

## SPECIAL MEETING

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT  
9732 Pyramid Hwy #407, Sparks, NV 89441

Thursday, May 23, 2019

### MINUTES

Trustee Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:10 p.m. Thursday, May 23, 2019 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Marty Breitmeyer, Donald Otto, Greg Dennis, Jim Currivan, and Larry Johnson. Also present were Shawn Kelly, Operations Manager; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment:**

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

3. **Approval of Minutes – May 2, 2019:** Louie Test stated there was a question as to whether or not Trustee Otto's abstention from voting on the contract with Joy Engineering was allowed. He explained if a trustee wants to abstain, there must be a good reason, and in that case, there may have been a conflict because Trustee Otto stated he may become employed by the contractor on the GID's project. Louie added that Trustee Otto may not participate in future discussions or votes regarding the project or changes to the contract, or any approvals to pay Joy Engineering.

Trustee Dennis stated his "do nothing" comment insinuated that he was being insensitive to people living on Grass Valley Road. He said, to the contrary, he was referring to not accepting either of the excessively high bids and coming up with alternative solutions to accomplishing the work within the budget that was set (less than \$250,000).

Trustee Dennis made a motion to approve the minutes as written. Trustee Otto seconded the motion, and hearing no opposition, the motion passed.

4. **Public Hearing: Approval of Final Budget for Fiscal Year 2019-2020:** Cathy Glatthar reported the tentative budget required some changes and our beginning fund balance was reduced, and the budget was reduced from 1.3 million to [1.187] million. She stated we received a letter from the Department of Taxation advising us that the tentative budget was in compliance.

Cathy stated she provided the Board with a "Glossary of Financial Acronyms and Terms" that comes from Washoe County. She said this might clarify what a beginning fund balance is, as follows:

*Beginning Fund Balance – A revenue classification indicating those financial resources which, because they were not expended in one fiscal year, are available in the following year.*

Cathy explained from the beginning of the GID, any unexpended revenues in a fiscal year rolled over into the next year; those amounts accumulated year after year. Cathy said she still believes the beginning fund balance is a snapshot of approximately what our bank balance would have been at the end of the fiscal year.

Cathy reviewed a budget summary sheet, and stated the projected revenues and beginning fund balance are 1.187 million, and, with the exception of \$80,000 in reserves (ending fund balance), the balance of the projected revenues have been appropriated (allocated) to the various expense accounts. She stated the figures on the summary page are all reflected in the budget documents that will be signed tonight.

Trustee Breitmeyer made a motion to approve the final budget for fiscal year 2019-2020 as written. Trustee Currivan seconded the motion.

Trustee Johnson called for discussion from the Board; no comments were made. He then asked for public comment, and hearing no requests, he called for a vote on the motion. All trustees voted in favor of the motion; the motion passed unanimously.

Trustee Otto referred to page 5 of the final budget and inquired about the \$190,000 figure for "Salaries and Wages" and asked if that figure included secretarial? Cathy explained that figure covers our current employees and seasonal workers, but does not include secretarial, because she is a subcontractor. She said the budget for secretarial services is part of the "Services, Supplies and Other charges" figure. Trustee Johnson added, bookkeeping and legal are also subcontracted. In answer to Trustee Otto's questions about other budget numbers, Cathy explained these are not actual amounts; the budget figures allow for raises and other cost increases.

Trustee Johnson explained this is an annual budget, and these figures have nothing to do with real-life costs. Cathy further explained we have one fund, Public Works, and budgeted expenses can be moved around within this single fund.

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

- a. **Financial Reports:** Cathy Glatthar reviewed the Estimated Operating Funds for Capital Improvements report (see attached). She reported on revenues received this month: Ad Valorem \$6,262.24, Consolidated Tax \$27,905.84, and LGTA \$3,376.01. She stated overall, actual revenue exceeds estimated by \$35,242.79. She stated the Net Operating Funds for Capital Improvements is \$416,832.00. Trustee Johnson said that is essentially unchanged from last month.
- b. **Payment of Bills:** Cathy Glatthar referred to the transaction report (see attached) and stated she has pulled the Verizon checks and asked the Board to approve up to \$120.00 to Verizon to pay for May's monthly service and the new, 4G cell phone. She explained the Verizon due date needs to be changed so that the exact invoice amount is known in time for the monthly meetings.

Trustee Johnson stated the roller was purchased for \$40,000, but asked if we would just be paying the \$2,000 a month on the line of credit? Cathy explained on the front side of the transaction report, she listed the line of credit as "pending." She said she won't make the transfer until the last minute so we don't incur any interest charges.

In response to Trustee Johnson's comments, Cathy explained that without the roller purchase, our expenses for the month were about \$9,000 above our average monthly expenses of \$30,000. Trustee Johnson stated \$13,000 was spent on culverts. Trustee Dennis asked what the culverts are for? Trustee Johnson explained they are for the grading project. Trustee Dennis commented this way the culverts won't be installed after the fact; what an idea. Trustee Breitmeyer commented that the costs of most materials have gone up because of the tariffs; even products that aren't affected by the tariffs. Cathy added that Shawn purchased

the rammer (aka Wacker or Jumping Jack). Shawn had photos of the recently acquired equipment. He said he purchased a vibra-plate at auction for \$150, and replaced a few parts, for a total cost of about \$200.

Trustee Dennis made a motion to approve the bills along with up to \$120 for Verizon. Trustee Currivan seconded the motion. Hearing no opposition, the motion passed.

## 6. **Road Maintenance Reports:**

- a. **Road Reports:** Trustee Johnson stated we received a question as to when the road maintenance work would be done on Chantry Flats. Shawn Kelly stated with the rain we just received, the work can't be done until the road dries out. Shawn said he would call the gentleman.

