,000 along with staff time etc. Carl agrees to raise the price and asked Barbara what price she was thinking. Kristien suggested the price be put off until the March 2021 meeting. Kristien asked if GWC should keep the land until Well 10 is complete as it may be of use. Doug said both parcels are in bad locations and they are too far back from the highway. Doug said \$400,000 is a little high but \$350,000 is good. Ken suggested asking Tires Plus if they are interested. Mark said Dick was already planning to check with their realtor. The house has a cash offer that stands until the 12th and after that it should go on the market.

Carl Spahr made a motion to list 1401 Interest Ln. with the adjusted price of \$225K, and 1409 Interest Ln. with the adjusted price of \$400K, Doug Sonnemann seconded the motion.

Agenda Item 2D: Discussion and Possible Action Regarding Contract with Dick McCole for Realtor Services

Dick McCole, RE/Max Realty Affiliates, has been assisting GWC with the purchase, parceling, and selling of the original 1297 Hwy 395 N property. He has 30 years Nevada real estate license and 15 years Nevada mortgage broker.

His Exclusive Right to Sell Contract would need to be approved and signed. The compensation, real estate commission, would be 5% of the selling price.

Full contract attached.

Recommendation

Manager and staff recommend the Board of Directors award the contract to sell 1401 Interest Ln and 1409 Interest Ln to Dick McCole and permit the Manager to sign the contract.

Dave asked if Chuck approved the agreement with Dick, Chuck said he reviewed the form but would need to see it completed to okay it, but the 5% commission is fair. Barbara Henn

Dave Ellison made a motion to permit the manager to sign contract contingent upon Chuck Zumpft's review of the contract, Doug Sonnemann seconded the motion. Motion was approved.

Barbara Henningsen made a motion for acceptance of any offer subject to Board approval, Doug Sonnemann seconded the motion. Motion was approved

AGENDA ITEM 3: Attorney Report – Chuck Zumpft

Nothing to report.

AGENDA ITEM 4: MANAGER'S REPORT

The following is a recap of work completed by GWC staff in the month of January 2021.

1. Meters, Plan Reviews & Impact fees

- A. There were 2 meters replaced in January 2021
- B. There were 0 plan reviews in January 2021
- C. There were \$0 in impact fees invoiced in January 2021

2. Service Orders

There were 36 service orders completed by GWC staff in January 2021

3. Locates

There were 16 locates completed by GWC staff in January 2021

4. Leak Notices

There were 52 leak notices completed by GWC staff in January 2021

5. Monthly Staff Projects

- A. Monthly bacteria and turbidity sampling and testing
- B. Snow Removal
- C. Well 10 site clean-up
- D. Office Transfer Switch
- E. Well 3 VFD

- F. Jonas OSHA training
- 6. Current Projects in Review
 - A. Great Life Church
 - B. Maverik Gas Station
 - C. Thoroughbred Crossing
- 7. Current Projects Under Construction
 - A. High Sierra Fellowship
 - B. Dotty's Casino
- 8. Current Properties in Annexation
 - A. Town of Gardnerville - Hellwinkle Ranch - 19.61 acres
 - B. Stoneridge Villas Manufactured Home Community - 29 acres
 - C. Corley Ranches LLC - The Farmstead at Corley Ranch - 230 acres (Anticipated Feb 2021)

Mark reported that 12.5 acres are up for sale across the river to build condominiums. GRID has water rights but may not want them because they do not want to have to cross the river to serve them.

AGENDA ITEM 5: Board Comments

Dave appreciated the presentation by Roman Naranjo from USGS. He believes a lot will come up in the future regarding development. Doug expressed concerns about the costs GWC may incur from Douglas County. Mark reported that no other utilities are paying for any of the Groundwater Management Study so far this year.

Barbara Henningsen requested a special section in the board binders to track progress on ongoing projects, budgets, maps, etc.

Ken asked if there is anything specific the Board would like to see on the March 2021 Agenda. Dave requested an occasional update from Kristien on progress evaluating all GWC's fixed assets and how that fits into our rate study. Ken would like to have Keith Shaffer back as well. Ken also inquired about the tank bids as well. Mark said he should have bids sent out early so the board can decide in the March 2021 meeting. Ken inquired about the status on Well 3. Mark explained we are just waiting on parts.

AGENDA ITEM 6: Adjournment

Carl Spahr made a motion to adjourn the meeting. Barbara Henningsen seconded the motion. Motion was approved. Ken Deering adjourned the meeting at 7:00 PM.