

REGULAR MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, January 18, 2018

MINUTES

Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:05 p.m. Thursday, January 18, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Marty Breitmeyer, Mitch Gerlinger, Greg Dennis, Jim Currivan, and Larry Johnson. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment:**

Don Otto said regarding these horses being hit, he didn't think any guilt should be thrown around because it can happen to anyone. He cited an example of a Deputy Sheriff who hit three horses on Highway 50; this can even happen to law enforcement.

Larry Johnson said that's different than here because the posted speed limit on that highway is 65 miles per hour.

Susan Ambrose said there is a reckless driver of a black Dodge Challenger who uses a stretch of Ironwood as a drag strip. She said these are private roads and there's nothing the Sheriff can do, but asked if the GID could do anything?

Louie Test said they need to identify the driver and get the license plate number. He said reckless driving might be enforceable by the Sheriff; he said he would check into this.

Pam Roberts said she is new to the Valley and lives off of Broken Spur. She presented the Board with a petition requesting the asphalt on Broken Spur be patched by the GID. She addressed Louie Test and said as a recently-retired prosecutor for the City of Reno, that he would find that reckless driving is a crime and the Sheriff could make an arrest.

Zach Rhodes commented about the wild horses and said less horses would be killed on the roads if the GID hadn't covered up the cattle guards on Whiskey Springs and Ironwood. He said people need to quit feeding and watering the wild horses.

Derek Perkins had a question about the postal service and needing a key to his box. Several audience members said he needed to call the Vassar Post Office; another person said he had the carrier's name and phone number.

Cathy Glatthar stated it is an election year and there are four open seats on the GID Board. She had a handout and explained you can file from March 5th through the 16th.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. **Election of Officers:** Larry Johnson stated the current positions are:

President	Larry Johnson
Vice-President	Marty Breitmeyer
Secretary	Mitch Gerlinger
Treasurer	Jim Currivan
Trustee	Greg Dennis

Louie Test explained to the audience that this is strictly a vote among the Board members for officers, not the election of Trustees that Cathy mentioned earlier. In response to a question, it was explained that this is a five-member Board and there are four open seats for this year's election; again this agenda item is only an election of officers. Mitch Gerlinger made a motion to keep all positions as is. Marty Breitmeyer seconded the motion, and hearing no opposition, the motion passed.

4. **Approval of Minutes – December 21, 2017:** Jim Currivan said last month a comment was made that the fuel costs were up; he asked if we get the break on fuel sales taxes? Maureen Sidley said that came up several years ago and was looked into and she couldn't recall why, but no we don't get the sales tax break on fuel. Larry Johnson asked Maureen to research that again and report back. Mitch Gerlinger made a motion to approve the minutes as written, and Jim Currivan seconded the motion. Hearing no opposition, the motion passed.

5. **Financial Reports and Payment of Bills:**

a. **Financial Reports:** Cathy Glatthar said the estimated operating funds for capital improvements has dropped a little bit, again. She said the CTX (Consolidated Taxes) just isn't coming in as expected; it's about \$3,000 less each month. She stated Ad Valorem is down by \$11,582 from expected; CTX is down \$16,691 from expected, LGTA is actually up from expected by \$6,700, and overall we are down \$21,532 from projected. She explained for the audience Ad Valorem is your property tax, CTX is called the Consolidated Tax which is from sales tax, and LGTA is Local Government Tax (also called Fair Share) and it is also sales tax revenue. Larry Johnson said he doesn't understand why sales tax revenue is down when all economic indicators are up. Cathy said someone asked if the GID receives any sales tax revenue from marijuana sales. She said she would ask Kelly Langley with the Department of Taxation. Louie Test explained that the Federal Government still has marijuana listed as an illegal substance and all the banks and financial institutions are insured by the Federal Government so they are not allowed to transact business with marijuana sellers.

Maureen Sidley explained she received a notice from Wells Fargo that the U.S. Treasury Department Financial Crimes Enforcement Network issued a rule to strengthen the due diligence of certain financial institutions. In turn, the GID Trustees need to sign a form attesting that they take seriously their responsibilities for managing governmental funds.

b. **Payment of Bills:** Maureen Sidley stated there were some repair bills this month; one was to Cashman in the amount of \$4,700 for the generator repair. Jim Hicks explained that was for a new turbo for the generator at the Ironwood well. She said the other one was to Sonsray Machines and she put down that it was for the replacement of the wheels on the roller compactor, but had since learned that's not

what was done. Jim Hicks clarified that was for the disassembly of the roller. She said Western Nevada Supply was for four, 20-foot sections of 12" diameter culvert and connection bands. Larry Johnson explained [some] of those culverts are for upper Quaking Aspen where a temporary, four-inch ABS pipe needs to be replaced. Greg Dennis remarked \$2,300 was spent on patching material and wanted to know how much was spent on labor for the patching work. He said he wanted a unit price for patching. Maureen said she would put together that information. Marty Breitmeyer made a motion to pay the bills. Greg Dennis seconded the motion, and hearing no opposition, the motion passed.

6. Road Maintenance Reports:

- a. Road Reports:** Larry Johnson stated they have been able to keep up with this month's road maintenance requests and there is only one outstanding request for Curnow Canyon, which just came in. He added the culvert on upper Quaking Aspen is also outstanding. He said they did receive a maintenance request for the right angle curve on Yellow Tail. He explained that water ponded there and sometimes covered the entire road. He said the road was remediated by grading, raising the road, and installing a new culvert. He said the comment was that the new road surface became very slick in wet weather, and they will address that with a gravel surfacing to stabilize that area. He added that it is ten times better than what has been there for twenty years.

He said this week they retained outside trucking and placed a thin layer of gravel on the north-facing, steep slope on a portion of the Wilcox Ranch Road hill. He said the upper part of that hill was stabilized with sand from the Ironwood pit some six weeks ago; they have covered all of the steep areas and there should be good access. He said in wet weather the school bus could not climb that hill, and frankly, it shouldn't; it's a narrow, steep section.

He said what he considers the worst subgrade-condition road in the entire 95-mile road system is Quaking Aspen Road. He explained a year ago we stuck four fire trucks, last winter we had four-wheel-drive pickup trucks stuck and abandoned, this year it was a propane truck; Waste Management won't go up the road in any kind of a storm. He clarified that late last spring they gravel surfaced, as flood damage repairs, much of the upper section of Quaking Aspen. He explained that following the floods, there was a lot of traffic because they lost power to the communication stations on top of the mountain and we had a lot of maintenance traffic going up and down that section of road. He said one of those stations belonged to Washoe County, so we asked them for some cost sharing and they did approve \$5,000 for the purchase of gravel and aggregate base and we provided the equipment. In conjunction with that, he said this week with the contracted trucking, we got the worst sections of Quaking Aspen surfaced; we had insufficient budget to do the entire two-mile section.

He said they improved the culvert entrance on a newly installed culvert on Piute Creek. He explained the culvert had been buried for decades. He said we installed a new culvert earlier in the year because flood flows jumped and ran down the road and did significant damage to the sides and created unsafe conditions. He said they re-routed the flows and installed a new culvert; they came back a few weeks ago and reshaped the inlet so that future flood flows would be funneled into those culverts.

He said they installed a series of “blind hill” signs on the south end of Amy. He said they received an email from the home owner who requested those signs, who said thank you, but it didn’t help; that someone nearly hit him the other day coming over that blind hill.

Larry said a downside of the wonderful things we’ve accomplished in the last few years in putting asphalt surfacings on these roads is that people drive just that much faster; recommended speed for our roadways is 35 miles per hour. He said when he works on those roadways measuring them, people pass him at incredible speeds. He said he lives on a narrow dirt road and last weekend someone living up the hill from him came past his driveway at a minimum of 50 miles per hour on an extremely narrow mountain road; unbelievable.

He said it may storm tomorrow and for that reason this Board changed the working days and hours of our crew for winter work from four days a week to five days a week; instead of four ten-hour days, it’s now five eight-hour days. He explained the logic of the Board was that we have storms on Thursday, Wednesday, crews would be available on Friday, that they would normally have off, to re-grade those roads and that’s going to happen tomorrow. He said if it rains tomorrow we’re not going to be able to grade most roads because of excess moisture, however we have sandy roads such as Curnow Canyon that we can grade in wet weather. He said the road supervisor has been directed if we have precipitation tomorrow he will grade Curnow Canyon, if we do not have precipitation by morning, we want to haul gravel onto that sharp right angle corner on Yellow Tail to stabilize it.

Greg Dennis explained they went through an analysis to compare the cost to have materials hauled in versus our crew producing DG from our pit, loading it, and hauling it to the site. He said sometimes we don’t have the material that’s needed, and when you look at the time involved in getting the material on the road versus hiring a truck, is it cheaper to pay for the material and the trucking; it came out as a wash. He said but we had to look at the efficiency; we lose weeks of time while our crew is producing the material, whereas if it’s trucked in, we get the material on the road much faster. He said this Board needs to focus on efficiency and that’s where we are headed. He added when we are having material brought in, he wants two blade operators out there working at the same time and get some of these bad sections of road taken care of and it will last a whole lot longer. There was some discussion whether or not to put this topic on a future agenda because it had been discussed at last month’s meeting and they had actually used outside trucking to haul in base for Wilcox Ranch and Quaking Aspen Roads. The decision was made to have an Old Business item on next month’s agenda so the pros and cons could be discussed and considered. Larry commented that we’re going to see a trucking bill and a materials bill next month and that is going to come out of the capital improvement budget; and he doesn’t want to reduce that budget so that we can’t put asphalt surfacing on Amy and Wilcox Ranch Roads next summer. Greg said those are difficult questions, but we need to find a balance.

b. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:

Larry Johnson said he doesn’t believe most people in the District realize how much money we spent putting roads back to normal in this Valley following last winter’s floods; that all came out of our budget that we didn’t have except to do normal maintenance. He said we don’t know if we’ll have sufficient funds to do asphalt

surfacing/Cape Seal project next summer. He said we haven't received a dime of reimbursement, but we have received written approval for one of the four projects, and verbal approval on the other three. He said we were initially promised to have that money by the end of September [2017], the intent at that time was to either put on additional operators or hire additional equipment and operators to do a whole bunch of much-needed work around the Valley, but the hurricanes and fires were a higher priority. He said until we receive those funds, we are pinching pennies. He said we are trying to keep roads serviceable to the extent possible. He said Cathy Glatthar has put probably hundreds of hours into the FEMA paperwork and he has put in hundreds of hours of volunteer time on this. He said eventually we'll get this money and we'll get a lot of work done; in the meantime, we are treading water trying to make ends meet.

- c. **Operations Manager's Report:** Jim Hicks said the 670 grader (the backup grader) overheats and we'll get that fixed shortly; other than that the equipment is running fine and things are moving smoothly.

Larry Johnson said he had asked Jim if the 10-wheeler [dump truck] could be used on the highway to haul material from Martin Marietta. He said Jim gave him a list of what needed to be done; it's a 1992 Freightliner, so it's an old truck. Larry asked Jim if it was street legal and what would it take to make it legal? Jim responded it is not street legal and all the items on the list would need to be done. Larry asked that Jim find out what it would cost to make the truck legal. Marty Breitmeyer wanted to know when it last had a DOT (Department of Transportation) inspection? Jim said probably never. Jim explained the passenger door won't open because the truck was in a wreck at some point (before the GID bought it). Marty asked if we are exempt from DOT inspection? Larry said the options are sell it and get another truck or fix it; we'll need to know the costs to make it road legal. Marty said he will get the cost for a replacement.

7. **Old Business:**

- a. **Update on LW Land Company's Grass Valley Road Tentative Parcel Maps:** Larry Johnson explained the developer withdrew from the Parcel Map Review Committee's December agenda; so it's on hold. Louie Test said as he mentioned at the last meeting, someone should be meeting with the County, because when he spoke with the Deputy District Attorney, the County is going to require the higher subdivision standards. Larry said he was supposed to set up a meeting with Community Development and the County engineer and hadn't done so. He apologized and said he would get it done.
- b. **Request for Review by Nevada Attorney General Regarding Serial Parceling:** Larry Johnson said this is on hold.
- c. **Washoe County Proposed Refund of SPA Developer Fees:** Larry Johnson said there is no new information on this item.

8. **New Business:**

- a. **PVGID Newsletter:** Greg Dennis said he asked for this agenda item. He said communication can be tough, but a summary every six months as to what we've done and what we're planning to do might be helpful. Larry Johnson said two times a year, spring and late fall. In answer to Larry's question, Cathy reported the total cost would be between \$400 and \$600 to do a two sheet, folded mailing. Mitch

Gerlinger said a newsletter posted on the GID's website would be free. Kevin Cook, in the audience, said the website is a great platform for this, and didn't think any money should be spent on a mailing. Zach Rhodes said he's looked at the website and could not find any financials. Larry asked if the transaction report could be posted each month? Mitch Gerlinger suggested attaching the report to the minutes. Cathy Glatthar agreed and said that would be the easiest way. Pam Roberts does not believe everybody is on the Internet, and suggested sending it out "snail mail" once, and explain how to view it online and the people who want future newsletters mailed to them, must send us a written request. Cathy Glatthar said that's a really good idea, and we could just send out a postcard announcing the newsletter is online and if someone wants a hardcopy mailed to them, they must submit a written request. Larry said he believed the consensus is that newsletter-type information is valuable and we should publish newsletters twice a year as discussed.

Greg suggested adding "pvgid.com" to the speed limit signs in the Valley.

9. Judicial/Government Affairs:

a. Poundstone Culverts: Louie Test said he needs to meet with Larry Johnson about this and get more information.

10. Calendar Review: Cathy Glatthar reviewed the upcoming items:

- Cathy will let the Registrar of Voters know there was no change to the list of officers
- Jim Hicks will need to have his Equipment and Vehicle Budget for the next meeting
- Louie Test needs to file the Tort Claims Report with Cathy by February 1st
- Maureen Sidley needs to file the Quarterly Economic Survey by February 14th
- The Determination of Tax Rate, Tentative Budget, and Operations Manager's Equipment and Vehicle Budget will all be on next month's agenda
- The next GID meeting is Thursday, February 15th

11. Correspondence:

None

12. Public Comment:

Don Otto said the signs around the Valley regarding the monthly meetings need to be changed to reflect the new 6:00 start time. He suggested the [Poundstone] driveway culverts be replaced with a concrete swale.

Larry Johnson said he did not know if the homeowner would be satisfied with that. He added that any depression in that driveway would be subject to sedimentation.

Mr. Otto said we have two people who work the roads and the water truck driver does not want to operate the grader. He said the grader is the most highly used piece of equipment and we have two graders. He asked if we should replace that water truck driver with someone who is capable of operating a grader as well as the rest of the equipment and trucks? He said that will be the most efficient way, because a lot of time that water truck driver is just sitting in his truck waiting for Jim to get other stuff done. He said he didn't know what the water truck driver can do when Jim's off grading; he could be grading, too.

Larry Johnson said there are a lot of things he can be doing, and said Mr. Otto's comments about replacing the water truck driver are grounds for a valid discussion. He asked Cathy Glatthar to put this item on the next agenda.

Larry Johnson said he wanted to clarify something with Mr. Otto. He explained Mr. Otto had suggested the GID use doubles (tandem belly dumps) for the delivery of the material for Wilcox Ranch and Quaking Aspen, but the drivers said it was unsafe to turn around.

Mr. Otto said if we get the chance to do this in the future, it's much more efficient to get tandem belly dumps.

There was some discussion about what materials can be hauled in belly dumps, and both Larry Johnson and Marty Breitmeyer said only sand or road base.

Larry Johnson thanked Mr. Otto for the suggestion.

Susan Ambrose asked for clarification on what type of fees Washoe County is proposing to refund to the developers in the SPA?

Larry Johnson explained in the [Specific] Plan Area (SPA) there were impact fees that developers paid to the County. He said the developer could build certain infrastructure themselves and seek reimbursement from the County or the County would hold onto those impact fees until sufficient development had occurred, then contract with the GID to contract for engineering, design, construction management and actual construction of those improvements. He explained those impact fees covered a variety of improvements: park fees, fire station, construction of a new road off of the Pyramid Highway, and paving of certain roads in the SPA, etc. He said the largest land owner/developer, the only one who could do those major improvements, backed out. However, smaller developers proceeded and took advantage of the smaller parcel sizes allowed by the specific plan. They went forward by using parcel maps and entered into development agreements with the County. He explained the agreements set forth requirements such as Broken Spur was supposed to be paved to County standards with six inches of aggregate base and three inches of asphalt concrete; obviously never done. Secondly, the developer was supposed to form a Homeowners Association (HOA) and dues were to be paid into a fund that would be given to the GID for maintenance of that pavement (i.e. crack filling, slurry seals, etc.) and a fund for replacement of the road after it wore out. None of those developers did that; an oversight by the County. He said fast forward twenty years later, we have people on those small lots who come to this Board and say they want Broken Spur improved. He said we say, we're sorry, but this is what the development agreement says and none of it has been done. He said we're in a quandary because this money is not ours and Washoe County has had the money all this time. The developer has sued the County to get his money back, but hasn't done any of the work. The judge ruled that these were impact fees and by State law they have to be refunded; totally ignores the development agreements. Washoe County staff is working on a report to the County Commission on how this could be done. The legal interpretation is that those fees need to be refunded, but not to the original developer, but to the current property owners. He said we have asked some of those SPA property owners if they are paying into an HOA fund for road improvements, and they have all pleaded ignorance. He said we don't have the money; we're being told we probably don't have a legal right to it. In the meantime, those people have a dirt road that was supposed to be paved with real pavement.

Louie Test added most of those cases in the District Court were dismissed; there's only one pending. He said when the developers learned they wouldn't get their money back, that it would go to the current property owners, they dropped the matter instead of paying more legal fees. He said the other issue is one of the developers requested reimbursement for work they had done and they had to give an itemized statement of the costs and that is being reviewed, and because the work done does not match with what was in the original plan, the developer might not have a right to reimbursement.

Larry Johnson said that raises another quandary that we are in because the Cape Seal, this half-inch asphalt surfacing that was placed on the southern end of Broken Spur, was placed by a developer, not by the GID. He said on next month's agenda an item will be do we have the legal impetus to put him on notice that he needs to repair his surfacing, should we be on the hook for what he did? In any jurisdiction when somebody comes in and builds a subdivision and puts in new streets, before the agency accepts those improvements for future maintenance they wait for all the houses to be built, they do a survey and determine what the developer needs to do in the way of repairs, which may include an overlay on the roads. He addressed Ms. Roberts and the petition asking for the potholes in the asphalt on Broken Spur be repaired, he said can we do it, should we do it, should the developer be required to do it, and do we have a legal hammer to make them do it? He asked Cathy Glatthar to put this item on the agenda for next month, and told Louie Test that we will need his opinion on this matter.

Cydney Harding said she lives right across the street from this development [the SPA]; why not rip that road out and have the GID take it back over? She said she didn't want any of the asphalt surfacing there to begin with.

Larry Johnson said it's probably not that simple and he said he wanted to point out a few things. He proceeded to explain that Whiskey Springs Road from the Highway [Pyramid] in past the BLM fire station, used to be old, worn-out asphalt, broken up into chunks. A previous Board in the late nineties got a survey from Washoe County engineering that said it's too far gone, you have to tear it up and reconstruct it; way beyond anybody's budget. A bunch of residents complained and the Board hired a private engineering study that concluded the same thing; it's too far gone, it should be torn up. The Board decided to remove it and a ton of people threatened to sue the GID for doing what two engineering studies told them was necessary. That road stayed in dirt until this Board put a Cape Seal on it a few years ago. He said we maintained dust control in the summertime first with mag chloride and then a polymerized mag chloride as a dust palliative and a stabilizer. But it became very slick anytime it got wet and we got a lot of complaints so we stopped that. Within two years we began to experiment with Cape Seals, which is a chip seal with a slurry seal on top that's only half an inch thick; it is not an asphalt pavement, it has no structural integrity, all it does is keep you out of the mud in the wintertime and keep you out of the dust in the summer. He said ninety-nine percent of the people love it compared to driving on dirt.

Ms. Harding said she prefers dirt roads. Larry said she's an extreme minority.

Susan Ambrose said we'd like them a little bit wider.

Larry Johnson explained these roads were inherited from a developer at the formation of the District back in 1973 and these roads met nobody's standards; they were just bladed in. He said he would love to see them wider and he would like to have someone give us a million bucks so we could do some of these improvements.

Ms. Ambrose asked how wide the chip seal is?

Larry Johnson said 20 feet wide, and at the recommended speed limit, it's plenty wide.

Zach Rhodes said not for a dually; when he runs his dually at the speed limit, he has to hang a tire off the road when passing oncoming traffic. He thanked the Board members for volunteering their time and said he was not trying to come off as angry or condescending, but there has been a lot of things going on that have frustrated him. He said a lot of it has to do with the waste. The width of the road is not enough, he's taken pictures and he can barely fit his dually on the road if somebody else is passing him. He said money has been spent on patching every couple of months. Larry Johnson said we patch twice a year. Mr. Rhodes said the dirt roads are getting narrower and narrower, and on Pasture View, when he's hauling a load of hay, some people don't have the decency to move over and let him by and run him into whatever kind of ditch it is; which is too deep and a safety hazard. He said Cathy handled a road maintenance request for him, but he has to put in another request because the road didn't get fixed and there is a ditch at that intersection that if you go down into it you are going to get knocked out of your seat and hit your head on the roof of your car; how is that okay? He said his grandfather taught him when you do a job, you do it right the first time. He said the roads are narrower, they're not crowned, they're flat, we are not doing things efficiently. Sharrock is a mess right now, and he would rather that it not have been bladed two weeks ago. People are driving off on the shoulder, that's how bad it is. There are big boulders in the middle of the road and he's especially [angry] about the giant speed bump in the intersection. He said he thought there were some issues with our finances that could be resolved; part of the problem with government is it's not run like a business and the GID is not being run like a business right now. He said he feels like there is a lot of waste and a lot of laziness. He said the average blade operator makes \$60,000 a year, that was last year; why are we paying people \$80,000/\$90,000 if you're not going to do the job correctly?

Larry Johnson corrected Mr. Rhodes and explained those figures include benefits.

Mr. Rhodes asked if on the next agenda, we could have a discussion about how our money is being spent? He said his concern is that the money isn't being spent appropriately and the crew is not doing their jobs correctly, and he wants to be able to have a discussion.

Pam Roberts wanted to know if the petition she submitted earlier would be labeled as a request for maintenance? Larry said yes. Ms. Roberts thanked Larry for his explanation of the history of the SPA developers not meeting their obligations. She said they contacted the County about the roads and were told none of the GID roads are to County standards and they learned there are some issues about who's responsible for Broken Spur and the Ranch Courts.

Larry Johnson said there is no question about the Ranch Courts; the homeowners are responsible for those roads.

Ms. Roberts said she bought not knowing who was responsible for the roads; we're all in this Valley together and we use many of the roads and the school buses use those roads and whatever we can do to make the roads safer, we should do and as efficiently as possible.

Kevin Cook said in October the Board put a plan in place to focus more on the quality of work done on the roads and Range Land was worked on and it looked really good to him and it looked like they did focus on the quality of the job.

Larry Johnson said to grade to the cross section that was drawn on the white board at that meeting: with a crown, with the travel ways, slopes in the swales, and grading out to original ground on both sides in a gentle swale in contrast to a deep ditch. Yes, that direction was given to our road supervisor in writing that next Monday. That being said it takes twice as long to grade to that cross section.

Greg Dennis said three times as long.

Louie Test interceded and explained this is not a discussion, this is public comment.

Larry Johnson finished his remarks adding we have to get utility clearance first, because we will get sent a bill if we hit a phone line. He said we try to take a select road periodically and build to the cross section in the direction given. Cathy Glatthar said she thought Sharrock was the first road they did to that cross section with the swales. Jim Hicks said it was. Larry said we only did a portion of Sharrock, and Yellow Tail, Crazy Horse, Crossover, Hockberry; there are 45 roads in the District, we are chipping away. He said he mentioned earlier about we spent all this money after the floods just to get people home and depleted our funds and we want to get a lot of this work done with extra crews, but until that FEMA money comes in, we can't do that.

Mr. Cook requested that Roadrunner be graded down to Ernie Lane.

Larry Johnson asked that Mr. Cook submit an email request for maintenance.

Mr. Cook then asked if a culvert could be installed under Roadrunner in a spot where when the ditch fills with water, it overflows onto the road?

Larry Johnson said it's possible; if there is sufficient cross slope to where there's an outlet. He said there are some roads in the middle of the Valley where there is no out. He said there are solutions to all of these issues, but they cost money.

Mr. Cook suggested having people volunteer material. He also mentioned BLM has aggregate you can have free of charge; you just need a permit.

Larry Johnson said he is aware of that and it's a major undertaking.

Mr. Cook said last time he asked that Ernie Lane be accepted for maintenance and he was given the list of road standards to follow to be considered. He said if they are ready, is there some kind of inspection that would be done?

Larry Johnson said yes, and it would probably be him who would do the inspection. He asked Mr. Cook how long is Ernie Lane?

Mr. Cook replied the entire road is a mile.

Larry Johnson said this request would have to be put on a future agenda to be considered by the Board.

Louie Test interjected and said once again you're getting off of public comment; you're supposed to take the input from the individuals. He said he knew Larry wanted to be responsive ...

Larry Johnson said yes, I want to be responsive to the public. He said his personal opinion was we can't take care of the 95 miles of roads we have, and therefore he would have a tough time taking on an additional roadway.

Mr. Cook said he felt we could contribute back to the GID in a way to offset those costs.

Cydney Harding said her issue is the quality, too, and she didn't want to hurt any feelings, but if you're going to do the job, you need to do the job right. She said the roads are getting worse every year. She said there is so much extra dirt being pushed off the sides of the roads. The dirt needs to be brought back onto the tops of the roads, and crowned correctly. The equipment is not being operated correctly.

Larry Johnson said that was discussed two months ago and we promised everybody that was going to be done, it will be done, but it will take time.

Taylor Perkins said Crazy Horse was just done and it is full of rocks.

Larry Johnson explained Crazy Horse isn't finished. He said they took the windrows from the sides of the road and brought them onto the road to build the new crown and it will probably take a couple of gradings to get that rock separated and out of there.

Ms. Harding asked how long this particular crew been doing the roads?

Larry Johnson replied 10 to 12 years.

Ms. Harding said the washboards aren't being removed.

Larry Johnson said the direction to the grader operator is to grade to the bottom of the washboards.

Ms. Harding said you need an operator who knows how to fix all the problems with the roads.

Mr. Rhodes again asked for an agenda item to discuss the road issues.

Louie Test suggested holding a workshop so there could be a free exchange. He said in a workshop, the Board cannot take any action; actionable items would have to be placed on a future agenda.

Greg Dennis suggested moving on to item 13.

13. Board Member and Staff Items:

- Larry Johnson asked when we should hold the workshop? There was a lot of discussion as to when and what time to have the workshop. The decision was made to hold the workshop after the Operations Manager's Report item on next month's agenda, with a maximum of two hours allotted for the workshop.
- Greg Dennis said we needed specifics, not generalities, on the road fixes needed.
- Cathy Glatthar reported we will have change the May budget hearing meeting to a date between May 21st and 31st instead of the regular third Thursday (May 17th) because of a 2015 legislative change. This item will be on next month's agenda.

14. Adjournment: Marty Breitmeyer made a motion to adjourn the meeting. Greg Dennis seconded the motion, and hearing no opposition, the meeting adjourned at 8:20 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ January 18, 2018

Total of all Bank Accounts:	Balance'@ January 18, 2018 - Money Market - #5010	181,482.94
	Balance'@ January 18, 2018- Savings - #4658	2,000.85
	Balance'@ January 18, 2018 - PR/Petty Csh - #4430	17,000.00
	Balance'@ January 18, 2018 - General Ckng - #4179	<u>72.31</u>
	<i>Total Cash IN All Accounts</i>	<u><u>200,556.10</u></u>

<u>WELLS FARGO-ALMOST CD #5010</u>		'Balance'@ December 21, 2017	182,777.37
Income for the Month			
Consolidated Tax	28,906.35		
Ad Valorem	166.26		
LGTA	<u>2,595.86</u>		
Total Income	31,668.47		31,673.70
Interest Income	5.23		
Refund Home Depot	49.41	Reimb / Overpayment	
Transfer to Wells Fargo #4430	(15,767.54)		
Transfer to Wells Fargo #4658	0.00		
Transfer to Wells Fargo #4179	(17,250.00)		
		Balance'@ January 18, 2018	<u><u>181,482.94</u></u>

<u>WELLS FARGO-SAVINGS #4658</u>		'Balance'@ December 21, 2017	2,000.80
Transfer from Wells Fargo #5010	0.00		
Transfer to Wells Fargo #4179	0.00		
Interest Income	0.05		
		Balance'@ January 18, 2018	<u><u>2,000.85</u></u>

<u>Wells Fargo - PettyCsh/P/R Acct#4430</u>		'Balance'@ December 21, 2017	17,000.00
Transfer from Wells Fargo #5010	15,767.54	Deposit	15,767.54
Net Payroll	9,679.10	Net Payroll	
Wells Fargo - 941 Pmt	EFTPS 2,993.60	Mo. 941 deposit - December	
PERS	5751 2,736.04	PERS - December	
Employment Sec. Dept	5749 271.36	4th qtr payroll reports	
Employment Sec. Dept	5750 <u>87.44</u>	4th qtr payroll reports	
	<u><u>\$15,767.54</u></u>		<u><u>(\$15,767.54)</u></u>
		Balance'@ January 18, 2018	<u><u>17,000.00</u></u>

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @ January 18, 2018

NAME	CK #	DESCRIPTION	
<u>MELLS FARGO-GENERAL #4179</u>		'Balance'@ December 21, 2017	68.26
Transfer from W.F.#5010	17,250.00		
			17,250.00
PUBLIC WORKS			
Alhambra & Sierra Springs	9329	35.08	Monthly Water
AT&T - Cell	9330	87.87	Cell Phone
Cal-Nevada Towing	9343	287.50	Towing
Cashman Equipment	9331	4,735.83	Generator Repair
Catherine Glatthar	9332	715.09	Monthly Work
Dynamic Diesel	9344	558.00	Repair on Chevy - would not start
Flyers Energy	9333	1,021.46	Fuel
Granite Construction Co	9334	2,293.50	Patch
Hoffman, Test	9345	1,100.00	Monthly Fee, Work regarding the County
Humana	9347	258.02	Health Insurance
Humana	9348	91.10	Health Insurance
Maureen Sidley	9346	318.00	Monthly Bookkeeping Work, Copies
Nv Energy	9335	267.29	Office Utilities
Purcell Tire Co	9336	457.89	Misc Tire Repairs and service calls
Prominence Health	9349	784.66	Health Insurance
Sani Hut	9337	129.87	Monthly Charge
Silver State Barricade & Sign	9338	598.58	signs
Sonsray Machinery LLC	9339	1,733.10	Replaced Wheels on Roller Compactor
Tri State Surveying	9340	460.00	Extension on Water Permits - Prof. Services
Waste Management	9341	31.82	Waste Removal
Western Nevada Supply	9342	1,281.29	Culverts, Bands, Straps
TOTAL		<u>17,245.95</u>	<u>(17,245.95)</u>
		Balance'@ January 18, 2018	<u><u>72.31</u></u>

PVGID OPERATIONS REPORT
Report Period 12-18-2017 to 01-12-2018

ATTACHMENT: 01/18/2018 Meeting Agenda Item 6. c.

ROADS GRADED:

Bacon Rind (S)
Bacon Rind (N)
Quaking Aspen
Grass Valley
Sharrock
Wild Horse
Wild Horse (N)
Grass Valley (W)
Range Land

OTHER ROAD WORK:

Crazy Horse Shoulders & Ditches

OTHER:

None

EQUIPMENT:

Ironwood Well Generator - Replace Batteries
670 Grader - Replace Batteries
Chevy Dump Truck - Glowplugs, Wiring
Chevy Pick Up - Fan Belt

SPECIAL MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

PO BOX 615, SPARKS, NV 89432-0615

Thursday, February 15, 2018

MINUTES

Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:20 p.m. Thursday, February 15, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Marty Breitmeyer (arrived at 6:35 p.m.), Greg Dennis, Jim Currivan, and Larry Johnson. Mitch Gerlinger was absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.
2. **Public Comment:** Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.
3. **Approval of Minutes – January 18, 2018:** Jim Currivan made a motion to approve the minutes as written, and Greg Dennis seconded the motion. Hearing no opposition, the motion passed.
4. **Financial Reports and Payment of Bills:**

- a. **Financial Reports:** Cathy Glatthar said the estimated operating funds for capital improvements has dropped from \$280,000 to \$251,000, mainly because the ad valorem did not come in as expected. She reported, year-to-date, actual ad valorem is \$21,642 less than expected. She said the same goes for CTX (Consolidated Taxes) which is, year-to-date, \$21,445 less than expected. She said LGTA (Local Government Taxes) are actually a bit higher than projected by \$4,200 year-to-date; no payment received yet this month (usually comes in around the 20th each month). She said overall, year-to-date revenue is down from expected by \$38,848. Larry said it surprised him that the sales tax portion was down. Cathy explained she looked into it and the analyst at the State said we were up by nine percent over last year; we are not seeing revenues coming in at the levels the State projected when we did the [2017-18] budget.

Cathy reported she did look into whether or not the GID receives any money from marijuana sales taxes and was told there is a small amount, but it is so small, it is not shown separately.

- b. **Payment of Bills:** Maureen Sidley reported no LGTA [Local Government Tax] funds were received yet this month, but \$49,000 of Ad Valorem came in. She stated there were bills for trucking, \$9,400, and aggregate, \$10,000; Dynamic Diesel, \$2,600 for repairs to the 2001 Ford; and Bruce MacKay, \$1,300 for trouble shooting of the Wayside well pump.

Larry Johnson explained the trucking and material bills were for gravel surfacing of portions of the Wilcox Ranch hill and Quaking Aspen Road.

Jim Currivan said he had asked last month if we received sales tax credit on fuel and wanted to know if Maureen Sidley had an answer for him? Maureen apologized and said she didn't have a chance to look into that. Jim C. then asked if the diesel was

dyed? Jim Hicks replied it was dyed and we use very little gasoline. Jim C. said that explains it and no further review was needed.

Greg Dennis wanted to know how many loads of material were purchased? He was directed to the invoices attached to the check. Larry Johnson addressed Maureen and said he needs to review all outside bills before they are paid. Greg stated there were 64 loads delivered at \$144.00 per load (one and a half hours transportation time equals \$96.00 per hour, which is a standard rate). He stated the cost for material and trucking was about \$300 per load.

Greg Dennis made a motion to pay the bills. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

Larry remarked that Cathy Glatthar was asked why the bottom section of the Wilcox Ranch hill was not surfaced, he explained it was because we ran out of money.

- c. **Determination of Tax Rate for Fiscal Year 2018-2019:** Cathy Glatthar stated the current tax rate is 0.4198 and cannot be increased due to the GID's interlocal agreement with Truckee Meadows Fire Protection District (TMFPD). She also explained that there are three entities involved: Washoe County, TMFPD, and PVGID and the tax rate for the three entities combined cannot exceed 3.66 and we are currently at that maximum rate. The Board agreed to leave the rate at 0.4198 for the 2018-2019 fiscal year. Cathy said she will report the decision to Kelly Langley with the State Department of Taxation.
- d. **Operations Manager's Equipment and Vehicle Budget for 2018-2019:** Jim Hicks reported the Freightliner dump truck needs to be repaired or replaced and a new grader-mounted, ten-wheel roller is needed. He said one company has the roller for \$23,000. Marty Breitmeyer said he has been researching the roller and has found five companies that manufacture them and he is still doing research. Larry Johnson said he wants to pursue financing. Greg Dennis thanked Marty for doing the research. In order to act on these items before the next meeting, it was determined that a special meeting would have to be called.

Cathy Glatthar explained this agenda item is for the 2018-2019 budget and if these items were to be purchased before June 30th, then they will not be part of the 2018-2019 budget. Jim Hicks said he had nothing for the 2018-2019 budget.

- e. **Tentative Budget for Fiscal Year 2018-2019:** Maureen Sidley handed out a budget worksheet. She explained this is the tentative which needs to be signed and submitted by April 15th which is prior to our April meeting, so it will be completed and signed at our March meeting. She said she just received the preliminary revenue report and will have up-to-date projections next month. She said she will need to know what amount they want for the capital outlay (equipment) line item? Larry said we should continue with \$50,000. Maureen said for next month, she will have the latest revenue projections and will make any adjustments to the road maintenance line item in order to keep the ending fund balance at \$70,000 (two months of expenses). Jim Currivan made a motion to approve the tentative budget. Marty Breitmeyer seconded the motion, and hearing no opposition, the motion passed.

Larry Johnson asked Maureen how the FEMA reimbursements are handled in relation to the budget? Cathy and Maureen said they would contact Kelly Langley with the Department of Taxation.

Cathy explained we have only one fund, so we are not in a situation where we are in trouble if we go over budget in a line item; however, we can't exceed the total budgeted for expenditures.

Greg Dennis wanted to know the cost of the flood repair work that still needed to be done in comparison to how much reimbursement we are expecting. Larry said we have to do the work first before we can get reimbursed; most of the repair work has been done, but culverts still need to be flushed and rock rip rap needs to be placed in various locations, which is mitigation. Cathy explained until we receive the approved project worksheets, we won't know which mitigation projects were approved or how much money was approved. In response to Larry's question, Cathy replied the repair work for project worksheet number two has been completed and once approved, we will be able to submit for reimbursement. Larry added that most of the work has been done and we used most of our budget last year to do those repairs. Cathy said she inquired about the status of the unapproved project worksheets and was told they would possibly be approved by the end of March.

5. Road Maintenance Reports:

- a. Road Reports:** Larry Johnson stated Jim Hicks had a list of roads that have been graded this month. He said we periodically select roads to be further improved; we have done Amy, Crazy Horse, Yellow Tail, and Pasture View was just done this past week. He said they have utility clearance on Wild Horse and it will be done next week. He said they are keeping up with maintenance requests, but just barely.
- b. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:** Larry Johnson said we partially covered that earlier. He said we hope to have some funds in April, and if so, he will recommend to the Board to hire a second grader operator to get the dirt road system in shape. He said he'll want to discuss design improvements for both Range Land and Big Dog which will require outside equipment, specifically a paddle-wheel scraper. He said we will discuss those when we have the money in the bank.
- c. Operations Manager's Report:** Jim Hicks said the equipment is working okay at the moment, road projects are progressing fairly well, and road grading, not so well. Larry Johnson asked Jim about the Wayside well. Jim said we have a "ghost." He explained when he checked it, it was running one phase high, but when the repairman checked it, they were all even. He said the repairman said it's probably the motor and it will eventually show up again. Larry said we run until it shows up again.

6. WORKSHOP: [Started at 7:00 p.m.]

Larry Johnson opened the workshop with some history of the District. The District was formed on August 1, 1973 through the Nevada State Legislature at the request of the master developer, McCulloch Oil. State law on the sale of large parcels does not require a subdivision map per se, just a record of survey. Minimum parcel size for large land divisions was 40 acres and required a minimum of four-wheel-drive access to each parcel. They recognized as a sales point, to build something more than a four-wheel-drive access and the road system you see today is what they built and what the District assumed maintenance of. The District was set up by the County and has the sole responsibility of maintaining the existing roads. The Boards have been elected in the general election ever since; five Board members, who receive no compensation; purely a volunteer position.

There are approximately 95 miles of roads, some of which were paved in the 1960s by North American Rockwell/Rocketdyne who had defense contracts to do research on rocket fuels and engines (the Apollo project). When the contract lapsed they sold to McCulloch Oil. The road system that was inherited from McCulloch was not constructed to any standards. Of the 95 miles there were approximately 13 miles of paved roads including Axe Handle Road, Whiskey Springs Road, and a stub into Right Hand Canyon. Minimum parcel sizes, again, were 40 acres, and outlying parcels increased to hundreds of acres. Some of the farmers in the low part of the Valley consolidated parcels and have several hundred acres of farm land.

The District [purchased] an aggregate quarry, which is the site of the Wayside yard. A well was drilled there later with some money from Rocketdyne. A second well was later drilled at the Ironwood site near Pyramid Highway. The Ironwood pit was deeded to the District by McCulloch.

The County rezoned the area and the Wayside yard became illegal to use, so the Board had to get the parcel rezoned and a special use permit (SUP) issued. They obtained an SUP for the Ironwood well site also. The Board spent a lot of time and money on those endeavors.

Asphalt pavement has a typical performance life of 20 years if it is well maintained. At the end of that time, it is usually necessary to do a major rehabilitation or complete reconstruction. Those paved surfaces have been in place for an excess of 50 years and that was noted all the way back in the 1990s by previous Boards. They had Washoe County Engineering come out and do a pavement study. The County said those pavements are totally shot and need to be reconstructed. The District did not have even a fraction of the money needed to reconstruct those pavements, so they contracted with a private consultant, that issued a report that said the same thing as Washoe County. The Board at that time began tearing up and removing those old pavements; they started with the first two and a half miles of Whiskey Springs Road. It was a very heated and contentious issue in which there were threats of lawsuits.

In the 1990s, a special plan was formulated among the land owners in the lower part of the Valley; in an area that straddled both sides of Whiskey Springs Road up to about Grass Valley and then continued on the south side of Whiskey Springs Road continuing all the way up to Amy. That special plan called for the master developer of that area to construct a sewage treatment plant, a water treatment plant, fire station, school site; essentially a city-type development. The 40-acre parcels and larger originally planned and allowed for, became much smaller parcels. That plan was approved by the Washoe County Commission in 1997. The master developer backed out and the large farming areas did not get developed. In contrast, some of the smaller areas in the special plan area did go forward under parcel maps and were developed. However, the conditions of the plan were not enforced on the outlying developers.

Larry said he's been on the Board since 2011. Pete Schmalzer, in the audience, joined the Board at that time. Cathy Glatthar has been with the GID since the mid-2000s, Louie Test has been legal counsel for a long time, Maureen Sidley has been with the GID for decades. He said he got on the Board at the insistence of friends and neighbors who thought things could be better, and we have attempted to do so.

He said one of the first things they did was to install traffic meters on the major roadways to see which roads carried the heaviest traffic volumes. It showed that

Ironwood Road was by far the most heavily trafficked, followed by Whiskey Springs, Axe Handle, and then Range Land. They decided on a series of priorities with the first being all roads would remain serviceable. They established a system where people could call or email and request maintenance at any time. They established a Road Committee that meets the first of each week to go over those road requests and establish priorities. We also decided that we would try some test sections of asphalt surfacing on our major roadways in an attempt to get people out of the mud in the wintertime and out of the dust in the summertime. To date, we have placed asphalt surfacing of various sealcoat types on 14 miles of roadway. There have been comments about the lack of durability of that surfacing, and why wasn't it done right in the first place. We experimented with a number of products; it was done because of budget constraints. If we had built roads to "County standards" with aggregate base and asphalt plant mix, we would have paved three miles of road. Then the question gets to be which three miles of road? We made decisions. There are at least five alternate test sections. We monitored those sections to determine which performed adequately, how long each test section lasted before we had to go back with some kind of remediation.

The present program is the placement of Cape Seal directly over the top of the dirt subgrade. We learned the hard way that some soil types were not conducive to that treatment, whereas with other granular soil types, that works very well. If these roads had been paved, after five years the maintenance would be at the same frequency and the same cost for what we are currently laying down; crack filling and slurry seals on top of that pavement to get them to that 20-year performance life before they would have to be reconstructed or overlaid. Our poor man pavements have performed extremely well for their intended purpose.

There's been discussion of pavement widths; we did not go to the expense of grading and widening roads to make pavements wider than the existing roadways. Surface seals are placed in 20-foot widths. All of this is done in a systematic manner. His three-quarter-ton diesel is, outside to outside, seven feet wide; allows two of them to pass and a compact car to drive in the middle. It allows two one-ton duallies to pass with a four foot space in between. He said he passed a low-boy trailer the other day and they both kept their tires on the surfacing.

Some things that were not recognized were as soon as a nice black surfacing was put down, people want to drive like a bat. While he is comfortable with staying on the surfacing when meeting vehicles coming at him at a reasonable speed, the faster you go the less comfortable you are. Since the last meeting he has watched people who he meets; met a garbage truck the other day and the driver kept his tires on the surfacing and so did he. He said he sees people all the time with their tires two feet off the edge; they're not comfortable or they don't have the skill set. He said he realizes he was raised in the mountains and has driven these kinds of roads all his life and you don't see him in the ditch; he has that skill set and is comfortable. People are driving off the edge of the Cape Seals, which are only half an inch thick. They have come back and are doing significant edge patching; which is done twice a year, typically. The patch material is a special, polymerized cold mix manufactured by Granite Construction. That mix is really sticky and it stays put; whereas a regular cold mix erodes within a couple of months. We typically try to patch in the springtime to take care of damage that has occurred during the winter and again in the fall to prepare for winter. Again, done in a systematic manner.

Our philosophy on this is to spend our biggest dollars in areas that would benefit the most people. At the same time, our first priority is to keep everything serviceable.

Larry then opened up the discussion for people to discuss what they want done, what they think can be done better, etc.

He addressed Pete Schmalzer and asked him if there was anything he wished to clarify or add?

Peter Schmalzer said he is a former Board member, and is no longer a resident of the Valley, but still owns land here. He said up until the mid-2000s there were two grader crews (four employees), so all the money that came in was spent on salaries and if there was any money left, they might have bought some equipment. They did not spend any money on oil, or on aggregate. When the economic downturn hit, the Board decided to cut back to one grader crew (a grader operator and a water truck driver). Then they started using Durablend which is a magnesium chloride with a [polymer] in it. They were putting it down as a dust stabilizer on the main roads with the idea that it would decrease the demand for frequent grading and watering and free up the crew's time to take care of the smaller roads. That is the start of where they are today. When Larry and he got on the Board, and because the economy was picking up, there was a little extra money left over that they were able to start to look at some strategic ways to spend that money. He then referred to the handout that Larry put together that showed the history of the improvement projects (see attachment). He said they started in 2011 and did a small project for \$60,000 that improved about a mile of roadway. Some of that money came from reserves and some came from not doing the Durablend on that one mile of road. The idea was to spend money as a surrogate for having that second grader crew. If instead of doing that one mile for \$60,000, we did a tenth of a mile of high quality paving for that \$60,000, that's nine-tenths of a mile that they would still have to grade. If you think about that on a larger scale, if you gold-plate the road, the rest of the network is going to fall apart, and those main roads are getting an awful lot of traffic and a huge demand for grading if they don't have a surface on them. If you look at the money that's available for capital improvements, \$250,000; for two heavy equipment operators, PERS retirement, healthcare, that's \$250,000, that's your second grader crew. The way he likes to think about it is that that capital improvement budget is like a ghost grader crew. You have to plan your seal program with that in mind.

Donald Otto asked if the plan this coming year is to put this same type of coating on the strip of Amy between Ironwood and Wilcox and then Wilcox all the way down to Quaking Aspen?

Larry Johnson replied, correct and if possible, a half mile section on Right Hand Canyon.

Mr. Otto said we're taking money away from grading roads and hopefully putting a permanent patch on something. We're doing a test on these roads with this product we're putting down and we're hoping it will last; do we know it's going to make it? Are we shooting ourselves in the foot by putting so much of this stuff down and eating up general money for other road maintenance; if it doesn't work, what do we do with all of this roadway with all of this hard surface on it and how do we fix that? Can't we take that money and utilize it for other stuff or put additional layers on what's already been done? Saving the money and making sure what we're doing on Ironwood and these other places is going to make it?

Larry said these seal coats, when put on a paved asphalt surface, have a performance life of five years, which means after five years you are going to come back and do it again. When you put it on soil, as we have experimented with, you only get three years. As to whether it works or not, it obviously works.

Mr. Otto said he sees it alligatored all over.

Larry said if that was an asphalt pavement with the same alligator cracking, it would cost \$6.00 a square foot to patch it.

Mr. Otto said that wasn't the question he was asking.

Larry said if you polled this Valley and you asked them would you rather drive on ...

Mr. Otto interjected and said we already know what the answer would be.

Larry agreed and said yes we know that people would much rather get out of the mud and get out of the dust.

Mr. Otto said he knows; he loves Ironwood.

Larry said there is going to be some annual maintenance and as you have seen for the past couple of years we have embarked on that maintenance program. We have patched Whiskey Springs, Range Land, Axe Handle and Ironwood, and that will continue. So, to answer your question to me, you're damn right it's worth it.

Mr. Otto asked what happens if it starts failing big time; where all of this alligatoring is and the water is going through it and the grade underneath it is deteriorating?

Larry said you see localized areas of failure where the material needs to be removed and an asphalt patch placed there.

Mr. Otto said he sees a lot of it.

Larry agreed that across from the wild horse corrals and through the first curve there is a lot of it. Perhaps we need to improve drainage there, perhaps we need to do something different in that segment. He addressed Jim Currivan and said we just drove three and a half miles of Axe Handle and asked how the people like it?

Jim Currivan said they love it and it's performing well.

Zach Rhodes asked how would those people like if they knew, according to this improvement summary sheet, it costs between \$3 per linear foot on up to \$17 per linear foot?

Larry said you don't see a \$17 per lineal foot on there.

Mr. Rhodes said it cost \$45,000 to do a half mile on Whiskey Springs and that comes out to \$17 per linear foot.

Larry said that was a completely different product.

Peter Schmalzer said that was an experiment that didn't work too terribly well.

Mr. Rhodes said that was a costly experiment to all of us and he hates that portion of the road. If you hit that going any more than 25/30, it will about roll your truck off the road.

Mr. Schmalzer said if you look at 2011, that section of Whiskey Springs that is adjacent to the section Mr. Rhodes is referring to, we had to pulverize that and that was not

cheap either; we had to bring in a pulverizer and then chipped over top of it. The other experiment we tried that year was on the lower portion of Axe Handle. These were ways to try and fix the old asphalt pavement that was busted and broken and so what do you do with it to make it smooth. We tried three different things: 1) Pulverize and chip seal over the top - that worked well, but it was expensive, 2) Spread decomposed granite over the top of it to smooth it and then chip seal over that, which actually worked, and 3) Grader patch with a cold mix; that was limited by the capability of the grader operator to put it down smoothly. Larry added and the delivery of the loads. Mr. Schmalzer said you can say it's an expensive waste of money, but compared to actually doing it right, it was incredibly cheap.

Larry said we selected that segment simply because the pavement was blocking out in polygons and causing huge potholes. We chose these segments to start on that were the worst pieces. Now, that segment of Whiskey Springs is unacceptably rough, period. He said he has placed blade-laid cold mix on other projects where it came out very, very well, such as the Hilton, now the Grand Sierra, parking lots where they asked him to do something to get them through one more winter. And when he did that, it lasted five years. We don't make this stuff up, it didn't go well, but ...

Mr. Rhodes interjected and said this isn't about tooting your own horn; we're having a public workshop here.

Larry said no it is not, but he was giving Mr. Rhodes background that he hoped Mr. Rhodes would accept.

Mr. Rhodes said he accepts that, but the point is ... he doesn't profess to be an expert blade operator or having done road construction or anything of that matter, but he has his own business, and he does have to choose how he spends his finances, expenses, income, stuff like that and he works for people who have to pay for his services. When someone wants something done from him, they want it done right the first time. He sees they were trying to experiment and figure something out, but a \$45,000 experiment is ridiculous.

Larry said it's not ridiculous, sir.

Mr. Rhodes continued and said another thing was past where the cold mix was dropped on Whiskey Springs, they chip sealed over the top of an old chip seal with the potholes in it and there was a section on Ironwood where you just dropped the chip seal over top of the washboard and somebody told me it was self-leveling, but I think that's just asinine to just dump chip seal over potholes; now we have permanent potholes and permanent washboard in certain roads. You keep telling me it's supposed to last two and a half or three years, but I'm seeing in some places on this report where we have resealed it every year.

Larry asked which ones?

Mr. Rhodes said Ironwood from Pyramid east one mile was done two years in a row.

Larry said the first year was done with a chip seal and when we did our condition survey the next spring, we saw excessive wear, so we came over the top of it with a slurry seal which if done at the same time would have cost twice as much, but it forms the Cape Seal we now put down together as one process.

Mr. Schmalzer said on that first round we put down a single chip seal on those dirt sections and found that that was problematic and the second layer [slurry seal] was needed and we also got more life out of it.

Mr. Otto asked again what happens if this product on Ironwood [fails] and we can't handle it?

Larry said you'll see it in a year and we'll do something different with it if that happens.

Mr. Otto asked are we going to get an asphalt grinder in there and grind it, or are we just going to blade it off the side of the road; what are we going to do with this product if it fails? He asked Marty Breitmeyer if he had any ideas?

Marty said he doesn't see any massive failure out there. He said he sees us spending pennies instead of gold bricks.

Mr. Otto then asked Marty if he thought we should continue and put this down on Wilcox Ranch?

Marty replied yes because how many times has that section of road been graded already this year; ten or twelve times? He said if that is surfaced, the time spent grading that section can be spent elsewhere.

Mr. Otto said that sounds good, but one point he wanted to make was that last January when we had the flood, we had a lot of water come down and across Wilcox Ranch and that road was totaled out in a lot of places.

Larry interjected just like Ironwood, a total alluvial fan/sheet flow across it, same situation, identical.

Mr. Otto disagreed and said he repaired both roads and it wasn't the same. He said he was afraid if we put the seal on Wilcox and we get another flood, that it will make it hard to repair it because it will have a hard surface on it.

Greg Dennis said he had a question for everyone here. He said it was really cool what they did with the experiments, but what if we did nothing, he remembers the days when the Health Department was on us because of the dust. People were actually suing other people because of the dust. We had two crews still, but it still wasn't working because we couldn't come up with a product that would mitigate the dust, the corrugations, and those sorts of things. So far this experiment has proven ... you can get down Ironwood without having to be a hundred yards behind somebody because they're going kick up rocks. Where do we go from here that would be better? If you can figure something out, he's all ears. We don't have a lot of money to work with.

Marty said to put it in perspective, asphalt, at the plant before it even goes on a truck, is \$140 per ton. He said Greg is correct about the Health Department coming after us for not maintaining the dust codes.

Larry added that is why past Boards went to mag chloride and Durablend (a polymerized mag chloride) as a dust palliative to escape that, but guess what, then we get an equal number of hate calls and people showing up saying this road gets slick when it gets wet and it corrodes my aluminum horse trailer; we don't want that stuff out here, ever.

Marty said for people with horse corrals that kick up too much dust, Washoe County can come write you a ticket for that as well.

Mr. Otto asked Marty again what do we do if those roads fail?

Larry answered Mr. Otto that those roads have performance records on them for the past six years and they have not failed.

Mr. Otto said then he's done with that subject.

Larry said when you have a product with a projected performance life of three years and we have been able to maintain it for six years, that's proof that it works.

Mr. Otto said but if you keep adding on, will you be able to maintain it?

Greg Dennis said Mr. Otto had a good point, but what's the alternative?

Mr. Otto said then he would say we just have to blade it twelve times a year.

Larry clarified that with each additional layer, you are increasing the thickness and durability of that surface and the time period between resurfacing will increase; maybe as long as five years.

Tricia Johnson said the Durablend that was previously used made travelling down Ironwood very difficult when it was wet. That product would pothole and was so hard they could barely grade it. So there's more than one side of this that some of you haven't seen. Some of this is a whole lot better.

Marty said that is the other downside, in the summertime when the Durablend dried out, you could not grade it; you couldn't even rip it. It does its job and holds the road together, but you'll never fill a pothole in it.

Cydney Harding said maybe she's from the ice age, but she would like to see it back the way it was, because the more you pave the more people will come out and she never complained about the dust; she would like to see the lawsuits. What about two full time grading crews that are capable of maintaining the roads that work eight hours a day instead of all the money putting surfacing on these roads?

Larry said perhaps that is something we should consider and to help us with our decision he thought we need to do a poll in the Valley: Would you rather drive on a Cape Seal, asphalt surface or would you rather drive on a dirt road that is graded more often.

Ms. Harding said we're outnumbered now. If the roads were not paved they wouldn't be out here; they don't want to live on dirt roads.

Mr. Otto said there's no question on how that poll would turn out.

Larry agreed, and so did Ms. Harding. Larry asked Ms. Harding why then is she asking the Board to consider this? Ms. Harding said why wasn't it considered before? Greg Dennis said it was considered, but the dust was so bad, something had to be done. Ms. Harding asked if people who were living out here a long time were complaining about the dust? Larry and Greg said yes.

Cathy Glatthar said she thought Whiskey Springs was a perfect example of how people reacted to having old, broken up, terribly degraded asphalt torn out; they had a fit. She said Louie was probably here when that happened.

Louie Test said they were threatening lawsuits because the Board was destroying public property.

Larry said that was people who were here in the 1990s.

Mr. Schmalzer said you have the dust, but you also have the mud in the winter and the school buses have trouble and that has been brought up a lot.

Marty said there are State statutes and Federal laws that go along with the school buses and you have to maintain certain standards for access; it goes back to the No Child Left Behind Act. He said he learned about those standards because he has kids in school.

Larry said we have been asked to provide school bus access in places that are insane to take school buses.

Marty said they asked the school district to have the bus meet them at Quaking Aspen and Wilcox Ranch and they refused and forced the bus to go all the way to Goodher, because State law dictates that they go within a mile of every child that is picked up.

Larry said they asked the school district to use mini buses that are more suitable for these roads and they refused because State and Federal laws say they must use full-size school buses for distance travel.

Larry said he sympathizes with a lot that is being said. We need to grade our dirt roads better.

Ms. Harding asked why that has not been happening?

Larry said because of a couple of things. The Board has directed our maintenance supervisor to do that.

Greg Dennis said we had the flood in January, and we had to fix it all and had to get special projects going because we didn't have the funds, and we had to get things done so people had access.

Ms. Harding said she stood on the side of Ironwood Road and took a picture of a fence post below her; that's a problem.

Larry said he didn't know where she was talking about and he would have to look at that specific spot. He then asked Ms. Harding if she has driven Pasture View and if so, does she like it?

Ms. Harding said she drove it today and it's better, but let's see what happens when it rains.

Larry said when it rains it's going to get wet and depending on soil types some of it may rut, some of it may pack down if it's granular, and everything in between, and it may need regrading afterwards. The swales and the areas behind the swales, those were graded in accordance with our direction to our maintenance manager. Amy between Ironwood and Wilcox Ranch, same scenario. Crazy Horse, same scenario. Yellow Tail, same scenario. We're picking them off when we can, however, you have to understand that that grading takes more time, depending particularly on the skill and the willingness of the operator. So, when we are inundated with maintenance requests, and we have all of these roads that need to be graded, we don't have time to build that perfect cross section on all of these roads. We will get there. We previously had a discussion on FEMA reimbursement, and if we receive that money he proposes that we put on an additional grader operator or some version of that, to where we can speed up this process. He wants to see all of the roads that way.

Ms. Harding said she does too, but wants to know why they got where they are?

Larry said he thinks they got that way because of inadequate direction.

Mr. Rhodes said we moved out here ten years ago and Pasture View has steadily gotten narrower and narrower; the shoulders grew over with sage brush, now that's been fixed and we have that shoulder again, but why did it take ten years, why did it go this far and take this long to fix it?

Larry said it should never have happened.

Marty said you are talking to people who have sat on this Board for only two or three years and these conditions happened five or six years before he considered sitting on this Board. He said he's lived out here since he was eight or nine years old.

Mr. Otto said he's seeing things going on right now, within the last month or two. He said he's complained about the same stuff in the past and it's still going on: slopes not laid back up, a grader operator that fills some of the bar ditches back in, on Range Land there are fresh windrows on both sides, and this stuff is still going on. Last summer when he brought up windrows on Amy and Wilcox Ranch, Jim denied it.

Marty said right now we are doing those roads and with time constraints we have to keep up with maintenance requests and Larry has explained we are doing them but we have to keep up with the requests; it will take time.

Mr. Otto wanted to know why there are fresh windrows?

Larry said they should not be there.

Mr. Otto said we have an operator with some bad habits. He does not think the operator will change; he overlooks things. He said go to the bottom of the steep hill on Ironwood; there's a creek bed there and you should go over there and look how that's been handled. It's a mess, on the northeast side of that crossing there's a pile of dirt in there that should be removed. Why do we have high points at the top of road crests; it's bad planning by the operator. These are common sense things and he hopes that these projects are going to fix these common sense things. He said he has 15,000 hours in a motorgrader and he can run rings around him speed-wise. He said he's not saying he's the only one who can do that; there are plenty of blade men around that could work faster than him; grab another gear, start earlier in the morning. He said he thought we could produce a lot more and suggested they replace Jim [Hicks], and said if you need to replace the water truck driver to get another grader operator, than do it. He asked if anyone else felt like him? Three other audience members raised their hands.

Greg Dennis said one of the things that happened since the 97 flood, the alluvial fan areas have piles of dirt left there. When we went to the two-man crew and spent the money on the Cape Seal for the higher traffic areas, it's worked, but you see all the past problems that have been exacerbated by doing nothing, how do we fix that? We did a good look at that two or three months ago by giving black and white instructions on how we wanted roads graded. The problem still has been that we have had so many special projects that have cut into the time needed on all the other roads. Now how do we deal with picking up on 13 years of problems and keeping the Cape Seal roads working; which is very important, or getting a second crew that will take away from the Cape Seal, so the juggling will go on until one of these days we get more money.

Larry said the special projects are handling the problems such as school buses trying to get up the Wilcox Ranch hill, so they placed gravel on it; things like we stuck four fire trucks on Quaking Aspen, so we graveled sections of that; things like the traffic last year going up the mountain to the communications towers tore the road up, so gravel was put there; things like putting a culvert across upper Piute canyon so the water doesn't come up over the road every time it rains; things like putting another culvert on the right angle corner on Yellow Tail because a pond covered half the road there for three or four months; on and on and on. We identify these things and we pick them off one at a time, but we only have two guys and we only have so much money.