Trustee Otto asked when the first two miles of Quaking Aspen will get done? Shawn said now that we have a compactor, we'll be able to work on Quaking Aspen.

Trustee Johnson read an email from Martin Hersrud:

Re: Road maintenance on Pasture View Road

PVGID,

I would like to know why road maintenance is being done on Pasture View Road, North of Whiskey Springs by someone other than the GID.

Today an older grader that was parked at 5455 Pasture View graded Pasture View from the corner of Chieftan and Pasture View all the way to Whiskey Springs.

We were informed by Mr. Test when we caused a problem on Pasture View (but we corrected) that the GID maintained Pasture View. So why are other parties doing the maintenance on the GID roads?

What the heck is going on?!

Martin G. Hersrud  
5300 Pasture View

Shawn said he wasn't aware that Pasture View was graded. He said Dan Helton is doing work for the property owner on the corner of Pasture View and Chieftan, and maybe he took it upon himself to grade the road. Trustee Dennis asked what the GID's policy is on unauthorized road work? Louie Test said it's not allowed; if someone is caught doing road work without the GID's knowledge or consent, they should be asked to stop. Louie said if they damage the road and we have to fix it, we can recoup our costs. Trustee Johnson said he would contact Mr. Helton.

Trustee Johnson said Mr. Hersrud also sent a lengthy letter regarding work done in the drainage channel along the south side of Chieftan Road. Trustee Johnson said the list of roads accepted for maintenance shows the GID maintains half a mile of Chieftan Road and there may be a conflict there. He said, however, there's a tight canyon at the east end of Chieftan and the property owner has had someone do

some work in the channel and has raised Chieftan a bit to get the road out of the flood flows. He said Mr. Hersrud is questioning who's done the work and was it authorized by the GID. Trustee Johnson said he will respond to Mr. Hersrud; that the work being done in the channel has no impact on Mr. Hersrud's property and has nothing to do with the issue we brought to Mr. Hersrud about the channel he diverted on his property.

Trustee Johnson said the other aspect of this is the material in this wash is a magnificent sand/gravel deposit, and will work well as a surfacing for a number of the roads in the District. He said the landowner is eager to donate the material to the GID. Trustee Johnson said we'll need to load the material and haul it, which is much more cost-effective than buying and hauling aggregate base from Martin Marietta. He stated he would accept the offer unless there were any objections. No objections were made. Trustee Dennis discussed the logistics of having our crew do this work and other work, and was concerned with the time taken away from grading roads. Trustee Breitmeyer pointed out it is economically better if the GID's crew does the work, but understands that it takes them away from normal operations. Trustee Johnson agreed and said he is considering an addendum to the grading contract with Joy Engineering and having more work done, but keeping the contract total under \$250,000. Shawn stated this material is not the same as a Type II aggregate base, but it will work well on the clay roads. Trustee Otto mentioned this material would work well on Crossover, which is a mess when it gets wet.

- b. Status of Contract for 2019 Road Improvement Project:** Trustee Johnson reported notifying Joy Engineering of the Board's acceptance of the negotiated contract for \$241,428.70. He stated the contract will be signed and insurance documents will be forthcoming. He said he also issued a notice to proceed and work should begin the week of June 3rd. He stated there will be a pre-construction meeting at the yard next Thursday afternoon (May 30th) at 2:00.
- c. 2019 Capital Improvements Program:** Trustee Dennis said there are a number of small contractors in the area, and asked the Board to consider using a small company to haul material. Trustee Johnson said they must consider the cost, because it will have to come from the remaining funds for capital improvements. He asked how do we fit that within our budget and still fix the Cape seal on the first mile and a quarter of Ironwood, and repair the areas of Cape seal on Ironwood just east of the 90-degree turn? He said he has presented to the Board the option of shoulder paving, and said he has come up with another idea, and added that Shawn has also come up with another option to consider. He stated we need to determine how to stabilize the Cape seal.

Shawn explained his idea is to utilize the sand spreader (with the spinner removed) that's mounted on the dump truck. He said we can get six tons of mix in the dump truck, straddle the road, and use a rake and the roller to repair the Cape seal. There was some discussion about this option and what kind of material should be or could be used with this method of application.

Trustee Johnson stated the other option he was considering was to have an asphalt paving company that does driveways come in to do the work. He explained they have spreader boxes and can pave various widths, up to six feet.

Trustee Johnson reported the estimate he received from SNC (Sierra Nevada Construction) to do the mile and a half of shoulder paving on Ironwood was \$180,000; that's why he was exploring other options.

Trustee Johnson said they will come back to the Board with a technical proposal. Trustee Otto expressed concern over this type of work taking time away from grading roads.

- d. **Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding (2017 Flood):** Trustee Johnson said we have nothing new to report.
- e. **Equipment Needs Prior to End of Fiscal Year:** Shawn Kelly reported he purchased the smooth-drum roller for \$40,000. He said the reason he paid a bit less was because there were some minor issues with the unit, including a tire issue. Cathy Glatthar mentioned she re-worked the loan payoff schedule and with paying \$2,000 a month on the line of credit, the loan will be paid off in 22 months instead of 23, and the final payment is less than before.
- f. **Operations Manager's Report:** Shawn Kelly referred to a photo and said he purchased a sweeper for \$600 and made some repairs and the total is \$1,300, including labor. He said he used the sweeper on Axe Handle Road and pulled seven yards of debris off the road. Several Trustees commended Shawn.

Trustee Otto asked Shawn if he had tried out the new roller yet? Shawn reported using the roller on Roadrunner, Rebel Cause, Grey Van, Amy (short), Wilcox Ranch (from Amy to Morning Dove), Sharrock, and Pasture View; it is working great.

