



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, June 11, 2024 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*
Ken Deering, *Member-at-large*

Staff Members Present:

Mark Lovelady, *GWC Manager*
Kristien Bennett, *GWC Financial Officer & HR*
Mikayla Webb, *GWC Administrative Assistant*
Jon Summers, *GWC Operations Supervisor*
Chuck Zumpft, *GWC Attorney*

Dave Ellison called the June 11, 2024, Regular Board Meeting to order at 4:59 PM.

Public Present: None

Approval of Agenda: Ken Deering made a motion to approve the Agenda for the June 11, 2024, Board Meeting. Barbara Henningsen seconded the motion. Motion was approved.

Minutes of the May 14, 2024, Regular Board Meeting: Doug Sonnemann made a motion to approve the May 14, 2024, Regular Board Meeting Minutes. Carl Spahr seconded the motion. Motion was approved.

Financial Statements for May 2024: Ken Deering made a motion to approve the May 2024, Financial Statements. Barbara Henningsen seconded the motion. Motion was approved.

Water Operations Supervisor Quarterly Updates:

Jon notified the Board of Directors that in the past quarter the operators have completed multiple tasks along with a couple classes and certifications. Fire hydrants have been flowed, hydrants have been maintained, meter pits have been repaired, and the Well 7 generator has been repaired due to the last power outage blowing out a hose. Eamon Webb has completed his D2 certification and will need to be enrolled in a college course for credits towards obtaining his D3 certification. Brian Aspenleiter has completed his D1 certification and is studying towards his D2 certification. Mueller hosted a 6-hour class at the Greater Nevada Field in which Eamon and Brian both attended and gained knowledge. Other than those highlights general office and field maintenance has been taken care of.

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

RDC will be coating the ATS enclosure 06/05/24. It will be dry and ready for installation by the end of the week. Once installed they will take the restroom out and close the SWPPP permit. To their understanding the Knox box is still missing so once GWC have that installed, they will call the Fire Marshal back to the site and get the sign off from him. They believe there is nothing else on RDC's end to finalize the project. No update from Keith Schaffer, RCI has not provided a punch list for RDC or GWC.

Mark Lovelady reported to the Board of Directors that the enclosure to the transfer switch has been installed and completed. Mark hand delivered the Knox box on 06/10/24. David Ellison brought up to Mark that at the May 14, 2024, Board Meeting Keith Shaffer, RCI, promised he would prepare a punch list and sent to each Board Member to notify them of the remaining projects needing to be completed and stated that there was supposed to be a sense of urgency behind this. Mark made the Board aware that he has reached out to both Keith Shaffer, RCI, and Borjana Savic, RDC 2-3 times per week requesting an update on when to expect the completed punch list but has not heard back. David Ellison then asked what Mark believes still needs done, and per Mark the major things needing done is the landscaping, grading of lot, and some other minor things that are not substantial to completion of the project. Mark also reported that the lab samples have come back, and they all look good.

B. 1409 Interest Lane Sewer Line Issue

Mark met with Mr. Scott regarding the potential project. Mr. Scott said he is not in complete agreement with his attorney, Joseph Yates. Chuck Zumpft was going to discuss the issue with Mr. Yates.

C. BLM Tank Site

RCI sent a letter to BLM regarding its intentions with the parcel. RCI will be reviewing GWC's need for that potential tank site.

D. Sale of 1394 Douglas Ave

The property was sold on 5/22/2024. Final settlement was:

Sale price:	\$375,001.00
Broker commission:	\$9,376.00
Escrow Fee:	\$565.01
Owner's title insurance:	\$732.51
County Transfer Tax:	\$731.26
MGSD:	\$38.49
Final Settlement:	\$363,557.73

Agenda Item 2A: New Business

Staff recommends a 5% rate increase for 2025, 2026, and 2027. These increases will provide increasing revenue to provide for operations and maintenance expenses, asset replacement, inflation, reserves, and future population changes. This item would be placed on the July 9 and August 13, 2024, Board Meeting agendas to provide for customer input. A Rate Increase Newsletter will be mailed with July 1st

water bill to inform the customers of the upcoming rate change. A final vote would occur at the August 13, 2024, Board Meeting.

Rate Recommendation:

Meter Size	Service Charges			
	2024 Existing	2025 Proposed	2026 Proposed	2027 Proposed
3/4"	\$41.00	\$43.50	\$46.00	\$48.50
1"	\$69.00	\$73.00	\$77.00	\$81.00
1 1/2"	\$137.00	\$145.00	\$154.00	\$162.00
2"	\$219.00	\$232.00	\$246.00	\$260.00
3"	\$410.00	\$435.00	\$460.00	\$485.00
4"	\$684.00	\$725.00	\$767.00	\$809.00
6"	\$1,025.00	\$1,210.00	\$1,408.00	\$1,617.00
8"	\$1,107.00	\$1,337.00	\$1,556.00	\$1,985.00
Commodity Rate				
Residential Usage Rate				
- 0 to 8k gallons	Included	Included	Included	Included
- above 8k gallons	\$1.60	\$1.70	\$1.80	\$1.90
Commercial Usage Rate				
- 0 to 20k gallons	\$1.70	\$1.80	\$1.90	\$2.00
- above 20k gallons	\$2.65	\$2.80	\$2.95	\$3.10
Irrigation Usage Rate				
- 0 to 200k gallons	\$1.95	\$2.05	\$2.15	\$2.30
- above 200k gallons	\$2.65	\$2.80	\$2.95	\$3.10

Private Fire Fee Recommendation:

PF Meter Size	2024 Existing	2025 Proposed	2026 Proposed	2027 Proposed
3/4"	\$6.72	\$7.06	\$7.41	\$7.78
1"	\$8.97	\$9.42	\$9.89	\$10.38
1 1/2"	\$13.45	\$14.12	\$14.83	\$15.57
2"	\$17.93	\$18.83	\$19.77	\$20.76
2 1/2"	\$22.41	\$23.53	\$24.71	\$25.94
3"	\$26.91	\$28.26	\$29.67	\$31.15
4"	\$35.87	\$37.66	\$39.55	\$41.52
6"	\$53.80	\$56.49	\$59.31	\$62.28
8"	\$71.73	\$75.32	\$79.08	\$83.04
Private Hydrant	\$53.80	\$56.49	\$59.31	\$62.28

Recommendation

Manager and staff recommend the Board of Directors adopt an 5% rate increase for January 1, 2025, 2026, and 2027 for water user fees and private fire fees, place on the July 9 and August 13, 2024, Board Meeting agendas, mail with July 1st water bill a Rate Increase Newsletter, and vote on the proposed rate increases at the August 13, 2024, Board Meeting.

The Board of Directors noticed that the price increase was not 5%, but approximately 6%.

Carl Spahr made a motion to approve the proposed rate increase as presented with the approximate increase of 6% for January 1, 2025, 2026, and 2027 for water user fees and private fire fees, place on the July 9 and August 13, 2024, Board Meeting agendas, mail with July 1st water bill a Rate Increase Newsletter, and vote on the proposed rate increases at the August 13, 2024, Board Meeting. Ken Deering seconded the motion. Motion was approved.

Agenda Item 3: Attorney Report – Chuck Zumpft

Chuck Zumpft and Mr. Yate's have been in contact via phone and email. A copy of the latest email was provided to each board member, and within the email Mr. Yate's brought up a theory that GWC has created an encumbrance when the property was parceled. It is stated the GWC has a sewer line that crosses 2 properties now that are not owned, but as previous discussions it is unknown if the sewer line was noted on any plans or information which would have allowed this to be prevented. Mr. Zumpft's top priority was to verify what Mr. Scott wanted and Mr. Yate's voiced he wants his sewer line. Mr. Zumpft tossed around the idea of recission to see if that is what Mr. Scott was getting after. Mark Lovelady had a telephone call and face to face meeting with Mr. Scott who was unaware of the email that was originally sent by Mr. Yate's and Mr. Scott said he hired him to modify the contract for an agreement, so

he was not in full agreement with his attorney now and wanted to confirm where he now stood in all of this. Chuck Zumpft and Mark Lovelady had a meeting prior to the Board Meeting to draft up some possible ideas on how to handle this issue. It is believed that in the best interest of all parties GWC just gets the project done with or without the financial involvement of Mr. Scott as the Board of Directors is unsure if Mr. Scott's ultimate goal is to get out of his financial commitment. Mark Lovelady brought up the fact that Mr. Scott is worried about his liability if the project were to fail, and his ultimate goal is to get a contract drafted up removing all liability of himself, so Mark made him aware that contractors have insurance, and they take liability of the project. Mr. Scott originally stated he wanted a test period to ensure that the sewer line project would work in the end, but Mr. Zumpft was not willing to expose the company to such an agreement. Mark Lovelady informed the Board within typical construction projects; the contractor provides a 1-year warranty. Ken Deering pointed out the fact that with the contractor's insurance and with the strong belief that the project will work out in the end it is best to go ahead and go for completing this. Mark Lovelady and Chuck Zumpft will craft something to send back to Mr. Yates to propose the willingness of the company to do the project and see if Mr. Scott is still willing to commit to financial input. Mark Lovelady did bring up that a modification will be made to the easement of 8 more feet. Chuck Zumpft stated once a draft of that the proposal of the offer will be drafted and sent over to Mr. Yates.

Consensus of the Board of Directors is to propose the offer to complete the sewer line project and see what the response is from Mr. Yates, then a motion will be made prior to the start of the project to ensure that all is set in place to cover all ends of the deal.

Agenda Item 4: Manager's Report

1. Meters, Plan Reviews & Impact fees
 - A. There were 11 meter(s) installed or replaced
 - B. There were 2 plan reviews – Maverick, 1516 Charlotte Tenant Improvement
 - C. There were \$27,284 in impact fees invoiced

2. Service Orders, Locates & Leak Notices
 - A. There were 26 locates completed by GWC staff
 - B. There were 133 service orders completed by GWC staff
 - C. There were 83 leak notices completed by GWC staff

3. Monthly Water Operations Update
 - A. Well 10 startup– JS/EW/BA
 - B. Lead line inventory – JS
 - C. NDOT Hwy 395 locates – JS
 - D. Passed D2 test - EW
 - E. Replaced sample stations - JS/EW/BA
 - F. Well 10 water samples – BA
 - G. Installed CV Vet meters – BA

4. Current Projects in Review
 - A. Martin Stahl Apartments
 - B. Stoneridge
 - C. Virginia Ranch
 - D. High Sierra Storage
 - E. Maverik Gas Station
 - F. Dr Gray Tenant Improvement

5. Current Projects Under Construction
 - A. Carson Valley Medical Hospital
 - B. Thoroughbred Crossing Apartments
 - G. Village at Martins Trail
 - H. Carson Valley Veterinary

Agenda Item 5: Board Comments

No Comments.

Agenda Item 6: Adjournment

Carl Spahr made a motion to adjourn the meeting. Barbara Henningsen seconded the motion. Motion was approved. Dave Ellison adjourned the meeting at 7:28 PM.