

Best Water! Best Service!



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, December 13, 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*
Chuck Zumpft, *GWC Attorney*

Ken Deering called the December 13, 2022, Regular Board Meeting to order at 5:00 p.m.

Approval of Agenda: Dave Ellison made a motion to approve the Agenda for the December 13, 2022, Board Meeting. Carl Spahr seconded the motion. Motion was approved.

Minutes of the November 8, 2022, Regular Board Meeting: Doug Sonnemann made a motion to approve the November 8, 2022, Regular Board Meeting Minutes. Carl Spahr seconded the motion. Motion was approved.

Financial Statements for December 2022: Barbara Henningsen made a motion to approve the November 2022 Financial Statement as presented. Doug Sonnemann seconded the motion. Motion was approved. Kristien reviewed the 2023 Draft budget with the Board.

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

Had a preconstruction meeting on December 7, 2022, at the Gardnerville Water with GWC staff, Engineers, Douglas County Inspector, and our Contract RDC. Will be mobilizing starting on December 12th. Updated project schedule was received the day of the board meeting. Copies were presented to the board.

B. 1394 Hwy 395 Parceling Project

Mark has spoken to the potential buyer. They are interested in potentially buying the 1394 Hwy 395 property via seller financing depending on the interest rate and monthly payment amount.

Staff suggests requiring a minimum of 10% down payment, a 5-year balloon payment and possible option for 2-year additional time at an additional interest rate.

Purchase Price \$400,000

Down Payment 10% \$40,000
Balloon Payment 5 years
Loan \$360,000

Staff has provided 3 interest options: 5%, 5.5%, 6%

Option 1

Interest Rate 5%
Total Interest Earned by GWC \$86,537
Monthly Loan Payment \$1,932.56

Option 2

Interest Rate 5.5%
Total Interest Earned by GWC \$95,501
Monthly Loan Payment \$2,044.05

Option 3

Interest Rate 6%
Total Interest Earned by GWC \$104,498.55
Monthly Loan Payment \$2,158.39

Consensus of the Board is to offer the potential buyer 3 different options: Option 1 – 20% down, Option 2 – 15% down and Option 3 – 10% down. Mark and Kristien will meet with the buyer to present offers.

C. Highway 395 @ Raley’s Waterline Improvement Project

Reviewed preliminary plans and relined corrections and sent back to engineer to make corrections. Working with NDOT on location of main in highway as not to interfere with new storm drainage.

D. NDOT Highway 395 Project

Received comments from Chuck Zumpft on December 7, 2022, on contract and forwarded comments and questions to our engineer and NDOT.

Agenda Item 2A: Discussion and Possible Regarding GWC Rules and Regulations

Staff requests minor changes to wording to clarify the rules and regulations regarding the annexation process. All changes were reviewed and generally approved by the board, except for the payment of water rights.

Kristien Bennett contacted Truckee Meadows Water Authority, Silver Springs Mutual Water Company, and Las Vegas Valley Water District regarding their annexation process and when fees are paid. All have an annexation process similar to that of GWC. The applicant applies, the utility reviews the application, and submits to the NV PUC. After the PUC grants the annexation, the utilities contacted then invoices the applicant for the water rights needed for the project. All finalization of plans is finished (if not all-ready done) and approved by the Bureau of Safe Drinking Water. If any changes to the plans change the amount of water rights needed, the utilities invoice or credit the applicant. All Impact Fees are then invoiced when the applicant is ready for connection to the system.

TMWA expressed that they have very little applicants that do not start construction quickly. They said that they will not even accept the annexation application unless the applicant is very far in their planning and development progression. Silver Springs expressed similar concerns of requiring full payment of water rights upfront or at connection. They also are encouraging growth of the utility, streamlining connections, easier tracking, and receiving current water rights values.

Staff has prepared two options:

- First option is to have water rights paid at the time of connection
- Second option is to have water rights paid when PUC grants annexation

Attached is the redline version of both options for review.

Recommendation

Manager and staff recommend the Board of Directors approve the updates to the GWC Rules and Regulations and opting to have water rights paid at the time of connection as presented.

Carl Spahr made a motion to approve the First option, to have water rights paid at the time of connection. Ken Deering seconded the motion. Motion was approved.