## 7. **Old Business:**

- a. **Status of Draft Agreement with LW Land Company:** Trustee Johnson said there is nothing new to discuss at this time.
- b. **Washoe County Proposed Refund of SPA Developer Fees and Master Plan Amendment:** Trustee Johnson reported a meeting has been set up for Thursday, May 30th to begin the discussion about the Warm Springs Area Plan update, which includes updating the Specific Area Plan. He added that he will attend and he has asked Cathy to attend the meeting. Trustee Johnson said he believed the Board's position is if the County chooses to encourage development of less than 40-acre parcels that the roads will be paved to County standards and dedicated to Washoe County for maintenance, unless there is a private homeowners association set up to maintain those roads. Trustee Dennis stated the territory of the GID is inclusive, not exclusive, of the Specific Plan Area (SPA). There was some discussion about SPA property owners paying GID taxes, but the GID not accepting the private roads within their developments. Louie Test explained the property owners within the SPA have to drive on GID-maintained roads to get to their property, and that is why they have to pay GID taxes. Trustee Johnson said he would speak for himself as a private citizen, and state that his preference is to maintain 40-acre minimum parcel sizes in this Valley.
- c. **Employee Health Insurance Benefits and Possible Health Insurance Interlocal Agreement with Washoe County:** In response to Trustee Johnson's question, Cathy Glatthar stated, with an interlocal agreement, Washoe County is willing to accept our employees for health insurance coverage. The Board was in agreement that joining Washoe County's health insurance was the obvious step to take.

In reference to the handout (see attached) showing percentages paid for health insurance benefits, Cathy explained Scenario #1 represents Washoe County's current benefit in which they pay 100% of the employees' premium, and 50% of dependents' premiums. She stated Scenario #2 shows that the Sun Valley GID's and the City of Sparks' health insurance benefit is 100% of the employees' and 75% of the dependents' premiums. Cathy added that both entities used to pay 100% of both the employees' and the dependents' premiums. In response to several comments regarding policy deductibles, co-pays, and co-insurance, Cathy explained that with only two employees, only small-group plans are available to the GID, and those deductibles are very high (current plan: \$3,000 for individual, and \$9,000 for family). She said with Washoe County, they are a large group and are self-funded.

Trustee Breitmeyer stated Scenario #2 looks awesome, and he understood that other Board members look at it as a little bit more of a cost. He explained some about his health insurance benefits with his job, and said even though it's union, there are other non-union companies in the industry who have similar benefits. He said Scenario #2 gets Shawn Kelly closest to where fellow equipment operators are than anything else shown. He talked about recent training he attended and how you get less production from an employee who is worrying about his family and whether or not they can afford medical attention. He said if you give an employee better health insurance, they take care of themselves better, but when it costs the employee more, they don't take care of themselves and you have more sick days taken.

Trustee Dennis stated Washoe County's insurance plan includes dental and vision.

Trustee Otto said he never had [much] in the way of health insurance, and he's worked for a number of big construction companies. He said a number of companies only paid for the employees' coverage.

In answer to Trustee Currivan's question, Shawn explained the insurance they have right now doesn't cover anything; it's not a very good plan. He talked about the Affordable Care Act and nothing is affordable anymore; premiums have gone up 300%.

Trustee Johnson said he's in a bit of a quandary; he's been in private enterprise all his life. He said when he founded his company, he paid 100% of the employees' premium and 50% of the dependents. He explained that was done to attract and retain employees. He said since he has retired, health costs have increased to the extent that his former company now pays 100% of the employees' premium and nothing for the dependents. He said not many private-sector employers are paying anything for dependents. He said he is aware of a number of individuals who have switched from private to public employment for the health insurance benefits. He said he would be hesitant to do more than 50% for dependents.

Trustee Dennis said if we increase the health benefits, that's analogous to a raise. He said we need to look at the long-term benefits versus long-term wage increases and come up with a plan that works for both parties.

Trustee Otto suggested leaving the health insurance benefit as is; up to \$1,000 per employee per month.

Trustee Dennis replied then you are not going to have any employees for very long.

Heather Kelly explained that when Shawn was hired last year, they had to join the existing plan and they really didn't know what was covered. She said when it was getting close to the time to renew (beginning August 1st), she met with the GID's broker and reviewed numerous policies, but ended up renewing the existing policy. She said the renewed policy premiums were 11% higher than the previous year. She said she looks at these small-group policies as "throwing good money after bad."

Trustee Johnson said we have to decide between the 50% or the 75% for dependents. He said the 75% is a \$5 an hour raise, which is a 15% annual raise, and the 50% is a \$3 an hour increase. He said he comes from the private sector, and in the past healthcare didn't cost what it does today.

Trustee Currivan said he's been in the private sector and they paid the whole amount. He said then he was with the government and that's what he has now and it's wonderful.

Trustee Breitmeyer said he likes Scenario #2 because we only have two employees; if we had ten employees, he said he would be going for Scenario #1. He said we are relying on these two employees and we want the best of the best. He said if at a future date, the cost becomes too much, we have a discussion about decreasing the benefit.

There was some discussion about rising costs across the board. Trustee Dennis commented that the Board should be concerned about employee retention. Trustee Johnson said his opinion on that was the operations manager position with the PVGID was one of the finest jobs any grading superintendent would ever land. He said the operations manager doesn't have somebody on his back ten hours a day; he is given a tremendous amount of latitude.

Trustee Dennis made a motion to go with Scenario #2, 100% of employees' premium and 75% of dependents' premium to be paid by the GID as the employee health insurance benefit, with the understanding of our employees that there may be some issues we're going to have with regards to future wage increases. Trustee Breitmeyer seconded the motion. The motion passed on a 4-1 vote, with Trustee Otto opposed.

In answer to Trustee Currivan's question, Cathy explained that the interlocal agreement with Washoe County will take some time; it will be initiated by Washoe County and have to be approved by the Board of County Commissioners.

