

REGULAR MEETING

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

Thursday, July 18, 2019

MINUTES

Trustee Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:05 p.m. Thursday, July 18, 2019 at 21555 Pyramid Highway, Reno, Nevada.

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

2. **Public Comment:**

Charles Lieman stated he was representing the Palomino Valley Auxiliary Fire Department (PVAFD) and its 501(c)(3), non-profit organization. He said they are applying for a charter with the Nevada Network of Fire Adapted Communities. He said if they get the charter, they will be able to apply for grants aimed at improving fire protection throughout the Valley. He said after the Perry fire, fire volunteers identified a need for pull outs on narrow roads such as Piute Creek Road. If the PVAFD was able to get grant money, Mr. Lieman asked if the Board would be willing to coordinate with the PVAFD in identifying roads that would need pull outs?

Trustee Dennis stated this item would need to be agendaized for a future meeting. He stated that Cathy Glatthar would let Mr. Lieman know when the matter would be agendaized.

Mr. Lieman said he lives on Wild Horse and the contractors are doing an amazing job on the portion of Wild Horse that is being improved.

Trustee Dennis said he seriously looked at these improvements of raising the roads and putting in drainage ditches to keep the water away from the roads. He said with the past two storms, there were roads that had to be closed, and road access was limited for some residents. He said there are a number of roads that are the only access for a number of residents, so we are doing the right thing with regards to improving these roads and getting them out of the flood plain and maintaining them that way.

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

3. **Approval of Minutes – June 20, 2019: Closed Session for Chuck Blower, Closed Session for Shawn Kelly, and Open Session:** Trustee Dennis made a motion to approve all three sets of minutes as written. Trustee Otto seconded the motion, and hearing no opposition, the motion passed.

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

a. **Financial Reports, Including Indebtedness and Debt Management Reports:** Cathy Glatthar reviewed the Estimated Operating Funds for Capital Improvements report (see attached). She reported ad valorem revenue received of \$7,316, and commented that, year-to-date, we received \$406 more than was estimated. She

said CTX [Consolidated Tax] is still coming in higher than estimated, and LGTA [Fair Share] is a little bit higher than estimated. She reported year-to-date, actual revenue exceeds estimated by \$46,000. She reviewed the estimated operating funds and estimated expenses and reserves through August 31st, and stated the Net Operating Funds for Capital Improvements is \$191,620. Trustee Johnson commented that the report is very clear and very well presented.

Cathy Glatthar referred to a report on Revenue Percentage Changes. She explained that at the last meeting, Mr. Boyce had requested a report showing the percentage changes in revenue from last year to this year. Cathy said she went back to fiscal year 2016 [June 30, 2016], and in summary, the percentage changes in revenue were as follows (see attached report for details):

FY 2016 to FY 2017: 10% increase

FY 2017 to FY 2018: 5% increase

FY 2018 to FY 2019 (estimated): 6% increase

Cathy explained we won't have actual revenue figures for fiscal year 2019 until after the audit is completed.

Trustee Johnson said he believed the reason this information was requested by Mr. Boyce is because Mr. Boyce felt the Board was very generous in awarding employee benefits and raises. He said Mr. Boyce questioned whether our revenue was increasing sufficiently to meet those awarded raises and increases in benefits, and the answer is, yes it is.

Louie Test said what he found interesting is that less than one half of the revenue used to take care of the roads is coming from ad valorem (property taxes).

- b. Payment of Bills:** Vickie DiMambro reviewed the transaction report (see attached). She stated the total cash in all accounts was \$373,983.19, and income for the month, including interest income, was \$44,623.25. She reviewed the payments made from the Payroll/Petty Cash account, notably \$14,263.16 to Les Schwab for tires for the 770 grader, the International dump truck, and the Freightliner dump truck. She then reviewed the checks written on the Accounts Payable account, noting the second progress payment to Joy Engineering for \$97,440.27 was pending Trustee Johnson's approval.

Trustee Otto asked about the tires for the grader and remarked that he thought we just bought tires for the grader about a year ago. Shawn Kelly said these are radials (six) and they should last at least twice as long as the one's we used to get. He explained the radials allowed him to grade today in a higher gear, which allowed him to get the road smoother, whereas, at the higher gear with the old tires, the grader bounced. He added that the old tires on the two dump trucks were cracked and worn and we could have had a blow out at any time.

Trustee Dennis told Shawn he was glad Shawn was being proactive.

Cathy Glatthar said for the line of credit, the reason why it was still marked as pending was because she wanted to make a suggestion. She suggested we continue to take \$2,000 out each month and reduce the [\$40,000] balance [for the purchase of the roller]. She said we are not paying any interest, and if we reach a point when we need these funds, then we'll activate the line of credit.

In answer to Trustee Otto's question about the culvert delineators and posts, Shawn replied they purchased 40 posts and striker plates, and they will be making sure all culverts are marked. Shawn added they will be adding k-rails (three on each side) at the large culvert on Wilcox Ranch that will be marked and include sand barrels. Trustee Johnson clarified the k-rails and crash barrels will be donated by Q & D Construction; we will pay for transportation. Shawn said he would place the k-rail.