Mr. Otto said you made a good point there.

Larry said those are the special projects Greg was talking about and they take away from the grading of the rest of the roads. He said he wished they could go out there tomorrow and make every road look like Pasture View, but that's not going to happen. When we get the projected FEMA money he wants to put on an additional operator and wants to play catch up. We have 45 roads and have gotten five done; we have a long way to go, but with a little bit of budget, we could do this. We can fix the extension of Range Land that gets under water every time we have a major storm; we can fix the low point on Peak where the water jumps the road; we can fix Big Dog where every flash flood wipes it out. The engineering solutions are the easy part.

Mr. Otto said that's not going to speed him [Jim Hicks] up. He knows they did a nice job on Quaking Aspen by putting all that base on there, but it took three days and if a Q & D blade man was up there and only requested two trucks, two singles to haul him base ...

Larry interjected and said that was not remotely correct because that base was placed as fast as those trucks could cycle; those trucks never sat waiting.

Mr. Otto said that's not what he was saying; that if Q & D did that job they would have allowed four or five trucks.

Marty said he remembers getting the trucks for that project and those were the only two trucks he could get and that was using his dispatching through Q & D and his dispatcher had access to Harco, SRT, NVW - five or six trucking outfits - and LST and that's what we had; they were booked out; they were doing jobs that paid more money.

Larry said they requested triples, but the drivers refused.

Marty said the trucking company refused.

Larry commended Mr. Otto for taking it upon himself to make things better in the Valley.

Ms. Harding said her solution to part of this problem is ... and she said she could not sit there like your operator is sitting there without speaking up and defending myself ...

Greg Dennis spoke up and said it is not his responsibility to answer to you; he answers to us.

Ms. Harding continued and said if you are going to make the pass, do it right. Don't block off the drainage ditches; clean that up.

Mr. Rhodes said he keeps hearing it should be and it should have been done like that. He personally feels like it is just now being addressed; some things he would like to see done differently. The other day he saw two GID employees in a truck to go into town to pick up lubricants; that's a misuse of funds. Another thing, when it's 120 degrees outside, why are we watering the road and blading the road at 1:00 in the afternoon? That seems to be redundant, the water is evaporating as fast as it's being put down on the road. Another thing, after we get weather why are we not using the rain and weather to our advantage?

Larry said they do. Mr. Rhodes said he's never seen the blade operator out there after it rains. Larry said maybe not on your road, but they are there; he said he harps on Jim that they are to be out grading the roads as soon as the moisture allows. Mr. Rhodes interjected wouldn't it be better to have two blade operators out there instead of having one that refuses? Larry agreed.

Larry asked Jim Hicks to address Mr. Rhodes' allegation about two guys in the pick up going to town.

Jim Hicks explained Dan had worked on the Freightliner truck and he needed parts for it. He said they do not have an account with Freightliner, so they had to go to town together so he could write the check. Mr. Otto asked if Dan could have stayed back and do something in the yard? Jim said Dan was the one who took the truck apart and it's a good thing Dan was there because the part wasn't available and Dan had to choose a substitute part and make sure it would work.

Larry added that it is a subject that has been addressed in the past and the Board has given direction to Jim on.

Marty said there has not been an illegitimate reason since that direction was given; that Jim has worked hard at not doing that, and he said he will stick up for Jim on this 100%.

Marty said while we're on the subject, some have said to just find another operator; he's the cheapest one you will find. He said every blade hand at Q & D makes 40 grand more than Jim does and Jim's position is also supervisor; most who are supervisor/foreman/operators are paid \$95k to \$110k per year.

Mr. Otto disagreed and said he's a finish operator and he only gets \$28 an hour.

Marty added that if that's the direction this goes in, there's a very small pool to pull from right now.

Larry agreed that the labor market is tight right now and we will probably have to pay more money.

Greg said to give you an idea of how busy things are right now, the City of Reno has the lowest housing inventory on record; the labor market is tight.

Mr. Rhodes said there is a blade operator building a house on Ironwood and he is moving over here from California and he told the man about grader operator pay at \$60,000 to \$80,000 and the man said that was great money and he would kill to have that job.

Marty said he was just trying to give a bit of perspective. He said he didn't feel that there was a whole lot of disagreement between what the residents were saying and what the Board was saying. He said he's on the Board only because Larry begged him to be; he has not run for the position; he's volunteered for this and he still has to file all the reports as if he ran for the Governor. He said this is not done on a whim; he's been with Q & D since he was 17, going on 22 years.

Ms. Harding said she appreciates the Board members.

Larry said he's the retired president of the largest geotechnical engineering company in the north.

Ms. Harding said she understands the situation; there's no money and there's a lot of projects, but if you are going to have someone doing the work, they need to know what they are doing.

Marty said they are striving to put standards in place; that Larry has created standards where standards did not exist.

Mr. Rhodes asked on this Board, is there a committee, or may I suggest you set up a committee where you guys go out and look at this stuff, because driveways are getting

missed and he sees on Pasture View Road where you blade right in front of the driveway and leave a dip. Maybe you guys aren't seeing it.

Larry said when that happens at his driveway, he gets out there with his McLeod and fixes it and makes sure his two culvert inlets are clear.

Mr. Otto said when he bladed, he cleared out the culverts and that's what should be done.

Larry agreed. He said the people on this Board give and give; he's put in hundreds of hours into this for not a dime and he gets an email that says white garbage bags were dumped by the Ironwood well site and would the GID go pick them up. For the time it took somebody to write that email they could have picked them up. We got another email that said there are weeds growing up in front of the signs where the meeting notices are posted and could the GID go out there and remove those weeds; he said he went out there and removed the weeds.

Mr. Otto said Jim Hicks has a "cake" job for being a blade man; he said he understands Jim has reports to do, but Jim can set his own pace during the day, and he doesn't have a foreman standing over him like these \$40 an hour guys do in town. He said it's wide open for Jim and his assistant.

Greg Dennis asked Mr. Otto if he would oversee the Washoe County graders the next time they come out and do Winnemucca Ranch Road? He said they spend a week out there grading, and it's only a mile and a half. [Note: During approval of minutes at the March 8, 2018 meeting, Mr. Dennis requested clarification that this remark was made to show that while the GID has many miles of roads to do a week, the County can lavishly spend lots of time just making one road "pretty."]

Larry addressed Mr. Otto and said he hears him and thinks they have a significant disagreement on the worth of Cape Sealing the roads and keeping people out of the mud and the dust. He said we will have that discussion at the next Board meeting.

Ms. Harding said some people are tougher than others.

Larry said he thought they had significant agreement on how roads should be graded, how drainage should be accomplished, how things need to be done and he proposed to address that.

Mr. Rhodes thanked each and everyone of the Board members for volunteering for this position. He said he appreciated them for having this public workshop and he knows things might get heated at times, but there is no malice meant.

Marty said they do appreciate the input and for you coming out and having something to say, because 90% of these meetings, no one shows up. People don't care anymore.

Larry thanked everyone for coming out and giving of their time and input.

[The Workshop ended at 8:50 p.m.]

7. Old Business:

a. Update on LW Land Company's Grass Valley Road Tentative Parcel Maps:

Larry Johnson explained Greg Dennis went to the Parcel Map Review Committee (PMRC) meeting and over Greg's objections, the parcel maps were approved. It then became a question of clarification of the conditions of approval. Louie and Cathy interpreted the conditions to require the developer to pave the road all the way to the Pyramid Highway. He said he talked with Louie, Community Development,

and the County engineer who wrote those conditions and received conflicting stories; the guy in Planning said yes he would interpret it that the developer had to pave the road all the way to the Pyramid Highway, but the Planner said he was not the final authority, that was engineering. Engineering said what they would enforce was the developer being required to pave roads, to County standards, out to either Ironwood or Whiskey Springs. He said once they get to Ironwood or Whiskey Springs then the condition he wrote would take effect which said a condition survey would be done before, and an annual survey would be done and we would assess the developer for mitigation costs; the developer has to meet with us to designate haul routes and we will be responsible for our own roads, but they will reimburse us for repair costs. He explained he included in the condition that that reimbursement would occur before any issuance of certificates of occupancy. He said there is another clause that they have to set up a homeowners association and come up with a reserve fund to repair their paved roads that extend out to Whiskey Springs or Ironwood. He said he explained to the engineer that we have no teeth, nothing to hold the developer to these conditions. The developer could just ignore us and do what the other smaller developers like George Newell and do nothing, when they were supposed to pave Broken Spur or pay the County enough money to then have the GID contract to have Broken Spur paved to County standards. They were also required to form a homeowners association to collect fees for the eventual replacement of that road. He asked the County engineer for a guarantee that the County would hold the developer to that condition; the County engineer was supposed to contact the District Attorney who was supposed to put that in writing and email it to us before the meeting. Cathy Glatthar stated we did not receive an email from Washoe County.

In response to the question of when the deadline is to file an appeal of the PMRC's decision, Cathy read from the Action Order:

"If no appeals have been filed within 10 calendar days from the Mailing/Filing Date shown on this Action Order ..."

Louie Test said the Mailing/Filing Date is February 12th, so we have until Thursday, February 22nd to file an appeal.

Larry said without that guarantee that we will be protected, he said, in his opinion, we don't have any choice except to file an appeal.

With Larry's okay, Cathy read engineering's condition "ff" as follows:

"A paved access road meeting the requirements of Washoe County Development Code from the proposed parcels to either Whiskey Springs Road or Ironwood [Road] or other existing paved roadway maintained by Palomino Valley GID shall be constructed to Washoe County Standards to the satisfaction of the Washoe County Engineer."

Cathy said none of our roads are "paved."

Larry said he discussed that specifically with the County engineer and the County engineer said they do not have a definition of paved roads; you have asphalt surfaced roads and at that point that's what we consider.

Larry said he did discuss with the County engineer the special plan and the entire plan needs to be redone. He said he's not at liberty to divulge, but he believes there are things in the works that may solve this issue.

Greg said he had a planner come up to him and publically tell him they have a new developer coming in and looking at this.

Louie Test said his legal analysis is as follows: Based upon what he got from the chief planner, the first part of the approval says, "When conditions required by different agencies address the same topic, the more stringent standards shall be required." He said in the comment that was just made by Cathy, was a more stringent requirement than our requirement is. Our requirement is the one we presented back in September before we knew all the SPA paving requirements were going to be reinstated because the funds that were established were going to be refunded because they were ruled to be impact fees. He said Mr. Pelham's response was the same as he thought it should be, is that the more stringent provisions will prevail, and the more stringent provision says pavement to a paved road. He said however, when you look at the law, section 103, (paraphrasing) subdivision requirements shall be imposed unless the PMRC makes findings that they don't have to be, so we're kind of in a no man's land, because he thought it was quite clear that the more stringent would require them to pave to the next paved road [which would be Pyramid Highway].

Larry said the County engineer says they have no definition of paved road, and the GID's Cape sealed road is interpreted as a paved road.

Cathy said the developer has three access options and the shortest one would be to pave Grass Valley south to Sharrock and Sharrock east to Broken Spur.

Larry said he also spoke with the County engineer about the Murphy brothers' request for reimbursement for the Cape seal they put down along Broken Spur, Sharrock, and Amy. He said we wrote a letter supporting that reimbursement, but construction traffic has damaged those roads and you're going to give him his money back? He said if that was a County subdivision, County engineering staff would go out and make an inspection and make the developer fix any damage before releasing any bonds.

Louie said he agreed with everyone, that we need to file an appeal, unless we get something from Nate [Deputy District Attorney] that clarifies that the County will enforce this condition and they will not issue any C of Os until we sign off.

Greg said his thinking on the SPA, the way he understood it because he was the only no vote back in 1990 or 1991, they were going to create a special plan area with spine roads to Pyramid Highway, they had their own roads their own infrastructure, and so forth, this is an entirely different intent the County has imposed on us as a result of one or two developers who decided to use an old SPA set up that was designed 30 years ago for their intent to do serial parceling of land and avoid subdivisions. The County and engineering staff and planning staff are concurrently working with the developer to allow him to do that. It was obvious at that meeting that that was the implication. He said with the serial parceling, we are seeing 15 lots out of this one parcel; we see a lot of issues in this GID right now with just 40-acre parcels. When we get to a point where there are more people in the SPA because of serial parceling than there are in the total District, we are going to have an unworkable situation. There's no way we'll be able to keep those roads up with any amount of traffic like that. Everyone outside of the SPA will be lucky to get their road bladed twice a year; the control will be within the SPA. He said he felt it was an

issue for the County to address because we are a GID set up to take care of dirt roads; we are not in the business of the SPA maintenance. In the meeting, they wanted the GID to take care of the homeowners association and Greg told them no; the GID would not accept those responsibilities. We have a bigger problem, that if we don't solve real soon, he didn't see any end to the problems this GID is ever going to be able to solve. They are taking the repair and replacement and putting it on a homeowners association so the County doesn't have to tax or come up with any money for repair and replacement, yet every other road in the County is on repair and replacement.

Cathy said another problem is these homeowners associations were not set up and therefore no money has been collected.

Marty said they are using the homeowners association as a backdoor way of getting this done, but they never created them.

Cathy added the County did not enforce it.

Greg said how do we deal with this? That's why he talked about going to the Attorney General's office ...

Louie interjected and said the Attorney General's office is going to say the statute says the County "may" impose subdivision regulations; they are shifting the responsibility to the County.

Larry said he thought they needed to initiate a meeting with the County Manager and then make a presentation to the full County Commission.

Louie asked if the appeal goes to the County Commissioners? Greg said he thought it does.

Larry said he would call the County engineer tomorrow and Louie will call Nate and we'll either get a letter or we'll file an appeal.

Cathy read the following from the Action Order: "If no appeals have been filed ... the approval by the Washoe County Parcel Map Review Committee is final." and "If filed, an appeal stays any further action on the decision until final resolution of the appeal. An appeal shall be filed in accordance with the provisions found in Article 912 of the Washoe County Development Code."

Larry said what if we get this letter on Monday; do we file an appeal or not?

Louie said what we would be asking them to do is basically say ... there are two different issues; we're talking about a parcel map and not the big issue Greg is talking about. The burden that is being placed upon us because the most they can do is say you will pave to the Highway. The issue Greg is talking about is with other subdividers coming in and doing that. What the legal problem is, that he has already talked to Nate about, the County cannot put overburdening provisions as a condition that is not proportionate with the revenue they will be receiving; they have 15 lots and they can't legally say the developer has to put in a sewer system for 15 lots that's going to serve 2500 homes; the amount they can require from the developer has to be proportionate to the amount of impact they are going to have.

Jim Currivan said he has seen a situation where they have a caution; that it is 15 lots now but it may be more in the future and a higher standard would take effect and planning can do that.

Larry said to pave to Pyramid Highway would cost \$1.5 to \$2 million; in his opinion, they will consider that unreasonable. At the same time, the master developer who is looking at the rest of the SPA, is going to pave Whiskey Springs from Pyramid Highway to Grass Valley.

Louie said that gets back to what Greg was concerned about, that if someone comes in and does that, then we won't have to worry about paving, we won't have to worry about anything on Whiskey Springs because the County will accept that and they will take over maintenance.

Greg said no they won't.

Larry said in the special plan that maintenance goes to the GID.

Marty said this becomes an overburdening placed on the GID and that's no different than the overburdening not allowed to be placed on the developer.

Larry said that is why the presentation to the County Commission needs to state if you want this stuff in the special plan, than you accept dedication of these streets that are paved to your standards for future maintenance.

Louie added because the homeowners association is not going to do it.

Marty Breitmeyer made a motion to appeal the parcel maps. Jim Currivan seconded the motion and hearing no opposition, the motion passed.

Louie Test will file the appeal.

Greg said they are not collecting sufficient funds to pave the roads to the Highway; this is damaging us.

Louie said that has nothing to do with this issue; the parcel maps. He said Greg was talking about the fallacies of the special plan which has to be abolished. He said he doesn't know why the County, in his opinion, hasn't taken the position that this guy didn't come in, he didn't perform, the money going into the funds is not going to take care of the improvements that have to be made out there (not just the roads, all the infrastructure). The SPA should be gone!

Larry said the reason they don't do that is because the special plan created the ability for all these tiny lots and once it's approved, if the County does away with it, it could be ruled a taking and the County could be on the hook for a lot of money.

Louie said they could do that provided it is through a regulatory action, and he said he thought they could demonstrate, because of everything in the SPA that won't be fulfilled, they can do the rezoning. He said someone could challenge it in court, but that the County could win because the plan was defective. He said that doesn't address our issue. One of our arguments is that they didn't make any specific findings as to why they shouldn't have required the paving to the road; he did not see any findings in the record as to why this is not required.

- b. Request for Review by Nevada Attorney General Regarding Serial Parceling:** Larry Johnson said we are not going to request a review because the law says "may". Greg Dennis agreed.
- c. Washoe County Proposed Refund of SPA Developer Fees:** Larry Johnson said he didn't believe there is an update on this matter. Cathy Glatthar commented that this was what Walter West [Washoe County engineer] referred to when he would not

remove the condition about having the developer provide paved access. Cathy then read Mr. West's remarks as follows:

"Mr. Gilles would like to add language to the condition to waive the requirement of constructing asphalt paved roadways with collection of fees to cover future roadway paving. It is my understanding that Washoe County has determined to no longer waive the construction of paved roadways since recent court actions have directed Washoe County to refund previously collected roadway and other improvement fees."

Larry said it means that the developer has to build paved roads to either Ironwood or Whiskey Springs. He added that he put two calls in to Walt West saying that condition was messed up because neither Ironwood or Whiskey Springs are truly paved.

d. Contracting for Materials and Hauling: Larry Johnson said it's getting late and we did not need to discuss this until next time.

8. New Business:

a. Repairs to Developer-placed Cape Seals: Larry Johnson said he has discussed with the County engineer that we need assistance and how to put teeth into any development agreement to do so.

b. Consider Replacing Water Truck Driver: Larry Johnson suggested putting this off; he has another suggestion that will come under item number 13 [below].

c. Rescheduling the May Budget Hearing Meeting: Cathy Glatthar explained the budget hearing has to be held between the 21st and 31st of May, but the third Thursday in May is the 17th. She suggested rescheduling our May meeting to the fourth Thursday in May, the 24th. The Board agreed.

9. Judicial/Government Affairs:

a. Poundstone Culverts: Larry Johnson said his email to the Poundstones stated they are responsible for maintenance of their own culverts. Louie Test agreed.

10. Calendar Review: Cathy Glatthar reviewed the upcoming items:

- The signing of the tentative budget will be on next month's agenda

11. Correspondence:

None

12. Public Comment: Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

13. Board Member and Staff Items:

- Larry Johnson said in light of the last two Board meetings and again tonight, he thought we needed to have a personnel session. He asked Louie Test how that had to be handled. Louie said they have to be closed sessions, and you have to notify the employees of the meeting. Larry said he wanted to have personnel sessions for both Dan Schaufus and Jim Hicks. Cathy Glatthar said closed sessions are usually held prior to the regular meeting and asked when they wanted to start? Larry said two hours ahead at 4:00. Cathy suggested they combine the emergency meeting to discuss the dump truck and the roller with these personnel sessions. Larry

suggested Thursday, March 8th at 4:00, and he said he would like to see everybody present. Cathy clarified that we would forgo the regular meeting on the 15th and just have one meeting on the 8th starting with the two closed sessions and then going into the open session starting at 6:00. The Board members agreed.

14. **Adjournment:** Marty Breitmeyer made a motion to adjourn the meeting. Greg Dennis seconded the motion, and hearing no opposition, the meeting adjourned at 9:30 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ February 15, 2018

Total of all Bank Accounts:

Balance@ February 15, 2018 - Money Market - #5010	211,767.80
Balance@ February 15, 2018- Savings - #4658	2,000.90
Balance@ February 15, 2018 - PR/Petty Csh - #4430	17,000.00
Balance@ February 15, 2018 - General Ckng - #4179	273.34
<i>Total Cash IN All Accounts</i>	<u>231,042.04</u>

WELLS FARGO-ALMOST CD #5010

Balance'@ January 18, 2018 181,482.94

Income for the Month

Consolidated Tax	28,301.33	
Ad Valorem	49,382.21	
LGTA	0.00	
Total Income	<u>77,683.54</u>	77,688.61
Interest Income	5.07	

Transfer to Wells Fargo #4430	(15,703.75)
Transfer to Wells Fargo #4658	0.00
Transfer to Wells Fargo #4179	(31,700.00)

Balance'@ February 15, 2018 211,767.80

WELLS FARGO-SAVINGS #4658

Balance'@ January 18, 2018 2,000.85

Transfer from Wells Fargo #5010	0.00
Transfer to Wells Fargo #4179	0.00
Interest Income	0.05

Balance'@ February 15, 2018 2,000.90

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@ January 18, 2018 17,000.00

Transfer from Wells Fargo #5010	15,703.75	Deposit	15,703.75
Net Payroll	9,407.29	Net Payroll	
Wells Fargo - 941 Pmt	EFTPS 1,992.44	Mo. 941 deposit - January	
Wells Fargo - 941 Pmt	EFTPS 366.86	Mo. 941 deposit - January	
PERS	5760 2,845.41	PERS - January	
Public Agency Comp Trust	ECH 1,091.75	Qtrly Workman's Comp	

\$15,703.75

(\$15,703.75)

Balance'@ February 15, 2018 17,000.00

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @ February 15, 2018

NAME	CK #	DESCRIPTION	
<u>WELLS FARGO-GENERAL #4179</u>		Balance'@ January 18, 2018	72.31
Transfer from W.F.#5010	31,700.00		
			31,700.00
PUBLIC WORKS			
Alhambra & Sierra Springs	9355	23.18	Monthly Water
AT&T - Cell	9356	98.85	Cell Phone
Bruce Mackay Pump	9354	1,313.95	Trouble shot Wayside Pump
Cal-Nevada Towing	9357	375.00	Service Call
Catherine Glatthar	9358	1,559.67	Monthly Work
Dynamic Diesel	9359	2,664.51	Repairs on 2001 Ford F-450
Flyers Energy	9360	2,044.41	Fuel
Hoffman, Test	9361	435.00	Monthly Fee
Home Depot	9362	12.97	150W Bronze Quartz Mini Flood
Hose & Fittings, Etc	9363	16.88	Misc Fittings
Humana	9374	258.02	Health Insurance
Humana	9375	91.10	Health Insurance
Intermountain Supply Co	9364	194.00	Battery
K&B Transportation	9365	9,423.50	Trucking
Maureen Sidley	9376	388.00	Monthly Bookkeeping Work, Copies
Martin Marietta Materials	9373	10,238.76	Type 2 Aggregate Base
Napa	9367	320.79	Misc. auto parts
Nv Energy	9368	261.79	Office Utilities
Purcell Tire Co	9370	832.24	Misc Tire Repairs and service calls
Prominence Health	9369	784.66	Health Insurance
Sani Hut	9371	129.87	Monthly Charge
Waste Management	9372	31.82	Waste Removal
TOTAL		<u>31,498.97</u>	<u>(31,498.97)</u>
		Balance'@ February 15, 2018	<u><u>273.34</u></u>

PVGID OPERATIONS REPORT
Report Period 01-15-2018 to 02-09-2018

ATTACHMENT: 02/15/2018 Meeting Agenda Item 5. c.

ROADS GRADED:

Broken Spur
Roadrunner
Grey Van
Pasture View (S)
Peak (N-S)
Two Forty
Anniversary
Jackrabbit (S)
Curnow Canyon
Bacon Rind (S)
Bacon Rind (N)
Wilcox Ranch (Amy-Crazy Horse)
Amy (Ironwood-Wilcox Ranch)
Sage Flat

OTHER ROAD WORK:

Add material - Wilcox Ranch (Goodher-Mid)
Add material - Quaking Aspen
Add material - Turn on Yellow Tail
Reshape Roadbed and Ditches - Amy (Ironwood-Wilcox Ranch)

OTHER:

None

EQUIPMENT:

None

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
SUMMARY OF ROAD IMPROVEMENT PROJECTS
As of February 9, 2018

ATTACHMENT 02/15/2018 Meeting Agenda Item 6

YEAR	ROAD	SEGMENT	SCOPE	QTY - LF	COST
2011	Whiskey Springs	Near Broken Spur	Pulverize, Regrade, Prime Coat, Chip Seal, Fog Seal	3305	\$63,612
	Axe Handle	Pyramid Hwy to Bacon Rind		1990	
2012	Ironwood	Pyramid Hwy East 1 mile	Prime Coat, Chip Seal, Fog Seal	5280	\$170,031
	Whiskey Springs	4 Segments (worst deterioration)		4900	
	Axe Handle	3 Segments (upper portion)		4055	
	Range Land	Pyramid Hwy to Grey Van		4420	
2013	Axe Handle	Segment at 5200 Axe Handle	Cape Seal (Chip Seal and Slurry Seal)	925	\$93,007
	Ironwood	Pyramid Hwy East 1 mile	Slurry Seal	5280	
	Range Land	Pyramid Hwy to Grey Van	Slurry Seal	4420	
	Whiskey Springs	Pyramid Hwy East 2 miles	Cape Seal	10,560	
2014	Ironwood	1.4-mile Segment beginning 1 mile east of Pyramid Hwy	Otta Seal	7392	\$73,516
	Whiskey Springs	Segment from Amy Road to 0.5 mile ± NW	Cold Mix Material and Trucking	2640	\$45,045
2015	Ironwood	Segment from Amy Road to 2.6 miles West	Otta Seal	13,300	\$158,007
	Axe Handle	Segment from Bacon Rind to 0.45 mile East		2620	

LF = Linear Feet

SUMMARY OF ROAD IMPROVEMENT PROJECTS (Contd)

YEAR	ROAD	SEGMENT	SCOPE	QTY - LF	COST
2016	Right Hand Canyon	4 Segments (worst deterioration)	Micro Slurry Seal	2190	\$231,940
	Range Land	2013 Segment		4420	
	Whiskey Springs	2011, 2012, and 2013 Segments		18765	
	Ironwood	2012 and 2015 Segments		18580	
	Axe Handle	2011 and 2012 Segments		6045	
2017	Axe Handle	Remaining Untreated Segments	Cape Seal	7740	\$86,378
	Whiskey Springs	Segment from Amy Road to Right Hand Canyon		10,524	\$130,497
	Axe Handle	2017 Segment (Sharp Curves)	Double Application of Micro Slurry Seal	300	\$864
	Whiskey Springs	2017 Segment (Curves)		400	\$1,280
	Axe Handle	2015 Segment	Micro Slurry Seal	2620	\$7,546
	Ironwood	2014 Segment		7305	\$23,376

LF = Linear Feet

SPECIAL MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

PO BOX 615, SPARKS, NV 89432-0615

Thursday, March 8, 2018

MINUTES

Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 4:06 p.m. Thursday, March 8, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Marty Breitmeyer, Mitch Gerlinger, Greg Dennis, Jim Currivan, and Larry Johnson. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary (arrived at 6:00 p.m.); Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.
2. **Public Comment (limited to three minutes per speaker):**
Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.
3. **Retire to Closed Session:** Jim Currivan made a motion to go into a closed session, pursuant to NRS 241.030, to consider the professional competence and performance of employee Dan Schaufus and Operations Manager Jim Hicks. No action will be taken during the closed session. Marty Breitmeyer seconded the motion, and hearing no opposition, the Board went into the closed session.

Reconvene for the Open Session of the Special Meeting.

Larry Johnson reconvened the special meeting at 6:05 p.m.

1. **Roll Call:** Trustees present were Marty Breitmeyer, Mitch Gerlinger, Greg Dennis, Jim Currivan, and Larry Johnson. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.
2. **Public Comment:**
Donald Otto asked if any extra equipment in the yard that's not being used, could it be sold?
Marty Breitmeyer replied that he is working on appraising the equipment.
Larry Johnson stated the drum roller is needed on granular soils such as Bacon Rind.
Larry asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.
3. **Approval of Minutes – February 15, 2018:** Greg Dennis made a motion to approve the minutes with clarification on his comment about Washoe County's maintenance of Winnemucca Ranch Road. He said it was his comment about them having all the time in the world to only do a mile and a half to two miles of road, and his point was the GID does not have that kind of time with only two crew members. Jim Currivan seconded the motion. Hearing no opposition, the motion passed.
4. **Financial Reports and Payment of Bills:**
 - a. **Financial Reports:** Nothing to report.

- b. Payment of Bills:** Maureen Sidley explained since this meeting is so early in the month she had to estimate some of the regular bills. Marty Breitmeyer made a motion to pay the bills. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.

Larry Johnson commented that there was some patch material from Granite Construction; the patching got interrupted by some winter weather. He explained that we have a system of patching in the fall and then in the spring to repair winter damage; we had some good weather in February and started the spring patching. He added there was some additional payroll expense for the few days the patching took place.

- c. Tentative Budget for Fiscal Year 2018-2019:** Maureen Sidley stated the tentative budget she handed out is missing two pages because some statistical data has not come in yet; it does not come out until later this month and she will add that information before submitting the budget. She said the ending fund balance is \$77,000. Cathy Glatthar said that figure should be \$70,000. She explained that when we are budgeting, we want to use the highest revenue figures that we can and with \$70,000 as the ending fund balance that gives us a little more to appropriate in the expenses. She explained that \$70,000 is at least two months of expenses in reserve. Greg Dennis asked if we can assume revenues from FEMA? Maureen replied \$150,000 from FEMA has been included. Larry Johnson explained with the FEMA funds, our projected revenues look higher than in previous years. Cathy added that the beginning fund balance is a “picture in time” of our assets, and does not reflect actual money in the bank. Maureen said our fund balance is more of an equity position and we came out of last year with an ending fund balance of \$300,000 plus. Cathy commented that we need to appropriate expenses such that the ending fund balance for the budget is \$70,000; this will hopefully keep us from having to augment the budget. She said even if the FEMA funds come in this fiscal year, we still have a large appropriated expenditures balance to absorb any expenditures of FEMA funds. Maureen said these figures are tentative, because this meeting is early in the month; by our next meeting, we will have the final projections. Greg Dennis made a motion to approve the tentative budget for fiscal year 2018-19. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.
- d. Discuss Dump Truck Options: Repair, Replace, or Other:** Marty Breitmeyer stated he is still working on this. In response to Larry Johnson’s question, Marty said the dump truck was still usable in the Valley.
- e. Discuss Purchase of a Replacement Roller:** Larry Johnson explained this is the pneumatic roller that is mounted behind the motor grader. Marty Breitmeyer handed out an estimate from Bulldogger Services for a Bulldogger roller with the price of \$19,500 for a brand new one and a price of \$18,500 for one used twice as a demo; the demo unit could be delivered next week. Greg Dennis asked if it can be shifted to the left or the right? Marty said he believed that is part of the unit, but he will check into it tomorrow. The unit can be lifted off the ground, it has continuous pressure, two rows of tires, and the tires are foam-filled, so no flat tires. In response to Don Otto’s questions, Marty explained this unit articulates on each axle, it has smaller wheels, and it does follow the grader around and does not “skate.” He said he found five manufacturers, including Handy Hitch which Jim Hicks had gotten an estimate from. Greg Dennis made a motion to authorize Marty Breitmeyer to spend

up to \$24,000 for the purchase of the Bulldozer unit with side-shift capability. Jim Currivan seconded the motion. Larry said we have money in the bank, but we plan on surfacing sections of Amy, Wilcox Ranch, and Right Hand Canyon Roads and paying for this roller outright will take away from that surfacing budget. Greg Dennis amended his motion to have a check written for the full amount. Jim Currivan seconded the amended motion, and hearing no opposition, the motion passed.

5. Road Maintenance Reports:

- a. Road Reports:** Larry Johnson stated we had a bit of [wet] weather, and the majority of the roads are holding up. He said we have worked diligently over the past years to crown the roads; as an example the ruts in Wilcox Ranch Road are a fraction of what they were five or seven years ago. He said we got a few road maintenance requests, but people are not sending in requests. He explained how Jim Hicks graded Right Hand Canyon Road which was badly in need of grading, but no one had sent in a request. He explained to the audience that we respond to requests typically within a week. Rusty Harwell, in the audience, asked what's the parameter of the crown? Larry replied, five percent; dedicated city and county streets have a two-percent crown, because water runs off asphalt very well, however the PVGID's asphalt surfacing has a five-percent crown. He said the crowns are impossible to maintain in the summertime; when the soils are dry, the traffic beats the crown off. He further explained that we have 95 miles of roadway and Jim Hicks can't survey 95 miles every week to determine what needs to be done; we can't catch it all, so we rely on everybody to notify us and it is greatly appreciated.

Larry stated a culvert was installed on upper Quaking Aspen Road; that followed a request that was about three months old. He said a bit of a mess was made because it was still muddy up there. He explained past Boards had deemed the upper section of Quaking Aspen Road to be seasonal open to four-wheel drive in the summer only and closed in the winter. He said now we have people who live up there and demand the same level of service that everybody else receives; the road is a narrow, mountain, wet ... it's a tough one for us.

- b. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:** Larry Johnson asked Cathy Glatthar to give a status report. Cathy said there is nothing new to report. She said she can't get the State to tell us what the status is of the three outstanding project worksheets. Larry explained to the audience that we spent a great deal of last year's budget on flood repairs. He said we have applied to FEMA for reimbursement of our costs, and we have been "approved" for our projects which are at various stages. He said we have done the majority of the work. He stated that when we receive that money, we will put on additional operators or contract work to do major repairs on several roads. Greg Dennis said if we don't get the funds, we need to have a contingency plan. He said with the wet winter we've had, we will probably need to do a lot of patching of the asphalt surfacing we do have; we may need to back up and make sure we maintain what we have so we don't have a loss of that capital improvement. Larry said we have made that our highest priority in past years, and that should continue.
- c. Operations Manager's Report:** Jim Hicks said the roads need some work; basically we build them up in the winter because we can't keep them wet enough in the summer; we need more grader time. He said the equipment is doing well.

6. Old Business:

a. **Update on LW Land Company's Grass Valley Road Tentative Parcel Maps:**

Larry Johnson said he was disappointed the Citizen's Advisory Board did not meet and weigh in on this issue. He said we expressed concern as to the impacts of large land developments, in that the additional traffic, in particularly construction traffic, in development of the low land portions of the Valley are going to adversely impact our roads. He explained the conditions of approval for those parcel maps are that we will perform a condition survey of our asphalt surfaced roads, the developer is to meet with us and designate haul routes, and we will conduct a condition survey before development and after development and assess the developer costs for remediation of damage; this is identical to what cities and counties require. He clarified that [Washoe County] conditions of approval are requiring the developer to pave to County standards a route from his development to either Whiskey Springs or Ironwood; whichever road they designate. Cathy Glatthar interjected with or other PVGID [asphalt surfaced] road, which could be Sharrock. Mitch Gerlinger asked if we have accepted maintenance of the surfacing on Sharrock? Larry said no, and when Murphy brothers come to meet with us to establish the conditions, this Board needs to ask them to post a bond for those repairs, and we need to clarify with him the extent of his paving to County standards is because it is unclear.

Jim Robotham, in the audience, asked how a [sound] wall could be built so he doesn't have to listen to all that? He said his property is one that backs up to that development. Mitch said all we can do is roads. Larry said if Mr. Robotham wanted a sound wall, he should have been at the Parcel Map hearings. Cydney Harding asked if this is the same company that was supposed to maintain Sharrock, Broken Spur, and Amy? Larry replied LW Land Company is not one of the original developers who signed the agreements that said they would build [Broken Spur] and maintain it. He said LW Land Company put the Cape Seal on the section of Amy and Sharrock and the portion of Broken Spur that are now in need of patching and remediation. He said when they get Murphy in here, that will be one of the first points of discussion; he needs to maintain those or have us patch them and he posts a bond to reimburse us. He said we should not be responsible for maintaining those until his construction is completed. Ms. Harding asked if anybody is ever going to finish [surfacing] Broken Spur or Amy? Larry responded that is up in the air with the County. He said he believes that eventually Grass Valley will be extended all the way to Whiskey Springs and be a paved road to County standards. He added that he believes Whiskey Springs will also be paved to County standards, possibly as a collector road, all the way to the Pyramid Highway.

Greg Dennis asked Louie Test what happened with filing the appeal? Louie explained that we were going to file an appeal only if we did not receive the letter of assurance from Washoe County that they would enforce our conditions of approval, and that letter was received. He added that before they receive a C of O (Certificate of Occupancy), they have to comply with our agreement, which will probably require periodic monitoring until the last house gets a C of O. Greg asked who is responsible for maintaining the interior roads? Louie said the developer is supposed to set up a Homeowners Association to collect funds for maintaining those interior roads. Larry added past developers have not done that.

Larry said he wrote that condition too early; in hindsight he should have added to that condition that the developer had to meet with us before issuance of any building permit and have a signed agreement to post a bond. He asked for permission to write a letter and have the developer come to our next Board meeting and get a program laid out that will not burden the residents anymore than possible. He said his next fear is when all the development occurs here. He said he would want all of their interior and collector roads, including Whiskey Springs, dedicated to Washoe County for maintenance and the entire [Specific] Planning Area (SPA) taken out of Palomino Valley General Improvement District. He said he has specific reasons for saying this: pavement maintenance is a field all its own and requires a pretty good amount of dollars, and secondly there will be more people living in the SPA than in the rest of the District, and when anything comes up for a vote, the rest of us don't count anymore. Larry said bottom line there are major changes coming to the Valley and a lot of it may not be consistent with our rural lifestyle.

When asked for clarification, Larry said he wanted to contact the developer, LW Land Company, and ask him to attend the next GID meeting and work out a program of the developer's repair of the existing Cape Seals on Amy, Sharrock, and Broken Spur; work out a program and clarify that we're going to do condition surveys on a regular basis, keep track of maintenance costs, designate construction haul routes, and a bond has to be posted for the repairs. Cathy Glatthar mentioned that Murphy sold the 56-lot development and Larry said he was referring to the 15-lot development. Louie said the condition says prior to any construction; it doesn't say when, so it can be next week if we want. Larry said we need to put him on notice.

Greg Dennis asked if we have the ability to require him to post a bond? Louie Test said you make it part of the agreement. Greg said before we bring them to the Board to meet and work on an agreement, we should have a draft of an agreement, then meet with the developer and the County. Greg made a motion to have Larry Johnson draft an agreement and then Greg and Larry will meet with the developer and the County. Marty Breitmeyer seconded the motion, and hearing no opposition, the motion passed.

- b. Washoe County Proposed Refund of SPA Developer Fees:** Larry Johnson said there is nothing new on this. He explained for the audience that the County is working on a plan to reimburse the developers their deposits even though the developers didn't do what they were supposed to do, but it will probably go to the current owners, not the original developers. Greg Dennis addressed Louie Test stating in the SPA, they collected funds for the Spine Road and the development of a road to Pyramid Highway and this is a County agreement when they did the SPA. He asked Louie what leverage do we have to force the County to use those funds for the road improvements that we need instead of rebating them? Louie Test explained the developers went to court and the court ruled them to be impact fees, and impact fees that have not been used in a certain period of time, have to be returned to the current property owners, not the developers.
- c. Contracting for Materials and Hauling:** Greg Dennis said we spent \$20,000 on 64 loads at about \$300 a load. He said he got nervous because when he made the motion a couple of months ago, it was to have some materials brought in so that if there was a need for some materials, we would have them on hand. He said spending \$20,000 on that motion is a little bit difficult for him to get his arms around.

He said he thought we should set a limit, and if there's a big project, that should be brought to the Board. Mitch Gerlinger asked if the material that was hauled in made a significant difference in the roads? Greg Dennis, Jim Hicks and Larry Johnson all said it did. In answer to Mitch's question about whether or not it would hold up, Larry said it would have to be "sweetened up" periodically. Larry said on Quaking Aspen there are a few areas where the clay subgrade is poking through, but there is a complete lack of rutting, but next winter it will need to be sweetened up. He said we sanded half of the Wilcox Ranch hill and next year we'll probably have to do the other half. Greg said he wasn't saying we shouldn't have done it, but how we budget bigger numbers, maybe we need to plan for it. Greg asked who has the authority to place such orders? Larry said he did it, and does anyone have a problem with that? Jim Currivan said he thought it was approved. Marty Breitmeyer said he believed any large purchases were approved before they were made. Greg thanked Marty and said he probably just didn't remember that it was approved.

- d. **Rescheduling the May Budget Hearing Meeting:** Cathy Glatthar explained that at the last meeting it was discussed that the budget hearing has to be between May 21st and May 31st, and the third Thursday is May 17th. She said at the last meeting we changed the meeting to May 24th, but she found out this meeting room is already booked until 10 p.m. on May 24th. She said this room is available on Thursday, May 31st. Mitch Gerlinger said he will be out of town on the 31st. Larry, Jim, Marty, and Greg all said they could attend on the 31st, so the decision was made to reschedule the May budget hearing meeting to May 31st.

7. **New Business:**

- a. **Designation of Auditor:** Maureen Sidley reported she emailed Kohn and Company and they are not changing the cost of the audit (\$9,800). Mitch Gerlinger made a motion to designate Kohn and Company as the auditor for 2018. Greg Dennis seconded the motion, and hearing no opposition, the motion passed.

b. **Action on Closed Sessions (if any):**

- 1. **Closed Session Number 1:** Larry Johnson explained that two closed sessions were held for our two employees. He said the first was for Dan Schaufus. He said they expressed to Dan the need for a second grader operator. The appraisal of Dan is that he is a good worker, never misses work; mostly positive comments. Dan was asked if he was willing to be trained on and operate the second grader when necessary, and he agreed to do so. Larry said we will either rewrite the job description, Dan is presently listed as equipment operator, to include the motor grader or move his classification to grader operator. He said he doesn't see the need for a separate classification of grader operator; that individual should be running everything. He proposed to eliminate the position of grader operator and expand the duties of the equipment operator to include the motor grader. Discussion turned to the need for equipment operator job description to include the requirement of a CDL (Commercial Drivers License) with tanker endorsement. It was verified that the equipment operator job description already includes that requirement.

Greg Dennis made a motion to eliminate the grader operator job description, and include motor grader under the equipment operator job description. Jim Currivan seconded the motion. Larry said before we vote on this, are there any comments from the audience?

Donald Otto asked if the grader operator gets a different rate of pay? Larry said he could not answer that because we don't have anyone in that classification. Mr. Otto asked about pay differential between the operations manager and Dan? Larry explained Dan does get paid less than the operations manager, the grader work he is going to be doing is not full time. He said the way it was discussed with Dan was that his performance would be evaluated over the next couple of months, raises are typically given in [June] and we typically give cost of living type increases as a starting base and merit raises on top of that; it was explained to Dan that he would be evaluated at that time for any increase in pay.

Jim Robotham asked who would be training Dan? Larry responded the operations manager.

- 2. Closed Session Number 2:** Larry stated the next closed session was for the operations manager, Jim Hicks. He said there was a thorough discussion of Jim's admirable qualities, as well as areas that he particularly felt Jim needed improvement. He asked Jim to speak out if Jim disagreed with his assessment of this. Larry explained that Jim and some of the Board members thought that Jim's time was too constricted by special projects, such as the culvert installation, etc. Larry said Jim has voiced that he is micro-managing the operations and Jim would like to see his involvement terminated. Larry said he feels that with his 50 years of experience in earth moving and road building, that some of the deficiencies lie in Jim's performance.

Jim Currivan said it was not his understanding that Larry's expertise was to be terminated, but when there are special problems, it needs to be written out, so that when the work is done, you can look back and say it was done according to the instructions or not. He said these were special situations, not follow him around. He said he thought there needed to be more communication between Larry and Jim.

Larry said he thought there needed to be written direction, not communication. He said probably somebody other than himself should evaluate whether or not those written directions were followed. Marty Breitmeyer said that is where the written directions would help everyone, and they can all get a copy of it and they can all see for themselves if they are "hitting the mark." Mitch Gerlinger said they have to make sure they are not forming a quorum. Marty clarified that they would evaluate on their own. He said if he has a list, he can check out what was done.

Larry said that is not what he's talking about; he's talking about specific direction to no longer put windrows along the side of the road with excess material graded off of the roadway; that was direction that came from Board meetings and that is not being done. He said he didn't think anyone could dispute that. Marty said he thought it should be written down; that he was not disputing it. Larry said okay, then it will be in writing. Larry said he has heard from the audience over the last three Board meetings and had to sit there and look those people in the face and say he agreed with them, and he said he wants it changed. Marty said he agreed, but we have to have a plan to follow. Larry said he highly resented and disagreed with the comment that the problems are due to his micro-management, simply because he jumped into this thing because things were not being done correctly. He said he has given specific direction, and those directions have not been followed.

Donald Otto attested that Larry has given Jim written stuff in the past. He said he was there during the flood time and Larry asked Jim to take care of the willows problem that was up higher on Quaking Aspen. He said Larry had a list of stuff that Larry wanted taken care of and Jim said when do you want that taken care of and Larry said right away. He said after Larry left, Jim said I'm not going to do that, and he said he was flabbergasted with that because it was direction, and that did not get done for some months. He said the whole thing with the windrows, we've been drawing that on the board for two and a half years he has been coming to these meetings. He said and getting a five percent crown; look at the north end of Amy from the end of the Cape Seal, there's hardly a two percent crown, and that should have a five percent crown. He said Larry has given the instructions for a five percent crown and it's never happened on a lot of these roads, most of them to be exact.

Larry said he needs this Board to address the issue with a motion. Marty addressed Larry and said he doesn't disagree that things are not done ... and him saying write it down is not telling you that it is deficient in what you are directing; it's the layout of date and time when this was done. He said you're right, this has been drawn numerous times and he's not arguing with the crowns, or the swales, or the windrows. Larry said he's put so many hours into this endeavor; hundreds and hundreds of hours a year, on a volunteer basis. He said Jim Hicks' suggestion is that he not be involved in it. Jim Currivan said that's not satisfactory at all. Marty said that's not an option, we're all involved in it, that's our job description. Larry said that reflects the attitude though. Jim C. asked how can we change that? Larry said he thought there needed to be a probationary period and direction given in writing and some of the Board members need to get more involved in making sure and auditing if those items are carried out in accordance with those written instructions and a future personnel session, no more than three months down the road, with an additional personnel session to evaluate performance. Marty said that was where he was headed with what he was trying to get across. Larry said he knows how he would handle it in his own private company. Greg Dennis said you want a verifiable audit of performance. Larry and Marty both agreed. Mitch said as it currently stands, we don't know what's happening in the field until after it's happened and the meeting is going on, so we don't have any real means to audit the projects. Marty said he did not want Larry's removal of involvement. Larry said he has a decision to make in the next seven days on whether, remotely, to put his name in for re-election; Jim H. may have his wish and let him go back to an unsupervised condition.

Jim Robotham asked who's Jim's boss? Mitch replied the Board as a whole. Mr. Robotham said he knows Mitch doesn't want to hire anybody new, and Jim's going to continue what he's doing. He said he knows they don't want to train somebody new, he understands. He said you've talked about everything, about cutting out the washout, and you weren't here at the meeting when I brought it up on Amy, just like Don Otto brought up, Larry said you didn't do it and Jim admitted, probably not. He asked if anybody fixed that? He said we spent the whole day on doing Amy there. He asked who tells Jim what to do? He said like recently we just did Ironwood, we cut trenching, correct? Larry said we actually shouldered Ironwood. Mr. Robotham said okay, we shouldered Ironwood, we patched the edges; did anyone go by after Jim was done tearing up most of the

patching on the side of the road with his grader and it's all torn up after we paid all this money for the patching. He asked Jim how he got the dirt off the road, with the grader, yet he said he was told last year after the flooding that they couldn't use the grader to get the dirt off the road, but he just scraped the dirt off the Cape Seal?

Marty said he wanted to make a motion that we put this in writing and in two months time the Board as a whole is going to evaluate these written items to their completion and their satisfaction of completion and in two months we are going to re-meet again in a session and from that session decide if these items were hit or not hit, and if direction was not followed, action will be taken. Mitch asked to amend the motion a bit and asked if they could get a daily journal of work activities; task one started this time, task one ended at this time, and so on? He said that way if ten special projects were assigned and no grading was able to get done, we have that record as well; if we are going to have a list of things to be done and ways to do it, we need to know what time was put into it. Marty said he thought he was a little misunderstood in the start of this; that his written list is not just Larry writing down direction, but documentation on Jim's part as to what was done in response, then we, the Board members, can go through this Valley off of that list and verify it or not verify it and at the end of this period, we will have another meeting and we will make a decision based off of ... Larry said the weakness of that approach is it's often very difficult to define what needs to be done. He said for example, on Wild Horse, he would have never in his wildest imagination dreamed that it would have been left with two foot boulders immediately off the edge of the travel way. Marty said that's unacceptable to our standards. Larry said he would have not thought to have put that in writing when the instructions were grade that to shoulders, swale, and shoulders out to original ground, but he said he would have never thought, oh by the way don't leave it for two weeks with two foot boulders at the edge of the travel way.

Cydney Harding said she does not understand what is not getting through. She said it is not the chores that need to be done, it is how they are not done right. She said the work that is being done in three months or the past ten years, what difference does it make? She said it's not getting done right, period; we can all see that. Larry asked what did she suggest? She said what Don said last time, get rid of him; and now he's going to train another guy to do the work he does?

Marty said he fears for the interim between; finding someone. Larry said he has somebody who could start Monday; 52 years old with 30 years of grader experience. Larry said while he agrees, Louie Test reigned him in today, because we are in a public employee situation in which steps are necessary to dismiss anyone without having legal action back against the District at great cost. He said we need to go through the necessary steps. He said the steps have been outlined: written directions, two-month evaluation period, another personnel session, and if it's not satisfactory at the end of two months, then action will be taken. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

Larry said another item he proposes to put in writing to Jim is supervision of subordinates. He said he wants to see Jim's subordinate out of that water truck rolling rocks out of the ditch, picking rocks off the roadway; he sits in the water

truck waiting to make another pass down the road, a fifty dollar pair of walkie talkies in Jim's hand, Jim can say he needs another pass with the truck. Larry said in the meantime, he doesn't want to see the subordinate sitting in the truck, he wants him working on grade. He said if a 73 year old guy can go down his road with a rake and kick off oversized rocks, our paid employee should be able to do the same duty.

Marty said that brings up something and he's not sure where that should be brought up, but with the water truck we could pull a trailer. He asked if it would behoove us to have a smaller piece of equipment that would run on said trailer that could be used to do this side work such as cleaning inlets and everything else, such as a skid steer or something because there is this down period, but a guy can run along and move a lot of material out of the way with a little machine and when they are all done, load it up and take it back with them. Larry said that is true and we need to look at efficiencies. He agreed that we don't have something like that. He said after his road is graded he goes out with his shovel and fixes the two inlets into his two culverts. Marty said with a tracked skid steer, Jim's subordinate could follow the grader and do all of them as he goes down the road. Marty asked that this be put on next month's agenda.

Larry commented to the audience that there are a number of people in the Valley who do that sort of thing. He commended Don Otto for the work he has done on his own. He said it would help if more people would pitch in and do a little bit in front of their property.

- c. Review and Potential Changes to Employee Job Descriptions:** Larry Johnson said they already discussed this, however, on the operations manager's description, on item 10, we need to replace "grader operator" with "equipment operator" and replace "may" with "shall."

8. Judicial/Government Affairs:

None

9. Calendar Review: Cathy Glatthar reviewed the upcoming items:

- The Road Committee needs to schedule annual culvert maintenance; which in this case is actually the FEMA culvert work
- Publish Spring Newsletter
- Maureen Sidley needs to notify the Department of Taxation of the Auditor designation by March 30th
- Maureen needs to file the tentative budget with the Department of Taxation by April 16th
- Next month we will work on the final budget - the budget hearing will be in May
- Also for next month, we will agendaize the Capital Improvement Plan - We will apply for a Public Works Project identifying number in case we need it [if our project exceeds \$250,000]
- Tax rate & budget hearing information is due to the Treasurer in April

10. Correspondence:

Maureen said there was a letter from [the State of Nevada stating our request for an extension of time for our water rights was approved.]

11. Public Comment:

Donald Otto said a couple of months ago he asked about a hitch on the water truck to pull a trailer with the roller on the back and he was told there was no hitch on the water truck; is that right?

Marty Breitmeyer said there is no hitch, but we can have one installed.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

12. Board Member and Staff Items:

- Larry Johnson said if you want to be re-elected, you have to file with the County Registrar of Voters by next Friday, March 16th. Cathy Glatthar said there are four open seats.

13. Adjournment: Greg Dennis made a motion to adjourn the meeting. Jim Currivan seconded the motion, and hearing no opposition, the meeting adjourned at 7:58 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ March 8, 2018

Total of all Bank Accounts:

Balance'@ March 8, 2018 - Money Market - #5010	228,938.17
Balance'@ March 8, 2018- Savings - #4658	2,000.95
Balance'@ March 8, 2018 - PR/Petty Csh - #4430	17,000.00
Balance'@ March 8, 2018 - General Ckng - #4179	341.74
	<u>248,280.86</u>
<i>Total Cash IN All Accounts</i>	<u>248,280.86</u>

WELLS FARGO-ALMOST CD #5010

Balance '@ February 15, 2018 211,767.80

Income for the Month			
Consolidated Tax	33,201.26		
Ad Valorem	0.00		
LGTA	<u>2,872.21</u>		
Total Income	36,073.47		36,078.32
Interest Income	4.85		
Transfer to Wells Fargo #4430	(11,607.95)		
Transfer to Wells Fargo #4658	0.00		
Transfer to Wells Fargo #4179	(7,300.00)		
		Balance'@ March 8, 2018	<u>228,938.17</u>

WELLS FARGO-SAVINGS #4658

Balance '@ February 15, 2018 2,000.90

Transfer from Wells Fargo #5010	0.00		
Transfer to Wells Fargo #4179	0.00		
Interest Income	0.05		
		Balance'@ March 8, 2018	<u>2,000.95</u>

Wells Fargo - PettyCsh/P/R Acct#4430

Balance '@ February 15, 2018 17,000.00

Transfer from Wells Fargo #5010	11,607.95	Deposit	11,607.95
Net Payroll	6,665.09	Net Payroll	
Wells Fargo - 941 Pmt	EFTPS 1,942.40	Mo. 941 deposit - February	
PERS	5767 2,736.04	PERS - February	
Sierra Freightliner	1035 190.26		
Sierra Freightliner	1036 35.20		
Office Depot	1037 38.96		
	<u>\$11,607.95</u>		<u>(\$11,607.95)</u>
		Balance'@ March 8, 2018	<u>17,000.00</u>

**PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
BANK & DISBURSEMENT RECONCILIATION
@ March 8, 2018**

NAME	CK #	DESCRIPTION	
<u>NELLS FARGO-GENERAL #4179</u>		Balance '@ February 15, 2018	273.34
Transfer from W.F.#5010	7,300.00		
			7,300.00
PUBLIC WORKS			
Alhambra & Sierra Springs	9390	23.18 Est. Monthly Water	
AT&T - Cell	9389	98.85 Est. Cell Phone	
Catherine Glatthar	9388	1,208.46 Monthly Work	
Flyers Energy	9387	1,792.07 Fuel	
Granite Construction	9386	1,053.01 Patch	
Hoffman, Test	9385	435.00 Monthly Fee	
Humana	9384	258.02 Health Insurance	
Humana	9377	91.10 Health Insurance	
Maureen Sidley	9391	543.00 Monthly Bookkeeping Work, Copies- Tenative Budget	
Napa	9383	458.77 Misc. auto parts	
Nv Energy	9282	261.79 Est. Office Utilities	
Prominence Health	9381	784.66 Health Insurance	
Sani Hut	9380	129.87 Monthly Charge	
Silver State Barricade & Signs	9379	62.00 Signs	
Waste Management	9378	31.82 Waste Removal	
TOTAL		7,231.60	(7,231.60)
		Balance '@ March 8, 2018	341.74

PVGID OPERATIONS REPORT
Report Period 02-12-2018 to 03-08-2018

ATTACHMENT: 03/08/2018 Meeting Agenda Item 5. c.

ROADS GRADED:

Right Hand Canyon
Grass Valley (W)
Range Land (Gray Van - Rebel Cause)
Rebel Cause
Gray Van
Grass Valley (E)

OTHER ROAD WORK:

Shoulder & reshape roadbed (Pasture View)
Snow removal
Clean Culvert inlets & outlets
Shoulders Wild Horse
Install Culvert (Vicinity of 6600 Quaking Aspen)

OTHER:

None

EQUIPMENT:

None

REGULAR MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, April 19, 2018

MINUTES

Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:10 p.m. Thursday, April 19, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Mitch Gerlinger (arrived at 6:30 p.m.), Greg Dennis, Jim Currivan, and Larry Johnson. Marty Breitmeyer was absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment:**

Susan Ambrose stated the local Brand Inspector asked her to make a public acknowledgment regarding two of the GID employees, Chuck Blower and [Dennis Owen] who are doing the patching work. She explained they found a feral horse in extreme distress and they were able to reach Jean (the Brand Inspector) who was able to get immediate authorization to have a resident euthanize the horse. There was a brief discussion, after which Ms. Ambrose reiterated the two GID employees did an outstanding service to that unfortunate animal.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – Closed Sessions 1 and 2, and Open Session – March 8,**

2018: Cathy Glatthar explained that due to the lateness of getting the closed session minutes to the Board, the Board could choose to postpone the approval of the closed session minutes until the next meeting. Larry Johnson agreed and stated he had a few amendments to the open session minutes: (1) page 3, item 5. a. clarification: “city streets, highways, etc. have a 2% cross slope and our asphalt surfacing has a 5% cross slope”; (2) page 4, second paragraph clarification “Larry replied, LW Land Company ...”; (3) next sentence clarification “He said LW Land Company ...”. Jim Currivan said he had a change on page 8, second paragraph clarification “Jim Hicks ...”. Jim Currivan made a motion to approve the open session minutes as amended, and Greg Dennis seconded the motion. Hearing no opposition, the motion passed.

4. **Financial Reports and Payment of Bills:**

a. **Financial Reports:** See Item 5. c. for Net Operating Funds for Capital Improvements report discussion.

b. **Payment of Bills:** Maureen Sidley reported there were three equipment repair bills: one was for tires for the grader. She then asked Jim Hicks to explain the Power Plan (\$6,482.55) and Sonsray (\$3,714.80) bills. Jim explained the Power Plan bills were for the 770 grader which had fuel and oil leaks, the valves were adjusted and they installed a new air conditioning evaporator, and the valves were adjusted and the console was fixed on the 670 grader. He explained the Sonsray bill was for the backhoe in which they installed a new turbo, fixed some oil leaks, and installed a new seat. Maureen stated the AT&T bill was unusually high this month, and she will

go to AT&T and look into a new plan with unlimited minutes. She added the bill is usually between \$100 and \$150 per month.

Jim Currivan made a motion to pay the bills. Greg Dennis seconded the motion, and hearing no opposition, the motion passed.

- c. Work on Final Budget for Fiscal Year 2018-2019:** Maureen Sidley said the tentative budget she handed out was signed by her because all the income figures changed, and Kelly Langley (Nevada Department of Taxation liaison) instructed Maureen to make the changes and sign the tentative budget and submit it. Maureen reviewed the handout for the final budget. She explained the first column shows year-to-date expenditures, and the second column consists of estimated expenditures through the end of the fiscal year, June 30th. She said she added \$60,000 under road maintenance in case a project is done before the fiscal year end. She said the last column shows the projected revenue figures and the expenses reflect what she felt would be safe figures for each line item. She explained we have only one fund, but it's nice to stay within budget by line item. She said in order to have an ending fund balance of \$70,000, any excess is added to the road maintenance item. Greg Dennis commented the \$70,000 represents approximately two months of reserve.

Larry Johnson asked Cathy Glatthar if the FEMA revenues of \$150,000 is an approximate? Cathy responded yes, and that she wouldn't know how accurate the figure is until we receive the remaining two project worksheets from FEMA, because we don't know what amounts have been approved for mitigation. Greg Dennis asked if any [FEMA] funds had been received. Cathy and Larry replied no. Cathy said we haven't even received the \$107 for project worksheet #4. Maureen said we did receive \$107 at the beginning of the month, but she didn't know what it was for; it was from the State of Nevada, but there was no indication that it was FEMA reimbursement. Larry asked if we receive less than \$150,000 from FEMA, do we have to file an amended budget? Cathy replied the budget only has to be augmented if we go over.

Greg Dennis stated the real funds available are \$864,000 less \$150,000, so in reality it's \$700,000 [projected revenue] and then we have an expense item at \$918,000 and if we don't have the funds, it will come out of road maintenance.

Maureen added that the CTX [Consolidated Tax] figure is the highest it's ever been at \$414,000; it's usually around \$300,000. She said she called Kelly [Langley] to verify that figure. Cathy said don't count on it, because this year we are way down [on CTX revenue from what was projected]. In answer to Greg's question, Maureen explained the beginning fund balance is not included in the \$864,000 income total.

In answer to Greg's question, Cathy said the final budget will be approved at the May 31st budget hearing. Maureen added she received permission from Kelly to scan the final budget and send it in after that meeting so we won't be late.

- d. Status of Purchase of Replacement Roller:** Cathy Glatthar said Marty Breitmeyer called her this afternoon and asked her to report to the Board that the roller is about a week to two weeks out because the dealer had to order the side-shift mechanism. She said Marty also said the side shift was going to cost \$4,300, and delivery might be \$1,800 unless the dealer can deliver it. She said with delivery the total would be \$24,600, which is just a bit above what was approved last month. After a brief

discussion, it was determined that \$600 over what was approved does not require an additional motion.