**d. Water Rights:** Trustee Johnson said he still needed to get with George Lindesmith.

## **8. New Business:**

**a. Introduction and First Reading of Resolution F19-R1: Amendment of Resolution F13-R2 - Procedure for Access to District Rights-of-Way:** There were some questions raised, and upon review, it was agreed that the resolution did not require "wet-stamped" plans and did clearly state what needed to be shown on the plans. Cathy Glatthar asked if the term "upslope" as used in the third paragraph and item 5, was too narrow? She clarified that there may be instances, other than upslope driveways or roadways, that will require the property owner to install a culvert or a swale in order to protect the District's roadways; such as the new driveway going in on the south side of Whiskey Springs Road. The Board agreed

and the three instances of the word “upslope” will be deleted. Trustee Dennis stated at the top of page 2, item b., “drainage” should be changed to “drainage ways” and “invert” should be “inverts.”

Trustee Dennis made a motion to have the changes made and to have the second reading and final adoption of the resolution scheduled for the June 20, 2019 meeting. Trustee Breitmeyer seconded the motion, and hearing no objections, the motion passed.

**b. Revised Letter of Engagement from Cathy Glatthar:** In answer to Trustee Otto’s question, Cathy explained that she has been working with Maureen Sidley and has determined the workload is just too much for one person. She said she would not be doing the payroll or the Quick Books portion of Maureen’s work; that will be covered under the next agenda item. Cathy stated she was proposing to continue the work she has been doing at the same rate of \$25 per hour, and any financial work to be at \$35 per hour. Trustee Otto said Cathy was doing a good job. Trustee Johnson stated Cathy is worth any four of us and it’s a bargain. Trustee Breitmeyer made a motion to accept the revised letter of engagement from Cathy Glatthar. Trustee Currvan seconded the motion, and hearing no opposition, the motion passed.

**c. Letter of Engagement from Vickie DiMambro:** Trustee Johnson stated the accounting duties outside of Cathy Glatthar’s scope of tasks presented in her letter of engagement are covered by a proposal dated May 23rd from Vickie DiMambro, Pyramid Business Services. He said for those who are not aware, Vickie and her husband Brian, have lived here in the Valley for a long time, and Vickie does bookkeeping for other businesses. He said Vickie has worked closely with Cathy in coordinating proposed services and duties. He said he met with Vickie and asked her to prepare this letter of engagement. Trustee Johnson reviewed the letter, and in answer to Trustee Dennis’ question, he said Vickie would attend the monthly meetings. Trustee Johnson said he has known Vickie for about ten years, and he’s always been impressed with Vickie’s clear thinking and her abilities, and it’s his recommendation to retain Vickie as our bookkeeper.

Trustee Dennis made a motion to approve Vickie DiMambro’s letter of engagement dated May 23, 2019. Trustee Breitmeyer seconded the motion, and hearing no opposition the motion passed.

**9. Judicial/Government Affairs:**

**a. AT&T Cut Cable:** Louie Test said we have not heard anything from AT&T.

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

- Cathy stated the June 20th meeting will start at 5:00 p.m. with a closed session for employee appraisals. Louie Test reminded the Board that in a closed session they can only discuss the employees’ character and professional competence, and no action may be taken during the closed session.
- Trustees are to submit their comments regarding Shawn Kelly’s performance to Trustee Johnson ahead of time, and Trustee Johnson will conduct Shawn’s performance appraisal. Cathy explained per the Open Meeting Law, employee evaluations are not allowed to be written up during a closed session.
- Shawn Kelly needs to conduct Chuck Blower’s performance evaluation, and that evaluation will be reviewed by the Board during the closed session. Shawn needs to advise Chuck that he is welcome to attend the closed session.

- Cathy stated she will be filing the final budget with the Washoe County Clerk and the Department of Taxation on or before June 3rd.
- Next month's agenda will include Employee Compensation.

**11. Correspondence:**

Cathy Glatthar stated the Marshall Ranch proponents have submitted a new application and the GID received an Agency Review memorandum from Washoe County. However, she said the Marshall Ranch project is outside of the PVGID's boundaries, and therefore we do not have jurisdiction to make any comments or impose any conditions of approval.

**12. Public Comment:**

Vickie DiMambro said she's been doing bookkeeping for 30 years, and one of the things she likes to do is find new ways to do the job so it works better and gives the Board better information.

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

**13. Board Member and Staff Items:**

- Cathy Glatthar mentioned the Prevailing Wage bill passed and will most likely be signed by the Governor. She said the threshold will drop from \$250,000 down to \$100,000 effective July 1st [2019]. Trustee Johnson said that won't affect us this year, but will affect us next year.

**14. Adjournment:** Trustee Breitmeyer made a motion to adjourn the meeting. Trustee Dennis seconded the motion, and hearing no opposition, the meeting adjourned at 8:26 p.m.

## ESTIMATED OPERATING FUNDS FOR CAPITAL IMPROVEMENTS

**ATTACHMENT - 05/23/2019 Meeting - Agenda Item 5a**

TOTAL CASH IN ALL BANK ACCOUNTS AS OF MAY 23, 2019	504,572
ADDITIONAL REVENUE EXPECTED THROUGH AUGUST 31, 2019	104,060
<b>ESTIMATED OPERATING FUNDS THROUGH AUGUST 31, 2019</b>	<b>608,632</b>
LESS AVERAGE MONTHLY EXPENSES* X 3 MONTHS	-90,000
LESS Hot Pot & Plow (\$10,500 max for both); Line of Credit Pymts (\$2,000/mo x 3); Unexpected Repairs (\$5,000/mo x 3); Workers' Comp \$2,300 (July); Insurance (\$8,000 Jun or Jul);	-41,800
LESS RESERVE FUNDS (2 MONTHS OF EXPENSES*)	-60,000
<b>ESTIMATED EXPENSES &amp; RESERVES THROUGH AUGUST 31, 2019</b>	<b>-191,800</b>
<b>NET OPERATING FUNDS FOR CAPITAL IMPROVEMENTS - AUGUST 31, 2019</b>	<b>416,832</b>

