Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, May 12, 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*
Chuck Zumpft, *GWC Attorney*

Doug Sonnemann called the May 12, 2026, Regular Board Meeting to order at 4:04p.m.

Public Present: None.

Approval of Agenda: Ken Deering made a motion to approve the Agenda for the May 12, 2026, Board Meeting with the change of Agenda Item 2C being discussion only. Barbara Henningsen seconded the motion. Motion was approved.

Minutes of the April 14, 2026, Regular Board Meeting: Dave Ellison made a motion to approve April 14, 2026, Regular Board Meeting Minutes. Carl Spahr seconded the motion. Motion was approved.

Financial Statements for April 2026: Dave Ellison made a motion to approve the April 2026 Financial Statement as presented. Carl Spahr 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 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). April 24, 2026 received a letter from State requesting documentation support that we locate and notify any domestic wells within 2,500 feet. RCI is creating a map and letter to send out via certified mail.

B. Minden Well 12 Project
David received the following updated project schedule. Staff recommended a bid award to Stonehouse Drilling in the amount of $378,525 for a test well at the May 6 board meeting.

C. High Sierra Storage

GWC completed plan review and is waiting on NDEP approval 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.

D. SCADA Ignition Project
In January, the Boad approved a contract with Sierra Controls to replace the SCADA system. Installation of the hardware is complete, and all tags have been programmed. The next step is for the project engineer visit each site to review the radio settings and make sure everything is correctly programmed.

E. Emergency Response Plan
David provided a draft plan for review and input at the May board meeting. Plan to bring final plan for approval at the 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.
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.
4. Construction Standards & Standard Details Updates;
5. Minden Well 12 Assistance
6. GWC Well 2 Assistance.

G. 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 scheduled to follow up in June to work with HOA to develop a long-term solution plan.

H. ARC Flash Analysis
Kick off meeting on March 25. Notice to Proceed issued and project expected to be completed by June 25. David has not heard from anyone to schedule the study.

I. Damaged Fire Hydrant on 395
David is pursuing restitution through DA's office. Criminal charges have been filed by Douglas County DA's office. David will attend the May 20 hearing.

J. Lead and Copper Rule Improvements (LCRI)
The inventory submitted in 2024 need to be updated specific to connections to the main before 2027. Additionally, our Lead and Copper Sampling sampling plan will need to be updated to incorporate new regulatory changes. By the end of 2034, GWC is required to field verify 91 sites to prove the inventory that we submitted in 2024 is accurate. David completed the random number generation to identify the 91 sites. Some sites are not accessible without digging up concrete or asphalt. David will have Lumos & Associate create a map so a discussion can be held with NDEP on options.

K. PFAS well sampling and testing

David presented a plan to board for approval. David is working with NDEP to see if there is grant money available to help support testing.

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.

Per Kristien Bennet Section II needs removed from agenda due to policies not being ready for presentation.

Dave Eliison made a motion to adopt the financial policies with the correction of removing Section II. Ken Deering seconded the motion. Motion was approved.

<u>Agenda Item 2B: Discussion and Possible Action Regarding Adopting Asset Management Policy</u>
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.

<u>Recommendation</u>
Staff recommend the Board of Directors adopting the Asset Management Policies as presented.

Dave Ellison asked how labor intensive this is to maintain, and Kristien stated that it is all upkept by her other than the operators going out and doing the condition assessment. Dave stated there is not many other options other than possible use of depreciation.

Barbara Henningsen made a motion to adopt the Asset Management Policies as presented. Carl Spahr seconded the motion. Motion was approved.

Agenda Item 2C: Discussion Only Regarding Adopting PFAS Monitoring Plan.

Background:
Per- and polyfluoroalkyl substances (PFAS) are a class of emerging contaminants that have been detected in drinking water supplies nationwide. In April 2024, the U.S. Environmental Protection Agency (EPA) finalized national drinking water standards for certain PFAS under the Safe Drinking Water Act. The Nevada Division of Environmental Protection (NDEP), Bureau of Safe Drinking Water, is the state primacy agency responsible for implementation of these standards in Nevada.

