Gardnerville Water Company
Regular Board Meeting Minutes
Tuesday, October 13, 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 October 13, 2026, Regular Board Meeting to order at 3:59 p.m.

Public Present: David Eisner

Approval of Agenda: Barbara Henningsen made a motion to approve the Agenda for the October 13, 2026, Board Meeting with the correction of moving the agenda item 2A up prior to the approval of minutes. Carl Spahr seconded the motion. Motion was approved.

Agenda Item 2A: Discussion and Possible Action Regarding Compensation Study by Pontifex Consulting Group LLC

Executive Summary

Pontifex Consulting Group LLC completed a comprehensive compensation market study of all Gardnerville Water Company positions using Northern Nevada public-sector agencies and private-sector compensation data. The study concluded that GWC's salary structure is positioned above the competitive labor market at the minimum, midpoint, and maximum of each salary range. Overall, the consultant found that GWC maintains a market-leading compensation position that supports the organization's ability to attract, retain, and develop qualified employees in a competitive labor market.

Key Findings

GWC Salary Ranges Exceed Market Benchmarks

The study found that every GWC salary range reviewed is above the market average. At the salary range midpoint, which is commonly used as the primary market comparison point, GWC's ranges exceed market averages by approximately 1% to 32%, depending on the classification. The consultant concluded that GWC currently occupies a "lead the market" compensation position.

Midpoint Market Comparison

Position	GWC vs. Market
Administrative Assistant	+11.9%

Position	GWC vs. Market
Senior Administrative Assistant	+8.4%
Financial Officer & Human Resources	+32.2%
Utility Manager	+22.2%
Water Operations Supervisor	+16.2%
Water Operator I	+4.4%
Water Operator II	+12.2%
Water Operator III	+12.0%
Water Operator in Training	+1.3%

Strong Market Position in Critical Roles
The largest market premiums were identified in leadership and specialized positions, including Financial Officer & Human Resources, Utility Manager, and Water Operations Supervisor. Entry-level operational classifications, including Water Operator in Training and Water Operator I, remain near market while still maintaining a competitive advantage.

Regional Labor Market Conditions
The report notes that labor costs continue to increase throughout the region. Between 2015 and 2025, Western U.S. inflation averaged 3.3% annually, public-sector wages increased an average of 2.8% annually, and private-sector wages increased an average of 3.4% annually. These trends continue to place upward pressure on compensation throughout Northern Nevada.

Consultant Recommendations
The consultant recommends that GWC:

- Conduct formal compensation benchmarking at least every three years.
- Continue evaluating the appropriateness of comparison agencies used in future studies.
- Benchmark newly created positions to ensure market competitiveness.
- Maintain an ongoing process for monitoring labor market movement and compensation trends.

Board Considerations
The study confirms that GWC is not experiencing broad market-based compensation deficiencies. The current salary structure already provides a competitive advantage relative to the regional labor market and supports workforce recruitment and retention objectives. As a result, future compensation decisions may be more appropriately focused on maintaining market competitiveness, preserving internal equity, supporting employee career progression, and aligning compensation practices with the Board's long-term compensation philosophy and financial objectives.

Recommendation
Receive and accept the findings of the 2026 Compensation Market Study and reaffirm the Board's compensation philosophy of maintaining a competitive regional market position that supports the recruitment, retention, and development of a highly qualified workforce while ensuring long-term financial sustainability.

Peter stated that his firm has more than 20 years of experience and a seasoned consulting team with extensive Nevada public-sector experience. The firm was engaged to assess the GWC's compensation position, identify concerns, and recommend approaches for maintaining the system.

Peter explained that an effective compensation system supports attraction and retention of qualified employees. He identified three essential components: internal equity, externally competitive pay ranges, and ongoing system maintenance. He emphasized that retention has become increasingly important as employers recruit experienced employees from competing agencies.