- e. **Discuss Dump Truck Options: Repair, Replace, or Other:** Cathy Glatthar reported that Marty Breitmeyer said he hasn't had a chance to continue his research on the dump truck options. Greg Dennis asked Jim Hicks if we should just go ahead and replace the dump truck? Jim Hicks said that is his opinion, because the repairs will probably cost more than a replacement. Larry Johnson said he wanted Marty's input on the matter before a motion is made.
- f. **Discuss Installing a Hitch on the Water Truck:** Larry Johnson asked Jim Hicks if he had looked into installing a hitch on the water truck? Jim Hicks said he had not and asked why do we want a hitch on the water truck? Larry said the thought was to have the water truck driver tow a small piece of equipment, such as a skid steer, to use for road clean up after the road was graded, such as culvert inlets. Larry said he thought there was insufficient information in which to base a decision. He said this was something Marty brought up as a potential, so we should postpone any discussion.

5. Road Maintenance Reports:

- a. **Road Reports:** Larry Johnson stated we had a bit of moisture this month, so the operations this month have mostly been the regrading of roadways. He said we were down about one week without a water truck driver. He said our new employee, Shawn Kelly, started work about two weeks ago, so we're back up to speed. Larry said half the roads in the system need grading after these storms, so no projects or any special work is being done.
- b. **Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:** Larry Johnson said Cathy Glatthar and he were working through the endless piles of FEMA and State Division of Emergency Management paperwork. He said Cathy is to be commended for staying on top of all of these details. He said we have submitted our quarterly report, which is essentially our invoice, for our largest project. He explained there are layers of review within the State, just as there were layers of review within the Federal government; at the end of which they either have questions, requests for clarification, or they issue us a check. He said that report was submitted ten days ago and we haven't heard from them yet. He said this invoice is for \$70,000, which is approximately 50 percent of the total claims. He said upon receipt of that, at the next Board meeting, we will be doing some road improvement projects. Cathy said she listened in on a conference call today [with the State Division of Emergency Management (DEM)], and learned that because the work for our Project Worksheet #2 is 100% complete, DEM will need to conduct a site survey before they will finalize the PW and authorize payment.
- c. **Capital Improvements Plan:** Larry Johnson said the capital improvements plan is a question mark because our dollars available for capital improvements is down to \$195,000, which does not get him to where he wanted to be this year. He said it decreased by about \$50,000 this month. He asked Cathy Glatthar to explain the decrease. Cathy said first off, actual revenue is down overall, year-to-date \$53,500 from what was projected. She reported ad valorem revenue received this month, was almost \$13,500 less than estimated, and year-to-date, is down by \$35,000, and CTX (Consolidated Tax) is down by \$27,000 year-to-date from expected. She said

the only number that's up is the LGTA (Fair Share Tax), which is up year-to-date by nearly \$9,000. In answer to Larry's question, Cathy said actual ad valorem and CTX revenues are less than expected because of poor projections, in her opinion, especially with CTX. Larry asked how this year's revenue compares with last year? Cathy said [CTX] is up by 9% from last year, but the projected numbers are not coming in. She said they projected a nearly 5% increase in sales tax for this year and actual increases have been a lot less; maybe 2 or 3%. She said she did not know why ad valorem is so low unless it's for the same reason [poor projections]. Larry said then our capital improvement project remains to be seen as to what we are going to be able to afford. He said before he puts together contract documents, we need to get a better handle on what's available. He said he would probably put something tentative together for the Board for the next meeting. He said at this point it will be significantly scaled down.

Donald Otto, in the audience, said the Board talked about doing Range Land; raising it sometime this year.

Larry Johnson said if we receive FEMA reimbursement, yes.

Mr. Otto said if it's at all possible, we have moisture in those banks now, and if we wait until July we are going to lose that window of opportunity to make use of that moisture. He said it's going to be hard for the water truck to keep up when all that material is being moved, and if you wait until the hot season, it will just be worse.

Greg Dennis said that's why he thought it would take two water trucks to do it then, and that doesn't make sense.

Larry said he was just thinking out loud and said we could actually contract that work now and that money would come out of our fund balance. He said it comes down to a decision, would we rather put asphalt surfacing on Wilcox Ranch Road and Amy or would we rather make repairs to Range Land?

Greg Dennis said in some cases he would say neither. He said when he drove Ironwood and some of the other roads with the patching ... he said he remembers someone saying how we've stretched so far with the Cape Seal and how much further we go is an issue. He said he sees just what we have to maintain, the necessity of going over what we already have again, even if we are redundant in the Cape Seal, just to maintain what we have. He said he did not believe it would be wise for us to expand the program until maybe we have a couple of years behind us and see where we are. He said maybe we need to do a Cape Seal on a Cape Seal or something, so we make sure that what we have stays together rather than expanding the program. He said he's iffy on both of them; because when Range Land dries out, it's terrible, the clay turns to rock, it's chunky, and it's already in that condition. He said the ruts that formed when the road was wet, have hardened up.

Mike Klinger, in the audience, said he drives about 60 miles of these roads every night (he delivers the papers out here), and he said Range Land could be fixed in about two days with the material that's there.

Larry said he didn't think you could do it in two days. He said you have over a mile and a quarter of length; that material from Grey Van to where it starts up the hill, where it gets granular, that is the area that is soft and impassable practically every time it gets wet. He said part of the problem is the road is lower than the

surrounding land, and it collects water and there's no place for the water to go. He said the only solution is to raise the road to a sufficient level to where in select locations you can get turnouts along property lines that are easements for public utilities and drainage. He said every quarter mile there could be an outlet for that water. He drew a sketch on the white board depicting the proposed method to fix the problems on Range Land. He explained we have an easement that is 33 feet on both sides of the centerline, we can mine material in those raised areas on both sides of the roadway, between the edge of easement to create a lowered section that would collect drainage on both sides. He further explained that material would then be used to raise the road, and culverts would be installed periodically to take water from the south side to the north side and into the drainage along the property easements.

Greg explained if you go one mile, two-feet deep, by 24 feet wide, that's 10,000 yards; you are going to move about 1,000 yards a day, so how many days would it take?

Larry said they are proposing to use a paddle-wheel scraper. Mr. Klinger said he would use the grader and move the dirt right onto the road and build the road as you move the dirt, and it's all DG [decomposed granite]. Larry explained it's not DG, it's an alkali clay. Mitch Gerlinger said this is what happens when DGs "D" for a very, very long time. Larry said it is a very poor subgrade soil. Larry said the reason why he is saying use the paddle-wheel is because the next mile and a quarter, up to Winnemucca Ranch Road, gets granular, and pick up those granular soils and use it to coat the alkali-clay fill used to raise the road. Greg said he was concerned about not having enough material to raise the road. Larry said we need to make the lowered sections as wide as a piece of equipment (10 feet) and a foot deep and therefore there will be enough material.

Donald Otto suggested the first thing they do is find the low spot, then find the next quarter mile drainage outlet that you talked about and make sure all these ditches flow to that point. Larry said they have to run a profile the entire length of this and find out where the low spot is; that's standard engineering that's been done on thousands of miles of roadway. Mr. Otto said he was trying to point out that he doesn't believe they need to raise the entire thing. Larry said he believes they need to raise about a mile of the road; he said he's been looking at this for six years, and he will do sufficient analysis to be sure they are out at the low spot. He said you must realize every place there, the surrounding land is higher than our road. He said he would take Mr. Otto's suggestion to heart and analyze this with a couple of construction superintendent friends of his and a project manager and do a cost comparison and get their opinions on this project.

Greg said another benefit of the paddle-wheel scraper is that it weighs a lot (82,000 pounds plus a 55,000 pound load per Mr. Otto) and that will help to compact the road. Larry said we need the pneumatic tires to compact the clay fill and the steel-drum roller on the granular soils we use to cap the clay.

Larry said, bottom line, we are going to have to decide if we want to do any additional surfacing this year; we are presently doing significant patching on the Cape Seal; there is significant patching that needs to be done on Ironwood across from the horse corrals. Greg agreed that there is a bunch of patching that needs to be done or you're going to lose what was put into it already. Larry said if we are

talking about the edges, he agrees, but he said we'll need to discuss how people are unnecessarily driving off the edge. He said on Whiskey Springs on his way to this meeting, he met a truck pulling a horse trailer, and he did not have to drive off the edge. He said people feel comfortable staying on the road when you drive 40 or 45 miles an hour, but nobody feels comfortable when you drive 70 miles an hour, meeting somebody and staying on that narrow surfacing. Larry said this is something he did not recognize when we started this program, so he said a bunch of this he faults himself.

Greg said some of the issues he sees is the subsurface of the Cape Seal is always going to be a problem because we didn't do a type 2 base, so layering up the Cape Seal may not always work because the subsurface isn't going to allow that over time. He said he wants to consider the fixes that are going to be necessary to keep what we've got.

Larry said that section at the wild horse corrals was done in 2011, and we have gotten magnificent performance out of that material. He said the cost of putting six inches of type 2 base on the roadway costs as much as the Cape Seal; 50 cents a square foot. He said there are some select areas where we might want to peel off a three foot edge of the Cape Seal, such as across from the horse corrals, and try an aggregate base there. He said he did not think it was appropriate to consider putting type 2 base the entire width and length of what we originally Cape Sealed; it's not remotely within our budget.

Don Otto asked if a three-foot strip could be Cape Sealed? Larry said yes. Mr. Otto said he thought Larry said at a previous meeting that could not be done; that you could only do 10-foot wide strips. Larry said that is not the case; that he meant if we were to do a single pass, we could only go 20-foot wide. He explained if you go from the centerline you can make that surfacing 21, 22, 24, whatever you want. He said his intention this year on Amy and Wilcox Ranch Road, after viewing the performance on Ironwood and people driving off the edge and breaking the edge off, was to widen that surfacing to a 22-foot width, but he said he wasn't sure if that would cure it. Mr. Otto asked why is it the first two or three feet in has the cracking? Larry said it is only in localized areas where we have moisture coming off the hillside that gets into the subgrade; the great majority of those roadways do not have that issue.

Mr. Klinger suggested cutting in a more definitive ditch to discourage people from driving on the edge? Larry said we have been criticized for having ditches that some complained were too deep; they say we want a gentle swale that we can drive a car into and back out of safely.

Greg said we are not going to solve every problem we have, and each road is a little bit different and each sub-base is a little bit different. He said if we spent all this money on engineering, we wouldn't have any money left to do anything, so we kind of guess at it and move forward. Larry said we don't guess at anything; we make our best decisions based on the information we have on hand.

Larry said in summary, by next meeting the Board members need to review and think about what should be done. He said he would provide the Board with the data on the performance records of what has been Cape Sealed, when we have to go over that again, and what has been done in the past, and that budgetary projection

of how much total roadway we have the ability to surface and maintain. Greg said and you're on the edge doing it and he said he didn't agree.

- d. **Operations Manager's Report:** Jim Hicks said they conducted a road survey, and 29 roads need to be graded. He said the temperatures are expected to be in the mid-seventies tomorrow through next week, which means the roads are going to dry out fairly rapidly. Larry interjected and explained the ramifications of that are we will not see two graders on the roads for the foreseeable future, because we are going to need a water truck; these roads are going to need moisture. Jim agreed and said the roads are going to deteriorate much more rapidly once we get into the higher temperatures. He said as for the equipment, we've repaired most of it; we need to put a seat in the loader and one in the pickup, and we'll try to get that done in the next couple of weeks.

6. Old Business:

- a. **Status of Draft Agreement with LW Land Company:** Larry Johnson said he has three calls into LW's engineer and hasn't received a call back. Louie Test explained he saw Brian Murphy at a 4H event over the weekend, and Mr. Murphy said they were still in a quandary as to which alternate [route] they were going to use, but they are still talking about using the Ironwood approach. Louie said he explained to Mr. Murphy that one of the GID's concerns was periodic inspections to make sure our roads are maintained in the same condition they were before they started the project and when they leave the project, and how to handle the notification so we can be there. Louie said he did not mention the fact that we were probably going to require bonds or some type of assurance that the work was going to be done. He said that Mr. Murphy's concerns are with the County because of some of the restrictions the County has placed on LW Land Company. He said the County is not going to give Mr. Murphy any credit for the improvements they made to the roads. Greg Dennis said he sees construction trucks going down both roads continually, and he doesn't know how you can stop that. Louie said this applies to the new parcel maps, and for construction, we can stipulate a route in the agreement.

Larry said he thought it was unenforceable; that Capurro and Brian Murphy started development along Broken Spur and Amy. He said they reached an agreement with us that they would surface Amy to their last house, Sharrock, and Broken Spur to their last house. He said they built a handful of houses and then sold to another developer; we have no agreement, we have no hammer on that new developer. Louie said we need to be sure to have something in the agreement that it applies to any new assigns. Larry said we have no way to hold developers accountable for all the original parcel maps that were approved by the County. Larry said in this new agreement, we need to include maintenance of the surfacing Murphy and Capurro have already put down. Louie said Mr. Murphy was so irritated that they were not getting reimbursement for the surfacing they did, he said they were going to come in and grind up all of the asphalt they put down. Louie said bottom line, once they decide on the route, then we'll sit down with them and work out an agreement that should include the existing surfacing.

- b. **Washoe County Proposed Refund of SPA Developer Fees:** Larry Johnson said this was somewhat discussed above; we have not heard anything new from the County on this.

- c. Employee Job Descriptions:** Larry Johnson explained that the revisions to the job descriptions proposed at the last meeting, were not voted on and that is why this is back on the agenda. Larry started with the Operations Manager's job description and introduced a new change to the first paragraph, "Job Description" as follows:

"Under administrative direction" *from the Board?* or *from the President?*, "the Operations Manager plans, organizes and directs the ..."

Larry asked the Board which way they wanted it to read? Greg Dennis said he had thought about it both ways and he said one of the things he was thinking about, and this probably needs to be on next month's agenda, is one person. He addressed Larry and said he knew Larry put a lot of effort into everything and has been doing an awful lot, but he doesn't see this organization going that way forever, so how do we set up a management system that brings the Board together to make decisions and makes the operations manager far more responsible and accountable for what is happening? He said right now, the way he sees it because he's been to the Monday meetings, Larry lays out and implements the direction the system is to go, and he is not very fond of that because we have a manager, and the manager must be accountable, and the way the manager must be accountable is he has to do his job and fulfill the requirements of that job. He said the manager can't be given direction *and* do what he believes he is supposed to be doing as the operations manager. Greg said it creates a conflict; that Larry essentially took over the operations management control of the system and told people how, and what, and where to do things. He said there's nothing wrong with that, but in the future, how are we going to deal with accountability and have an operations manager who is fully accountable? He said the Board needs to do more, including himself; the Board consists of 5 people and there are 95 miles, each member takes 20% of the roads and looks at them and comes back to the table with our views to the operations manager, who then gives his recognition to what needs to be done and follows up with the work. He explained then the operations manager becomes accountable back to the Board, not to one specific individual, i.e. the President. He said he would like to see those kinds of changes take place, but he does not know if they will work because in the past the Board wasn't functional enough to make an assessment of a road or do it in a way that could be brought back to the Board, so Larry took over the whole operation and made things work because the whole thing wasn't functional. He said he didn't have a good feel for the past, but said he had a good idea going forward, that if we are going to hire an operations manager, give him enough rope to hang himself, that's how you make people accountable. He said no one individual should be doing that level of work; no one should have to take complete control to ensure the system works.

Jim Currivan said he thought there was a lot of value in spreading out the work. He said he doesn't see it lasting forever, but said he thought it would be useful in getting the ball rolling.

Larry said he didn't think the Board members in the past had the technical expertise to do that; or had the time.

Greg said an operations manager that is functional, capable of describing what needs to be done, and having the accountability to bring that back to the Board is the most important thing we could put together.

Tricia Johnson, in the audience, said she's been out here for 25 years and she's not a technical guru, but she has driven these roads for quite awhile, sat in on a few meetings and heard some of the things that were said, and had seen some of the Board members who, great people, but they were not knowledgeable and they were not carrying their weight; how do you get people on the Board who know how to direct those things instead of letting the operations manager do what he wanted to do?

Mitch Gerlinger said they have a hard enough time getting people on the Board; the current Board is two people voted on and three people appointed.

Greg said we are not going to have engineers on the Board forever, so we need to set up a process that's going to work.

Don Otto asked Greg to explain what he meant about the Board members bringing their thoughts and concerns about their 20% of the roads to the table?

Greg said it's a training program for even the people who come on the Board; you need to tell them this is the way things need to be done, if they do not understand the proper way to grade roads, design roads, or maintain roads, it's a learning process that must take place because the Board members need to be cognizant of what is good and what isn't good.

Don Otto said he was trying to understand that if three members is a quorum, then would the Board members go to the yard office at different times to relay the information?

Greg said there are lots of counties, like Humboldt, that have a whole manual on how to grade roads, because they want to have teeth in what they need to do with the employees. He said we can take some lessons from others and incorporate some of what they have into a manual. He said the more they understand, the easier it will be for the operations manager to communicate with them. He said he wants to figure out a way to make it better, and he wants to say to Larry we're not going to be here forever and how do we deal with the issue going forward?

Larry said he loved the suggestion. He said on the past agendas there has been a maintenance manual that he has intended to write. He said we have given written direction on cross section of roads that was given last October, which was probably delayed too long by about three years.

Greg said Larry was doing good on that and we're making headway, but Larry can't do it all himself; that it's not right that the Board members are not getting feedback to the operations manager.

Larry said he agreed with that, but we have to be careful that five guys are not giving the operations manager five different directions; it has to come through one person.

Cathy Glatthar said that is exactly what happened in the past.

Louie Test said you have to have a system in place where individual Board members know what their responsibilities are and they don't have the authority to go to the operations manager. He said he thought what Greg was saying is those issues should be brought up at the meetings by each one of the Board members, and then someone is liaison between the Board members, and maybe you just say that's the President?

Greg said he's trying to make this a more coherent, functional group. Louie said and that takes care of the concern you had, you still have one person to do it, but at the Board meeting you would talk about the different things ... Greg interjected and said so the Board knows what's going to be done and carried out. Cathy mentioned you have a Road Committee. Louie said you have the President or a designated person on the Board who deals with the operations manager.

Larry said there is nothing magic about the President doing this; the only thing magic about the way it runs now is he has fifty years of road experience. He said it won't last forever because after this upcoming term he will be term limited out; so he's got three and a half years left. Cathy said four and a half; it's a four-year term.

Greg said he is trying to make the operations manager strong enough that that is the focus.

Larry said there will be another point in this discussion that will come up very shortly, and if you'd like we can hold off on this discussion. Greg said he would like to wait.

Larry said his other proposed change was to take the grader operator description and change that to equipment operator and eliminate the equipment operator description. He said that was appropriate when we had four crew members. He said we should probably keep the truck driver description.

Mitch Gerlinger reminded everyone that the Operations Manager's job description item number nine needed to be changed to reflect the elimination of grader operator.

Larry agreed and said his proposed edit would be to eliminate the first four words for item number 10 and have it read: "Perform the duties of and meet all requirements of the equipment operator."

Mitch suggested just using "operator." Greg said "equipment operator" insinuates you never get off the equipment and get the sage brush out of the road when you're grading, and he wanted the job description to reflect there may be a need for physical labor, not just operate equipment. Larry said item number eight roughly states that. Mitch suggested, "and all other assigned duties." Larry asked Cathy to include that line.

Jim Currivan said he liked the idea of Board members being assigned a certain number of miles in their area that they would be responsible for in a way; for observations and instructions and also listen to the gripes, then the Board members will get a good feel for what's going on out there. He said when the Board members get together, they will report on the priorities for the area they are responsible for, and then they can discuss who has the highest priority and that starts the work assignment list. He said he would like to see it more defined.

Larry said that probably works fine for special improvement projects, but would not work well for day-to-day maintenance operations because we receive, in any given week, emails from people all over requesting standard maintenance. He said Jim Hicks does a magnificent job of responding to those and taking care of those typically the same week, but at the most, within the following week. He said he loved that input, in that special projects can be brought to the Board's attention, such as, we need a culvert here, or we need some rip rap here, or there is a drainage issue here; he said that is a great methodology.

Jim Currivan said he saw a downside to it being if someone has a gripe or a real concern, of a safety hazard, that we are a month apart and we need something quicker than that.

Mitch said we don't have a whole lot of things that happen like that, except when there's storm damage. He said another footnote on this is we talked about not having a hammer to hold over the developer who sold out, we do not have a hammer over each other; we're all elected officials on a voluntary basis; here are the roads in my area and I'd like to be responsible for these.

Greg said or even as time goes on you might do 20% for six months or a year and then get a different 20% because you need to know the entire system. He said we've gone to a system where we don't react unless we get a phone call or an email from someone. Larry said yes we do, that's not so. Greg said he gets that impression. Larry said we just graded Right Hand Canyon and we didn't get a request for that; Jim H. has been out grading roads without receiving maintenance requests. Jim Hicks said they are, but it's because they have been taking it upon themselves, but that is not the directive. He clarified that the directive was to grade roads that they have complaints on, only. Larry said never was that the directive, because there are weeks when they have zero requests for maintenance and at that point Jim, you are not going to do anything? Greg said he's talking about what is the philosophy if everybody is looking at the roads and saying the roads look pretty well graded and the operations manager says thank you very much because he is on top of it and he is doing assessments of roads and he is going out and maintaining things. He said it is collectively the Board coming back on a monthly basis and giving a hand shake or a slap on the hand, and it's not just only projects, he said he was thinking it was broader than that.

Larry said he would buy into the Board driving roads within a geographical area; in fact it would be best if they stuck close to home because they will get input from their neighbors. Jim Currivan said he doesn't get complaints anymore because the problems have been fixed. Larry said Jim Hicks is a hero now; that we received a wonderful thank you email from the Curnow Canyon residents.

Greg said he'd appreciate it if the Board would give this idea some consideration and we move forward on how to implement this type of system. Louie said what he understood from Greg is that Greg wanted a Board member's manual for road maintenance. He said this should be put on a future agenda.

Larry said this is a timely discussion because our operations manager, Jim Hicks, has submitted his resignation, and we are presently advertising for his replacement. Greg asked why are we out advertising when he doesn't have a good idea of what the operations manager is functionally going to be responsible for and how we're going to deal with the guy? Larry said it's because Jim has given notice and might be leaving in a week and a half or two weeks from now. Larry said he wrote up an employment notice that has been posted on a number of employment websites and will be posted around the Valley. Greg said he might just butt heads with Larry on this because he might have totally different ideas of what an operational superintendent is than what Larry thinks. Larry said the employment notice language was pulled off of the operations manager's job description. Greg said he knew that, but he doesn't like some of what's in that job description.

Comments were made and Louie Test clarified that we will take résumés and review them and be sure the applicants can do what the Board feels is necessary for the operations based on the job description and maybe there are some additional things the Board wants and that's what you look for in the résumés.

Larry said in about two weeks, he wants to call a special Board meeting to hire this individual.

Don Otto asked if they were hiring two people, because the NextDoor posting was for both positions?

Larry explained that we opened both positions because Shawn Kelly, who was hired as the grader operator, has expressed interest in applying for the maintenance supervisor position. He said we will collect résumés for the full gamut of experience and skill levels and make a necessary decision accordingly; we did not want to potentially promote Shawn and then go for another two or three week period of searching for the grader operator position.

Larry said he thought that individual needs to receive administrative direction from him, the President, for at least an extended period of time until we get that individual up and running and doing things appropriately.

Greg said he did not agree entirely with what Larry said; that it sounded like direction was going to exclusively come from Larry and not back to the Board, where the Board communicates ...

Larry said every Monday morning we have a Road Committee that has been giving the operations manager direction, and he thought that direction has to come from that Road Committee. He said Greg is on that Road Committee and ...

Greg interjected and said he doesn't give any direction; that Larry does all the directing, that Larry does everything and that's the way Larry does business.

Larry said Greg has not shown up for a month.

Greg said he hasn't bothered because it didn't do any good.

Larry said if you don't show up, you can't complain.

Greg said what's the point of doing nothing; sitting and twiddling his thumbs?

In response to Cathy's question, Larry said we are postponing job descriptions.

7. New Business:

- a. Consider Increasing Employee Health Insurance Benefit Cap:** Larry Johnson explained we currently have an \$800 [per month] cap allowance for health insurance purposes per employee. He said the problem is with the increasing costs of health care and health insurance, that is probably an inadequate amount in 2018. He said it has been suggested to him by our new employee, and he agrees, that that cap be raised to \$1,000 per month limit and that it be reviewed along with employee raises on an annual basis. Jim Currivan asked how many employees this applies to? Larry answered two. Maureen Sidley explained that having just two employees and only an \$800 allowance, limits the plans available. Jim C. asked if we could join Washoe County's group plan? Maureen said she has looked into that in the past and we were not eligible; she said she would check again. Greg Dennis made a motion to increase the health insurance allowance to \$1,000. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.

b. Employee Handbook Update: Since the Board members had not reviewed the employee handbook, Larry Johnson stated this item would be postponed to the next meeting.

8. Judicial/Government Affairs: None

9. Calendar Review: Cathy Glatthar reviewed the upcoming items:

- Maureen Sidley reported the Notice of Public Hearing for the Budget is scheduled to be published on May 17th.
- Maureen stated the Economic Survey was signed tonight and will be submitted by May 15th.
- Cathy reminded everyone that the regular May 17th meeting has been cancelled and rescheduled for Thursday, May 31st for the budget hearing.
- The aggregate pit air quality permits expire at the end of May. Maureen stated she has not received a bill yet. Cathy said they had trouble last year because of the new permitting system.

10. Correspondence:

Maureen Sidley reported receiving a notice from Granite [Construction] regarding an increase in prices. Larry Johnson said the new cost for asphalt is \$6.00 per ton; that is for the oil portion of that mix.

11. Public Comment: Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

12. Board Member and Staff Items:

- Jim Currivan made a motion to hear an emergency item to discuss holding a special meeting to hire an operations manager so there is no interruption in road maintenance operations. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.

Larry Johnson said Jim Hicks gave notice and his last day was supposed to be May 3rd, but Jim has agreed to stay on until we hire somebody. He thanked Jim for being willing to stay on. After some discussion, the Board decided to hold a special meeting on May 17th at 6:00 p.m. Cathy Glatthar said that was our original meeting date and hopefully this meeting room is still available. She said she would check into it.

Mitch Gerlinger suggested making the operations manager position part-time, a couple of hours a day, and have a grader and a helper. He said it would allow us some flexibility.

Larry said he would think about it, but thought that he preferred it the way it is now. Greg and Larry agreed to consider Mitch's suggestion.

Maureen Sidley asked if the bills could be approved at the May 17th meeting instead of waiting for May 31st? Larry said it would be put on the agenda.

Larry said he wanted to review every résumé that comes in and all résumés, for both positions, should be sent to the Board members. He said he thought there should be a sub-committee to review the applicants. Greg Dennis agreed to be the second Board member on the sub-committee. Larry said we are going to receive résumés

that don't fit the bill, and we'll have to sort them out. Cathy reported that when she receives résumés, she has been screening them and if they haven't provided the necessary information on grader experience or CDL permit, she asks them for that information. She said she has already rejected two applicants and she wanted to know if that was okay? Larry, Greg, Mitch, and Louie all agreed that Cathy should continue screening applicants. Larry said we've got some hotshot guys that are about to apply.

- Greg Dennis reiterated that next month we need to have an agenda item to discuss employees and a change in how we manage employees and that goes along with the employee handbook.

13. Adjournment: Greg Dennis made a motion to adjourn the meeting. Mitch Gerlinger seconded the motion, and hearing no opposition, the meeting adjourned at 8:20 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ April 19, 2018

Total of all Bank Accounts:

Balance'@ April 19, 2018 - Money Market - #5010	267,802.35
Balance'@ April 19, 2018 - Savings - #4658	2,001.00
Balance'@ April 19, 2018 - PR/Petty Csh - #4430	17,000.00
Balance'@ April 19, 2018 - General Ckng - #4179	591.52
<i>Total Cash IN All Accounts</i>	<u>287,394.87</u>

WELLS FARGO-ALMOST CD #5010

Balance'@ March 8, 2018 228,938.17

Income for the Month

Consolidated Tax	27,039.44
Ad Valorem	45,960.02
LGTA	6,816.85

Total Income 79,816.31

79,822.43

Interest Income 6.12

Transfer to Wells Fargo #4430 (21,958.25)

Transfer to Wells Fargo #4658 0.00

Transfer to Wells Fargo #4179 (19,000.00)

'Balance'@ April 19, 2018 267,802.35

WELLS FARGO-SAVINGS #4658

'Balance'@ March 8, 2018 2,000.95

Transfer from Wells Fargo #5010 0.00

Transfer to Wells Fargo #4179 0.00

Interest Income 0.05

'Balance'@ April 19, 2018 2,001.00

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@ March 8, 2018 17,000.00

Transfer from Wells Fargo #5010 21,958.25

Void Check 5767 2,736.04

Deposit
PERS - February 24,694.29

Net Payroll 13,940.53

Wells Fargo - 941 Pmt EFTPS 3,851.26

PERS 5768 2,626.67

PERS 5786 3,116.32

Purcell Tire 5781 197.95

Employment Sec. Division 5787 961.56

Net Payroll
Mo. 941 deposit - March
PERS - February
PERS -March
Tire Repair
1st Qtr Payroll Report

\$24,694.29

(\$24,694.29)

'Balance'@ April 19, 2018 17,000.00

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @ April 19, 2018

NAME	CK #	DESCRIPTION	
<u>NELLS FARGO-GENERAL #4179</u>		Balance'@ March 8, 2018	341.74
Transfer from W.F.#5010	19,000.00		
			19,000.00
PUBLIC WORKS			
Alhambra & Sierra Springs	9350	37.97 Monthly Water	
AT&T - Cell	9351	363.80 Cell Phone	
Catherine Glatthar	9352	2,181.50 Monthly Work	
Flyers Energy	9353	1,239.72 Fuel	
Granite Construction	9392	210.00 Patch	
Hoffman, Test	9393	435.00 Monthly Fee	
Home Depot	9394	35.98 Misc. Small Supplies	
Humana	9405	258.02 Health Insurance	
Humana	9407	91.10 Health Insurance	
		Monthly Bookkeeping Work, Copies - Tentative Budget -	
Maureen Sidley	9408	570.00 Qrtly Econ Report	
Napa	9395	9.99 Misc. auto parts	
Nv Energy	9396	292.08 Office Utilities	
Postmaster	9397	140.00 Annual Box Rental	
PowerPlan	9398	6,482.55	
Purcell Tire	9406	1,384.83 Grader Tires/Repairs/Service	
Praxair	9399	141.90 Cylinder Rental	
Sani Hut	9404	129.87 Monthly Charge	
Sonray Machinery	9401	3,714.80	
Waste Management	9402	31.82 Waste Removal	
Western Nevada Supply	9403	999.29 Culverts, Dimple Band, Strap	
TOTAL		<u>18,750.22</u>	<u>(18,750.22)</u>
		'Balance'@ April 19, 2018	<u><u>591.52</u></u>

PVGID OPERATIONS REPORT
Report Period 03-09-2018 to 04-12-2018

ATTACHMENT: 04/19/2018 Meeting Agenda Item 5. d.

ROADS GRADED:

Amy (S)
Amy (Whiskey Springs - Cape Seal)
Crossover
Peak (N-S)
Peak (E-W)
Range Land
Wilcox Ranch (Amy to Quaking Aspen)
Amy (Ironwood - Wilcox Ranch)
Bacon Rind (S)
Jackrabbit (S)
Jackrabbit (N)
Prairie
Wilcox Ranch (Amy to Quaking Aspen)

OTHER ROAD WORK:

None

OTHER:

None

EQUIPMENT:

None

SPECIAL MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, May 17, 2018

MINUTES

Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 4:32 p.m. Thursday, May 17, 2018 at 6015 Ironwood Road, Reno, Nevada.

1. **Roll Call:** Present were Marty Breitmeyer (arrived at 5:00 and left at 6:20 p.m.), Mitch Gerlinger, Greg Dennis, and Larry Johnson. Jim Currivan was absent. Also present were Jim Hicks, Operations Manager (arrived at 6:00 p.m.); Maureen Sidley, Assistant to the Secretary (arrived at 6:00 p.m.); Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel (arrived at 6:00 p.m.).
2. **Public Comment (limited to three minutes per speaker):**
Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.
3. **Retire to Closed Session:** Greg Dennis made a motion to go into a closed session, pursuant to NRS 241.030, to consider the character and professional competence of applicants for employment. No action will be taken during the closed session. Mitch Gerlinger seconded the motion, and hearing no opposition, the Board went into the closed session.

Reconvene for the Open Session of the Special Meeting.

Larry Johnson reconvened the special meeting at 6:05 p.m.

1. **Roll Call:** Trustees present were Marty Breitmeyer (left at 6:20 p.m.), Mitch Gerlinger, Greg Dennis, and Larry Johnson. Jim Currivan was absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.
2. **Public Comment:**
Cathy Glatthar said this is an election year and there are some important filing dates coming up for the five people running for office. She said on May 22nd, their contributions and expenses (C&E) report number 1 is due. She suggested they file all of their C&E reports now, and if they have any contributions or expenses later, they can amend that particular report.
Larry asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.
3. **Action on Closed Session - which may include, but is not limited to, hiring an operations manager and/or grader/equipment operator(s):** Larry Johnson stated they interviewed two very qualified candidates; one he felt had superior construction background, and he personally thought both candidates had adequate expertise and experience in equipment operation and maintenance. He said he felt one of the candidates had superior public interaction skills which is also very important in this position. Marty Breitmeyer said he believed one is definitely better for the public, without question. Mitch Gerlinger agreed. Greg Dennis said many of his questions dealt with

skill levels in getting along with the public. He said one of the things we need is someone who can interact with the public. He said we have probably over 100 driveway culverts that need to be addressed and we're going to need someone who can knock on doors and get in touch with residents to work on some of those issues; it may be more important as the SPA area gets built out. Larry said the individual they are talking about who has superior interpersonal skills is Shawn Kelly. Marty Breitmeyer made a motion to promote Shawn Kelly to Operations Manager (OM). Greg Dennis seconded the motion, and hearing no opposition, the motion passed. Larry congratulated Shawn. Shawn thanked the Board.

In answer to Larry's request, Cathy Glatthar stated she had already notified the candidates that did not make the "short list." Larry said he would call the other candidate personally and inform him of their decision. Marty asked if the equipment operator position could be offered to the other gentleman? Larry said that's a possibility, but doubtful based on the wage. Larry explained that we will need to fill the equipment operator position, and we have received some resumes for that position, but we were awaiting the outcome of filling the OM's position. He said the Board policy says that the OM interviews and hires that individual, since Shawn has only been with us for a month, Larry suggested the Board also has some involvement in that hiring process, with Shawn making the final decision. Larry said we have three applicants and asked Cathy to send them out again to the Board and to Shawn. Greg Dennis said one of the things we were looking at was hiring of employees and we should not have just one person hiring. Shawn Kelly said he's always had a panel of three. Larry suggested they discuss it at their Monday morning meeting. Larry asked Jim Hicks if he would be able to stay on until they fill the equipment operator position? Jim said no problem. Larry thanked Jim.

[Marty Breitmeyer left the meeting - 6:20 p.m.]

Greg asked about the grace period for the new hire. Louie Test looked it up in the employee manual and said it is 90 days. Larry said our entire crew will be on that probationary period for several months.

4. **Approval of Minutes – Closed Sessions 1 and 2 for March 8, 2018 and April 19, 2018:** Mitch Gerlinger made a motion to approve all three sets of minutes as written. Greg Dennis seconded the motion. Hearing no opposition, the motion passed.
5. **Financial Reports and Payment of Bills:**
 - a. **Financial Reports:** Maureen Sidley said she looked into health insurance with Washoe County and two people in HR said no, but one person suggested she talk with the head of HR, Amy; she said she has a call into Amy, but hasn't heard back yet. She said she would not stop until she hears back from Amy. Larry Johnson clarified for the public that the District has an allowance per employee of a \$1,000 per month for their purchase of their own health insurance policy. He said we are exploring whether or not we could join Washoe County; typically the answer is going to be no, but we'll see.
 - b. **Payment of Bills:** Maureen Sidley stated the Bulldogger pneumatic roller was purchased for \$22,800, a sweeper was purchased for \$400, repairs were made to the Ford and the Chevy, and repairs to both the 770 and the 670 graders to Power Plan in the amount of \$5,557.52. She reported that she contacted Power Plan and had the account credit limit raised from \$7,500 to \$15,000. She said she also went

to AT&T and got a new plan for \$60 a month with unlimited minutes and two gigabytes of data. Cathy Glatthar asked Maureen to explain the Hoffman Test 2011 payment. Maureen explained that Louie Test's accountant and she had differing amounts, so she audited the account all the way back to 2009 (a point where they both agreed). She said they discovered that the accountant was not treating the payments as a retainer, and if Mr. Test did not attend a meeting, the retainer was being put in a trust account and in 2011 the accountant said nothing was owed because of a credit balance of three months (the money put into the trust account). She said this payment represents those three months retainer fees and the account is now current. Larry explained that Louie Test's agreement with the GID states that he will attend a majority of the meetings and the monthly fee is a retainer. Greg Dennis asked Louie about extra activities? Louie said if there are extra activities, he clears it through the Board; such as the Washoe County matter, the agreement with Truckee Meadows Fire, and the AT&T cut cables. Greg Dennis made a motion to pay the bills. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.

- c. **Discuss Dump Truck Options: Repair, Replace, or Other:** Jim Hicks said Shawn Kelly has been looking at the trucks, but Shawn hasn't gotten to the dump truck, yet. He suggested waiting until the next meeting to discuss. Cathy Glatthar reported the dump truck is a 1992 that the GID purchased in 1998.
- d. **Discuss Installing a Hitch on the Water Truck:** Larry Johnson explained that Jim Hicks had recommended not installing a hitch on the water truck.

6. Road Maintenance Reports:

- a. **Road Reports:** Larry Johnson stated no special projects have been done in the past couple of weeks; all the work done has been road grading. He read the list of roads graded (see attached Operations Manager's Report for 04/16/18 to 05/10/18). In response to Larry's question, Jim Hicks reported this week they worked on Amy, Amy south, and Little Ironwood. He said with the rain yesterday and today, they worked on Amy and the section of Range Land between the highway and the cattle guard. He said he surveyed Range Land and it's a lake; eight inches to a foot deep. Larry said conditions might be good enough on Monday to run both graders. Jim added if there's a need for some water, we could have one of the temporary workers run the water truck and have both graders going. Larry said over the next few weeks, we will play catch up and grade as many roads as we can.

Greg Dennis asked how we were going to deal with the potholes in the developer-placed Cape seals? Larry said their Cape seal, our roads; his recommendation is that we have residents who drive those roads and the potholes in the travel lanes should be done. Greg agreed and Jim Hicks said they would get it done.

- b. **Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:** Larry Johnson asked Cathy Glatthar to give an update. Cathy said on April 9th she submitted the "invoice" for project worksheet number two which was for the grading of roads to restore them to pre-disaster condition. She said a few weeks ago they [State Department of Emergency Management (DEM)] requested time cards, which is not what she thought the policy guide called for, but we give them what they want. She said she got the time cards [and pay stubs] from Maureen Sidley on Sunday morning and by Sunday night she had them sent off to DEM. She said this project worksheet is 100% complete, which means DEM has 90 days to process the invoice.

She said they have to do a physical site survey, so we should be hearing from them soon. Larry said he would be the one to take them on the tour. Cathy added the good news was DEM was very happy with the way she presented the package, and she said she was relieved to know that, and the other three project worksheets should go very smoothly. Larry clarified for the public that a large percent of last year's budget was spent on flood damage repairs and we have not been reimbursed for any of that yet. He said the total amount spent was about \$170,000 and the grants from FEMA are reimbursed at 75% and the State reimbursement is 12.5% leaving the GID's portion at 12.5%. He explained total reimbursement will be about \$150,000 and this first project we are "invoicing" amounts to almost 50% of that total (\$70,049).

- c. Capital Improvements Plan:** Larry Johnson said with a lack of budget, we don't have the amount of money we would like for capital improvement projects. He said we can't do any planning based on the possible receipt of FEMA funds. He said this month's projection shows we will have \$166,000 available for capital improvements, which won't allow us to do additional surfacing of Amy, Wilcox Ranch, or Right Hand Canyon. He said he thought we needed to take a step back and do some patching and edge resurfacing on Ironwood instead. He highly recommended doing Cape sealing for the section of Amy Road between Ironwood and around the sharp corner onto Wilcox Ranch (approximately 200 feet, including Amy south for about 100 feet) because that section has to be graded on a weekly basis. He mentioned there will be significant work that will need to be done before surfacing because there are three driveway culverts and other drainage work, and he said he wanted to pull the sides in some more and elevate the road to the extent practical and possible there. Shawn Kelly said there is a lot of sand on the sides and we would need to bring in some mixing material so it will tighten up.

He said the capital improvements for this year will have to focus on protection of and possibly upgrading ... we may want to have a professional contractor come in and do the patching work on Ironwood across from the horse corrals; it's not just edge break off, but failure of the Cape seal. Greg Dennis said that was his concern also; to keep what we have functioning, first. Larry said that has always been our first priority over the years. Larry said he would also like to work on portions of Range Land, Peak, and Big Dog, but it takes money. He said every month we have a falling of the net operating funds for capital improvements. He said we started out with over \$250,000 and now it's down to \$166,000; he said he needs the most accurate figure possible to be able to do proper planning and present the Board with recommendations by next meeting and have draft contract documents. He asked Cathy if she thought this balance would continue to drop? Cathy replied as far as the expected revenues, she felt her figure was fairly accurate because she lessened it by 10%; to date, it's down by 7%, so this is an even more conservative figure. She said what's happening is our expenses are much higher than normal with lots of repairs, and the purchase of the roller unit. She reported year-to-date, expenses are \$41,000 more than projected and there are still more repair bills coming. Larry said what he has done in the past with the bids and the contract documents is bid by unit prices with qualifications that we adjust quantities up or down depending on budget and the prices bid. Greg asked what was spent on Cape Seal last year? Larry replied \$249,000. Larry said we will do as much as we can with the dollars we have.

Cathy said something to keep in mind is the culvert flushing needs to be done for FEMA before August 17th; this may add additional temporary labor costs. Shawn Kelly said we've had some temporary laborers working on patching and we could have them use the second water truck and get that work done. Larry said it only takes one guy to go into Granite to pick up the patch material and the other guy could run the water truck in the interim. Shawn mentioned they've needed to do some sweeping in order to prepare the edge for patching. Larry asked if the sweeper in the yard is working? Jim Hicks said it was not.

Greg asked how we are going to go about producing an assessment on Ironwood and a couple of other roads for a contractor to come in and fix those roads; do we just get a square footage? Larry said yes, he walks the road and paints out square and rectangular patterns, and calculates the square footage. Greg asked if it would be cost effective to lay a 12 foot path on Ironwood? Larry said not necessarily. Greg said he didn't think those Cape seals were going to hold up as wonderfully as we think. Larry said for example, take Whiskey Springs (from just beyond Broken Spur to Pyramid Highway), we first did a Cape seal in 2012, then put on the second and last surfacing in 2016. Greg asked if we doubled it on Ironwood? Larry said not with the same product; we were skipping around with test sections. He said the section one mile in from the highway to the pit, is performing very well, and only needs some edge patching in a few places. He said areas within the first mile, because we put down a chip seal first, let it go for a year and it got beat up really bad before we came back with a micro-pave slurry over the top of it and it wasn't in time. He said the other factor on Ironwood is we have extreme drainage problems across from the horse corrals where we have sheet flows coming off the mountain, we have very poor ditch drainage, that drainage swale has to be moved back away from the Cape seal; even if there was pavement there, it would not hold up.

Larry said we have three different products in that five miles and that first mile has problems. Greg said before we add more surfaced roads, we have to make sure we have a budget to maintain what we have already put down. Larry said we have analyzed that since 2011, and said if our Cape seal will last two years, here's how many miles we can do; if our Cape seal will last three years, here's how many miles we can do, if we get to the point where we can put two layers down, then we can get an extra year out of it, then here's how many miles we can do. He said Pete Schmalzer was a pavement research expert, and we went through this in detail year after year. Greg said he only knows what he sees now; we have \$166,000, we have to keep up what we have and when we put a bid together, are we or are we not going to fix what needs to be fixed first before we go and add any additional? Larry said we have to; that has always been the priority and always will.

- d. Operations Manager's Report:** Jim Hicks said Shawn Kelly has looked at the belly dump and we can probably fix it. He explained the trailer needs brakes, new tires, probably some bearing work, and probably some air hose work. He said the tractor may need brakes, it needs new tires and service. Larry asked how many hours he used the belly dump last year? Jim said they used it to put sand down. Larry said for the price of rehabilitation and repair, he wanted a report and recommendation next month; do we just sell this and contract with an outside trucking operation? Shawn said the tire dates are '01, they are way out of spec, it has mismatched tires on it, but he is seeing a need to bring in fill and if he has a temporary worker who can operate that truck ... it has a brand new engine with 30,000 miles on it; that speaks

for itself. Larry reiterated that's why at the next meeting he wants an analysis and recommendation. Greg Dennis asked if we are scrapping the old roller? Jim said we are and it's already out of the yard.

7. Old Business:

- a. **Status of Draft Agreement with LW Land Company:** Larry Johnson said there is no change on this item. Susan Ambrose, in the audience, stated that Mr. Murphy has equipment on site and is cutting a path through Kurt Streeter's property to Ironwood and she understands that Mr. Murphy has purchased an easement from Mr. Streeter to run a road through there for his construction project. She wanted to know if this would have an impact on the repairs to Ironwood? Larry said yes, but we do have a condition of approval on the Murphy development that we are going to do a survey before he starts construction and do an annual survey and assess them accordingly for reimbursement to the District for repairs, and they will not get a certificate of occupancy unless Mr. Murphy complies. He explained the cities and the counties have the developer post a bond, a surety, to guarantee repairs will be made. Larry said for any future developments, we have to be smart and do the same; he said he did not for this one and the blame is on him. He explained both he and Louie Test have made contact with the developer and his engineer requesting a meeting to draft an agreement. Donald Otto, in the audience, asked if we would have a gain in taxes? Larry said we would receive property taxes from those new residents.
- b. **Washoe County Proposed Refund of SPA Developer Fees:** Larry Johnson said there is nothing new on this.
- c. **Employee Job Descriptions:** Larry Johnson said he had some changes and started with the "Grader Operator" description and said he recommended changing it to "Equipment Operator" and eliminating the old "Equipment Operator" job description. Cathy Glatthar interjected and said at the last meeting, Mitch suggested item number eight be changed to read, "Performs other related work as required and all other assigned duties." She also mentioned another change suggested last time was to "Other Requirements" to read, "Possession of a valid Commercial Class A Nevada Driver's License with a tanker endorsement or able to obtain one in 90 days" (adding "commercial" and changing from 180 days to 90 days).

Larry then addressed the "Operations Manager" job description, and stated the "Other Requirements" should be the same as for the equipment operator. He reviewed the remaining changes he was suggesting:

In the first paragraph, "Job Description," Larry said our policy manual says the operations manager reports to the President, so he thought it should be reiterated here: "Under administrative direction from the President, the Operations Manager plans, organizes, ..." - Larry suggested adding "performs" here because our operations manager will be operating the motor grader 90% of the time - "... performs, and directs the District's road maintenance operations ..." Greg Dennis said direction should not be from only one person. Mitch Gerlinger suggested direction come from the Road Committee. After some discussion, the Board agreed to have the sentence read: "Under administrative direction from the Road Committee, the Operations Manager plans, organizes, performs, and directs the District's road maintenance operations ..."

Mitch said he thought the way the operations manager job description is currently written should be scrapped because 95% of the OM's workload is driving the grader and that is buried all the way down as item number 10, which states, "May be required to do the duties ... "; he said no, that's actually number one. Larry said he had changed "May be required" to "Perform." Mitch then suggested moving Larry's revised version of number 10 up to the top and make that item number 1. Greg and Larry agreed. Mitch said another way to deal with this is to create a new part-time manager position, where we have a true manager position instead of having a grader operator with managerial skills. Greg suggested making the changes mentioned and leaving the positions as is for now; maybe make changes sometime in the future. Larry agreed and said he added a new item number 2 that reads, "Interacts with the public within the District." Greg said that is one of his favorite points; the operations manager needs to get along with our constituents. Larry stated he also changed item number 6 to read, "Investigates complaints and requests for maintenance within the area of jurisdiction."

Shawn Kelly said there aren't always perfect days within any given week, and there will be times when something happens and he will have to re-direct his focus elsewhere; he's not going to say now what do I do, he's going to assess the situation and get things done.

Greg Dennis made a motion to make the discussed changes to the job descriptions. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.

- d. Employee Handbook Update:** Larry Johnson said he went through the employee handbook and had a series of proposed edits. He said most of it is wordsmithing and some of the changes are profitable to productive, Company to District, clients to constituents. He said he changed the "Performance Evaluations" section to match what is in the Board Members Handbook to read, "Employees will have their job performance reviewed on an annual basis by either their supervisor or by the Board of Trustees. The president will prepare the job performance review for the maintenance supervisor. Review will be conducted by the full Board of Trustees in a closed session. Employees will be notified in writing at least one week prior to the closed session of their review schedule." He said under "Drug-Free Workplace" and "Rules of Conduct ..." sections, "including marijuana" was added. Shawn Kelly mentioned the employees will be required to have a class A license so they will have to follow the FMCSA [the Federal Motor Carrier Safety Administration], Federal drug guidelines. Greg Dennis clarified that the handbook will refer to the Federal standards for commercial class A driver's license holders. Larry said the employees will be given a copy of the handbook, and there is an acknowledgment page that each employee will sign.

Greg Dennis made a motion to accept the modifications to the employee handbook. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.

8. New Business:

- a. Discuss Board Member Handbook Policy Changes - To include, but not limited to, Trustee Responsibilities and Employee Sections:** Greg Dennis said he was the one who brought this up and he felt like we now have a workable arrangement for the next four or five years. He said when the area gets bigger, we may need a change in the operations manager position. After a brief discussion, the Board decided to leave the Board Member Handbook as is.

b. Road Maintenance Manual: Larry Johnson said he didn't know why this was on here because he hasn't written the manual. Cathy Glatthar said it was brought up at the last meeting and was requested to be put on the next agenda.

9. Judicial/Government Affairs:

None

10. Calendar Review:

- Larry Johnson said we need to conduct Shawn Kelly's performance review 90 days from hire date, which would be the August meeting (August 16, 2018).
- Cathy Glatthar stated we have a special budget hearing meeting on Thursday, May 31st at 6:00 p.m. at the Washoe County range. The agenda will include the budget hearing and the belly dump.
- Cathy said each year we have to submit a copy of the Air Quality aggregate pit permit to Community Development as a condition of our special use permit (SUP). She said she contacted AQMD looking for the permit renewal invoice and was told AQMD wants to close out the permit because our operations no longer require a permit. She said she contacted Roger Pelham regarding how to comply with the SUP without an AQMD permit. She explained that Roger stated we needed a letter from AQMD for this year and then we have to apply for an Amendment of Conditions for the SUP. She said Larry had a good suggestion that we propose sending a letter every year stating that the GID is operational.

11. Correspondence:

Cathy Glatthar reported there are two equestrian events here in the Valley, one is the Traditional Mexican Rodeo events which are on Ernie Lane which is off of Roadrunner Road. She explained they have sent in their 2018 schedule and their watering contract in compliance with their SUP. She said the schedule was sent to Jim Hicks, and now Shawn Kelly will check the condition of Roadrunner after these events and determine if it needs grading or not. She explained the other events are the horse races on Grass Valley Road. She explained they sent in a watering contract that was unacceptable and she rejected it. She said the operators cancelled their May 5th event and there is another event scheduled for this Saturday (May 19th) but she has not heard back from them; so that event should be cancelled also. She said once the horse race operators get her a valid watering contract, she will send the schedule of events to Shawn.

12. Public Comment:

Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

13. Board Member and Staff Items:

None

14. Adjournment: Mitch Gerlinger made a motion to adjourn the meeting. Greg Dennis seconded the motion, and hearing no opposition, the meeting adjourned at 8:00 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ May 17, 2018

Total of all Bank Accounts:

Balance'@ May 17, 2018 - Money Market - #5010	245,930.88
Balance'@ May 17, 2018 - Savings - #4658	2,001.05
Balance'@ May 17, 2018- PR/Petty Csh - #4430	17,000.00
Balance'@ May 17, 2018 - General Ckng - #4179	120.04
<i>Total Cash IN All Accounts</i>	<u>265,051.97</u>

WELLS FARGO-ALMOST CD #5010

Balance'@ April 19, 2018 267,802.35

Income for the Month

Consolidated Tax	25,880.49	
Ad Valorem	6,814.77	
LGTA	3,646.23	
Total Income	<u>36,341.49</u>	36,348.16
Interest Income	6.67	

Transfer to Wells Fargo #4430	(18,419.63)
Transfer to Wells Fargo #4658	0.00
Transfer to Wells Fargo #4179	(39,800.00)

'Balance'@ May 17, 2018 245,930.88

WELLS FARGO-SAVINGS #4658

'Balance'@ March 8, 2018 2,001.00

Transfer from Wells Fargo #5010	0.00
Transfer to Wells Fargo #4179	0.00
Interest Income	0.05

'Balance'@ May 17, 2018 2,001.05

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@ April 19, 2018 17,000.00

Transfer from Wells Fargo #5010	18,419.63	Deposit	
Void Check # 5750	87.44	Employment Sec. Dept (Bond Pmt)	18,507.07

Net Payroll	13,682.76	Net Payroll	
Wells Fargo - 941 Pmt	EFTPS 1,220.48	Mo. 941 deposit - April	
Public Agency Comp. Trust	ACH 1,091.75	Workman's Comp	
PERS	5806 2,148.28	PERS -April	
AT&T	5801 363.80	Mobile Phone	

\$18,507.07

(\$18,507.07)

'Balance'@ May 17, 2018 17,000.00

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @ May 17, 2018

NAME	CK #	DESCRIPTION	
<u>WELLS FARGO-GENERAL #4179</u>		Balance'@ April 19, 2018	591.52
Transfer from W.F.#5010		39,800.00	
Void Check	9316	219.92 GTX	
			40,019.92
 PUBLIC WORKS			
Alhambra & Sierra Springs	9413	29.21 Monthly Water	
Bulldogger Services	9412	22,800.00 Equipment	
Cashman Equipment	9414	545.16 Generator Repair	
Catherine Glatthar	9415	1,604.89 Monthly Work	
Dynamic Diesel	9416	1,032.14 Repairs on Ford F-450 & '88 Chevy	
Flyers Energy	9417	905.73 Fuel	
Granite Construction	9418	2,676.69 Patch	
Hoffman, Test	9411	1,270.50 Prior from 2011	
Hoffman, Test	9409	1,288.00 Special Project Balance	
Hoffman, Test	9419	435.00 Monthly Fee	
Humana	9420	258.02 Health Insurance	
Humana	9426	91.10 Health Insurance	
Maureen Sidley	9429	353.00 Monthly Bookkeeping Work, Copies	
Nv Energy	9421	149.26 Office Utilities	
PowerPlan	9422	5,557.52 Repairs on 770C	
Reno Gazette Journal	9427	151.00 Legal Notice - Tentative Budget	
Sani Hut	9423	129.87 Monthly Charge	
Silver State Barricade & Sign	9424	781.80 Misc. Signs & Barricades	
Shawn Kelly	9428	400.00 Sweeper	
Waste Management	9425	32.51 Waste Removal	
TOTAL		40,491.40	(40,491.40)
		'Balance'@ May 17, 2018	120.04

PVGID OPERATIONS REPORT
Report Period 04-16-2018 to 05-10-2018

ATTACHMENT: 05/17/2018 Meeting Agenda Item 5. d.

ROADS GRADED:

Big Dog
Broken Spur
Amy (S)
Amy
Bacon Rind (S)
Crazy Horse
Hay Canyon

OTHER ROAD WORK:

Finish Culvert Installation (Quaking Aspen)
Finish Culvert Installation (Amy)

OTHER:

None

EQUIPMENT:

621 Loader (new seat)
Dozer (service)
Backhoe (Service)
670 Grader (Adj. valves, service, new seat)
770 Grader (Adj valves, A/C evaporator, service)
International Water Truck (service)
F450 Ford (service)
Chevy 30 Mini Dump Truck (headlights, service)
Ironwood Generator (service)
Wayside Generator (turbocharger, service)

SPECIAL MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, May 31, 2018

MINUTES

Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:01 p.m. Thursday, May 31, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Greg Dennis, Jim Currivan, and Larry Johnson. Marty Breitmeyer and Mitch Gerlinger were absent. Also present were Shawn Kelly, Operations Manager; Maureen Sidley, Assistant to the Secretary; and Cathy Glatthar, Assistant to the Board.
2. **Public Comment:**
Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.
3. **Public Hearing - Approval of Final Budget for Fiscal Year 2018-2019:** Maureen Sidley explained there were no changes from the tentative budget. She said she found out that she is supposed to sign on the left side signifying that she is certifying the information in the budget. Greg Dennis asked if the \$185,000 [income] represented the FEMA money? Maureen said \$150,000 is FEMA and \$35,000 is LGTA/Fair Share which is sales tax revenue. Maureen said page six shows the breakdown. Cathy Glatthar said she did an analysis of the FEMA and State disaster funding (see attachment) and explained the figures are preliminary because two of the four projects have not cleared the FEMA review process. She said FEMA will reimburse 75% of each approved project worksheet and the State will reimburse 12.5%. She said the preliminary total comes to \$147,677, so her estimate of \$150,000 for the final budget is close. Greg commented that there is \$50,000 for capital outlay. Cathy clarified that line item is for equipment and vehicles, not capital improvements; those are under road maintenance. In answer to Greg's question, Maureen explained on the budget report, there are only four expense categories that are broken out: 1) Salaries and Wages, 2) Employee Benefits, 3) Services, Supplies and Other Charges, and 4) Capital Outlay, so road maintenance is under number three. Larry Johnson asked if anyone in the audience had any comments? Jim Currivan made a motion to approve the final budget. Greg Dennis seconded the motion, and hearing no opposition, the motion passed. Larry explained to the audience, this budget is a formality; we can transfer funds between categories as needed, and the revenues are just projections. Cathy Glatthar added that it is not money in the bank.
4. **Financial Reports and Payment of Bills:**
 - a. **Financial Reports:** Larry Johnson asked Cathy Glatthar to review the Net Operating Funds for Capital Improvements report. Cathy reiterated what Maureen Sidley said that it's only been two weeks since our last meeting; we did receive CTX (Consolidated Tax) revenue in the amount of \$30,085, but CTX is still down by \$37,462, no ad valorem came in, but we were not expecting any, and LGTA (Local Government Tax) has not come in yet. She explained overall, year-to-date, revenue is down by \$55,698 from what was projected. Larry said more than likely we will not

see that money, because the State made projections as to tax levels that are not being realized and that was the basis of our budget projections. He said we are not going to have the money we thought we would have. Cathy continued and said the net operating funds for capital improvements are \$175,496, which reflects a 10% reduction of expected revenues through the end of August. Larry said we will have patching labor and materials, we are flushing out culverts with some temporary labor, and we will be discussing shortly a capital improvement project proposed for Range Land Road; all these costs will reduce that capital improvements number significantly. Cathy clarified this report covers September 1st of the previous year through August 31st of the current year and sometimes the capital improvements get paid for in the current fiscal year and sometimes they are not paid until the new fiscal year; the fiscal year begins on July 1st. Larry explained we got into a hole last year because of the flood repairs, we spent in excess of \$100,000; money we spent on flood damage repairs last year was money we would have spent on projects elsewhere. In answer to Greg Dennis' question, Larry explained this net operating funds for capital improvements figure does not include any of the FEMA reimbursement, this figure represents a conservative estimate of what we believe we will have available through the end of August to spend on capital improvements. In answer to Greg's question, Cathy said none of the \$175,000 figure is encumbered. Larry agreed and added that doesn't tend to happen with us; the project is done and invoiced and paid within 30 days. He explained that we have had projects where we have held a retention amount until repairs were made, and then made final payment.

- b. Payment of Bills:** Maureen Sidley reported it's only been a short two weeks since the last meeting, she said the annual POOL/PACT insurance bill came in for \$7,971.62, which is up \$200 from last year. In answer to Larry Johnson's question, Maureen said the insurance covers everything (including general liability) except workers' comp. She said POOL/PACT comes with an HR [Human Resources] department that we can call on when we have questions. She said the general liability limit is \$10,000,000; \$2,000,000 each incident with an aggregate of \$10,000,000, with a \$25,000 deductible. Maureen reviewed some of the other bills stating there was a Purcell Tire bill for almost \$3,000 and Sonsray bill for \$3,800. Shawn Kelly explained the Purcell Tire bill was for tires for the 670 grader, and the Sonsray bill was for hoses and thermostat replacement for the Case loader and the hydraulic leak repair on the 770 grader. Larry confirmed with Shawn that Purcell Tire company came out to the yard and replaced four or five tires on the grader with brand new tires. Cathy Glatthar mentioned there is a payment to Washoe County Health Department for the Air Quality operating permit in the amount of \$320. She explained that at the last meeting she reported the Air Quality Management Division (AQMD) was going to close out the permit, and then last week she learned they reversed that decision and we will need to continue renewing the permit each year. She said once the AQMD permit is issued, she will send a copy of it to [Washoe County's Planning Department as a condition of approval for the Wayside special use permit]. Greg Dennis made a motion to pay the bills. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.
- c. Discuss Dump Truck Options: Repair, Replace, or Other:** Shawn Kelly referred to a handout (see attachment). He stated this is a '92 Freightliner 10-wheeler dump truck, 10 yard end dump (a small dump truck). Greg Dennis said it is not capable to be legally driven on the highway. Shawn said he drove the truck and it drives pretty

soundly. He said the cab is bent, the doors have rattles, but for what we do here, the bed is fantastic, it can do what we need for tight areas, the brakes are good and the tires are up-to-date. He recommended keeping the truck; it's mainly for use in the Valley. Larry said he agrees and that the best use of a 10-wheeler dump truck is for small, local repairs, and rather than making a 10-yard run to Sha-Neva and back, he'd rather have a 20-yard end dump bring in material and stockpile it in the yard. Greg said it could be used to take material from the sides of Ironwood where you need to create drainage and take that material up to Curnow Canyon and fill in some of the low spots up there. Shawn agreed. He said the service and repairs would cost around \$3,000.