Trustee Otto commented about 2' x 2' x 4' concrete blocks his son saw on Craig's List - 16 for \$1,000. He said we'd have to pay for trucking, but it's something we might be able to use, especially if we can't continue getting the k-rail.

Shawn said he has four k-rails at the yard and he's been allocated sixteen.

Trustee Dennis made a motion to approve the bills, but hold the Joy Engineering check until the work has been approved. Trustee Currivan seconded the motion. Hearing no opposition, the motion passed.

5. Road Maintenance Reports:

- a. Road Reports:** Trustee Johnson stated we are keeping up with most of the road maintenance requests; though some requests are unrealistic. He cited an example of a request where the resident said his road had not been graded yet this year, and we've requested several times to have Hockberry graded and we just get "blown off." Trustee Johnson read his response to that resident into the record, as follows:

While Hockberry has not been graded in some time, it is in much better shape than many others that we have placed at a higher priority. We will be there before winter. Call our Operations Manager, Shawn Kelly, to discuss (775-848-6788).

Shawn Kelly stated that he has emailed the resident asking that the resident call him so they can discuss the matter, but the man has not called back.

Trustee Johnson said there are a couple of individuals who live on roads with good granular material that are a lot smoother than other roads, but they feel like they are being neglected, and the GID should be grading their road whether the road needs grading or not.

Trustee Johnson referred to the complaint at last month's meeting regarding Pasture View Road, and explained that he and Trustee Otto inspected Pasture View after that meeting. He read into the record the following statement written by Trustee Otto:

After the complaint from Ms. Snedigar at the June 20th GID meeting, Trustee Johnson and I drove to Sharrock and also Pasture View to see this total mess of roads that Ms. Snedigar complained about. We saw a spot on Pasture View a hundred feet long where the road ditch had been cleaned out by a loader and left a pretty rough ditch area. The adjacent road surface was unaffected. We didn't see anything unusual anywhere else on these roads. The maintenance supervisor has been instructed to smooth out this loader work. In my opinion, this major complaint at the meeting was uncalled for and absurd!

Trustee Otto said he has asked several times to have Quaking Aspen Road touched up and graded, but it hasn't been done yet. He said last winter it was a mess, like

many of the roads, and he understood you can't grade when the roads are wet. He said we waited through the spring, and he asked that the work be done soon. He said he didn't want it to wait until just before winter. He said he wanted to see that next year the road is worked on sooner so they aren't bouncing through the rough roads all spring and summer. He said the area he is referring to is just above Trustee Johnson's house; about a third of a mile, just above the section of road base. He further explained the resident adjacent to that section of road had water running across her driveway and onto the roadway. He said he installed a four-inch pipe under the resident's driveway. Trustee Johnson said that resident rerouted the creek from its original channel onto the roadway. Trustee Otto remarked that the water is in the ditch and not on the roadway.

Shawn said Quaking Aspen will be worked on next week.

Trustee Dennis interjected and said we have to consider that we only have two employees and there's only so much time and most of the roads get washboard in the summertime. He said the people on Range Land waited four to five years to get their road graded. He asked Trustee Otto to be patient.

Trustee Otto said no, I won't be; this is my opinion and my request.

Shawn replied to Trustee Otto's comment and said he knows the road is a mess, but asked Trustee Otto to remember there's a lot of road and there are only two of them and they are trying to keep everybody going. He said he spent a lot of time on the first two and a half miles of Quaking Aspen trying to get the rocks covered up and still needs to get more material brought in. He apologized to Trustee Otto and said it will get done.

Trustee Otto reiterated that the GID does not spend enough time on road grading. He said he wasn't sure how to accomplish this when Shawn has so much to do. He said maybe a third employee should be hired part time.

Trustee Johnson said upper Quaking Aspen has been classified as a seasonal road. Trustee Otto interjected and said only from Microwave on up is seasonal. Trustee Johnson disagreed and said it starts below Microwave. Trustee Johnson asked that Trustee Otto come to this Board and ask that the seasonal road designation be changed now that there are a sufficient number of people who have built above that to where it should be considered for full-time maintenance. Trustee Otto said will do.

Trustee Johnson continued and said this Board also has a policy of what is necessary to accept a road for maintenance - a certain width, certain crowns, certain surfacing, and so forth - for this Board to consider a road for full-time maintenance.

There were comments as to how that could be accomplished, with Trustee Currivan asking how then could Quaking Aspen be upgraded? Trustee Johnson replied upper Quaking Aspen has been upgraded significantly in the past few decades. He stated several examples of upgrades, including getting some funds from Washoe County to put gravel down in the area just below Microwave Road after the 2017 flooding, there have been drainage improvements installed above Trustee Otto's house, etc. Trustee Dennis said the upper section is a four-wheel drive road.

Trustee Otto asked if a change in the status of upper Quaking Aspen Road could be put on the agenda for next month?

