

Best Water! Best Service!



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, October 12, 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*
Jonas Austin, *GWC Water Operations Supervisor*
Chuck Zumpft, *GWC Attorney*

Other Attendees:

Keith Shaffer, RCI
Brandon Beckman, RDC

Ken Deering called the October 12, 2021, Regular Board Meeting to order at 5:04 p.m.

Approval of Agenda: Doug Sonnemann made a recommendation to move Item 1 Old Business to after approval of the agenda. Dave Ellison made a motion to approve the agenda with modifications for the October 12, 2021, Board meeting. Barbara Henningsen seconded the motion. Motion was approved.

Minutes of the September 21, 2021, Regular Board Meeting: Doug Sonnemann made recommended modifications to the minutes. Doug Sonnemann made a motion to approve the September 21, 2021, Regular Board Meeting Minutes with those recommended modifications. Dave Ellison seconded the motion. Motion was approved.

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

Kristien updated the board on the asset management process. With the training she received, Kristien is working on creating condition assessments for the operators to follow. She is creating assessments for physical, demand, functional, maintenance, and criticality. Once the operators complete those assessments, Kristien can work on the scheduling of asset replacement. She hopes to have the plan in place by spring 2022. Kristien also presented the board with a rough draft of the 2022 budget.

Water Operations Supervisor Quarterly Update:

Jonas discussed with the board that Eamon Webb passed his D1 test and is now a full operator. He really stepped up when other staff, including Jonas, was out sick. Eamon has learned all aspects of meters and mxu's with the assistance of Clint from Western Nevada Supply. Mark has also spent time with Eamon in the field to assist him. Amber did not pass the D1 but will be able to retake it soon. Jon Summers is coming back from medical leave on 10/18/21. Jonas also said he is currently working on scheduling his D3 test.

Agenda Item 1: Old Business

A. Well 10 CMAR Project

Plans and design were submitted for permit review to the following agencies: NDEP Bureau of Safe Drinking Water and Douglas County Building. Full update will be provided by Keith Schaffer, RCI, and Brandon Beckman, RDC.

Keith indicated that the design work was going very slow. They just finished the mechanical plans and can now finish the electrical plans. They have to submit those plans to NV Energy. Once all plans are finished, then they can be submitted to Douglas County and the NDEP. Keith indicated he did not anticipate having approvals by both entities until the January 2022. Once 100% of the plans are complete, RDC can start obtaining pricing from sub-contractor. Brandon indicated RDC could not start until the permit processing is complete, he expects to start construction early spring 2022.

The board members indicated to Keith that they were very dissatisfied with his slowness of the project.

Ken asked Keith why the 6-month delay, well 10 should have already be in construction? Keith replied that planning took longer than expected, other agencies have been slow to respond, and admitted he did not stay on task. Ken also requested an updated schedule from Keith and Brandon. They would have that for the board at the next CMAR meeting 10/26/21 @ 10am.

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.

Mark said RCI is currently working on the plans submitted by NDOT.

C. 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. Full update will be provided by Keith Schaffer, RCI

Keith said all the improvement plans are complete and ready for submission to Douglas County. After approval we can obtain costs for the driveway and sidewalk work.

D. GWC Masterplan

- Most of the text of the body is complete.
- One of GIS technicians is completing a map detailing the GWC boundary, future expansion areas, new subdivisions and land annexed.
- Working on updating the Subdivisions & Commercial Property table.
- The Vacant Parcels table has been completed.
- The Areas Outside the Service Boundary table has been updated.

Once the final table has been updated, RCI will finish updating the text of the body. They will need to add the map, format the document, and run it through review.

Mark is working with Presley to add the vacant parcels in Gardnerville. She expects to have a rough draft by the November board meeting.

Agenda Item 2A: Discussion and Possible Action Regarding Awarding the GWC Financial Statement Review and Tax Preparation

GWC requested proposals from thirteen (13) qualified firms of certified public accountants to review its financial statements and prepare its 990 Income Tax Return for the fiscal years ending December 31, 2021, 2022, and 2023. Firms submitting proposals must be qualified to perform independent audits/reviews in the State of Nevada.

GWC Required the following:

Following the completion of the review of the fiscal year's financial statements, the auditor shall issue, as required by generally accepted auditing standards including but not limited to the following:

- Independent Auditors Report
- Financial Statements
 - Balance Sheet
 - Statement of Income
 - Statements of Changes in Member's Equity
 - Statement of Cash Flows
 - Notes of Financial Statements

The auditor shall communicate in a person to the Board of Directors a review of the financial statements and any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The annual review must be completed no later than April 15th of each year and the 990 Income Tax Return no later than May 15th of each year. Any extensions of time must be pre-approved by the Board of Directors.

Provide three references with engagements performed in the last five years that may be similar to the engagement described in this request for proposal. Indicate the scope of work, date, and the name and email address of the principal client contact.