- d. Discuss Belly Dump Options: Repair, Replace, or Other:** Shawn Kelly reviewed his assessment of the '84 International tractor (used to haul the belly dump) and said he believes it's a good tractor. He said in 2001, the engine was replaced with a new one; this tractor is worth about \$12,000. He said it needs a full service done on it, but the engine is barely broken in with 30,000 miles on it. He said both the tractor and the belly dump tires need to be replaced and will cost in the range of \$6,000 to \$8,000 (for 18 tires, mostly re-caps, but the steering tires will have to be new). He recommended keeping the tractor and belly dump to use whenever we need to transport material from our pits. He added that when material needs to be imported, the best thing to do is have it brought in by triple transfer or belly dumps. He said overall, he estimates the total cost for service and tires to be about \$10,000.

Shawn explained in previous meetings it was suggested a hitch be installed on the water truck so that a Bobcat could be hauled out and be used to clean up after the grader. He said in his opinion we have a backhoe that is not conducive to our area and environment; it's an open cab and the 4-in-1 clamshell bucket that came with it was not kept; he said the clamshell bucket is an essential, crucial part of that machine. He added the backhoe has steel pads and we need reversible pads, that have rubber on one side for use on the slurry/Cape seals. He recommended selling the unit we have for \$18,000 to \$20,000 and buying a used backhoe; a \$15,000 cost to upgrade. He added that a used, tracked Bobcat would cost between \$20,000 and \$30,000, and with the upgraded backhoe, you have a piece of equipment that is superior, very user friendly, and can be used in all kinds of weather. He responded to Greg's questions and said it would have an extend-a-hoe, but probably not a "thumb" on the bucket; those are rare.

Larry said we are looking at \$15,000 (net) for the backhoe, \$10,000 for the tractor and belly dump, and \$3,000 for the dump truck for a total of \$28,000. Greg said he was thinking about a vehicle that could work around the Cape seal without tearing it up. Larry addressed Greg and said he thought the proper operation would be to pull the ditches with the blade and pull that material up to the edge of the Cape seal and if some of the dirt gets onto the Cape seal, you'd just use the power broom and push it off.

Larry thanked Shawn for his analysis and recommendations. Greg asked Shawn if he would use the belly dump much? Shawn said he truly believed he would. Greg Dennis made a motion to approve an amount not to exceed \$29,000 for service and repairs to the dump truck, tractor and belly dump, and the sale and replacement of the current backhoe. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

5. Road Maintenance Reports:

- a. **Road Reports:** Larry Johnson stated Shawn Kelly is getting his feet on the ground and the first few weeks he's been on board we've had an incredible amount of rainfall that caused a real mess everywhere, again. He said since it stopped raining, they conferred and decided to concentrate on getting the roads serviceable again. He asked Shawn how many roads have been done in the past two weeks? Shawn replied ten roads and they pulled the shoulders on Ironwood from Amy to Little Ironwood. Larry said in this interim period, he gave Shawn permission to smooth out, roughly grade, and make the roads serviceable without regard to excess material being pulled in from the sides. They briefly discussed that even though it rained all weekend, the roads were dry and required watering before grading. Larry said he believed we would be in a warm weather period from here on out and maintenance of the dirt roads will be a challenge; moisture holds them in place a bit, excessive moisture potholes them, and when they dry out, fines blow off from dust, the rocks protrude in the summertime and when they get wet, the fines pump back up and you don't see the rocks all winter long.

Greg Dennis addressed the potholes in the Cape seals placed by the developer in the SPA [special plan area] and a discussion ensued regarding the development agreement between Washoe County and the original developer of the 56 parcels that Murphy and Capurro owned for a time. Larry talked about the deposits that original developer made with Washoe County for infrastructure, including the paving of Broken Spur Road to County standards. Larry said the developer could either pay a deposit to the County or the developer could make the improvements in front of his development. Larry said the County collected funds from the developers in the SPA and was supposed to award the money from the road fund to the GID for retention of engineering and construction of the roadways to County standards. He said this obviously wasn't done; Newell and the other developers never built the roads and ten years have gone by and those developers approached the County and asked for their money back. He said the County is going to refund that money, but it will go to the current land owners.

Larry said the developers were supposed to form homeowners associations (HOAs) that were to collect dues to pay for the replacement or major rehabilitation of the asphalt pavement after the end of its useful life of 20 years. He said HOAs were never formed and monies were never collected. He said the courts have ruled that those deposits were impact fees and those monies are to go back to the current property owners. He said that's all fine and dandy until those property owners come to the GID and ask why isn't the GID doing something to the property owners' roads. Larry said he has asked property owners in the SPA if it was disclosed to them that their road was supposed to be paved, that there was supposed to be an HOA, and that they were supposed to pay into a fund for replacement of the roadway? He said the property owners have said these things were not disclosed, but they still look at us as the bad guys because their road is not to a city's or a county's standards. He said his question to everyone in attendance, if these 56 lots and these parcel maps that Murphy/Capurro bought and have now sold to Casey, who is trying to sell the remaining lots, are they bound in any way to that original development agreement? He added is there not a legal clause that future assigns are bound by the same ...? Cathy Glatthar said there is such a clause. Larry said then at this point why is the County not enforcing that? He said the residents of this Valley are the losers.

Larry Chesney, 6055 Rebel Cause Road, said he is a member of the Washoe County Planning Commission speaking as an individual. He said regarding the last parcel map for the 15 lots Murphy is subdividing on Grass Valley Road, all the original conditions were to be imposed upon any new owners. He said he was on the Parcel Map Review Committee when Murphy's maps came up, and he said he made a big deal about Murphy paying the impact fees, but the rest of the citizens of the Valley were [suffering] because the money wasn't getting back to the GID. He said he actually recused himself from the vote. He said for the record, Murphy has gotten away with murder over there. He said Murphy came in and chip sealed those roads and they were not accepted by the County or the GID and now Murphy wants to be reimbursed by the County for the chip seal, which was to Murphy's benefit in the first place so he could sell those lots and those houses. He said other than the GID's counsel getting involved and putting the pressure on the County, he doesn't know ... there's nothing the Planning Commission can do.

Greg Dennis said we could direct our attorney to produce an outcome. Larry Chesney said if the GID never accepted the improvements to those roads, then they don't exist. Larry Johnson said we did benefit from those improvements and we have patched the Cape sealed section of Amy. He went on to talk about the conditions at the time the Cape seal was put down which resulted in some of the failure. He said he did not believe we have patched Sharrock or Broken Spur yet, but direction from the last Board meeting was to go ahead and patch those roads. He said the GID did not have any conditions of approval on Murphy's first 56 lots. Larry said on the last parcel maps Murphy had approved, we do have conditions that Murphy is responsible for damage to the haul routes. He said Mr. Murphy has yet to approach the GID as to where those haul routes will be, but the latest information is Mr. Murphy has obtained an easement from Grass Valley all the way out to Ironwood. He said Mr. Murphy will use the first two miles of Ironwood as his official haul route. He said our Cape seal will not hold up to that; we will do a condition survey prior to his construction along with the County, and another survey after the construction. He said Mr. Murphy will be responsible for the intervening damage. Larry said the weakness of this approach is proving who did the damage.

Larry Chesney said his understanding, with Murphy's latest 15 lots, is that all the roads off of the main roads have to be to County standards now. Larry Johnson said Murphy could have a temporary haul road in gravel that's not open to the public. He said the conditions state that Murphy has to improve his roads within his project to County standards and he has to extend that out to nearest GID [paved road]. Larry said he spoke with a Washoe County engineer and explained that the GID has no paved roads, and asked if Murphy would then have to pave all the way to the Pyramid Highway? He said he told the County we only have a half-inch of Cape seal on these roads, and they won't hold up to truck traffic. He said the County said there are a whole bunch of definitions of pavement, and weaseled around and the County's definition is that Murphy has to pave to [a GID-maintained] asphalt surfaced road.

Greg Dennis said all of that was verified at the parcel map review meeting. Larry Johnson said that's not right; the County just put the maintenance of all of this on the backs of the residents of Palomino Valley to allow one developer a profit. He said the County's answer was all these new 15 homeowners will be paying property taxes to the GID; a woefully inadequate amount.

Greg said in his opinion they are not forming an HOA because the road replacement component of the HOA fee is by far the largest and the developers don't want to scare off the buyers.

Kevin Cook, in the audience, commented that the GID could remove the Cape Seal for those first two miles and then the developer would have to put in pavement all the way to the highway.

Larry Chesney mentioned hearing that Murphy was going to rip out the Cape seal he put down if the County wasn't going to reimburse him.

Larry Johnson said the GID would not accept Murphy's Cape seal unless it is patched and unless probably another layer put down. He said he found out afterwards that Murphy had used a lesser-grade slurry seal to save money. He suggested the GID does not accept those sections without any monetary incentive.

Larry Chesney asked if the GID has accepted any of Murphy's Cape seal? Larry Johnson said no. Larry Chesney then suggested that the GID does not patch any of the potholes in Murphy's Cape seals; let the people who purchased Murphy's lots go after the contractor. Larry Johnson said there is definitely a logic to that suggestion, but they are still our residents; that's a tough one. Shawn Kelly said they are still our roads, we just haven't accepted that surfacing.

Greg Dennis said what he saw on Peak Road and other roads is the issue of the continuance of a drainage channel onto private property. He said the drainage channel is not accessible on private property and without maintenance, it prevents the drainage channel from functioning properly. He said we need to develop language that allows us to maintain drainage channels even on private property.

b. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:

Larry Johnson said theoretically the State has 90 days to process our project worksheet number 2; so that would be July 9th. Cathy Glatthar said she believes all that remains is the physical survey of the roads. She said the State requested a copy of last year's audit, which was sent to them today. Larry reviewed the summary sheet Cathy provided earlier and stated projects 2 and 4 have been processed and approved through FEMA. He said hopefully all that's left for project number 2 (damaged roads) is the site inspection by Suz Coyote, the lead for the State DEM [Division of Emergency Management]. He said they were hoping to schedule that inspection for next week. He outlined the FEMA process: after numerous conferences and calls regarding procedures, FEMA sent a team into the field and he spent days with them as the FEMA team wrote up descriptions and took photographs. He explained our work was broken into four projects: 1) Impassable Roads, 2) Damaged Roads, 3) Roadside Drainage, and 4) Culverts. He explained after FEMA approves a project, the money goes to the State Emergency Management and then the State has their own process. He said there's a lot of paperwork and Cathy has done a magnificent job in keeping all of this and him straight. He reiterated that project number 2 is in the amount of \$70,049 and it is our largest project of the group. He said the other project that has made it to the State level, is project number 4, the plugged culverts, and that is in the amount of \$18,575.

c. Capital Improvements Plan: Larry Johnson said we spent a lot of money last year doing flood damage repairs, so our net operating funds for capital improvements per Cathy's worksheet is \$175,000. He said the expenses utilized to calculate that

\$175,000 do not include the additional temporary labor we're putting on, the patch materials, or the equipment repairs and purchase we just discussed. Greg Dennis said that figure needs to be reduced by the \$29,000 authorized earlier. Larry recommended they not do what he had proposed for this year; that they use the money elsewhere: first, to maintain our Cape seals, and secondly, we have some roadways that need work, and he said he has put Range Land Road, from the Cape seal at Gray Van to just west of Peak Road, at the top of the list.

A lengthy discussion took place, mainly between Larry and Greg about how to fix the problems with that section of Range Land Road. Larry outlined his original plan to provide for raising the road and establishing equipment-width drainage swales along both sides of the road.

Greg said he had an idea and drew a diagram of it on the white board. He said his idea would eliminate drainage maintenance issues by raising the road and sloping it towards the low spot on the north side and the water would drain off the road.

Larry reiterated that the material from the sides of the road in this section that will be used to raise the road, is of a poor quality, and must be surfaced with something else. He outlined two options: 1) use a paddle-wheel scraper (rents for \$4,800 a week, plus \$1,000 transport fees) and bring the granular soils from the shoulders of Range Land west of Peak Road and use it to surface the raised section (1 1/8 mile) - total cost of less than \$7,000, or 2) import aggregate base; Larry outlined some of the trucking options, and Shawn Kelly interjected that double belly dump loads would bring in more material than triple end dumps and would be easier to spread. Larry said he has calculated a little more than \$6,000 in trucking and \$13,000 in material costs. He said the aggregate base is a highly superior material to surface the road with.

Larry said if they use the paddle-wheel scraper to surface the road, it would only take about two and a half days, so he proposed to also fix Peak Road since they would have the scraper for an entire week.

The discussion turned to Curnow Canyon and the drainage problems up there and how it would take an entire year's budget, or more, to fix the problems. Larry said a developer came in and parcel-mapped the area, the GID had no conditions of approval on those parcel maps, a whole bunch of homes were built, and there was essentially a jeep road/driveway that provided access for all those people; those people filled this room and demanded the GID widen their roadway.

They talked about the cost of putting in an Arizona spillway being around \$10,000.

[Maureen Sidley left the meeting at 8:06 p.m.]

Greg said the Arizona spillway would only have to be four to six inches deep; just enough to control the water.

Jim Currivan made a motion to authorize up to \$35,000 to perform the work on Range Land Road (using aggregate base surfacing) and Peak Road as discussed. Greg Dennis seconded the motion, and hearing no opposition, the motion passed.

They discussed the schedule and decided on starting the project on Monday, June 18th.

Larry said the other part of the capital improvement plan is patching and edge Cape sealing particularly the first and last miles of Ironwood. He said we will look at Whiskey Springs and see if any patching and Cape sealing is needed there. He said he has already scheduled a meeting with SNC [Sierra Nevada Construction] to look at those areas and get a unit price. Greg said he'd rather spend the money on full overlays of specific areas, if we can.

Larry said we have to maintain what we have; he said Axe Handle is in pretty good shape ... Jim Currivan interjected and said we'd need to get all the sand off of it to see. Shawn Kelly spoke up and said when he did his assessment of Axe Handle from Bacon Rind up to Curnow Canyon, it's not in good shape. He explained all the ditches are filled up and overflowing ... Larry said he's talking about the condition of the Cape seal. Shawn said the Cape seal is starting to fail because the water has been running over; the edges are going away and that ditch needs to get re-established. Shawn said he would like to go up there with the blade and establish a ditch line, and at least get a temporary fix up there.

Larry said at the next meeting, he will provide unit costs for the patching and Cape sealing; we are not going to be able to do it all and we are going to have to establish priorities. He said hopefully by next Board meeting we'll have some idea about the FEMA money. Greg said he would still prefer micro-paving of certain areas instead of Cape sealing.

Shawn discussed his proposal for the two areas of ponding water on Ironwood. He explained both areas have enough drop to move the water from the west side to the east side. Larry said this would be project number three on the list.

Larry said these projects will need to be done before we add any new surfacing.

Larry explained he was seeing the costs add up for the edge patching and wanted to wait to see where things are at our next Board meeting. He said he will have unit costs and projections on project costs. He said on Ironwood alone we have four different test sections, and the first mile is behaving very differently than the second mile and the third mile. He said the first and the fifth mile are the ones that need extensive patching and something major done. He said Greg might be right and for those two sections, rather than do a "double micro," do the entire roadway. In answer to Greg's question, he said we need to get it done by September.

d. Operations Manager's Report: Shawn Kelly said everything he had has been covered. Larry Johnson reported that come Monday, Shawn will be putting on an additional temporary worker to run the backhoe and clear the inlets and outlets of all the culverts before they are flushed.

6. **Old Business:** None

7. **New Business:** None

8. **Judicial/Government Affairs:** None

9. **Calendar Review:** Cathy Glatthar reviewed the upcoming items:

- The next meeting is June 21st. Jim Currivan mentioned he will not be able to attend the next meeting. Cathy said Larry, Greg, and Mitch are able to attend, so we'll have a quorum.

- Maureen Sidley is going to mail the final budget to both the Washoe County Clerk and the State Department of Taxation tonight.
- Once it's received, Maureen will scan the AQMD aggregate pit air quality permit and send it to Cathy. Cathy will then send it to Washoe County Planning in compliance with our special use permit for the Wayside yard.

10. Correspondence:

Cathy Glatthar reported receiving an email from Mr. Gerald Williams who lives on Range Land Road. Larry Johnson read the email into the record (see attachment). In regards to Mr. Williams' comment about not contracting for tire repairs, Larry said we just approved a bill tonight paying a tire service company for coming out here, so he wasn't sure what that comment was about. Greg Dennis said he thought Mr. Williams was frustrated because right in front of Mr. Williams' house are all the greasy clay spots on Range Land. In response to Mr. Williams' comments about over-application of water, Larry said that is rarely the case; different soils take different quantities of water differently, and in the summer months the water dries up so quickly. Greg said he thought Mr. Williams was referring to the time when Dan [Schaufus] was helping Jim [Hicks] on that one spot [on Range Land] and the clay didn't hold the water and it became slick. In regards to use of inappropriate materials, Larry said he wished Mr. Williams was here to explain what he was referring to. Larry said for an individual who doesn't come to these meetings, he found these comments incredibly offensive. He said he has spent countless hours at the County and at the State level discussing why we are not eligible for gas tax reimbursement for our roads; the effort has been exhaustive. He said again, he takes great exception to people who don't show up, and sit behind the comfort of their computer and send such comments in. In response to Mr. Williams' comments about replacing the entire Board, Larry said for a director who has donated a couple of thousands of hours of volunteer time and has expertise far in excess of that gentleman, he said he could not help but take great exception. He said unfortunately Mr. Williams is not here so he could tell that to Mr. Williams' face. Larry asked Cathy to enter the entire email into the written record.

Larry addressed Greg and said we discussed alternate funding sources last fall, and he had asked Greg to look into the gas tax or other situations that Greg had raised back then. Greg said he didn't know how to go about it politically ... it's political. Larry agreed and said what he has been told, first on the County level, is no and the County would oppose any attempt by this District to receive gas tax. He said he then called NDOT and was told the same thing; we will find opposition, the minimum it would take is a change in NRS [Nevada Revised Statutes] through the Legislature. He said he discussed that with our present senator, Don Gustavson, and when Senator Gustavson asked his colleagues, they told the Senator that he could introduce anything he wanted to, but it would not go anywhere. Greg said the issue he had before was the people out here pay property taxes, and if you are a resident of Washoe County the roads in WC have reconstruction programs that the County pays for out of that tax base that rebuilds the roads in the County for residents who live in the County, but we receive no portion of those funds from the County as a result of paying property taxes, so we are paying property taxes without a component of that benefit that the rest of the residents of WC receive. There ought to be a way for us to communicate that. Larry said the County's answer to that is you drive on a State highway to get to town, you drive on County roads, you drive on City roads and you have to pay your fair share. Larry said he would

entertain forming a committee, not just of Board members; maybe have a chair from the Board, to explore ... he said he would love to see alternate sources of funding to this District. He said he spends two or three days [a week] in the legislature every session for its length; he said he is not sure if that can be accomplished. He said he is not aware of any Federal grants that would be available to a GID, particularly since we technically do not have public roads since our roads sit on private property easements. Jim Currivan asked if there are many GIDs in Nevada? Larry said yes, but we're the only GID that maintains roads; most others provide sewer and water. Cathy said she thought there were a few other GIDs outside of Washoe County that do roads.

11. Public Comment:

Larry Chesney thanked the Board for working through the Range Land Road issue. He said secondly, he understands their frustration with the Williams' letter. He said he sits on the Planning Commission and they have to listen to comments for sometimes two hours before they can get down to business. He said on the tax issue, the County plays both sides of the road. He said at the Parcel Map Review Committee meeting, when he took exception to Murphy having access on the GID roads to his development without some sort of an impact fee, the County surveyor pulled out the map for the Palomino Valley subdivision and pointed out the notation that the roads were for private and public use. He said he told the committee that once someone moves into a house, they are no longer "public" and they better be paying some fees. He said that was about the time when he had to recuse himself and leave the meeting.

Larry Johnson told Mr. Chesney that he appreciated his comments.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

12. Board Member and Staff Items:

- Greg Dennis thanked Mr. Chesney for helping him do the cross sections.
- Larry Johnson said he wanted to look at Mr. Williams' email again, but does not intend to reply to it; if that individual wants to attend meetings and become part of the system, he can, or if he wants to remain an outsider, he can; Larry said he didn't care. Larry said he did want to look at every one of those items, because some of them concerned operations, obviously past operations, prior to Shawn Kelly becoming our new operations manager. Larry said he wanted Shawn to look at those comments and make sure we are being the most efficient we can in all those operations. Shawn said regarding the item about going back and forth across the highway to do work, he said for example at the beginning of the day you might start on a road on one side and when you're done, there might not be enough time to finish another long road, so you go and take care of a shorter road on the other side and then the next day you go back the other side and do a long road; that's possibly where the misconception comes in.
- Larry said he wanted everyone thinking about forming a subcommittee to explore revenue generation. He said he wanted this on next month's agenda. Jim Currivan said one of Mr. Williams' comments was that there is money being handed out. He said Mr. Williams should name them or give us a list and he'd go look into it.

13. Adjournment: Greg Dennis made a motion to adjourn the meeting. Jim Currivan seconded the motion, and hearing no opposition, the meeting adjourned at 8:58 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ May 31, 2018

Total of all Bank Accounts:

Balance'@ May 31, 2018 - Money Market - #5010	249,674.38
Balance'@ May 31, 2018 - Savings - #4658	2,001.10
Balance'@ May 31, 2018- PR/Petty Csh - #4430	17,000.00
Balance'@ May 31, 2018 - General Ckng - #4179	225.01
<i>Total Cash IN All Accounts</i>	<u>268,900.49</u>

WELLS FARGO-ALMOST CD #5010

Balance'@ May 17, 2018 245,930.88

Income for the Month

Consolidated Tax	30,085.58	
Ad Valorem	0.00	
LGTA	0.00	
Total Income	<u>30,085.58</u>	30,085.58
Interest Income	0.00	

Transfer to Wells Fargo #4430	(6,592.08)
Transfer to Wells Fargo #4658	0.00
Transfer to Wells Fargo #4179	(19,750.00)

Balance '@May 31, 2018 249,674.38

WELLS FARGO-SAVINGS #4658

Balance'@ May 17, 2018 2,001.05

Transfer from Wells Fargo #5010	0.00
Transfer to Wells Fargo #4179	0.00
Interest Income	0.05

Balance '@May 31, 2018 2,001.10

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@ May 17, 2018 17,000.00

Transfer from Wells Fargo #5010	6,592.08
	0

Deposit 6,592.08

Net Payroll	6,592.08
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Net Payroll (\$6,592.08)

\$6,592.08

Balance '@May 31, 2018 17,000.00

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @ May 31, 2018

NAME	CK #	DESCRIPTION	
<u>NELLS FARGO-GENERAL #4179</u>			Balance'@ May 17, 2018 120.04
Transfer from W.F.#5010			19,750.00
			0.00
			19,750.00
PUBLIC WORKS			
Alhambra & Sierra Springs	9431	39.13 Monthly Water	
A & H Insurance	9430	7,971.62 Annual Insurance Renewal	
Catherine Glatthar	9432	1,113.51 Monthly Work	
Flyers Energy	9433	1,134.24 Fuel	
Granite Construction	9434	1,953.04 Patch	
Maureen Sidley	9439	220.00 Monthly Bookkeeping Work, Copies	
Purcell Tires	9435	2,959.33 Tires, Repairs, Service Calls	
Sani Hut	9436	129.87 Monthly Charge	
Sonsray Machinery	9437	3,804.29	
Washoe County Health	9438	320.00 Air Quality Operating Permit	
TOTAL		19,645.03	(19,645.03)
			Balance '@May 31, 2018 225.01

**Palomino Valley GID
Operation Manager's
Road Maintenance and Equipment Report
May 30, 2018**

ATTACHMENT
05/31/2018 Meeting
Agenda Item 5. d.

Completed Work:

Grading (Last 2 weeks):

- Ironwood
- Broken Spur
- Amy
- Wilcox Ranch to Goodher
- Rangeland
- Rebel Cause
- Peak
- Pasture View

Other Work Performed:

- Cleaned inlets and outlets for flushing 8 culverts. (out of 96 needed)
- USA marked Axe Handle, Curnow Canyon, and Ironwood for utilities and Rangeland has been scheduled.
- Finished culvert install clean up at 6600 Quaking Aspen.

Road Assessment:

It has been brought to my attention that FEMA is requiring that 96 culverts are to be cleaned out by August 17, 2018 in order to release monies to us. At this time, I have two temps working on that. Due to very shallow phone lines, I hired an experienced temporary operator to run the backhoe to clean inlet and outlet sides of pipes so they can be properly cleaned with the water truck. He should be able to complete that task in about two and a half weeks.

Ironwood: In order for us to be ready for the shoulder cape seal, we need to hire two more temps for patching and should be able to complete in under two months. As with the two large ponds on west side of Ironwood, I recommend that we install culverts at those locations. At the first water hole, I would cut cape seal to install 40' corrugated HDPE pipe type S smooth inner wall and install a small catch basin on west side of road and build a settling pond on east side of road shoulder that would hold the storm water away from the road. At the second water hole, I can also install 40' HDPE pipe at the lowest point where the water has already carved a channel and using the backhoe - cut a ditch so water will drain in the eastside field. We will need to cover roadway with trench plates, as to allow the ditch to dry out before backfilling with road base and installing pipe. The southwest Ironwood Rd needs the shoulders and ditch line to be dipped and shaped with a loader or backhoe as they are completely filled with debris. Repair work needs to be completed before cape seal edging is completed and when the time comes, we will cover cape seal over the culvert installs and blend the cuts together over pipe.

**Palomino Valley GID
Operation Manager's
Road Maintenance and Equipment Report
May 30, 2018**

Ax Handle: Based on my survey of Ax Handle Rd, there are severe shoulder and ditch problems from Bacon Rind Rd up to Curnow Canyon Rd. The ditches have filled up to the point where water and debris is now flowing over several parts of roadway and is eroding the cape seal. In my opinion, the road needs two to three weeks to rehab that section of road. I have had that section marked by USA. Due to time and lack of personnel, it might be best to outsource the job.

Curnow Canyon: I have also had USA mark Curnow. There has been significant erosion to road and shoulders. Some of the select material on Ax Handle could be used to fill areas there. The phone line is very shallow and in some cases in the roadway. In most areas the road is all rock or all sand. The sandy areas could benefit from some material from our pit at Wayside to help stabilize the road better.

Rangeland: As of Tuesday, I have requested USA marking as we will get signage prepped to prepare residents for road being closed for the week of June 11 through June 14.

Equipment Report:

1. Inspected the 92 Freightliner 10-wheeler dump truck. Even with the bent cab and cracked hood, I feel the truck is worth keeping in the fleet for valley only. It needs a seat, a service, and u-joints on steering shaft are bad. The brakes are good at this time. The truck has tires that are in good shape. And the dump bed is in great shape.
2. 84 International Tractor (est. worth is about \$12,000) and 85 Belly dump (est. worth is about \$10,000). They do need 18 tires and a full service, roughly \$10,000 to make road worthy. The new engine installed in 2001 has approximately 30,000 miles on it. The brakes on the belly are 3/8ths in. on shoes - 1/4 is regulation for replacement. It is recommended to keep the 10 wheeler & belly dump in the fleet as opposed to hiring out -which won't be as cost effective. Trucking is about \$100 an hour and that is for the truck only. If pulling out of our pit the driver needs to be able to load himself, most drivers can't or won't load themselves. In the event that material is needed from an outside pit, I would recommend outside trucks be used and loaded at the desired pit for necessary material.
3. In previous meetings, it was suggested that we install a hitch behind the water truck and purchase a track bobcat to clean up behind the grader. My suggestion would be to replace the 95 Case backhoe with a late 90's to early 2000's Case backhoe that is better equipped for our road maintenance program. Our backhoe needs a 4n1 front loader bucket with an enclosed cab for all seasons and backhoe stabilizers that have soft pads and rock pads as not to destroy are cape sealed roads as our hoe will do on cape seal. We could get an estimated \$18,000 out of our hoe and find what we need for about a \$28,000 to \$32,000 - a difference of \$10,000 to \$14,000. A used track bobcat would cost much more (about \$20,000 to \$30,000) and be a less productive machine.

PVGID Administrator <palvalgid@gmail.com>



PVGID FINANCES

flyinwr@aol.com <flyinwr@aol.com>

Tue, May 29, 2018 at 8:09 PM

To: palvalgid@gmail.com

Cc: [Larry Chesney]

Over the past several years I have watched the PVGID financial status. During this time I have noticed an ever increasing amount of waste and abuse of funds. The waste and misuse of funds is now at an epic level.

To wit:

1. Pouring money into repairs on old and near derelict equipment for band aid repairs only to have it break down again when it would have been less expensive in the long run to lease newer units with built in contract maintenance clauses. This would have greatly reduced down time and wasted man hours.
2. Contract road services for tire repair which would eliminate the current waste of personnel removing the tire, driving to town and waiting to have it repaired then return to PV and reinstalling the tire wasting man hours and often losing a full day or more production
3. Complete lack of operational planning. I frequently see the grader and water truck traveling to the West side of the valley only to put a few hours work, then going somewhere on the East side to do a few more hours work, then return to the opposite side the the very next day to do something else. This complete lack of planning and foresight causes increased costs in fuel wasted, unnecessary expenditure of man-hours as well as accelerated wear on equipment.
4. Gross over application of water during grading operations, often to the effect of causing a surface so muddy that it negates any work done by the grader and wastes money in water and fuel costs as well as adding unneeded wear on equipment.
5. Use of inappropriate materials and numerous trips using equipment not suited for the job is wasteful and almost always provides short lived results. Hiring haulers with then right equipment and laying down then proper material will be less expensive in the long run than the current "band aid" approach.

The clarion call from current management is "we don't have then money to do all that." That is true, but why? The answer is because current leadership is not making any effort to get the needed funding. The County, State and Federal governments have almost endless numbers of grants and other giveaways that are there just for the asking but I have seen no effort whatsoever from the leadership or legal counsel to even attempt to attract any of these funds.

Based on the above, I believe it is past time for the entire Board of directors to be replaced and a new, more energetic leadership whose desire to help improve our current situation throughout the entire valley.

Seriously yours,

Gerald Williams
[6205 Range Land Road](#)
[Reno, NV](#)

REGULAR MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, June 21, 2018

MINUTES

Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:04 p.m. Thursday, June 21, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Marty Breitmeyer, Mitch Gerlinger, Greg Dennis, , and Larry Johnson. Jim Currivan was absent. Also present were Shawn Kelly, Operations Manager; Maureen Sidley, Assistant to the Secretary (arrived at 6:32 p.m.); Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel (arrived at 6:22 p.m.).

2. **Public Comment:**

Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – Closed Session for May 17, 2018, May 17, 2018, and May 31, 2018:** Greg Dennis made a motion to approve all three sets of minutes as written, and Marty Breitmeyer seconded the motion. Hearing no opposition, the motion passed.

4. **Financial Reports and Payment of Bills:**

a. **Financial Reports:** Maureen Sidley stated we did not receive very much in the way of revenue this month. In answer to Larry's question, Maureen said the \$212,000 in all accounts is after the checks were written. Cathy Glatthar reviewed the Net Operating Funds for Capital Improvements report. She stated because we had an interim meeting on May 31st, she combined the transaction reports so that the Net Operating Funds report reflects the entire month. She said the May 31st report reflected CTX (Consolidated Tax) income of \$30,000. She said to-date, actual revenue is down by \$55,000 from estimated. She stated for the next two months, we have projected \$144,138 for capital improvements. Larry Johnson said our culvert cleaning costs and the Range Land and Peak projects will come out of this amount. Cathy said she believed there are still some equipment upgrades, the tires for the tractor and belly dump, that will also come out of this amount.

Maureen reported the final budget for 2018-2019 was approved by the State.

b. **Payment of Bills:** Maureen Sidley reported there were a few large purchases this month, one was the 580 Case Super M backhoe \$26,000 plus \$1,000 for transportation, we also had a payment to Cashman for repairs to the water truck, a generator, and there was some warranty work done that did not cost us; there were tires purchased for the water truck and grader and some barricades and signs. In answer to Mitch Gerlinger's question, Shawn Kelly said they bought some new "Road Work Ahead" signs which are the "flap" type that when work is not being done, the sign flaps down and reads "Be Back Soon" so people know road work has been suspended. Maureen stated today they switched to Verizon for cell phone service (for better coverage), purchased a new phone, signed up for an unlimited plan for \$30 a month and a phone protection plan for an additional \$10 a month. Shawn mentioned he will be listing the old backhoe for sale this weekend. Greg Dennis

made a motion to pay the bills. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.

5. Road Maintenance Reports:

- a. Road Reports:** Larry Johnson stated we have mostly just been grading roads. Shawn Kelly spoke up and said all the culvert inlets and outlets have been cleared in preparation for cleaning; 30 culverts have been cleaned. He said they would have to go back with the backhoe and re-do some of the work because once the culverts are flushed there is no place for the debris to go. Larry said some of these culverts were improperly installed; there is no discharge on the down slope side. Marty Breitmeyer asked if we could “basin” some of those culverts on the outlet side, being careful to avoid phone lines? Larry agreed and said that should be done where possible. He added that it’s been 40 years since the culverts have been cleaned out. In response to Marty’s comment, Larry said what has been done, has been done well.

Larry said we are keeping up with road maintenance requests. In response to Larry’s question, Shawn replied the request for maintenance on a section of Wild Horse and Silver Horse have been done. Marty said he has had three people on Peak (east-west section) call him asking for maintenance. Shawn said that section is part of the upcoming project along with Range Land, but they would touch it up in the meantime. Greg Dennis asked that the low spot in Range Land also be touched up a bit before the project starts.

Shawn reported the guy he hired [for the temporary equipment operator position] worked Monday and Tuesday and did not show up Wednesday. He explained this means he has nobody to run the paddle wheeler or the [second] water truck or the second blade for the Range Land/Peak project. In response to Greg’s comment, Shawn said he talked to Rick [at Martin-Marietta] today and their plant for the production of type 2 aggregate base is down, but Rick said he hoped to be able to provide the GID with 2,000 tons by the end of July.

Donald Otto said he can run any of those pieces of equipment if he’s needed. Larry thanked him and said they may take advantage of that. In answer to Mr. Otto’s question, Larry explained that Jim Hicks is still working full time, and there is another temporary worker who is driving the water truck.

Larry said we’ve graded Amy from Ironwood to Wilcox Ranch again; it seems to need it every two weeks. Shawn interjected that it seems to be holding up longer since they added material from the Wayside pit. Larry continued to report on roads graded (see attached report). He added we had a backhoe and a two man crew working on culverts and next week it’ll be a two man crew flushing culverts. Greg asked if this was the time to discuss the vactor? Shawn interjected and said the one they were looking at had sold. Larry explained to the audience that they were exploring buying a used vactor truck for culvert flushing. He said we will have approximately 400 man hours, water truck time, and backhoe time in the current culvert flushing operations and at that point, we could probably pay for a new vactor truck in two-to-three years time. Mitch Gerlinger said vactors can be maintenance intensive and suggested looking into the cost of contracting the culvert cleaning. Larry asked Shawn to look into the cost of contracting. Mitch added that we could look at having a contractor come in and do the most difficult culverts and our crew could do the rest. Larry said it is the duty of this Board to explore all of those

options; we need to compare the cost of using our crew, water truck and backhoe to what we would pay for a contractor, and to what it would cost to buy a used tractor with one man running it.

Larry read from the Operations Manager's report that material was added to the bottom of the Wilcox Ranch hill from Goodher to the aggregate base. He told Shawn that in the fall, the plan is to put down aggregate base on the entire hill and touch up the sections on Quaking Aspen, and put down aggregate base on the steep hill on Yellow Tail; this is budget permitting. Cathy Glatthar mentioned Crossover gets deeply rutted and they might want to consider adding it to the list to receive aggregate base. Shawn said then we might want to get additional base on order with Martin-Marietta; 1,000 tons. Larry said we would want to get the aggregate base down on these roads by the end of October.

Larry said his review of the roads that have been graded ... again, we are playing catch up ... but before fall he told Shawn he has to pay particular attention to pulling in the windrows from the sides and building the crown; hasn't been done in the last 30 days; we've just been trying to get the roads smooth. Shawn stated that some of the roads, like Amy, the dirt on the sides is all sand. Larry said Amy is fine, but Wilcox Ranch, for example, has excess material off the sides; there are a lot of roads in the bottom of the Valley that need the excess material brought back onto the roadway. Greg said it will take time.

b. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:

Larry Johnson said we have not received any money; we were supposed to take [a representative with the State Division of Emergency Management (DEM)] on a scheduled tour of our project number 2; we have not heard from them and it's been two weeks now. He said we submitted the final paperwork on April 9th and theoretically they have until July 9th to reimburse us, but without the inspection, we can't be reimbursed. He said he did not want them to say we were holding them up, so he will continue to contact them. Cathy Glatthar stated the end of June is the end of a quarter and she will be submitting a quarterly report for the culverts project. She said she will need to know by mid-July whether or not the 96 culverts can be flushed by August 17th. Larry said we will, and addressed Shawn and asked if that was correct? Shawn Kelly said they were certainly shooting for it. Larry said we have two projects that have been approved and funded by FEMA back to the State; those are project 2 - general road restoration - that is 100% complete, and [project 4] - culvert flushing, which is 30% complete. Larry said the culvert flushing is a relatively small reimbursement. Cathy reported it is a total of \$21,600 (FEMA and State).

Greg Dennis asked about the culverts on Curnow Canyon. Shawn said they haven't gotten to that area yet. He said he graded Curnow Canyon the other day and also brought in material to fill in the low spot where a culvert was exposed. In answer to Greg's question, Shawn said the majority of the culvert markers are in place; there are only a few that are completely gone and need to be replaced.

Donald Otto remarked that some of the reflectors need to be replaced. He also commented that the bigger the sump hole on the inlet side of the culverts, the better and the same on the outlet.

Shawn said the problem with some of these is the phone line is right where the sedimentation basin needs to be. Larry said that is something that plagues us,

particularly on the inlet side. In answer to Greg's question, Louie Test said if we can show that the phone company did not meet the specifications when they installed the lines, then we can go to the phone company and tell them they need to bury the lines deeper. After some discussion, Larry asked Shawn to start a list of locations where the phone lines are not installed properly and take photos, so we can submit a claim sometime in the future.

Donald Otto commented about Microwave Road and how [Washoe] County and others use our roads to access their sites. He wanted to know if there was a way to charge the users an annual fee to use our roads? Louie Test said he did not recall any past Boards requesting annual fees from those users. Larry asked Mitch to research who the users are so we can send out a form letter requesting a fee for using our roads. Mitch agreed to take on the project. Cathy said she believed she has a list of users and would send it to Mitch. Louie said you'll have to come up with some sort of formula and justification on how we are going to assess it. Larry said he didn't see that a special use permit was required or the GID would have been notified. Susan Ambrose, in the audience, said previous Boards did deal with this issue and it should be in the minutes. Larry said Cathy could review the old minutes. Cathy said she believed a previous Board tried to annex that area in order to get property taxes from the users.

Greg said the bigger issue, and they laid it out nicely in this background of Warm Springs, therefore the Specific Plan, which is part of the Warm Springs Area, should provide for self-funding of any public services and facilities by these property owners in the specific plan and the same thing the County has adopted with regards to Warm Springs. He said the County collects the tax base and the citizens out here don't get very much for their money for what they pay to the County. He felt that was the biggest issue for this area and when the [specific] plan area was adopted there's no liability for the County to do anything with regards to maintenance of facilities, no repair and replacement, yet they collect the taxes. He said everywhere else in the County where there's a County road, the County fixes the road, does the drainage, takes care of everything for the owners of property. He said on a percentage basis, we're much larger, but there should be some proportion maybe that the citizens out here should expect from the commission, but that's never been the case. He said so when we look at the big picture, that's one of the biggest chunks of money we've missed and never politically gained ground on, and he said he didn't know if we ever would.

- c. Capital Improvements Plan (Range Land, Peak, Ironwood, Whiskey Springs and potentially other roads):** Larry Johnson said the initial phase of the capital improvements plan mostly revolves around the west side of the Valley this year. He explained improvements are planned for Range Land Road and Peak Road. He said later in the year work would be done on Ironwood. He said we are going to have to look closely at our budget.

Greg Dennis said he liked Larry's idea for treating the Cape seal by reinforcing the shoulders with an actual asphalt base and then Cape sealing in between. Larry said he met with a paving contractor and solicited updated prices for surfacing; the price of asphalt and asphalt products is going through the roof. He said for example, Cape seal was 60 cents per square foot and is now 70 cents per square foot; micro-surfacing is now 30 cents a square foot and was previously 24 cents per square foot.

He said he explored mitigation of the shoulder break back areas by a couple of different methodologies. He explained we do not have aggregate base under our Cape seals so the shoulder material is of lower strength and it breaks back a bit. He said one alternate was to put in a narrow band, about three feet wide, of aggregate base and Cape seal over the top. He said the aggregate base costs \$1.10 per square foot and the Cape seal costs 70 cents a square foot for a total of \$1.80 per square foot. He said for the same price, we can actually pave ... they have shoulder pavers, that lay a three foot strip of three inch thick AC [asphalt concrete] which would support our traffic well for \$1.75 per square foot. He said Shawn will still have the challenge of shouldering so the edge of the asphalt is restrained and not hanging out there as an abrupt edge; it still needs the lateral support. He said he would bring back to the Board proposals for Ironwood probably at the July meeting, depending on if we receive FEMA money. Greg said what he likes about this proposal is that it protects what we have. Larry said the paved shoulders should have a 20-year performance life.

Larry reiterated the plan for Range Land Road and said it may include a low-flow concrete spill in the low point; that he received a quote for the concrete spill. He said they would use the granular material from the west end of Range Land to mix with and cap the surface of the east end (from Grey Van to Peak). He said they would then cap the entire roadway with a four inch layer of aggregate base. He explained they have run into a number of snags. He explained the material off the west end has to be done with a paddle wheel, whereas the fills and the grading will be done with our motor graders; we have a paddle wheel scraper reserved for July 9th. He said our actual start date will be a few days before, with stripping of the beyond shoulder areas to begin the earthwork. He said he has had a project manager from Peavine and Joy Engineering come look over his shoulder to verify his approaches, means, and methods are the most cost effective. He said he will author a notice to be posted on the website and it will not only let Range Land residents know about the project, but to let the rest of the Valley residents know that our road crew will not be available during this time to grade the other roads. He said Shawn is still looking for personnel to operate equipment. Larry said our second problem has been availability of a paddle wheel scraper, which has been resolved, but also availability of aggregate base (as discussed earlier). He said we may not get the aggregate base put down until the end of August. He said while we have the paddle wheel, they will work on that section of Peak Road and take the excess material from the side of the road and raise that entire section of the road; if that material is too sandy, lacking cohesion, they will probably cap it with material from the Wayside pit which has a slight clay content to it. He said we may have to put some aggregate base on that section of Peak Road as well.

He reiterated next month he'll bring back to the Board recommendations for Ironwood, and he said he still wanted to Cape seal Amy between Ironwood and Wilcox Ranch Road this year because it requires grading every two weeks. Mitch asked Larry if he thought the Cape seal would hold up on that section of Amy, because he was disappointed in how the surfacing has not held up well on the downhill section of Ironwood. Larry explained that section of Ironwood is a completely different product that we don't use anymore.

In answer to Larry's questions, Shawn reported they can fill the water truck in 18 minutes from the Wayside well and 16 minutes from the Ironwood well. Mitch

suggested checking with the Ironwood Equestrian Center and see if we could fill our water trucks there for the Range Land project and save a few miles of travel each way. Louie Test cautioned that careful records would have to be kept because of water rights usage reporting to the State. Maureen Sidley commented that we have not had to file a water usage report to the State for the past five years. Mitch reported the State Engineer's policy changed from actively going after outfits not using their water to pretty much ignoring everything. Louie said whatever we are doing, we should document the water usage. Maureen said there are three wells that we keep extending [the proof of beneficial use], and they won't check the water usage on those. Maureen addressed Shawn and asked him to give her the meter readings on a monthly basis.

- d. Operations Manager's Report:** Shawn Kelly said because of the 100 degree days we have coming up, would it be beneficial to wait on Range Land until October when we have the possibility of having more personnel and better weather conditions? There was a brief discussion and the conclusion was this project needs to get done.

6. Old Business:

- a. Status of Draft Agreement with LW Land Company:** Larry Johnson said we have had no correspondence from LW Land Company.

- b. Washoe County Proposed Refund of SPA Developer Fees:** Larry Johnson said we have been notified that there will be a Washoe County [Board of County Commissioners' (BCC)] hearing on this next Tuesday, June 26th. He said they will be discussing the refund of deposits made by developers and there is a staff report (see attachment) dated May 17th that discusses four alternates. He explained the alternates for refunds go from paying refunds to the current property owners to paying no refunds at all. Louie Test said if he were the County, he'd be for number four [Interpleader] and have the money go to the court and let everybody fight over it, but that is no way to resolve the matter. Larry said part of this involves a reimbursement to LW Land Company and Brian Murphy for their costs to prepare the subgrade and place a Cape seal on portions of Amy, Sharrock, and Broken Spur. He explained that two of those three roads are not covered by the [developer] deposits and the County will probably deny reimbursement for those improvements. He said the costs that LW Land Company put into those roadways was less than \$100,000. He said LW Land Company is also seeking reimbursement for drainage structures put in by LW Land Company's predecessors. He said they have claimed expenses totaling nearly \$320,000. He said from the tone of the staff report, County [staff] is not supporting reimbursement to LW Land Company. Louie Test read from page 5 of the staff report as follows:

"The work done on the subject roadways was not done to Washoe County standards and therefore it is staff's determination that the requirements of the WSSP and subsequently the WCDC requirements were not met and therefore the basis for reimbursement has not been met and reimbursement is not recommended."

Larry added that even the Cape seal placed on Broken Spur [which is listed in the financing plan] was not done to County standards; Murphy merely placed a Cape seal as a surfacing. Greg Dennis asked how was the Cape seal approved by Washoe County? Louie, Larry and Cathy all said the Cape seal was not approved by the County. Larry said the developers had to sign a development agreement and

the terms said they could either build the road or make a deposit. He said if they built the road they could ask for reimbursement. He said furthermore the developer was supposed to form a homeowners association and collect fees for reconstruction or maintenance of that road in the future, but no homeowners association was formed. He asked if the original development agreement would still be a condition when the developer sells the land? Cathy said it would and added that an area-wide Warm Springs SPA homeowners association was formed, but no fees were collected and in 2008(?) Newell, Brent Douglas and a third developer allowed the association to lapse. Louie Test thought there was a question as to whether or not a homeowners association exists when you apply for a building permit. He said if the question is asked and there is a requirement to have a homeowners association according to the development agreement, then the County shouldn't issue a building permit. He said the only way the County would catch that is if those parcels within the SPA are flagged. Larry said those parcels should have been flagged in 2004.

Larry asked if we should go to the meeting or not? Louie recommended going to the meeting and making a presentation that the PVGID is only responsible for the maintenance of the roads that are currently on our maps [that have been accepted for maintenance]. He said we explain that any other roads that are constructed or put in are the responsibility of the developer or the homeowners, not the GID. He said that's the problem we're having; they're assuming we have the responsibility for all these roads developers are building out here, and we're not responsible; we have to make that clear. He said we have a program for adding roads, but we are not accepting any more roads for maintenance. Larry said roads have to either be privately maintained by developers or homeowners associations or they have to be dedicated Washoe County and the County accepts maintenance. Louie agreed and said that takes care of the problem.

Don Otto agreed and added that the roads leading to those developments, the first part of Ironwood and Whiskey Springs, should be brought up to County standards and accepted by the County. He said the money those people pay in taxes would go to the County and not to the GID, and all of these roads are no longer part of the GID.

Larry said that is exactly what he believes; that the [Specific] Plan Area be removed from the GID boundary. He mentioned a developer is looking at the feasibility of the 1,170 acres along Whiskey Springs and is contemplating upgrading Whiskey Springs to County standards as a collector road. He said at that point we need to insist that the County accept maintenance of it. He said as for the interior roads either similarly or they have to provide homeowners associations for private maintenance.

Larry said the development along Whiskey Springs is 860 homes, which is over one and a half times the number of residents in the entire Valley, and if you put anything to a vote, we don't count. Marty Breitmeyer agreed and said that is a good reason to have the SPA removed from the GID.

Susan Ambrose said in order for the GID to withdraw from the SPA, there would have to be a revision to the Warm Springs Specific Area Plan. She said that is one of the alternatives to be discussed at the BCC meeting. She said if the GID went to the meeting and supported the revision to the SPA, then the GID could at that time put in the conditions the GID would like to see going forward. She said the issue has always been developer compliance; there's never been any teeth or enforcement.

She said she agreed with handing it off to the County. She added that the people in the SPA pay \$345 a year to the GID. Cathy Glatthar said that is an average. Ms. Ambrose said that would be a loss to the GID if the SPA was removed.

Greg Dennis asked what was the total number of homes allowed in the SPA? Cathy said she thought it was around 1,500 based on 3,000 acre feet [perennial yield (water)]. Ms. Ambrose said she thought it was 1,575. [Follow up: Per the Warm Springs Specific Plan, dated March 7, 1995, page 21, the number of dwelling units allowed is 1,306 (see attachment).] Larry said the developers for the 1,170 acres are working with the State [Water] Engineer and that 3,000 acre feet figure may be reduced. He said the Valley is way out of whack as far as appropriation versus regional recharge.

Mitch Gerlinger said there is precedent to remove the SPA from the rest of Warm Springs' rules as well, when Cathy and John [Glatthar] got the firearms regulations changed out here, it said all of Warm Springs except for the Specific Plan Area.

Larry said he agreed entirely that one of the most important points to get across is that the plan needs review and revision.

Don Otto said we should also mention an impact study on Pyramid Highway and we should not pay for it. He added in the staff report, staff's recommendation number three, one of staff's solutions is to remove the financing plan which requires current and future developers to continue paying development fees at the time of recording their final maps. He said he couldn't imagine they would stop insisting on this performance money.

Larry explained these developer fees are for infrastructure needs and this is what the refund fight is over; none of the infrastructure has been built and the developers want their money back. He said those developers who went forward and did develop property and received profits from the sale of building homes, primarily along Broken Spur and some along Whiskey Springs, however, have no business getting a refund; they have severely reneged on their development agreement. He said this is so muddled; staff is saying they want to throw out the finance plan that's in these agreements, but it doesn't mean they will not require bonds for roads, for sewer, for water and so forth. He added it would be handled under a different mechanism.

Greg Dennis asked to confirm what Larry stated earlier, that the [Specific] Plan Area needs to be removed from the PVGID by amendment to the SPA, and those in the SPA are no longer part of the GID? Larry, Cathy, Mr. Otto, and Ms. Ambrose all agreed and stated support for that course of action. Mitch Gerlinger asked how the existing roads in the SPA would get maintained? Larry replied either by the County or by the homeowners through an association; they were supposed to form HOAs per the development agreements. Cathy added that the homeowners are not allowed to object to a special assessment district per the disclosure they signed when they bought their property.

Greg said his point of this, is we want to get across to the Washoe County Commission that the SPA be removed from the PVGID boundaries by amendment to the SPA plan. Louie Test asked if that would mean all the density would be removed also? Greg said no, we are not trying to take away the developers' rights. Louie then asked if we would still maintain the roads in the SPA that we currently maintain? Larry said no, we would remove all roads in the SPA from the GID boundaries and

our responsibility for maintenance. Mr. Otto asked even Ironwood? Larry said Ironwood is not in the SPA. Mr. Otto said what about those homes that will be accessed from Ironwood? Larry said that is another concern; but only with our permission will they be able to use Ironwood for access. Larry said we gave permission to Murphy to use Ironwood to Amy to Sharrock for his haul route. Larry said he believed he misspoke, and he did not believe we could exclude LW Land Company from using Ironwood as a haul route. Louie said he didn't believe we could because of the way [the Parcel Map Review Committee (PMRC)] wrote the action order; the only thing we can do is the surveys. Cathy said the County gave LW Land Company permission to choose the route they wanted as long as it connected with a PVGID-maintained paved road.

Louie Test said when the next developer comes in and the map shows he can subdivide into smaller lots, then at that point what is the GID's responsibilities going to be for future developers who are using the SPA to get the additional increase in units? He said it was stated earlier that you don't want to take the developers' rights away, if you don't limit the developers' ability to develop those lots, we're going to be in the same situation that we're talking about right now. He said you have to say we were designed for 40-acre lots and that amounted to 95 miles of roads, and that's what we agreed to take care of. He said now you're putting an additional burden on us, and we don't have the resources to do it, so we don't think you should be approving anymore until the County comes up with a system to give us additional funds if they expect us to maintain the additional impact on the roads that we currently have.

Larry said Murphy has reportedly obtained permission to build a construction access off of Ironwood Road, where no road exists now, into his development. He said that is the shortest way into that development, and will not the residents of that development use that same access? Cathy interjected that LW Land Company's easement is for both construction and permanent access. Larry said so it is not as simple as withdrawing the SPA area and streets from the GID. He said it is compounded by the fact that developers in the SPA are still going to impact us. Cathy said Murphy has more acreage in this same area and he's going to expand and even more houses will be built with those residents using this same road [that connects with Ironwood].

Greg said you essentially have a developer that doesn't have to pay for any road fees and can parcel at will. Larry said that has happened throughout the District. He cited the example of Curnow Canyon: a developer parceled all those lots and the road was only driveway-wide and the residents came to us demanding their road be widened; the developer parceled those lots and did not improve the road, so the rest of the residents of the Valley are expected to pay for the upgrading of that road. Don Otto said that's what's going to happen on Ironwood, and the County should accept that part [of Ironwood], too.

Susan Ambrose stated that NDOT [Nevada Department of Transportation] and the GID as well, may need to consider if all that additional traffic is exiting from Ironwood onto Pyramid, that's a blind stretch and would be difficult to widen in the future because of the hill on one side and the drop off and drainage on the other side. She said that in itself is not a good exit for that high volume of traffic, and a developer can be required to do an impact study. Larry said the major developer who is looking at

those 1,170 acres will have to do traffic studies; the big guys are not our worry, it's the little guys with the parcel maps who are skating by; that are impacting us and not required to do anything. He said that is what we have to somehow relay to the County, and he said his fear is that it will fall on deaf ears.

Louie asked if there was some way for us to get the County to look at us as a political entity that has to review the maps and sign off on all of them; like the County does with all their departments signing off? Larry said we will be co-signers on the plan change; we were co-signers on the original SPA plan. Louie said if we are going to be responsible to maintain the roads for future development, then we have to sign off on it.

There was a discussion as to who should give the presentation to the BCC, and it was decided that Larry would give the presentation and Louie would be there also.

Louie said if the BCC directs staff to initiate a master plan amendment, that's where we would have our input. He said we'd be concerned that we have to have control over what roads are going to have to be maintained by the GID if they are going to do away with the financing plan. Mitch said we need to wash our hands of all of this; we were designed for 40-acre parcels.

Larry said as he interpreted LW Land Company's conditions of approval, Murphy would have to build this access road from his development out to Ironwood to County standards. Cathy agreed and read the two conditions of approval, as follows:

"All roadway improvements necessary to serve the project shall be designed and constructed to County standards and specifications and/or financial assurances in an appropriate form and amount shall be provided. All project roadways shall be constructed with asphaltic paving."

"A paved access road meeting the requirements of Washoe County Development Code from the proposed parcels to either Whiskey Springs Road or Ironwood [Road] or other existing paved roadway maintained by Palomino Valley GID shall be constructed to Washoe County Standards to the satisfaction of the Washoe County Engineer."

There was discussion about the GID roads not being paved, that the roads are surfaced. Larry said he already had that discussion with the County Engineer who said the County has several interpretations of paved road. Louie said that may be incorporated into what they say at the BCC meeting; that the condition stated this, and we anticipated it was going to be to the highway and now the County comes back and says no, it's to be to the GID's slurried roads and the GID's slurried roads are not paved, yet that's the way the County Engineer is interpreting it and that's why we have to be a part of the review and approval process so that we can ensure we aren't putting additional burdens, over and above, on the existing residents.

Cathy said part of this reviewing of the financing plan goes back to one of the policies in the Warm Springs Area Plan that you have to pave to the frontage of your development with real pavement to County standards. She said the financing plan is what allowed the [smaller] developers to [subdivide their parcels without having to pave to their property frontage]. She explained that the smaller developers went to the County and said the way the plan was written, they could not build their developments because they could not afford to pave [from Pyramid Highway] to the frontage of their developments; that's why the financing plan was put in place after

the SPA was approved. Louie added that's when we say if the County is going to do away with the financing plan, then they need to go back to the original rules and they have to pave the roads to County standards all the way to the highway. Greg asked who in the future does the repair and replacement on a road constructed to County standards? Louie said the County has to take it over. Larry said we want the County to accept the roads.

Louie said if you are not in the Palomino Valley General Improvement District, and you are developing 40 or 50 acres up on the side of Mount Rose, you are going to be required to build a road to a County road to get access and you are going to have to either meet the County standards if the County is going to accept them or you are going to have to do an HOA to take care of those roads in your development; that goes for any place in the County.

Greg asked how we convince the County of that? Louie said we simply say we are not going to maintain the roads if the County is going to take the financing plan out of the master plan and go back to what the County standards are and if they want to develop they have to meet County standards when they go to the County with their proposed subdivision or parcel maps and either have an HOA to provide for maintenance of those private roads out to a public road that the County maintains or have them dedicated to the County. In response to Greg's question, Louie said the County could set up a "mainline extension" rule, so one developer could put in the road, and as others connect, those new developers can pay the original developer back. Don Otto reiterated that the SPA has to be removed from the GID.

Louie said he thought if you take the SPA out of the GID, you may end up taking the density out completely; which may be what a lot of people want. Don Otto commented about the construction traffic and the increased traffic on Pyramid Highway. Larry said the County has already approved the higher density and if the County tries to take that away they would face litigation, and he said he didn't believe the County would take that risk.

Cathy wondered how the properties developed under the existing plan would be handled, and said she thought they should do a special assessment [district]. She reiterated that the property owners signed a waiver that they would not fight a future special assessment [district]. Larry agreed.

Louie said the main thing is if the County is going to get away from generating money to bring the SPA roads up to County standards, then there has to be a mechanism put in there, that the developers have to put in the roads to County standards in order to proceed with the development and have plans for the maintenance of the interior roads that they are not going to bring up to County standards. Greg added, including County responsibility for said roads. Greg Dennis made a motion that this be the platform for the upcoming BCC meeting. Marty Breitmeyer seconded the motion, and hearing no opposition the motion passed.

7. New Business:

- a. Establish a Subcommittee to Explore Revenue Generation:** Larry Johnson appointed Greg Dennis to head a subcommittee to explore gas taxes, grants, etc. He said he thought Greg could include another Board member and residents from the Valley to work on this subcommittee. Mitch Gerlinger said the work he plans to do in getting the microwave site users to pay for road maintenance fits in with this.

Larry said Greg's neighbor who stated there are grants and other monies available should be approached and asked about those sources.

8. Judicial/Government Affairs: None

9. Calendar Review: Cathy Glatthar reviewed the upcoming items:

- Cathy reported we just received the air quality permit to operate the aggregate pits, and she will send that to Roger Pelham in compliance with our special use permit.
- Maureen Sidley reported the annual fiscal reports which must be published on or before July 2nd have been published.
- Maureen should be receiving the Warm Springs Valley Water Basin Administration Fee annual billing for all water rights holders.
- Our next meeting is July 19th.

10. Correspondence:

Cathy Glatthar reported the Grass Valley Road horse race promoters sent in a schedule and an unacceptable watering contract. She said we were waiting for [an acceptable contract] to come in, and in the meantime, the promoters held at least two events in violation of their special use permit. She said Washoe County Code Enforcement issued a stop activity order. She clarified that there are numerous conditions the horse race promoters must comply with for each event; the GID's condition is that they water Grass Valley Road from Pyramid Highway to their event site before guests arrive and before guests leave. She said one of the requirements was to have a first aid station and just before the June 2nd event, the promoters cancelled REMSA, but still held the event; the promoters said they had a "family gathering" that day.

11. Public Comment:

Susan Ambrose said she wanted the Board to be aware that a group of independent citizens has gotten together, who live near the SPA and within the SPA. She said since the CAB (Citizens Advisory Board) is non-functional, they formed this task force. She said on Saturday they conducted a survey of the residents within the SPA and the periphery. She explained the results of the survey were in draft format. She explained their task force is giving the people a voice. She said Sharon Korn put the survey together, and Don Otto helped deliver the survey. She said once they have the final draft, they'll get copies to the Board (see attached).

In response to Larry Johnson's question, Sharon Korn explained they had 51 responses out of 75 surveys handed out. She reviewed the results as follows:

Question #1: Where do you live - In the SPA, on the periphery, within five miles, or a few other options?

Response: 75% were in the SPA or along the perimeter

Question #2: What are some of the primary reasons you purchased property in the Palomino Valley area?

Response: Number one response (88%) - Open space/lot sizes greater than those offered in the city. Other responses not far behind were agriculture, privacy, recreation, etc.

