



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, October 11, 2022 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 Bennett, *GWC Financial Officer*
Lisa Taylor, *GWC Administrative Assistant*
Jonas Austin, *GWC Water Operations Supervisor*
Chuck Zumpft, *GWC Attorney*

Ken Deering called the October 11, 2022, Regular Board Meeting to order at 5:00 p.m.

Approval of Agenda: Barbara Henningsen made a motion to approve the Agenda for the October 11, 2022, Board Meeting. Carl Spahr seconded the motion. Motion was approved.

Minutes of the September 13, 2022, Regular Board Meeting: Barbara Henningsen made a motion to approve the September 13, 2022, Regular Board Meeting Minutes. Dave Ellison seconded the motion. Motion was approved.

Financial Statements for September 2022: Doug Sonnemann made a motion to approve the September 2022 Financial Statement as presented. Dave Ellison seconded the motion. Motion was approved.

Public Comment: (No Action) – This portion of the meeting is open to the public to speak on any topic not on tonight’s agenda, limited to three minutes.

Agenda Item 1: Old Business

A. Well 10 CMAR Project

Obtained full approval from NDEP. Turned NDEP approvals and easements into Douglas County on 9/1/22. Waiting for Douglas County to approve the building permit. Permit received 10/11/22.

B. 1394 Hwy 395 Parceling Project

Douglas County has assigned 1394 Hwy 395 a new parcel number. Lot 2 (well 1 site) has been assigned a new parcel number but not an address. Mark provided the new parcel number to the buyer so they can begin the process of the sale. Unfortunately, with rising interest rates, the buyers bank did not approve the financing. They attempted to obtain alternate financing but were unsuccessful. Ken asked about the rent amount, Dave asked if property is on the market, it is not until GWC is given an official address. Barbara asked if Peter is still interested in pursuing the purchase. Barbara mentioned if GWC might consider a seller financing with Peter, she stated we are saving a lot by not using a real estate agent. Personally, Barbara feels that we should hold off for at least a month to consider our options since GWC owns the property. Do some research and have some pros/cons of this consideration.

C. Highway 395 Waterline Improvement Project

GWC and RCI are reviewing tentative plans to submit to NDOT for final approval.

Agenda Item 2A: Discussion only Regarding Rate Study

Staff recommends 8% rate increase for 2023 and 7% for 2024. This will allow improving the asset replacement schedule replacement costs, expenses forecast, inflation, reserves, and future population changes. A Rate Increase Newsletter will be mailed with September 1st water bill to inform the customers of the upcoming rate change. This item would be on the October 11, 2022, Board Meeting agendas to provide for any customer input. A final vote would be at the October 11, 2022, Board Meeting.

Rate Recommendation:

Meter Size	Service Charges		
	2022 Existing	2023 Proposed	2024 Proposed
3/4"	\$35	\$38	\$41
1"	\$60	\$64	\$69
1 1/2"	\$117	\$127	\$137
2"	\$188	\$203	\$219
3"	\$387	\$407	\$410
4"	\$586	\$634	\$684
6"	\$740	\$874	\$1,025
8"	\$810	\$966	\$1,107

	Commodity Rate		
	Included	Included	Included
Residential Usage Rate			
- 0 to 8k gallons	\$1.37	\$1.50	\$1.60
- above 8k gallons			
Commercial Usage Rate			
- 0 to 20k gallons	\$1.37	\$1.50	\$1.60
- above 20k gallons	\$1.96	\$2.25	\$2.50
Irrigation Usage Rate			
- 0 to 200k gallons	\$1.47	\$1.75	\$1.90
- above 200k gallons	\$1.96	\$2.25	\$2.50

Private Fire Fee Recommendation:

PF	2022	2023	2024
Meter Size	Existing	Proposed	Proposed
3/4"	\$5.66	\$6.17	\$6.72
1"	\$7.55	\$8.23	\$8.97
1 1/2"	\$11.32	\$12.34	\$13.45
2"	\$15.09	\$16.45	\$17.93
2 1/2"	\$18.86	\$20.56	\$22.41

3"	\$22.65	\$24.68	\$26.91
4"	\$30.19	\$32.90	\$35.87
6"	\$45.28	\$49.36	\$53.80
8"	\$60.37	\$65.81	\$71.73
Private Hydrant	\$45.28	\$49.36	\$53.80

Recommendation

Manger and staff recommend the Board of Directors adopt an 8% rate increase for January 1, 2023 and 7% rate increase for January 1, 2024 for water user fees and private fire fees.