Agenda Item 2B: Discussion and Possible Action Regarding GWC Backflow Update

Currently GWC Backflow Policy was last revised in 2019. The Backflow Policy has been updated to current NRS statutes and current policies in backflow management. This policy has been researched extensively by Trebeca Itzen. The updated policy has been reviewed by office staff and by Chuck Zumpft, GWC Attorney.

Changes recommended:

Change #1 - Update wording throughout

Change #2 - Purpose - remove commercial designation wording as it can be a different type of customer

Change #3 - GWC Responsibility - GWC Approved Backflow list available on the website, creation of a Certified Tester list, and Certified Tester responsibilities

Change #4 - Customer Responsibility - requirement for a certified professional or engineer, professional designation, testing and communication, and retesting and repairs must be done within 10 business days

Change #5 - Definitions - Assembly, Backflow Prevention Assembly, Certified Tester, Device/Device ID, Thermal expansion, and USC

Change #6 - Current Installation Requirements - remove commercial designation

Change #7 - Initial Test - Install, repaired, replaced, or relocated by a Certified Tester, time requirements

Change #8 - Annual Tests - adds ability to email testing reminders, designation of calendar days, and no changing of annual test months

Change #9 - Reduced Level of Service Protection - adds section references

Change #10 - Domestic Services - survey requirements, inspection by GWC staff

Change #11 - Certified Tester List - updating wording and requirements of Certified Tester responsibility to the customer

Change #12 - Termination Procedure - update repair time requirements

Recommendation

Staff recommends the Board of Directors adopt GWC's Backflow Policy Updated December 2022.

Carl Spahr made a motion to approve the GWC Backflow Policy Update. 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 16 meter(s) installed or replaced in November 2022

- B. There were 0 plan reviews in November 2022
- C. There were \$0 in impact fees invoiced in November 2022

2. Service Orders, Locates & Leak Notices

- A. There were 23 locates completed by GWC staff in November 2022
- B. There were 107 service orders completed by GWC staff in November 2022
- C. There were 58 leak notices completed by GWC staff in November 2022

3. Water Consumption & Pumpage

Total Water Pumped	436,504,700
Total Acre Feet Used	1339.20
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	94,227,373
November - December Total Consumption	
GWC Authorized Usage	1,092,975
2022 TOTAL Consumption	414,402,982

Water Loss (Gallons)	22,101,718
Water Loss (%)	5.06%

2022	Pumped	Sold	Difference	Percentage
January - February	31,986,300	27,169,902	4,816,398	15.1%
March - April	57,994,400	51,586,910	6,407,490	11.0%
May - June	108,070,600	111,901,608	-3,831,008	-3.5%
July - August	129,163,400	128,424,214	739,186	0.6%
September - October	93,961,100	94,227,373	-266,273	-0.3%
November - December	31,788,500	34,194,564	-2,406,064	-7.6%
GWC Authorized Usage	0	1,092,975	-1,092,975	0.0%
2022 TOTALS	452,964,300	448,597,546	4,366,754	1.0%

4. Monthly Water Operations Supervisor Update

- A. Hwy 395 water leak patch completed
- B. 20 Large meter registers replaced, less than 10 more to do
- C. Seasonal irrigation accounts have been shut off
- D. Eamon signed up for CDL course via WNC
- E. Jonas will sign up for D# test, waiting on state acceptance

5. Staff HR/Safety Courses Taken

- A. Active Shooter – November
- B. Integrity in the Workplace – December

6. Current Projects in Review
 - A. Gardnerville Station Outlet – waiting for NDOT review

7. Current Projects Under Construction
 - A. Carson Valley Medical Hospital
 - B. Residence 1861 Apartments
 - C. Thoroughbred Crossing Apartments
 - B. Stor-All Expansion
 - C. Village at Martins Trail
 - D. Carson Valley Veterinary

8. Current Properties in Annexation
 - A. Corley Ranches LLC - The Farmstead at Corley Ranch - 130.55 acres – signed agreement December 12, 2022
 - B. Ashland Park - 13.72 acres – Signed agreement June 10, 2022

Both annexations are almost ready to submit to the PUC. Mark, RCI, and PUC representative had a meeting 01/04/23 to discuss the errors in the preliminary submittal. RCI will make the changes and prepare for final submittal to the PUC.

Agenda Item 6: Board Comments

No Comments.

Agenda Item 7: Adjournment

Dave Ellison made a motion to adjourn the meeting. Carl Spahr seconded the motion. Motion was approved. Ken Deering adjourned the meeting at 6:48 PM.