Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, August 12, 2025 4:00p.m.
Board Room
1579 Virginia Ranch Rd
Gardnerville, NV 89410

Board Members Present:
Doug Sonnemann, *Chairman*
Barbara Henningsen, *Vice Chairman*
Carl Spahr, *Secretary*
Dave Ellison, *Member-at-large*

Staff Members Present:
David Bruketta, *GWC Manager*
Kristien Bennett, *GWC Financial Officer & HR*
Mikayla Webb, GWC *Administrative Assistant*
Chuck Zumpft, *GWC Attorney*

Doug Sonnemann called the August 12, 2025, Regular Board Meeting to order at 3:59 p.m.

Public Present: Rob Anderson; Wilson Engineering.

Approval of Agenda: Barbara Henningsen made a motion to approve the Agenda for the August 12, 2025, Board Meeting. Dave Ellison seconded the motion. Motion was approved.

Minutes of the July 08, 2025, Regular Board Meeting: Dave Ellison made a motion to approve the July 08, 2025, Regular Board Meeting Minutes. Carl Spahr seconded the motion. Motion was approved.

Financial Statements for July 2025: Dave Ellison made a motion to approve the Financial Statements for July 2025. 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.

Agenda Item 1A: Discussion and Possible Action Regarding Application for Annexation from Belly Acres LLC
The GWC has received a request from Wilson Engineers for annexation of approximately 4.45 acres of property located off Giles Ln, just north of the Gardnerville Elementary School, identified as APN 1320-33-402-079 owned by Belly Acres LLC.

Annexation Application Requirements
The applicant has satisfied the initial requirements of service area expansion as defined in the GWC Rules and Regulations.

Expansion of Service Area Annexation Agreement
The application is presented to the GWC Board for approval or denial of the application. If the application is approved by the Board the applicant is required to enter into an annexation agreement with GWC that

includes required fees and costs for completing an application for service area expansion to the Public Utilities Commission of Nevada (PUCN) for approval.

The annexation agreement also will include a requirement to provide a cash advance deposit to GWC to cover anticipated costs for the preparation of an annexation agreement by the GWC attorney, PUCN report preparation by GWC staff and engineer consultant, a water model analysis by the GWC engineering consultant, PUCN application fees, newspaper legal ad cost, completion of adjusted service area boundary description and service area boundary map by GWC engineering consultant, water rights title review by legal consultant, report drafting, and any other costs necessary to obtain PUCN approval. The annexation agreement includes annexation fees required at $500.00 per acre annexed. Water Rights owned by the Belly Acres LLC has been designated by the applicant to be transferred to GWC.

<u>Annexation Information</u>
The applicants' consultant has provided the following information as part of the annexation application:

- Total Area Annexed – 4.45 acres
- Development Plan – Martin Creek Townhomes: Residential, 29 units, approximately 1,300 sq ft each
- Estimate of Water Usage – 20 gallon per minute
- Estimated Water Rights Dedication: 32.48 AF

<u>Recommendation</u>
Staff recommends Board approval of the annexation request for the Belly Acres LLC APN 1320-33-402-079, 4.45 acres subject to the following conditions:

The Applicant shall:

A. execute a written agreement with the Utility, within thirty days, that shall cover the terms and conditions under which the Utility shall annex the Applicant's development, or the approval shall expire. The Agreement shall provide, among other matters, that the Applicant agrees to diligently pursue the annexation process and will use best efforts to complete same within one year of Board approval;
B. provide a cash deposit of $10,000 to cover the Utility's estimate of costs for legal, engineering, water right title and transfer, and other essential services incurred by the Utility to obtain the required regulatory and governmental approvals for annexation of the Applicant's proposed development. Applications involving extraordinary effort may require a larger deposit, as determined by the Utility;
C. pay in full the current annexation fee as reflected on the Utility's Fee Schedule. The applicable fee shall be charged for each gross acre or portion thereof to be annexed;
D. record, in the office of the Douglas County Recorder, following PUCN annexation approval, a notice affecting all the property subject to annexation. The notice shall be approved by the Utility prior to recording and shall be designed to inform future owners of the annexed property of requisites to connection to the Utility and that obtaining service therefrom, requires payment of water rights fees, impact fees, and other applicable fees, and that connection to and service by the Utility shall not occur absent compliance with all of the Utility's Tariffs. A copy of this notice shall be delivered to Utility upon recordation;
E. the Applicant will acknowledge that the PUCN may approve the annexation with the condition updated maps and legal descriptions of its expanded service territory within 30 days of the effective date of the PUCN order and the Nevada Division of Environmental