Trustee Johnson said certainly, and that would be appropriate with caveats. He said he made a homeowner very, very angry in one of these meetings when he pointed out that the Board has done extraordinary measures to improve a seasonal road for the benefit of three people; more people live there now, but everybody else in the whole Valley is paying for the benefit of those two or three people. He added that someone elsewhere in the Valley will object to that.

Trustee Dennis said when they bought the property they knew what the conditions were of the road.

Shawn said he wanted to point out that they just revamped an entire section of roadway (Amy short and Wilcox Ranch) with material that was on the sides and brought up onto the road and with all the traffic we have on the roads, the surface lasted only a few days. He said we need to add base or some kind of material on top. Trustee Johnson clarified we need base or some material with cohesion, such as screened material from the Wayside pit. Shawn said they were able to get a couple of loads of material down, but had equipment problems that prevented them from doing more.

Shawn said he is out there working hard for the Board and is trying to get a lot done. Trustee Johnson said there's no question that Shawn is doing his best.

Trustee Otto said there is a section of Quaking Aspen Road that is classified as a [level of maintenance] 2. Trustee Johnson said they no longer use the "level of maintenance" designations. Trustee Otto argued that that is where the seasonal road classification came from. Cathy Glatthar clarified that the seasonal road designation came from a Board resolution from 1977; the resolution listed which roads were seasonal and what maintenance would be done (see attached).

Trustee Johnson reiterated that the level of maintenance classifications were thrown out years ago, and we maintain all roads in the system as needed. He said some roads, because of heavier traffic, require maintenance more often; some roads that service a handful of lots and are in good soil materials, may only get graded once a year.

Trustee Dennis said for a road that's designated as a seasonal road, he would have a difficult time agreeing to absorbing it into a non-seasonal road.

Trustee Otto said so we have a seasonal section of Quaking Aspen Road and we have Microwave traffic with people going up there and contractors going up there to service the equipment, so it's not the same as other roads that are not through roads and don't have the traffic like Quaking Aspen does.

Trustee Johnson spoke about a former trustee who was tasked with contacting the Virginia Peak communications site users to seek contributions for road maintenance and improvements from those companies. He said that trustee did not fulfill that duty, and he appointed Trustee Otto to that duty. Trustee Otto said that's my punishment for bringing this up? Trustee Johnson said no, you live on the road and you've made the request you ought to be able to put your effort forward. Trustee Johnson said he shouldn't have to do everything.

Trustee Otto replied he wasn't asking Trustee Johnson to do everything; he just asked that Quaking Aspen be graded and look what we got into here.

Shawn reiterated that he would grade upper Quaking Aspen next week.

Trustee Johnson asked Trustee Otto if there was some part of the duty he assigned to Trustee Otto that Trustee Otto was willing or unwilling to do? Trustee Otto said he would work on it, but he's not retired and making phone calls during business hours will be difficult. Trustee Johnson said we all have commitments, we're all in a volunteer position, and he would appreciate as much involvement from this Board as he could solicit.

Trustee Johnson referred to a comment made at last month's meeting about a type of road construction that consisted of laying down automobile tires, bolting or cabling the tires together and filling the tires with aggregate (ballast rock). He stated the assertion was that this method would be much more cost-effective than the Cape seal. He reported that Trustee Breitmeyer did research the matter and found that the material costs for the aggregate and trucking alone would have a cost of approximately fifteen times the cost per square [foot] of our Cape seal. He stated the sidewalls have to be cut out of the tires and the system is patented, so you have to pay the individual who holds the patent in order to use this method, and you also have to buy the machine that cuts out the sidewalls. He said the cost is astronomical and should not be considered. Cathy stated the method is called "Mechanical Concrete."

Trustee Otto asked if anyone can be excluded from attending these meetings? Louie Test said you cannot exclude anyone, but you can limit them to three minutes. He cautioned the Board about getting into discussions under public comment and reminded the Board to add such items to the next month's agenda if they wanted to discuss a matter and possibly take action.

- b. Status of 2019 Road Improvement Project:** Trustee Johnson reported we're getting very close to completion on Amy and Wilcox Ranch. He opined the contractor improperly pulled off those roads and went to work on Wild Horse Road without doing the finish work on Amy and Wilcox Ranch. He said he has met with the contractor almost daily, on grade, and has given as much direction as possible. He said Shawn has been involved and helping as well.

Trustee Johnson referred to a list (see attached) from Trustee Otto dated July 18th and said this list was actually presented to him the last time he was to meet with the contractor for a site inspection, so it's a few weeks old and some of the items are not appropriate at this date. He said he did review the list with the contractor and some of the requirements were inappropriate; most of them were appropriate at the time and have been addressed. He said he does not want the second payment released until the work has been accepted. Trustee Dennis confirmed that was Trustee Johnson's acceptance as our negotiator with the contractor, which he said he agreed with.

Trustee Johnson explained the contractor should be done with Wild Horse next week, and then the contractor will move over to Grass Valley (west). He said due to the contractor's inefficiencies, the work has drug on longer than it should have. He asked Trustee Dennis if Trustee Dennis could coordinate and supervise the work on Grass Valley? Trustee Dennis said he could, and confirmed the work would be much like the work done on Range Land.