Question #3: What concerns do you have about the development directions of Palomino Valley and the Warm Springs SPA?

Response: Number one (96%) - Increased traffic congestion on roads, including Pyramid Highway; other high ranking responses - Over development/low density suburban density zoning/homes on less than 5 acres; Lack of infrastructure to support suburban housing development; and GID ability to repair and maintain roads within the SPA and collector roads supporting the SPA (78%).

Question #4: What commercial/recreational entities would you like to see in, or near the Warm Springs SPA?

Response: Most responses were "None of the above"; listed were convenience store/gas station, hiking trail system, etc.

Question #5: What concerns do you have regarding the water quality and availability within the SPA and the Warm Springs Area Basin?

Response: Number one (73%) - I would not support and pay for hook-ups into a future community water system.

In answer to Ms. Korn's question, Cathy Glatthar said she would attach the draft report to the minutes. [Note: Final version was supplied in time to attach it to the minutes.]

Mitch Gerlinger thanked them for doing the work.

Susan Ambrose said Commissioner Herman is aware that the task force is up and running and is supportive. She said their group does plan on speaking before the Board of County Commissioners on Tuesday, June 26th to present their concerns. She added the task force is supportive of the GID's position on the SPA to the extent of the GID's proposal that developers should build roads within the SPA to County standards and then have the roads dedicated to the County for repair and maintenance.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

12. Board Member and Staff Items:

- Larry Johnson reiterated that he hopes we'll have sufficient budget by the next Board meeting that they can discuss an improvement project for Ironwood.

13. Adjournment: Greg Dennis made a motion to adjourn the meeting. Marty Breitmeyer seconded the motion, and hearing no opposition, the meeting adjourned at 8:22 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ June 21, 2018

Total of all Bank Accounts:

Balance@ June 21, 2018 - Money Market - #5010	193,447.25
Balance@ June 21, 2018 - Savings - #4658	2,001.10
Balance@ June 21, 2018- PR/Petty Csh - #4430	17,000.00
Balance@ June 21, 2018 - General Ckng - #4179	344.31
Total Cash IN All Accounts	212,792.66

WELLS FARGO-ALMOST CD #5010

Balance@ May 31, 2018 249,674.38

Income for the Month			
Consolidated Tax	0.00		
Ad Valorem	25.56		
LGTA	2,808.02		
Total Income	2,833.58		2,840.18
Interest Income	6.60		
Transfer to Wells Fargo #4430	(17,567.31)		
Transfer to Wells Fargo #4658	0.00		
Transfer to Wells Fargo #4179	(41,500.00)		
		Balance@ June 21, 2018	193,447.25

WELLS FARGO-SAVINGS #4658

Balance@ May 31, 2018 2,001.10

Transfer from Wells Fargo #5010	0.00		
Transfer to Wells Fargo #4179	0.00		
Interest Income	0.00		
		Balance@ June 21, 2018	2,001.10

Wells Fargo - PettyCsh/P/R Acct#4430

Balance@ May 31, 2018 17,000.00

Transfer from Wells Fargo #5010	17,567.31	Deposit	
	0		17,567.31
Net Payroll	11,710.24	Net Payroll	
Intuit	1.04	Set-up Intuit for Direct Deposit	
Wells Fargo - PERS Deposit	5824 3,525.35	PERS Deposit	
Wells Fargo - 941 Deposit	EFTPS 2,330.68	Payroll Taxes	
	\$17,567.31		(\$17,567.31)
		Balance@ June 21, 2018	17,000.00

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @ June 21, 2018

NAME	CK #	DESCRIPTION	
<u>NELLS FARGO-GENERAL #4179</u>		Balance'@ May 31, 2018	225.01
Transfer from W.F.#5010		41,500.00	
		0.00	
			41,500.00
PUBLIC WORKS			
Alhambra & Sierra Springs	9460	29.78 Est. Monthly Water	
Catherine Glatthar	9443	1,340.98 Monthly Work	
Cashman Equipment Co	9442	7,013.36 Repairs to Water Truck,Generator, Warranty Work	
Flyers Energy	9444	956.20 Fuel	
Granite Construction	9445	248.51 Patch	
Hoffman, Test	9446	435.00 Monthly Retainer	
Home Depot	9447	28.53 Office Batteries	
Humana	9448	258.02 Employee Health Insurance	
Humana	9458	91.10 Employee Health Insurance	
Intermountain Supply co	9449	97.00 Battery	
Maureen Sidley	9450	461.68 Monthly Bookkeeping, Copies, Reimb for Postage	
Napa	9451	41.48 Misc. Small Parts	
Nv Energy	9452	103.76 Office Utilities	
Powerplan	9453	985.78 Repair - JD 770C	
Purcell Tire Company	9454	1,009.73 Tires Grader/Water Truck	
Sani Hut	9459	129.87 Monthly Charge	
Silver State Barricade & Sign	9455	1,027.67 Signs & Paint	
Silver State International	9456	89.74 Hose	
Wade Loveday	9440	26,000.00 580 Case Super M Backhoe	
Lloyd Bonari	9441	1,000.00 Transportation-Case Backhoe	
Waste Management	9457	32.51 Waste Removal	
TOTAL		<u>41,380.70</u>	<u>(41,380.70)</u>
		Balance'@ June 21, 2018	<u><u>344.31</u></u>

PVGID OPERATIONS REPORT
Report Period 05-14-2018 to 06-14-2018

ATTACHMENT: 06/21/2018 Meeting Agenda Item 5. d.

ROADS GRADED:

1. Amy (Ironwood to Wilcox Ranch)
2. Wilcox Ranch (Amy to Goodher)
3. Range Land (Grey Van to Rebel Cause)
4. Grey Van
5. Pasture View (N)
6. Wilcox Ranch (Goodher to Mid)
7. Peak (N-S)
8. Prairie (Winnemucca Ranch to Big Dog)
9. Prairie (Big Dog to Jackrabbit)
10. Two Forty
11. Roadrunner
12. Bacon Rind (N)
13. Piute Creek

OTHER ROAD WORK:

- Add material to Piute Creek
- Add material to lower section of Wilcox Ranch hill (from Goodher up to ag base)
- Clean culvert inlets/outlets (53)
- Flush culverts (19 completed)

OTHER:

None

EQUIPMENT:

- Drive to Valley Springs, CA to buy 580 Super M
- Change oil and filter, lube 580 SM
- Repair upper radiator pipe on 2005 International (saved \$1300.00)
- Repaired 2 grader tires and 2 water truck tires
- Welded cutting edge to 24" backhoe bucket for ditch cleaning



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.us

STAFF REPORT

BOARD MEETING DATE: June 26, 2018

DATE: May 17, 2018

TO: Board of County Commissioners

FROM: Nathan Edwards, Deputy Washoe County District Attorney,
337-5700, nedwards@da.washoecounty.us

THROUGH: Mojra Hauenstein, Architect, AICP Planner, LEED AP,
Director of Planning and Building, 328-3619,
mahuenstein@washoecounty.us; and,

Paul Lipparelli, Assistant Washoe County District Attorney,
Civil Division, 337-5700, plipparelli@da.washoecounty.us

SUBJECT: Consideration of possible courses of action and direction to legal counsel and county staff to pursue one or more of those courses of action regarding the Warm Springs Specific Plan refunds lawsuit, Newell (plaintiff) et. al. vs. Washoe County CV15-01104. The lawsuit was filed in 2015 seeking, among other things, refunds of money paid by a number of property owners in the Warm Springs Specific Plan in Washoe County at the time they recorded their final maps for development in that area. The money was intended to build infrastructure in the area, including community water and sewer facilities, certain roads, drainage, and other improvements. At this point, the Court has dismissed all of the plaintiffs and all of the claims in the case, except for the claims based on a single 5 acre parcel still owned by the Newells. Additionally, one developer (Brian Murphy) has sought “reimbursement” of approximately \$319,252 for work done on roads in or near the plan area. Possible direction at this point could include any of the following individual courses or a combination of them:

1) *Refunds.*

- a) Pay partial or full refunds to all current property owners in the Warm Springs Specific Plan area in the total amount of approximately \$800,000 (\$781,882.37 approximate fund balance as of 4/6/18)) based on the Court’s ruling that the amounts are NRS 278B “impact fees” refundable if improvements are not built within 10 years; or,
- b) Pay no refunds and maintain the county’s position in the lawsuit that the fees are not “impact fees” and

AGENDA ITEM # _____

- that the plaintiffs waived any refunds;
- 2) *Reimbursement*. Allow, partially allow, or disallow Capurro Investments, LLC's/Brian Murphy's claim for "reimbursement" of approximately \$319,252 - for work done on certain roads, some of which were identified in the Warm Springs Specific Plan area agreement, see Exhibit A;
 - 3) *Master Plan Amendment*. Direct planning staff to initiate master plan amendments to the Warm Springs Specific Plan removing the financing provisions of the plan that require current or future developers to continue paying development fees at the time of recording their final maps; this option could include direction to staff to cease taking payments under the financing plan on development maps within the area plan while the amendment process is underway;
 - 4) *Interpleader*. File a lawsuit against all persons or entities with competing claims for the money in the fund, "interplead" the money into the Court, and allow the claimants to make their case for a share of the money with the Court ultimately deciding.

(Commission District 5.)

SUMMARY

Legal counsel and county staff are seeking direction on Washoe County's position with respect to claims for refunds and reimbursements of money paid in connection with various final map approvals and/or roadway improvements in the Warm Springs Specific Plan (WSSP) area. The fees are the subject of the lawsuit filed by 11 different plaintiffs against the County in June of 2015 (CV15-01104, Newell et. al. vs. Washoe County). Plaintiffs contend the fees are NRS chapter 278B "impact fees" and that refunds are due once 10 years has lapsed without the improvements being built. Washoe County disputes that the fees are "impact fees" and, alternatively, contends the plaintiffs waived any right to refunds in any event.

The fund balance is approximately \$800,000 (\$781,882.37 as of 4/6/18). The plaintiffs seek approximately \$500,000 in refunds. Meanwhile, however, the Court has granted the County's motions to dismiss all of the plaintiffs and all of the claims in the case, with the exception of Newells and a single 5 acre parcel they still own within the WSSP area. According to the Newells, the amount of refund potentially associated with that parcel is \$10,377.13. The Court has also ruled that the fees in dispute are in fact "impact fees," and that if refunds are due, they must be paid to the owners of property within the WSSP area at the time the refunds are paid.

In addition to the claims of the plaintiffs and after the lawsuit was filed, one development group (Capurro Investments, LLC, associated with Mr. Brian Murphy) has claimed entitlement to reimbursements for work done to certain roadways and drainages, some portions of which were included in the WSSP and some that were not identified as eligible under the WSSP agreement - see Exhibit A. The reimbursement claim is for

\$319,252 and included roadway and associated drainage work done to certain roadways and drainages, within the roadway prism as well as area specific drainage work. Understanding that all work associated with improvement projects where reimbursement is requested must follow Washoe County Development Code Standards as required by the WSSP, staff reviewed the post-construction activities to determine conformance to the required standards. As a result of the review which included a site visit of the work, discussions with Mr. Murphy and his engineer and also a review of correspondence provided by Mr. Murphy, it is staff's opinion that the work does not fully comply with Washoe County design standards. For example, Washoe County Development Code requires that roadways, either private or public, are designed and constructed with approved subgrade, gravel base, and hot-mix asphalt asphaltic concrete structural sections. In contrast, the work performed by Mr. Murphy appears to include a gravel base layer, but does not include a hot-mix asphaltic concrete layer and the condition of the subgrade is not known. Further, the reimbursement request includes roadways that were not identified in the WSSP, including Amy Rd. and Sharrack Road. Should Capurro Investments complete the roadway work to Washoe County Design Code minimum standards as required under the WSSP, consideration for reimbursement of WSSP identified roadways may be eligible for reimbursement consideration if sufficient funds exist. No lawsuit has been filed in connection with the reimbursement claim to date. If any reimbursement is considered, the fund available for refund (Option 1 above) will be reduced by the reimbursement amount.

Due to the Court's rulings, counsel for the parties stipulated to vacate the June 2018 trial date in order to allow the Washoe County Board of Commissioners (Board) to provide direction on the refund and reimbursement requests, as well as the possibility of amending the Washoe County Master Plan, specifically the WSSP, to remove the financing component. Any Master Plan amendment will need to be in conformance with the Regional Plan and be subject to the approval of the Truckee Meadows Regional Planning Agency;

Washoe County Strategic Objective supported by this item: Stewardship of our Community.

PREVIOUS ACTION

- In early 2015, a group of present or former property owners in the WSSP area seek refunds of money paid in connection with development approvals that was intended to fund infrastructure within the WSSP area on the ground that the infrastructure has not been built.
- On May 12, 2015, the Board directs staff to initiate amendments to the Washoe County Master plan to remove the financing plan from the WSSP and to process the refunds requested.
- On June 8, 2015, before the Master Plan amendment could occur and refunds could be paid, the County is sued by 11 named plaintiffs seeking refunds.
- On July 27, 2015, Washoe County moves to dismiss the lawsuit.
- On September 20, 2015, Capurro Investments, LLC seeks "reimbursement" for roadway improvements in or near the area in the amount of \$319,252.

- On April 16, 2016, Court grants the County's motion to dismiss all claims that are not yet "ripe" due to the 10 year impact fee refund timeline not having expired since payment by certain plaintiffs.
- On August 10, 2016, Court grants the County's motion to dismiss all claims filed too late after the expiration of the 10 year impact fee refund timeline applicable to specific claims due to the statute of limitations.
- On April 6, 2017, Court grants the County's motion to dismiss all remaining claims and plaintiffs, with the exception of the single 5 acre parcel still owned by the Newells, on the ground that none of the other remaining plaintiffs still own property in the plan area.
- On March 14, 2018, the June 2018 trial date vacated on stipulation of counsel to allow the Board to provide direction to legal counsel and County staff.

BACKGROUND

WARM SPRINGS SPECIFIC PLAN – HISTORY

In 1995, Washoe County adopted the Warm Springs Specific Plan (WSSP), a part of the Warm Springs Area Plan. The WSSP includes 3,983 acres of privately owned land and establishes a mix of land uses including agricultural, residential, parks and recreation, public facilities, light industrial and small scale commercial. The WSSP is intended to function as both the center of residential development, and as the community service center, for the Warm Springs community.

During the public review process leading to adoption of the WSSP, the Board provided direction that the development area was not part of, nor contemplated to be within, planned public services and facilities areas by the County. Therefore, the specific plan should provide for "self-funding" of any public services and facilities by those property owners within the specific plan area (and not by Warm Springs residents outside of the specific plan area nor by the County at large).

Consequently, the WSSP was adopted with a financing component that would provide for the construction of roads, community water or sewer services and limited recreation (parks) and fire and police protection. The financing plan requires that any property owner who subdivides properties and develops within the WSSP area must pay into a fund that would help support the construction of the public facilities. The plan envisioned at the time of adoption that a large land owner would fairly quickly develop a large portion of the WSSP and would construct the necessary backbone infrastructure including water and wastewater treatment facilities, roads, drainage facilities, parks, etc.

Every subdivision or parcel map submitted within the WSSP area is required to submit a development agreement for adoption by Washoe County. Each development agreement includes a provision based on the adopted financing plan for the purpose of paying a proportionate share to fund the major infrastructure costs which benefit the residents and property owners within the WSSP area. The financing plan establishes a fee per parcel to be paid by the individual developers and is based on the development potential that would occur with buildout of the WSSP area (utilizing the water resource limit of 3,000 acre-feet of perennial yield available for groundwater recharge limits, the total amount of

residential and commercial development within the WSSP). This financing plan also incorporated a mechanism for reimbursement and credit for infrastructure improvements within the WSSP area provided by private property owners that support the WSSP. Since the adoption of the WSSP in 1995, a total of 110 new parcels have been created within the WSSP area and a total of nearly \$800,000 has been collected by Washoe County in the WSSP area fund.

LITIGATION BACKGROUND

In early 2015, a group of present or former property owners in the WSSP began an effort to obtain refunds of money they or their predecessors had paid to Washoe County over a period of years beginning in 1996 in connection with individual development projects. Members of the group claimed entitlement to refunds because the infrastructure contemplated by the WSSP had never been built despite the passage of, in some cases, a decade or more since the money was paid into the fund. At the time of their initial push for refunds, around \$619,000 had been paid. By summer 2015, that amount with interest had grown to around \$773,000.

On May 12, 2015, the Board directed staff to begin the process of amending the Washoe County Master Plan by removing the financing component of the WSSP and ultimately paying the refunds sought in the matter. Before that could happen, however, the group seeking refunds sued the County in the Second Judicial District Court of the State of Nevada on June 8, 2015 (CV15-01104). It included 11 named plaintiffs, who sought approximately \$500,000 in refunds. The Master Plan amendment and refund process stalled out at that point as litigation got underway and the County faced the risk of inconsistent or duplicate liabilities.

Plaintiffs are not the only ones seeking money from the fund. On September 30, 2015, Capurro Investments, LLC, requested (by letter) reimbursement in the amount of \$319,252 for work associated with certain roadways in the Warm Springs Valley area that they assert qualify for reimbursement under the WSSP. These area roadways are not the responsibility of Washoe County and are operated and maintained by the Palomino Valley General Improvement District. According to the letter seeking reimbursement, the work was done to Broken Spur Road, Sharrock Road, and Amy Road. The WSSP itself designates an unnamed "Spine Road," Whiskey Springs Road, Broken Spur Road, and Grass Valley Road for improvement and reimbursement (Plan p. G-x, G-xi). While all identified roadways are operated and maintained by the GID, the WSSP required the subject roadways to be designed and constructed to Washoe County Development Code standards which includes a paved roadway structural section and associated roadway drainage improvements. Both the County's review and through information provided by Mr. Murphy, the roadways were generally constructed as gravel roadways and in some areas an oil emulsion was applied to the surface. The work done on the subject roadways was not done to Washoe County standards and therefore it is staff's determination that the requirements of the WSSP and subsequently the WCDC requirements were not met and therefore the basis for reimbursement has not been met and reimbursement is not recommended.

In the lawsuit, the plaintiffs claim the fees paid were NRS chapter 278B “impact fees” due to be refunded when 10 years has elapsed without the designated improvements being built. The County disputes that characterization. The Court, however, has entered an order finding that the fees were, in fact, “impact fees.” Thus, unless the plaintiffs waived or are otherwise barred from seeking refunds, and unless the County were to ultimately appeal the Court’s characterization of these fees as “impact fees,” refunds would be due at the latest when 10 years has elapsed since payment and the corresponding infrastructure has not been built.

As a result of various motions to dismiss filed by the county, the Court has dismissed all of the plaintiffs and all of the claims in the case, except for the claims based on a single 5 acre parcel still owned by the Newells. According to the Newells, the amount of the refund sought on that parcel is approximately \$10,377.13. Some of the claims were dismissed on statute of limitations grounds---i.e., some of the plaintiffs waited too long after the expiration of the 10 year refund period to file their lawsuit. Others were dismissed because they were not yet ripe, meaning the 10 year period for construction of infrastructure had not yet lapsed since they paid their fees. Some or all of the plaintiffs dismissed on ripeness grounds can or will be able to re-file a lawsuit for refunds (assuming they otherwise qualify for refunds) as the 10 year period applicable to their individual payments expires.

Lastly, except for the 5 acre parcel still owned by the Newells, the rest of the plaintiffs were dismissed because they no longer own the properties for which they paid fees in the first place. NRS chapter 278B specifically requires that any refunds of impact fees due be paid to the owners of the property at the time the refund is paid. Anyone who paid fees originally but then sold the property would generally not be eligible for a refund if the sale occurred before refunds were paid.

Trial was set for June 2018. However, at a pretrial conference on March 14, 2018, counsel for the parties stipulated to vacate the trial date and set the case for a status conference instead. Meanwhile, counsel and staff for the County are seeking direction from the Board on how to proceed concerning these claims at this point. There are several options. Generally speaking, direction is needed in the following areas:

- (1) Should the County pay refunds or continue fighting the lawsuit?;
- (2) Should the County grant some or all of the Capurro request for reimbursement for roadway work in or near the area?; If refunds are granted, should the County amend its Master Plan to remove the financing component of the Warm Springs Specific Plan in order to avoid conflicting payments from new developers as the fund balance diminishes due to current refunds?; and/or
- (3) Should the County attempt to avoid taking any further position on the fee fund and “interplead” it into the Court for resolution amongst the various claimants?

FISCAL IMPACT

The potential fiscal impact could cover the entire amount of the fees plus interest in the fund, depending on whether refunds are directed or reimbursement ordered. Funds are located in the Capital Improvements Fund (402) in cost center C925000.

RECOMMENDATION

It is recommended that the Board of County Commissioners provide direction to legal counsel and County staff on which course of action to take regarding the Warm Springs Specific Plan area refunds lawsuit, Newell et. al. vs. Washoe County CV15-01104.

POSSIBLE MOTION

The following motion is offered for consideration:

“Move to direct legal counsel and County staff to take one or more of the following courses of action regarding the Warm Springs Specific Plan Area refunds lawsuit, Newell et. al. vs. Washoe County CV15-01104:

- 1) *Refunds.* Pay partial or full refunds to all current property owners in the Warm Springs Specific Plan area based on the Court’s ruling that the amounts are NRS 278B “impact fees” and are refundable if improvements are not built within 10 years, or pay no refunds and maintain the county’s position in the lawsuit that the fees are not “impact fees” and that the plaintiffs waived any refunds;
- 2) *Reimbursement.* Allow, partially allow, or disallow Capurro Investments, LLC’s/Brian Murphy’s claim for “reimbursement” of approximately \$319,252 - for work done on certain roads, some of which were identified in the Warm Springs Specific Plan area agreement;
- 3) *Master Plan Amendment.* Direct planning staff to initiate master plan amendments to the Warm Springs Specific Plan removing the financing provisions of the plan that require current or future developers to continue paying development fees at the time of recording their final maps; or,
- 4) *Interpleader.* Deny refunds or reimbursement and file a lawsuit against all persons or entities with competing claims for the money in the fund, “interplead” the money into the Court, and allow the claimants to make their case for a share of the money with the Court ultimately deciding.

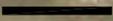
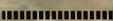
Exhibit A. Warm Springs Specific Plan Improvements

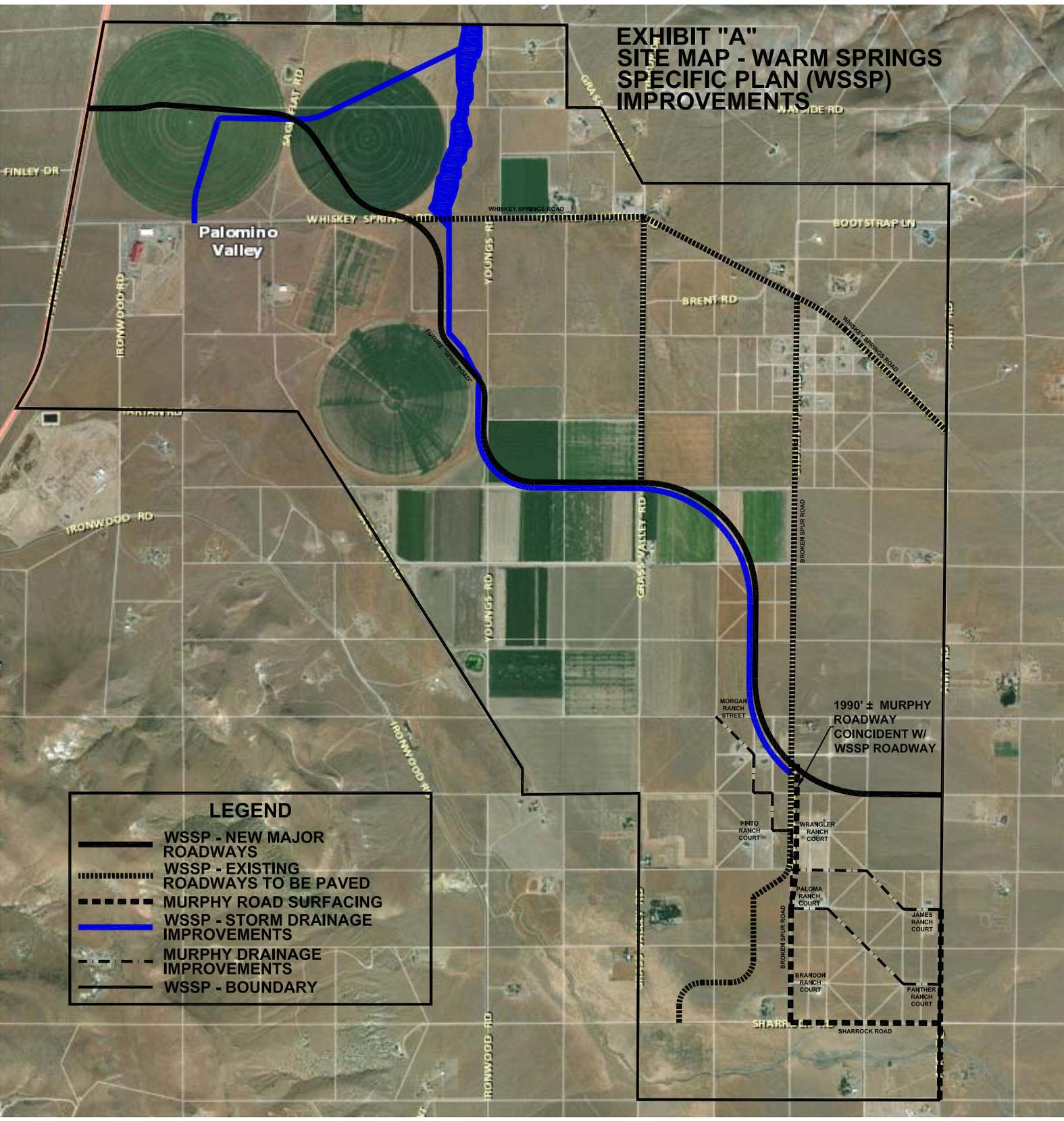
EXHIBIT "A" SITE MAP - WARM SPRINGS SPECIFIC PLAN (WSSP) IMPROVEMENTS

Palomino Valley

1990' ± MURPHY ROADWAY
COINCIDENT W/
WSSP ROADWAY

LEGEND

-  WSSP - NEW MAJOR ROADWAYS
-  WSSP - EXISTING ROADWAYS TO BE PAVED
-  MURPHY ROAD SURFACING IMPROVEMENTS
-  WSSP - STORM DRAINAGE IMPROVEMENTS
-  MURPHY DRAINAGE IMPROVEMENTS
-  WSSP - BOUNDARY



Warm Springs Specific Plan
 Number of Dwelling Units Allowed
 Using 3,000 AFY Perennial Yield
 1,306 Dwelling Units

Table 3
**3,000 AFY PERENNIAL YIELD
 ACREAGE BY LAND USE DESIGNATION**

Land Use Designation	DU	Gross Ac.	DU/Ac.	Net/ Ac.	DU/Ac.
Rural Residential					
Medium Density Rural (1 du/5 acres)	179	1,190	0.15	814	0.22
High Density Rural (1 du/2.5 acres)	177	668	0.26	422	0.42
Low Density Suburban (less than 1 du/acre to 2.5 acres)	949	1,991	0.45	1,285	0.72
General Commercial		20		15	
Business Park		47		35	
Public Facilities		12		12	
Spine Road Right-of-Way		50		50	
Open Space				1,202	
Parks and Recreation Facilities				131	
Undeveloped				842	
Total	1,306	3,983	.33 or 1 DU/3.0 Ac.	2,521	.52 or 1 DU/1.9 Ac.

Warm Springs Specific Area Community Survey

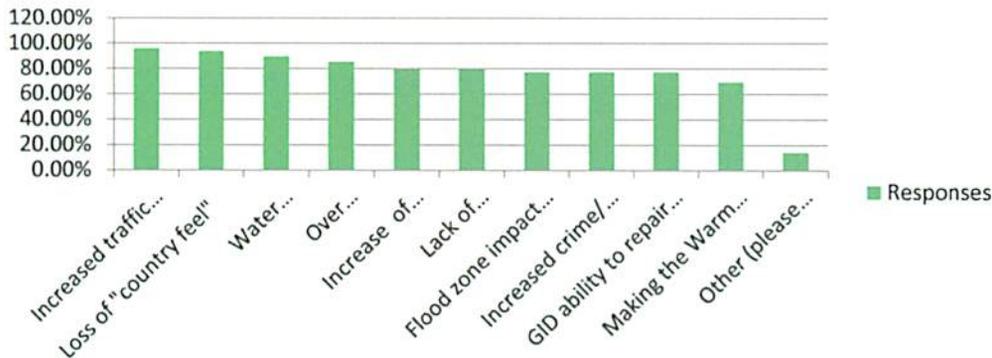
(6/16-21 2018)

	Total	Lives in the SPA or on the Perimeter	Lives within 5 miles of SPA	Other
Total Pool	78	50	28	0
# Responded	51	38	10	3
Percentage	65%	76%	36%	N/A

Question #2 - What concerns do you have about the development directions of Palomino Valley and the Warm Springs Specific Plan area?

Answer Choices	Responses	
Increased traffic congestion on roads, including Pyramid Highway	95.92%	47
Loss of "country feel"	93.88%	46
Water availability/quality of domestic wells	89.80%	44
Over development/low density suburban density zoning/homes on less than 5 acres	85.71%	42
Increase of "LIGHT" pollution	79.59%	39
Lack of infrastructure to support suburban housing development	79.59%	39
Flood zone impact to homes and property when Cottonwood Creek and Paiute Creek create alluvial fan flooding throughout the SPA area	77.55%	38
Increased crime/ longer response times for Sheriff Office	77.55%	38
GID ability to repair and maintain roads within the SPA, and collector roads supporting SPA	77.55%	38
Making the Warm Springs Specific Area the sphere of influence for Palomino Valley	69.39%	34
Other (please specify)	14.29%	7
	Answered	49
	Skipped	2

What concerns do you have about the development directions of Palomino Valley and the Warm Springs Specific Plan area?

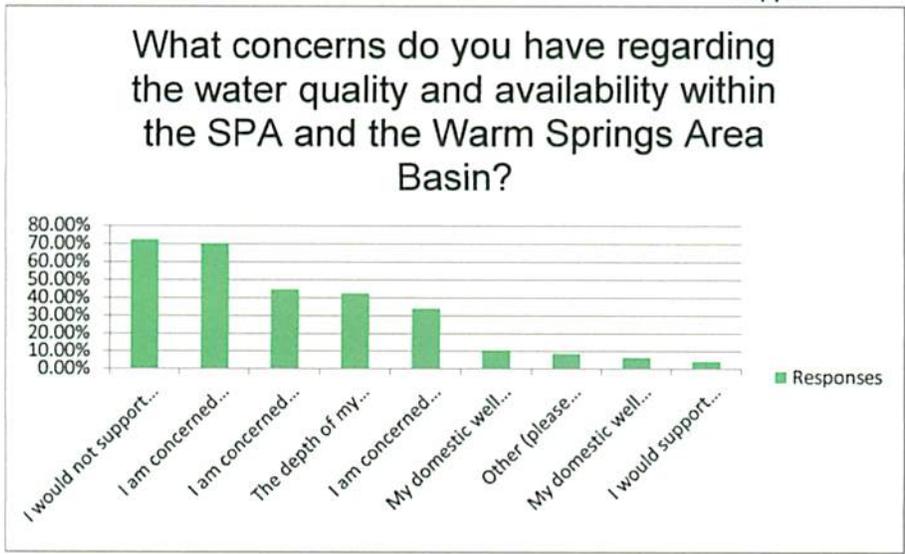


Other:

- Barking dogs and no respect or knowledge of rural lifestyle.
- Loss of ability to shoot guns on our own land, farm animal restrictions & NOISE.
- Eye sores like cell towers.
- Original PV told not enough water ffor development. Where is all the water coming from to develope now?
- Loss of wildlife habitat
- Loss of rural quality of lifestyle.
- Ridiculous to build suburbs out here.

Question #3 - What concerns do you have regarding the water quality and availability within the SPA and the Warm Springs Area Basin?

Answer Choices	Responses	
I would not support and pay for hook-ups into a future community water system	72.34%	34
I am concerned that a community water well will negatively impact my domestic well	70.21%	33
I am concerned about over pumping by agricultural wells within the SPA lowering the water table	44.68%	21
The depth of my well is _____ feet (please indicate depth in the "Other" field)	42.55%	20
I am concerned about possible contamination to my domestic well from flooding, herbicides, and pesticides used at the Turf Farm, or that contamination may still exist from Rocketdyne test site D at Paiute Creek road	34.04%	16
My domestic well has been found to have water quality issues, after water testing at certified lab, to be high in nitrates, arsenic, fluoride, or other contaminants requiring me to have a special filtration system in order to have safe drinking water for me, my family, and pets	10.64%	5
Other (please specify)	8.51%	4
My domestic well has gone dry in the past causing me to have to re-drill or obtain water elsewhere	6.38%	3
I would support and pay for hook-ups into a future community water system in the SPA	4.26%	2
	Answered	47
	Skipped	4

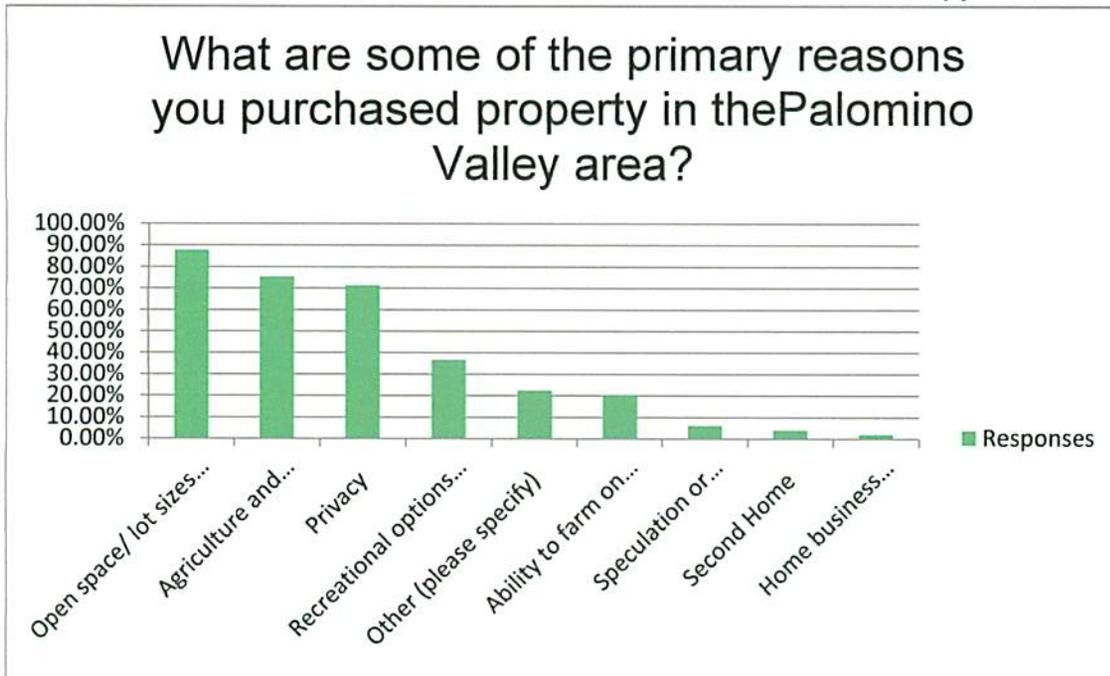


Other:

Well Depths Reported:
 200+/600(2)/400(2)/800/250/475/300(2)/490/350(3)/499/200/170/900(2)/325/720/340/960 Feet
 The water has been fine with the ag pumping. I'm nervous about the 100's of private well that could possibly be going in.
 My family will lose our home if we lose our well.
 Over development will lower the entire water basis with no plans for future. What happens when the wells go dry?
 960 feet-50k dollars. I will not support anyone losing money and sewer and being responsible to hook up to their bull crap water and sewer

Question #4 - What are some of the primary reasons you purchased property in the Palomino Valley area?

Answer Choices	Responses	
Open space/ lot sizes greater than those offered in the city	87.76%	43
Agriculture and livestock activities allowed	75.51%	37
Privacy	71.43%	35
Recreational options nearby	36.73%	18
Other (please specify)	22.45%	11
Ability to farm on commercial basis	20.41%	10
Speculation or development of my property	6.12%	3
Second Home	4.08%	2
Home business opportunities	2.04%	1
	Answered	49
	Skipped	2



Other:

The fact that the area did concentrate on open spaces, 40 acre minimums, no subdivisions compaining about animals, etc

Future in laws own property here.

Rent

Moved here to avoid congestion, light pollution and noise.

Enjoy the wildlife

No HOA or other

Star-filled dark nights and QUIET

Get away from people and the populated areas rules.

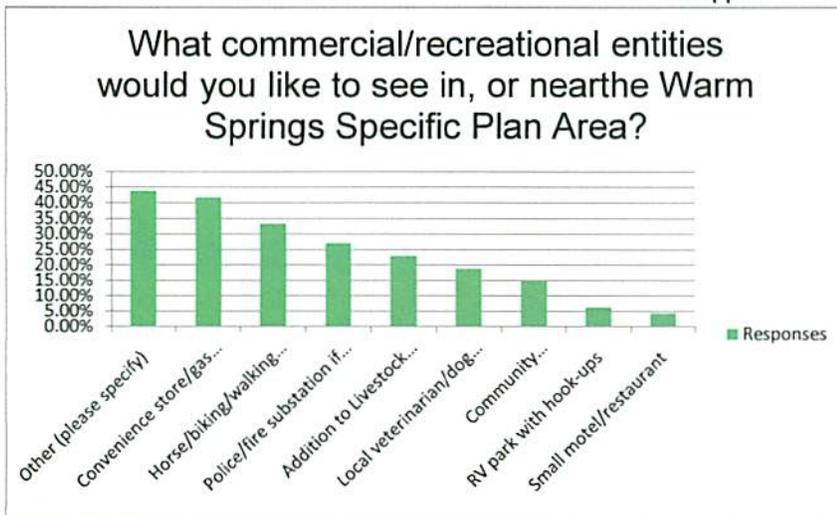
living near ranches and wildlife

Star Gazing

Small community

Question #5 - What commercial/recreational entities would you like to see in, or near the Warm Springs Specific Plan Area?

Answer Choices	Responses	
Other (please specify)	43.75%	21
Convenience store/gas station	41.67%	20
Horse/biking/walking trail system	33.33%	16
Police/fire substation if increased growth supports	27.08%	13
Addition to Livestock Events Center feed store to increase inventory to include tack/Western and English/as well as larger items (water troughs/feeders/fencing and gates) found at feed stores in Reno, Sparks, and Fallon	22.92%	11
Local veterinarian/dog groomer	18.75%	9
Community park/playground	14.58%	7
RV park with hook-ups	6.25%	3
Small motel/restaurant	4.17%	2
	Answered	48
	Skipped	3



Other:

- None
- None of it
- None of these places.
- None of the above.
- The openness of the valley offers the recreational activities we are interested in enjoying. Bringing in any of the activities above disturbs the rural living we moved out here to enjoy. We can drive into Spanish Springs to participate in activities
- None don't build
- none of the above, that's why I moved out here. Spanish Springs with all it's amenities is 12 miles up the road
- None of the above, moved out here because non of that was out here.
- Nothing
- Leave as rural residential of large acreage.
- None of the above especially RV park with hook ups
- Community recreation center with play field for kids sports
- Store and gas station near the highway only
- Gas station and convenience store only near the highway, perhaps near the events center.
- None of the above. I want it to reason rural. Spanish Springs is only 15-20 min away for all that other stuff.
- I don't want anything more out here. I want to keep it the way it is. All those above will bring people.
- None. Keep it the way it is.
- I like things as they are. We don't need designated trail systems and walking. We have country roads to do these things. All these things add rules and regulations and more people.
- None
- None of Above
- None

SPECIAL MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Friday, July 6, 2018

MINUTES

Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:12 p.m. Friday, July 6, 2018 at 6015 Ironwood Road, Reno, Nevada.

1. **Roll Call:** Trustees present were Greg Dennis, Jim Currivan, and Larry Johnson. Marty Breitmeyer and Mitch Gerlinger were absent. Also present were Shawn Kelly, Operations Manager; Maureen Sidley, Assistant to the Secretary; and Cathy Glatthar, Assistant to the Board.

2. **Public Comment:**

Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

3. **Discuss Purchase of Vactor Truck, which may include financing options [For possible action]:** Larry Johnson explained that they have been discussing the potential of acquiring a Vactor truck for cleaning out our culverts. He said there were a couple of units on the market and then they were thought to be sold, but now they are back on the market. He stated one unit is a bit larger, flushes culverts faster and costs a little bit more money. Larry stated the history of culvert maintenance has been inadequate and he started requiring maintenance a few years ago.

Greg Dennis asked Shawn Kelly if he thought we'd add more culverts in the future and how many? Shawn answered we'd have more in the future, and the number may double if we take over cleaning homeowner's driveway culverts and putting some kind of assessment on the homeowners; we're adding three on Range Land and two on Ironwood in the near future. Larry said he expected to add at least 50% more culverts in the next five years.

Larry explained the Vactor can be used by one person to flush culverts.

Greg then asked if that unit, in terms of economics, provides for the necessary drainage requirements to make the roads work better for the community? Shawn responded that drainage is 100% necessary and the Vactor truck takes the place of three pieces of equipment.

Larry asked Shawn if he had a recommendation on which unit to buy? Shawn explained the smaller, less expensive unit (\$36,000 asking price) was demonstrated earlier in the week. He said he has not seen the larger, more expensive unit (\$40,000 asking price) because a new pump is being installed. He said, after the pump is installed, he wants to take a look at the truck in person. He said a brand new Vactor is \$400,000, but these two units are a bit smaller (new would be around \$350,000), but these are great prices. He said the larger one only has 6,500 hours and for a 1997 that is almost no hours. He explained Vactor trucks can be a maintenance issue because parts do wear on them; but with proper maintenance and upkeep they'll give you years and years of service.

Shawn mentioned the "rodder heads" can be expensive and he will request two specific heads be included. He said when the smaller truck was being demonstrated, Greg

[Dennis] and Marty [Breitmeyer] saw two sewer guys flushing a culvert and in his opinion, these two men don't know how to do culverts. He said he would have utilized that truck differently. In response to Greg's comment, Shawn explained that County workers cannot use water from fire hydrants to fill their truck for flushing pipes.

Shawn explained he was asked to look into what a contractor would charge to use a Vactor truck to flush our culverts; he said it was \$500 an hour, port-to-port. He said one estimate to finish the culverts (38 remaining) was \$12,000. He said with those costs, a Vactor truck would pay for itself quickly.

Greg asked if Shawn could estimate what the annual repair and maintenance costs would be for a Vactor? Shawn said if you put between \$2,000 and \$3,000 a year into a budget, you'll eventually start using that money. Greg said he wanted to establish a sinking fund for equipment maintenance and repair and have a line item on the budget. He said from now on when we buy equipment, we need to include repair and maintenance costs in the budget. He said a perfect example came up today with the (1981) roller compactor showing problems with age. He said the Board needs to decide what to do with the roller; fix it or get rid of it.

Shawn stated that what he has learned since starting this job, is a lot of the equipment was not maintained. Greg said he realizes Shawn is cognizant of what's going on and he doesn't want to take that away from Shawn, and said kudos for understanding what we need to do. Shawn said he is a man who had a small business in this town and he has heard some say the GID is small and a nobody, but he disagrees. He said he will fight for every penny that he can. He stated he saved us \$700 in labor by having a different company replace the tires on the water trucks.

Jim Currivan asked Shawn to explain how a Vactor truck works. Shawn referred to a picture and explained the hose on the front of the vehicle attaches to a head with 2,000 pounds to 2,500 pounds of pressure. He said it drives itself into the culvert and with the spray it pulls all of the debris back. He referred to another hose and said instead of having to use a backhoe, this hose sucks the debris out of the way. He said the Vactor is also useful for "pot holing" phone lines. He pointed to the tank that holds the debris and said when the tank is full, we drive back to the yard and dump the contents. He said the one drawback on these smaller units is they only hold 1,000 gallons of water versus the larger units hold 1,500 gallons. He referred to the larger unit and said because of its long wheel base, the tanks set up higher and we have a lot of awkward, tight areas and the higher tank is less likely to be damaged. Larry agreed that we would have to be selective where we took the Vactor, and in some situations, use the water truck instead.

Greg asked if it would behoove us to make a profit on the road to the microwave (sites)? Shawn agreed, but said he hasn't looked into that because Mitch [Gerlinger] was given that project. Greg said he was given the responsibility of coming up with ideas for generating revenue. Larry said in the past the only time they have tapped into the users on Microwave was after large storms. Greg said it's an opportunity and we should explore it.

Shawn agreed and said in his opinion, if we get the Vactor truck, it's an opportunity for us to offer culvert flushing to residents for a fee.

In answer to Jim Currivan's question, Shawn said the unit he favors is the larger one, and he hasn't negotiated with the seller yet. Shawn offered to put some of his own money into the larger vehicle if need be and get paid back later.

Greg asked what the difference is between the two units? Shawn said even though a lot of parts were replaced, the smaller, green truck has 13,546 hours put on it by the current owner (total hours unknown) and the larger truck has 6,561 hours; double the hours, double the wear and tear. Shawn said he could not give the Board a firm recommendation until he puts eyes and hands on the larger truck.

Greg Dennis made a motion to authorize Shawn Kelly to negotiate a price on the larger Vactor truck for no more than \$39,000 and negotiable in the next two weeks. The motion failed due to the lack of a second.

Jim Currivan made a motion to authorize Shawn Kelly to negotiate for the best deal he could get between the two vehicles and do not exceed \$40,000. Greg Dennis seconded the motion. Larry asked if there was any further discussion before the vote?

Greg said his expectation was far less than the costs we're talking about right now; it definitely eats into a capital budget. He stated he is concerned with maintaining existing Cape seals; we cannot afford to lose the existing road surfaces at the expense of adding a new piece of equipment; necessary equipment.

Shawn interjected and said the Board allocated for a new backhoe up to \$34,000. He explained he purchased one for \$26,000 plus some parts and transportation for a total of about \$30,000, so he saved the GID \$4,000, and just sold the old backhoe for \$19,000. Jim said he had faith in Shawn; that Shawn will get the price down on the Vactor.

Larry said Greg's comments mirrored his made at the last Board meeting; that he, too, was concerned that we were spending money that would eat into this year's capital improvement budget. He said this opportunity could go away, in fact it did go away, and then came back, so this is our chance to get this equipment, so he said he has changed his opinion and is going to argue in favor of this purchase.

The Board voted unanimously in favor of the motion.

Larry explained the next point of discussion was to decide to finance this purchase or pay for it outright? He stated our available funds for capital improvements was \$144,000 at our last meeting. He said we can just barely do the Range Land Road [and Peak Road] projects and the shoulder paving on Ironwood. He said one of the things he does want to discuss is the shoulder paving; we have some segments of the Cape seal that are performing very well. He said he really does not see a need to cut off two feet of surfacing on each side of those areas to do the shoulder paving, just to add an additional foot on each side. He said on the other hand the first and last miles of Ironwood that the work is mandatory. He said Whiskey Springs is going to be torn up and completely rehabilitated to a County road within a decade. He suggested to continue patching that road and not put huge sums of money into it; however if it hasn't been rehabilitated and it's time to put another layer of slurry seal on it ...

In answer to Greg's question about the validity of improving Ironwood Road, Larry stated Ironwood has one and a half times the amount of traffic than our next highest trafficked road; it is the highest trafficked road in the system by a considerable margin.

Larry returned to discussing Ironwood and reiterated there are five different products on Ironwood. Greg said we still need to find the right product that works out here. He said he likes the product Larry's talking about, where on the edges, you put down an asphalt concrete edging and Cape seal over the top, may be a valuable way to look at the future. He said let's not do the entire area that way all at once; maybe doing the areas

that need repair and then Cape seal over those areas. He said then we can see how well it performs. Shawn said we can only do one side at a time and we must Cape seal over it; you must fill the seam or you will have problems. Greg added the drainage must work well off of those Cape seals.

Larry said if we proceed along those lines as just discussed, he believed we would have sufficient dollars in our budget this year; pay cash for the Vactor truck, do the Range Land [Road and Peak Road] improvements, and do the shoulder paving in the areas we feel are necessary on Ironwood.

In response to Larry, Cathy Glatthar explained during the bi-weekly conference call with the State Department of Emergency Management (DEM), it was mentioned there was one site inspection pending, and that is the inspection of the PVGID roads that have been restored to pre-disaster condition (Project Worksheet #2). She added that DEM met with FEMA this past Tuesday to discuss exactly what FEMA expected of the State when they conduct these inspections; ours is the very first inspection DEM is conducting.

Cathy said she wanted to add to the discussion about financing; that we are two months away from getting the big ad valorem payment. She explained that payment is usually received by the time we have our September meeting; about three months from now. She said Maureen Sidley looked into getting a line of credit from our bank, Wells Fargo. She explained an option to consider would be to use the line of credit to purchase the Vactor truck, make three months of interest payments and then pay it off in September after we receive the ad valorem money.

Larry said we just received \$19,000 for the old backhoe, so it's only about \$21,000 coming out of the capital improvements budget, not the full \$40,000. In answer to Larry's question, Cathy said the \$144,000 available for capital improvements was after the new backhoe costs were deducted.

Greg said the improvements to Ironwood need to be done this year. Larry agreed and said September. Greg asked Maureen if minimizing our costs for the future would be prudent; what would the interest rate be and what other costs are there on the line of credit? Maureen said the interest is a certain number of points over prime; right now it's between six and seven percent. She said there is an annual fee of \$175 that is waived for the first year.

Maureen explained in order to have something to report tonight, she had to use her personal information and Wells Fargo said that would give us a line of credit of \$70,000. She said that just got us into the system, and she wants Larry's information to be used instead of hers.

Larry said in his opinion we'll have additional revenue from ad valorem and the FEMA money by August or September at the latest, so we can use this line of credit if we have to for the paving. He explained that he still has to write up the contract documents, the contract has to be advertised for bids, we have to award the contract, the contractor has to perform the work and then send us an invoice; the invoice probably won't be due till the end of October. He said we may not need to use the line of credit, but it will be nice to have as a safety net.

Maureen said there's an option to allow up to three Board members to have cards in order to charge against the line of credit. She said this would be beneficial for use when a piece of equipment or a vehicle that has been pre-approved for purchase by the Board

becomes available, it can be purchased right away; we have lost out on such opportunities in the past.

Greg Dennis made a motion to approve obtaining the line of credit with one card (designate who is responsible for the use of that one card at the next meeting) and use the line of credit to purchase our new equipment for this fiscal year with the option of the Board to pay off the full amount as soon as they deem necessary.

Maureen suggested that Larry be the designated card holder since he is the President. She further explained that Larry is covered under the errors and omissions insurance policy.

Greg Dennis amended his motion to designate the President of the Board as the single cardholder.

Jim said he was not in favor of getting the line of credit, because it appears that we have or will have enough cash to carry us through. Greg said he is solely doing this for future purchases and necessary expenses of the GID; so the line of credit is established and we pay it off as soon as we get the money or we can pay it off when we want.

Larry said he liked the portion of Greg's motion to establish a line of credit, so we would have that available. He said he did not like the portion of Greg's motion to use the line of credit to purchase the Vactor truck; he said he'd prefer to take that money out of our existing cash balance and use the line of credit as our safety net if in September we don't have the funds available.

Jim Currivan made a motion to purchase the Vactor truck outright. Greg Dennis seconded the motion, and hearing no opposition, the motion passed.

Jim Currivan made a motion to have Maureen Sidley pursue a line of credit for the PVGID for future purchases and include one card in the President's name, Larry J. Johnson. Greg Dennis seconded the motion, and hearing no opposition, the motion passed.

Maureen explained what she had to go through to get the line of credit started because we thought it might be needed in less than a few weeks. Now that the Board has decided to pay for the Vactor truck with cash on hand, she said she would work on getting the line of credit using the GID's EIN (Employer Identification Number) instead of Larry's social security number. Greg thanked Maureen for the time and effort she put into this. Larry agreed and said that comes from all of us.

Maureen requested a letter on the GID's letterhead that contained the motion to establish a line of credit. Cathy said she would take care of that.

4. Public Comment:

Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

5. Board Member and Staff Items:

- Cathy Glatthar reminded Larry Johnson that he was going to write up a notice regarding the Range Land and Peak road work projects that she would have posted on the GID's website and social media, and sent out via email.

6. Adjournment: Greg Dennis made a motion to adjourn the meeting. Jim Currivan seconded the motion, and hearing no opposition, the meeting adjourned at 7:15 p.m.

REGULAR MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, July 19, 2018

MINUTES

Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:03 p.m. Thursday, July 19, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Marty Breitmeyer, Mitch Gerlinger, Greg Dennis, and Larry Johnson. Jim Currivan was absent. Also present were Shawn Kelly, Operations Manager; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment:**

Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – June 21, 2018 and July 6, 2018:**

Cathy Glatthar stated she received a clarification from Susan Ambrose regarding a comment Ms. Ambrose made at the end of the June 21, 2018 meeting. Cathy read the change as follows:

"She added the taskforce is supportive of the GID's position on the SPA to the extent of the GID's proposal that developers should build roads within the SPA to County standards and then have the roads dedicated to the County for repair and maintenance."

Greg Dennis made a motion to approve the June 21, 2018 minutes [as amended] and the July 6, 2018 minutes [as written]. Marty Breitmeyer seconded the motion. Hearing no opposition, the motion passed.

4. **Financial Reports and Payment of Bills:**

a. **Financial Reports:** Cathy Glatthar stated we received CTX (Consolidated Tax) income, some ad valorem revenue which was a little more than anticipated, and LGTA [sales tax] revenue. She reported the old backhoe was sold for \$19,000.

Larry Johnson reviewed the Net Operating Funds for Capital Improvements report and said the funds available have decreased considerably and have dropped to \$110,000. He said if this continues, we're going to have to see if we have a budget for capital improvements this year.

Cathy reported receiving an email from the Department of Taxation warning us that AT&T overpaid by \$26.56 million in use taxes to the State. She said AT&T will be reimbursed over an 18-month period and the GID will see a decrease in the CTX (Consolidated Tax) payments we receive over the next 18 months. She said she has no idea what that decrease will amount to.

b. **Payment of Bills:** Cathy Glatthar said there were bills for tires and repairs totaling \$14,000, and the Vactor truck was purchased for \$38,000.

Shawn Kelly explained he had a gentleman work on the radios; all thirteen radios are synced to the same frequency per our license. He said we had two broken radios that this gentleman made into one working radio. He said the work this gentleman

did saved us approximately \$4,000, and the man did not want any compensation for the work. Shawn said the man deserved something for his time, so he gave the man \$100. Shawn asked to be reimbursed for the expense. Greg Dennis made a motion to reimburse Shawn Kelly the \$100 for the radio work. Mitch Gerlinger seconded the motion and asked that Shawn write up a receipt and submit it. Hearing no opposition, the motion passed.

Larry Johnson reviewed the larger bills being Flyers Energy for fuel, Les Schwab for tires. Mitch Gerlinger asked Shawn to check with Jim Hicks about the front end work that was done on the Ford [plow truck] when it was bought. Larry asked what the Power Plan bill was for? Shawn reviewed the bills and said they were for service and repairs done on the 670 and 770 graders. Larry stated that all these types of bills should be reviewed by Shawn before Maureen [Sidley] cuts the checks. Shawn explained the Silver State bills are for the '05 water truck; we've been having issues with that truck. He said the Sonsray bill is for replacing the seat on the loader and doing a full service; replacing hoses, thermostat, and coolant bottle. Marty Breitmeyer said when he did an inspection of the equipment and vehicles earlier this year, he noted that a lot of the seats were subpar and needed to be replaced. Larry asked Shawn if the dozer was still in the shop? Shawn said it's still in the shop; the radiator had to be replaced and some other necessary work is being done. Greg Dennis commended Shawn for getting this maintenance work done. Mitch Gerlinger made a motion to pay the bills. Marty Breitmeyer seconded the motion, and hearing no opposition, the motion passed.

In answer to Greg's question, Shawn said there will be one more large tire bill for the 18 tires replaced on the tractor and belly dump.

- c. **Status of Purchasing a Vector Truck:** Shawn Kelly reported the Vector truck was purchased and as of yesterday, we have the truck. Greg Dennis requested the maintenance log and schedule for the Vector truck from the prior owner. Shawn said he would follow up on that.

Larry Johnson asked if there's some sort of computer-generated maintenance program that will show each month what maintenance work is required for the vehicles and equipment? Mitch Gerlinger said we could set something up using Google calendar; a reminder to check the hours on certain equipment and see if it's time for scheduled maintenance. Larry asked that Shawn take a look at setting up a system for maintenance and report back to the Board.

- d. **Status of Establishing a Line of Credit:** Maureen Sidley was not present.
- e. **Discuss Compactor/Roller Options:** Shawn Kelly stated the roller is not working at all; it is going to be hauled to the Ironwood pit. Larry asked Shawn if we need a steel drum roller? Shawn said they rented a roller for the work on Range Land, but he has heard that it's been quite a while since they used this roller. Larry asked Shawn to think about it and report back three months from now. In response to Mitch Gerlinger's question, Larry said he wants to know what's wrong with the roller before the Board decides what to do with it. Shawn said he would have it checked out and find out what it would cost to fix. Marty Breitmeyer said, once it's brought to the Ironwood pit, he would stop by and take a look at it.

5. Road Maintenance Reports:

- a. **Road Reports:** Larry Johnson stated we are keeping up with road maintenance requests. Shawn Kelly reported he received a number of calls and the callers understand we are working on a project.

Pam Roberts, in the audience, said she put in a request/petition back in January 2018 to have [asphalt] patching done on sections of Broken Spur, Sharrock, and Amy. She said in May the Board approved to have that patching done. She said there's been a good start on it and there's just a small section left to be patched on Broken Spur. She thanked the Board for getting that going, and she anticipates when they get back to patching, they will finish up Broken Spur? Shawn Kelly said he anticipated having the patching work resume next week.

Don Otto, in the audience, requested an area on Ironwood in the "s" turn be patched; he described the location and Shawn Kelly acknowledged that he understood what needed to be done. Greg Dennis said Ironwood has such a heavy traffic load, the Board is planning on making improvements to the edges. Larry spoke up to explain that those improvements will entail cutting back the existing Cape seal approximately two feet, lowering the subgrade three inches, and having a shoulder paving machine place three inches of plant mix, for a wearing surface on the edges. In answer to Greg Dennis' question, Larry explained they would not put down base material before the paving because we don't have the budget to do it. In response to Shawn's comment, Larry said we'll need to slurry seal the construction joint within a year. Greg said an option to consider would be to do half the road with shoulder paving and full-width slurry seal and do the other half next year. Larry said there are two segments of Ironwood that need the edge work: the first mile coming in from Pyramid Highway and the last section from just before the sharp curve all the way down to Amy. He added there are a few spots in between that need to be patched. He explained we are running out of time to do paving work; we can't go past the end of September or we risk weather and temperature issues. He said by next meeting the dollars available for capital improvements will be all important and any FEMA reimbursement potential is really important because we will need to make a decision as to whether we can do this work or not. He said if we cannot do this work, then he will recommend we do a lot of patching.

- b. **Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:** Larry Johnson asked Cathy Glatthar to let Suz Coyote [State Division of Emergency Management] know that he won't be available the first two weeks in August. Cathy said she had already sent an email to that effect.
- c. **Capital Improvements Plan (Range Land, Peak, Ironwood, Whiskey Springs and potentially other roads):** Larry Johnson said we've been working on Range Land for two weeks, taking the excess material from the sides of the road and rebuilding the centerline profile, elevating that, and creating drainage off of both sides. He said the overall shaping of that cross section is roughed out from Grey Van to Rebel Cause. He said much of the material is cohesionless, fine-grain sand that immediately ruts when it dries out. He said the original plan was to rent a paddle-wheel scraper and cap that material with material borrowed off the sides of the road from the west end of Range Land Road, but that material turned out to be cohesionless, also. He said a decision was made to haul material out of the Wayside pit which has some clay content, a binder, and use that material to cap the

graded, sandy material. Greg Dennis said they are behind on importing material; he understands the dozer is still in the shop and they need that to push the material in the Wayside pit. Larry added that the original plan was to surface the roadway with four inches of aggregate base, but we are having issues getting the material because of problems at the Martin Marietta (MM) pit. Shawn reported there is an alternative offered by MM's plant manager which would be to supply us with all the aggregate base they could produce from Friday after they close through all day Saturday. Larry recommended that we get this done, even if it includes overtime on Saturdays; he ran the numbers and said it would take two consecutive weekends. Shawn said he wanted to wait until Rick at MM returned from vacation to be sure this was a viable option.

Don Otto asked if MM can keep up with the production needed? Larry said they can, and we will be paying a premium because of the overtime for the plant, the trucking, and for our crew. He asked the Board to authorize additional funding for the trucking. Don Otto mentioned the "fluff factor" of loose aggregate versus compacted aggregate. Larry said they understand that and used a 20% shrink factor.

Greg Dennis said he's concerned about the time frame with the culverts and drainage systems and the surfacing. Larry said from Rebel Cause to Peak will take another two weeks. He said the blade is the most effective way to do the work we are doing. Larry said if we can't haul material fast enough with one truck, he wanted the Board to authorize Shawn to get an additional belly dump so they could keep up with the rough grading. There was some discussion about the process to produce material from the Wayside pit.

In answer to Greg's question about getting rippers for the 670 grader, Marty suggested that Shawn Kelly contact Absolute Hose and Fittings, ask for Shawn, tell him Marty sent you, and tell him what you need. Greg said for the future we should have the rollers on the 770 grader and rippers on the 670 grader. Larry said for long term that makes sense, but for this project, that's not necessary.

