



Gardnerville Water Company  
Regular Board Meeting Minutes  
Tuesday, April 14, 2026 4:00p.m.  
Board Room  
1579 Virginia Ranch Rd  
Gardnerville, NV 89410

Board Members Present:

Doug Sonnemann, *Chairman*  
Barbara Henningsen, *Vice Chairman*  
Ken Deering, *Treasurer*  
Carl Spahr, *Secretary*  
Dave Ellison, *Member-at-Large*

Staff Members Present:

David Bruketta, *GWC Manager*  
Kristien Bennett, *GWC Financial Officer*  
Mikayla Webb, *GWC Administrative Assistant*  
Chuck Zumpft, *GWC Attorney*

Doug Sonnemann called the April 14, 2026, Regular Board Meeting to order at 4:02 p.m.

**Public Present:** None.

**Approval of Agenda:** Dave Ellison made a motion to approve the Agenda for the April 14, 2026, Board Meeting. Barbara Henningsen seconded the motion. Motion was approved.

**Minutes of the March 10, 2026, Regular Board Meeting:** Ken Deering made a motion to approve the March 10, 2026, Regular Board Meeting Minutes. Carl Spahr seconded the motion. Motion was approved.

**2025 Financial Statements Review Presentation, Michel Knott, CPA:**

*Out of the levels of conclusions of a disclaimed where no opinion can be given, modified where an opinion with some caveats, and unmodified. The conclusion of the review for GWC is "Unmodified" meaning based on the review there are no material modifications that should be made to the accompanying financial statements. Financial results highlight a \$929,000 increase in cash and cash equivalents, a \$2.32 million equity, and a slight decrease in net income to \$509,000. Key financial indicators showed positive trends, including a six-month liquid reserve, equity trend of 12, and a current ratio of 2.22.*

**Financial Statements for March 2026:** Barbara Henningsen made a motion to approve the March 2026 Financial Statement as presented, but in the future to change the investments value to cost. Ken Deering seconded the motion. Motion was approved.

*Dave Ellison requested that the Board discuss whether investments should be reported at fair market value or at cost. He stated that GWC has been reporting investment values at fair market value, but the accountant has been reporting them at cost. Dave indicated that reverting to cost basis, will help improve consistency with the accountants reporting and reduce possible confusion within the reports. Dave asked David Bruketta of his thoughts, David stated that GWC should adhere to accounting standards. It was noted that generally investments are held to maturity, then they should be reported at cost. Kristien stated that 99% of the investments are held to maturity.*

**Consensus of the Board is to mark the investments at cost rather than the fair market value.**

**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 11 Water Right Protest**

On December 24, 2025, RCI delivered a letter to State Engineer requesting that the Nevada Division of Water Resources proceed with its review of protested application (no. 93802). No new update.

**B. Minden Well 12 Project**

David received the following updated project schedule. The project is currently out to bid with bid opening on April 21. Town Board approval on May 6. Preconstruction meeting June 4. Start of construction June 22. Final Completion September 5.

**C. High Sierra Storage**

GWC completed plan review and is waiting on NDEP approval and plan review fees to be paid before issuing approval to construct. The applicant is hoping to start construction in the Spring. The applicant owes impact fees and a recorded easement before GWC will accept infrastructure. No new update.

**D. SCADA Ignition Project**

In January, the Board approved a contract with Sierra Controls to replace the SCADA system. Sierra Controls has spent about 25% of the budget. The Cloud framework has been programmed. The hardware is fabricated, tested and ready for installation. Installation is scheduled for April 8. Once installed Sierra Controls will start programming the alarm tags from each site to the historian and start collecting data.

*David let the Board Members know that Sierra Controls was out last week installing the hardware. Everything is now being brought over from hardware to software and over the next couple of weeks there will be screens built so things can be visualized. The operators are scheduled to go to Round Hill GID to view their system and get feedback on their ignition program. Overall, the project is on schedule.*

**E. Emergency Response Plan**

GWC has until July 14 to complete the Emergency Response Plan and certify completion with the EPA. The draft plan is about 80% complete with an anticipated completion in May and board approval at June board meeting.