Protection's water system plan be approved within three years of the effective date of the PUCN order; and

F. The Applicant shall provide such other information as the Utility may reasonably require.

The Utility shall:

A. provide a new, complete service area map suitable for acceptance by the Commission and other affected entities, and "a place of use" map prior to the final acceptance of annexation;
B. apply associated to the State of Nevada Division of Water Resources to transfer an estimated 32.48-acre feet of water rights to the Utility;
C. complete a water right title due diligence review prior to deeding the water rights to the Utility; and
D. provide a Conditional Will Serve Letter with a 180-day expiration.

David Bruketta informed the Board Members that this step represents GWC's initial approval to provide water service to the development. He explained that the application requirements have been satisfied, and granting approval at this stage will allow the project to move forward. Throughout the process, the Board will remain informed and will be asked to provide additional approvals at future meetings.

David then introduced Rob Anderson of Wilson Engineering, who provided further details to the Board. Mr. Anderson reported that approvals have already been obtained from both the Town of Gardnerville and the Minden Gardnerville Sanitation District. He noted that the current timeline anticipates grading to begin in Fall 2025, with construction scheduled to start in Spring 2026. Mr. Anderson confirmed his agreement to all conditions outlined and assured the Board that additional details will be provided as the project progresses.

Barbara Henningsen made a motion to approve the Application for Annexation from Belly Acres LLC subject to all the conditions listed. Carl Spahr seconded the motion. Motion was approved.

Agenda Item 1B: Discussion and Possible Action Regarding a Professional Services Agreement with Resource Concepts for Water Rights Services

Resource Concepts Inc., (RCI) has been providing engineering and water rights services to GWC for many years without an agreement. They asked that we enter into an agreement for water rights services which include but are not limited to the following services:

- Completion and submission of applications to the Nevada Division of Water Resource (NDWR) Office:
    - Temporary application to change existing water rights
    - Proof of completion of work
    - Proof of beneficial use
    - Report of conveyance
    - Extension of time
- Water rights mapping services
- Totalizing meter reports
- Pumpage research analysis of historical water usage, from non-use to certificated rights
- Analysis of pumpage – provide target meter reading projections and management strategies
- Site visits
- Response to NDWR requests and inquiries
- Tracking of NDWR administrative policy changes

- Tracking of water rights within the hydrographic basin
- Provide professional advice and recommendations
- Development of water rights strategies

This is a time and material agreement for an amount not to exceed $7,500 per year, without prior written approval, based on RCI's most recent fee schedule. The agreement has been reviewed and approved as to form by Chuck Zumpft.

Attached is a summary of RCI qualifications and key personnel.

Recommendation
GWC Staff recommends approval of the proposed Professional Services Agreement with RCI, for an amount not to exceed $7,500 per year without prior written approval, for Water Rights Services.

David made the Board Members aware that the one thing within the agreement that caught his eye was that RCI provided a limit of liability to $10,000, but he brought that up to see what they were willing to do. In the end they upped the limit of liability to $100,000.

Dave Ellison made a motion to approve the contract for Professional Services Agreement with Resource Concepts for water right services in the amount not to exceed $7,500 per year without written approval. Barbara Henningsen seconded the motion. Motion was approved.

Agenda Item 1C: Discussion and Possible Action Regarding a Professional Services Agreement with Lumos & Associates for On-Call Engineering and Support Services
Lumos & Associates provided a proposal to assist Gardnerville Water Company (GWC) with Engineering and other Support Services on an as needed basis. The scope of work includes but is not limited to the following services:

- General Engineering / Surveying: This includes meetings, water rights, rate review and analysis, engineering investigations, general consultation, water line replacement projects, system model maintenance, standard detail updating, well design and coordination, storage facility evaluations, project management, contract document preparation, master planning, CIP development, grant support.
- Development plan review
- Public Utility Commission of Nevada (PUCN) annexation assistance
- Bid support
- Inspection, testing and construction observation

Process
The GWC Manager will identify specific tasks/projects to be completed under this agreement. Lumos & Associates will then develop a task-specific proposal detailing the scope of that task and the associated fee. Fee structures can be lump sum or time and material based. Once the individual task is approved by GWC, Lumos will proceed with the work.