Trustee Johnson explained with all of these road segments, they have had to custom fit the work around the existing utility locations; it has been a nightmare. He said the

phone line wanders horizontally and undulates vertically. He said the contractor did get USA clearance and then potholed to determine depths; phone lines were nicked, knocking out telephone service to the south end of the Valley. In answer to Trustee Dennis' question, Trustee Johnson said the phone lines were not buried to a standard depth. Trustee Dennis opined that a Vactor truck would be the best method to pothole instead of a backhoe or mini-excavator.

Trustee Johnson stated there were a few conflicts with mailboxes, but those have been resolved. He said in general, the residents have been extremely cooperative and appreciative, but there have been a few incidents of conflict. He talked about an email from a resident claiming she was run off the road by the contractor's water truck driver. Trustee Johnson said he was unable to locate the company owner or the foreman, so he spoke directly with the water truck driver and asked that when the driver meets someone on the road, to slow down and make sure they safely pass. Trustee Johnson explained we have people who blow through that construction site in a dangerous manner. He said there have been numerous times when he's been on a project site and has feared for his life. Shawn said he too has had problems with dangerous drivers in a work zone.

Trustee Otto asked Trustee Dennis to review the list of issues he has with Amy and Wilcox Ranch and be an impartial observer when touring the work done.

Trustee Johnson explained the two progress bills submitted to date by Joy Engineering are for the completion of Amy and Wilcox Ranch and the mobilization. Trustee Otto asked what the purpose was of the ten-percent (10%) retention? Trustee Johnson said it is standard practice in construction contracts; if we see any deficiencies or if the contractor does not finish the job, we have sufficient funds to hire another contractor to complete the work.

Trustee Otto received confirmation that Trustees Johnson and Dennis will inspect the work next week and determine if the work is complete and authorize the release of the check for \$97,440.27 for progress billing #2.

In response to Trustee Otto's comment about the ditch on Amy not being eight-feet wide, Trustee Johnson explained he allowed the reduction in width because Amy Road runs down contour and the road has been elevated enough that we won't have a river running down Amy. He said we only have 66 feet, and there is a telephone line on one side that restricts where a swale can go and where a shoulder can be fit on the east side. He said there is a 26-foot wide road from shoulder to shoulder and therefore there's not much room left to the property line. He reminded Trustee Otto about the complaint at the last meeting about encroaching too close to a resident's fence.

Trustee Otto warned the Board that they would be hearing from him if the items on his list are not taken seriously and if the contractors do not do as per the contract. Trustee Dennis said sometimes contracts have to be modified so you can avoid telephone lines; so you adjust the cross flow of the slope ... Trustee Otto said we've cut the contractor a ton of slack. Trustee Johnson said he agreed. Trustee Dennis said he put a lot of work into this; he's designed a few roads in his time. He said sometimes it's cheaper to deal with having to go back in and do some maintenance work instead of trying to make a road bullet proof for every event that might occur.

Trustee Johnson questioned Trustee Otto's odometer readings on the list, stating the road segment is only two and a half miles long, but Trustee Otto's last two items are at three miles and three and one tenth miles? Trustee Otto apologized if his mileage figures were incorrect.

Cathy Glatthar suggested the Board authorize Trustee Johnson or Trustee Dennis to approve the upcoming progress payments, because they will most likely be submitted well before the next meeting. In answer to Cathy's question, Trustee Johnson explained the 10% retainage is typically released within 60 days from completion of the project.

Trustee Currivan made a motion to authorize either Trustee Dennis or Trustee Johnson to approve the remaining progress bill payments to Joy Engineering. Trustee Dennis seconded the motion. The motion passed with Trustee Otto opposed.

Trustee Johnson stated he and Trustee Otto met with the Carlsons at 4500 Wilcox Ranch Road (the meeting was arranged at the June Board meeting). He said he drafted a memo to the Board about the meeting with the Carlsons and asked that the memo be attached to the minutes (see attached). He said the Carlsons are very nice people, very cooperative, and just wanted their issue addressed and we are happy to do so. He said the outcome of that meeting was a signed agreement that we are going to redirect the drainage channel away from the corner of the Carlson's fence, and add fill and erosion protection. He said the GID will have to encroach on the Carlson's property in order to perform this work, and the Carlsons have given the GID permission to do so. He said it was an amicable solution and he appreciated that.

- c. **2019 Capital Improvements Program:** Trustee Johnson said we theoretically have a budget of \$190,000 that we can consider using for additional work this year. He said prior to winter, we need to re-gravel the Wilcox Ranch hill, sections of Range Land, Quaking Aspen, Chantry Flats, and Crossover. He said by necessity, we will be hauling Wayside material or graveling areas of Amy and Wilcox Ranch that are sandy and will corrugate quickly in order to stabilize those areas.