**F. Contract with Lumos & Associates for On Call Engineering and Support Services**

In January, the Board approved a contract with Lumos & Associates for six tasks:

1. General Engineering Assistance;
2. GWC System Mapping Analysis;
  - Lumos working on AutoCAD mapping updates. David will bring updating in-house and work with Jon on identifying those projects that have not been added to the mapping. David will use Lumos to assist with AutoCAD as needed.
3. Water Modeling Analysis;
  - Presley met with David and Jon to go over the water model and provide insight into some of the assumptions used in building the model. GWC does not have the water modeling software (WaterGEMS from Bentley Systems) so we are not able to see model details. - Jon and David noticed that some things were included in this which should not be such as Well 11. This will continue to be reviewed to ensure it is all up to date.

4. Construction Standards & Standard Details Updates;
5. Minden Well 12 Assistance
6. GWC Well 2 Assistance.

G. Fill Station Fuel Master Upgrade

Project complete. LA Perks onsite the week of March 23 to install new system. A few hiccups were encountered with the data migration to the data management system, but all issued were resolved.

H. Consumer Confidence Report

Project complete. The CCR was self-certified on March 12.

I. Cottonwood Village Easement Obstruction

David and Jon met with HOA Board President Penny Anderson on March 26. Ms. Anderson will trim back bushes and get fencing quotes. HOA and budget and time constraints. David will follow up in 3 months to work with HOA to develop a long-term solution plan.

*Certified letter was sent, management company did not respond, and so communications are now with the HOA Board President. She understands that there are some issues, but they have some other things needing done as well so it comes down to finances. The development according to the assessor's office is one parcel. According to the HOA president each home and yard are owned by individual homeowners so any fence modifications may be the homeowners responsibility.*

J. ARC Flash Analysis

Kick off meeting on March 25. Notice to Proceed issued and project expected to be completed by June 25.

K. Damaged Fire Hydrant on 395

David is pursuing restitution through DA's office. David will attend the April 6 hearing.

*This has been rescheduled to May 20<sup>th</sup> due to the blood work still not being completed.*

**Agenda Item 2A: Discussion and Possible Action Regarding Adopting Financial Policies**

GWC needs to adopt Financial Policies to establish a clear framework for responsible financial management, safeguard the organization's assets, and support long-term financial stability. These policies define consistent standards for budgeting, internal controls, reserves, investments, and financial oversight, ensuring transparency, accountability, and sound decision-making. By formalizing these practices, the Board affirms its fiduciary responsibility and commitment to maintaining the organization's financial integrity, operational continuity, and public trust.

Below is a summary of its key sections:

**Section 1: Overview and Objectives**

- **Mission:** Provide safe, reliable water, excellent service, and operate responsibly.
- **Guiding Principles:** Maintain fiscal health, ensure rate stability, fund reserves (operating, emergency, contingency, repair/maintenance, growth), and support long-term capital investments.
- **Reserves:** Establishes reserve categories with specific funding targets:
  1. **Operating Reserve:** Equivalent to 3 months of operating expenses, funded by water rates.
  2. **Emergency Reserve:** \$500,000, with \$250,000 in cash, funded by water rates.
  3. **Contingency Reserve:** 15% of total operating expenses, funded by water rates.
  4. **Repair and Maintenance Reserve:** 100% of forecasted 25-year capital repair and maintenance expenditures, funded by water rates.

5. **Growth Reserves:** Funded by annexation fees, impact fees, water right sales, and other board-designated income.
6. **Reserve Compliance:** Annual budget and rate studies must align with reserve policies. Non-compliance requires a corrective plan.