The agreement has been reviewed and approved as to form by Chuck Zumpft.

Attached is a summary of Lumos & Associates qualifications and key personnel.

Recommendation

GWC Staff recommends approval of the proposed Agreement with Lumos & Associates, On-Call Engineering and Support Services.

David told the board that within his review of the contract Lumos & Associated limited their liability to $100,000, but after discussion they ultimately raised their liability to $1,000,000.

Barbara Henningsen made a motion to approve the contract for Professional Services Agreement with Lumos & Associates for On-Call Engineering and Support Services. Carl Spahr seconded the motion. Motion was approved.

Agenda Item 1D: Discussion and Possible Action Regarding a Task Order with Lumos & Associates for Assistance with the Annexation Request from Belly Acres LLC and On- Call Services

Lumos & Associates provided a Task Order to assist the staff with an Annexation Request from Belly Acres LLC and On-Call Services. The scope of work includes but is not limited to the following services:

- Review & Research – Lumos & Associates will review the PUCN annexation application requirements, compare to the March 25, 2025 submission for Custom Craft and work with GWC to resolve discrepancies in application and modeling requirements.
- Belly Acres Annexation Application - Lumos & Associates will prepare an updated base file for PUCN annexation requests using Belly Acres application information.
- On-Call Services – Additional engineer services provided on a time and material basis.

Recommendation

GWC Staff recommends approval of the Task Order with Lumos & Associates for Assistance with the Annexation Request from Belly Acres LLC on APN 1320-33-402-079 and for On-Call Services.

Kristien Bennett and David previously discussed that, as they work on finalizing the contract to bring before the Board Members, it would be beneficial for GWC to handle annexations in-house to the extent possible. The primary area where engineering assistance will continue to be needed is in Water Modeling.

Carl Spahr made a motion to approve the Task Order with Lumos & Associates for Assistance with the Annexation Request from Belly Acres LLC and On- Call Services. Dave Ellison seconded the motion. Motion was approved.

Agenda Item 2: Old business

A. Well 7 Generator

CAT ordered the replacement parts. Installation was done on 8/6/25. CAT also performed the 4-hour bank test.

Kristien made the Board Members aware that payment was submitted for completion of the generator on August 12, 2025.

B. Generator Maintenance Plan

We received the quote from Empire CAT for oil changes and coolant system service over the next three years. We'll be reviewing the proposal in detail and compiling a list of questions to send back to them. We also requested Ken's thoughts and opinions on the quote, as well as his perspective on how involved GWC should be with Empire for ongoing generator maintenance.

C. Well 11 Water Right Protest

Drafted letters to the parties expressing a desire for one more meeting to find common ground on an agreement. If this goes forward to a protest hearing, the burden of proof will be on them to show we would impact their wells. Doug sent the letters to the parties. Doug talked to Randy, and said their engineer had a few questions and they would set up a meeting soon.

A meeting is set for David and Doug Sonnemann to meet with the parties on August 18, 2025. David would like to see eye to eye with them and really understand what their main concern is and how GWC can help with that to allow for the well to move forward without any complications. Though David nor GWC has been through this process prior it is predicted to be a lengthy and high-priced protest if all parties can't come to terms on their own. The board will be updated on the outcome of the meeting. If no resolution can be reached David believes it would be best to just move forward with starting the process of the protest. The Board Members think it would be a good idea to involve Don Smit as he is the developer of the project. David voiced understanding and will see the outcome of the meeting, then meet with Don Smit to discuss further action.

D. Minden Well 12 Project
Met with JD Frisby and Jeff Cady with Town of Minden. They want to move forward with well development and would like an opportunity to discuss with the Board. Met with Lumos & Associates to better understand a water rights protest process and to explore alternative options.

