



Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, August 11, 2026 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*
Mikayla Webb, *GWC Administrative Assistant*
Chuck Zumpft, *GWC Attorney*

Doug Sonnemann called the August 11, 2026, Regular Board Meeting to order at 4:03p.m.

Public Present: None present.

Approval of Agenda: Barbara Henningsen made a motion to approve the Agenda for the August 11, 2026, Board Meeting. Dave Ellison seconded the motion. Motion was approved.

Minutes of the July 14, 2026, Regular Board Meeting: Barbara Henningsen made a motion to approve the July 14, 2026, Regular Board Meeting Minutes. Carl Spahr seconded the motion. Motion was approved.

The Board compared traditional and AI-assisted versions of the July 14, 2026 meeting minutes and they unanimously preferred the AI format for its greater detail and usefulness in reviewing past decisions. Staff will continue to verify each AI draft against handwritten notes, correct inaccuracies, remove sensitive information, and submit the minutes to the Board for review and approval.

Financial Statements for July 2026: Dave Ellison made a motion to approve the July 2026 Financial Statement as presented. 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 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. On May 27, RCI sent out certified letters to six property owners and notified the State.

David reported no change in the Well 11 water rights protest. The State Engineer's office is still processing 2023 applications, and no timeline is available for resolving GWC's protest; staff will continue to monitor the matter, with no action required at this time.

B. Minden Well 12 Project

The bid was awarded to Stonehouse Drilling in the amount of \$378,525 for a test well. Agreement with driller is complete. The contractor is finishing up another job which led to about a month delay. Minden anticipate starting the well near the beginning of August with substantial completion by October.

Minden plans to begin test drilling for Well 12 on August 17, including high-volume pumping to evaluate aquifer impacts. GWC will monitor Well 2, use the resulting data to guide any water rights protest or mitigation, and receive engineering assistance from Lumos & Associates; Well 2 rehabilitation and system modeling will be addressed through the CIP next year.

C. 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;
 - Well 4 boundary survey
 - Size on size tapping
 - Aspen Park
 - Eldorado Village Condo Complex
2. GWC System Mapping Analysis;
3. Water Modeling Analysis;
4. Construction Standards & Standard Details Updates;
5. Minden Well 12 Assistance
6. GWC Well 2 Assistance.
7. Project Specific Activity.
 - Washoe Tribe RV dump station
 - Belly Acres – Martin Creek Townhomes

David reviewed Lumos & Associates' ongoing support for several projects, including the Well 4 boundary survey, Aspen Park and El Dorado Village ownership matters, the Washoe Tribe RV dump station, Belly Acres- Martin Creek Town Homes, and general engineering guidance. Because size-on-size tapping may compromise water lines and is not standard practice elsewhere, GWC will develop a formal policy addressing its use.

D. Cottonwood Village Easement Obstruction

David and Jon met with the HOA President, Penny on August 4 to walk the property to ensure the new fence won't be installed over meter pits. The fence installation is expected to be installed next month.

The Cottonwood Village fence relocation remains scheduled to begin August 17 after staff confirmed the fence line and meter pit locations with the HOA president. Although resident opposition and compensation concerns may continue, the disputed area is HOA common property, any compensation matter is between homeowners and the HOA, and GWC will proceed unless legal action halts the project.

E. ARC Flash Analysis

Jimmy with Bryant Electric completed the field survey.

Jimmy Bryant of Bryant Electric completed the arc flash field surveys over approximately three days. Although transferring the data to JUB Engineering was delayed and ultimately required sending a USB drive by FedEx, the study is moving forward, and results are expected within one to two months.

F. Damaged Fire Hydrant on 395

Mr. Hay pleaded guilty to DUI and sentencing is scheduled for September 23. The District Attorney's office requested restitution.

The restitution for GWC is estimated at approximately \$1,600. Chuck Zumpft suggested determining whether Mr. Hay had auto insurance and if so then his auto insurance should cover the damage. David will contact the DA's office before the hearing to address the insurance question and will attend the September 23 sentencing.

G. Well 4 Boundary Survey

Lumos & Associates installed the survey pins at the boundary corners and should have the record of survey map recorded by the end of this week. The survey showed eave encroachment to the surrounding parcels to the north, south and west. David drafted an encroachment and access easement deed that acknowledges the eave encroachment and provides a 5' maintenance access around the building. David is working with legal, Lumos & Associates and the property owners to complete the deed.

