

Best Water! Best Service!



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, August 10, 2021 5:00p.m.
Board Room
1579 Virginia Ranch Rd
Gardnerville, NV 89410

Board Members Present:

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

Staff Members Present:

Mark Lovelady, *GWC Manager*
Kristien Bennet, *GWC Financial Officer*
Amber Ambrose, *GWC Administrative Assistant*
Chuck Zumpft, *GWC Attorney*

Ken Deering called the August 10, 2021 Regular Board meeting to order at 5:00 p.m.

Approval of Agenda: Barbara Henningsen made a motion to approve the Agenda for the August 10, 2021 Board meeting. Doug Sonnemann seconded the motion. Motion was approved.

Minutes of the July 13, 2021, Regular Board Meeting: Doug Sonnemann made a motion to approve the July 13, 2021 Regular Board Meeting Minutes. Carl Spahr seconded the motion. Motion was approved.

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

Dave asked what Water Rights Fees are, Kristien explained GWC as well as all water purveyors pay water right fees charged by the State of Nevada to Douglas County who then splits the cost to all purveyors.

Agenda Item 1A: Discussion and Possible Action Regarding Cybersecurity Preparedness

E Squared C (E²C) presently Manages GWC IT Services. Attached is a comprehensive process for how E²C provides tailored services for GWC's needs. It is the goal is to have the IT environment meet or exceed the necessary requirements to qualify for Cyber Risk Insurance, with the intent to engage with E²C to manage your Cyber Risk Compliance.

E²C has a firm understanding of our current environment, present IT challenges, and fully understands the necessary steps to fulfill the requirements of Cyber Risk Insurance.

E²C want to emphasize that they are not there to sell anything regarding Cyber Security or Business Continuity. It is something that needs to be taken care of. We have a clear path forward with recommendations that keep the environment moving closer to the proper level of security and redundancies expected of a municipal provider in charge of something as precious as water. We aim to keep those proper solutions as economically viable as possible for our partners, especially one operating as a 501c4. Unfortunately, it is without a doubt that technology supports costs will need to rise, to

answer the call to the increasing risks of cyber-crime and cyber-terrorism. Anything less won't keep the environment in a proper position to navigate this new landscape of compliance to verticals like yours.

Compliances that will need to be adhere to, by 2025. So, we need to start having some serious conversations about ramping up the budgets accordingly and build a solid roadmap between now and 2025, to get the GWC environment CMMC accredited. The sooner we start, the cheaper and easier it will be later, when forced to that level of compliance.

Recommendation

Manager and staff recommend the Board of Directors adopt a cybersecurity plan ramping up security, redundancies, and compliance.

Ken asked if we should limit staff access to be more secure. Seth said no that it could be more of a threat, we use a cloud system that is an advantage SASS provider that E²C can still protect access for operators and staff. The cost is worth it.

Dave asked what our risk is being a smaller utility. Seth said we are just as much of a target if not more than other companies due to the lack of security and it is easier because GWC is a small company, we have a website, SCADA, etc.

Dave asked if there is a government agency requiring higher security. Seth said at a federal, it is expected by 2025 the DOJ will require municipalities to comply to protect American Citizens.

Dave asked what the relative cost to GWC's budget is, Seth explained that his costs through is channels have doubled.

Ken asked if NIST CSF is a requirement. Seth explained that it is an opt-in to meet CMMC standards. Ken asked if we opted in, does that double our price. Seth said no, it would assume the price of the most recent management service agreement.

Carl asked if Caselle has security, Kristien said no, as it is on our physical server it can be hacked which would give access to all of our customer base information, staff information etc.

Ken asked if there is an additional cost to opt-in to NIST, Seth said it is not an additional tool, it would include things like: password requirements, limited users, limited access for users etc. It would be an additional cost because these are constantly changing and requires more labor. Seth can help build a plan.

Ken asked for a timeframe on a price. Seth said that it would require meeting with Mark and Kristien to come up with a plan and is willing to meet with them ASAP.

Dave asked what E²C security covers. Seth explained they cover everything but SCADA, but they cover the interface that SCADA accesses.