*The study compared **jobs, not individual employees**. Job descriptions were matched by duties, responsibilities, qualifications, and other substantive elements rather than titles. After establishing the market minimum and maximum for a job, the employer determines an employee's placement within the range based on experience, education, certifications, performance, and related factors.*

Peter described the labor market as the organizations from which the GWC recruits and to which it may lose employees. The analysis therefore considered both public and private sector employers, depending on the position. He stressed that supply and demand determine the market value of labor.

Peter distinguished the Consumer Price Index (CPI), which measures changes in the cost of goods and living, from the Employment Cost Index (ECI), which tracks labor-cost trends. CPI may fluctuate sharply, while ECI generally moves more gradually. He recommended considering labor-market indicators together with the GWC's available financial resources.

Peter's findings and recommendations:

- *The GWC's salary structure is competitive and generally aligned with the market; it is neither materially overpaying nor underpaying.*
- *The existing public-sector comparator group is reasonable, but it should be reviewed during the next market update to determine whether agencies should be added or removed.*
- *A market tune-up should be performed in approximately two to three years.*
- *After aligning salary ranges, the GWC should review individual employee placement within each range.*
- *The current structure provides internal and external alignment and avoids salary compression between organizational levels.*
- *Peter's firm will provide at least one year of post-study support for questions, new functions, or newly created positions.*

Ken Deering asked for the definition of salary compression. Peter explained that compression occurs when pay levels become too close, particularly between employees and supervisors or managers. This may make promotion financially unattractive and interfere with succession and retention. Compression can discourage qualified employees from accepting promotions because added responsibility may not be accompanied by sufficient financial benefit.

Ken asked which job descriptions were reviewed by Pontifex. Peter identified the administrative and financial-support positions and described the questionnaire-based process used to update the descriptions for current duties, compliance, recruitment, performance management, development, and benchmarking. Peter reported preparing updated descriptions for administrative and financial support positions using employee questionnaires. He explained that accurate job descriptions and titles support recruitment, performance management, employee development, legal compliance, and market benchmarking.

Ken asked how a small organization should compare positions in which one employee performs several distinct functions. For positions that combine multiple functions, Peter recommended identifying the job's primary purpose or "core DNA," benchmarking that primary role, and then applying an appropriate

premium for significant additional responsibilities. This provides a repeatable basis for future market updates.

Dave Ellison asked about the relationship between public-sector wage inflation and private-sector ECI trends. Peter explained that CPI is more volatile and ECI generally follows labor costs more gradually. He advised understanding what each index measures and selecting an approach consistent with the GWC's philosophy and budget.

Dave confirmed that the study excluded health and retirement benefits and asked about their importance and available market comparisons. Peter confirmed that the study was salary focused. He stated that benefits are financially important but difficult to compare directly because plans differ, and recommended reviewing reputable benefits information and consulting the GWC's broker and retirement provider. He noted that a small employer has limited purchasing leverage and that the value employees place on health and retirement benefits varies by life stage. Competitive salary remains the foundation, while a reasonable suite of benefits supports attraction and retention.

Dave asked how comparatively strong health contributions might offset a less competitive retirement benefit. Peter said there is no universal offset because employee preferences vary by age, family status, health needs, and career stage. He recommended asking the retirement provider to model available small-employer options, costs, and tax-advantaged approaches.

Dave asked about the relative importance of salary, health benefits, and retirement benefits. Peter characterized salary as the foundation of the compensation package. The importance of health and retirement benefits varies among employees; therefore, the GWC should maintain competitive salary and a broadly useful benefits package.

Barbara Hennigsen asked whether the consultant was recommending greater reliance on private-sector comparisons in the next study. Peter clarified that the current study considered both sectors. His recommendation was to revisit the public comparator list during the next study because labor markets change and agencies may need to be added, removed, or retained.