Larry discussed the drainage on Range Land and said his suggestion is to first build the road cross section and get it stabilized with the material out of Wayside, then do the drainage with culverts and extended drainage ditches to the north to get the water out. He said we have so much storage capacity on the south side; it will be a moat. Mitch Gerlinger asked about when we have someone drive off into that drainage area? Larry said if you run off the Pyramid Highway, you're gonna to die; why does it have to be different for our roads. He said why people expect to be able to drive off our roads and get back on unscathed is beyond him.

Greg Dennis said he had one neighbor ask about driveway culverts (Gerry) and there's another neighbor with no money and he'll never get a culvert out of that neighbor, and there is a third driveway culvert needed. He wanted to know how we were going to handle these driveway culverts? Shawn said Gerry (on Range Land) said he would purchase his own culverts and have them ready to be installed by the GID. Greg said he told Gerry that we would handle it for him; that we should buy the culverts and install them. Larry said our policy has been for driveways, the property owner buys the culverts and we install them, but in this case we put in the driveway culverts because it will adversely impact our roadway otherwise.

Larry explained that we need culverts across Range Land that will exit on the north side along property lines that have been ditched sufficiently enough that the flows will daylight and there will not be that much water. He said he asked Greg to pull Assessor's parcel maps to determine if there's enough width in the utility easements along those property lines to allow us to cut in drainage ditches. He said a storm drain is a utility, and suggested the drainage stay within the easement to eliminate having to get a special agreement from the property owners.

George Boyce, in the audience, asked if the GID was going to put culverts in on the side roads off of Range Land, such as Easy Jet? Larry said right now they have not planned to put in culverts at those locations. He said at one spot they may put in a concrete Arizona spillway. Larry said in hindsight, the section where the Cape seal was put in on Range Land, should have been graded first. He said on one hand he regrets ever having put that Cape seal there, because the road is recessed below the north and south sides and water is just going to sit on the Cape seal. He said the road should have been raised first so that culverts could have been put in; we would still have had to put in ditches along property lines in order to get the water to daylight on the north side. Greg Dennis explained that Mr. Boyce is talking about putting a culvert under Easy Jet that would connect with or be in close proximity with the culvert under Range Land that is just east of Easy Jet and take the water to the north side of Range Land. Shawn said he could clean it out and create a bit of a moat there.

Larry reiterated that capital improvements on Ironwood remain to be seen; we need money.

- d. **Operations Manager's Report:** Shawn Kelly said he hired temporary people for what they thought would be a two-week project, and today is their last day. He said he will try to get the one operator back. He said currently there are three full time workers and one man who works two days a week. He said he interviewed someone last Saturday, but has not heard back from that person.
- e. **Discuss Maintenance Crew Working Days:** Larry Johnson recommended this be postponed until October. He said we need to get to a level of trust in our supervisor, who can look at a weather forecast and adjust the schedule accordingly so that if a storm is coming, we can have two graders out there on a Friday, and leave it to Shawn's discretion. He said Shawn has shown the initiative, and he told Shawn that he appreciates it very much.

6. **Old Business:**

- a. **Status of Draft Agreement with LW Land Company:** Larry Johnson said there is nothing to report.
- b. **Washoe County Proposed Refund of SPA Developer Fees:** Larry Johnson said he didn't believe we have heard anything on this either. Louie Test said when he talked to the District Attorney, it sounds like they are going to start to refund the money back to the current property owners, and that the SPA [Specific Plan Area] is going to be looked at again in the financing area because it didn't work. Larry said he thought the County Commission said they were going to review the entire Warm Springs Master Plan for amendment, not just the financial plan. Cathy Glatthar said they couldn't vote on that because the agenda item was limited to the financing plan.

She said they were going to have a future agenda item to open up the entire plan for review. Larry said we need to be present at that meeting.

Pam Roberts thanked the GID for being at the June 26th Board of County Commissioner's meeting. She said the GID made an important statement that if the financing plan is removed, then there is the issue of the maintenance of the roads. She said that affects all of us, both inside and outside of the SPA, and we need to stay on the County and make sure that the funding procedure is replaced with something that does not put an undue burden on the GID, but recognizes that the developers need to put the money out to help pay for those roads. She said Ironwood and Whiskey Springs should be brought up to Washoe County standards and dedicated to Washoe County; it's important for safety, fire safety, and flood mitigation. She said there needs to be accountability for the developers.

Larry said the GID's position takes it one step further: all roads within the SPA need to be designed and constructed to County standards and accepted for maintenance by the County, and have that SPA area removed from the GID boundaries. He said Ironwood needs to be included because LW Land Company supposedly has an easement from their latest development out to Ironwood Road, and if that is the case, that road also needs to be included. He added that he wished the Citizens Advisory Board (CAB) would be revived, because it will take the involvement of private citizens as well as the GID. He said if not, everybody out here will be damaged. He said there will be up to 1,000 homes in the SPA and any issue, they will out vote the existing 500 homes in the Valley and at that point, we don't count.

Marshall Todd, in the audience, said he is part of the taskforce and they are of like minds regarding the roads and the GID has their support.

There was some more discussion about possible changes to the SPA once the Master Plan Amendment process begins and how we got to where we are today. Louie Test reminded the Board the GID's responsibility is focused on the roads. Louie added that the County used the financial plan as a way to allow the two and a half and five acre parcel sizes without having to put the community water and sewer systems in place; the impact fees were collected to ensure the money would be there in the future. He concluded that the County may have some strong grounds to say that until the water and sewer plant are in place, the developers can't put in the smaller lots.

- c. **Report from Subcommittee to Explore Revenue Generation:** Greg Dennis said he hasn't done anything on this yet. He said he didn't realize he was creating a subcommittee for this. Larry Johnson said during the discussion, he suggested that Greg get some of his neighbors who were critical of our lack of additional revenue generation and enlist their help because they said there were local, state, and federal grants readily available.

7. **New Business:**

- a. **Virginia Peak Communications Site Users - Request for Road Maintenance Fees:** Mitch Gerlinger said he received information from Cathy [Glatthar]. He said one was a ten-year old list of users and he will try to get an updated list. He explained to the audience that they are trying to set something up so that the GID gets some funding from the Virginia Peak users because they travel our roads to get to their sites on Virginia Peak. He said initially they will try to get an annual payment

from the users, and in the least, get an agreement from them that if they tear up the road they will reimburse us for the necessary repairs. In response to Don Otto's suggestion, Mitch said we will definitely have Louie Test draft the letter. Greg Dennis said one question would be, does a maintenance GID have the authority to impose such fees. Mitch said we had some precedence set when Washoe County paid for a portion of the repairs to Quaking Aspen that was torn up by their service vehicles after last year's flood. Larry said he contacted some past Board members and the same thing happened during the flood of 1997; so far it's been for specific damage, but it would be nice if they paid an annual amount. Don Otto said Quaking Aspen is a narrow road and most of it is in the level of maintenance 2 and if we do get money from these users, it should go to improving Quaking Aspen. Mitch said they access a number of other roads to get to Quaking Aspen. Mitch said he won't be here for the next meeting and if he has anything of significance before the September meeting, he will send out an email.

8. **Judicial/Government Affairs:** Louie Test said he will keep in contact with Nate Edwards [Deputy District Attorney] regarding the SPA. Larry said we need to be present at the County Commission meeting when the review of the entire Warm Springs plan is on the agenda. Cathy Glatthar said she will check with Trevor Lloyd and find out when it will be on the BCC's agenda. Larry Chesney, in the audience, said the BCC has canceled several meetings in August. Louie said he believed the next BCC meeting would be August 28th.

[Louie Test left the meeting at 7:45 p.m.]

9. **Calendar Review:** Cathy Glatthar reviewed the upcoming items:

- Cathy said since Maureen [Sidley] was not going to be here tonight, she already reviewed the upcoming items with Maureen as follows:
 - The Indebtedness Report was signed tonight by Larry [Johnson]
 - The Proof of Publication of the Annual Fiscal Reports must be submitted to the Department of Taxation by August 14th
 - The Quarterly Economic Survey is due by August 14th
- For the August meeting (August 16th), we will have a closed session for Shawn [Kelly's] 90-day review. Cathy said she will get the closed session notice to Shawn within the required timeframe. She said she will get this meeting room reserved for an hour earlier.

10. **Correspondence:** None

11. **Public Comment:**

George Boyce said he was wondering how long the dump trucks full of manure were going to be hauling down Range Land to Easy Jet, because those heavy trucks are going to tear up the surfacing?

Shawn Kelly talked to BLM about it and from the looks of the corrals, it looks like they are almost done for now.

Pam Roberts said she wanted to ask some things of the Board at future meetings:

1. Some of the Board members need to speak up so the audience can hear them.
2. Public comment is allowed on all action items, but the public is not specifically asked if they have any comments. She said it would help if the audience was told at the beginning of the meeting if they have comments on an agenda item, that they can raise their hand and be recognized.
3. When the motion was made to approve the minutes, it should have been to approve the minutes as amended because there was a proposed amendment to the minutes.

Larry Johnson said he appreciated Ms. Roberts' comments.

Don Otto said he wondered if the BLM would be another source of income since they are using our roads to have manure hauled out?

Mitch Gerlinger said the BLM doesn't have any money, but it's worth talking with them.

Mr. Otto said three of the taskforce members went to the CAB meeting and commented about their lack of meetings and were told the CAB was directed by the County to have fewer meetings. He said Bob Webb from the County was there and listened to all the comments. He said they requested to have CAB meetings at least quarterly because of what's going on with the SPA. He said they also commented that the roads in the SPA should become County roads.

Larry Johnson said he thought the CAB should meet any time there is a zoning, planning, or development issue that affects the residents of the Valley.

Mr. Otto said a couple of the CAB Board members admitted that they were not listened to by the County.

Larry Johnson said we need effective representation on the Commission level; our representative on the County Commission needs to weigh in on our behalf.

George Springer said he lives on Peak Road and wanted to know if work on Peak Road was on the same time schedule as the Range Land Road project?

Larry Johnson said yes, they are separate projects but they will be done on the same time schedule.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

12. Board Member and Staff Items:

- Shawn Kelly said he has been putting in some overtime and would rather bank those hours than be paid overtime and pay the taxes on overtime. He said he will need to take some time off at some point. Larry Johnson said we will put that on the next agenda.

13. Adjournment: Greg Dennis made a motion to adjourn the meeting. Mitch Gerlinger seconded the motion, and hearing no opposition, the meeting adjourned at 8:14 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ July 19, 2018

Total of all Bank Accounts:

Balance'@ July 19, 2018 - Money Market - #5010	169,616.00
Balance'@ July 19, 2018 - Savings - #4658	2,001.15
Balance'@ July 19, 2018- PR/Petty Csh - #4430	17,000.00
Balance'@ July 19, 2018- General Ckng - #4179	248.42
Total Cash IN All Accounts	188,865.57

WELLS FARGO-ALMOST CD #5010

Balance'@ June 21, 2018 193,447.25

Income for the Month

Consolidated Tax	29,100.94
Ad Valorem	7,343.86
LGTA	2,661.55

Total Income 39,106.35

Interest Income 5.40

Income from Sale of Equiq. 19,000.00

58,111.75

Transfer to Wells Fargo #4430	(23,743.00)
Transfer to Wells Fargo #4658	0.00
Transfer to Wells Fargo #4179	(58,200.00)

Balance'@ July 19, 2018 169,616.00

WELLS FARGO-SAVINGS #4658

Balance'@ June 21, 2018 2,001.10

Transfer from Wells Fargo #5010 0.00

Transfer to Wells Fargo #4179 0.00

Interest Income 0.05

Balance'@ July 19, 2018 2,001.15

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@ June 21, 2018 17,000.00

Transfer from Wells Fargo #5010 23,743.00
0

Deposit 23,743.00

Net Payroll 17,629.17

Net Payroll

Maureen Sidley 5827 162.39

Reimb. Office Supplies

Shawn Kelly 5836 60.00

Reimb for Supplies

Wells Fargo - PERS Deposit 5837 2,999.48

PERS Deposit

Wells Fargo - 941 Deposit EFTPS 2,891.96

Payroll Taxes

\$23,743.00

(\$23,743.00)

Balance'@ July 19, 2018 17,000.00

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @ July 19, 2018

NAME	CK #	DESCRIPTION	
<u>NELLS FARGO-GENERAL #4179</u>			Balance'@ June 21, 2018 344.31
Transfer from W.F.#5010	58,200.00		
	0.00		58,200.00
PUBLIC WORKS			
Alhambra & Sierra Springs	9462	43.98	Est. Monthly Water
Catherine Glatthar	9478	1,964.26	Monthly Work
Department of Business/Industry	9463	12.00	Annual/employee
Flyers Energy	9464	1,605.38	Fuel
Granite Construction	9465	385.00	Patch
Hoffman, Test	9466	435.00	Monthly Retainer
Les Schwab	9467	6,412.50	Tires
Humana	9476	258.02	Employee Health Insurance
Humana	9477	91.10	Employee Health Insurance
Maureen Sidley	9479	490.50	Monthly Bookkeeping, Copies, Reimb for Postage
Napa	9468	180.01	Misc. Small Parts
Nv Energy	9469	94.59	Office Utilities
PowerPlan	9470	5,799.24	
Sani Hut	9471	129.87	Monthly Charge
Silver State International	9472	524.58	
Sonsray Machinery LLC	9473	1,793.60	
Verizon	9474	43.75	Cell Phone
Underground Video Tech	9461	38,000.00	Purchase of 1997 Ford VAC Truck
Waste Management	9475	32.51	Waste Removal
TOTAL	<u>58,295.89</u>		<u>(58,295.89)</u>
		Balance'@ July 19, 2018	<u><u>248.42</u></u>

PVGID OPERATIONS REPORT

Report Period: 06-18-2018 to 07-15-2018

ATTACHMENT: 07/19/2018 Meeting Agenda Item 5. d.

ROADS GRADED:

1. Curnow Canyon
2. Wild Horse (Whiskey Springs to Silver Horse)
3. Silver Horse
4. Wilcox Ranch (Amy to Goodher)
5. Amy - Twice (Ironwood to Wilcox Ranch)
6. Broken Spur (S)
7. Bacon Rind (S)
8. Range Land (Easy Jet to low section)
9. Peak (E-W)
10. Lost Springs
11. Twin Springs

OTHER ROAD WORK:

1. Pull ditch weeds Sharrock (West of Amy)
2. Pull ditch weeds Grass Valley (S)
3. Grub weeds on Range Land
4. Grub weeds on Peak (E-W)
5. Clean culvert outlet Right Hand Canyon with 580 backhoe
6. Patch asphalt on Axe Handle
7. Completed flushing 18 more culverts
8. Started Range Land project (No Paddle Wheeler)
9. 8 loads of material (pitrun) to Range Land (in belly dump)

OTHER:

1. Had our 13 radios changed to new frequency - Saved \$4000.00
2. Prep for Range Land project (staging and logistics)
3. Dozer work at Wayside pit
4. Move grizzly from Ironwood pit to Wayside pit to screen dirt for Range Land
5. Repair fence at Sharrock and Amy

EQUIPMENT:

1. '84 International tractor & belly dump - replace all 18 tires
2. '05 International water truck alternator not charging - R&R new belt
3. '05 International water truck coolant reservoir bad - R&R
4. '05 International water truck idler pulley came apart - had to replace idler & belt

SPECIAL MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, August 16, 2018

MINUTES

Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:03 p.m. Thursday, August 16, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Greg Dennis, Jim Currivan, and Larry Johnson. Marty Breitmeyer and Mitch Gerlinger were absent. Also present were Shawn Kelly, Operations Manager; Maureen Sidley, Assistant to the Secretary (arrived at 6:00 p.m.); Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.
2. **Public Comment (limited to three minutes per speaker):**
Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.
3. **Retire to Closed Session:** Greg Dennis made a motion to go into a closed session, pursuant to NRS 241.030, to consider the character, competence, and performance of Operations Manager, Shawn Kelly. Jim Currivan seconded the motion, and hearing no opposition, the Board went into the closed session.

Reconvene for the Open Session of the Special Meeting.

Larry Johnson reconvened the special meeting at 6:02 p.m.

1. **Roll Call:** Present were Greg Dennis, Jim Currivan, and Larry Johnson. Marty Breitmeyer and Mitch Gerlinger were absent. Also present were Shawn Kelly, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.
2. **Public Comment:**

Susan Ambrose requested the Board put on their next agenda: "New Business: Possible Coalition with Warm Springs Community Task Force and Volunteer Fire Department to Form a Network of Fire Adapted Communities Charter." She said this is a Division of Forestry program and the Task Force would assume the brunt of the work. She mentioned some of the Task Force members attended an introduction meeting in Verdi last night. She said she received a lot of good information from that meeting. She said she understood that the GID's major focus is the roads, which can also be part of a pre-attack plan for future fires or as post-mitigation from the Perry fire.

Larry Johnson said we definitely will put that on our next agenda. He said we are directly affected because firefighters utilize the GID's water resources and this requires our coordination; we need to be informed and part of the overall plan. He thanked Ms. Ambrose.

Donald Otto said he would like to know about how the GID has utilized temporary labor and how temporary labor will be used next month?

Larry said we will address that in our road report.

Larry asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – July 19, 2018:** Jim Currivan made a motion to approve the minutes as written. Greg Dennis seconded the motion. Hearing no opposition, the motion passed.

4. **Financial Reports and Payment of Bills:**

a. **Financial Reports:** Maureen Sidley said we have not received the big ad valorem payment. Cathy Glatthar stated we won't see that revenue until next month; the tax payments aren't due until August 20th and [it takes about a month for the GID to receive the money collected from the first property tax installment].

Larry Johnson referred to the Net Operating Funds for Capital Improvements report and stated we are down to \$95,000. Cathy Glatthar stated she provided the Board with two reports; the first one is for the 12-month period ending this month. She summarized the past 12 months, stating the actual revenue differed from estimated by almost \$56,000 and our expenses were up quite a bit than estimated mainly due to equipment purchases, repairs, and maintenance, and additional personnel.

Cathy said the second report goes through the month of September. She explained the revenue figures were scaled back from what was shown on the budget because last year's revenue estimates were way off from actual, especially CTX (Consolidated Taxes - sales taxes). She said ad valorem is \$265,000, CTX is \$360,000, and LGTA (Local Government Tax Act - sales taxes) is \$35,000. She explained the first ad valorem payment is usually the largest at 35% of the total equals \$92,750 estimated to be received by the September 20th meeting. She stated the total revenue expected in September is \$125,670 plus the August total cash in all bank accounts equals \$303,542. She reviewed the upcoming expenses: one month of average expenses at \$27,000; \$38,300 in set asides for hot pot and plow, unexpected repairs, the audit, and Jim Hicks' accrued leave payout; and two months of expenses in reserves. She said the net operating funds for capital improvements on September 20th would be \$184,242. In answer to Greg Dennis' question, Cathy replied the remaining monthly expenses would be paid out of the additional revenues received for the remaining 11 months. Larry said the average monthly expense figure of \$27,000 is being consistently exceeded over these summer months as we try to catch up with equipment repairs, etc., and that amount is too liberal, but we are talking about projections. Shawn Kelly said to expect the fuel bills to be higher because we've had a lot of equipment out working this summer.

Donald Otto asked for further explanation of the accrued leave for Jim Hicks. Cathy stated the amount is approximately \$8,000 of the \$38,300 previously mentioned. Maureen said it's Jim's [personal leave] which is allowed to accrue up to 240 hours.

b. **Payment of Bills:** Maureen Sidley stated the workers' comp bill came in and it's a little bit higher than last year because we used an estimate of payroll and when they did the audit, payroll was higher. She said instead of \$1,400 a quarter, we'll be paying \$2,200 per quarter. She said we had more repairs, fuel, and tires (18) this month than usual. She explained the health insurance transition to Shawn's coverage has been worked out and the bill represents three months of premiums (which are paid one month ahead). She stated we had five bills from Sonsray for repairs. She said the rest of the bills were for normal operating expenses.

Cathy Glatthar asked about the payment to Washoe County Treasurer. She said that should be the bill for the water rights administrative fee. Greg Dennis said he

thought that Washoe County had turned administration of the water rights over to the State and that bill might not be viable. Maureen said the front page looked exactly like her tax bill, and this payment is for \$8.79. Cathy asked if it was for a single payment? Maureen said it was one of four. Greg said it's usually one annual bill. Maureen said she would send what she received to Cathy so she could look into it.

Jim Currivan asked about the other health insurance payments listed. Maureen explained those were for Jim Hicks' supplemental health insurance premiums.

Jim Currivan made a motion to pay the bills, and Greg Dennis seconded the motion. Hearing no opposition, the motion passed.

c. Status of Establishing a Line of Credit: Maureen Sidley stated it is still in process.

5. Road Maintenance Reports:

a. Road Reports: Larry Johnson stated they have spent a lot of effort this past month in the improvement of Range Land Road, which was formerly in a lowered position in relationship to adjacent grade. He said the road has been raised, large drainage swales have been graded for collection of storm water, and culverts have been purchased and installed at select locations. He said that section of Range Land Road is the model for the remaining 94 miles of roads in the system. He said the only thing to be completed is to surface the new roadway with aggregate base. He said, tentatively, we will have trucks hauling in the aggregate base this coming Monday. He said the limitation with the aggregate base is that the aggregate quarry is having trouble keeping up with the demand.

Larry stated they also improved the east-west section of Peak Road; which was also impassable during the 2017 flood. He said the road has been raised and storm drainage will flow to an existing culvert. In answer to Larry's question, Shawn said they capped this section with five belly-dump loads (125 yards) of pitrun from Wayside. Greg Dennis said there is a need to put down a thin veneer of aggregate base on top.

Larry said in the meantime they have only marginally been able to keep up with road maintenance requests across the valley. He said in a particularly hot, dry summer like this, a great majority of our roadways don't hold up and we can't grade them fast enough and we can't put enough water on them. He said any fixes are temporary and he cited the example of the short section of Amy and the first part of Wilcox Ranch that within a few days of grading needs to be graded again. He said with an increase of traffic and hot, dry weather, the fines are blown off the roadway and the rocks protrude; as soon as it gets wet from storms, the fines will pump up through all those rocks and you won't see the rocks; we need moisture.

Larry said they will have one blade spreading the aggregate base on Range Land along with a roller. He said the aggregate base will be wet because it will be fresh off the crusher; on one hand that's good because it won't need to be watered, but the downside is we pay for it by the ton so, we buy water. He said we will have the second blade and the water truck grading roads as fast as they can. Shawn Kelly interjected and said even though the water truck will not be needed for the base, he will have to use the water truck for watering down the haul route. He said the belly dumps will come in from Pyramid Highway and go out Winnemucca Ranch Road.

Larry said we have Cape sealed roads with potholes in them and off the edges of them and the patch crew will start on Tuesday. He said we do have a personnel

shortage for the patching; it's hard, back-breaking work shoveling asphalt. He said the Road Committee will establish the priorities for the patching work.

Susan Ambrose asked about the patching on Ironwood and the areas Shawn or the GID has marked with red paint ... Shawn Kelly said he did not paint those areas. Donald Otto spoke up and said he made those marks so people could avoid those spots. Mr. Otto said he brought up that one spot on Ironwood last month. Larry said if we had had personnel last month, we would have fixed it. Shawn Kelly added that another priority was to finish flushing culverts; the FEMA deadline is tomorrow, August 17th, and they have met that deadline. Greg Dennis said now they can get back to patching.

Larry stated we received a couple of emails, one of which was from Ray Johnson requesting that Broken Spur north [of Whiskey Springs Road] be widened to a minimum of 22 feet wide. Larry said he wrote a reply and wanted the Board to review it before having it sent out. He added that we do not have a 22-foot wide road section anywhere in our 95-mile roadway system; the highest trafficked roads, Ironwood and Whiskey Springs are 20 feet wide, Axe Handle is only 18 feet wide, and Range Land was just graded to 20 feet. He said Broken Spur north only services [five] homes. He then read his draft response into the record:

Mr. Johnson,

The Palomino Valley General Improvement District (PVGID) Board has reviewed your request to widen Broken Spur Road north of Whiskey Springs to a minimum 22 feet wide. The Board denies your request for the following reasons:

1. No roadway within the entire 95± mile system has been constructed or maintained to a 22 foot width. Even the major collector roads of Whiskey Springs, Ironwood, Axe Handle (mostly 18 feet wide), and Range Land Roads are 20 feet wide.
2. The District periodically widens roadways at the request of residents as areas continue to develop. Upper Curnow Canyon Road and portions of Quaking Aspen Road were widened to 18 feet to facilitate traffic.
3. The number of residences on Broken Spur north and related traffic do not warrant the requested widening to levels greater than any other roadway in the system.

Thank you for your concern. I trust the above discussion clarifies the matter sufficiently.

PVGID Board
Larry J. Johnson, President

Slight modifications were made and are reflected above. Larry gave the revised draft to Cathy to type up and send to Mr. Johnson.

Larry stated the second email was regarding south Amy which we discussed earlier and Shawn is going to handle.

b. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:

Larry Johnson asked Cathy Glatthar to give an update. Cathy said she submitted the report for the culverts on July 29th [for the quarter ending on June 30th]. She said the reimbursement amount is for \$9,440. In answer to Larry's question, Cathy reported for the culverts, the amount expected from FEMA (75%) is \$18,575 and the State (12.5%) is \$3,096 for a total of \$21,671. She explained that Shawn has reported the culvert flushing has been completed and therefore we are in compliance with FEMA's deadline. She said she will submit the final report on the culverts as soon as she compiles the backup documentation and photos; the report is due by October 1st. Larry said this is the first time in 40 years every culvert in the system has been flushed and operational. Susan Ambrose said they did an outstanding job on the Hockberry culvert. Larry said great job on all of the culverts; long overdue.

Greg Dennis said he had asked Shawn why don't we just go to overland culverts everywhere and get rid of all the [underground] culverts. He addressed Shawn and asked Shawn to tell everyone what his answer was. Shawn said it's a grading nightmare and the infrastructure is already in place. Greg said we have tremendous infrastructure already in place, 100 culverts, and to replace that is not fiscally responsible.

Larry asked Cathy if there was any news on an inspection date? Cathy said no, and it doesn't look good for getting an inspection in the near future.

c. Capital Improvements Plan (Range Land, Peak, Ironwood, Whiskey Springs and potentially other roads): There was no further discussion on this item.

d. Operations Manager's Report: Shawn Kelly said the steel-roller was moved to the Wayside yard, but he hasn't had time to look at it. Larry said he understood; that Shawn's been busy with other matters. Shawn said in his opinion utilizing rentals is the way to go; we have the pneumatic rollers for the grader. He said for the special projects that require a steel-drum roller, a rental is more feasible; besides the job will dictate what size roller we need. In answer to Larry's question, Shawn said he did not know how much the rented drum roller being used on Range Land costs. Larry asked Shawn to find out what we are paying for the drum roller and report back. Greg Dennis said when we have the opportunity to assess the feasibility of fixing the old unit, then we'll make a determination as to whether or not it is more feasible to rent and dispose of the old unit.

Larry then addressed Mr. Otto's question as to what we have used in outside labor this past month and what will be expected in the future. He said first of all, we've run a nearly continual ad for an equipment operator to work under Shawn; we hired someone on a trial basis and it did not work out. He said therefore we have continued to use Jim Hicks as an equipment operator, and we intend to continue that through the application of base on Range Land and Peak Roads. He said we are continuing to advertise for an equipment operator, but we are hampered by the booming economy and booming construction industry and anybody worth their salt is working overtime and not looking for a job until the first snow storm hits and construction companies start laying people off. He explained we've utilized temporary people for water truck operation and will continue to do so. He said we are also using outside help for the asphalt patching which will resume next week. Shawn added we also used outside help with the Vactor truck doing culvert flushing. Larry said much of the work has been done with outside help; that will continue with

the patching work and with the water truck driver. He said we probably don't have the personnel to run two blades and two water trucks. He said we anticipate using outside help for the next month.

Shawn presented the Board with a rough draft of a vehicle and equipment maintenance schedule. Larry thanked Shawn for developing that schedule. Larry asked Shawn, when time permits, to assess every piece of equipment and determine the status and needs of each. Shawn said that will probably be in the fall.

Donald Otto asked if the public would be told the outcome of the closed session and Shawn's 90-day review? Larry said the closed session was on Shawn's performance. Louie Test said no action was taken during the closed session and there is nothing on the agenda for action at this meeting. Larry said it was favorable. Mr. Otto said he wanted to thank Shawn for his hard work and for getting things done, and thanked the Board for making the changes and for choosing Shawn for the job. He said he is glad to see the repairs and maintenance being done on the equipment and thanked the Board for backing Shawn on having that work done. He said he hoped the way the roads are being graded will be corrected and be done the way that has been diagrammed in the past. He said he's scared seeing the same operator on the grader and maybe these changes won't be made while he's still the operator. He said he hopes Shawn will correct some of those ways and follow through on it. He added he hoped Shawn would get more work out of the crew.

Larry said he wanted to address a couple of Mr. Otto's comments. He said we can't judge Shawn's true ability and performance in these 90 days because it's been hectic and we've been playing catch up. He said much of what the Board has seen from Shawn's performance is a breath of fresh air. He said Shawn has shown tremendous initiative, and Shawn's ideas on how things can or should be done and the discussions that follow on the Road Committee are extremely valuable in reaching consensus and means and methods of getting things done in the most efficient and cost-effective manner for the District.

Louie Test said we needed to get back to the agenda.

Larry said the road cross sections were discussed again, but we're not going to hold Shawn to that for the next couple of months because he needs to make a whole bunch of roads smooth. He said after the first storms when we get soil moisture and can work those shoulder areas and those windrows, it will be a very high priority. Greg added it will be a specified priority because we can't do all the roads at once. Shawn said when this [Range Land] project is done and he's back in a grader, it will be a "blow and go - get it done" but he promised that his goal is to assess every road and get thirty years of troubles caught up. Greg said it doesn't happen overnight; Range Land Road was a moat and it took a long time to move that material and we did what we could with the equipment and the people we had.

At this time Larry Johnson skipped to New Business items 7. a. and 7. b. (see below)

6. Old Business:

- a. Status of Draft Agreement with LW Land Company:** Larry Johnson said he didn't think we had anything new to report on this. Louie Test said to let him know and he'll get a hold of Brian Murphy.

- b. Washoe County Proposed Refund of SPA Developer Fees:** Larry Johnson said there is nothing new on this item either. Louie Test spoke up and said he has a meeting with Nate [Edwards, Deputy District Attorney] on Monday on a different matter, but he'll ask Nate what the status is on this.
- c. Report from Subcommittee to Explore Revenue Generation:** Greg Dennis said he's been working on Range Land and hasn't had the time to work on this.
- d. Virginia Peak Communications Site Users - Request for Road Maintenance Fees:** Larry Johnson said Mitch Gerlinger was not present tonight.

7. New Business:

- a. Compensatory Time in Lieu of Overtime Pay:** Larry Johnson explained there has been a request for this. He then asked if anyone knew if any of the cities or counties allow this? Shawn Kelly said yes, Washoe County allows this; you are allowed the same amount of hours in comp time as you are in vacation time; a max of 240 [hours]. Larry said the program, as he understands it, is instead of getting paid for overtime, you bank those hours as comp time; are those banked as straight hours or at one and a half? Shawn said time and a half hours. Maureen Sidley said she's dealt with this, but it was called "flex time." She said it was picked up as straight time, not time and a half. Greg Dennis said as far as he remembers the City of Reno did have flex time, but wasn't sure who was allowed to use it; that hourly workers were paid overtime and did not get flex time. Jim Currivan said it's been awhile but with the BLM (Bureau of Land Management) he thought they did hour-for-hour. Cathy Glatthar suggested consulting the POOL/PACT's HR department for guidance. Larry suggested we defer this to next month and do some research. Maureen said she would look into it and report back next month. Greg said there needs to be some kind of maximum set. Shawn said it won't happen a lot, but he'd rather have the time off than have to pay the taxes on the overtime pay. He said if the decision is to go hour-for-hour than he'd just take the overtime pay because he'd be losing out. Larry said one of the issues is if you allow 240 hours of vacation time to accrue and 240 hours of comp time to accrue, that's 12 weeks of time and the District can't afford to have their people off for that amount of time. Shawn said there's no way he could take that amount of time off; he understands that, but he said we normally should have sick days and vacation days, but here it's all combined into one. Larry said coming from the private sector, we try not to follow the public sector because the public tends to get ripped off by those union contracts. Maureen said strictly looking at the money, if the overtime continues she'd rather see another part time employee instead of the overtime pay. Larry said there is a breakeven point where it is cheaper to pay overtime versus hiring another worker. Don Otto said Shawn probably won't have that many hours in a year's time, but should have those hours for back up and be able to use them as he sees fit. He suggested setting a time period in which Shawn had to use those banked hours. Larry said you'd have to set a maximum number of hours. Mr. Otto said he has only worked for non-union companies and a few allowed them to bank hours, but didn't like the hassle of keeping track of the hours for multiple employees. He suggested researching public and private, union and non-union companies. He thought it would be great for Shawn to have this option and there are only a couple of employees. Larry asked Mr. Otto if in his experience did they allow banking at hour-for-hour or time and a half? Mr. Otto replied hour-for-hour. Larry Chesney suggested this might be a labor issue. Louie Test spoke up and said the Labor Commission may be

looking at this and may have an answer regarding hour-for-hour or time and a half. Marshall Todd said he works for a closely held corporation that's non-union and the hourly employees get comp time at time and a half, but they don't allow them to cash it in ever and it has to be used within a certain period of time. Greg said we need to research all the aspects of this including PERS and look at it again next month.

- b. Health Insurance Interlocal Agreement with the City of Reno:** Louie Test explained we received a copy of an interlocal agreement [between the Truckee Meadows Regional Planning Agency and the City of Reno which allows the TMRPA's employees (four) to join Reno's health insurance group plan]. He said there are some issues Shawn wants clarified as to the costs and so forth, and we attempted to get a hold of the person who is in charge at the City of Reno, but she won't be back until Monday. He said he will attempt to reach her on Monday. He said he needed Shawn to get his questions to Cathy and she will email them to Louie. Larry Johnson asked what was being questioned? Shawn said the costs. Louie said while he's speaking with this Human Resources person, he'll ask her a few questions about comp time. He said he believed it would be at time and a half.

8. Judicial/Government Affairs:

None

9. Calendar Review:

- Cathy Glatthar reported our September meeting is on the 20th. Larry Johnson said he might not be able to attend that meeting. He said the Vice [President] is Marty Breitmeyer and we'll need him to be present. Cathy said we'd have a quorum if the other three Board members can attend. Larry said he would try to be back by the 20th, but he could not guarantee it.
- Cathy stated the only item on the calendar is to publish a fall newsletter. Larry said we should postpone that.
- Larry asked when the next Secretary of State [candidate filing] was due? Cathy said October. Greg Dennis said he already filled out all four reports. Cathy said that's the best way to do it.

10. Correspondence:

None

11. Public Comment:

Donald Otto said after [the Perry] fire, we need a list of property owners who have water sources that are accessible by choppers and give that to the BLM ahead of time. Susan Ambrose said that is actually being worked on with Jade Martin at the BLM fire station. She said Mr. Martin is working on a pre-attack plan and identifying water sources is part of that plan.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

12. Board Member and Staff Items:

- Jim Currivan addressed Shawn and said he noticed in Shawn's report that somebody fixed our radios and saved us \$4,000; he asked if we gave that person a thank you? Shawn explained he talked about this at the last meeting and he gave

the man \$100 and thanked him. Cathy Glatthar said the Board approved reimbursing Shawn under payment of bills at last month's meeting.

- Shawn Kelly said has been put on the bank account and he has a credit card for Home Depot, but he does not have an ID stating he works for the GID. He said he tried to use a check to purchase a camera and Costco would not take the check without some sort of ID showing he works for the GID. Louie Test said he's not heard of anyone having this problem in the past. Don Otto asked if Shawn could have paid for it and turned in the receipt and get reimbursed? Shawn said he could, but it would be good to have some sort of ID. Cathy Glatthar suggested getting Shawn some business cards. Larry agreed.
- Greg Dennis said this week challenged Shawn with getting Range Land Road done, getting the culverts flushed for the FEMA deadline, ordering materials and working with the pit to get the aggregate base, getting materials delivered himself for the dip in Range Land Road for the overland water flows, and putting in a culvert at the same time; he said what he is seeing with Shawn is not just single-mindedness with what's going on, but four or five different things at the same time. He said it is giving him a more positive attitude about how we are getting things done.

13. **Adjournment:** Greg Dennis made a motion to adjourn the meeting. Jim Currivan seconded the motion, and hearing no opposition, the meeting adjourned at 7:22 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ August 16, 2018

Total of all Bank Accounts:

Balance'@ August 16, 2018 - Money Market - #5010	158,363.22
Balance'@ August 16, 2018 - Savings - #4658	2,001.20
Balance'@ August 16, 2018- PR/Petty Csh - #4430	17,000.00
Balance'@ August 16, 2018- General Ckng - #4179	507.79
<i>Total Cash IN All Accounts</i>	<u>177,872.21</u>

WELLS FARGO-ALMOST CD #5010

Balance'@ July 19, 2018 169,616.00

Income for the Month	
Consolidated Tax	33,867.98
Ad Valorem	83.80
LGTA	3,142.44
<u>Total Income</u>	<u>37,094.22</u>
Interest Income	6.84

37,101.06

Transfer to Wells Fargo #4430	(24,176.92)
Transfer to Wells Fargo #4658	0.00
Transfer to Wells Fargo #4179	(32,000.00)

Balance'@ August 16, 2018 158,363.22

WELLS FARGO-SAVINGS #4658

'Balance'@ July 19, 2018 2,001.15

Transfer from Wells Fargo #5010	0.00
Transfer to Wells Fargo #4179	0.00
Interest Income	0.05

Balance'@ August 16, 2018 2,001.20

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@ July 19, 2018 17,000.00

Transfer from Wells Fargo #5010	24,176.92	Deposit	
	0		24,176.92

Net Payroll	16,087.36	Net Payroll	
Public Agency Compensation Trst	2,255.75	Workman's Comp	
Western Transport	1038 200.00	Transportation	
Verizon	5851 76.85	2 months Cell phone	
Wells Fargo - PERS Deposit	5860 2,999.48	PERS Deposit	
Wells Fargo - 941 Deposit	EFTPS 2,557.48	Payroll Taxes	
	<u>\$24,176.92</u>		<u>(\$24,176.92)</u>

Balance'@ August 16, 2018 17,000.00

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @ August 16, 2018

NAME	CK #	DESCRIPTION	
<u>WELLS FARGO-GENERAL #4179</u>		Balance'@ July 19, 2018	248.42
Transfer from W.F.#5010	32,000.00		
Void Check # 9381 - Prominence	754.80		
Void Ck # 9474 - Verizon	43.75		32,798.55
 PUBLIC WORKS			
Alhambra & Sierra Springs	9487	15.25 Monthly Water	
Catherine Glatthar	9488	2,052.29 Monthly Work	
Flyers Energy	9489	6,284.63 Fuel	
Granite Construction	9490	1,499.25 Patch	
Hoffman, Test	9491	435.00 Monthly Retainer	
Hoffman, Test	9501	400.00 Add'l Legal	
Home Depot	9492	774.36 Misc. Supplies	
Humana	9493	258.02 Employee Health Insurance	
Humana	9502	91.10 Employee Health Insurance	
Intermountain Supply	9494	15.81 Filter	
Les Schwab	9495	6,352.16 Tires	
Maureen Sidley	9508	438.00 Monthly Bookkeeping, Copies, Reimb for Postage	
Nv Energy	9496	82.21 Office Utilities	
Prominence Health	9503	4,297.35 3 month's Employee Health Insurance	
Reno Gazette Journal	9497	50.40 Legal Notice - Annual Report	
Sani Hut	9498	129.87 Monthly Charge	
Silver State International	9499	217.15 Pulley, Belts, Hose, 15" T & Rubber T	
		Hydraulic Oil Leak, Engine Overheating, Recovery Tank	
Sonsray Machinery LLC	9500	7,217.93 Leak, Unit Doesn't Move	
Washoe County Treasurer	9504	8.79 Property Tax #1	
Verizon	9509	33.10 Cell Phone	
Waste Management	9505	32.51 Waste Removal	
Western Nevada Supply	9506	1,854.00 Pipe Lube / 12x20 N12 WT 65 ADS SOL	
TOTAL	32,539.18		(32,539.18)
		Balance'@ August 16, 2018	507.79

PVGID OPERATIONS REPORT

Report Period 07-16-2018 to 08-12-2018

ATTACHMENT: 08/16/2018 Meeting Agenda Item 5. d.

ROADS GRADED:

1. Range Land
2. Wilcox Ranch (Quaking Aspen to Mid)
3. Amy (Ironwood to Wilcox Ranch)
4. Wilcox Ranch (¼ mile from Amy)
5. Right Hand Canyon
6. Sage Flat
7. Crossover
8. Amy (S)
9. Grass Valley (Turf Farm)
10. Amy (Ironwood to Wilcox Ranch)
11. Wilcox Ranch (Amy to Crazy Horse)

OTHER ROAD WORK:

1. Patch Sharrock & Broken Spur
2. Wilcox Ranch - Import 2 belly loads yard dirt
3. Move trailer that was blocking road on Quaking Aspen - Just above Mountain Aspen (Fire truck access)
4. Pull two culverts on Range Land (Gerry & Jim)
5. Cleaned (17) culverts (13) left - FEMA Project Worksheet #4

OTHER:

1. Screen at Wayside pit (approximately 1000 yards)
2. Had our steel-drum roller picked up from Range Land and delivered to Wayside yard - Had to pull off with loader

EQUIPMENT:

1. Purchased Vactor truck
2. Remove and replace (R&R) 2 hydraulic hose's 621 loader
3. R&R front tires 580 backhoe
4. Install rear windows 580 backhoe
5. Ford F450 rotate steer tires to rear
6. Reverse cutting edge on 621 loader
7. Ironwood generator turbo failure R&R - Under Warranty
8. Ford F450 had front end checked, R&R (2) tie rod ends, alignment, balance 6 tires - under warranty

SPECIAL MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, September 27, 2018

MINUTES

Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:01 p.m. Thursday, September 27, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Greg Dennis (via phone), Jim Currivan, and Larry Johnson. Marty Breitmeyer and Mitch Gerlinger were absent. Also present were Shawn Kelly, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment:**

Don Otto, with the Community Task Force, said LW Land Company's primary entrance to their new development is Ironwood Road and the secondary is Grass Valley Road. He said consequently Grass Valley will not be required to be paved, but the new easement LW Land Company acquired to connect with Ironwood Road will have to be paved. He said he asked Roger Pelham, Washoe County Planner, about the additional traffic burden on Ironwood Road and Mr. Pelham didn't answer. Mr. Otto asked if LW Land Company's application was reviewed by the GID? In response to Larry Johnson's comment, Cathy Glatthar clarified that LW Land Company did submit a map showing three alternative routes which complied with the County engineer's requirement that the access connects with a paved GID road, and that's when the engineer deemed the GID's Cape seal as being paved. She added that we had no discussion with LW Land Company before they chose the Ironwood Road access point. Mr. Otto said as a property owner out here and one who travels Ironwood Road to get to his property, he wanted the County take over that section of Ironwood Road, bring it up to County standards and straighten out the "s" turn because that is where the access is going to be; it's dangerous. He said he hoped the GID would look into it and get it resolved. Louie Test said he believed LW Land Company was supposed to come to the GID and have a condition survey done before construction started.

Susan Ambrose wanted to know if the GID had a copy of Mr. Murphy's [with LW Land Company] easement document for access to Ironwood Road? She added the easement is both for temporary construction access and permanent access. She said they did ask Mr. Pelham if the easement would have to be constructed to County specs and paved and Mr. Pelham said yes, but Ironwood would not have to be improved. She said Mr. Pelham told her Mr. Murphy was supposed to go out Grass Valley Road.

Larry said the Ironwood access will be expensive because they will have a mile and a half to pave to County standards and they will have to put a bridge in over Cottonwood Creek.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. Approval of Minutes – August 16, 2018 - Closed and Open Sessions:

Jim Currivan made a motion to approve both the closed and open session minutes from the August 16, 2018 meeting as written. Greg Dennis seconded the motion. Hearing no opposition, the motion passed.

At this time, Larry Johnson acknowledged the GID's previous Operations Manager, Jim Hicks, with a certificate of appreciation for 19 years of service to the GID.

4. Financial Reports and Payment of Bills:

- a. Financial Reports:** Maureen Sidley reported she transferred the funds (\$2,001.22) from the savings account to the CD account. She explained, by law, when there is very little activity in an account, the bank has to send the money to the State.

Larry Johnson explained he had a report compiled for the 12-month period from September 1, 2017 to August 31, 2018 showing what our expenditures were compared to our income (see attached). He reviewed the report and stated that our income was roughly \$650,000 and our expenses were roughly \$550,000; a difference of \$100,000. He said we hold two months of operating expenses in reserve; \$60,000 is set aside. He said we had about \$78,000 left, which is why they could not go out for any capital improvement projects for the year except for Range Land and Peak. Maureen mentioned that most of the Range Land bills were not included in the report because they came in after September 1st, so the remaining balance is even less than \$78,000. Larry mentioned at a recent Board of County Commissioners' meeting, the chairwoman asked if the PVGID was improving their 95 miles of roadways up to County standards, and he said he replied no Ma'am, not with our budget. He said the chairwoman said she found that unacceptable, and he said he wasn't fast enough to respond that such a project would cost \$70 to \$90 million, maybe more, and our annual budget is less than one percent of what it would take to bring our roads up to County standards.

- b. Payment of Bills:** Maureen Sidley reviewed the bills and commented that because of the Range Land project, there were bills for material and transportation. She said the Sonsray statement, in the amount of \$7,488, was for eight minor repairs to various pieces of equipment and one invoice for parts. In answer to Larry's question, Shawn Kelly explained that he did review the invoices and he spoke with Sonsray about some of the charges and Sonsray has since lowered their rates for the GID. Larry said we have a substantial bill for material from Martin Marietta, \$16,000. Shawn said that covered Range Land, Peak, and some stockpiles at the yard. Maureen added thanks to Shawn, our phone bill is under \$39 per month. In answer to Jim Currivan's question, Shawn explained that after evaluating the work done by three different companies, he chose Sonsray to work on the equipment and vehicles. Larry stated we had \$51,000 in expenditures this month and we usually only have \$30,000 a month which includes payroll. Larry reviewed the expenses and stated approximately \$24,000 was above our normal. Greg Dennis made a motion to pay the bills. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

- c. Status of Establishing a Line of Credit:** Maureen Sidley said she was still working on it.

5. Road Maintenance Reports:

- a. **Road Reports:** Larry Johnson stated Shawn Kelly provided us with a list of 27 roadways that had been graded. He said patching was done on Ironwood, culverts were repaired on Wild Horse, and the ditches along Sharrock between Amy and Broken Spur were scraped.
- b. **Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:** Larry Johnson stated that Cathy Glatthar has been keeping up on the reams of paperwork. He said we haven't seen a dime from FEMA; two of our four projects have been approved by the Feds who have funded to the State Emergency Management who have their own equal reams of paperwork. He said before State Emergency Management will issue funds a site inspection must be conducted. He said we are still waiting for the State to schedule the site inspection. In answer to Larry's question, Cathy reported that during the last conference call with the State, they said they will start scheduling site inspections after October 15th. Cathy stated the culvert project was finished last month and the final report was signed by Larry tonight. She said the State may pay on the culvert work without a site inspection because the project total is less than \$25,000 and we supplied photos of flushed culverts.
- c. **Status of Capital Improvements Plan (Range Land, Peak, Ironwood, Whiskey Springs and potentially other roads):** Discussed earlier.
- d. **Operations Manager's Report - Including Need for Additional Personnel:** Shawn Kelly said he would like to wait until next month to discuss the need for additional personnel.

6. Old Business:

- a. **Status of Draft Agreement with LW Land Company:** Larry Johnson said we still have not heard anything from LW Land Company, even though it appears they have bought an easement for access to Ironwood Road.

Susan Ambrose, representing the Warm Springs Community Task Force, said their group met with Trevor Lloyd, Washoe County Planner, and Greg Dennis attended that meeting as a member of the Task Force and not as a GID member. She said during that meeting they brought up a lot of questions that were brought up by community members and neighbors, regarding the roads primarily. She said they did not get a lot of answers, as Mr. Lloyd said he could not speak to those, and could only give procedural answers to questions. She said they requested a meeting with Dwayne Smith, the head of the Engineering Department, but that did not happen, so Trevor asked them to put together a list of questions for Mr. Smith and for Mr. Pelham, which they did. She provided the GID with that list of questions. She added that the Task Force did come up with an alternative Spine Road that could be used in the SPA and that is question number 5 on the list.

Larry asked Greg Dennis if he was involved in the formulation of the questions and did Greg review and approve ... Greg said he did work with Susan on the wording of the questions. He said he had a conversation with Dwayne Smith this afternoon here in Tahoe (both were attending an engineering conference), and Mr. Smith is inclined to keep the GID whole across the entire SPA. Larry said his preference is whenever anything like this is formulated and submitted to the County, that it be reviewed by the GID Board before being submitted. Greg explained that those

questions were ones that someone asked either in a GID meeting or outside of a GID meeting [i.e. the Task Force's survey]. Ms. Ambrose said it was submitted to the County in mid-September.

- b. Washoe County Proposed Refund of SPA Developer Fees and Master Plan Amendment:** Larry Johnson said this was covered a bit at the Board of County Commissioner's (BCC) meeting this past Tuesday (October 25, 2018), and nothing has been done. He said he believes the County still plans on refunding the developer fees to the present land owners. He said since those homeowners are potentially going to receive a check in the mail, a question this Board should ponder is offering those land owners to have the GID place a Cape Seal on their roadway. He said it's an idea to consider. He said he thought he heard the refund amount may be \$15,000 per resident. Greg Dennis said the chances of one person saying "no" is pretty high, and then what do you do?

Larry returned to discussing Tuesday's BCC meeting.

Don Otto said the Task Force asked the BCC if they would impose a moratorium [on further development if the Financing Plan was removed from the Specific Plan]. He said the [Assistant District Attorney, Mr. Lipparelli] said it would be difficult, but he would look into it.

Larry said his comments to the Commission were as follows:

One alternate that the staff report failed to include was that monies collected by the County could also be awarded to the GID for design and construction. The developers did not construct the proposed improvements, however, certain developers did build and sell homes by serial parcel mapping. Homes were sold but infrastructure was not built.

Certainly, the amount of money collected from developers who went forward was insufficient to design and construct the appropriate roads to County standards, however these funds could have been utilized to improve drainage and surface the roadway (Broken Spur) with a Cape Seal (as done on Whiskey Springs and Ironwood Roads). The residents would not have to drive in winter mud or summer dust. The GID and residents are left in a quandary.

We encourage the Commission to not only eliminate the Financing Plan but completely revise the poorly conceived [Specific] Plan.

Jim Currivan asked what action was taken? Larry said they voted to suspend the Financing Plan. He explained the Financing Plan was designed to collect money from each developer and would be refunded to the developer when he constructed the infrastructure or those monies could be given to the GID and the GID would have the roads built or if the area wasn't developed after ten years that money would be refunded back to the developers. Cathy Glatthar clarified the refund back to the developers did not make it into the final version of the Financing Plan. She also clarified that what the BCC approved on Tuesday was to initiate a Master Plan Amendment to remove the Financing Plan.

Susan Ambrose said she did learn that Roger Pelham has arranged for a community meeting on this matter for Friday, October 19th here at the Shooting Facility.

- c. Report from Subcommittee to Explore Revenue Generation:** Greg Dennis said he didn't have anything to report. Larry Johnson said he asked Louie Test to contact the Attorney General's Office and find out if the GID is eligible for gas tax revenue, and if not, why not, and if it would take legislation. He said this is something that former Board member, Pete Schmalzer, investigated to a degree some years ago. He said Cathy Glatthar wrote up a summary of the conversation she had with Pete on this topic. Louie Test spoke up and said the allocation for fuel taxes is established based upon what the cities and counties list as their roads on the application they file by July 1st each year. He said in order to get allocation for fuel tax revenue, the GID will have to go to the County and have the GID roads added to the County's application that goes to the State.

Louie went on to explain that gravel roads are included in the definition of a highway. He said he wasn't concerned with whether it's an easement or whether it's ownership, the key is to get the County to include our roadways when they submit their application. Larry said he posed that question to the County Engineer about two years ago and the engineer said absolutely not. He said perhaps we need to take that request to the County Commissioners. Larry asked Louie to put that in writing, because he does want to meet with the County Manager and Engineer. He said he wants our County Commissioner on board, as well as our State Legislators. He said he did not feel that we have effective representation at the County Commission level.

Donald Otto asked if we do qualify as public roads? Louie Test said he believes we do, because the statute says "open to the public", so we fit within the definition of highway. Louie said he did not know why it would be a problem for the County to add our roads to their list because the more roads they have, the more money they get.

- d. Compensatory Time In Lieu of Overtime Pay:** Maureen Sidley explained that depending on how this was handled, the GID could end up having to pay an extra amount to PERS. Shawn Kelly explained that he wanted to "bank" the hours at time and a half, instead of being paid overtime. Cathy Glatthar said the question last month was whether Shawn would get hour-for-hour or time-and-a-half per hour of overtime worked. Louie Test agreed that was the question and said you would have to give him time-and-a-half in hours; if Shawn worked 50 hours in a week, he would get 15 hours of comp time. Shawn explained it's basically the same as his vacation time; it accumulates and is drawn down when he takes time off. Maureen said she would have to set up another liability account. Jim Currivan asked what the policy is for authorizing overtime? Larry Johnson said we do not have a written policy; it has been left up to the discretion of the Operations Manager. He added that Jim Hicks rarely put in overtime; there were some emergency situations where overtime was used. He said he would greatly prefer overtime to be used only in emergencies; he does not want to see overtime regularly used. He asked Maureen Sidley to report on overtime hours when it occurs. He strongly recommended that we continue to leave it up to Shawn's discretion, as Shawn has a clear direction from the Board to use overtime sparingly. Maureen said she believed Shawn has only taken overtime three or four times since he's been here. Shawn said he's been out there when there were fires and before the horse event, he scraped the road. Larry said Shawn should not have scraped the road prior to that particular horse event.

Jim Currivan made a motion to establish a policy to allow for compensatory time in lieu of overtime pay and the hours will accrue at time-and-a-half. Greg Dennis seconded the motion, and hearing no opposition the motion passed.

- e. **Health Insurance Interlocal Agreement with the City of Reno or Washoe County:** Louie Test explained that he talked with the City of Reno and they have done this in the past and it doesn't work well and they are not doing it anymore. Cathy Glatthar said now the question is does Shawn Kelly want the GID to pursue an interlocal agreement with Washoe County for health insurance? Shawn said he would like to see if Washoe County would be agreeable. He said this year's health plan premium went up considerably, and if there was a less expensive alternative, he'd appreciate the savings. Maureen said it went up to \$1,542 a month. Larry said we'd see what we could do. Louie Test said he needed the name of the person at the County who handles the health insurance and then he would contact Mary Kandarus, the County attorney, and see what could be done.

7. **New Business:**

- a. **Possible Coalition with Warm Springs Community Task Force and Volunteer Fire Department to Form a Network of Fire Adapted Communities' Charter:** Susan Ambrose, representing the Warm Springs Community Task Force, said she wasn't expecting action tonight because the full Board was not present. She also stated she wanted Louie Test to review the Charter application and see if this would fit within the realm of something the GID would want to participate in.

She stated the Nevada Division of Forestry has this program called the Nevada Network of Fire Adapted Communities; Arrowcreek is one of the participants, and Verdi is a newly formed charter. She said the idea originated from the original Fire Safe Council and that program fell apart and was picked up by Living With Fire and our volunteer fire department was part of that program. She explained that program went away and was replaced with this program.

She said this program aims to make sure people in high fire threat locations fully prepare themselves, their homes, and landscape where they reside to survive the destructive force of wildfire. She explained there are two types of membership: an individual and a chapter. She said they suggest a chapter membership could include an HOA, which we don't have, or a GID can work together; there can be subcommittees like the Task Force and the Volunteer Fire Department, but there has to be a main charter body.

She stated the benefits for the GID to consider that come with this charter are disposal of accumulated hazardous fuels, and the main thing for the GID to consider is there are funding and grant opportunities. They also will connect the community with professionals and/or qualified contractors or work crews when project prescriptions that require the involvement of labor goes beyond the community's capability (i.e. reseeding, weed abatement, widening roads so two fire trucks can pass, or a horse trailer coming down). She said she knows grant writing can be very time consuming, but the Task Force is offering to take on that responsibility.

She said it also involves creating and maintaining a Community Wildfire Protection Plan (CWPP) that's updated annually. She said there were a lot of things identified obviously with the Perry fire, that did not go as it should have, such as evacuation routes, and keeping people informed. She stated the Task Force did a post Perry

fire survey, with over 100 respondents. She said the results were shared with Chief Moore, Adam Mayberry, and Jade Martin (BLM Fire). She said if we were to form the charter and develop a plan, many of those concerns could be mitigated. She reviewed the obligations of the charter were to put together a plan and working collaboratively with the people involved. She said Chief Moore and Chief Beaver, the new [Deputy Chief for Fire Prevention], are planning to meet with the Task Force and talk with them about developing this program within our community.

She said in addition to providing the Board with the charter application, she is providing the [Nevada Community Wildfire Risk/Hazard Assessment Project report prepared in June 2005 for The Nevada Fire Safe Council]. She said per that report, we were considered to have a hazard rating of moderate in our valley, primarily due to a lack of water sources for fire suppression, inadequate defensible space implementation by the community, inadequate street and address signage, which has improved significantly thanks to the VFD. However, she said there are other concerns particularly the worst case scenario. She said the report states:

The worst case scenario would be a fire starting along the east side of State Route 445, north of Descanso Road, with strong winds greater than 20 miles per hour from the west, southwest on a high hazard day. The wind driven fire would be pushed upslope through an area of dense brush and moderate juniper cover. There are many structures in this part of the community that would be severely threatened by a fire running upslope. Residents could quickly be trapped. This area has several dead end roads with only one way in and out. Residents and firefighters could be forced to shelter in place inside homes until the main fire front passed through the area.

She said the area they are referring to is Axe Handle, Curnow, and Space Test Roads. She added our valley has a high ignition risk obviously because of the past fires, and the cheat grass.

Greg Dennis interjected and said he didn't think we were going to solve this right now. Ms. Ambrose agreed and said she was just asking that Louie look over the charter application and that the GID consider joining with the Task Force.

Louie said he didn't mind looking over the application, but the Board members should also look it over. Cathy Glatthar said she would send out copies to the Board. Larry said we'll get this on the agenda for next month.

8. **Judicial/Government Affairs:** Louie Test said the issues were already covered.

9. **Calendar Review:** Cathy Glatthar reviewed the upcoming items:

- Cathy said she and Maureen [Sidley] had discussed the possibility of switching over to a payroll service. Maureen said all the employees now have direct deposit and it's going well and she does not see the need for a payroll service.
- Cathy stated our next meeting is October 18th.
- The Road Committee needs to schedule adding aggregate to top of Axe Handle and Sand four road segments: Wilcox Ranch Road from Crazy Horse to Quaking Aspen, Quaking Aspen approximately two miles from the intersection with Wilcox Ranch, Wilcox Ranch hill between Goodher and Mid Roads, and the Yellow Tail hill beginning at the intersection with Chantry Flats. Also, consider adding Crossover Road for sanding.

Larry Johnson said the Road Committee will discuss that and probably will start that work after the next Board meeting because they need moisture for that to be effective. Shawn Kelly asked where the deicing sand would be used? Larry said we used the “deicing” sand (the Ironwood pit sand) from Crazy Horse to Quaking Aspen on Wilcox Ranch Road.

10. Correspondence:

Cathy Glatthar reported the horse races on Grass Valley Road are having one last event for the year this Saturday the 29th. She said Shawn Kelly might want to take a look at Grass Valley Road next Monday. Shawn said he’s already heard that the road is horrible. Don Otto said you’re not supposed to grade for special events. Shawn replied this is after the event.

11. Public Comment:

Susan Ambrose said as a CAB alternate member, she just received paperwork regarding another Master Plan Amendment for a new case. She explained she has to fill out a worksheet that is due on October 8th which is before the next GID meeting. She said she has copies of the case and if the GID has any comments they want her to include on her worksheet, to please contact her. She said the Master Plan Amendment is regarding the Bob Marshall Ranch. Larry Johnson said the Bob Marshall Ranch, on the west end of Winnemucca Ranch Road, is beyond our District, and access to it is by Winnemucca Ranch Road which is not in our jurisdiction. Larry said he would review the document Ms. Ambrose provided. Ms. Ambrose reported there will be a special CAB meeting on November 14th.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

12. Board Member and Staff Items:

- Larry Johnson mentioned a candidate filing is due on October 16th. Cathy Glatthar said the other candidates have already filed their October and November reports and some have already filed their January report. She suggested to Larry that he file all three remaining reports at the same time. She mentioned to Greg Dennis that he still needs to file the January report. Greg said he is aware of that.
- Louie Test said he was approached about a problem with Pasture View and he suggested it be placed on the agenda for the next meeting.