Dave asked if it is beneficial to use a cloud, Seth explained if we went cloud, we would need a secondary cloud backup etc. It may not be cost effective.

Barbara asked if insurance is a requirement. Seth said it is not up to E²C. Kristien explained we have cybersecurity coverage, but we may see it as a requirement soon and provide more proof than we have in the past.

Kristien suggested that her and Mark meet with Seth to find the right direction to go, and then meet with some of the board and create a plan.

Consensus of the board to allow Kristien and Mark to begin planning and implementing a new cybersecurity program with Seth and E²C.

Agenda Item 2: Old Business

A. Well 10 CMAR Project

Plans and design are approximately 90% complete and nearly ready for the CMAR - RDC review and the final design and plans from the electrical and mechanical engineers.

Project holdups have been with the electrical system both on the side of electrical supply from NV Energy and the sizing of the pump motors and switch gear. The design team (composed of Mark, Keith, CMAR and Jensen Engineering) have worked to finalize the pump capacity sizing and details which affect all the electrical components, and eventually the building size. The pump sizing has been finalized and now all disciplines are working to finalize the plans and construction documents which will be submitted for permit review to the following agencies:

<u>Submittal Date</u>	<u>Agency or Entity</u>	<u>Expected Initial Review Period</u>
8/17/2021	NDEP Bureau of Safe Drinking Water	30-60 days
8/17/2021	Douglas County Building	30 days
8/17/2021 (100% plans)	CMAR – RDC	45 days

Ken, Mark and Dave met with Keith to go over CMAR details, they are projecting to have a price in October.

B. Highway 395 Waterline Improvement Project

NDOT has requested As-builts from GWC. RCI is scanning and copying them to submit to NDOT. NDOT's plans are at 60% completion. We will be working with RCI to review those plans and to submit them to NDEP.

This project is on hold due to changes by NDOT.

C. Well 3 Complete Rehab

Carson Pump is currently completing rehab of Well #3.

Well 3 rehab is complete, flushing and samples are being done.

D. 1394 Hwy 395 Parceling Project

We have received the final comments from Douglas County Planning on Conditions of Approval for the parcel map. Next steps – Prepare improvement plans and construct sidewalk and other items in accordance with Conditions. RCI will be preparing improvement plans for construction and then possible contractor selection by end of September.

Ken asked if we are getting plans for the parceling project, Mark said it is a work in progress.

Ken asked if the sidewalk was not fixed before it sold, would the buyer be responsible for the sidewalk, Mark said yes, but he will go measure the area to get an idea of the repairs necessary.

E. GWC Masterplan

GWC has not heard from Bruce Scott regarding the GWC Masterplan. Mark has called, emailed, and went in-person to his office and still unable to connect with Bruce.

GWC was notified that there is a new engineer working on the Masterplan.

Dave asked if there is other engineering firms that can handle project reviews, etc. so RCI can spend more time on the masterplan, Mark said everyone is busy, plus RCI already has all of GWC's data.

F. HomeServe Leak Program

Attached is a draft of the newsletter explaining the program. Also attached is a poll that will be on the GWC website for our customers to vote.

Referrals: HomeServe does not represent Elko and Lovelock did not renew their program. Lovelock representative said the customers were not happy with the service of HomeServe and the percentage of customers utilizing the program was very low, so they did not renew.

Referral from City of Las Vegas:

- Overall, the City of Las Vegas is pleased with the program, and we are in the process of completing a new agreement for another 5 years.
- Financially it provides funding for general revenue projects which is obviously beneficial and has done a good job of informing our residents of their responsibilities related to their sewer service lateral.
- Initially (9 years ago), we didn't select SLWA through our own process but used NLC partnership. I would recommend doing your own selection to ensure transparency with the public as you will get negative feedback initially. Also work with SLWA to create a campaign letter you are comfortable with and not their first draft. This will also reduce your initial round of questions related to the legitimacy and optional nature of the program.
- Customer type utilizing the program: residential.
- CLV provides sewer only
- Customers utilizing program: 10%.