H. Aspen Park water line ownership

Lumos & Associates is working on an exhibit that shows water infrastructure and ownership. David drafted an ownership declaration document and is working with legal, Lumos & Associates and the property owner. Once complete, the declaration document will be recorded against the property and will layout infrastructure ownership and responsibilities.

An update was provided on the effort to formalize ownership boundaries for the Aspen Park water lines. Lumos & Associates is completing the boundary map and legal description, while Chuck reviews the draft Declaration of Private Water System agreement. Once finalized, the documents will be presented to the park owner for execution. This effort is part of a broader initiative to formally document asset ownership at other complexes, such as El Dorado Village, to reduce future confusion and legal risk.

I. Caselle Citizen Portal

GWC has contracted with Caselle to implement the Citizen Portal, which will replace the current Xpress Bill Pay online payment option. Setup is approximately 80% complete, and Kristien has been coordinating with Caselle on implementation. Office staff training is scheduled for Wednesday, August 12. The goal is to have the portal ready for the September water bill mailing, which will include a flyer introducing the new portal.

Staff reported that the Caselle Citizens Portal will go live after training, allowing payments to deposit directly into GWC's checking account. To ensure customers, especially those using autopay complete the transition before Xpress Bill Pay ends at year-end, staff will use reminder emails, bill inserts, QR codes and direct links, possible postcards, and phone assistance with account and autopay setup.

Agenda Item 2A: Discussion and Possible Action Regarding Bulk Water Fill Station Fee Increase

Bulk water fill station fee was last increased January 1, 2024

Purpose: The cost of service analysis determines the rate needed for the Bulk Water Fill Station to recover its share of operating costs and annual capital reserve funding.

Key Cost of Service Data

Data Point	Amount / Value
Prior-year GWC operating, capital, and reserve costs	\$2,141,925
Prior-year system pumpage	462,885,500 gallons
Bulk Water Fill Station usage	6,992,650 gallons
Fill station share of total pumpage	1.51%
Allocated operating and maintenance cost	\$32,357
Annual capital improvement reserve	\$14,225
Annual revenue requirement	\$46,582

Methodology

Allocated a proportional share of total GWC costs to the Bulk Water Fill Station based on its percentage of total system pumpage.

Used annual construction water volume of 6.9 MG as the billing basis.

Included annual capital improvement reserve funding.

Calculated the cost-based rate by dividing the annual revenue requirement by annual billable consumption in thousand gallons.

Capital Reserve Components

• Fill Station Equipment Upgrade	• Meter Head
• Parking Lot Sealing	• Pressure Reducing Equipment
• Act Pack	• High Side 10-year CIP
• Security Camera	

Rate Analysis and Revenue Impact

Metric	Current Rate	Cost-Based Rate
Rate per 1,000 gallons	\$5.00	\$6.65
Annual revenue	\$34,963	\$46,582
Annual under-recovery	\$11,619	\$0

Conclusion: The current \$5.00 rate does not recover the full cost of service. Increasing the rate to \$6.65 per 1,000 gallons would recover the annual revenue requirement of \$46,582 and eliminate the estimated annual under-recovery of \$11,619.

Recommendation

Manager and staff recommend the Board of Directors approve an increase to Construction Water Fee to \$6.65 per thousand gallons effective September 1, 2026. Beginning January 1 of each calendar year, the Bulk Water Fill Station rate shall be increased by the annual percentage change in the Consumer Price Index (CPI). The annual CPI adjustment is intended to provide for recovery of inflationary increases in operating, maintenance, and capital costs and reduce the need for larger periodic rate increases. GWC may review and modify this adjustment as necessary based on future cost of service studies and operational requirements.

Staff presented a full cost-of-service analysis for the bulk water fill station, which showed that the current rate of \$5.00 per 1,000 gallons does not adequately cover operating and reserve costs. Based on the analysis, staff recommended increasing the rate to \$6.65 per 1,000 gallons, with an annual CPI adjustment beginning January 1.

Carl Spahr made a motion to increase the Construction Water Fees to \$6.65 per thousand gallons effective September 1, 2026. Beginning January 1 of each calendar year, the Bulk Water Fill Station rate shall be increased by the annual percentage change in the Consumer Price Index (CPI). Dave Eliison seconded the motion. Motion was approved.

Agenda Item 2B: Discussion Only Guidelines for Performance Review, Merit, and Quartile Progression Increases

GWC is evaluating a formal pay progression approach to help retain experienced staff and provide a clear, consistent path for wage growth. Pay remains a key reason employees leave organizations, and GWC's current workforce includes significant institutional knowledge, with 73 years of combined experience and 43% of staff age 55 or older.