13. Adjournment: Jim Currivan made a motion to adjourn the meeting. Greg Dennis seconded the motion, and hearing no opposition, the meeting adjourned at 7:30 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@September 27, 2018

Total of all Bank Accounts:

Balance'@September 27, 2018 - Money Market - #5010	241,664.86
Balance'@September 27, 2018 - Savings - #4658	(0.00)
Balance'@September 27, 2018- PR/Petty Csh - #4430	17,000.00
Balance'@September 27, 2018- General Ckng - #4179	<u>261.58</u>
<i>Total Cash IN All Accounts</i>	<u><u>258,926.44</u></u>

WELLS FARGO-ALMOST CD #5010

Balance'@August 16, 2018, 2018 158,363.22

Income for the Month			
Close out Savings	2,001.22		168,464.10
Consolidated Tax	68,253.39		
Ad Valorem	95,230.94		
LGTA	<u>2,973.97</u>		
Total Income	168,459.52		
Interest Income	4.58		
Transfer to Wells Fargo #4430	(34,662.46)		
Transfer to Wells Fargo #4658			
Transfer to Wells Fargo #4179	(50,500.00)		
		'Balance'@September 27, 2018	<u><u>241,664.86</u></u>

WELLS FARGO-SAVINGS #4658

Balance'@August 16, 2018, 2018 2,001.20

Transfer from Wells Fargo #5010	(2,001.22)		
Transfer to Wells Fargo #4179	0.00		
Interest Income	0.02		
		'Balance'@September 27, 2018	<u><u>(0.00)</u></u>

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@August 16, 2018, 2018 17,000.00

Transfer from Wells Fargo #5010	34,662.46	Deposit	
Interest	0.23		34,662.69
Net Payroll	26,164.92	Net Payroll	
Verizon	5879 38.69	Cell Phone	
Wells Fargo - PERS Deposit	5878 3,749.34	PERS Deposit	
Wells Fargo - 941 Deposit	EFTPS 4,709.74	Payroll Taxes	
	<u><u>\$34,662.69</u></u>		<u><u>(\$34,662.69)</u></u>
		'Balance'@September 27, 2018	<u><u>17,000.00</u></u>

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @September 27, 2018

NAME	CK #	DESCRIPTION	
<u>WELLS FARGO-GENERAL #4179</u>			Balance'@August 16, 2018, 2018 507.79
Transfer from W.F.#5010	50,500.00		50,500.00
PUBLIC WORKS			
ABC Fire	9510	917.97 Annual Inspection	
Alhambra & Sierra Springs	9511	35.94 Monthly Water	
Catherine Glatthar	9512	1,151.09 Monthly Work	
Coan Equipment of Nevada	9513	1,270.00 Compactor Rental	
Flyers Energy	9514	4,363.56 Fuel	
Granite Construction	9515	65.07 Rental Return	
Hoffman, Test	9516	435.00 Monthly Retainer	
Home Depot	9517	105.34 Misc. Supplies	
Les Schwab	9518	6,242.72 Tires	
Maureen Sidley	9533	1,123.00 Monthly Bookkeeping, Copies, Audit Workpapers & Delivery	
Martin Marietta	9519	16,315.21 3/4 Class B Material	
Napa	9520	214.77 Misc. Parts/Supplies	
Nv Energy	9531	82.39 Office Utilities	
Prominence Health	9521	1,912.93 Employee Health Insurance	
Sierra Rental Transport	9522	4,504.50 Transportation of Base from Marietta to Rangeland	
Silver State Barricade & Sign	9523	1,632.30 Misc. Signs, Paint,Flags, etc	
Silver State International	9524	503.73 Misc. Parts/Supplies	
Sonsray Machinery LLC	9525	7,488.01	
Superior Hydraulic	9526	452.43 Repairs to several pieces of equipment	
United Central Industrial Supply	9527	346.24 Parts	
Waste Management	9528	32.51 Waste Removal	
Western Nevada Supply	9532	1,551.50 Culvert, Bands, Gasket & Elbow	
TOTAL	<u>50,746.21</u>		<u>(50,746.21)</u>
		'Balance'@September 27, 2018	<u><u>261.58</u></u>

PALOMINO VALLEY GID EXPENDITURES

September 1, 2017 through August 31, 2018

ATTACHMENT 09/27/2018 Meeting Agenda Item 4. a.

#1 - LABOR

FULL-TIME	\$213,014.72
PART-TIME/SEASONAL	41,555.75

#2 - EQUIPMENT/VEHICLES PURCHASES

PURCHASED	88,200.00
SOLD	(\$19,000.00)

#3 - EQUIPMENT MAINTENANCE 92,022.69

#4 - FUEL 26,086.77

#5 - OPERATING SUPPLIES 4,251.56

#6 - ROAD MAINTENANCE 50,942.73

SUBTOTAL \$497,074.22

#7 - ALL OTHER EXPENSES*:

(*Accounting, Advertising, Insurances,
Legal Fees, Licenses/Permits, Office
Supplies, Public Relations, Secretarial
Services, Telephone, Utilities,
Miscellaneous)

50,027.35

12 - MONTH TOTAL \$547,101.57

NOTE: These figures reflect actual payment of expenses for this time period; they do not reflect services or liabilities incurred during this time period that have yet to be paid.

**PALOMINO VALLEY GID
INCOME AND NET OP FUNDS FOR CAPITAL
IMPROVEMENTS**

September 1, 2017 through August 31, 2018

#1 - AD VALOREM	256,542
#2 - CONSOLIDATED TAX (CTX)	356,066
#3 - LOCAL GOVT. TAX ACT (LGTA)	41,188
#4 - INTEREST INCOME	<u>60</u>
Actual Income for 12-month Period	\$653,856
Total Cash in Bank as of September 1, 2017	<u>\$54,354</u>
TOTAL	\$708,210
EXPENDITURES	<u>-\$547,102</u>
Operating Funds as of August 31, 2018	\$161,108
Less Hot Pot & Plow, Unexpected Repairs, JH Accrued Leave, and 2 Months of Expenses	<u>-\$82,500</u>
Net Operating Funds for Capital Improvements as of August 31, 2018	<u><u>\$78,608</u></u>

PVGID OPERATIONS REPORT

Report Period: 08/13/2018 to 09/16/2018

ATTACHMENT: 09/27/2018 Meeting - Agenda Item 5. d.

ROADS GRADED:

1. Range Land project: Installed 55' culvert at Rebel Cause; Imported approximately 1200 yards Wayside pit screened material and capped it off with 2163.21 tons of ¾ type II base
2. Peak (E-W): Imported 300 yards Wayside pit screened material capped off with 138.88 tons type 4 ballast fill
3. Bacon Rind (S)
4. Bacon Rind (N)
5. Prairie (Winnemucca to Jackrabbit)
6. Amy (Ironwood to Wilcox Ranch)
7. Wilcox Ranch (Amy to Mid)
8. Grass Valley (W)
9. Grass Valley (Wayside to Pyramid)
10. Grass Valley (Whiskey to Wayside)
11. Wayside (Grass Valley to yard)
12. Crazy Horse
13. Yellow Tail
14. Chantry Flats
15. Right Hand Canyon
16. Hockberry
17. Broken Spur (Whiskey to Tumbleweed)
18. Amy (Ironwood to Wilcox Ranch)
19. Wilcox Ranch (Amy to Quaking Aspen) (Just knocked off washboard)
20. 100' Quaking Aspen (Scrape rocks)
21. Wild Horse (Whiskey to Crossover)
22. Sharrock (Amy to Wild Horse)
23. Quaking Aspen(Wilcox Ranch to O'Hara)
24. Bacon Rind (S)
25. Bacon Rind (N)
26. Two Forty
27. Roadrunner

OTHER ROAD WORK:

1. Ironwood: Patch Asphalt
2. Wild Horse: Patch culverts #3 and #5
3. Sharrock: Push weeds in ditch from Amy to Broken Spur

OTHER:

1. R&R gate valve gasket Ironwood well

EQUIPMENT:

1. Peterbilt Water Truck: Service
2. 84 International Tractor: R&R Belts
3. Case Backhoe: Reseal two rams
4. 670 Grader: R&R alternator and 2 batteries

Attn: Planning Staff involved with the Warm Springs Specific Area Plan

Regarding proposed action to initiate an amendment to the Warm Springs Specific Area Plan in the near future, the Warm Springs Community Task Force has compiled a list of questions requiring clarification from County staff. Below are the list of questions:

1. In the Washoe County Development Code dated November 8, 2011 under Road Access Permits section 110.226.25 it states Prior to final approval of any development proposed within the boundaries of the Palomino Valley GID, the applicant shall obtain any needed road access permit from the appropriate entity. This was amended by ordinance 875. Who is the appropriate entity? Who enforces the conditions of the permit have been met ?
2. What is the current road standard required by Washoe County for any new roads built within the SPA boundaries? Built to County specs and paved, not chip seal over dirt road, required?
3. Why was Brian Murphy ,developer, not required to build roads from his parcels off Broken Spur and Amy to County specs, and required to pave, not chip seal over the pre-existing dirt roads?
4. The GID is not accepting any new roads within the SPA for maintenance, and replacement. Concern has been raised regarding developers connecting to GID roads Whiskey Springs and Ironwood without the developer upgrading these roads to County specs and paved. The costs absorbed in sale of the homes/HOA's/proposed new financing plan through amendment process? Both Whiskey Springs and Ironwood roads from Amy to Pyramid Highway have chip seal over a dirt road base which were not built to County standards and not paved. The spine road was to have been the main road in and out of the SPA. This road was also to have served as a flood control channel with the road elevated and the channels alongside for drainage when Cottonwood Creek overflows. The road was never built. It was never intended that Ironwood would be used for SPA traffic. NDOT did put in a deceleration lane for cars traveling North on Pyramid Highway exiting on to Ironwood. The line of sight however is short when cars are exiting from Ironwood South on Pyramid Highway due to a hill, so that oncoming traffic is not seen until the last minute. When drivers look to the right at the Ironwood intersection onto Pyramid Highway, a curve shortens the view. Double trailer gravel trucks for example would have a hard time getting on to Pyramid Highway safely with 65 mile an hour traffic coming up at them over a blind hill. The safest exit from the SPA is from Whiskey Springs road. Could new developers be required to make a new road coming off of Grass Valley or Youngs road through Turf Farm property, West onto Little Ironwood (currently dirt road that has the volunteer fire station and Ironwood Events Center on it) in area of Tartan road. New road then would be from that juncture North to Whiskey Springs. Developers would have to pave the new road to County standards, the stretch of Little Ironwood to Whiskey Springs, to County standards, and then out to Pyramid Highway.

The new portion of Little Ironwood is along the stretch approved zoning wise for light commercial and would travel past the Ironwood Events Center. The stretch of Little ironwood currently dirt, down to Ironwood at the BLM Center could be posted no through access with locked gate at end with only emergency traffic allowed. Which raises the question why aren't any new roads or existing roads in the SPA being dedicated to the County? The key question being how is maintenance for the new roads being built in the SPA , going to be provided prior to the County acceptance of these roads? Who will be responsible?

5. With respect to the Murphy Parcel Map Committee approval February 8, 2018 many questions have been raised both during that meeting and since. It seems that Washoe County may have purposefully omitted major aspects of financial responsibility from the developer by allowing the parcel maps to be created. What were the findings for the parcel map review regarding the roads, drainage improvements, fire mitigation etc. as reviewing the minutes from the meeting, the Environmental Engineer, Mr. Simpson, raised multiple concerns. He was trying to find the secondary access. Mr. Simpson stated the concern he had was if the secondary access was not in the packet to go out to the reviewing agencies, then the agencies don't get to comment or have the knowledge base to make a reasonable decision. Mr. Simpson reiterated he didn't think he had all the information necessary for him to approve the tentative parcel maps. He felt there was additional information that needed to be gathered and presented. His concerns involved the road access and that TMFPD representative was not at the meeting. He mentioned that TMFPD may require water suppression measures be made to the site prior to the map being recorded. Mr. Gump from the Engineering department noted that there was to be discussion between the civil engineer, Walt West, and Jason Giles. Mr. Giles said he had had numerous talks with Walt about access to the site; how the County will rigorously enforce the fact they will have to pave the roads to County standards. Commissioner Chesney raised additional concerns regarding future maintenance of the roads, stating all the other residents in Palomino Valley who pay for GID road maintenance would be paying for the developer who had no plans for maintenance of his roads. Mr. Murphy mentioned paying the County not the GID 125, 000\$ or \$6700 per lot times 15 lots for the maintenance of his roads. Once again the question is raised. Is the County assuming maintenance of Murphy's roads which then would per Washoe County need to be built to County standards and paved?

6. What is the review process by Washoe County to ensure all of the above issues were addressed? Who is involved in the review process? Is the GID involved in reviewing the new roads proposed to be put in ? How will the issue of Ironwood as a collector road for Murphy be addressed? Will the County take over maintenance of that portion of Ironwood once Mr. Murphy is per Mr. Giles, going to have to pave to County standards the stretch of easement from his parcels out to junction with Ironwood and onto Pyramid Highway ? What will be the secondary access required? Were there any traffic studies regarding the impact onto Pyramid Highway made?

Mr. Murphy has been discussing with people in the Valley his plans to begin construction of the roads to his parcels as early as next week. Are these permitted already?

7. Should a building moratorium go into place during the time the amendment to the financing plan for the SPA is finalized ?

8. What can be done enforcement wise to assure that infrastructure is completely in to County standards, current development code for subdivisions regulations have been met, prior to the issuance of a certificate of occupancy for any new homes built in the SPA?

Thank you for taking the time to read our questions. We had felt a meeting between Mr. Pelham, Mr. Lloyd, and Mr. Dennis with the GID,, and perhaps others in the Engineering department might be needed to address all the questions. Susan Ambrose Warm Springs Community Task Force



THE NEVADA NETWORK OF FIRE ADAPTED COMMUNITIES

Community Chapter Charter and Application

Background

Mission

The mission of the Nevada Network of Fire Adapted Communities (Network) is to foster the wide spread occurrence of Fire Adapted Communities (FAC) where Nevadans living with the threat of wildfire fully prepare themselves, their homes, and the landscape where they reside to survive the destructive force of wildfire.

Vision

People living in vulnerable wildland urban interface locations, will become active members of The Network and form enduring partnerships with fire services and other relevant organizations and individuals to create a community culture that continuously mitigates the threat and elevates the probability of people, structures and landscapes surviving the occurrence of wildfire.

To fulfill this mission and achieve this vision, The Nevada Fire Board consisting of local, state, and federal fire officials adopted an implementation plan that specified the following three actions:

1. Create a sustainable, state-wide partnership/organization that will assist communities, residents, and community organizations in facilitating their FAC education, action planning and implementation while providing incentives for membership and self-sustaining community organization and actions.
2. Establish current level of risk and hazard of wildfire to communities and take action to reduce risks and hazards.
3. Create functioning financial incentives that provide positive feedback loops for communities and residents to continue implementing Fire Adapted Community actions.

On October 24, 2016 the Nevada Division of Forestry (NDF) presented a proposal to create a new organization responsible for completing the actions specified in the Fire Board's plan. In attendance was a broad base of stakeholders who thoroughly reviewed the proposal and ultimately supported proceeding with the development of the proposed organization. A core component of the Network's structure was an advisory board consisting of representatives from

major stakeholder organizations and residents from threatened communities. The Network Advisory Board was vested with the decision-making process and was charged with providing overall operational and programmatic direction. To the greatest extent possible, NDF has delegated the decision-making process to the Board. The Board has adopted the procedure described in this Charter to encourage threatened communities to organize, and become members of the Network as Chapters. Additional details regarding the Network's operational procedures and organizational form can be found in the Board's Operating Manual.

Please review the following sections detailing principles, prerogatives, and obligations, and then complete and submit the accompanying form and required information to the Network Coordinator for the Board's consideration and action. Upon approval, the applicant community will gain formal recognition as a Chapter of the Network.

The Network's Guiding Principles, Prerogatives and Benefits

Principles of Community Chapter Organization

1. Membership will be open to all individuals who subscribe to and support the mission and principles of the Network.
2. Individual members will be allowed to organize local chapters of the Network in geographical areas threatened by wildfire, utilizing an appropriate democratic organizational form to address any issue or activity that is relevant to and consistent with the mission and principles of the Network.
3. Decisions will be made and activities initiated at the most local level that includes all relevant and affected parties.
4. All Chapter members will have an equitable opportunity and responsibility to participate in Community Chapter discussions, deliberations, and the decision-making process.
5. Decisions will be made by methods and bodies representing a full diversity of views and interests and not controlled by any single view or interest.
6. Deliberations and decisions will incorporate the best knowledge and experience presently available.
7. The Board, NDF, and Chapter organizations will maintain the highest standards of credibility and ethical conduct, and disseminate full and accurate reports of activities and accomplishments as well as accountings of their business affairs.

Principles of Community Chapter Practice

To best of their ability every member and collectively every Community Chapter will:

1. Seek the collaboration and contributions of diverse professions, experience, knowledge, viewpoints, and resources to build trust and gain support for completion of needed activities and projects to accomplish the mission of the Network.

2. Proposed activities and projects must meet established standards and comply with applicable agency, state, and federal laws, regulations and rules.
3. Encourage those activities and practices that ensure the protection or maintenance of resilient landscapes..
4. Engage in mutual learning to deepen respect for and trust in one another and to improve understanding and appreciation of the natural system in which they choose to reside.
5. Commit to resolving conflicts constructively without resorting to social, psychological or physical intimidation or violence.
6. Support collective actions required to increase community survivability and accept personal responsibility for mitigating those risks and hazards on their property that result from individual actions and choices.

Prerogatives of the Network Board

The Network Board reserves the prerogative to:

1. Review and approve any *Chapter* application for funding, contract, or agreement that in any way conveys obligations and/or liabilities to the Network and/or the Network Board.
2. Request records reports or other disclosures regarding the activities, accomplishments, or business affairs, of any *Chapter*.
3. Establish procedures by which Community Chapter plans or project proposals might be reviewed , as necessary
4. Intercede where internal *Chapter* conflicts and disagreements jeopardize accomplishment of the mission or pose potential threats to the Network's, the Network Board's or NDF's reputation and/or credibility.
5. Utilize photographs, reports, interviews, or other materials and information regarding *Chapter* accomplishments to promote and advance the public image and awareness of the Network.
6. Review any and all *Chapter* activities to ensure continued compliance with the eligibility requirements and adherence to the Network mission and Charter principles.
7. Establish cost recovery methods associated with providing services requested by a *Chapter*.
8. Revoke *Chapter* status when it is determined that a group is in state of non-compliance with the mission, Charter principles, Network operating procedures, or applicable agency, state, or federal laws, procedures and rules.
9. Assess annual membership fee on individual members of the Community Chapter.

Benefits for Community Chapter

The benefits that a Chapter can reasonably expect the Network to provide are information, mentorship, guidance, and connectivity to resources to assist with the following:

- Provide a single point of contact for membership support.
- Disposal of accumulated hazardous fuel

- Funding and grant opportunities
- Access to educational and informational material available for distribution from the Network, Living With Fire, and others.
- Connect community with professionals and/or qualified contractors or work crews when project prescriptions that require the involvement of labor beyond the community's capability.
- Creating or maintaining the Community Wildfire Protection Plan (CWPP).
- Allow *Chapters* to utilize the name, logo, and other marketing materials of the Network when such use clearly advances the Network's mission

Additional aspects of mutual benefit may be suggested as the *Chapter* grows and experiences a different set of needs for support and continued success. These possible additional benefits are listed in the Chapter Leader Handbook and may be discussed at the time of membership renewal.

Prerogatives of the *Chapter*

Consistent with the Network mission, vision, charter principles, Network Operating Manual, and applicable agency, state, and federal laws, rules, and procedures, *Chapters* of the Network are authorized to:

1. Organize in any democratic manner and in any area threatened by wildfire.
2. Adopt statements of purpose, develop operating procedures, and institute systems of governance.
3. Join with other *Chapters* and/or enter into cooperative arrangements with any organization such as; local fire districts, Local, State, Federal Agencies, and the Living With Fire program.
4. Identify the primary and backup contacts that will serve as liaison to the Network Board and staff.
5. Use the name Nevada Network of Fire Adapted Communities, the Network, logos, and other images so long as the use is consistent with the Network's mission and Charter principles.
6. In accordance with Nevada's open meeting law, may attend meetings of the Network Board and submit agenda items, proposals, and other requests through prescribed channels, for the board's consideration.
7. Publicize and promote chapter activities and accomplishments providing all participants and contributors are given equitable credit and recognition.

Obligations of the *Chapter*

In support of the Network, *Chapters* shall:

1. Take all actions necessary to ensure that the collective organization as well as individual members conduct all activities and functions to advance the Network's mission in accordance with Charter principles.

2. Develop and implement a sustainable system of governance and decision making in accordance with Charter principles.
3. Identify primary and backup contacts to serve as the communication link and liaison to the Network Board and staff.
4. With support from The Network, and in partnership with relevant local, state and federal fire agencies create or update the Community Wildfire Protection Plan (CWPP) for the Chapter's identified geographic area. *(Must show significant progress within first two years and completion by the third year)*
5. Employ all best efforts to advance the mission of the Network by creating a prioritized Action Plan template to become a Fire Adapted Community (FAC).
6. Document a minimum community investment of \$2 per capita annually in activities that contribute to preparing the community for the presence of wildfire.
7. Conduct an annual Fire Adapted Community event.
8. Keep accurate and up to date records of financial transactions, plans, accomplishments, decisions, deliberations and other activities.
9. Provide an annual progress report to the Board summarizing the Chapter's progress in becoming a Fire Adapted Community.
10. Openly share best practices, lessons learned, successes, stories, and highlights of activities with other chapters, the Network Board, and staff.
11. Give full cooperation in responding to requests from Network Board and staff for information, reports, or other materials.
12. Indemnify and hold the Network Board, its employees, agents, and representatives, harmless from any costs, attorney's fees, damages or liabilities arising out of or in any way caused by the chapter's breach of operating procedures, or negligence.

Community Chapter Membership Eligibility Criteria

When Individual Members in a wildfire threatened location decide to coalesce and form a local action group to address their common vulnerability they may apply for membership in the Network as a local *Chapter*.

REQUIREMENTS AND QUALIFICATIONS

To qualify for status as a *Chapter*, the community must meet the following qualifications to apply for Board consideration:

1. Document the involvement and commitment of a minimum of two founding members.
2. Designate chapter boundaries within which their activities will occur that do not overlap with other chapter boundaries.
3. Select a sustainable system of governance that will be utilized for making decisions and ensuring continuing leadership.
4. Propose a name or title for the *Chapter*.

5. Establish goals and commit to increase awareness, motivate the residents of the community and seek the expertise and resources required to accomplish the necessary tasks to advance the Network's mission and achieve the vision.
6. Complete an application for *Chapter* status for consideration of approval by the Board.
7. Agree to follow the provisions embodied in the *Chapter* Charter that establishes the relationship between the Chapter and the Board/Network as well as the intent of both parties to fulfill obligations that ensure mutual benefit in support of The Network's Vision, Mission, Operating Manual and Chapter Leader Handbook.

Any group seeking Network affiliation as an approved *Chapter* must complete the application that follows describing how they are meeting the eligibility criteria. The Network Advisory Board will review and act on all applications. The board will first determine if the criteria have been satisfied. If the Board finds that the criteria have been met, a majority vote will be required to approve chapter status for the applicant group.

Approval of formal chapter status confers both powers and obligations on both the Network and the *Chapter*.



Community Chapter Application and Member's Declaration

Please provide the requested information under each of the headings that follow: Additional pages may be attached if more space is required.

Date: _____

Proposed Chapter Name: _____

Primary Contact (Founding Member #1):

Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

County: _____

Fire District or Department: _____

Mailing Address (If different from above): _____

City: _____ State: _____ Zip Code: _____

Home Phone: _____ Cell Phone: _____

Email: _____

Do you currently or have you ever served in a leadership role in your community?

No Yes (If Yes, please describe)

Secondary Contact (Founding Member #2):

Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

County: _____

Fire District or Department: _____

Mailing Address (If different from above): _____

City: _____ State: _____ Zip Code: _____

Home Phone: _____ Cell Phone: _____

Email: _____

Do you currently or have you ever served in a leadership role in your community?

No Yes (If Yes, please describe)

Describe the geographical area that defines the operational jurisdiction for the chapter. Please attach a map showing the boundaries within which the chapter will conduct its activities.

Approximately how many acres are contained within the boundaries? _____

Approximately how many residences or other structures at risk? _____

What is the approximate average lot size? _____

Approximately what percentage of the residential properties in the proposed Chapter area are second homes or rentals? _____

Please describe the system of governance and decision-making process the proposed Community Chapter will utilize for the Chapter and explain how this system can be sustained over time. Please provide a leadership chart and description of roles for each executive officer.

Is the geographical area proposed for the Chapter included within an approved Community Wildfire Protection Plan?

No Yes Date of approval _____ Don't Know

Within the proposed *Chapter* boundaries, has work been completed to prepare the location for wildfire e.g. hazardous fuel reduction, defensible space completion, structure modification, access improvement, roof replacement, etc.?

- Yes
If so, are records, maps, GIS data, and other materials documenting this activity available?

- No
- Don't Know

Which of the following best describes the organization submitting this application:

- HOA: Name _____
- GID: Name _____
- Community Board: Name _____
- Special District: Name _____
- Previous Fire Safe Council Chapter: Name _____
- Previous Community/Group member of the Network: Name _____
- Newly Organized Group: Please describe _____

- Other: Please explain _____

Please identify the three highest priority needs that must be addressed to prepare the proposed community chapter area for the occurrence of wildfire:

1. _____

2. _____

3. _____

Founding Member Declaration

We, the undersigned, desiring membership as a Chapter affiliate with the Nevada Network of Fire Adapted Communities (Network), commit to support and adhere to the mission and principles described in this Charter and accept the prerogatives, obligations, and benefits that such an affiliation confers. Further, we recognize and acknowledge that the goodwill, trust and reputation of the Network as a whole and the ability of every member to advance the mission, rests on the acts, words and deeds of all those associated with the name and related images. Recognizing that chapter affiliation gives us the opportunity to use the name, we commit to:

- ***Conducting our affairs in a manner that upholds the integrity, credibility and reputation associated with the name and related images.***
- ***Only using the name and related images in direct connection with work conducted in furtherance of the mission and to achieve the vision.***
- ***Only using the name and related images in conformity with operating procedures and standards for use and quality set forth from time to time by the Network Board.***
- ***Stop using the name and related images upon termination of individual membership or chapter status.***

Name (please print) Signature	Contact Information	Date
Note: Only individual members of the Nevada Network in good standing are eligible to sign this declaration.		
1. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
2. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
3. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
4. Printed Name: _____	Address: _____	

Signature: _____	Phone: _____ Email: _____	
5. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
6. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
7. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
8. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
9. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
10. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
11. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
12. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	

13. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
14. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
15. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
16. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	
17. Printed Name: _____ Signature: _____	Address: _____ Phone: _____ Email: _____	

Please return to Michael S. Beaudoin-Network Coordinator

By Email: MBeaudoin@Forestry.NV.Gov

By Mail:

Michael Beaudoin
Nevada Network
2478 Fairview Drive
Carson City, Nv. 89701

Network Approval:

Date Approved by the Advisory Board: _____

Denied by the Advisory Board (*Network Staff to follow up with Proposed Chapter founding members to correct application*)

Network Representative Name: _____

Network Representative Signature: _____

Date: _____

REGULAR MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, October 18, 2018

MINUTES

Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:01 p.m. Thursday, October 18, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Marty Breitmeyer (arrived at 6:10), Mitch Gerlinger (arrived at 7:05), Greg Dennis, Jim Currivan, and Larry Johnson. Also present were Shawn Kelly, Operations Manager; Maureen Sidley, Assistant to the Secretary (arrived at 6:11); Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment:**

George Boyce asked about the mounds of dirt in the drainage ditches on both sides of Range Land.

Greg Dennis said this would be discussed under road reports.

Bob Gunn asked if the GID had statistics on the increase in traffic on the main roads over the past 15 years or so?

Larry Johnson replied we do not. He said in 2011 the GID did traffic counts on the four main collector roads and determined that Ironwood was the most heavily trafficked, Whiskey Springs second, Axe Handle third, followed by Range Land as the fourth most heavily trafficked. He said obviously we have more traffic than five years ago. Mr. Gunn stated that since he built here in 1998 till now there's been a substantial increase in traffic, but he doesn't know to what degree.

Sharon Korn stated she lives on Grass Valley between Whiskey Springs and [Pyramid] Highway and she lives about mid-point. She said the road is worse for the first half mile at the intersections with Pyramid Highway and Whiskey Springs, and she asked if the GID thought about grading just those areas more frequently instead of grading the entire road?

Larry said we have been largely reactive this year in responding to maintenance requests; they come in as fast as we can grade. He said our roads will deteriorate in mid-, late-summer, early fall until we get moisture. He explained traffic blows the fines out of the subgrade in the form of dust that goes away, exposing rocks; granular soils wash board in dry conditions. He said our best periods for a smooth ride is in late fall after we get moisture and in the springtime after we get moisture. He said we are not at a point where we can selectively grade some spots and not others.

Bob Gunn thanked Larry Johnson for installing the "Blind Hill" signs on the south end of Amy Road.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. Approval of Minutes – September 27, 2018:

Jim Currivan said he had a question on page 5, third paragraph, the third line starts with “He,” was that Louie Test or Don Otto? Larry Johnson read the paragraph and said the “He” should be “Louie.” Cathy Glatthar acknowledged the change.

Greg Dennis said he made a comment that the Range Land [project] cost was under \$30,000 [page 2, item 4. b., second paragraph], but at this point he wasn’t sure what those costs were going to be and that needs to be recognized [statement will be stricken from the minutes].

Greg said Susan Ambrose had brought up [under item 6. a., third paragraph on page 3] the point that he had reviewed a set of questions for the County [regarding the Specific Plan], and it looked like those questions were ones that someone asked either in a GID meeting or outside of a GID meeting [i.e. the Task Force’s survey], so that needed to be addressed.

Greg then asked if the GID proposed, formally, that the County eliminate the Financing Plan? He added he remembered we formally requested that a complete revision of the Specific Plan take place. Larry Johnson said his statement to the County Commission [on October 25, 2018] is on page 4 of the minutes, and it was the position of the GID to have the Financing Plan eliminated and to completely revise the Specific Plan.

Greg then said he didn’t know if it was an issue or not, but there was no agenda item to formally request fuel tax provision through Washoe County. Larry Johnson said we could bring that up under item number 12 later in the meeting.

Cathy Glatthar proposed to strike the following sentence in Susan Ambrose’s statement under item 7. a. [page 6]:

“She said they came up with a Risk and Hazard Assessment Plan for the valley and did fuel reduction around home owners’ properties as part of that program.”

Cathy explained Ms. Ambrose was referring to the Volunteer Fire Department and the volunteers did not come up with the Risk and Hazard Assessment Plan. She said that plan was done by a company back in 2006. She said she spoke with Susan Ambrose and Susan agrees to have the sentence stricken.

Greg Dennis made a motion to approve the minutes as amended. Jim Currivan seconded the motion. Hearing no opposition, the motion passed.

4. Financial Reports and Payment of Bills:

a. Financial Reports: Maureen Sidley reported we received LGTA funds and a small amount of ad valorem revenue. Cathy Glatthar reviewed the revenue items on the Net Operating Funds for Capital Improvements report. She stated we did receive \$7,000 in ad valorem which is outside of what we usually receive; giving us \$9,500 more than estimated. She said we do not show any CTX revenue for this month because we received both the September and the October payments by September 27th which was our late meeting last month; overall CTX is \$8,000 more than expected. She said LGTA came in higher than expected at \$4,400; putting LGTA \$1,500 more than projected. She stated overall, revenue is \$19,000 more than expected for the past two months. She explained she did increase the average monthly expenses amount to \$30,000. She said the Net Operating Funds for Capital Improvements is \$293,000, but it’s early. Larry Johnson said we need to have a

handle on that number by early spring so we can do our planning, design, and contract and bid documents, etc.

Cathy explained back in June she mentioned that AT&T was going to receive a refund because they overpaid their use taxes. She said she checked into that to try and find out approximately how much the refund would affect the GID's CTX distribution, and she said she learned the amount would be around \$500 per month; so it should not have a big impact of the GID's revenue.

- b. Payment of Bills:** Maureen Sidley reviewed the bills and explained that she broke out the Granite Construction bill to show how much was for rental returns and how much was for material. Shawn Kelly questioned the amount for rental returns and it was determined that the correct breakdown was rented signs \$121.80, purchased signs, posts, etc. \$922.44, and asphalt patch material \$2,751.90 for a total of \$3,796.14. Larry Johnson said there is a progress bill for the annual audit. Maureen said the audit is complete, it's another clean audit, and she just received a draft copy of the audit. Cathy Glatthar commented that the draft audit needs to be sent to the Board and herself for review before the next meeting. Larry asked Maureen if she is having Shawn review these invoices? Maureen responded no. Larry said Shawn's the one who knows if these invoices are correct or not. Maureen said she would scan the invoices and send them to Shawn. Cathy requested that Maureen make those corrections to the transaction report and resend it. Greg Dennis requested the actual costs be compiled for the Range Land Road project including labor, equipment, equipment rental, materials, and trucking. Marty Breitmeyer made a motion to pay the bills. Greg Dennis seconded the motion, and hearing no opposition, the motion passed.
- c. Status of Establishing a Line of Credit:** Maureen Sidley said she was still working on it.

5. Road Maintenance Reports:

- a. Road Reports:** Larry Johnson asked Shawn Kelly to report on what has been done. Shawn said he has not done a lot of routine maintenance. He said they have done a lot of culvert installation before it rains; two culverts were installed on Range Land, culverts were put in at "puddle 1" and "puddle 2" on Ironwood, took care of a problem at 605 Ironwood, and built a pond at "puddle 1" on Ironwood.

Shawn said they did also grade quite a few roads. In response to Larry's question, Shawn said he did not grade the Wilcox hill, yet; instead he graded upper Quaking Aspen and Piute Creek. Shawn acknowledged the Wilcox hill was in bad shape. Larry said Wilcox Ranch is in bad shape, and Amy is in bad shape; the system is dry. Larry said we got a maintenance request for Wilcox Ranch between Crazy Horse and Amy stating there were rock pockets protruding out of the subgrade, and it's not just that segment. He said any of the roads in granular material on the alluvial fans probably have rock pockets protruding out of them. He said there are a couple of solutions; one is to bring material out of the Wayside pit and cover up those rocks. He explained the material from Wayside has some clay content and will stick in place, whereas the material from the Ironwood pit is cohesionless; better structural material, but doesn't stay in place in dry weather. Larry said an example of the performance of the material out of the Wayside pit is the first section of Quaking Aspen, which is a rock pile. He explained Shawn hauled in 75 to 100 yards of

material to cure about a 300 foot segment. Larry said the bottom line is we don't have the time or the man power to do this to every place that needs it. He said he would like to see that treatment continue in the nastiest of rock spots. Shawn agreed and said special projects are done and he is going to blade here on out.

Shawn then addressed Ms. Korn and her suggestion about grading Grass Valley [east] just in from the intersection with Pyramid Highway and the intersection with Whiskey Springs. Shawn explained that they did grade about half of the section of Grass Valley from Whiskey Springs north, but he said by the time he came back the other way, what he just graded was destroyed because people were driving even faster because he had smoothed out that lane. He said it's frustrating and he wished people would slow down; if people would just do the speed limit, our roads would last longer. He added he needs water.

Larry agreed and said we need storms; we need water in the subgrade. He said for twenty five years, he has watched a segment on Wilcox Ranch just north of the Quaking Aspen mailboxes, that is one rock-protruding mess in the summer, and with the first rain, clays pump up to the surface and you never see a rock for the next six months.

Donald Otto suggested on the curve at Wilcox Ranch and Amy on the Amy side it erodes in so much and he wondered if some of the material from Wayside could be put on that super and maybe that would hold together better than the native soil that's there now. Shawn said that might hold it; but what doesn't work is people driving too fast.

Mr. Otto said when we finally do get some rain, he is available to run the second blade.

Larry then addressed potential cattle guard installations, or striping. He explained there was another incident on Whiskey Springs where two horses were hit and killed. Greg Dennis mentioned he heard from an individual he knows that another horse was hit on Whiskey Springs just before Amy, but the horse got up and walked away. Larry drew a diagram on the white board describing from Pyramid Highway east on Whiskey Springs there are two abandoned cattle guards approximately one and a half miles apart. He explained with the fences along the north and south sides of Whiskey Springs, it forms an alley from the BLM fire station west past Pratt's, and past the [abandoned] cattle guard. He said when the horses get into this area, there's no way for them to get out. He said the horses come through this area at night to feed in Pratt's field with the pivot [wheel]. He explained the cattle guards have been filled and abandoned since he has been a resident of this Valley for 25 years. He said he would like to initially try a striping pattern that would involve building a winged fence that goes to the right-of-way fences on both sides of Whiskey Springs at the BLM fire station's west entrance, with a sloping apron and stripe a cattle guard on the roadway surface.

In answer to Don Otto's question, Larry said the horses will be able to see the striping at night. Shawn said he will put flagging on the fence and they will do whatever they can to deter the horses. Larry said his biggest fear with the cattle guards, is that traffic would drive the horses into the cattle guards and the horses would break legs and we'd have a disaster on our hands. Shawn said he looked into this and cattle guards don't always work for horses. Marty Breitmeyer said the type

that work for horses are the type installed at Damonte Ranch, that everyone is complaining about; they cost about \$50,000 a piece. He said it's correct that horses will either just step across a regular cattle guard or break a leg. He said on Highway 50 and 95 you see the striping and the reflectors on the A-frame; it's a special reflector that disrupts the horse's vision and scares them off. Don Otto suggested installing speed bumps. Marty said that won't do anything; that he deals with a group of horses and he only drives five to ten miles an hour and they just walk into the side of his truck. There was some discussion about people feeding horses from the back of their trucks, so the horses are no longer afraid of vehicles and believe they are going to be fed. Jim Currivan asked who owns the horses? Larry said this is between the State and BLM and the Reservation.

Larry proposed we try the faux-cattle-guard striping and see if that helps. Shawn commented that he has been trying to get a company to come out and give him an estimate on the striping, but they are real busy and haven't been able to come out here. Marty said it's reflective, raised striping that's burned onto the road surface and he agreed to look into exactly what it is called. Greg Dennis made a motion to approve the reflective cattle guard with the caveat that it is first determined that it can be applied to a Cape-sealed surface and if it can't be, then a reflective paint will be used instead. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

Marshall Todd said he lives at the corner of Amy and Whiskey Springs and usually gets home around dusk and those horses are there 25 to 30 percent of the time and we need to slow people down. Greg Dennis said it's not just speeding; the person he mentioned earlier was only going 15 to 20 miles per hour and still hit the horse because he just couldn't see it.

Shawn talked about people not slowing down when he has been on the side of the road with his flashers on; people still fly by going 40 to 50 miles per hour; even with "road work" signs. The discussion returned to speed bumps, and Greg Dennis said when he was with the City of Reno, speed bumps cost between \$30,000 and \$50,000 a piece. Marty agreed to look into the cost of speed bumps and other options. Shawn said he looked into rumble strips to use in work zones and he was told it would be cheaper to rent them because they cost tens of thousands of dollars; and people will just drive up on the shoulders to avoid them.

Greg Dennis then addressed Mr. Boyce's concern about Range Land Road and the drainage area just west of Easy Jet. Greg explained that they needed to be sure water would drain away from the edge of the Cape seal, so drainage ways were installed on either side. He said at Easy Jet they are still working on how to get the water directed to the big culvert. After some discussion, Larry stated they will look at it and report back at the next meeting.

- b. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:** Larry Johnson stated that we still haven't had an inspection and still haven't received reimbursement.
- c. Pasture View Road Diversion of Natural Drainage:** Larry Johnson explained a man built a house and diverted the channel, which may cause the road to be washed out. He said we need to write the owner a description of what needs to be done. Larry said he would write the letter and have Louie Test send it out on his letterhead.

Shawn Kelly said he did get in touch with the owner who doesn't live here anymore and the property is for sale. Louie said a copy will go to the Realtor.

d. Operations Manager's Report - Including Need for Additional Personnel:

Shawn Kelly said he had nothing further to report. Larry Johnson said we would not be discussing the need for additional personnel.

6. Old Business:

a. Possible Coalition with Warm Springs Community Task Force and Truckee Meadows Fire Protection District's Palomino Valley Volunteer Fire Station to Form a Network of Fire Adapted Communities' Charter: Susan Ambrose [representing the Warm Springs Community Task Force] said there were two guests present tonight: the Program Coordinator with the Nevada Division of Forestry, [Michael] Beaudoin, and Maureen O'Brien, representing the Truckee Meadows Fire Protection District.

Larry Johnson wanted everyone to understand that the Palomino Valley General Improvement District has the duty to maintain roads; that is our only authority. He asked how does this Charter interface with road maintenance?

Michael Beaudoin said he is with the Nevada Division of Forestry and is the statewide coordinator for the Nevada Network of Fire Adapted Communities. He explained the Nevada Network works with communities for wildfire awareness and preparedness, but they also work with communities to make sure their routes for ingress and egress are maintained correctly so that if there is a fire, the firefighters can get into the area safely and efficiently. He said they also want to make sure folks can get out of the area if they have to evacuate. He explained there are other components that are not related to a GID, but they would benefit the community as a whole. He said there are services he can provide such as helping with a Community Wildfire Protection Plan, as well as going after grant funding for hazardous fuel removal, or community chipping program.

Larry asked how Mr. Beaudoin could assist us with safe ingress and egress?

Mr. Beaudoin replied they could help with removal of hazardous fuels along right-of-ways, and making sure there are fuel breaks along the sides of roadways.

Jim Currivan mentioned widening of roads. Mr. Beaudoin said a lot of the grants would not pay for that; the grants focus on reducing hazardous fuels and having evacuation plans in place.

Susan Ambrose stated she did receive a post-fire grant application from Mr. Beaudoin that covers some items not mentioned such as erosion and flood control (i.e. culverts) which could be considered within the realm of the GID. She said the community is growing and with some of our outlying areas, there is a concern about people getting in and out in case of a wildland fire. She said there are merits to forming a Charter and the GID would not assume the brunt of responsibilities of the Charter.

After some more discussion about what a [Fire Adapted Community] Chapter is and its value to a community, it was decided that the GID is statutorily limited to maintaining roads and that the Task Force would form the Chapter themselves. The GID would provide support, when possible, if it involved the roads. Appreciation was expressed to the guests for attending and to the Task Force for their efforts.

b. Status of Draft Agreement with LW Land Company: Larry Johnson said we haven't heard from them. Cathy Glatthar stated there is an area modifier that states if you want to connect with a PVGID-maintained road, you must get approval from the [PVGID]. She agreed with Larry that the GID has not been approached, but the County essentially gave LW Land Company that option to connect with Ironwood. Greg Dennis asked what legal authority the GID has to approve or not approve access to the GID roads? Cathy explained it's an area modifier and said she believed it is Article 226 of the County's Development [Code]. She said she thought the GID should pursue this. In answer to Larry's question, Cathy explained that LW Land Company has moved ahead [on the Ironwood access] by obtaining an easement and doing some preliminary grading of that easement.

Greg asked if the modifier gives the GID any input on the alignment quality of the road or anything of that nature? Cathy said she would provide the Board with the area modifier.

Cathy said her other point is that the traffic studies for the SPA [Specific Plan Area] were based on roads within the SPA, and Ironwood is not a road within the SPA. Greg Dennis said he expounded on that at the Parcel Map Review Committee hearing, and did not get anywhere on that with the County.

Cathy said she thought the GID should push both matters. Louie Test asked Cathy to get them the information and he could approach Nate Edwards [County Deputy District Attorney].

c. Washoe County Proposed Refund of SPA Developer Fees and Master Plan Amendment: Larry Johnson said we have no further update on this matter. Cathy Glatthar stated there will be a meeting here tomorrow night regarding the Master Plan Amendment to remove the financing plan from the SPA. She explained she has posted a notice of possible quorum just in case there are three or more Board members present. She added that Board members can attend and participate in the discussion, but they are not allowed to deliberate or take action on anything that happens in that meeting. Louie Test explained this is necessary to be in compliance with the open meeting law.

There was some discussion about the GID's position on the removal of the financing plan and opening up the entire plan for revision. Larry said that was exactly what he said in his closing statement to the Board of County Commissioners. Mitch Gerlinger asked if the Board's position was still to have the SPA removed from the GID's jurisdiction? Greg said that was the motion made [at a previous meeting]. Larry said he thought that depended on the proposed development that's coming forward; that it is premature to make those types of conclusions.

d. Report from Subcommittee to Explore Revenue Generation: Greg Dennis said he thought Larry's idea of looking at requesting fuel tax dollars through Washoe County, which is a legal entity that can obtain dollars for us, is something worthwhile.

Louie Test stated he prepared an opinion, along with the NRS [Nevada Revised Statutes] provisions, and basically, the way it's set up, our roads meet the definition of a highway or an easement that can receive funds. He said however, the only entities that can get the funds are [counties], incorporated cities, and in some instances, townships. He said the formulas are based on the miles of roads maintained by those entities. He said [one] way he sees that the GID could get

funds is by having GIDs added to that NRS section and then we would submit the request. He said the issue is the pot is only so big, and if we are getting money from that pot, it will reduce what the cities and the county receive. He said if we could be included with Washoe County's roads, which would give them more money because it would increase the number of miles of roads maintained, then we might get some leverage with the Legislature.

Larry asked if we could enter into some kind of contract with the County by which we become subordinate ... Louie interjected and said you might be able to enter into an interlocal agreement with the County that states that. He said maybe tie it into what our original charter was when the County approved the GID to take care of the roads, and use that as the basis; that we're maintaining roads in the County that the County would have otherwise had to maintain if the GID had not been formed. Larry said you have to get past the issue that by adding our 95 miles of roadway, it does dilute everybody else's share in an incremental manner. He said in that interlocal agreement we could make sure by the formula that Washoe County is made whole; we may not get our full funding per the existing formula, but we'd be happy to get a [discounted sum]. Louie said he did not think it would take away from the County because by adding our roads, they would get more money because this is a statewide allocation system. He said the more roads you add under maintenance, you should get a bigger percentage of all the funds.

After some additional discussion, Louie suggested trying to get an interlocal agreement with the County first. Addressing Greg Dennis, Larry said he would set up a meeting with the chair of the County Commission, the County Manager, and probably the head of Community Development for a kick off meeting and get started on this.

Greg Dennis said everybody out here pays taxes and why shouldn't we try and get some portion of that back for this community? Louie said that's the argument we use; that the GID assumed the responsibility when it was set up, which would have normally been the County's responsibility to take care of these roads, and therefore they should try to include us in their formula.

Jim Currivan said at a previous meeting someone asked if we knew of other GIDs and nobody could think of any, yet [Mr. Beaudoin] mentioned two GIDs. Various GIDs were mentioned, but none of them maintain roads; most handled water and sewer. Cathy Glatthar said she obtained a list of GIDs from our liaison with the State Department of Taxation, but the list did not indicate which GIDs maintain roads. After some discussion, Larry asked Cathy to find out if any other GIDs maintain roads.

Donald Otto asked how many roads were out here prior to the GID being set up and if the County was in charge of those roads? Larry explained the roads were private, developer roads, and prior to McCulloch, was Rocketdyne, and prior to Rocketdyne, it was BLM and ranches - Wilcox Ranch, Home Ranch, Winnemucca Ranch, etc. Mitch Gerlinger asked how Winnemucca Ranch Road became a County-maintained road? Larry said Winnemucca Ranch Road was the main stagecoach route to Susanville, and that is probably why it's a County road.

- e. **Health Insurance Interlocal Agreement with Washoe County:** Louie Test explained that the City of Reno refused to accept an agreement. He said Mary

Kandarus [a County attorney] met with [Washoe County] human resources and John Slaughter, the [County] Manager, and Ms. Kandarus said the GID needs to contact John Slaughter to discuss the possibility of joining the County's health plan. Louie said he would coordinate that with Cathy [Glatthar], because he will be gone next week. Greg Dennis asked if Washoe County has any other interlocal [agreements] like this that are similar? Cathy said not for health [coverage].

7. **New Business:** None

8. **Judicial/Government Affairs:** Louie Test said he had nothing to report.

9. **Calendar Review:** Cathy Glatthar reviewed the upcoming items:

- Cathy said she mentioned this last month prematurely: The Road Committee working on the sanding or aggregate basing of the road segments that are an issue in the winter. Larry Johnson acknowledged this item.
- Our next meeting is November 15th.
- The acceptance of the audit will be on next month's agenda. She asked that the Board members review the audit after Maureen sends it to them. She said it will be marked "draft" and will not become final until after the Board accepts it.
- Maureen Sidley needs to file the Quarterly Economic Survey by November 14th.
- Maureen will need to submit proof of beneficial use or request extensions on the water rights by November 26th. Greg Dennis wanted to know if we've proved beneficial use of our water rights? Cathy looked up the water rights records and stated we have five permits totaling 21.98 acre feet, three are for the Wayside well with two certificated (9 acre feet) and one not certificated (4.98 acre feet), and two for the Ironwood well (8 acre feet) which are not certificated. Larry said he wants a report on water usage for the calendar year. Maureen said she has the meter readings and will provide those numbers next month. In answer to Greg's question, Larry explained we have more than enough water rights for what we do. He said if we used as much as we have permitted, we would have filed for beneficial use and would have certificated water rights. Greg then asked if we could lease our water rights in order to prove beneficial use? Louie Test said that could be addressed under the revenue generation item, and Greg could look into it. Larry said we have been told before that that's either not possible or that it's a bad idea.

10. **Correspondence:** None

11. **Public Comment:**

Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

12. **Board Member and Staff Items:**

- Greg Dennis asked to keep the revenue generation item on the agenda so we can discuss the progress on the fuel tax revenue matter.
- Greg also wants an item to discuss what to do with equipment that is no longer working, such as the [steel drum] roller. Larry said it is good winter work, and for now Shawn needs to be fixing roads. Greg agreed to wait on this item.

- Shawn Kelly said he would like to discuss replacing the dozer with an excavator, and he said he could probably sell the dozer for the same amount the excavator would cost to buy. Larry said Shawn will need to have numbers. Shawn said he would.
13. **Adjournment:** Greg Dennis made a motion to adjourn the meeting. Marty Breitmeyer seconded the motion, and hearing no opposition, the meeting adjourned at 8:00 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @October 18, 2018

Total of all Bank Accounts:	Balance'@October 18, 2018 - Money Market - #5010	216,231.18
	Balance'@October 18, 2018- PR/Petty Csh - #4430	17,000.00
	Balance'@October 18, 2018- General Ckng - #4179	<u>478.10</u>
	<i>Total Cash IN All Accounts</i>	<u><u>233,709.28</u></u>

<u>WELLS FARGO-ALMOST CD #5010</u>	Balance'@September 27, 2018	233,841.78
Income for the Month		<u>11,493.21</u>
Consolidated Tax	0.00	
Ad Valorem	7,072.60	
LGTA	<u>4,416.71</u>	
Total Income	11,489.31	
Interest Income	3.90	
Transfer to Wells Fargo #4430	(11,103.81)	
Transfer to Wells Fargo #4658		
Transfer to Wells Fargo #4179	(18,000.00)	
	Balance'@October 18, 2018	<u><u>216,231.18</u></u>

<u>Wells Fargo - PettyCsh/P/R Acct#4430</u>	Balance'@September 27, 2018	17,000.00
Transfer from Wells Fargo #5010	11,103.81	Deposit
Interest	0.24	11,104.05
Net Payroll	7,212.88	Net Payroll
NS_DAFT	5883 40.00	Employee Drug Test
Wal-Mart	1040 124.73	Misc.
Wells Fargo - PERS Deposit	5884 1,858.68	PERS Deposit
Wells Fargo - 941 Deposit	EFTPS 1,867.76	Payroll Taxes
	<u><u>\$11,104.05</u></u>	<u><u>(\$11,104.05)</u></u>
	Balance'@October 18, 2018	<u><u>17,000.00</u></u>

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @October 18, 2018

NAME	CK #	DESCRIPTION	
<u>WELLS FARGO-GENERAL #4179</u>		Balance'@September 27, 2018	261.58
Transfer from W.F.#5010	18,000.00		
Interest Income	0.03		18,000.03
PUBLIC WORKS			
Alhambra & Sierra Springs	9550	36.41 EST Monthly Water	
Catherine Glatthar	9549	958.72 Monthly Work	
Flyers Energy	9548	382.35 Fuel	
Granite Construction	9547	3,796.14 Rental Returns 121.80 / Signs, posts, etc. \$922.44 - Material \$2,751.90	
Hoffman, Test	9546	435.00 Monthly Retainer	
Kohn & Co.	9545	5,800.00 Progress Billing - annual audit	
Les Schwab	9544	1,857.18 Tires	
Maureen Sidley	9551	248.00 Monthly Bookkeeping, Copies, finalize audit	
Martin Marietta	9543	98.96 3/4 Class B Material	
Napa	9542	292.63 Battery, Circuit Tester, Lamps	
Nv Energy	9541	67.06 Office Utilities	
Praxair	9540	141.90 Cylinder Rental	
Prominence Health	9539	1,674.92 Employee Health Insurance	
Silver State International	9538	769.85 Insulators, A/C O Rings, Gaskets	
Sonsray Machinery LLC	9537	471.44 Motor Grader 770 - Leakin g engine coolant	
Verizon	9536	38.69 Mobile Phone	
Waste Management	9535	32.51 Waste Removal	
Western Nevada Supply	9534	681.75 Culvert, Bands, Gasket & Elbow	
TOTAL		17,783.51	(17,783.51)
		Balance'@October 18, 2018	478.10

PVGID OPERATIONS REPORT

Report Period 09-17-2018 to 10-14-2018

ATTACHMENT: 10/18/2018 Meeting Agenda Item 5. d.

ROADS GRADED:

1. Amy - Ironwood to Wilcox Ranch
2. Wilcox Ranch - Amy to Mid
3. Mid
4. Amy - Whiskey to James Ranch
5. Wilcox Ranch - Amy to Quaking Aspen
6. Pasture View - Whiskey to Sharrock
7. Pasture View - Sharrock to south end
8. Regrade Wild Horse - Whiskey to Sharrock
9. Wild Horse - N
10. Grass Valley - W
11. Bacon Rind - N
12. Bacon Rind - S
13. Lost Spring
14. Rebel Cause
15. Twin Springs - Import 50 yds Wayside material. Wilcox Ranch to Crossover
16. Twin Springs – Crossover to cul-de-sac

OTHER ROAD WORK:

1. Ironwood Patch E-W Hill (Back hoe, 10-wheel dump)
2. Wilcox Ranch Patch culverts #4 and #12
3. Install 2 culverts on Ironwood (puddles 1 & 2)
4. 6105 Range Land, Install driveway culvert
5. 6205 Range Land, Install driveway culvert
6. Clean up rock & debris on Range Land
7. Pull ditch on Broken Spur - N & Bootstrap
8. Pull ditches on Range Land – Grey Van to Pyramid
9. Build pond on Ironwood (puddle #1)

OTHER:

1. Install two Bump signs & two Dip signs on Whiskey Springs
2. Install two Blind Hill signs on Wilcox Ranch

EQUIPMENT:

1. Check 10,000 Gal water tank at Wayside yard Works good! 3 Min fill
2. Battery's bad in Ford F-450 had to R&R
3. 05 Int bushings where bad on hood. Hood was rubbing on radiator and broke a/c condenser. Had bushings replaced and new condenser.
4. Wayside generator no start. Had corrosion on neg battery terminal had to cut bad bolt on battery terminal, clean and repair.

REGULAR MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, November 15, 2018

MINUTES

Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:05 p.m. Thursday, November 15, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Mitch Gerlinger, Greg Dennis, Jim Currivan, and Larry Johnson. Marty Breitmeyer was absent. Also present were Shawn Kelly, Operations Manager; Maureen Sidley, Assistant to the Secretary; and Cathy Glatthar, Assistant to the Board.

2. **Public Comment:**

Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – October 18, 2018:**

Greg Dennis made a motion to approve the minutes as written. Mitch Gerlinger seconded the motion. Hearing no opposition, the motion passed.

4. **Financial Reports and Payment of Bills:**

a. **Financial Reports:** None

b. **Payment of Bills:** Maureen Sidley explained on the front page of the transaction report, there are two checks listed that were written by Shawn Kelly. She said one was to Praxair for the purchase of tanks in the amount of \$668.62. She said the other check was to Peterbilt Truck Parts was for a hose and “O” rings with a charge for expedited shipping. Shawn said the parts were for the '04 [Peterbilt] water truck. He added the truck still has another leak that will be repaired Friday. Maureen continued and stated there is a check for the Nevada State Engineer for the water rights extensions (three permit extensions at \$120 each), but we have not received the letter from the State yet. She explained David Crook has left Tri State and gone to Lumos and Associates, and she asked the Board if she could follow Mr. Crook to Lumos? After some discussion, it was decided to stay with Tri State.

Maureen explained there are two credits on the back of the report. She said one is from Les Schwab, in the amount of about \$4,000. She said a refund check will be sent. She explained that it was her fault because she picked up the work order and the invoice and paid both. She said the other credit is with Western Nevada Supply for culverts Shawn exchanged for a smaller size. She said the amount is only a few hundred dollars and asked if they wanted a refund or leave the credit on the account. After a brief discussion, they decided to leave the credit on the account because Shawn would be purchasing more culverts in the near future.

Maureen explained the Kohn and Company payment of \$4,000 is the final bill [for the audit]. She said Kohn and Company have merged with a large national company, but Ms. Kohn has told her things would stay the same.

Maureen then stated Louie Test did some extra work and under his contract if he does extra work, he bills us for that. She said his normal retainer is \$435 a month. Larry asked to review those two payments.

Maureen explained there are two Verizon bills because the monthly bill usually doesn't come in until the 20th of the month, so she is paying ahead (\$38.69 a month). In answer to Cathy Glatthar's question, Maureen explained the \$38.69 at the top of the report [check number 9535] is included in the \$82.48 shown under the first Verizon payment near the bottom of the report. She said when she was in the Verizon store, she asked what the balance would be if she paid that day and they gave her the \$82.48 figure, which caught us up and the second check puts us ahead.

Cathy asked if the payment to Sani Hut was for two months? Maureen explained that Sani Hut is on a 13-month schedule and that's why the payment is for two months. Shawn Kelly spoke up and said that amount may change because he stopped having Sani Hut come every week to service the unit, and now they will come every two weeks. Maureen said there wasn't a payment last month, but Sani Hut does bill for 13 months a year.

Larry Johnson discussed the two checks payable to Hoffman Test. He stated the October 19th invoice that is attached to both checks has the identical breakdown, but one is for \$1,085 and the other is for \$930; it appears to be double billed. After some discussion, it was decided to have Maureen write a check for the \$435 monthly retainer and send that to Hoffman Test, and have Maureen verify the correct amount for the additional work and get with Larry to have him co-sign the check and send out an email to the Board as to what the correct amount was. Larry asked Maureen to request that all future invoices from Hoffman Test show the hourly breakdown and hourly rate. Cathy said Louie's contract states \$300 per hour but if he needs to go to court, it's \$350 an hour. Greg Dennis made a motion to approve the bills with Larry Johnson having authority to pay the correct amount owed to Hoffman Test for the additional work. Jim Currivan seconded the motion. Hearing no opposition, the motion passed.

- c. **Acceptance of Audit:** Maureen Sidley stated the audit had been sent out to the Board and asked if there were any questions? She said it was quite complicated this year because a new law was added requiring pension (PERS) liabilities to be included. She said it's a "no change, no adjustment" audit.

Larry Johnson said a list of Capital Assets begins on page 13, and asked what is the source of that information? Maureen explained the auditor is given a list of additions and deletions and the auditor puts together a schedule of depreciation. Larry said, for example, on page 13 it shows \$174,230 in buildings, and he said he would like to know what makes up that number? Maureen said she could not answer that question without seeing the depreciation schedule. Cathy Glatthar said it probably includes the infrastructure that had to be put in place for the SUP (special use permit), the fencing, the [fuel] tanks, etc. Greg Dennis requested a listing of the depreciable assets. Maureen said she would email the depreciation schedule.

Greg asked if some of this was repair work? Cathy said yes, if the amount is large enough, repair costs are added to the value of the asset. She cited the example of \$13,000 to repair a well pump.

After some additional discussion, Cathy suggested that Maureen request from the auditor a written statement on how the assets and depreciation are handled, and what the threshold is for adding repairs to an asset's value. Maureen agreed to make that request.

Maureen said on page 5 there's an "Economic Factors and Next Year's Budget and Rates" statement that Beth Kohn, the auditor, needs from the Board. Cathy explained that the current statement has been used as far back as 2012, and does not apply today. She suggested the statement include ad valorem has leveled out, but the sales tax, CTX, is increasing by quite a bit over previous years, and the economy has improved overall. Larry said the statement should include our expectation of receiving FEMA reimbursement.

Maureen said we can put off the acceptance of the audit until next month, but the economic factors statement and any other changes will have to be made before hand, so that the audit can be accepted in its final form at the December meeting. Cathy will write up the statement, Larry will review it, and then it will be sent to the auditor.

- d. **Status of Establishing a Line of Credit:** Maureen Sidley said she has submitted the paperwork to [Wells Fargo], but she has not heard back. She said we did switch over to a more secure account.

5. Road Maintenance Reports:

- a. **Road Reports:** Larry Johnson stated Shawn Kelly has been grading roads, but it's dry, and the roads Shawn has been grading, washboard. Shawn said the section between Twin Springs and just beyond the Wilcox Ranch Road bridge is holding up beautifully. Larry said Shawn had done such a great job there that a young lady came flying out there (from Twin Springs Road) at such a high rate of speed, she did not acknowledge the stop sign, and did a broad-side slide right in front of him and he locked up all four to keep from t-boning her.