Referral from Kingsbury GID (KGID)

- We use ServLine for water leak protection and water line protection. They seem to be great at customer service and are fast to pay claims.
- For approximately 3 years now
- No issues. We pass their information onto our customers to sign up with them directly.
- Customer type utilizing the program: residential.
- Customers utilizing program: 90%

Referral from City of North Las Vegas not received

Barbara asked if the Manager and Staff truly recommended Servline. Mark explained that he wants to protect GWC customers, however, he wishes they covered a few extra things that would benefit our service area. Kristien explained GWC was urged by NVRWA, but after reviewing and research, use by customers is low in the utilities that have adopted the program and it may not be useful for our customers.

Consensus of the board to reject the Homeserve Leak Protection Plan.

Agenda Item 3: Attorney Report – Chuck Zumpft

Chuck reported that the annexation for Ashland Park is close to completion, and he is currently working on Corley Ranch. The Town of Gardnerville and Stoneridge have both signed their annexation agreements.

Agenda Item 4: Manager’s Report

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

1. Meters, Plan Reviews & Impact fees
 - A. There were 0 meters installed or replaced in July 2021
 - B. There were 0 plan reviews in July 2021
 - C. There were \$25,012 in impact fees invoiced in July 2021
2. Service Orders

There were 55 service orders completed by GWC staff in July 2021
3. Locates

There were 14 locates completed by GWC staff in July 2021
4. Leak Notices

There were 100 leak notices completed by GWC staff in July 2021
5. Monthly Water Operations Supervisor Update
 - A. 1.5 mg tank still waiting on NDEP approval
 - B. Eamon is still waiting on confirmation for D1 sign up and DMV for class B renewal
 - C. Flow testing in Chichester is complete
 - D. Motor in booster 1 has been changed out
 - E. 1861 residents project has completed main install and PSI testing
 - F. Thoroughbred crossing project has started installing sewer and will soon be installing Water mains.
 - G. Amber is a great team player; she is proving to be a valuable asset to the operations department.
6. Current Projects in Review
 - A. Maverik Gas Station
 - B. Ashland Park
 - C. Village at Martins Trail
 - D. Stor-All Expansion
7. Current Projects Under Construction

- A. Great Life Church
- B. Residence 1861 Apartments
- C. Thoroughbred Crossing Apartments

8. Current Properties in Annexation

- A. Town of Gardnerville - Hellwinkle Ranch - 19.61 acres
- B. Stoneridge Villas Manufactured Home Community - 29 acres – Signed agreement
- C. Corley Ranches LLC - The Farmstead at Corley Ranch - 130 acres
- D. Ashland Park - 23.64 acres

9. Position Changes

We request permission to transfer Amber Ambrose to Operator-In-Training position and replace her current Administrative Assistant position. Fiscal impact for 2021 is \$14,000 and 2022 is \$50,000.

Dave asked about the difference in experience. Mark explained there are many things that can be done without being a certified operator. Certified operators are hard to find and it's important to be training now especially with all of the new development in our service area.

Ken asked if Jon were to not come back, would GWC look for a new licensed operator, Mark said yes.

Barbara asked if any feelers were put out for at least a D1 or a D2 Operator, Mark said no, he knows that GRID has had issues finding certified operator's as well. Kristien pointed out that GWC is at a disadvantage because PERS is not offered.

Ken asked what kind of safety training is offered. Mark explained that Jonas has his OSHA 30, he is responsible for keeping OIT's safe along with training in the field and from resources like AWWA, NVRWA, etc.

Barbara asked if Amber would be eligible to take the D1 test in September, Mark said yes because she would be considered an OIT.

Consensus of the board to approve the transfer of Amber Ambrose to Operator-In-Training position and permit the hiring of a new Administrative Assistant.

Agenda Item 6: Board Comments

None.

Agenda Item 7: Adjournment

Carl Spahr made a motion to adjourn the meeting. Barbara Henningsen seconded the motion. Motion was approved. Ken Deering adjourned the meeting at 7:40 PM.