Ken spoke to a customer, who had no problem with the rate increase but could not believe GWC has no debt. Customers who have spoken with Ken and Barbara all say GWC is ran very well and happy with their service.

Carl Spahr made a motion to approve an 8% rate increase for January 1, 2023 and 7% rate increase for January 1, 2024 for water user fees and private fire fees. Doug Sonnemann seconded the motion. Motion was approved.

Agenda Item 2B: Discussion and Possible Action Regarding Updating GWC Rules and Regulations

Staff requests minor changes to wording to clarify the rules and regulations regarding the annexation process. All changes have been reviewed and approved by GWC attorney, Chuck Zumpft.

Changes suggested:

- Change #1 - Section B Item 3 - removed water rights to be dedicated, rule change
- Change #2 - Section B Item 7 - moves deposit requirements
- Change #3 - Section D - changed dates to contact the applicant regarding disapproval of annexation
- Change #4 - Section E Item 1 - requires the applicant to complete the tasks required within 30 days
- Change #5 - Section E Item A - requires the applicant to diligently pursue the annexation
- Change #6 - Section E Item 2 - requires a deposit of \$10,000 - previously a schedule based upon acers annexed. Current annexations costs are \$10,000 - \$12,000.
- Change #7 - Section E Item 2 - requires a recorded document to inform future owners of the requirement of connection to GWC and payment of all fees.
- Change #8 - Section E Item 3 - added wording requiring completion of service area map
- Change #9 - Section G - added wording for extensions of time and fee
- Change #10 - Section H - added wording of conditions of service, all infrastructure are the responsibility of the owner/developer, and PUC/NDEP approvals
- Change #11 - Section I - added a requirement of all fees to be paid within 3 years of PUC approval
- Change #12 - Section XXII - Requisites to Connection - New Section
- Change #13 - Section XXII - Section 1 - added wording requiring payment before service connection
- Change #14 - Section XXII - Section 2 - added wording of how water rights are valued
- Change #15 - Section XXII - Section 3 - added wording that water rights apply to the new service connection location
- Change #16 - Section XXII - Section 4 - added wording that water rights fees must be paid no later than building permit issuance
- Change #17 - Section XXII - Section 5 - added wording of how impact fees are determined and must be paid no later than building permit issuance

Attached is the redline version to track changes for review.

Recommendation

Manager and staff recommend the Board of Directors approve the updates to the GWC Rules and Regulations as presented.

Discussion regarding water rights, there is a possible concern of water rights being tied up indefinitely if they are annexed in and don't build. Water rights paid upfront, by a certain date or upon connection. Best way to keep track of water rights payment is upon connection for GWC staff.

Consensus of the Board if we have less water rights in the future to change rules to water rights paid upfront. Research possibly remove item I or deposit of water rights. Table item to the November 8, 2022 Board Meeting.

Agenda Item 2C: Discussion and Possible Action Regarding Annexation Fees

GWC annexation application fee is currently \$500, also GWC does not charge fees for annexation extensions. The fee is charged for the GWC Manager and staffs time and effort to process the annexation. The current annexations are now taking a year to complete, requiring more time of staff.

Fee Survey

A survey of annexation fees showed the following:

Company	Fee	Extension
MGSD	\$1,000	
Town of Minden	\$300	
Douglas County	\$655	
Lyon County	\$3,500	\$650
Truckee Meadows Water Authority (small)	\$4,500	
Truckee Meadows Water Authority (large)	\$7,000	
Fernley	\$4,000	
Elko (<10 acers)	\$750	
Elko (10-50 acers)	\$1,000	
Elko (>50 acers)	\$1,500	

Annexation	Year	Hours Spent	Acres
Ashland Park	2022	39	14
Corley	2022	31	130
TOG	2022	14	20
Stoneridge	2022	24	29

Recommendation

Manager and staff recommend the Board of Directors increase the Annexation Application Fee to \$2,500 and create an Annexation Extension Fee of \$2,000.

Kristien explained that if it costs GWC over \$2,000 per annexation for management costs, all costs should be on the applicant.

