

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	<u>249,674.38</u>

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	<u>2,001.10</u>

Wells Fargo - PettyCsh/P/R Acct#4430

Balance'@ May 17, 2018 17,000.00

Transfer from Wells Fargo #5010	6,592.08	Deposit	
	0		6,592.08
Net Payroll	6,592.08	Net Payroll	
	<u>\$6,592.08</u>		<u>(\$6,592.08)</u>
		Balance '@May 31, 2018	<u>17,000.00</u>

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](#)