GWC operates eight wells that serve as drinking water sources. In March 2026, GWC completed the initial round of PFAS sampling and testing. Results identified varying PFAS concentrations among these wells, including one well with PFAS concentrations above the applicable Maximum Contaminant Level (MCL), several wells with detections below the MCL, and several wells with no detections. Adoption of a formal monitoring plan provides a consistent, documented approach to tracking PFAS, responding to changes in water quality, and coordinating with regulatory agencies

PFAS Testing Summary (07/29/2025)

	HFPO-DA	PFHxS	PFNA	PFOS	PFOA	HI*
EPA MCL (ng/L)	10	10	10	4.0	4.0	
Detection Limit (ng/L)	1.0	0.30	0.4	0.4	0.4	
Reporting Limit (ng/L)	2.0	2.0	2.0	2.0	2.0	
Hazard Index						1
Trigger Level	5	5	5	2.0	2.0	0.4
Well 1	ND	2.1	ND	1.8 (J)	ND	0.2
Well 2	ND	ND	ND	ND	ND	0.0
Well 3	ND	1.4 (J)	ND	2.5	0.5 (J)	0.1
Well 4	ND	ND	ND	ND	ND	0.0
Well 6	ND	0.8 (J)	ND	2.1	1.1 (J)	0.1
Well 7	ND	ND	ND	ND	ND	0.0
Well 9	ND	ND	ND	0.5 (J)	ND	0.0
Well 10	ND	ND	ND	ND	ND	0.0

PFAS Testing Summary (3/24/2026)

	HFPO-DA	PFHxS	PFNA	PFOS	PFOA	HI*
EPA MCL (ng/L)	10	10	10	4.0	4.0	
Detection Limit (ng/L)	1.0	0.30	0.4	0.4	0.4	
Reporting Limit (ng/L)	2.0	2.0	2.0	2.0	2.0	
Hazard Index						1

Trigger Level	5	5	5	2.0	2.0	0.4
Well 1	ND	0.602 (J)	ND	0.866 (J)	ND	0.1
Well 2	ND	0.794 (J)	ND	0.789 (J)	ND	0.1
Well 3	ND	2.16	ND	7.25	0.815 (J)	0.2
Well 4	ND	0.532 (J)	ND	ND	ND	0.0
Well 6	ND	1.22 (J)	ND	2.49	1.39 (J)	0.1
Well 7	ND	ND	ND	ND	ND	0.0
Well 9	ND	ND	ND	0.625 (J)	ND	0.0
Well 10	ND	ND	ND	ND	ND	0.0

Discussion:
The PFAS Monitoring Plan establishes:
- A tiered, risk-based monitoring schedule for all eight groundwater wells
- Use of EPA-approved analytical methods (EPA Method 537.1 and EPA Method 533)
- Procedures for data review, response actions, reporting, and recordkeeping
- Provides GWC with data that can be used for future decisions

Adoption of the plan demonstrates regulatory diligence, supports public health protection, and positions GWC to proactively address PFAS compliance, funding and or claims opportunities, and future treatment decisions.

Fiscal Impact:
Estimated cost for testing is $4,000

Well 3 & Well 6 had hits for PFOS. Well 3 as of the result dated 03/24/2026 was at 4.1. The policy is created to increase monitoring plans & testing to get more data before we must do something.
Tier 1 is bad where Tier 5 is good so getting more educated data will allow for the best decision to be made. David reached out to NDEP for possible grant funding and if we must share additional testing data. David is also trying to get other utilities testing data to see if there is a correlation. The overall cost was initially estimated at $4,000, but now it is looking more towards the $8,000-$10,000 range which was not budgeted for, so the grant money would help with this cost if we were able to get that.

These policies were reviewed; labs were researched and picked on the West Coast. They are using approved testing methods and are certified by NDEP.

Ken Deering suggested sampling with 2 different labs to ensure their outcomes are the same, as we may find that some labs get different results. It was discussed that the 2025 and the 2026 testing was done with grant money and shared with the state. In 2027 we must start quarterly testing.

Possible variables are caused by operators that take the test from things as simple as brushing their teeth, wearing deodorant, the material that makes up their shoes, etc. The official draft will be brought back with testing for Well 3 and Well 6 with multiple different labs.

Agenda Item 2D: Discussion Only Regarding Emergency Response Plan Draft
Background:

Under the America's Water Infrastructure Act (AWIA), community water systems serving more than 3,300 people are required to develop and maintain an Emergency Response Plan (ERP) that is based on the Risk and Resilience Assessment (RRA). The board approved the RRA was approved by the board in January 2026. The ERP must describe how the utility will prepare for, detect, respond to, and recover from emergencies that could impact water quality, public health, infrastructure, or continuity of service, including natural hazards, malevolent acts, infrastructure failures, and cybersecurity incidents. The plan must address key elements such as mitigation measures, detection and response procedures, communication and notification protocols, availability of resources, and strategies for maintaining or restoring operations. Once approved by the board, Utilities must certify completion of the ERP to EPA, keep the plan up to date, and review and revise it at least every five years or following significant system changes or emergency events.

