



Gardnerville Water Company  
Regular Board Meeting Minutes  
Tuesday, September 12, 2023, 5:00p.m.  
Board Room  
1579 Virginia Ranch Rd  
Gardnerville, NV 89410

Board Members Present:

Dave Ellison, *Chairman*  
Doug Sonnemann, *Vice Chairman*  
Barbara Henningsen, *Secretary*  
Carl Spahr, *Treasurer*

Staff Members Present

Mark Lovelady, *GWC Manager*  
Kristien Bennett, *GWC Financial Officer*  
Lisa Taylor, *GWC Administrative Assistant*  
Chuck Zumpft, *GWC Attorney*

Public Present:

Brandon Hill, Carter Hill Homes  
Nick Harvey, Project Manager, Carter Hill Homes  
Keith Scott

Dave Ellison called the September 12, 2023, Regular Board Meeting to order at 5:00 p.m.

**Approval of Agenda: Barbara Henningsen made a motion to approve the Agenda for the September 12, 2023, Board Meeting. Doug Sonnemann seconded the motion. Motion was approved.**

**Minutes of the August 8, 2023, Regular Board Meeting: Doug Sonnemann made a motion to approve the August 8, 2023, Regular Board Meeting Minutes. Barbara Henningsen 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.

Keith Scott 1409 Interest Lane – wanted to provide an update on the sewer issues with his property. In an attempt to facilitate an easement for the sewer line that runs through GWC and Joe Benigno’s properties, Mark Lovelady has left phone messages, email, and personal visits to his business to contact Joe Benigno with no response. Mr. Scott has been in contact with Peter Baratti, Manager of MGSD, who thinks the MGSD attorney may be able to assist with the easement. Mr. Scott has been trying to obtain the easement for almost six months and not sure what to do next except hire legal counsel. He wants GWC to continue to assist with obtaining a solution for the sewer line. Dave Ellison said he feels for Mr. Scott and wants to assist with obtaining the proper easement, as when GWC purchased the property, they were unaware of any location issues with the sewer line.

**Agenda Item 1: Old Business**

A. Well 10 CMAR Project

Scheduling NV Energy regarding the final service entrance inspection as well as the pole installation. It's really hard to get a hold of them. ACCO will be on-site 9/12 for the exhaust fan relocation and installation. A new schedule has been provided. RDC expects to be completed by 12/6/2023.

Well 10 storage building roof is scheduled for mid-October.

A tour for all board members will occur before the October 10<sup>th</sup> board meeting. Please meet at the Well 10 site at 4:30pm. Borjana Savic, Project Manager for RDC will be on hand to answer your questions.

B. Highway 395 @ Raley's Waterline Improvement Project

Mark has been working with RCI to begin the process for construction project bidding. Obtained permit from NDOT.

C. NDOT Highway 395 Project

Project prework will occur this fall along Highway 395. SNC is using part of Well 1 location for storage.

D. Well 9 Rehab

Scheduling for rehab will occur winter 2023/2024 or spring 2024.

E. Well Meters

GWC installed the meters the week of July 31<sup>st</sup>.

F. BLM Tank Site

No further information since the last meeting update.

G. Sale of 1394 Douglas Ave

A for sale sign and flyers were installed. A listing was placed on forsalebyowner.com for free, Zillow allows only residential sales on their listings. On September 1<sup>st</sup> we received an offer of \$395,000 cash with a quick close. Mark has spoken to the buyer regarding the sale and he is serious about purchasing the property. Chuck is completing a sale agreement. After the buyer has accepted the agreement, Mark will contact the tenants to arrange a move out and schedule that with the buyer.

*Kristien explained that the potential buyer withdrew their offer today, September 12, 2023. They said there was not enough profit for them to move forward.*

H. Village at Martins Meadows Dispute

The owners of Village at Martins Meadows, Carter Hill Homes, are disputing having to pay for 1" Impact fees for their 51-townhome project. The project was planned with 1" services (see letter from Manhard Consulting March 2020). The Application for Water Plan Review also listed 1" water meters on its application (see application April 2021).

GWC, Douglas County, East Fork Fire, and Nevada Division of Water Resources all approved the plans with 1” water meters.

Now that they are beginning construction, Carter Hill Homes is disputing needing 1” water meters due to the cost difference between ¾” and 1” Impact Fee. ¾” Impact Fee is \$6,381 x 51 townhomes = \$325,431; 1” Impact Fee is \$10,345 x 51 townhomes = \$527,595; a difference of \$202,164.

To prepare for the project and due to long delivery times (30 plus weeks) GWC ordered 1” Sensus Ally water meters from Western Nevada Supply. GWC has tried to work with Carter Hill Homes by offering 3 options (see letter from GWC August 2023).

**Project Timeline:**

On March 9, 2020 - Manhard consulting requested an Intent to Serve letter for Matthew Carter of Carter Hill Homes.

On April 28, 2021 - Matthew Carter of Carter Hill Homes submitted an Application for Water Plan Review.