David Bruketta stated that he and Peter had discussed the study extensively. He explained that public-sector ECI can lag private-sector movement because of budgeting, negotiations, and collective-bargaining processes. He relayed Peter's general view that competitive income and a positive work environment are especially influential for younger employees, while some employees may still leave specifically to obtain public retirement benefits.

David clarified that private-sector analysis was most relevant to administrative and front-office positions because operations positions primarily compete with public-sector employers. He stated that the reviewed administrative job descriptions would return to the Board at a subsequent meeting.

He reinforced the method for hybrid jobs: identify the primary function, benchmark that role, and consider a premium for additional duties rather than averaging several unrelated positions. He noted that administrative positions were more complex to benchmark than operations positions.

David said the meeting was intended to present and receive the compensation study, not to finalize every policy question. Additional education and follow-up meetings would be needed to develop formal direction concerning comparator organizations, geographic range, public/private data, employee placement within ranges, and other compensation-policy details. He characterized the study as informing the process without yet defining final policy.

Kristien Bennett stated that the consultant's methodology differed in some respects from approaches commonly taught in human-resources programs, particularly for combined positions. She expressed questions about how some study figures aligned with actual GWC information and noted the practical difficulty of obtaining reliable private-sector salary-range data.

She explained that private-sector comparisons may be useful for administrative and finance positions, while operations and management roles may be more appropriately compared with public water and utility employers. She supported gathering additional local private-sector information where reliable data is available.

Kristien reported discussing MGSD's compensation-study approach, including the use of a broader geographic radius. She suggested that the GWC consider whether its labor market should remain local or expand to include employees who may commute or relocate. She identified policy matters requiring guidance: comparator organizations, geographic radius, desired market position, recognition of benefit and retirement differences, and appropriate salary-range spread.

Kristien recommended beginning structured discussions, potentially through a Board subcommittee working with staff, to establish durable compensation guidelines for future hiring and administration. She emphasized maintaining momentum but stated that the policy did not need to be completed that evening. She understood the immediate action to be acceptance of the compensation report, followed by further policy development.

Recommendations

- *Receive and accept the compensation study as the basis for continued review.*
- *Return the revised administrative job descriptions to the Board at a future meeting.*
- *Continue Board education and policy discussions regarding comparator agencies, geographic radius, public/private data, targeted market position, salary-range spread, employee placement, and benefits considerations.*
- *Consider forming a Board/staff subcommittee to develop compensation guidelines.*
- *Maintain momentum toward a clear, repeatable compensation policy while avoiding a rushed decision.*

<u>Minutes of the September 08, 2026, Regular Board Meeting</u>: Barbara Henningsen made a motion to approve the September 08, 2026, Regular Board Meeting Minutes. Dave Ellison seconded the motion. Motion was approved.

<u>Financial Statements for September 2026:</u> Ken Deering made a motion to approve the September 2026 Financial Statement as presented. Carl Spahr seconded the motion. Motion was approved.

Waterworth reviewed the utility's data and found it substantially complete, with no significant information reported missing. The review examined allocation of operating expenses, assets, and capital-project costs among residential, commercial, and irrigation customer classes.

- *Residential customers represent approximately 82% of customers and were reported as underpaying by about 4.79%.*
- *Commercial customers were reported as overpaying by about 5.07%.*
- *Irrigation customers were described as close to their appropriate cost allocation, although the transcript did not clearly state the precise variance.*

Waterworth and Kristien discussed the importance of equitable rates that recover costs without unnecessarily overcharging any customer class.

Kristien discussed potential adjustments included revising rates by customer class, reducing or eventually eliminating the residential 8,000-gallon allowance, retaining a base charge sufficient to cover fixed costs, and considering residential tiered rates.

The 8,000-gallon allowance was reported to have an annual cost exceeding $200,000. Kristien clarified that eliminating the allowance would not necessarily eliminate the base charge because the base charge supports fixed costs, while usage charges recover variable costs.