David advised the Board Members that JD Frisby and Jeff Cady from the Town of Minden would like to attend the next Board meeting to address the Board and their concerns to see if they can provide GWC with the information to help them come to resolution prior to a protest.

Consensus of the Board is to allow JD Frisby and Jeff Cady with the Town of Minden to be added to the September 09, 2025, Board Meeting Agenda as discussion only.

E. Well 1 Solar
Jon Summers under the direction of Jim Bryant of Bryant Electric, changed the fuse on 6/23/25 to a different fuse and the solar is now working. Jim believes that the cause is the frequent disruptions in power that could be causing the solar to stop working. Staff will continue to monitor the solar power production.

Agenda Item 3: Attorney Report- Chuck Zumpft

No Report.

Agenda Item 4: Managers Report

1. Meters, Plan Reviews & Impact fees
   A. There were 13 meter(s) installed or replaced
   B. There were 0 plan reviews
   C. There were $0 in impact fees invoiced

2. Service Orders, Locates & Leak Notices
   A. There were 16 locates completed by GWC staff
   B. There were 114 service orders completed by GWC staff
   C. There were 49 leak notices completed by GWC staff

3. Monthly Water Operations Update
   A. Maverik hot tap, chlorine, & pressure test – JS/EW/BA

B. Hydrant flows – JS/EW
C. Service orders - JS
D. Well drawdowns with David – EW
E. Audits – EW
F. Clean well houses – BA
G. BacT samples – BA
H. Fixed broken window in garage door - BA

4. <u>Manager activities in progress</u>
   A. Risk and Resiliency Plan / Emergency Response Plan- *To be brought upon the Board for review in about 2-3 Months.*
   B. Water Rights Allocation Reduction Report from RCI
   C. 83rd Session of Nevada Legislature – bills that impact GWC- *To be reviewed by Chuck Zumpft.*
   D. Due diligence review of future deeded water rights- *David brought it to the Boards attention that when accepting water rights, GWC needs to ensure a clear title before they are dedicated.*
   E. Douglas County BOCC approved the development of a Water Resource Plan
   F. Douglas County Community Development - Access to Accela and DigEmaps – *David mentioned that with use of these two sites GWC will be able to ensure they are not skipped over for development.*
   G. PFAS testing results – *David notified the Board Members that although GWC is below the limit, there was a hit on well 3 & 6 which will be followed up with more testing.*
   H. Rates – Funding Depreciation– *David notified the Board Members that the PUCN is concerned about GWC's financial stability because of increasing depreciation expense. We will continue to discuss this for future rate increases.*

5. <u>Current Projects Under Construction</u>
   A. Walmart remodel
   B. Maverik Gas Station
   C. Juice it Up

6. <u>Current Annexations</u>
   Custom Craft – 1300 Centerville Ln – Submitted to the PUC 03/04/2025 – published in Record Courier on 3/19/25 – Site visit occurred 06/24/25 – PUCN approved request 7/29/2025.

7. <u>November GWC Board Meeting Scheduling</u>
   The second Tuesday of November is Veterans Day which is a national holiday. We need to reschedule for another date. Please review your schedule for available dates.

november 2025

SUN	MON	TUE	WED	THU	FRI	SAT
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2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Consensus of the Board is to meet on Wednesday November 12, 2025, the day following the holiday.

8. Christmas Parade
The staff has indicated an interest in being in the Carson Valley Parade of Lights on Saturday December 7th. Eamon Webb has offered to head up this project to determine who will join, what vehicles, and decorating.

The Board Members believe that the parade will help boost morale and be a nice event. Kristien also made the Board Members aware there is some difficulty with finding a place to host the GWC Christmas Dinner. She noted that it has always been the preference of the Board to stay within the valley but welcomed their thoughts on traveling to Carson City.

Consensus of the Board is to have GWC in the Carson Valley Parade of Lights on December 07, 2025. As for the Christmas dinner the Board Members would like to keep it within the Carson Valley.

Agenda Item 5: Board Comments
No Comment.

Agenda Item 6: Adjournment
Carl Spahr made a motion to adjourn the meeting. Barbara Henningsen seconded the motion. Motion was approved. Doug Sonnemann adjourned the meeting at 6:44PM.