Gretchen Miller said if the GID puts up speed signs on the roads and has somebody sit there and give out tickets, you could probably generate a lot of revenue. Larry Johnson said the GID has no authority to hand out speeding tickets, and the Washoe County Sheriff has no authority to hand out speeding tickets. Shawn Kelly said he values his life way more than anything out there and he has called the police because he can't get people to slow down when he's working on the roadside; they drive by at 60 miles per hour, and he doesn't tolerate that. He said he is going to get them on video and take them to court. Larry said Tom Pratt, himself, Shawn, and Chuck, were putting in the faux cattle guard the other day and pieces of equipment were parked to block one lane leaving one lane for traffic to use. He said trying to get people to slow down was something to behold.

- b. **Cattle Guard Striping:** Larry Johnson stated it was decided [at the last meeting] to start by trying the reflective paint [striping to keep the horses out of Pratt's unfenced field]. He said the existing [abandoned] cattle guard is at a location that just doesn't do any good. He said the striping, A-frames, and fencing have been put in at the most opportune spot; the west corner of the BLM fire station property. Shawn Kelly reported tonight the horses went in to get water at the BLM station and then left and headed back east, without attempting to cross the striping. Larry asked Shawn to put in more lines and make it deeper. Larry said it's more than just a safety issue;

it's an economic hardship for the farmer who is reportedly losing about \$400 in alfalfa a night. Larry said the water hole at the BLM station is drawing the horses to that area. Shawn said the BLM firefighters approached him while he was setting up to do the striping, and told him they had put in a request for a taller fence to keep the horses out. Shawn said just today, there were flakes of hay along Grass Valley Road. Larry said that's part of the problem; we have residents who are feeding and watering the horses, which is illegal. He added there are individuals who are cutting Tom Pratt's fence so the horses can get into the alfalfa fields.

Greg Dennis mentioned that Larry was going to write a letter to ask that the horses be removed. Larry apologized for not writing that letter yet. He said a common letter addressed to BLM, Nevada Department of Agriculture, and the Pyramid Lake Paiute Tribe that states collectively we realize nobody wants to accept jurisdiction over these horses, but it's a life safety issue. He said this year alone we've had five animals killed and a number of vehicles totaled. Gretchen Miller said she personally likes the horses and she sees people flying down Whiskey Springs and everybody knows those horses are there, so if they get their vehicle damaged, I say too bad. Shawn Kelly asked what about the horse? Ms. Miller said she feels bad about the horse, too, but there should be a penalty on the person who hits a horse with their car. Greg Dennis said he has talked with an individual who was only going about 15 miles per hour and hit a horse and now has a dented front end; the person said he couldn't see the horse, it was black, it was dark, and the horse just walked out in front of him. Greg said the horse was knocked down, but got up and walked away; so it's not just high rates of speed, there can be considerable damage at low speeds. Ms. Miller said people don't go 15 miles per hour through there; she sees this discussion on NextDoor all the time. She said she agrees people shouldn't be feeding the horses. She said they are wildlife. Larry said they are not wildlife; they are feral animals that do not belong on private property. He said if you want to have feral animals on your private property, then you should fence them in and keep them off a public road where they are a safety hazard. Larry reiterated that he would author a letter to these three agencies.

Pam Roberts said she was making an open meeting law challenge. She said she did not see the action the Board was about to make identified on the agenda. Larry said he believed it was discussed in the minutes of the last ... Ms. Roberts interjected and asked if it was agendized as something on how to deal with the wild horses? Larry said it was part of the road report. Ms. Roberts said she thought the Board was in violation of the open meeting law by talking about sending a letter to the various agencies and asking them to round up the horses. She added that she thought the members of the community who find out about this when the minutes are posted are going to challenge that decision by this Board because she didn't believe it was properly agendized. Larry directed Cathy to include this on next month's agenda. He said this was discussed a month ago when our legal counsel was here.

Jim Currivan said nobody wants to claim these horses, but when somebody gets killed out there, who do the heirs go after? Larry said we'll be lucky if this Board does not [get dragged into] litigation if someone gets killed. In response to Ms. Miller's comment, Larry said someone has been killed on a motorcycle [some] years ago. Greg said the liability for not doing something about it is more real than allowing the horses to stay on the roads. He said he's been by these horses many times and to him it's a very big hazard to have 50 to 100 horses that you are trying to

move through; it just doesn't make any sense. He said he can understand Ms. Miller's feelings about the horses, but he can't understand why Ms. Miller would not want them removed from the area where they are going to be an extreme hazard for drivers and the horses themselves.

- c. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:** Larry Johnson stated that we finally have an inspection scheduled by State Emergency Management for November 28th. He addressed Shawn Kelly and said we will initially meet at the Wayside yard office. He said we have two of the four projects in which the State has received Federal funding; one of the projects is approximately \$70,000 and the other is approximately [\$15,000]. In response to Larry's comments about the other two projects that the Feds have not approved and funded to the State, Cathy Glatthar clarified that we did separate out mitigation from repairs, but we had moved forward and did some of the mitigation work and FEMA will not approve the mitigation work that has already been done. She said we were not told that we could not do the mitigation before FEMA awarded the project. She explained we installed the culverts at Whiskey Springs and Amy and that is what has been holding up project worksheet number three. She said we are waiting for FEMA to pull out any mitigation we have already done from those two projects and then award them to the State. Larry added that the mitigation work we did is a small fraction of those projects and the work needed to be done to prevent future damage.
- d. Status of Pasture View Road Diversion of Natural Drainage:** Larry Johnson said since Louie Test was not present, we would defer this matter until next month.
- e. Operations Manager's Report:** Shawn reported he's been grading roads and doing shoulder work on some roads. He said he's waiting on water trucks to be repaired and will get back to grading again. Greg Dennis asked Shawn if he had added material to the "super" on Amy at Wilcox, which was brought up by Don Otto at the last meeting? Larry said right now adding material to that area will not hold because it's dry and people take that turn too fast. Larry said the answer is to Cape Seal it next summer. Shawn said he thought people were slowing down a bit because that road is "hammered." Mitch Gerlinger said with the amount of dust he is seeing, he didn't believe people were slowing down any.

Jim Currivan addressed Shawn and told him he did a perfect job up on Axe Handle where it goes into Curnow Canyon when Shawn opened up the ditch on that side.

Larry said he received a comment that over the years Grey Van has been graded narrower and asked Shawn to add some additional width next time he grades that road.

Don Otto asked Shawn to be sure when he's grading Wilcox Ranch Road at Amy to be sure the drainage is forced into the escapes. Shawn said he would do that in the future; that up till now, he'd been just grading the roads to keep them smooth and he wasn't even doing drainage. Larry agreed and said that is pre-winter type of grading.

Shawn Kelly asked if an account could be set up at Costco? Greg Dennis asked what the GID's policy is in regards to expenditures Shawn can make without prior Board approval? Maureen Sidley explained that Shawn has a checking account and he can write checks up to \$1,000. Larry Johnson asked if that was a policy or a resolution and if so, when was that initiated? He suggested the policy be modified to add the use of a credit card. Cathy Glatthar said she would look into it. Greg said

we'll approve this for now and bring back a policy for review at the December meeting. Pam Roberts suggested putting a limit on the credit card. Mitch Gerlinger said we need to determine what the limit should be; that \$1,000 may not be enough. Gretchen Miller asked if the receipts are turned in, compared to the statement, and the expenditures itemized? Maureen said they are. Don Otto asked if there was an annual [fee]? Mitch said it's either \$110 or \$120 for the executive membership. Mitch Gerlinger made a motion to have a Costco executive membership and credit card account set up for the Operations Manager to use to purchase supplies with a limit of \$1,500, and add this to the existing check-writing policy. Greg Dennis seconded the motion, with the understanding that the credit card limit and use by the Operations Manager be discussed at next month's meeting. Hearing no opposition, the motion passed.

6. **Old Business:**

- a. **Status of Draft Agreement with LW Land Company:** Larry Johnson said there is nothing new on this item.
- b. **Washoe County Proposed Refund of SPA Developer Fees and Master Plan Amendment:** Larry Johnson said we have nothing new to report on this matter.
- c. **Report from Subcommittee to Explore Revenue Generation:** Greg Dennis said we have discussed this with legal counsel and some of those items will take a little time to put together in terms of the meetings and the documentation.

Cathy Glatthar stated she did the research on which GIDs in Nevada maintain roads. She said she was able to determine that on all but five GIDs. She reported that Douglas County has the most GIDs that maintain roads with 14 or possibly 15 of their 20 GIDs that maintain roads; Humboldt County *may* have two; and we are the only GID in Washoe County that maintains roads (there are only six GIDs in Washoe County).

- d. **Health Insurance Interlocal Agreement with Washoe County:** Cathy Glatthar stated that Louie Test contacted her and asked her report on this item. She explained that Louie was instructed by Mary Kandarous [a County attorney] to talk with John Slaughter, the [County] Manager (this was reported by Louie last month) to find out if the County Manager was willing to propose this interlocal agreement. Louie did contact John Slaughter and Mr. Slaughter believed Washoe County does have other entities covered under the County's health insurance. Cathy explained that Mr. Slaughter suggested Louie contact Ashley Berrington who handles health benefits at the County; which Louie has done and is waiting to hear back from Ms. Berrington.

7. **New Business:**

- a. **Report on Outcome of General Election:** Cathy Glatthar reported that Greg Dennis received the highest number of votes and Larry Johnson received the second highest, so Greg and Larry will fill the four-year-term seats that expire at the end of 2022. She said for Larry, it will be his last term because he is term-limited out (12 years). She said Don Otto was elected, and Jim Currivan and Zach Rhodes ended up in a tie at 373 votes each. She explained that NRS statutes [Nevada Revised Statutes] provide for tie breakers by drawing cards. She said in the interim, she received an email from Zach Rhodes that stated he wished to concede to Jim Currivan, however, NRS does not provide for that situation. She said the Registrar

of Voters' Office, in checking with the DA's office, said they will hold the tie breaker, but Zach Rhodes will not show up and by default, Jim Currivan will become the fourth trustee. She said the tie breaker has been set up for Wednesday, December 21st at 10:00 at the Registrar's office. Jim Currivan said he has already made contact with the Registrar's office and has called and thanked Zach.

In answer to Don Otto's question, Cathy said the terms officially begin on the first Monday in January (2019). She said the newly elected Trustees will get a notice about swearing in and taking their oath of office. She said if a Trustee cannot attend the ceremony at the Board of County Commissioner's meeting, they can schedule another time with the County Clerk. Larry suggested for a Trustee's initial term, they should go to the BCC ceremony.

Pam Roberts said she thought people need to realize that the Board members are not paid and that they are volunteering their time. She said whether or not we agree on certain things, she thought everyone should recognize that the Board is serving the community in a volunteer capacity and she wanted to thank them and let them know they are appreciated for that.

- b. Water Rights Permits and Water Usage:** Larry Johnson said we have already discussed the extension of time for the water rights permits. As for water usage, he addressed Maureen Sidley and asked if she had meter readings for the year? Maureen said she did not; that they were taking readings every month until they had trouble with the wells and they stopped taking readings. She said since the wells are back up, they will continue taking readings. Shawn said he is taking monthly well readings and hours on equipment and recording those on the computer. Larry said he would be interested to compare our actual usage of water with our permitted water rights. He said we are using much less water than what we have permitted. He said that is one of the reasons we have filed for extensions of time rather than filing for proof of beneficial use. He said the more roads we surface, the less water we use. He said at some point we will need to make a decision as to whether to continue filing for extensions. In answer to Larry's question, Cathy Glatthar said two of the permits in the Wayside well are certificated; 9 acre feet are certificated and 4.98 acre feet in the Wayside well are not certificated. Larry said even if you are certificated, you still have to show usage and pumping records.

Shawn Kelly said he has been using the 10,000 gallon elevated water tank, and said he can fill the water truck's 5,000 gallon tank in three minutes. He said he has been strictly using the elevated tank to fill the water truck unless he is doing roads to the south such as Curnow Canyon.

Greg Dennis said there are things we can do; utility companies have construction permits that allow contractors to use their fill stations. He said the 10,000 gallon tank can be moved to another location in order to prove up the water rights in that location. Shawn said we've been asked if we sell water and we could allow the Ironwood well to be used for water sales. Greg said the State Engineers will allow a rancher to spread out his cumulative water rights over the entirety of his wells; we might be able to use this to prove up our water rights.

Shawn said when they were using the elevated tank and pumping quite a bit from the Wayside well, he observed that they went from about 230 gallons per minute down to 180 gpm, so he wasn't sure if it was keeping up enough or if it was deep enough. He

said he will be keeping track of that and watching the meter. Larry said Shawn will see that happen in late summer.

8. **Judicial/Government Affairs:** Louie Test was not present.

9. **Calendar Review:** Cathy Glatthar reviewed the upcoming items:

- Our next meeting is December 20th.
- Cathy referred to a handout with the meeting schedule for 2019 (see attached). She reported submitting the dates to the Washoe County Parks Department to reserve those dates for use of the range classroom. She said the only date that did not work was the third Thursday in March. She explained the County will be doing maintenance on the facility from March 10th through the 23rd, and were not going to allow the use of the facility during that time. She said she went ahead and chose Thursday, March 28th instead. She said the only other date in 2019 that was not the third Thursday, is May 23rd. She explained the annual budget hearing must be held between the third Monday in May and the end of May, so the May meeting was pushed out to the fourth Thursday in May.
- Cathy said the Debt Management Committee's (DMC) request for nominations is expected this month. She asked the Board if they wanted to participate in the DMC? Larry said we have no loans, no debt and therefore don't need to have representation on that committee. Cathy addressed Maureen Sidley and said when the nomination form comes in, to mark it the PVGID does not wish to participate.
- Cathy explained the final audit will be on the December agenda for acceptance and Maureen will need to file it no later than December 31st.

10. **Correspondence:**

- Letter from Kohn and Company stating they were merging with a larger company.
- Email from Susan Ambrose regarding Waste Management:

Thu, Nov 15, 11:27 AM

We have made multiple complaints, including today to the route supervisor, about the waste management trucks depositing litter all along Ironwood and Hockberry on pick-up days and I imagine is along all the GID roads they travel. Why can't the GID cite waste management for littering on our private roads? Or why can't the GID demand that Waste Management send people out to pick up the litter left by their trucks on trash pick up days? Thanks Susan Ambrose

Comments were made that the GID has no authority to cite individuals or companies, the garbage trucks leave hydraulic fluid on the Cape seal, they drive too fast, and they stop fast, which isn't good for any of the roads. Cathy said this will need to be agendized.

11. **Public Comment:**

Don Otto said there must be some kind of lid on the garbage truck that could be closed when they are driving from one pick up to the next. He complimented Shawn on the AC patch he put in over the newly installed culvert on Ironwood; that it matched the grade so well you could barely feel it when driving over it; good job.

Shawn thanked Mr. Otto for the compliment.

Jim Robotham asked who was responsible for the road signs? [Shawn Kelly turned to face Mr. Robotham.] He addressed Shawn and said he is across from the Ironwood pit and it's a blind road in a regular car, and since we're talking about speeding, the [school] bus stops right there and the sign that said "Bus Stop Ahead" has been gone for years. He said if he has to turn right there and he has a 25 foot trailer ... you guys are talking about the horses and worried about horses being hit and people being killed ... he asked if he gets killed there, who's responsible? Mr. Robotham asked what about the bus and kids getting killed with these cars flying down Ironwood and passing the bus when the stop light is extended? He wanted to know who was going to be responsible for the signs and the safety?

Larry said once it is brought to our attention, we will address it. Shawn said he would get some signs put up in that area.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

12. Board Member and Staff Items:

- Greg Dennis asked for an agenda item to relook at speed control requests with the County Sheriff.
- Greg requested an agenda item to discuss development of a standard form agreement between the GID and property owners for use when the GID needs access to a parcel for drainage or other such purposes. He said such a form would need to be reviewed by legal.
- Larry Johnson asked Mitch Gerlinger if he was resigning from the Board effective next month? Mitch said he would put in his notification effective December 1st. Larry said he wanted the Board to acknowledge Mitch for his service and thank him. Everyone applauded Mitch. Mitch thanked everyone and said it was a pleasure working with them.

13. Adjournment: Greg Dennis made a motion to adjourn the meeting. Mitch Gerlinger seconded the motion, and hearing no opposition, the meeting adjourned at 7:40 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@November 15, 2018

Total of all Bank Accounts:

Balance'@November 15, 2018 - Money Market - #5010	271,152.77
Balance'@November 15, 2018 - PR/Petty Csh - #4430	17,000.00
Balance'@November 15, 2018 - General Ckng - #4179	414.49
<i>Total Cash IN All Accounts</i>	<u><u>288,567.26</u></u>

WELLS FARGO-ALMOST CD #5010

Balance'@October 18, 2018 216,231.18

Income for the Month

86,143.20

Consolidated Tax	35,346.97
Ad Valorem	50,790.22
LGTA	0.00

Total Income 86,137.19

Interest Income 6.01

Transfer to Wells Fargo #4430 (13,721.61)

Transfer to Wells Fargo #4658 0.00

Transfer to Wells Fargo #4179 (17,500.00)

'Balance'@November 15, 2018 271,152.77

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@October 18, 2018 17,000.00

Transfer from Wells Fargo #5010 13,721.61

Interest 0.34

Deposit

13,721.95

Net Payroll 7,353.35

Nevada State Engineer 5888 360.00

Praxair (formerly Sierra Welding) 1042 668.62

Peterbilt Truck Parts 1043 104.00

Public Employee ACH 1,338.00

Employment Security 5886 853.58

Wells Fargo - PERS Deposit 5884 1,478.40

Wells Fargo - 941 Deposit EFTPS 1,566.00

\$13,721.95

Net Payroll

Water Permit Extensions

Supplies

Parts

Workman's Comp

Payroll Report

PERS Deposit

Payroll Taxes

(\$13,721.95)

'Balance'@November 15, 2018 17,000.00

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @November 15, 2018

NAME	CK #	DESCRIPTION	
<u>WELLS FARGO-GENERAL #4179</u>			Balance'@October 18, 2018 478.10
Transfer from W.F.#5010		17,500.00	
Interest Income		0.10	
Verizon	9535	38.69	17,538.79
 PUBLIC WORKS			
Alhambra & Sierra Springs	9554	119.12	Office/Shop Water
Catherine Glatthar	9555	1,158.21	Monthly Work
Coan Equipment	9569	3,010.00	Compactor Rental/Transportation
Flyers Energy	9556	1,543.45	Fuel
Granite Construction	9557	742.01	Materials
Hoffman, Test	9553	1,085.00	Add'l Legal Services
Hoffman, Test	9558	1,365.00	Monthly Retainer/Add'l Legal Services
Home Depot	9559	990.68	Cordless Combo Kit, Misc. Supplies
Kohn & Co.	9560	4,000.00	Final Billing - annual audit
Les Schwab		credit	Sending refund check
Maureen Sidley	9570	463.75	Monthly Bookkeeping, Copies, finalize audit
Nv Energy	9562	73.82	Office Utilities
Prominence Health	9563	1,592.61	Employee Health Insurance
Sani Hut	9564	259.74	Monthly Charge
Silver State Barricade & Sign	9565	146.00	Glass Beads Type 1/Ennis White Stock Solvent
			On-Line Parts - \$61.57 / Water Truck A/C & Hood
Sonsray Machinery LLC	9566	899.33	Mounts - \$837.76
Verizon	in store	82.48	Mobile Phone
Verizon	9567	38.69	Mobile Phone
Waste Management	9568	32.51	Waste Removal
Western Nevada Supply		credit	Holding on Account
TOTAL		17,602.40	(17,602.40)
			'Balance'@November 15, 2018 414.49

PVGID OPERATIONS REPORT

Report Period 10-15-2018 to 11-11-2018

ATTACHMENT: 11/15/2018 Meeting - Agenda Item 5. e.

ROADS GRADED:

1. Grey Van - Import 25 yards Wayside material for sink hole
2. Range Land – Peak to Winnemucca Ranch
3. Quaking Aspen - O'Hara to Mountain Aspen
4. Amy – Whiskey Springs to James Ranch
5. Amy – Ironwood to Wilcox Ranch
6. Wilcox Ranch - Build road – Amy to Morning Dove
7. Wilcox Ranch - Build road – Morning Dove to Crazy Horse
8. Wilcox Ranch - Build road – Crazy Horse to Twin Springs
9. Wilcox Ranch - Build road with 7 belly loads 225 yds imported - Twin Springs to 300' past bridge
10. Wilcox Ranch - Build road - 300' past bridge to Quaking Aspen
11. Wilcox Ranch - Quaking Aspen to Mid
12. Broken Spur - Whiskey Springs to Tumbleweed
13. Anniversary
14. Bacon Rind – S
15. Curnow Canyon – Axe Handle to end of maintenance

OTHER ROAD WORK:

1. Install 40' 18" CMP culvert and raise driveway at 605 Ironwood Road
2. Installed new Yield sticker over faded one at Bacon Rind south
3. Restore ditch going up on Axe Handle

OTHER:

1. Two dead horses on Whiskey; load and take to property on Wilcox Ranch
2. Import 60 yards de-icing sand from Ironwood pit to Wayside yard
3. Wayside yard - Pushed up 1000 yards of pit run, Screened 500 yards

EQUIPMENT:

1. 770 Grader had left rear tire old patch fail - repaired
2. 770 Grader had right rear tire inside blowout - replaced with new tire
3. 770 Grader installed new cutting edges
4. Peterbilt water truck would not build air pressure, governor leaking - pulled apart and cleaned, OK now, but will need new governor
5. 2005 International water truck upper radiator hose repair failed - temporarily repaired by placing a hose over hole
6. 2005 International water truck left rear suspension rubber pad coming off perch - lifted rear of truck and reinstalled pad
7. On 11/07, 2005 International water truck down: clutch fan bad, engine/"Jake" brake inoperable, heater inoperable (only blows cold air out dash vents), fuel leaking from bad drain valve, coolant leaks, ABS light on, ECM light on, needs oil and filter changed - took to American Truck and Trailer to get estimate
8. On 11/07, 1994 Peterbilt water truck coolant filter housing has leak, fuel pump o-rings bad/leaking, fuel hose bad - had to order parts, Sonsray repaired



P.O. Box 615, Sparks, Nevada 89432

ATTACHMENT
11/15/2018 Meeting
Agenda Item 9.

2019 CALENDAR OF MEETING DATES

Meetings start at 6:00 p.m. except for June which starts with a closed session at 5:00 p.m.

All meetings are held at the Washoe County Regional Shooting Facility

2019		2019																																																																																																																																																																																
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There are two deviations from the third Thursday regular monthly meeting schedule:

1. March 28th - Change necessary because the shooting range will be closed for maintenance from March 10th through March 23 rd
2. May 23rd - Changed because statutorily required to hold budget hearing "... not sooner than the third Monday in May and not later than the last day in May."

REGULAR MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV 89432-0615

Thursday, December 20, 2018

MINUTES

Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:02 p.m. Thursday, December 20, 2018 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Greg Dennis, Jim Currivan, and Larry Johnson. Marty Breitmeyer and Mitch Gerlinger were absent. Also present were Shawn Kelly, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment:**

Gary Scarborough stated he had a concern about a four-inch pipe structure for a mailbox that is clearly within the GID's roadway easement on Ironwood Road. He said the GID would be liable if anyone is hurt because that structure is there.

Nancy Scarborough clarified that this mailbox structure is near the GID's pit.

Greg Dennis asked if this was an immediate safety issue?

Mr. Scarborough said he thought it was.

Jim Robotham said it's the red roof house and that pipe structure has been there at least a long as the house has been there.

Greg Dennis stated the Washoe County Planning Commission is looking at removing the financing plan from the [Warm Springs Specific] Plan, which was put in place in 1995. He said it was enacted and used and abused by various individuals to construct 2.5-acre and 5-acre lots in the [Specific] Plan Area. He said he wanted to be sure everyone understood that it was going forward to the Planning Commission on January 2nd. He said once the financing plan is removed, then the development regulations revert back to the [specific] plan area documents.

Ray Johnson asked if the only topic was removing the financing plan from the specific plan and the specific plan itself would stay in effect?

Greg Dennis said yes, that was his understanding.

An audience member said she was not familiar with the intent of the financing plan.

Susan Ambrose stated she is with the Warm Springs Community Task Force, and they specifically got together for the purpose of working with the people in the Specific Plan Area (SPA) on this issue of the removal of the financing plan, and hopefully in the spring, the revised, new plan for the SPA. She said when the big developer did not come in and develop as per the original plan, the financing plan was put together by the smaller developers of the mostly 5-acre parcels.

Greg Dennis added that the County has stated that anything further done in the SPA, will be done according to County standards.

Marshall Todd complimented Shawn [Kelly] and the crew for the work they did on the cattle guard striping on Whiskey Springs Road; it looks good, it was really a neat job, and it's keeping the horses out of there.

Larry Johnson said the rancher came out and helped them with manually digging post holes and setting posts. Larry said he helped as well as Shawn and Chuck (GID's part-time employee). He said it is extremely effective. He said he counted a little over 100 horses that went into Pratt's alfalfa field in the evening and then came back out just after dawn. He said the [virtual cattle guard] stopped the horses and they are now disbursed. He said the horses are now on Amy, Right Hand Canyon, upper Whiskey Springs, and Wilcox Ranch Roads, and everyone needs to watch out for the horses in those areas. He added it was an experiment and has been extremely effective.

Shawn Kelly said there was about a one-foot gap between the "A" frame and the road surfacing that one or two horses had gone through, so he added pavers painted with the white paint with the reflective beads, and that seems to be working.

Maureen Daane spoke about the horses and offered a no-cost solution. She said she has an organization that will do PZP, reversible fertility control. She began to explain the program, when Larry Johnson interrupted her to inform her there was an agenda item regarding the horses, and Ms. Daane could comment at that time.

Ray Johnson said his road has not been graded in 14 1/2 months and he was tired of requesting road service and nothing happening; this is the fourth request he has made. In answer to Shawn Kelly's question, Mr. Johnson said it's north Broken Spur Road, and Broken Spur south has been graded twice since he spoke with Shawn. Shawn recollected speaking with Mr. Johnson, and Shawn said he did not grade Broken Spur north when he did the ditches because the neighbor above Mr. Johnson said Broken Spur was fine. Larry Johnson said Broken Spur north will be added to the list.

Larry Johnson addressed Ray Johnson and asked if he had submitted a written request? Shawn Kelly interjected and said he spoke with Mr. Johnson and the road should have been graded. Ray Johnson said he did submit a written request he believed back in September which also included a suggestion to widen the road to two lanes. Larry Johnson interjected and said Mr. Johnson requested his road be widened to 22 feet, and Larry said his response was that very few of our roads are wider than 20 feet (such as Whiskey Springs Road). Mr. Johnson said the level portion of his road is only 14 feet and two vehicles can't pass. Larry Johnson said he would personally look at that. He added they try to get all of our roads, where possible, 18 feet wide so that two vehicles can meet and pass. He said if that needs to be done, it will be done.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. Approval of Minutes – November 15, 2018:

Larry Johnson said on page 3, under Cattle Guard Striping, "...the farmer who is losing about \$400 in alfalfa a night." add "reportedly" before "losing ...". He said on page 6, Old Business, item c., there are several paragraphs that do not pertain to revenue generation and should be moved to Road Reports. Greg Dennis made a motion to approve the minutes as amended. Jim Currivan seconded the motion. Hearing no opposition, the motion passed.

4. Financial Reports and Payment of Bills:

- a. **Financial Reports:** Maureen Sidley reported we received [some] of our FEMA money.

Larry Johnson mentioned opening a Costco account was approved at the last meeting. He reported the account has been opened and he and Shawn have gone to Costco and got their cards.

- b. **Payment of Bills:** Maureen Sidley explained on the back page of the transaction report, she listed a description of what each bill was for. She said there were quite a few repairs. Larry Johnson said we have a substantial bill from American Truck and Trailer in the amount of \$5,674. Shawn Kelly explained the bill is for the ('05 International) water truck, which is dead in the yard again. He added that the 1995 Peterbilt water truck is running, but has a smaller tank. He said he has discussed this with Larry, and Shawn said he will be looking for a newer, used model. In answer to Greg Dennis' question, Shawn said it's one thing after another, after another; this truck was not designed to be on our roads. Larry asked Shawn to do the research and bring that information to the next meeting.

Greg Dennis stated that Shawn brought up that we don't need to continue spending \$130 a month on Sani Hut, and Shawn is looking into hooking up to the septic and water and saving some money. Larry asked Cathy if the septic system was constructed, inspected and then signed off? Cathy Glatthar said she would check with the Nevada Department of Environmental Protection (NDEP) and be sure the system was inspected and certified.

Greg Dennis made a motion to approve the bills. Jim Currivan seconded the motion. Hearing no opposition, the motion passed.

- c. **Acceptance of Audit:** Larry Johnson stated the final audit is in. He thanked Maureen Sidley for the clarification on the depreciation of assets. Maureen said the corrections that were asked for were made. Jim Currivan made a motion to accept the audit. Greg Dennis seconded the motion. Hearing no opposition, the motion passed.

- d. **Status of Establishing a Line of Credit:** Maureen Sidley said her contact at Wells Fargo in Las Vegas has suggested an Elite credit card account be set up and the GID would be approved for at least \$75,000. Maureen explained the rate is prime plus 3.999 percent, and prime right now is between 5 and 5.5 percent, with no annual fee unless we go with the rewards program, and there is no interest charged if we pay off the balance each month. She said if we choose to go with the rewards program, the annual fee is \$75, but the first year's fee is waived, and we get back 1.5 percent on every purchase. She said for example, on a \$30,000 piece of equipment we would get \$450 back (rewards are paid quarterly). She said she held off on getting the Costco credit card because this Elite credit card can be used everywhere. She said the GID chooses who would get a credit card and what the limit would be for each individual. She explained this particular credit card account is for businesses and if the GID wanted to purchase something for \$100,000, we would have to immediately pay anything over \$80,000, and the rest would be handled like a revolving credit card.

Larry Johnson clarified for the audience that they were pursuing a line of credit for the times when the GID needs to purchase equipment at auction (many times out of

state) and payment must be made immediately. He said they do not intend to issue cards to all of the Trustees. He stated all such purchases of equipment and vehicles are approved by the Board at a public meeting ahead of time.

Maureen explained if they had the rewards program, the credit card could be used for repairs and other routine expenses and then we would pay off the balance each month and get the rewards. Cathy Glatthar mentioned that would work as long as the company does not charge a processing fee for using a credit card; which usually is 3 percent.

Shawn Kelly said he usually doesn't go to dealers, and uses online sources such as Craig's List and those purchases usually have to be paid right away.

Louie Test suggested the billing cycle is such that we don't get charged late fees or interest. Maureen said we would be allowed to set the billing due date.

Greg Dennis said he felt it would be a wise choice. He said in looking at the payments we make, some things that can be put on a credit card are mobile phones, and many companies, like Les Schwab take credit cards.

Jim Currivan said if it made things easier for Shawn, he was all for it. He said he wanted to be sure we'd be able to pay off the balance within the 30-day period. Maureen said we would be able to pay off the balance on time each month. She mentioned she finally reached someone at Home Depot and got our payment due date changed, and they reversed the late fees and interest.

Jim Currivan made a motion to set up the Elite credit card account with the rewards program. Greg Dennis seconded the motion, and hearing no opposition, the motion passed.

- e. **Credit Card Policy:** Larry Johnson explained a draft policy has been provided to everyone. He suggested rewording the first sentence in the employee section to be changed to: "The purpose of this policy is to allow authorized employees to purchase vehicles, equipment, goods, and services ...". Greg Dennis made a motion to approve the policy as amended. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

Gretchen Miller said you should be very specific on the employee because they will have a \$75,000 piece of plastic in their hand, and if somebody is going to commit fraud, they won't care if you've approved it or not. Maureen said a limit can be set per card and the bank will block any purchase that exceeds the limit on that card. In answer to Greg Dennis' question, Cathy Glatthar said the Board would decide what limit to place on Shawn Kelly's card. Larry said Shawn recently purchased a Vactor truck for \$40,000, so Shawn's limit would have to be substantial to allow that, and we are looking at replacing a water truck. Maureen said Larry's card could have the high limit. Marshall Todd stated credit cards have fraud protection.

5. **Road Maintenance Reports:**

- a. **Road Reports:** Larry Johnson stated we finally got some moisture and you will see the marked improvement in the road surface on our dirt roads with that little bit of moisture. He said so everybody who was yelling at us all summer long, the driest summer on record; some of these roads we could grade on a weekly basis, and they would washboard and be ugly within three days. He said we live in Palomino Valley, get used to it. He said Ironwood used to be that way; that is the beauty of the Cape

seal; it's not a perfect pavement, actually it is not a pavement at all. He explained the Cape seal is a thin surfacing that keeps us out of the mud in the wintertime and keeps us out of the dust in the summertime, and keeps those roads from washboarding. He said he wished we had the budget to Cape seal a whole bunch more, and next summer his recommendation would be we do Cape seal on the short section of Amy from Ironwood to Wilcox Ranch, and a section of Wilcox Ranch from Amy to the Quaking Aspen intersection. He said until we find additional revenue sources, we continue to patch and maintain our existing Cape seals. He said with the exception of Range Land, we are keeping abreast of maintenance on our Cape seals pretty well. He said he would like to extend the length of Cape seals to a point where they require a periodic resealing coat with a micro-pave surface over the top of it; we can only have so much surfacing out there that we can adequately maintain and service on an as needed basis. He said he thought it has been an extreme improvement for our roads; it is not a County or NDOT standard pavement, but it is what we have.

In answer to Larry's question, Shawn Kelly said they are almost finished with the gravel surfacing of the Wilcox Ranch hill; they will finish it up tomorrow. Larry explained the Wilcox Ranch hill is a steep, north-facing slope; school buses and other vehicles can't get up that hill in the wintertime. He said we can improve that surface tremendously by placing a thin veneer of an aggregate base over the top of it and that is what Shawn has been working on this week. Greg Dennis explained most of these roads have a clay veneer and when you get the wet conditions in the wintertime the traffic itself pushes the rocks into the clay and stabilizes the road base and year after year if we do that, we are essentially making the road more durable, even in the summertime, and usable in the wintertime. Larry said we did a similar thin veneer on Quaking Aspen last winter and it improved the quality of that road tremendously; although if you looked at it today, you would not know that it had gravel on it because it's been mashed down into the clay. Shawn reported he believed 19 loads were put down on the one-mile section of Wilcox Ranch hill. Larry asked if the Board wanted to put additional base on Quaking Aspen? Greg agreed that Quaking Aspen is one of the worst clay roads, and we need to prepare roads for winter weather instead of waiting for a crisis. Larry did some quick calculations and estimated to put base on Quaking Aspen from Wilcox Ranch to O'Hara would cost \$15,000 for material and trucking. He asked Cathy to report on the Estimated Funds for Capital Improvements figure. Cathy stated the projected amount is \$400,000, and that is partially due to us receiving just over \$84,000 in FEMA funding. Greg said we gave authorization for Shawn to order material for spot improvements around the Valley. Larry said Yellow Tail at Pioche and Chantry Flats needs some base, and directed Shawn to put base at the top of Axe Handle at Curnow Canyon. Larry said we're a low-budget operation, but we want to make the best improvements for the most people that we possibly can. Greg Dennis made a motion to authorize a maximum of 40 loads of aggregate base for Quaking Aspen and at least ten loads for other areas that need it at the discretion of the [Operations Manager]. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

Shawn reminded everyone they are just a two-man crew and they are working hard. Larry gave Shawn an "attaboy" and said if you go down to the yard before 7:00, equipment is being warmed up and they are out of the yard by 7 a.m. and they're not

back in the yard until just about dark. He said we are in our winter period and they are working five days a week at the Operations Manager's discretion.

- b. **Cattle Guard Striping:** Shawn Kelly reported they still had one more to put in. Larry Johnson explained the traffic paint is very temperature sensitive and we need the weather to be warmer. He said the striping done on Whiskey Springs was a test section and we weren't sure it was going to work or not; we had reports from other roads departments that it works, and in this case, it has worked very, very well. He said the farmer is extremely grateful, and the farmer said he hasn't seen a horse cross the [virtual cattle guard].
- c. **Letter Requesting Removal of Feral Horses:** Greg Dennis said this is needed for the safety of everybody. He explained he's talked with a number of people who have had encounters with the horses and even going 15 miles per hour, one individual had damage to his vehicle (the horse was okay and walked away). He said you just can't see these dark animals at night, and the horses just step out in front of you. He stated making the roads safe is very important to him.

Larry Johnson said he was driving down Amy one night that was a cloudy, moonless, very dark night, and he takes it very easy at night because he knows the horses are there. He said about five horses came out of a driveway in front of him and he had to sharply break to avoid hitting the horses. He said in his opinion, the horses are a safety issue, period. He said they are feral horses on private property and he suggests that the Board writes a correspondence to the Bureau of Land Management, the Department of Agriculture, and the Pyramid Lake Paiute Tribe and request removal of horses from private property in the Valley. He said he drafted a correspondence and read the draft letter into the record (see attached). Larry then asked for Board discussion.

Greg Dennis said in lieu of the safety issues, we don't have jurisdiction over those feral horses. He said he is not sure which entity is responsible, but something needs to be done because the problems have increased. He said we need to enlighten and ask those who are responsible, to do something about it, and that's what this letter does.

Jim Currivan said he agrees with the analysis; that something needs to be done because who are we going to look to when somebody gets killed? He said a lot of people like to have the horses out there, but there's a responsibility that goes along with owning a horse.

Larry Johnson opened up public comment.

Maureen Daane said Nevada is a fence-out state and if you have private property, it's your responsibility to fence your own land; that is the law in Nevada.

Larry Johnson asked Cathy Glatthar to address that; there is a court precedence. Cathy said she could not remember the year, but Judge Breen stated that Palomino Valley was not open range.

Ms. Daane said she would have to look into that. She said if they work with the organization she is with, they will, at no cost to us, do temporary fertility control. She said removal is not an option.

Kate Carlson said she lives on Wilcox Ranch Road and it's not just the horses; people go so fast on her street. She said people are driving 60, 70 miles per hour

and throwing their booze bottles out into her pasture. She said her husband and her are the ones who bury these horses and these people are not driving slow; the horses are trashed, the cars are trashed. She said she wished one of those devices that shows you the speed you are traveling could be put out on the road, then you could see how fast these people are driving; you would be shocked.

Janeene Russo stated she lost her house on Piute Creek in the Perry fire, and she currently resides at 1200 Whiskey Springs and the speeding is obnoxious. She said people need to slow down and pay attention; not only for the animals, but for the people who live here. She said you can't even walk down the street or ride a bicycle without someone running you down. She talked about some incidents where someone purposefully tried to run down the horses and it's a \$10,000 fine to do so. She said she reported the instances, but nothing has been done. She said there are no speed limit signs.

Larry Johnson said at the entrance to every road off the Pyramid Highway we have a recommended maximum 35 mile per hour speed sign.

There was continued discussion about the disposition of horses that are gathered by the tribe and the Department of Agriculture, and about the use of PZP for fertility control.

Louie Test addressed Larry Johnson and said this is not the GID's purview; we are here for the health/safety. Referring to the draft letter, he suggested rather than saying "removal or other means in which to reduce," Ms. Daane could get with BLM, the Tribe, and whoever else. He reiterated that the Board has to address the safety issue, and we don't have control over how the safety issue is taken care of.

Louie then addressed the speeding issue and said that is also out of the GID's control. He explained the history and said these are not considered public roads and the Sheriff's Office will not come out here to enforce any traffic regulations except for DUIs and reckless driving. He said a number of years ago they tried to get the legislature to clarify that any [General Improvement] District's roads as being public highways; then the Sheriff's Office could come out here and enforce those laws. He said when that information was put forth to the people in the Valley, we had one of the biggest objections about having police officers out here. He said that isn't to say you can't get in touch with your legislative representatives and ask them to get the roads designated as public highways and then the Sheriff can come out here and do the enforcement. He said getting mad at this Board is misdirected, because this Board has no way to enforce the speed regulations.

Montana Cannon, founder of We The People Wild Horse Parks and Ranches, said she appreciates the Board; that they have no money to work with, but they make magic out of what they work with. She said she understands the Board's concern for people. She spoke about the American Wild Horse Congress and having approval from various associations to establish wild horse ranches to be run by veterans. She stated the Paiutes have no legal jurisdiction once a horse crosses over reservation land. She spoke about an agreement between the Department of Agriculture and a small group of Paiutes; that the agreement is very narrowly defined. She said she is not in disagreement with Larry Johnson.

Greg Dennis said he is hearing that Ms. Daane has a plan (fertility control) and Ms. Cannon agrees with removal of the horses (to wild horse ranches). He said the issue is we have too many horses on the roads and maybe Ms. Daane and Ms. Cannon could work together on a compromise to reduce the number of horses.

After some additional discussion, Louie Test suggested revising the letter and incorporate comments that have been made here tonight and include Ms. Cannon's and Ms. Daane's contact information, and ask the entities to work with these individuals to get horses off the roads. He said where they go and how they get removed does not matter to us.

Greg Dennis made a motion to include Maureen Daane and Montana Cannon in the letter and have the letter stand as far as the GID's concerns about safety. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

Greg agreed to amend Larry's draft letter and bring it back to the next meeting. Greg said he would share his amended letter with Ms. Daane and Ms. Cannon for their review prior to the next meeting. Larry said he did not want his draft to be circulated and falsely represented as the Board's stand.

Janeene Russo asked what can be done about the speeding?

Shawn Kelly said he has spent a lot of time on the phone and has been told by the Sheriff's Office that the roads are owned by the property owners on either side of the road; therefore, the roads are private.

d. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding:

Larry Johnson stated the team, Cathy Glatthar and himself, has worked diligently and finally received Federal reimbursement for two of our four grant requests. He said we received a little more than \$84,000, which represents roughly 60% of our total grant requests. He stated the Feds are finalizing the other two projects, and in total, our expected reimbursement will be approximately \$135,000 with both Federal and State Emergency Management reimbursement. He said we spent money on flood repairs and improvements and this is reimbursement of our costs, and this is why we had almost no capital improvement projects this last summer with the exception of Range Land Road. He said he wanted to personally thank our Assistant to the Board, Cathy, for her diligent work on this. Larry said hopefully we will receive the remainder of the funds prior to our construction season.

e. Status of Pasture View Road Diversion of Natural Drainage: Larry Johnson said this matter would be deferred, and he apologized for not having written the letter yet.

f. Operations Manager's Report: Shawn Kelly said he had nothing to add.

6. Old Business:

a. Status of Draft Agreement with LW Land Company: Larry Johnson reported that LW Land Company has a draft of their Development Agreement available for review and will be heard at the Board of County Commissioner's (BCC) meeting on February 12th. Cathy Glatthar stated the GID has until January 4th to submit any Agency Review comments or conditions. Larry said this Development Agreement is for the 67-acre parcel that has been subdivided into 15 lots (3 - 2.5-acre lots and 12 - 5-acre lots). Larry said one of the specific comments he wants included is Washoe County Public Work's interpretation that Ironwood is a paved road; County standards state that anytime you have over four parcels, you have to extend a paved road (meeting County standards) from those parcels to an existing paved road. He said we do not have any paved roads in the District, so they should be required to extend a County-standard paved road all the way to Pyramid Highway. Greg Dennis said that was why he was talking about the removal of the Financing Plan; for the people who are saying it will be developed to County standards, what are those County

standards? He said if we are not careful we could end up with greater costs to the GID and the people out here. Cathy said something else to consider was that the traffic studies for the SPA were done on roads within the SPA and Ironwood is not one of those roads. Larry suggested forming a committee with Greg and himself and get their comments submitted to the County by January 4th.

Greg Dennis made a motion to approve forming a subcommittee consisting of himself and Larry Johnson for the purpose of submitting Agency Review comments regarding LW Land Company for the February BCC meeting. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

- b. Washoe County Proposed Refund of SPA Developer Fees and Master Plan Amendment:** Gretchen Miller asked if anyone from the GID would be attending the Planning Commission meeting to remove the financing plan from the Warm Springs Specific Plan on January 2nd?

Larry said he could not attend because he has another meeting that night. Greg said he could possibly be there.

Pam Roberts said she agreed with Larry; and if the financing plan is taken out, by default, the roads would become the GID's responsibility.

Larry said that's not correct; Washoe County regulations and standards would be required, and the developer would be required to build the infrastructure. He said the financing plan was a joke because it never put sufficient dollars aside to build anything. He said the financing plan needs to go, and the Specific Plan needs to be completely reviewed and redone. He said we need to start over and make a plan that is suitable for this Valley.

Greg Dennis said the only item on the agenda is the removal of the financing plan. He said the only input we have is to ask what will be the new standards that the County will impose on this area.

In answer to Ms. Miller's question, Cathy Glatthar said Larry had explained at the neighborhood meeting held to discuss the removal of the financing plan, that once the financing plan was removed, it reverts back to the current Washoe County development codes and all those requirements. She said one of those requirements is to pave the roads to County standards; and the developers will either have to do the work or post bonds. She said knowing that, she was comfortable with removing the financing plan.

Louie Test said it has to be clarified at that meeting that if you withdraw the financing plan, that the County standards are going to be reinstated.

Pam Roberts stated LW Land Company applied for an exemption from paving in their Parcel Map Review application.

Larry said that was not approved by the Parcel Map Review Committee.

- c. Report from Subcommittee to Explore Revenue Generation:** Larry Johnson said we would skip this item tonight.
- d. Health Insurance Interlocal Agreement with Washoe County:** Larry Johnson said we possibly have a contact with Carson City, particularly if we add another employee. Maureen said Carson City's policy came in higher than what they have now, so we won't be going any further with that. Louie Test said we did reach the

right person at Washoe County, but Shawn Kelly has asked us to hold off on this for now.

7. New Business:

- a. Waste Management Issues:** Larry Johnson said the issue is rubbish on the roadways, and read a letter he drafted (see attached). Greg Dennis made a motion to approve the letter as written. Jim Currivan seconded the motion, and hearing no opposition, the motion passed.

Susan Ambrose thanked the Board for writing the letter and following up. She said another concern is the Waste Management trucks speeding on our roads.

Greg said he would prefer to keep the letter to the one issue.

Shawn Kelly said they hit their breaks so hard, they break the surface layer of the crust.

- b. Clarification of Washoe County Sheriff's Ability to do Speed Limit Control:** Greg Dennis said this item was covered earlier.

- c. Accept Resignation of Trustee Mitch Gerlinger:** Larry Johnson said he had hoped Mitch had been here tonight so we could thank him for seven years of service. He said Mitch's resignation is effective December 31st. Larry said he questioned whether or not we had to send out a mailer noticing the vacancy. Cathy Glatthar said she did look into that, and NRS 318.095 talks about elections and when you are filling a vacancy, you are to handle it similar to an election. She said the statute states: "... give notice of election by publication." She said we can publish this in the newspaper, and we can post it on the GID's website, NextDoor, and Palomino Valley Face Book page in lieu of a mailer. Larry said let's do all of those and the appointment will be made at the next Board meeting.

- 8. Judicial/Government Affairs:** Louie Test said he reviewed last month's minutes regarding his billing, and the first invoice was billed at \$350 an hour. He said he contacted Cathy Glatthar and she said his letter of engagement stated \$300 an hour, so he had his bookkeeper send a corrected invoice. Larry Johnson agreed that the matter had been corrected.

- a. Development of Agreement for Drainage Access to Private Property:** Louie Test said if we don't have an easement on the individual's property, we could get a construction easement. Greg Dennis explained that when they were doing Range Land, there were three drainage channels that needed to be installed on the north side of the road. He said every owner said fine, but he did not want to go onto a property without written permission that also described the work that was going to be done. Shawn Kelly gave Louie a "Right of Entry" document that Shawn said he used when he worked for Washoe County. Larry Johnson said the drainage we would install is not temporary; it will be there in perpetuity. He said we will need to periodically go back in there to maintain those drainage ways. Larry said he wasn't sure if we needed a recorded easement. Shawn Kelly said he could draw a quick sketch on the back of the form showing the area that he would need access to in order to maintain the drainage way. Greg said there are two things: one is a permanent easement, second some people don't want that, so you have a temporary agreement. Louie said the "Right of Entry", if signed, does give the GID permission to go onto the property, and that's what's important. Shawn said they could specify

dates on the form. Cathy asked what happens if the property is sold? Larry said the agreement should state it goes with the property. Louie said then it would have to be a recorded easement and the property owner would look for payment and it would have to be fair market value. Cathy asked if they wanted this form put on GID letterhead? The Board agreed. Jim Currivan made a motion to authorize any Trustee and the Operations Manager to use the "Right of Entry" form for temporary access to private property. Greg Dennis seconded the motion, and hearing no opposition, the motion passed.

9. Calendar Review: Cathy Glatthar reviewed the upcoming items:

- Our next meeting is Thursday, January 17th.
- Maureen Sidley will need to file the audit with the County Clerk and the Department of Taxation no later than December 31st.
- Maureen will send a response to the Debt Management Committee that the PVGID does not wish to participate.
- The re-elected and newly elected Trustees can choose to attend the swearing-in ceremony (they received a letter about the ceremony) or make other arrangements to sign their oath of office with the County Clerk.
- Cathy explained there are Trustees who were candidates this year and Trustees who were not candidates this year, so she supplied them with a handout showing what filings each Trustee had to submit by January 15th. She cautioned the Trustees to wait until after January 1st to do these filings. She said the Acknowledgement of Ethical Standards is done once at the beginning of their term.

10. Correspondence: None

11. Public Comment:

Marshall Todd said he thought the Board showed outstanding restraint with the public tonight.

Larry Johnson said we are elected officials and we must do our best to conduct ourselves in a polite and professional manner at all times, and if he ever slips from that he apologizes.

Susan Ambrose said the Citizens Advisory Board received a letter from Ken Krater and she wanted everyone to be aware that on the January 2nd Planning Commission agenda is the Marshall Ranch Master Plan Amendment and Zoning change request by the Georgia developers. She read the statement into the record (see attached).

Jim Currivan asked what was the group that was funding this?

Ms. Ambrose said it is a group of developers from Georgia called Winnemucca Holdings, LLC.

Larry said the main thrust is they promised to place a conservation easement on the ranch in perpetuity. He said the conservation easement is supposed to be recorded on December 28th and it will be available for review. He said it will negate development on a majority of the property. He said if they developed anymore than four parcels, they would have to pave Winnemucca Ranch Road up to those parcels.

In answer to Jim Currivan's question, Larry explained with a conservation easement, you have to establish the maximum value that the property could be developed for. He

said they are taking tax credits for the difference rather than an actual purchase of the difference.

Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

12. **Board Member and Staff Items:** None
13. **Adjournment:** Greg Dennis made a motion to adjourn the meeting. Jim Currivan seconded the motion, and hearing no opposition, the meeting adjourned at 8:45 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

@ December 20, 2018

Total of all Bank Accounts:

Balance'@ December 20, 2018 - Money Market - #5010	368,194.78
Balance'@ December 20, 2018 - PR/Petty Csh - #4430	17,000.00
Balance'@ December 20, 2018 - General Ckng - #4179	<u>479.20</u>
<i>Total Cash IN All Accounts</i>	<u><u>385,673.98</u></u>

WELLS FARGO-ALMOST CD #5010

Balance'@ November 15, 2018 271,152.77

Income for the Month

Consolidated Tax	34,845.53	
Ad Valorem	10.22	
LGTA	<u>6,913.29</u>	
Total Income	41,769.04	
Interest Income	6.50	
FEMA	84,195.70	125,971.24
Transfer to Wells Fargo #4430	(12,629.23)	
Transfer to Wells Fargo #4179	(16,300.00)	
		'Balance'@ December 20, 2018 <u><u>368,194.78</u></u>

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@ November 15, 2018 17,000.00

Transfer from Wells Fargo #5010	12,629.23	Deposit	
Interest	0.31		12,629.54
Net Payroll	8,390.28	Net Payroll	
Tholl Fence	1044 252.64	Cattle Guard	
TEC Equipment	1045 839.88	Air Coolers	
Grainger	5889 435.28	Misc. Parts	
Maureen Sidley	5891 120.00	Reimbursement for Costco Membership	
Wells Fargo - PERS Deposit	5890 1,848.00	PERS Deposit	
Wells Fargo - 941 Deposit	EFTPS 743.46	Payroll Taxes	
	<u><u>\$12,629.54</u></u>		<u><u>(\$12,629.54)</u></u>
		'Balance'@ December 20, 2018	<u><u>17,000.00</u></u>

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
 BANK & DISBURSEMENT RECONCILIATION
 @ December 20, 2018

NAME	CK #	DESCRIPTION	
<u>WELLS FARGO-GENERAL #4179</u>		Balance'@ November 15, 2018	414.49
Transfer from W.F.#5010		16,300.00	
Interest Income		0.12	
Void Check	9553	1,085.00	17,385.12
PUBLIC WORKS			
American Truck & Trailer	9587	5,674.11	2005 - 7500 Intr'l - Repairs - ICP Sensor, Fan Clutch, Fuel Leak, Coolant Leak, Service
Catherine Glatthar	9572	1,761.85	Monthly Work, Office Supplies, Reimb. For Controller
Flyers Energy	9573	3,762.82	Switch for Snow Plow
Granite Construction	9574	245.88	Fuel
Hoffman, Test	9575	435.00	Materials
Home Depot	9576	424.81	Monthly Retainer
Les Schwab		2,008.42	Misc. Road Maintenance Supplies
Maureen Sidley	9585	466.75	Tires - 1980 Ford F 100-350 P/U Truck
Napa	9583	1,216.88	Monthly Work
Nv Energy	9577	191.12	Batteries, Core Deposits, Misc. Supplies
Peterbilt	9578	180.42	Office Utilities
Prominence Health	9579	1,592.61	Hose, Seal, Ring, Diaphragm
Sani Hut	9580	129.87	Employee Health Insurance
Sonsray Machinery LLC	9586	1,166.93	Monthly Charge
			<u>Motor Grader</u> - Engine Service
			Wiper Blades
			<u>Water Truck</u> - Fuel Leak at the Pump
			<u>Backhoe</u> - Right Loader Boom Cylinder Leaking
			<u>Water Truck</u> - Fuel & Coolant Leak
			<u>Motor Grader</u> - Engine Service
Verizon	9581	38.85	Mobile Phone
Waste Management	9582	32.51	Waste Removal
TOTAL		<u>17,320.41</u>	<u>(17,320.41)</u>
			<u>'Balance'@ December 20, 2018</u> <u>479.20</u>

Palomino **V**alley General Improvement District

P.O. Box 615, Sparks, Nevada 89432

December 14, 2018

Bureau of Land Management
NV State Department of Agriculture
Pyramid Lake Paiute Tribe

Re: Feral Horses

Gentlemen:

The Palomino Valley General Improvement District (PVGID) hereby requests removal of feral horses from the private lands within Palomino Valley. While these animals over-utilize forage on private property, our main priority is the life-safety threats these horses present daily on roadways under our jurisdiction. Several times yearly vehicle/horse collisions occur; this year alone at least six (6) horses have been struck and killed. Vehicles have sustained severe damage and are often a total loss. We have experienced one human fatality to date.

The PVGID has worked proactively installing fencing and virtual cattle guards as well as maintaining physical cattle guards in an attempt to minimize the threat and damage to private property. However, with populations of several hundred horses, problems still arise.

The PVGID requests the above referenced agencies decide the jurisdiction of these animals, formulate a plan for removal, and implement this plan as soon as possible.

We await your reply.

Sincerely,

Palomino Valley General Improvement District

PVGID OPERATIONS REPORT

Report Period 11-12-2018 to 12-16-2018

ATTACHMENT: 12/20/2018 Meeting Agenda Item 5.f.

ROADS GRADED:

1. Right Hand Canyon, to big Ed's - pulled dirt from shoulders on last 500' of pavement, but still needs imported material overlay
2. Amy – Ironwood to Wilcox Ranch
3. Wilcox Ranch – Amy to Crazy Horse
4. Wilcox Ranch - Crazy Horse to Quaking Aspen
5. Little Ironwood
6. Big Dog - Prairie to turn
7. Broken Spur – Whiskey Springs to Morgan Ranch
8. Range Land – Grey Van to Peak
9. Amy - Whiskey Springs to James Ranch
10. Wilcox Ranch - Prep for road base Goodher to Mid

OTHER ROAD WORK:

1. Painted cattle guard, Installed A-frame and fence. Whiskey Springs at BLM Fire
2. Cleaned ditch at inlets & outlets to culverts on Amy, Wilcox Ranch, Wild Horse and moved some big rocks
3. Patched Broken Spur cape seal
4. Patched culvert #11 Wilcox Ranch
5. Cut off rebar sticking out of pavement on Right Hand Canyon
6. Dug, cleaned and washed out covered cattle guard on Grass Valley at intersection with Pyramid Highway, east side
7. Range Land - Restored ditches from Pyramid Highway to Grey Van
8. Regraded ditch slope on Range Land – Grey Van to Peak
9. Plowed snow: Grass Valley - Whiskey Springs to Pyramid, Grass Valley - West, Range Land - Pyramid to Winnemucca Ranch, Peak (N-S), Peak (E-W), Rebel Cause, Grey Van, Whiskey Springs - Pyramid to Piute Creek, Amy - Whiskey Springs to Wilcox Ranch, Wilcox Ranch - Amy to Mid
10. Installed new “NO PASSING ZONE”, “School bus stop ahead”, and “Caution blind driveways ahead” signs on Ironwood

OTHER:

1. Took dump truck & flatbed trailer with loader to Ironwood Pit, load 12 yards sand, and picked up old cattle guard and brought it to Wayside yard to use as parts
2. Had ½ inch of rain, did road assessment, lots of mud!
3. Took old pave mix machine to Ironwood pit

EQUIPMENT:

1. Took 2005 International water truck to American truck with a list of problems; picked up truck 12 days later; truck ran for the day
2. Next day had problems with International water truck - Bad Air-to-Air hose for turbo - Removed and Replaced (R&R); Also found a hole in Air-to-Air cooler - Needs to be replaced
3. International water truck died on Grass Valley Road after leaving yard - would not start - Towed back to yard with 770 Grader
4. R&R charge air cooler on International water truck
5. Peterbilt water truck had hole in Air-to-Air hose - R&R all 4 hoses
6. Installed plow and sander on Ford F-450
7. Went to plow and sand Axe Handle Road; Ford F-450 plow controller stopped working; Ordered new controller switch
8. 770 Grader - blower for heater stopped working; Tested switch - it was ok, Checked blower and found broken wire - Repaired
9. Installed controller switch for Ford F-450 plow
10. 770 Grader - Sonsray Equipment came out and serviced: Oil, Oil Filter, Air Filter, Grease - Charged parts only, no labor, "Had a credit for labor from old invoice"
11. 1980 Ford F-350 "weld truck" and welder - Installed batteries in both truck and welder, and did various other work on them and was able to get both running!
12. 2001 Ford F-450 (plow truck) - changed oil & filter; Clutch fan locked up - R&R
13. 1980 Ford F-350 (weld truck) - took to Les Schwab for new tires and had them replace the front wheel bearings, flush the brake fluid system, and adjust the rear brakes

Palomino **V**alley General Improvement District

P.O. Box 615, Sparks, Nevada 89432

ATTACHMENT
12/20/2018 Meeting
Agenda Item 7.a.

Date

Waste Management

Re: Litter Along Roadways

Gentlemen:

The Palomino Valley General Improvement District (PVGID) is hereby notifying Waste Management of the issue of littering by your recycle trucks on roadways throughout our system. Often paper waste blows out of your recycle collection trucks; in some cases paper litter is deposited on close spacing almost continually between pick-up points. Our residents are tired of cleaning up this litter every two (2) week cycle.

Since these trucks are most probably equipped with some type of retractable cover, the solution should be straightforward. We request your reply as to how this issue will be solved in the future.

Sincerely,

Palomino Valley General Improvement District



Marshall Ranch Master Plan Amendment, zone Change and Conservation Easement - Follow up Meeting for Warm Springs Advisory Board

----- Forwarded message -----

From: **Kenneth Krater**

Date: Mon, Dec 10, 2018 at 5:14 PM

Warm Spring CAB members:

We have made great progress with the ranch property since we met back on November 13th. We have a draft conservation easement that will be ready to record before the end of the year that will protect the property in perpetuity. Even if the land trust ceases to exist, the agreement requires that another trust be brought in to monitor and protect the land. Once the agreement is recorded, it will be on title for the property and there is no way possible to ever terminate said agreement.

In addition, Bob Marshall was paid in full last Friday and no longer has any interest in the property or water rights pertinent to the ranch. Thus, Winnemucca Holdings, LLC is now the sole deed holder for the 1,089 acre ranch along with the Paiute Ranch and Warm Springs Ranch (the ranch with the pivot wheel) near the entrance to Moonrocks). We have thought through the plans to keep the ranch as a working ranch and have hired a local rancher to maintain the ranch. Plans call for repairs to irrigation systems, fences, and building a new ranch house (the existing house is too far gone to rebuild but we are going to keep the original stone structure that served as the stop for the stage coach long ago. Wildlife corridors and habitat will be preserved along with wetlands, vegetation, and scenic corridors.

As we discussed at the meeting, I am happy to present an update and provide more specifics at a second meeting prior to the planning commission meeting on January 2nd. I know there's not much time before then with the Christmas Holidays but other than next Wednesday the 19th when I'm out of town, I'll make myself available. A Saturday morning would be fine too.

It is critical that we obtain approval of our requested master plan amendment and zone change even though the conservation easement will already be in place. It is my belief that this group will continue to pursue additional conservation properties in Washoe County and Northern Nevada. Especially with both our Hidden Hills project above Hidden Valley and the Marshall Ranch being successful projects. I am confident that upon reading the conservation easement, that you'll agree this is the best thing that could happen to the ranch and the Warm Springs area and that you will support our requested entitlements.

Thanks and I look forward to the next meeting.

Ken