Board members requested scenarios showing the fixed-cost requirement and the rate needed to cover it. Barbara Henningsen indicated she was against introducing tiers. She indicated that customers should not have to pay a premium for needing to use more water if they have a larger parcel. Opinions differed on tiered pricing: concerns focused on fairness to high-use customers and larger properties, while supporting points included conservation objectives and possible Nevada regulatory requirements. David indicated that Nevada NRS requirements may require water utilities to use tiered rates; the specific legal authority was not identified during the discussion.

Kristien indicated that she would move funds from the checking account to the Charles Schwab investment account, where they would earn more than 4% interest, equivalent to nearly $10,000 annually.

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
No further correspondence or action has been received from the State Engineer's Office. The application remains pending review.

B. Minden Well 12 Project
Test well completed. The first test well resulted in a collapse. The second test well was successful. Step test pumping and constant test pumping completed. No impact on the baseline water level in Well 2 noted. Lumos is working in conjunction with Minden's engineer to review geotechnical data, pond level reading, transducer readings and will calculate potential impact based on calculated data.

A new well was successfully drilled after the first collapsed; a pumping test at 1,000 gallons per minute for 72 hours showed no impact on Well 2, with water levels stable around 48 feet. Next steps involve Lumos & Associates and Dowl engineers analyzing geotech data.

C. Contract with Lumos & Associates for On Call Engineering and Support Services
1. General Engineering Assistance;
   - 2027 budget planning
   - Aspen Park ownership exhibit
   - Aspen Park easement plotting
   - GIS 3 year phase in plan review
   - El Dorado ownership exhibit
   - El Dorado parcel ownership research
2. GWC System Mapping Analysis;
3. Water Modeling Analysis;

- Validating water model inputs. Well inputs verified and updated. Valves at Aspen Park closed in model. Missing booster station 2, hospital lines, and booster station and tank configuration being adjusted.

4. Construction Standards & Standard Details Updates;
5. Minden Well 12 Assistance
   - Michael Hardy assisting with Minden Well 12 and impacts to Well 2
6. GWC Well 2 Assistance.
7. Project Specific Activity.
   - Well 4 boundary survey – legal and easement description research with exhibits. Finalized record of survey and recording.

D. Cottonwood Village Easement Obstruction

About 2/3rd of the new fencing is complete. Artistic Fence completed the fencing along Cottonwood and is working on Douglas Ave. The GWC meter pits are clear of the fence.

The fence is now complete, they did everything we asked and we now have access to the pits from the street.

E. ARC Flash Analysis

JUB Engineering has been building the Etap analysis model for the study and are coordinating with NV Energy for utility information. They are waiting for NV Energy to get them all their requested information. Once they receive this information, they will complete the analysis within a month, provide a final report, install arc flash labels and provide training.

F. Damaged Fire Hydrant on 395

Mr. Hay pleaded guilty to DUI and sentencing is scheduled for November 18.

G. Well 4 Boundary Survey and Easement

The Record of Survey for the parcel is complete and recorded. David is working with property owners to secure an easement of property purchase for maintenance purposes.

Work is complete with legal descriptions finalized.

H. Aspen Park water line ownership

The declaration of ownership agreement was provided to the property manager three weeks ago for their review.

Received a detailed 8-page response with numerous questions, requiring careful legal strategy.

I. Caselle Citizen Portal

The Caselle Citizen Portal has been live for approximately six weeks, and customer adoption continues to increase. Prior to implementation, approximately 800 customers were enrolled in automatic payments through Xpress Bill Pay. As of October 7, 2026, 328 customers have migrated to the new portal, representing 41% of the former automatic payment accounts.

To support the transition, staff continues to send bi-weekly Action Required email notifications to customers who have not yet migrated. Staff also met with Xpress Bill Pay to coordinate the termination of services effective December 31, 2026. Xpress Bill Pay has confirmed that all customer accounts and payment information will be deleted on that date. Following termination, the system will remain available to GWC staff for a short period to obtain final reports and records before access is

discontinued.