### **Debt Management**

- Debt is a last resort, used primarily for long-term capital projects.
- Debt term must not exceed the asset's useful life.
- Fiscal impact of new debt must be reviewed before approval.

### **Rate Setting**

- Rates are established using generally accepted methodologies (revenue requirement, cost of service, rate design).
- Rates must cover operating costs, capital improvements, and reserves.
- Rate stability is prioritized to ensure customer confidence and minimize year-to-year fluctuations.

### **General Authority**

- **Board Responsibilities:** Approve budgets, financial statements, tax filings, investment strategies, and decisions impacting the organization's reputation.
- **Management Responsibilities:** Oversee daily operations, ensure compliance with laws, protect assets, prepare budgets, and represent the organization externally.
- **Communication:** Management must regularly report to the Board on financial performance, risk management, and other key matters.
- **Temporary Delegation:** Authority may be temporarily delegated during absences, with the Board informed.

The document provides a comprehensive framework for financial discipline, long-term planning, and operational efficiency to ensure the sustainability of GWC's services.

### Recommendation

Staff recommend the Board of Directors adopt the financial policies as presented.

*Kristien Bennett prefaced that these policies have been what GWC Board and staff are following, but needs to be documented for future Board and staff to know how to handle the future financials and show how GWC has been successful.*

**Consensus of the Board Members is to table the adopting of the financial policies to allow for further review and to bring it back on the agenda at the May 12<sup>th</sup> meeting.**

### **Agenda Item 2B: Discussion and Possible Action Regarding Adopting Asset Management Policy**

GWC needs to adopt an Asset Management Policy to provide a structured and proactive approach to the stewardship of the organization's physical infrastructure and capital assets. This policy establishes consistent standards for inventory, maintenance, lifecycle planning, replacement funding, and risk management to ensure assets are preserved, operated efficiently, and replaced in a timely manner. By adopting this policy, the Board affirms its commitment to long-term financial sustainability, reliable service delivery, informed capital planning, and responsible protection of the organization's investments on behalf of its stakeholders.

Below is a summary of its key sections:

#### **Key Goals:**

1. **Meet Regulatory Requirements:** Ensure compliance with the Safe Drinking Water Act and provide high-quality drinking water.
2. **Minimize Service Interruptions:** Reduce disruptions through proactive system management and investment.

3. **Minimize Public Hazards:** Prevent damage from water main breaks and maintain emergency response services 24/7.
4. **Provide Fire Protection:** Design the system to meet firefighting and other water demands.
5. **Minimize Water Loss:** Monitor and manage water loss to maintain it at 10% or less annually.
6. **Minimize Life Cycle Costs:** Focus on long-term financial decisions to reduce overall costs.

#### **Asset Management Components:**

- **Inventory:** Maintain a master database of all assets, including detailed information such as location, size, condition, and replacement costs.
- **Risk of Failure:** Assess asset conditions and rate the risk of failure on a scale of 1 (low) to 5 (high).
- **Consequence of Failure:** Evaluate the impact of asset failure, including repair costs, social inconvenience, and environmental effects, rated on a scale of 1-5.
- **Criticality:** Prioritize assets for renewal and replacement based on a Criticality Rating (Risk of Failure x Consequence of Failure, ranging from 1-25).

#### **Operations and Maintenance (O&M):**

- Perform routine maintenance to ensure system stability and reduce failure risks.
- Follow manufacturer recommendations and adjust based on system conditions.
- Use in-house staff for routine tasks and external contractors for specialized needs.

#### **Capital Improvements Plan (CIP):**

- Develop a 25-year plan for major system improvements, guided by Criticality Ratings and funding availability.
- Update the CIP annually to reflect current priorities and conditions.

#### Recommendation

Staff recommend the Board of Directors adopting the Asset Management Policies as presented.