**Additional Revenue Expected Through August 31, 2019:**

265,000	Ad Valorem	Jun '19 thru Aug '19	5,300
360,000	CTX	30,000 x 3	90,000
35,040	LGTA	2,920 x 3	8,760
<b>660,040</b>			<b>104,060</b>

**\*Average Monthly Expenses Calculation:**

Payroll	18,000		
Other**	12,000		
	<u>30,000</u>		

**\*\* Does not include any road improvement costs  
such as Dura Patch, Chip Seal, etc.**

**REVENUE - ACTUAL AND ESTIMATED**

NOTE: As of 05/23/2019 Actual Revenue Exceeds Estimated By:

**\$35,242.79**

<b>AD VALOREM</b>				
Date	Estimated	Actual	Difference	YTD Difference
at 09/27/18 (35%)	92,750.00	95,230.94	2,480.94	2,480.94
at 10/18/18	0.00	7,072.60	7,072.60	9,553.54
at 11/15/18 (21%)	55,650.00	50,790.22	-4,859.78	4,693.76
at 12/20/18	0.00	10.22	10.22	4,703.98
at 01/17/19	0.00	54.94	54.94	4,758.92
at 02/21/19 (21%)	55,650.00	51,704.99	-3,945.01	813.91
at 03/21/19	0.00	7,463.83	7,463.83	8,277.74
at 04/18/19 (21%)	55,650.00	39,251.43	-16,398.57	-8,120.83
at 05/23/19	0.00	6,262.24	6,262.24	-1,858.59
June	0.00			
July (2%)	5,300.00			
August	0.00			
	<b>265,000.00</b>	<b>257,841.41</b>	<b>-7,158.59</b>	
<b>CTX</b>				
Date	Estimated	Actual	Difference	YTD Difference
at 09/27/18	30,000.00	68,256.39	38,256.39	38,256.39
at 10/18/18	30,000.00	0.00	-30,000.00	8,256.39
at 11/15/18	30,000.00	35,346.97	5,346.97	13,603.36
at 12/20/18	30,000.00	34,845.53	4,845.53	18,448.89
at 01/17/19	30,000.00	33,877.44	3,877.44	22,326.33
at 02/21/19	30,000.00	34,101.94	4,101.94	26,428.27
at 03/21/19	30,000.00	38,118.42	8,118.42	34,546.69
at 04/18/19	30,000.00	31,200.90	1,200.90	35,747.59
at 05/23/19	30,000.00	27,905.84	-2,094.16	33,653.43
June	30,000.00			
July	30,000.00			
August	30,000.00			
	<b>360,000.00</b>	<b>303,653.43</b>	<b>-56,346.57</b>	
<b>LGTA</b>				
Date	Estimated	Actual	Difference	YTD Difference
at 09/27/18	2,920.00	2,973.97	53.97	53.97
at 10/18/18	2,920.00	4,416.71	1,496.71	1,550.68
at 11/15/18	2,920.00	0.00	-2,920.00	-1,369.32
at 12/20/18	2,920.00	6,913.29	3,993.29	2,623.97
at 01/17/19	2,920.00	2,470.05	-449.95	2,174.02
at 02/21/19	2,920.00	2,879.85	-40.15	2,133.87
at 03/21/19	2,920.00	4,323.53	1,403.53	3,537.40
at 04/18/19	2,920.00	2,374.54	-545.46	2,991.94
at 05/23/19	2,920.00	3,376.01	456.01	3,447.95
June	2,920.00			
July	2,920.00			
August	2,920.00			
	<b>35,040.00</b>	<b>29,727.95</b>	<b>-5,312.05</b>	

**PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT**

**BANK & DISBURSEMENT RECONCILIATION**

As of May 23, 2019

<b>Total of all Bank Accounts:</b>	<b>Balance as of May 23, 2019 - Almost CD #5010</b>	<b>486,636.76</b>
	<b>Balance as of May 23, 2019 - P/R / Petty Cash #4430</b>	<b>17,000.00</b>
	<b>Balance as of May 23, 2019 - A/P / General Ckg #4179</b>	<b>934.97</b>
	<b>Total Cash In All Accounts</b>	<b><u>504,571.73</u></b>

<b><u>Wells Fargo - Almost CD #5010</u></b>		<b>Balance as of April 18, 2019</b>	<b>488,594.71</b>
Income for the Month			
Consolidated Tax	27,905.84		
Ad Valorem	6,262.24		
LGTA	3,376.01		
Other Income	<u>          </u>		
TOTAL	37,544.09		
Interest Income	12.22		37,556.31
WF Business Line of Credit (Pending)	40,000.00		40,000.00
Transfer to Wells Fargo #4430	(17,514.26)		
Transfer to Wells Fargo #4179	(62,000.00)		(79,514.26)
		<b>Balance as of May 23, 2019</b>	<b><u>486,636.76</u></b>