In answer to Trustee Currivan's question, Trustee Johnson said Shawn has been patching, but we're way behind. Shawn stated he raked 18 tons of patch material this week. Trustee Johnson explained the roads Shawn is patching are in much worse condition than Axe Handle, but he is aware Axe Handle needs to be done.

Trustee Johnson shared an observation with the Board. He explained he lives on a really nasty road and he always told the past maintenance supervisor, and he wasn't sure if he's told Shawn, that he wanted his road to be last priority. He said he did this because he did not want it to appear he was self-serving. He said he would caution other trustees similarly. He said we do need to point out deficiencies and work that needs to be done, but we need to watch that perception. He said some past trustees have been self-serving and we can't have that.

Shawn said for that same reason, he has avoided grading Wayside and Grass Valley (between Wayside and Whiskey Springs).

Trustee Johnson echoed a priority mentioned by Trustee Otto of the Cape seal on the Ironwood hill, and he said he would include the Ironwood intersection with the Pyramid Highway, and the Whiskey Springs segment from Cottonwood Creek to the

Highway. He explained he met with a small paver and he's getting cost estimates drawn up, with and without trucking. He said he hoped to have these costs to present to the Board at the August meeting. Trustee Dennis agreed that a priority of this Board is to keep what we have operational.

Trustee Otto reiterated that the ditches on Ironwood need to be moved back before we do the asphalt work on the edges. Trustee Johnson agreed and said there will need to be prep work and blade work done ahead of time. He added we may not be able to do any work on the Ironwood Cape seal opposite the horse corrals because we don't have the budget this year to get a CAT (dozer) in there and move the cut slope back.

Trustee Dennis reiterated we are going to maintain the Cape seals and improved road surfaces that we have, and not add any new items until there is money available, and then it will be discussed by this Board.

Trustee Johnson said next year we will probably need to reapply a micro-slurry to every piece of Cape seal we have in the system.

d. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding (2017 Flood):

Cathy Glatthar stated she finally received a response from the State about the status of the two remaining project worksheets. She reported FEMA has approved project worksheet #3 (roadside drainage), but project worksheet #1 (impassable roads) is still in Environmental Review. She said the State is waiting for project #1 to be approved, then they will release both projects. Trustee Johnson said he was frustrated with the hold up, so he had Cathy put together some status summaries and background. He said he was considering contacting our Congressman, Mark Amodei, but did not want to act unilaterally, and is bringing the idea to the Board. Trustee Dennis made a motion to authorize Trustee Johnson to ask Congressman Amodei to look into the status of the GID's outstanding project worksheet. Trustee Currivan seconded the motion, and hearing no opposition, the motion passed.

e. Operations Manager's Report:

Shawn Kelly said they worked on a number of roads. He said there's still a lot of rock on the lower section of Quaking Aspen and they still need to bring in more dirt. Trustee Otto commented the road is a lot wider and thanked Shawn. Shawn said he still had work to do on the ditching, but they had to work on culverts within the project area and they've also had issues with trucks. Trustee Dennis asked Shawn what percentage of his time and Chuck's time is spent on maintenance and repairs? Shawn said about five to eight percent. He said he did have a mechanic come out on a Friday to replace the International water truck cab bushings. He said he's trying to have work done on their days off so they don't have any downtime. He said he had the tires replaced on a Friday. Trustee Dennis said Shawn was managing his time well.

Trustee Dennis acknowledged we have old equipment and asked Shawn if it was correct that we need a heavier, more powerful grader? Shawn said eventually we should sell the 670 grader, keep the 770 grader as a backup, and purchase an all-wheel-drive grader.

Trustee Currivan asked if renting is out of the question? Shawn said renting is an option, but it's too expensive. Trustee Otto said an all-wheel-drive grader costs \$5,000 for a 40-hour week to rent from Cashman Equipment. Trustee Johnson said in six months, you could have bought a used grader.

Trustee Johnson pointed out that Shawn's operations report (see attached) shows that there were fifteen roads worked on in the past month; that's a third of the roads in the system. He said Shawn puts in a tremendous effort and thanked him for that.

6. Old Business:

a. Water Rights: In answer to Trustee Johnson's question, Cathy Glatthar said the application for extension of time is due on November 26th. Trustee Johnson said that's a good time period because we are using the Ironwood well extensively with this current project, so this is the year that we can possibly file for proof of beneficial use (PBU). He said he has not contacted George Lindesmith yet. Cathy gave the Board an update on the rolling 12-month usage through the month of June, as follows:

Wayside well - 3.46 acre feet with one, 4.98-acre-foot permit pending PBU

Ironwood well - 1.78 acre feet with two, 4-acre-foot permits pending PBU

Cathy mentioned the bulk of the work on the project is being done in the month of July, so it will be interesting to see how much water is used in July.

b. Warm Springs Area Plan Update, including the Specific Plan Area: Trustee Johnson said Trevor Lloyd has not contacted us about another meeting. Cathy Glatthar opined Mr. Lloyd may be waiting for the Regional Plan update to be completed.

c. Agreement with LW Land Company: Trustee Johnson said we haven't heard from Brian Murphy and it doesn't appear that anything is happening there.