Guidelines for Performance Review, Merit Increases

Merit increases would be guided by a separate performance review policy, with awards ranging from 0% to 3% based on performance, contribution, development, and goals. Exceptional cases would remain subject to Board discretion, with approvals flowing from supervisor to general manager to the Board.

Quartile Progression

The proposed framework divides each pay range into four quartiles:

- Q1 Entry/Learning
- Q2 Developing
- Q3 Fully Proficient
- Q4 Advanced/Senior

The target progression would place employees at Q1 upon entry, the top of Q2 by year 3, the top of Q3 by year 6, and the top of Q4 by year 9.

Current Pay Gap

The current analysis identifies a total pay gap of \$71,201 across six employees, averaging 9.5%. Individual gaps range from \$1,536 to \$36,337.

Implementation Options

Plan A — One-time adjustment: Fully corrects the \$71,201 gap in 2027, resulting in a 7.3% salary impact and a 2027 salaries budget of \$796,201. This is the fastest and simplest option but has the highest single-year budget impact.

Plan B — Two-year phase-in: Spreads the correction over two years, with estimated salary increases of approximately 4.9% and 5.1%. The 2027 salaries budget would be \$760,601, rising to \$893,340 by 2029. This reduces the immediate budget impact but delays full correction.

Plan C — Three-year phase-in: Spreads the correction over three years, with annual increases of approximately 3.3% to 3.5%. The 2027 salaries budget would be \$748,734, reaching \$894,592 by 2029. This option has the lowest near-term cost but extends the correction period for employees.

Flexible Time Off Consideration

Flexible Time Off is proposed as a possible retention and morale tool during any phase-in period. It would not replace pay corrections, but could be awarded based on gap severity, ranging from 40 to 160 hours.

Recommendation

The Board is asked to provide direction on whether to adopt the proposed merit pay policy, approve quartile progression as an ongoing compensation framework, select a pay gap correction option, and determine whether Flexible Time Off should be offered as part of a phased implementation approach.

Kristien presented a proposed compensation framework consisting of a cost-of-living adjustment (COLA), a formal merit pay policy, and a structured quartile progression system. She explained that competitive compensation is an important factor in employee retention and noted that 43% of GWC employees are age 55 or older. The proposed framework is intended to retain experienced staff, preserve institutional knowledge, and provide current and future employees with clear guidance regarding compensation and salary increases.

Under the proposed merit pay guidelines, employees could receive an increase of 0% to 3% based on individual performance ratings and available budget parameters. Supervisors would conduct the evaluations, the General Manager would review them, and the Board would provide final approval. Quartile placement and progression would be based on the position's pay range and the employee's qualifications, experience, performance, and position expectations. Progression would not be automatic; rather, the quartile structure would serve as a clear and consistent compensation guideline. The analysis, based on quartile placement, merit pay, and comparison with GWC's four primary competitors for employees, identified an aggregate pay gap of approximately 9.5% among six staff members. Three implementation options were presented: Plan A, a one-time adjustment; Plan B, a two-year phase-in with possible Flexible Time Off (FTO); and Plan C, a three-year phase-in with possible FTO. Plan A would have the greatest impact on the 2027 budget, Plan B would moderate the near-term budget impact, and Plan C would defer the greatest impact to 2029.

Board members discussed several concerns. Doug questioned whether the proposed quartile progression could place too much emphasis on longevity rather than performance and stated that employees should not advance solely by remaining in a position. Barbara expressed concern about the long-term compounding effect of compensation increases on water rates, the difficulty of reducing an established pay structure, and the need to balance employee compensation with customer affordability in the absence of growth-related revenue. Carl noted that comparisons with Douglas County are difficult because the County is a governmental entity, while GWC is a small privately owned water utility.

Kristien and David acknowledged that the presentation omitted certain individual compensation details to protect employee confidentiality, which made it difficult for Board members to fully evaluate the pay-gap analysis. They indicated that reviewing the complete data in an appropriate confidential setting would provide a clearer basis for the conclusions presented. David also wanted to let the Board Members know he is thankful for all the feedback, but he ultimately wants some guidance on how to conduct the reviews each year and a guideline of how to show employees how each raise is determined.

The Board was generally supportive of formalizing merit pay but requested additional market salary data before considering quartile progression or pay adjustments.

Consensus of the Board is a separate meeting will be scheduled to review individual salary comparisons, and a formal merit pay policy will be presented for Board consideration and approval at the next meeting.

Agenda Item 3: Attorney Report – Chuck Zumpft

No report.