<b><u>Wells Fargo - P/R / Petty Cash #4430</u></b>		<b>Balance as of April 18, 2019</b>	<b>17,000.00</b>
Transfer from Wells Fargo #5010	17,514.26		
Interest	0.32		17,514.58
Net Payroll	9,024.29	Net Payroll	
SK's BECC	488.28	Jensen Pre-Cast: Concrete Culvert 8'	
SK's BECC	86.98	DB Electrical: Water Pump for Street Sweeper	
Auto Zone	Debit 12.44	Oil Sending Unit for Vactor	
Zimmco	1047 2,750.00	Bomag Rammer (aka Wacker)	
Friendly Computers	1048 187.50	Office Computer Tune-up	
Public Agency Compenation Trust	ACH 1,338.00	Workers' Comp	
Employment Security	5901 583.11	Qrtly Payroll Tax	
Wells Fargo - PERS Deposit	5905 2,406.40	PERS Monthly Payment	
Waste Management	5906 35.66	Waste Removal	
Wells Fargo - 941 Deposit	EFTPS <u>601.92</u>	Payroll Taxes	
	<b><u>\$17,514.58</u></b>		<b>(\$17,514.58)</b>
		<b>Balance as of May 23, 2019</b>	<b><u>17,000.00</u></b>

**PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT  
BANK & DISBURSEMENT RECONCILIATION  
As of May 23, 2019**

<b><u>Wells Fargo - A/P / General Ckq #4179</u></b>	<b>Balance as of April 18, 2019</b>	<b>377.54</b>
Transfer from W.F.#5010	62,000.00	
Interest Income	0.15	62,000.15

NAME	CK #	AMOUNT	DESCRIPTION	
Glacier Construction	9657	40,000.00	Purchase of Roller	
Catherine Glatthar	9658	2,676.11	Monthly Work, Office Supplies, Reimb for Alhambra	
Flyers Energy	9659	1,107.57	Fuel	
Granite Construction	9660	705.08	Asphalt Patch - 3.21 tons at \$100.50/ton \$322.61, Signs \$293.83, Supplies \$88.64	
Hoffman, Test	9661	435.00	Monthly Retainer	
Maureen Sidley	9662	372.75	Monthly Work, Budget, Copies	
NAPA	9673	502.73	Shop Supps \$136.18, Street Sweeper Parts \$366.55	
Nv Energy	9664	178.33	Office Utilities	
Prominence Health	9666	1,592.61	Employee Health Insurance	
Reno Gazette Journal	9667	169.00	Legal Notice - Invitation to Bid	
Sani Hut	9668	129.87	Monthly Rental - Handicap Unit	
Silver State International	9669	111.18	Hoses for '05 International Water Truck	
Verizon	9674	149.99	New Cell Phone - Had to Upgrade to 4G	
Verizon	9670	40.00	Cell Phone - Estimated May bill	
Washoe Co. District Health	9671	330.00	AQMD Aggregate Pit Operating Permit	
Western Nevada Supply	9672	12,942.50	Culverts to be Installed District Wide	
<b>TOTAL</b>		61,442.72		(61,442.72)
			<b>Balance as of May 23, 2019</b>	<b>934.97</b>

## PVGID OPERATIONS REPORT

Report Period 4-15-2019 to 5-19-2019

ATTACHMENT: 5/23/2019 Meeting Agenda Item 6.f.

### ROADS GRADED:

1. Broken Spur: Import and grade 40 Yards screened material at washed out areas from Whiskey to Tumbleweed; Grub shoulders and grade road from Tumbleweed to Morgan Ranch
2. Amy Short
3. Wilcox Ranch: Amy – Quaking Aspen
4. Quaking Aspen: First 200' "Hill"
5. Crossover: Wild Horse – Twin Springs
6. Twin Springs: Last upper mile + where it was washed out from creek and to the end after creek

### OTHER ROAD WORK:

1. Whiskey Springs: Patch asphalt
2. Quaking Aspen: Pickup boulders and rocks load in dump truck take to Cottonwood Creek at 2850 Wilcox Ranch. Slope bank back, place rocks on bank. Fill in some of the washed out sides of roadway
3. Broken Spur: Install 12" x 34' culvert at Tumbleweed
4. Quaking Aspen: Grub and pull south shoulder to prep for grading
5. Twin Springs: Upper creek crossing water was flowing so heavy that it came out of the bank and washed out a mile + of the road. Took backhoe up and dug out uphill side placing a dam to keep water in creek flow line
6. Whiskey Springs: Patch asphalt over culvert at Amy; it had sunk down 2 to 3" the width of the road
7. Whiskey Springs: Test out new sweeper - works good
8. Twin Springs: Upper water crossing put 1 Yard of 2 1/2" ballast at both sides of creek approaches. Also new spring on South side of road past cul-de-sac - Dug a little ditch for water to go to the creek side, not down the road
9. Prep for culverts on Wilcox Ranch
10. Wilcox Ranch: Use the Vactor to locate phone lines in preparation for replacing culverts
11. Wilcox Ranch and Amy: Remove 12" culvert, Install 24" x 40' HDPE pipe
12. Wilcox Ranch: Install 24" x 40' culvert (new #2 culvert); remove 18" and install 36" x 50' culvert (old #2 culvert, now #3); remove 12" and install 24" x 40' culvert (old #3, now #4); remove 12" and install 24" x 40' (old #7, now #8)

### OTHER:

1. Wilcox Ranch: Mark culverts for utility clearance (USA Dig)
2. Wilcox Ranch: Prep for culvert replacement

### EQUIPMENT:

1. 770 Grader: Pull rollers install rippers for preparation of Quaking Aspen; Reinstall rollers.
2. Purchase Wacker vibratory plate from auction; Replace carburetor and belt, works great! Total cost \$200.
3. Purchase Mobil Sweeper: Perform numerous repairs and maintenance - some wiring, water pump on pony engine, change oil & filters on both engines, and all other filters, heater hose's. Total cost \$1,400 (\$600 for sweeper and \$800 parts and in-house labor).
4. '05 International Water Truck: Upper radiator hose blew, lower hose had a spot where it could blow; R&R upper and lower hoses.
5. Vactor: Had an oil leak; R&R oil sending unit.