7. New Business: None

8. Judicial/Government Affairs: Louie Test reported he was asked to send a follow up letter to Mr. Hersrud (5300 Pasture View Road) thanking him for correcting the drainage and if they sell the property, to be sure to notify the new owners of the problem that occurred with the drainage. He said he would get a copy of the letter to Cathy.

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

- The Indebtedness Report, Debt Management Plan, and Capital Improvement Plan are due on August 1st. Cathy explained she is working on those reports and will have them done by August 1st.
- The Quarterly Economic Survey was signed by Trustee Johnson this evening and is due by August 14th.
- Our next meeting is August 15th.

10. Correspondence:

None

11. Public Comment:

Angela Mann, Twin Springs Road, said she heard the interest rate may be lowered by the Federal Reserve by the end of this month and it may go down by a half of a percent. She said that may be something you would like to know about since you are discussing the line of credit and interest rates. Ms. Mann said she thought the contractors had done a pretty good job on Wilcox Ranch Road. She said it's a little bit scary how wide the road is now.

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

12. Board Member and Staff Items:

None

- 13. Adjournment:** Trustee Dennis made a motion to adjourn the meeting. Trustee Currivan seconded the motion, and hearing no opposition, the meeting adjourned at 8:16 p.m.

ESTIMATED OPERATING FUNDS FOR CAPITAL IMPROVEMENTS

ATTACHMENT - 07/18/2019 Meeting - Agenda Item 4.a. 1

TOTAL CASH IN ALL BANK ACCOUNTS AS OF JULY 18, 2019	373,983
ADDITIONAL REVENUE EXPECTED THROUGH AUGUST 31, 2019	32,920
ESTIMATED OPERATING FUNDS THROUGH AUGUST 31, 2019	406,903
LESS AVERAGE MONTHLY EXPENSES X 1 MONTH	-30,000
LESS Hot Pot & Plow (\$10,500 max for both); Line of Credit Pymts (\$2,000/mo x 1); Unexpected Repairs (\$5,000/mo x 1); Balance of Joy Eng Contract (\$105,457); Workers' Comp \$2,326 (August)	-125,283
LESS RESERVE FUNDS (2 MONTHS OF EXPENSES)	-60,000
ESTIMATED EXPENSES & RESERVES THROUGH AUGUST 31, 2019	-215,283
NET OPERATING FUNDS FOR CAPITAL IMPROVEMENTS - AUGUST 31, 2019	191,620

Additional Revenue Expected Through August 31, 2019:

265,000	Ad Valorem		0
360,000	CTX	30,000 x 1	30,000
35,040	LGTA	2,920 x 1	2,920
660,040			32,920

MONTHLY EXPENSES:

	Average	Actual	Difference
Payroll	18,000	11,272	6,728
Other (non Road Maint)	12,000	25,617	-13,617
	30,000	36,890	-6,890
Road Maintenance		99,893	
	TOTAL EXPENSES	136,783	

REVENUE - ACTUAL AND ESTIMATED

NOTE: As of 07/18/2019 Actual Revenue Exceeds Estimated By:

\$46,056.14

AD VALOREM				
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
at 06/20/19	0.00	248.60	248.60	-1,609.99
at 07/18/19 (2%)	5,300.00	7,316.44	2,016.44	406.45
August	0.00			
	265,000.00	265,406.45	406.45	
CTX				
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
at 06/20/19	30,000.00	34,265.03	4,265.03	37,918.46
at 07/18/19	30,000.00	34,616.81	4,616.81	42,535.27
August	30,000.00			
	360,000.00	372,535.27	12,535.27	
LGTA				
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
at 06/20/19	2,920.00	2,827.82	-92.18	3,355.77
at 07/18/19	2,920.00	2,678.65	-241.35	3,114.42
August	2,920.00			
	35,040.00	35,234.42	194.42	

PALOMINO VALLEY GID REVENUE PERCENTAGE CHANGES

	Actual FY 2016	Actual FY 2017	Actual % Change From FY 2016 to FY 2017	Actual FY 2018	Actual % Change From FY 2017 to FY 2018	ESTIMATED FY 2019	ESTIMATED % Change From FY 2018 to FY 2019
Ad Valorem	263,447	254,580	-3	256,683	1	260,000	1
CTX	273,492	330,915	21	359,380	9	398,000	11
LGTA	32,618	33,432	2	38,854	16	38,300	-1
Other	87	5,072		167		495	
	569,644	623,999	10	655,084	5	696,795	6
 FEMA				108		84,196	
				655,192		780,991	

Notes:

(1) Actual revenue figures are from Annual Audit Reports: Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual (page 20)

(2) Other revenue for 2016-2017 includes \$5,000 received from Washoe County for reimbursement for damage done by County vehicles to Quaking Aspen Road after the January 2017 flooding