Agenda Item 4: Manager's Report

1. Meters, Plan Reviews & Impact fees
 - A. There were 4 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 28 locates completed by GWC staff
 - B. There were 114 service orders completed by GWC staff
 - C. There were 35 leak notices completed by GWC staff
3. Monthly Water Operations Update
 - D. SCADA Training – JS/EW/BA
 - E. Well 3 outdoor light – JS
 - F. Well 4 VFD – JS
 - G. Well 2 motor flush and samples – JS
 - H. GIS Conference – EW
 - I. DOT Physical – EW
 - J. Well 10 VOC's and SOC's samples– EW
 - K. Checked all Town backflow devices – BA
 - L. Well 2 motor replacement – BA
 - M. Check air relief valves in arbor gardens after air in system in that area – BA
4. New Manager Activities
 - N. ESRI online conference
 - O. Eldorado Village Condo Complex
5. Civil Improvement Projects
 - 6.1 Projects under review but no current activity.
 - Virginia Ranch Phase 1 – closed by NDEP 7/6/2026
 - Virginia Ranch Collector (Muller Parkway) – Closed by NDEP 7/6/2026
 - Ashland Park – closed by NDEP 1/15/2026
 - Stoneridge
 - 6.2 Projects in the works but no application to GWC
 - VA Clinic
 - 6.3 Belly Acres – Site Improvement Permit Review:
 - 7/17 update: Received PUCN staff approval of tariff sheets. GWC issued approval of construction letter. Review is now complete.
 - 6.4 High Sierra Development
 - 1608 Pinenut Court (RV parking and self-storage facility)
 - 5/8/2023 – GWC Intent to Serve
 - 5/8/2024 – GWC application for water plan review

- 7/18/2024 – RCI, on behalf of GWC, issued approval letter (No NDEP approval)
- 9/5/2024 – Douglas County approved civil plans
- 12/18/2025 – Douglas County issued SIP.
- 12/19/2025 – GWC research – missing EFFD approval, NDEP approval, impact fees for irrigation and fire line, and easement deed.
- 2/5/2026 – Lumos & Associates completed hydraulic model
- 2/23/2026 – Sign application to NDEP application for approval of water project.
- 7/2/2026 update: Waiting for EFFD approval and NDEP approval. Prior to accepting infrastructure, applicant will provide payment for impact fee for irrigation and fire line and easement deed.

6.5 Walmart Fuel Station Project.

- 6/15 – Issued an Intent to Serve letter that let them know they need to submit a will serve request that the board will need to approve. Once approved, the applicant will need to submit an application for plan review along with a complete set of plans.

6.6 Washoe Tribe of Nevada – RV Dump Station

- 6/25 – Submitted application for Water Plan Review.
- 7/2 – Reviewed plans with Lumos & Associates. Submittal comments email to Rob Anderson, Wilson Engineers.
- 7/27 update: Notified by Wilson Engineers that their client is no longer moving forward with the project.

6. Current Annexations

- 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 – Waiting on PUCN to review compliance items and issue final approval.
 - 6/2 – Waiting on PUCN to review compliance items and issue final approval.
 - 7/2 – Waiting on PUCN to review compliance items and issue final approval.
 - 7/17 – Received PUCN staff review of tariff sheets.
 - 7/21 update: Received PUCN approval. CPC 926 Sub 17 approved.

David presented the monthly operations report, noting that routine activities remained within normal ranges. Staff completed the Well 2 maintenance, conducted additional VOC sampling, and continued efforts to implement GIS technology to improve asset management and operational efficiency. Work also began to formally document asset ownership at El Dorado Village. Capital improvement projects are being reviewed, Belly Acres project was approved for construction, while the VA Clinic and Walmart Fuel Station still need

to begin the formal will-serve process, and High Sierra Development remains on hold pending required approvals.

7. 2026 Board of Directors Elections

Important Dates:

Candidate Applications Accepted: Friday, June 26, 2026 – Friday, August 14, 2026

Ballot Mailing: Wednesday, September 30, 2026

Ballot Submission Deadline: Tuesday, November 3, 2026

Vote Counting: Tuesday, November 3, 2026 at 2:00PM

Agenda Item 5: Board Comments

Dave Ellison thanked David for deep diving into all these problems such as the ownership of water lines in El Dorado Village and Aspen park and finding a resolution to them.

Agenda Item 6: Closed Session

No report.

Agenda Item 7: Adjournment

Dave Ellison made a motion to adjourn the meeting. Carl Spahr seconded the motion. Motion was approved. Doug Sonnemann adjourned the meeting at 6:45p.m.