*Kristien Bennett prefaced that these policies have been what GWC Board and staff are following, but needs to be documented for future Board and staff to know how to handle the future assets and show how GWC has been successful.*

**Consensus of the Board Members is to table the adopting of the asset management policies to allow for further review and to bring it back on the agenda at the May 12<sup>th</sup> meeting.**

#### **Agenda Item 2C: Discussion and Possible Action Regarding 2026 Budget Adjustment**

Staff identified approximately \$4.4 million in water infrastructure assets that had not been properly recorded on the depreciation schedule. The CPA has since incorporated these assets and provided an updated 2026 depreciation expense of \$650,884.

At the January 13, 2026, Annual Meeting of the Members, the Board of Directors approved the 2026 budget, which included \$482,800 for depreciation expense. As a result of the updated schedule, an increase of \$168,084 is required to reflect the corrected depreciation amount.

#### Recommendation

Staff recommend the Board of Directors adopting the 2026 budget adjustment as presented.

**Dave Ellison made a motion to adopt the 2026 budget adjustment as presented. Carl Spahr seconded the motion. Motion was approved.**

**Agenda Item 2D: Discussion and Possible Action Regarding Fees Increase**

Staff identified several fees that have not been increased in numerous years.

Staff are proposing revisions to the current utility fee schedule to better reflect the actual cost of providing services. The proposed adjustments include increases to charges associated with service calls, administrative tasks (closing & opening of customer accounts), and field activities such as the placement of door hangers for delinquent accounts and customer requests.

These updates are intended to ensure cost recovery, promote fairness among ratepayers, and align fees with current labor, material, operational, and overhead expenses. The proposed changes would apply primarily to customers requiring additional services beyond standard utility delivery, particularly in cases involving non-payment or account intervention.

<b>Charge</b>	<b>Current</b>	<b>Proposed</b>
Service Call	\$25	\$50
Final Bill	\$25	\$50
New Customer	\$0	\$100
5 Day	\$0	\$25
Disconnect	\$0	\$25
Reconnect	\$50/ \$75	\$75/ \$150
Meter Tamper 1 <sup>st</sup> Offense	\$50	\$100
Meter Tamper 2 <sup>nd</sup> Offense	\$200	\$250
Meter Tamper 3 <sup>rd</sup> Offense	\$500	\$500
Meter Tamper 4 <sup>th</sup> Offense	\$1,000	\$1,000
Hydrant Tamper 1 <sup>st</sup> Offense	\$0	\$250
Hydrant Tamper 2 <sup>nd</sup> Offense	\$0	\$500

**Recommendation**

Staff recommend the Board of Directors adopting the increased fees as presented with the proposed start date of July 1<sup>st</sup>, 2026.

*Mikayla Webb presented a presentation to the Board Members about daily tasks, a rough estimate of how much it costs to complete each task, the current charge, and what charges are being proposed. She prefaced that raising these fees is a way to recoup costs rather than benefit from the fees. With the meter/ hydrant tampering fees hopefully deter people from tampering with GWC infrastructure and avoid costly repairs and the risk of contaminating the water system. Also, with the rise in these fees hopefully it can balance out the costs associated with these tasks and keep water rates low.*

*Ken Deering stated he agrees to all the increases except the setup fee. He believes that \$100 is too large of a charge and he would prefer to have a lower cost for this specific item. It was agreed that \$75 would be a good fee.*

**Carl Spahr made a motion to adopt the increased fees with the proposed start date of July 1<sup>st</sup>, 2026 with an adjustment from \$100 to \$75 for new customers account setup fee. Ken Deering 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 9 meter(s) installed or replaced
  - B. There were 1 plan reviews
  - C. There were \$0 in impact fees invoiced
2. Service Orders, Locates & Leak Notices
  - A. There were 30 locates completed by GWC staff
  - B. There were 138 service orders completed by GWC staff
  - C. There were 32 leak notices completed by GWC staff
3. Monthly Water Operations Update
  - A. RCAC Water Operators Conference 3/10-12/26 – JS/EW/BA
  - B. Paint floors at well 6 & 9 – JS/EW/BA
  - C. Shut off's – JS
  - D. Irrigation turn-ons – EW
  - E. PFAS testing at well 1 – EW
  - F. Dead-end hydrant flushing - EW
  - G. Well 10 landscaping – BA
  - H. Remove old electrical wiring from well 10 barn – BA
  - I. Burn pile - BA

#### 4. New Manager Activities

##### A. VFD replaced at Well 1.

- The VFD at Well 1 was replaced and well is fully operational.