This plan has been updated every 5 years. There is a list of components, safety, response & notifications, strategies, plans, and procedures.

Discussion:
This is a draft plan that is being presented for your review and input. A final plan will be brought back to you for approval in June.

Agenda Item 3: Attorney Report – Chuck Zumpft
No report.

Agenda Item 4: Manager's Report

1. Meters, Plan Reviews & Impact fees
   A. There were 3 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 24 locates completed by GWC staff
   B. There were 100 service orders completed by GWC staff
   C. There were 75 leak notices completed by GWC staff

3. Monthly Water Operations Update
   A. Mission Street leak – JS/EW/BA
   B. Pryor educational course – JS
   C. Well 10 SOC & VOC; all wells nitrate testing – JS
   D. Shut off's – JS
   E. Irrigation turn-ons – EW
   F. Well 1 generator coolant leak – EW
   G. Sanitary survey prep – EW
   H. Pass D3 test - BA
   I. Replace service line broke by customer – BA
   J. Well 1, 2, 3, 4, & 6 remove glass tubes – BA
   K. Replace leaky valve on El Dorado Ave - BA

4. New Manager Activities
   D. PFAS settlement agreement through Napoli Shkolnik. Submitted paperwork for Action Fund Claim package that was due before July 1.

E. Visited Roundhill GID with staff to learn about their system, interact with their staff and get their experience with using Ignition SCADA system.
F. Issued a precautionary boil water notice on Mission Street between Hwy 395 and Eddy Street. Contractor working for the Town of Gardnerville hit a service line. Staff had to lower pressure in main to effect repairs.
G. Worked on the transfer of 0.4 acres of surface water rights from 1392 Kittyhawk. Completed and recorded easement deed and notified the Water Master.
H. NDEP completed a sanitary survey.
This survey is completed every 3 years, and during this year's review it was found out that GWC is a D3 system. The operators can now go for their D4 if they choose. The report should be received in about a month and will be brought to the Board for review.
I. Kristien gathered quotes for crack sealing and sealcoating the parking lot at the office. she received three quotes (A+ sealing - $7,000, API - $7,791 and Olsen Paving & Sealcoating - $9,289). David reviewed the proposals and approved the quote for A+ Sealing. The project is being schedule for the weekend of May 9th to minimize the impact to the fill station users as all asphalt areas will need to be closed. A notice will be placed at the fill station and on social media. This was an approved capital project with a budget of $10,000.

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 3rd submittal from Wilson Engineers.
  - 1/12 – Lumos review letter to Wilson Engineers.
  - 1/14 – Received 4th 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.
  - 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.

5/4 update: 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.

Each unit will be required to have a backflow device and a private fire connection.

- 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.

5/4 update: Waiting on Fire Department approval so NDEP can start their review. Once NDEP approves, applicant will need to pay all plan review fees before GWC will issue an approval letter for construction of civil improvements.

6. Current Annexations
   - Custom Craft – 1300 Centerville Ln –
     - Complete

   - 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.
     - 4/9 – PUCN issued the order to cancel existing Certificate of Public Convenience and Necessity (CPC) 926 sub 16 and issue CPC 926 sub 17.
     - 4/10 – Submitted required compliance items to PUCN.

   5/4 – Update: Waiting on PUCN to review compliance items and issue final approval.

   This is now complete all water rights have been transferred to GWC.

Agenda Item 5: Board Comments

Dave Ellison requested more information on the Well 4 camera issues with a neighbor who claims the camera shows his backyard & bathroom.
David notified the Board members that the original deed was found and is being reviewed by Lumos & Associates, so GWC has clarification on the property boundaries. The camera was checked and it showed his backyard, so an operator removed the camera to show good faith measures. When the property is surveyed there will be survey markers put in place.

Dave Ellison brough up how GRID is creating financial reserves and long-term financial modeling with Waterworth. What is that all about? David stated he was unsure about that but was curious about it. Kristien said they may have issues with bond covenants or loan requirements.

Barbara Henningsen stated the luncheon for the operators last week was great, and it was agreed upon by Dave Ellison. They thanked Kristien for setting the lunch up for Water Operator Appreciation Week.

Agenda Item 6: Closed Session

No report.

Agenda Item 7: Adjournment

Dave Ellison made a motion to adjourn the meeting. Barbara Henningsen seconded the motion. Motion was approved. Doug Sonnemann adjourned the meeting at 6:25p.m.