Dave Ellison made a motion to approve the increase of the Annexation Application Fee to \$2,500 and an Annexation Extension Fee of \$2,000 per application extension. Doug Sonnemann seconded the motion. Motion was approved.

Agenda Item 2D: Discussion and Possible Action Regarding GWC Employee CDL Expense

GWC requires its water operators to have their Commercial Driver’s License (CDL). Beginning February 7, 2022, the Federal Motor Carrier Safety Administration requires drivers applying for a Class A or Class B CDL for the first time must complete entry-level driver training with a registered training provider prior to testing. There are three companies offering the training:

Company	Fee
Western Nevada College	\$3,900
Desert Knight CDL	\$4,500
160 CDL Academy	\$5,000

WNC offers a 3 day a week (Monday, Tuesday, Wednesday) program with the next Carson City program January 2 – February 1, 2023.

Recommendation

Manager and staff recommend the Board of Directors approve Eamon Webb to attend Western Nevada College’s CDL program at the cost of \$3,900.

Carl Spahr made a motion to approve Eamon Webb to attend Western Nevada College’s CDL program at the cost of \$3,900. Dave Ellison seconded the motion. Motion was approved.

Agenda Item 3: Attorney Report – Chuck Zumpft

No Report.

Agenda Item 4: Manager’s Report

1. Meters, Plan Reviews & Impact fees
 - A. There were 4 meter(s) installed or replaced in September 2022
 - B. There were 0 plan reviews in September 2022
 - C. There were \$278,072.50 in impact fees invoiced in September 2022

2. Service Orders, Locates & Leak Notices
 - A. There were 14 locates completed by GWC staff in September 2022
 - B. There were 94 service orders completed by GWC staff in September 2022
 - C. There were 70 leak notices completed by GWC staff in September 2022

3. Water Consumption & Pumpage

Total Water Pumped	386,187,100
Total Acre Feet Used	1184.82
Total Water Outflow	0

2022 CONSUMPTION	
January - February Total Consumption	27,169,902

March - April Total Consumption	51,586,910
May - June Total Consumption	111,901,608
July - August Total Consumption	128,424,214
September - October Total Consumption	
November - December Total Consumption	
GWC Authorized Usage	420,975
2022 TOTAL Consumption	319,503,609
Water Loss (Gallons)	66,683,491
Water Loss (%)	17.27%

4. Monthly Water Operations Supervisor Update

- A. Jake continues to learn the system
- B. Eamon continues to learn the system
- C. Jon continues to share his knowledge of the system
- D. Jonas is scheduled for D3 test on Oct 13th
- E. Eamon planning for CDL school in the fall
- F. Investigation customer complaints
- G. Flow testing on the high side of the system continues
- H. The 1.5MG tank had warranty work done and is now back online
- I. Painted external walls and trim of all well houses
- J. One building and club house at Residence 1861 Apts has been signed off
- K. CVMC underground has been signed off
- L. Received the new truck

5. Staff Safety Courses Taken

- A. Emergency Response in the Workplace – September
- B. The Angry Caller: What's Your Plan? /Are You Listening to Your Customers? /Listening to Improve Conversation – October

6. Current Projects in Review

- A. Ashland Park Subdivision
- B. Ashland Park – Muller Pkwy
- C. Gardnerville Station Outlet

7. Current Projects Under Construction

- A. Carson Valley Medical Hospital
- B. Residence 1861 Apartments
- C. Thoroughbred Crossing Apartments
- D. Stor-All Expansion
- E. Village at Martins Trail

8. Current Properties in Annexation

- A. Corley Ranches LLC - The Farmstead at Corley Ranch - 130.55 acres – waiting for signed agreement
- B. Ashland Park - 13.72 acres – Signed agreement June 10, 2022

9. 2022 Closed Personnel Session

Need to schedule the closed personnel session – Board scheduled meeting for October 19, 2022 at 5:00pm

10. Save The Dates

Thursday December 1, 2022 - Christmas Kickoff - Heritage Park 5pm

Saturday, December 10, 2022 - GWC Christmas Dinner – CV Country Club 5pm

Agenda Item 6: Board Comments

No Comments.

Agenda Item 7: Adjournment

Carl Spahr made a motion to adjourn the meeting. Doug Sonnemann seconded the motion. Motion was approved. Ken Deering adjourned the meeting at 8:19 PM.