(3) Other revenue for 2018-2019 includes \$395 for refund of bond payment

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

BANK & DISBURSEMENT RECONCILIATION

As of July 18, 2019

Total of all Bank Accounts:	Balance as of July 18, 2019 - Almost CD #5010	356,318.00
	Balance as of July 18, 2019 - P/R / Petty Cash #4430	17,000.00
	Balance as of July 18, 2019 - A/P / General Ckg #4179	665.19
	Total Cash In All Accounts	<u>373,983.19</u>

<u>Wells Fargo - Almost CD #5010</u>		Balance as of June 20, 2019	414,427.18
Income for the Month			
Consolidated Tax	34,616.81		
Ad Valorem	7,316.44		
LGTA	2,678.65		
Other Income	<u>0.00</u>		
TOTAL	44,611.90		
Interest Income	11.35		44,623.25
WF Business Line of Credit (Pending)	34,000.00		34,000.00
Transfer to Wells Fargo #4430	(26,732.43)		
Transfer to Wells Fargo #4179	(110,000.00)		(136,732.43)
		Balance as of July 18, 2019	<u>356,318.00</u>

<u>Wells Fargo - P/R / Petty Cash #4430</u>		Balance as of June 20, 2019	17,000.00
Transfer from Wells Fargo #5010	26,732.43		
Interest	0.30		26,732.73
Net Payroll	7,632.83	Net Payroll	
Les Schwab	LJ's CC 14,263.16	Tires: 770 Grader \$11,424.10, Intl Dump Truck \$2116.24, Freightliner Dump Truck \$722.82	
Flyers	SK's CC 832.88	Fuel	
Office Depot	SK's CC 19.02	Office Supplies	
Verizon	SK's CC 33.75	Monthly Cell Phone Bill	
Waste Management	SK's CC 35.66	Waste Removal	
Costco	Debit 275.92	Office Supplies \$215.92, Annual Membership \$60.00	
Employment Security Department	5910 609.51	Quarterly Unemployment Insurance	
PERS	5911 2,406.40	PERS Monthly Payment	
Federal 941 Payment	EFTPS 623.60	Payroll Taxes	
	<u>\$26,732.73</u>		<u>(\$26,732.73)</u>
		Balance as of July 18, 2019	<u>17,000.00</u>

**PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
BANK & DISBURSEMENT RECONCILIATION
As of July 18, 2019**

<u>Wells Fargo - A/P / General Ckg #4179</u>	Balance as of June 20, 2019	714.51
Transfer from W.F.#5010	110,000.00	
Interest Income	0.34	110,000.34

NAME	CK #	AMOUNT	DESCRIPTION	
Cashman Equipment	9687	2,322.44	Ironwood Generator Repair \$1368.47, Wayside Generator Repair \$953.97	
Catherine Glatthar	9688	2,994.02	Secretarial Services \$1474.23, Accounting \$1426.25, Office Supplies \$93.54	
Dept of Business & Industry	9689	12.00	EMRB Annual Assessment - 2 employees @ \$6 each	
Flyers Energy	9690	1,078.74	Fuel	
Grainger	9691	136.65	Operating Supplies	
Granite Construction	9692	1,254.20	Asphalt Patch - 6.39 tons at \$100.50/ton	
Joy Engineering - Pending	9693	97,440.27	Progress Pymt #2 - 2019 Road Improvement Project	
NV Energy	9694	68.60	Utilities - Electric	
Pyramid Business Services	9695	1,377.40	Monthly Bookkeeping and Payroll	
Reno Gazette Journal	9696	292.00	Legal Notice - Annual Fiscal Reports	
Sani Hut	9697	129.87	Monthly Restroom Rental	
Silver State Barricade & Sign	9698	1,538.40	Culvert Delineators and Posts	
Silver State International	9699	197.98	Cab Bushings for International Water Truck	
Washoe County Treasurer	9700	8.79	Annual Water Rights Administrative Fee	
Western Nevada Supply	9701	1,198.30	Wilcox Ranch Extensions for Culverts #3 & #4, French Drain Pipe and Materials for Quaking Aspen	
TOTAL		110,049.66		(110,049.66)
			Balance as of July 18, 2019	665.19

Regular Meeting
March 24, 1977
Minutes: page 44

RESOLUTION NO. F77-R4

**ROAD MAINTENANCE
SEASONAL ROADS**

A Resolution Designating Certain Seasonal Roads and Maintenance Standards for Seasonal Roads was presented to the Trustees. Upon motion by Trustee Tiller, seconded by Trustee Ager and unanimously carried, said Resolution was adopted.

Job # 8676
January 13, 1977

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

Recommended Maintenance Standards

"Seasonal Roads"

On September 8, 1975 the Palomino Valley General Improvement District adopted road standards as part of the minutes. In those standards, a seasonal road was defined as follows:

"Certain roads far up the canyons are to be for summer use only, i.e. no snow removal. These roads will only serve a few parcels, and due to the rugged terrain the cross section of the travelled way may be as narrow as 12 feet. This section will be restricted for use only in those cases that substantial damage to the terrain would occur if a wider road were to be constructed."