## EMPLOYEE HEALTH INSURANCE BENEFITS

As you are aware, this matter has been on the agenda for several months. Shawn Kelly's wife, Heather, presented some information at a prior meeting, and explained some of the issues with the current health insurance plan. She also mentioned the standard of employers paying percentages versus allowances, and provided the Board with information that health insurance premiums are steadily rising, whereas coverage benefits are decreasing.

My concerns about the dismal coverage with the current plan led me check with our POOL/PACT (the POOL) insurance agent to find out if health insurance was offered by the POOL. I was informed by our agent, Carol Ingalls, that the POOL does not offer health insurance, but Carol would have someone with A & H Insurance contact me to see what options they might have. I have since received numerous coverage options and quotes from A & H. I have learned a lot, but certainly not all, about the health insurance industry.

A bit of history:

In October 2000, when the GID first offered health insurance benefits, the allowance was \$600 per month, and the employee-only premium was "about \$306" leaving up to nearly \$300 available to go towards dependent premiums (49%). Late in 2004 (with an effective date of January 1, 2005), the Board voted to increase the allowance to \$800, because the \$600 cap, set four years prior, was "too low" when considering current health insurance costs.

In May 2010, the GID's crew was reduced from four, full-time employees to two, full-time employees. Those two employees had employee-only coverage (no dependents), so the GID didn't have a need to increase the allowance. When our equipment operator retired in 2018, Shawn was hired and the GID then had an employee with four dependents. The Board raised the allowance to \$1,000 in April 2018.

Because the GID only has two employees, health insurance plans are limited to private, small-group (from 2 to 50 employees), age-based and "association" (e.g., Carson Chamber, BBB, BANN) plans. These small-group, age-based and association plans tend to have high deductibles, high out-of-pocket costs, limited services with co-pays, and mostly services with a co-insurance percentage (usually greater than 20%), after the deductible is met (see attached Comparison of Coverages).

Companies with 51 or more employees, can get large-group plans, which are infinitely better than the small-group plans, because risk is spread out over a large number of participants. Washoe County has large-group plan offerings, and is willing to allow our employees to join their group through the use of an interlocal agreement.

The large-group plans Washoe County offers are superior in their coverage, and come at a higher premium than the current plan the GID and Shawn pay for, therefore an increase in the allowance or the replacement of the allowance with percentages are being submitted to the Board for consideration.

Attached is a spreadsheet showing three scenarios for the allowance increase and two scenarios using percentages for the Board's review. Of course, additional scenarios are possible and open for discussion.

Respectfully submitted by:

Cathy Glatthar  
Assistant to the Board  
May 22, 2019

Attachments

SCENARIOS IF EMPLOYEE HEALTH INSURANCE  
ALLOWANCE INCREASED

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SCENARIO #1 - INCREASE ALLOWANCE TO \$1,500

Current Allowance	Increased Allowance	PVGID Pays/mo	WC PPO Premium*	Employee Pays/mo	
1000	1500	1500	2240	740	SK & Fam
1000	1500	845	845	0	CB
2000	3000	2345			

$$\begin{array}{r}
 500 \\
 \times 12 \\
 \hline
 6000
 \end{array}$$

GID's Annual Cost Increase

SCENARIO #2 - INCREASE ALLOWANCE TO \$1,600

Current Allowance	Increased Allowance	PVGID Pays/mo	WC PPO Premium*	Employee Pays/mo	
1000	1600	1600	2240	640	SK & Fam
1000	1600	845	845	0	CB
2000	3200	2445			

$$\begin{array}{r}
 600 \\
 \times 12 \\
 \hline
 7200
 \end{array}$$

GID's Annual Cost Increase

SCENARIO #3 - INCREASE ALLOWANCE TO \$1,700

Current Allowance	Increased Allowance	PVGID Pays/mo	WC PPO Premium*	Employee Pays/mo	
1000	1700	1700	2240	540	SK & Fam
1000	1700	845	845	0	CB
2000	3400	2545			

$$\begin{array}{r}
 700 \\
 \times 12 \\
 \hline
 8400
 \end{array}$$

GID's Annual Cost Increase

\* Washoe County's PPO Premiums from Ashley Berrington as of May 21, 2019

**EMPLOYEE HEALTH INSURANCE SCENARIOS  
WITH GID PAYING 100% / 50% AND 100% / 75%**

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**SCENARIO #1 - GID PAYS: Employee 100% / Dependents 50%**  
[Washoe County]

	WC PPO Premium* Emp Only	PVGID Pays/mo 100%	Employee Pays/mo	WC PPO Premium* Deps	PVGID Pays/mo 50%	Employee Pays/mo 50%
SK & Fam	845	845	0	1395	697.50	697.50
CB	845	845	0	0	0.00	0.00
		1690			697.50	

With 100% / 50%	With Current Allowance	Increase to GID
1,690.00	1,000.00	
697.50	845.00	
<u>2,387.50</u>	<u>1,845.00</u>	542.50
x 12	x 12	x 12
<u>28,650.00</u>	<u>22,140.00</u>	<u>6,510.00</u>

**SCENARIO #2 - GID PAYS: Employee 100% / Dependents 75%**  
[Sun Valley GID and City of Sparks]

	WC PPO Premium* Emp Only	PVGID Pays/mo 100%	Employee Pays/mo	WC PPO Premium* Deps	PVGID Pays/mo 75%	Employee Pays/mo 25%
SK & Fam	845	845	0	1395	1046.25	348.75
CB	845	845	0	0	0.00	0.00
		1690			1046.25	

With 100% / 50%	With Current Allowance	Increase to GID
1,690.00	1,000.00	
1,046.25	845.00	
<u>2,736.25</u>	<u>1,845.00</u>	891.25
x 12	x 12	x 12
<u>32,835.00</u>	<u>22,140.00</u>	<u>10,695.00</u>