On August 13, 2023 – Brandon Hill of Carter Hill called Mark to discuss meter sizes

On August 16, 2023 – Mark contacted Chuck to discuss the dispute

On August 30, 2023 - Mark sent Carter Hill Homes sent a letter with 3 options

On August 31, 2023 - Carter Hill Homes responded to the letter

Mark is recommending the board to agree with Mark’s recommendation of Carter Hill Homes to use the existing 1-inch meter pit and pay for a 1-inch service as approved.

*Mark is rescinding the above with a new recommendation. After speaking with council, the recommendation is to install 1” meters in 1” meter pit and have Carter Hill Homes pay the difference between the ¾” and 1” meters and pay for ¾” service.*

***Consensus of the Board, Carter Hill Homes will pay the ¾” impact fees plus the meter cost difference between ¾” and 1”. Mark will write it up, get it to Chuck for approval then to Brandon.***

**Agenda Item 2A: Discussion and Possible Action Regarding GWC’s Cybersecurity Checklist**

March 2023 the EPA Office of Water issued a memorandum “*Addressing PWS Cybersecurity in Sanitary Surveys or an Alternate Process*” guidance to all public water systems in regard to cybersecurity. The steps described in the memo further EPA’s mission to work with states to protect clean and safe drinking water. The memo clarifies that states must evaluate the cybersecurity of operational technology used by a public water system (PWS) when conducting a PWS sanitary survey or through other state programs.

The goal of sanitary surveys is to ensure that states effectively identify significant deficiencies and that PWSs then correct those significant deficiencies—including cybersecurity-related significant deficiencies—that could impact safe drinking water.

While the EPA has issued its memo regarding cybersecurity, AWWA, NRWA, and various states have requested intervenor status to the rule. The US appeals court temporarily blocked the EPA's rule, however GWC continued to review its processes, checklist, and ensure the security of the GWC's assets.

Staff has reviewed the memo and created a checklist addressing all the standards against what GWC is currently performing. After creation of that checklist, staff presented that to E Squared C and Sierra Controls for review, modification, and recommendations. With this Cybersecurity Checklist, GWC is prepared to prevent cybersecurity incidents.

*Kristien presented the checklist with the board. The board agreed that the checklist covered GWC adequately.*

### **Agenda Item 2B: Discussion and Possible Action Regarding Cyber Incident Response Plan**

March 2023 the EPA Office of Water issued a memorandum "Addressing PWS Cybersecurity in Sanitary Surveys or an Alternate Process" guidance to all public water systems in regard to cybersecurity. The steps described in the memo further EPA's mission to work with states to protect clean and safe drinking water. The memo clarifies that states must evaluate the cybersecurity of operational technology used by a public water system (PWS) when conducting a PWS sanitary survey or through other state programs. Reviewing that memo, GWC found that we were lacking a Cyber Incident Response Plan.

This document was created in a joint effort between E Squared C and GWC as E Squared C will have the primary responsibility for cyber incidents. This plan will define and outline the standard operating procedure for GWC's Cyber Incident Response Plan.

This standard outlines the general steps for responding to computer security incidents. In addition to providing a standardized process flow, it (1) identifies the incident response (IR) stakeholders and establishes their roles and responsibilities; (2) describes incident triggering sources, incident types, and incident severity levels; and (3) includes requirements for annual testing, post-incident lessons-learned activities, and collection of IR metrics for use in gauging IR effectiveness.

### **Recommendation**

Staff recommends Board approval of the GWC Cyber Incident Response Plan.

**Barbara Henningsen made a motion to approve the GWC Cyber Incident Response Plan. Carl Spahr seconded the motion. Motion 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 0 meter(s) installed or replaced
  - B. There were 2 plan reviews

- C. There were \$41,380 in impact fees invoiced
- 2. Service Orders, Locates & Leak Notices
  - A. There were 44 locates completed by GWC staff
  - B. There were 52 service orders completed by GWC staff
  - C. There were 75 leak notices completed by GWC staff
- 3. Monthly Water Operations Update
  - A. Well meters programing - JS
  - B. Well 4 VFD– JS
  - C. NDOT meeting & planning– JS
  - D. Generator checks – EW
  - E. Meter audits– EW
  - F. Vehicle maintenance – EW
  - G. Brian Aspenleiter started 09/05/2023
- 4. Staff HR/Safety Courses Taken
  - A. Customer Service Confrontation and Conflict- August
  - B. Barriers to effective communication – September
- 5. Current Projects in Review
  - A. Martin Stahl Apartments
  - B. Stoneridge
  - C. Virginia Ranch - Muller Parkway
  - D. Virginia Ranch – Collector Road
- 6. Current Projects Under Construction
  - A. Carson Valley Medical Hospital
  - B. Thoroughbred Crossing Apartments
  - E. Village at Martins Trail
  - F. Carson Valley Veterinary
- 7. Current Properties in Annexation
  - A. Bing Trust 2000 – 2.72 acres: Annexation letter of acceptance sent 8/9/23, deposit received 8/30/23, annexation agreement sent to Bing Trust 09/06/2023

**Agenda Item 6: Board Comments**

Mark Lovelady and Lisa Taylor will not be attending the October Board Meeting.

**Agenda Item 7: Adjournment**

**Carl Spahr made a motion to adjourn the meeting. Doug Sonnemann seconded the motion. Motion was approved. Dave Ellison adjourned the meeting at 7:20 PM.**