*David stated that there was a slight hiccup within the install because of the complexity of programming needed to work correctly within the current box in which the VFD sits Jimmy needed to contact the manufacturer for assistance. He spoke with a representative who instructed him that the VFD needed sent back as it was defective, but with his expertise Jimmy knew it was not and he just needed someone else in the company to assist. He called and got through to someone who helped and this was completed.*

##### B. Water Storage Tanks.

- Potable Divers completed inspection and cleaning of storage tanks. The 1.6 MG tank in good condition with minor corrosion. The 2.6 MG has moderate corrosion and coating failure. The tank will need recoating within the next 5 years. Will have another inspection in 2 years to re-evaluate.

*The corrosion with the 2.6 MG tank has not changed much since the last dive 2 years ago, we will readdress at the next tank cleaning in two years. Interior painting of tanks are scheduled in the asset management plan.*

##### C. ESRI user conference in July

- David and Eamon will attend the user's conference virtually.

Conference cost is \$2500 or \$100 for virtual, there will be access to the few live classes, but then the recordings to all of the classes.

D. Joe Cacioppo named State Engineer.

E. Lead and Copper Rule Improvements (LCRI).

- By December 31, 2034, GWC is required to field verify 91 sites to prove the inventory that we submitted in 2024 is accurate.

*2024 a inventory was completed which met the requirements then. There is a new requirement by 2034 that the inventory must be proven by inspection of the pipeline what type of line it is. Regulations are still a little confusing due to being so far out. The operation staff will slowly work towards this but will fully tackle this when the regulations are more definitive.*

F. Completed second round of PFAS sampling and testing. Well 3 had one results above the trigger level and one result above the MCL. Well 6 has both results above the trigger level but below the MCL. All other wells were below the trigger levels.

*David stated there are 3 levels which are above detection below recording limit basically saying it is quantitative, trigger level, and MCL level. The trigger level is 1/2 the MCL number, so basically where it is decided how the levels will be followed.*

## 5. Current Projects Under Review or Construction

• Belly Acres – Site Improvement Permit Review:

- 8/25 - Received application.
- 8/28 - Submitted internal comments to Lumos.
- 9/2 - Mtg with Lumos to review our comments and their comments.
- 9/4 - Lumos review letter to Wilson Engineers.
- 11/12 – Received second submittal from Wilson Engineers.
- 11/25 – Second plan review response emailed to Wilson Engineers.
- 1/6 – Received 3<sup>rd</sup> submittal from Wilson Engineers.
- 1/12 – Lumos review letter to Wilson Engineers.
- 1/14 – Received 4<sup>th</sup> submittal from Wilson Engineers.
- 1/15 – Comments have been addressed. Before issuance of approval to construct, need Lumos to run model. Wilson will then submit application and plans to NDEP for approval. Once GWC receives approval from NDEP, all fees have been paid, PUCN approves annexation and GWC is provided with an update printed plan set, GWC can issue approval to construct letter.
- 3/2 - Lumos completed water model.

Update 3/30 – Waiting for PUCN approval, Bureau of Safe Drinking Water approval, and payment of fees. Once these items are complete, GWC will issue an approval letter for construction of civil improvements.

• Future Well 11 stub-out on Industrial.

- 3/13 – Received application for plan review
- 3/25 – Plan review letter to Atwood with 15 comments for needed corrections.
- 4/3 – Received second submittal. Internal review of submittal shows Atwood address GWC concerns. Waiting for Lumos to provide their review. If all concerns are addressed, we will need NDEP approval and all plan review paid before we issue an approval to construct letter.