\* Washoe County's PPO Premiums from Ashley Berrington as of May 21, 2019

## HEALTH INSURANCE POLICIES - COMPARISON OF COVERAGES

Plan Name	PCP/Specialist Copay	Deductible	Coinsurance	Out of Pocket Maximum	Inpatient Copay	Emergency Room	Urgent Care	Rx	Notes
Prominence HMO Select 3000 (Small Group - Age Based)	\$50/\$80	\$3,000 indiv. \$9,000 family	40%	\$7,350 indiv. \$14,700 family	CYD/Coins	CYD/Coins	\$100	\$30/60/90	Pediatric Dental/Vision only
Hometown BBB (Small Group - Association)	\$35/\$70	\$2,000 indiv. \$4,000 family	20%	\$5,000 indiv. \$10,000 family	\$2,500	\$1,000	\$80	\$10/60/120	No Dental or Vision
Washoe County PPO (Large Group)	\$25/20% after deductible	\$350 indiv. \$700 family	20%	\$3,350 indiv. \$6,700 family	Coins	20% + \$75	20% after Deductible	\$7/30/50	-Includes Dental & Vision for all - Life Ins. EE \$20K & \$1000 dependants
Washoe County HMO (Large Group)	\$30/\$50	N/A	None	\$3,500 indiv. \$7,000 family	\$1,000	\$250	\$40	\$7/30/50	
City of Sparks (Large Group)	\$0 Preventive	\$200 indiv. \$400 family	20%	\$1,000 + CYD \$2,000 + CYD	20%	20% + CYD	20% + CYD	\$5/15/40	Includes Dental & Vision for all

PCP = Primary Care Physician    CYD = Current Year Deductible

REVISED  
LETTER OF ENGAGEMENT  
May 23, 2019

Palomino Valley General Improvement District  
9732 Pyramid Hwy #407  
Sparks, NV 89441

Dear Board of Trustees:

With the PVGID's current bookkeeper, Maureen Sidley, set to retire, I would like to propose taking on some of her tasks. The administrative services that I currently provide, per my letter of engagement approved on April 14, 2011 (see attached), will remain the same and charged at the same rate of \$25 per hour.

For the new, financial services, I propose an hourly rate of \$35. The financial tasks will include:

- Preparation of Tentative and Final Budgets and Budget Worksheets
- Provide Auditor with Records Necessary to Conduct the Annual Audit
- Preparation of Quarterly Economic Survey Reports
- Preparation of Annual Indebtedness Report
- Publication of Final Budget Hearing Notice
- Publication of Annual Fiscal Reports
- Provide Backup and Support to Bookkeeper
- Other Financial Tasks, as Needed/Requested

Thank you for this opportunity.

Respectfully yours,



Cathy Glatthar

The terms, as outlined above, are hereby agreed to upon a unanimous vote of a quorum of the Board of Trustees on May 23, 2019.

  
Signed by: Larry J. Johnson, President

Date: 05-23-2019



Pyramid Business Services, LLC, 9732 Pyramid Way #321, Sparks, Nevada 89441

(775) 741-8263

## LETTER OF ENGAGEMENT

MAY 23, 2019

Palomino Valley General Improvement District  
9732 Pyramid Way #407  
Reno, NV 89441

Dear Board of Trustees,

I am pleased to provide you with this Letter of Engagement, which outlines the terms of our agreement.

Pyramid Business Services, LLC will provide bookkeeping services to the Palomino Valley General Improvement District (the GID), and the scope of services I will render, the manner of calculating fees, and other aspects of this arrangement, are mutually agreed to be as follows:

### Services to be Provided on a Regular Basis:

1. Bookkeeping using QuickBooks for all your financial transactions.
2. Entry of all transactions and monthly bank reconciliation of your bank accounts and credit cards.
3. Preparation of Profit and Loss Statements and Balance Sheet prior to monthly Board meetings.
4. Preparation of payroll and payroll reports. Intuit payroll subscription is included for this service (currently the cost of this subscription is \$450.00 annually, in addition to \$2.00 per employee per month), at no charge to the GID.
5. Entry and payment of bills in Accounts Payable.
6. Work closely with Catherine Glatthar to provide timely, pertinent data and services.
7. Review with you any concerns or questions that arise.
8. Attend monthly, or special, meetings.
9. Any additional services requested by you, contingent on agreement between both of us.

I will provide these services using my licensed QuickBooks software, hosted in a secure private Cloud Computing instance in Amazon Web Services. This will allow me, and also Catherine Glatthar, fully updated access at any time to the QuickBooks file (although only one user at a time).

### Fees and Expenses:

The fee for the services provided will be \$65.00 per hour, to be billed monthly. The billing will be for actual time worked, without rounding. The hourly rate for attending meetings of the GID Board will be at \$35.00 per hour.

All normal and customary expenses incurred to provide these services are included in my fee: printing, QuickBooks software and payroll service, mileage to and from meetings, and use of Amazon Web Services Cloud hosting, however I may occasionally incur other out-of-pocket expenses on your behalf. The GID agrees to reimburse me for all such expenses.

Non-employee Status:

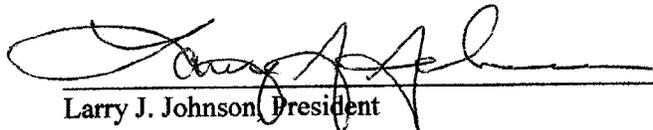
For the purposes of Nevada Revised Statutes Chapter 616A – Industrial Insurance, I am not an employee of the Palomino Valley General Improvement District. My services are performed under Washoe County business license number W035830A-LIC, in the name of Pyramid Business Services, LLC.

Respectfully yours,



Vickie DiMambro  
Pyramid Business Services, LLC

The terms, as outlined above, are hereby agreed to upon a unanimous vote of a quorum of the Board of Trustees on May 23, 2019.



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Larry J. Johnson, President

5-23-2019

Date