GWC received 2 proposals:

Knott, Pikero, & Associates CPAs	Review Fee: \$4,500; 990 Tax Return Fee: \$1,500
Chase and Sheets CPAs	Review Fee: \$10,500; 990 Tax Return Fee: \$4,500

Kristien contacted the three references provided by Knott, Pikero, & Associates CPAs, and their comments were:

Western Nevada Development District, Sheryl Gonzales -

1. What services do they perform for you and how timely are they?

They perform the WNDD audit each year

2. How long have they been performing these services?
For 10 years
3. How responsive are they to questions and requests?
Very responsive
4. Did they add value, knowledge and expertise that assisted your organization to improve its operations?
Yes
5. Were you satisfied with the level of service that you received?
Yes

NAMI Northern Nevada, Janet Glaittli -

1. What services do they perform for you and how timely are they?
They perform an audit each year
2. How long have they been performing these services?
For 5 years
3. How responsive are they to questions and requests?
Very responsive, usually 24 hours or less
4. Did they add value, knowledge and expertise that assisted your organization to improve its operations?
Yes, very helpful and knowledgeable
5. Were you satisfied with the level of service that you received?
Yes, extremely satisfied

Canyon General Improvement District, Mitch Andreini -

1. What services do they perform for you and how timely are they?
They complete our yearly audit and assist us with any issues concerning general ledger cost allocations. Michel Knott is very responsive to any request we may have. They are a local firm. We hired them (bid process) after our auditor passed away suddenly about eight years ago. Kevin Pikero purchased William Short (our old auditor) small accounting business and was able to keep a lot of the history that was accumulated in past CGID audits, which made it easier to complete the audit for us. Kevin Pikero has since retired and for two years Michel Knott has completed the audit for the CGID.
2. How long have they been performing these services?
Kevin Pikero five years, and Michel Knott two years. Michel Knott has been with the firm longer than two years.
3. How responsive are they to questions and requests?
Very Good!
4. Did they add value, knowledge and expertise that assisted your organization to improve its operations?
When the audit is completed, Michel Knott will attend our CGID Board of Directors meeting to explain what the audit is for, how it affects the company, and answer any questions the Board may have. I learn something new every year. He does this in a timely and efficient manner without putting everyone to sleep (key). He has been very helpful with issues concerning our USDA loans, depreciation, planning for aging infrastructure, and balanced rates for customers.
5. Were you satisfied with the level of service that you received?
We are very satisfied with their service. Michel Knott is familiar with multiple general ledger software's and has a friendly approachable demeanor.

Recommendation

Manager and staff recommend the Board of Directors award Financial Statement Review and Income Tax Preparation to Knott, Pikero, & Associates CPAs in the amount of \$6,000 for 2021, 2022, and 2023.

Dave asked why only 1 company returned the RFP? Kristien replied that a couple of the companies indicated they did not have the staffing to accommodate another customer. Further, we all know the current staffing shortage is hindering a lot of companies. Dave also asked why Carson Valley Accounting did not bid. Kristien replied that according to their website, they don't perform audits and reviews.

Doug Sonnemann made a motion to award Financial Statement Review and Income Tax Preparation to Knott, Pikero, & Associates CPAs in the amount of \$6,000 for 2021, 2022, and 2023. Carl Spahr seconded the motion. The motion was approved.

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 September 2021.

1. Meters, Plan Reviews & Impact fees
 - A. There were 5 meters installed or replaced in September 2021
 - B. There were 0 plan reviews in September 2021
 - C. There were \$87,832 in impact fees invoiced in September 2021
2. Service Orders

There were 45 service orders completed by GWC staff in September 2021
3. Locates

There were 19 locates completed by GWC staff in September 2021
4. Leak Notices

There were 63 leak notices completed by GWC staff in September 2021
5. Monthly Water Operations Supervisor Update
 - A. 1.5 MG tank is offline due to being a source of contamination
 - B. Eamon and Amber took there D1 test September 23rd and are waiting for results
 - C. Eamon has been installing meters and auditing mxu's
 - D. Fixed broken service lines on El Dorado Avenue and Townhouse Circle
6. Staff Education Update

Eamon and Amber took their Distribution 1 exam on 9/23/21. Jonas was unable to test for his Distribution III exam due to covid. All staff are required to watch Harassment Prevention course by 10/30/21.
7. Current Projects in Review
 - A. Maverik Gas Station

- B. Ashland Park
 - C. Village at Martins Trail
 - D. Stor-All Expansion
8. Current Projects Under Construction
- A. Great Life Church
 - B. Residence 1861 Apartments
 - C. Thoroughbred Crossing Apartments
9. Current Properties in Annexation
- A. Town of Gardnerville - Hellwinkle Ranch - 19.61 acres - Submitted to PUC 8/19/21
 - B. Stoneridge Villas - 29 acres - Submitted to PUC 8/19/21
 - C. Corley Ranches LLC - The Farmstead at Corley Ranch - 130 acres
 - D. Ashland Park - 23.64 acres

Agenda Item 6: Board Comments

Barbara asked when Amber will be able to retake her D1 test. Mark replied early 2022. She needs more time in the field. Barbara indicated she would like to ensure that all staff have availability to learn, take courses and grow in their field.

Agenda Item 7: Adjournment

Barbara Henningsen made a motion to adjourn the meeting. Doug Sonnemann seconded the motion. Motion was approved. Ken Deering adjourned the meeting at 6:50 PM.