*David is skeptical on if this will be completed in time as the NDEP approval can be a lengthy task, but he is hoping with it being a dry line that will be connected that it is fairly quick and can be done prior to the completion of bids and bid approvals for the repaving of the road or else it will not be able to be done as there is a no cut policy in regards to freshly paved roads.*

## 6. Current Annexations

- Custom Craft – 1300 Centerville Ln –
  - 3/04 - Submitted to the PUCN.
  - 3/19 - Published in Record Courier.
  - 6/24 - Site visit by PUCN staff.
  - 7/29 - PUCN approved request.
  - 8/28 - Received updated service area map and legal description from RCI. Delay to file map with PUCN due to cybersecurity shutdown of the State's system.
  - 9/5 – email to Rob Anderson requesting Agreement for Water Service Conditions and provide 2 AF of Water Rights.
  - 9/9 - Filed updated service boundary with PUCN.
  - 10/2 – PUCN approved annexation request
  - 10/6 - email to Rob Anderson requesting Agreement for Water Service Conditions and provide 2 AF of Water Rights.
  - 11/10 – email and phone call to Rob Anderson requesting Agreement for Water Service Conditions and provide 2 AF of Water Rights. Client wants to sell property and have new owner provide water right.
  - 11/21 – met with Rob Anderson to discuss Annexation Agreement. Parties need to sign Agreement for Water Services Conditions and record against property or provide 2 AF of water rights. Rob will discuss with client.
  - 12/30 – follow up email to Rob and client. Parties need to sign Agreement for Water Services Conditions and record against property or provide 2 AF of water rights.
  - 1/13 – Board discussion about breach of contract and getting Chuck involved.
  - 1/14 – David followed up with email to Rob and client. Need to resolve matter or it will be turned over to attorney.
  - 2/2. Letter from Chuck declaring breach of contract and they have 10 days to contact David to resolve or further legal action may happen.
  - 2/16 – Received phone call from Kim. He will provide the water rights and instructed Rob Anderson to move this forward. I sent an email to Rob and followed up with a phone call asking him for the permit number of the water right and permission to start the due diligence review process. Have not heard back from Rob.
  - 3/2 – Sent a follow up email to Rob Anderson. Rob responded that he is working with Big George to secure the 2.0AF.

3/30 update – Rob completed due diligence letter for water rights and is working of recording the deed to transfer water right and report of conveyance paperwork to NDEP.

- Belly Acres LLC –
  - 8/27 - Draft application completed in-house and sent to Lumos & Associates for review, modeling, and map creation.
  - 10/23 - Submitted application to PUCN.
  - 10/27 – PUCN issued Notice of Application and assigned docket no 25-10018. Noticed in RGJ. Parties can comment, protest or petition before 11/19.

- 1/29 – Received data request from PUCN. 2/3 – Responded to data request.

Update: 3/30 – Agenized for PUCN approval on April 1. If approved, Lumos will update map and legal description of service area. Once submitted to PUCN, they will cancel existing Certificate of Public Convenience and Necessity (CPC) 926 sub 16 and issue CPC 926 sub 17. Once this is complete, Belly Acres will need the Nevada Division of Water Resources approval and will need to pay any outstanding fees before we can issue the approval to construct letter.

#### **Agenda Item 5: Board Comments**

*Barbara Henningsen asked if David was aware of the timeframe and/ or what que in line we are with the state engineer determination in regard to the Well 11 protest. David was unsure but stated he will attempt to find out.*

#### **Agenda Item 6: Closed Session**

No report.

#### **Agenda Item 7: Adjournment**

**Ken Deering made a motion to adjourn the meeting. Barbara Henningsen seconded the motion. Motion was approved. Doug Sonnemann adjourned the meeting at 7:01 p.m.**