Barbara Henningsen asked how customers still using Xpress would be assisted. Kristien explained that they would transition to paper billing, with office staff available to help. Individual phone calls would depend on the number of customers remaining on Xpress.

J. Eldorado Village Condo Complex water line ownership.
Lumos & Associates completed the ownership exhibit. David is working with Chuck on completing the declaration of ownership document.

K. High Sierra Fellowship Church water line ownership.
The declaration of ownership and exhibit are with Chuck for final review. David met with Josh Peters, Church Administrator, to talk about water line ownership and responsibilities.

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 0 plan reviews
C. There were $0 in impact fees invoiced

2 Service Orders, Locates & Leak Notices
A. There were 20 locates completed by GWC staff
B. There were 99 service orders completed by GWC staff
C. There were 34 leak notices completed by GWC staff

3 Monthly Water Operations Update
D. Belly Acers pre-construction meeting – JS
E. Fixture count @ Thoroughbred Crossing – JS
F. Backflow @ Thoroughbred Crossing - JS
G. Shadow Lyon County on water samples – EW/BA
H. Fill station repour concrete and metal plate – EW
I. Well 3 power pole hit, verify infrastructure safety - EW
J. Marked meter pits – BA
K. Scrape paint off trim at booster station – BA
L. Spray weeds - BA

4 New Manager Activities
- Positive total coliform samples on the high-pressure side. - *Positive total coliform samples were found on the **high-pressure side** of the water system, representing an increase from previous years, requiring further investigation including operational process improvements and increased sampling*
- Performance reviews- *All performance reviews are complete, but there needs to be a date scheduled to review them with the board.*

5 Civil Improvement Projects
5.1 Upcoming Projects:
- VA Clinic – Have no submitted application to GWC.

- Walmart Fuel Station: 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.

5.2 Belly Acres – Site Improvement Permit Review:

- 7/17 - Received PUCN staff approval of tariff sheets. GWC issued approval of construction letter. Review is now complete.
- 8/31 - Doulas County has not issued the Site Improvement Permit (SIP) to start construction, pending another fire department review. The applicant has been notified that if the FD recommends changes to the water infrastructure, it will require another review by GWC and possibly the Bureau of Safe Drinking Water.
- 10/5 update – Douglas County issue SIP and contractor held a preconstruction meeting. Site work for civil improvements has started.

5.3 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 - 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.
- 8/31/2026 - The developer is in the final stage of securing funding. Waiting of EFFD and NDEP approval. Prior to accepting infrastructure, applicant will provide payment for impact fee for irrigation and fire line and easement deed.
- 10/5/2026 - The developer is in the final stage of securing funding. Waiting of EFFD and NDEP approval. Prior to accepting infrastructure, applicant will provide payment for impact fee for irrigation and fire line and easement deed.

6 2026 Board of Directors Elections

Important Dates:

- Vote Counting: Tuesday, November 3, 2026 at 2:00PM - *2-3 board members not up for election to assist with vote counting on November 3rd*.

7. Save The Date
   - Christmas Kickoff – Thursday December 3, 2026 @ 5:00pm
   - Annual Parade of Lights - Saturday December 5, 2026 @ 5:00pm
   - Christmas Dinner Party – Saturday December 12, 2026 @ 5:30pm - The Club House 1029 Riverview Dr, Gardnerville, NV 89460

8. Schedule Closed Personnel Session

A closed personnel session needs to be scheduled for October or November. Please review your availability. - *meeting scheduled for* ***October 27th at 1 PM***

Agenda Item 5: Board Comments

No comments.

Agenda Item 6: Closed Session

No report.

Agenda Item 7: Adjournment

Ken Deering made a motion to adjourn the meeting. Dave Ellison seconded the motion. Motion was approved. Doug Sonnemann adjourned the meeting at 6:12 p.m.