The PVGID at this time identifies, for maintenance standards, the following roads taken from the master plan of Palomino Valley and field inspection as seasonal roads:

1. Right Hand Canyon Road - from the end of the existing pavement to the cul-de-sac.
2. Wrangler Road - all
3. Quaking Aspen Road - from the west line of Section 5, T 21N, R 22E, to the end.
4. Microwave Road - all
5. Curnow Canyon Road - all
6. Space Test Road - all

The following maintenance standards shall apply to the above seasonal roads.

1. No snow removal
2. One spring maintenance with blade
3. Emergency spot maintenance during the months of May through October in the event the road becomes impassable by four wheel drive vehicles.

Don Otto

7/18/19

I inspected construction work on Wilcox and Amy.

Starting at Ironwood and Amy Intersection –

Crown first 300 feet off paved end (use loose dirt in ditch, water and compact)

Address 4300 crown is only 8/10th above ditch flow line.

Address 4355 lower ditch on outlet end of culvert (only 2" of fall in 45')

From 4300 south the flat ditch is sloped the wrong way

Crown is off center of the road

No crown at fault area

Wilcox

Starting at Amy widen flat bottom of ditch

First 100' east of intersection crown is only 15" above ditch lowline

Re-slope flat bottom ditches – sloping should be away from road

WE ACCEPTED LESS THAN 1/8' WIDE BOTTOMS BUT WON'T ACCEPT THEM SLOPED TO STREET

At 2/10ths mile from Amy roadway is 25' wide

At 4/10th mile, north half of road is flat

At 5/10th mile south side flat

At 1 mile road starts S turn wobble and is only 25' wide

At 1.1 mile road is only 24' wide. We need to widen north side out, this will also straighten road alignment, wobble problem. South side after big culvert needs to be kicked out.

East of culvert at start of S turn is 25' wide

Regrade Crazy Horse intersection

At 1.5 miles fix north side cutout

At 1.6 miles, just east of culvert, south side ditch cuts into shoulder

Ditch looks very bad at 5555 driveway

At 1.8 miles road is only 22' wide. The south side ditch should move southward (maybe we need to extend the culvert)

Regrade road surface, water and roll

At 2.2 miles regrade north side ditch flow line deeper and continue it to creek outflow

At 5100 Wilcox raise south half of road. Also crown is way north of centerline

In this area regrade south side of ditch up slope

Rough as hell here, should not have been left like that!! No cut out on south side in this area

At 3 miles road undulates bad by the church, *VERY UNPROFESSIONAL*

At 3.1 miles no crown and in some areas where there is a crown it is off center

*WE CUT THEM A LOT OF SLACK ON DITCH DEPTH AND ~~DEPTH~~ WIDTH!
ON BOTH SIDES OF ROADS. CONTRACTORS INABILITY TO GRADE
ROAD SURFACE AS PER PLAN IS NOT OUR FAULT AND NEEDS TO
BE CORRECTED PRIOR TO PAYMENT!*

Friday, June 21, 2019

Memorandum to the Board

At the PVGID board meeting last evening, June 20, 2019, the property owners at 4500 Wilcox Ranch Road claimed the District had damaged their property by installing a culvert at the bottom of a drainage that discharges onto their property and, by increasing the size of another culvert that discharges adjacent to their southwest corner.

Both culverts were placed beneath Wilcox Ranch Road in the bottom of natural drainages. I disagreed that District actions caused any damage to their property, and agreed to meet with them on-site at their convenience. They selected Friday morning, June 21, 2019, at 9:00 a.m.

Trustee Don Otto and I met with the property owner, Kate Carlson and her husband Larry as scheduled. As a surprise to us, Katherine Snedigar and an older man were also present. I introduced myself to this unknown individual who was immediately belligerent and refused to give me his name. I then stated that I would not talk to him and that he would not be included in the discussion. The subsequent discussion was challenging.

Western Drainage

Larry Carlson at first was unwilling to accept the fact that the small up-slope basin has always flowed down the topographic low (bottom) of the smaller eastern basin, occasionally topping Wilcox Ranch Road and across their property. Mr. Carlson wanted the District to route these flows uphill along the roadway and around his property. I pointed out that the northwestern property corner was several feet in elevation higher than the bottom of the drainage, and that, to make the water go uphill, we would have to excavate an excessively deep channel directly adjacent to the roadway creating a safety hazard -- we are not willing to do so. I again reiterated that this natural drainage basin has drained through this property for millennia. The storm flows from both this winter and the 2017 flood has eroded a gully through this property that is used as a holding field for horses and burros. The gully, immediately after the storms, was steep-sided and possibly as much as two feet (2') deep; the Carlsons were concerned as to the safety of their animals. There is little that can be done by the District to improve this situation. We can riprap the end of our culvert to minimize future erosion. We have already filled in the gully eroded by the storms from the edge of the road to the end of our culvert.

Eastern Drainage

The District recently upsized the culvert in its original location in the bottom of an ephemeral drainage. The large storm flows from the 2017 flood, as well as this winter's large storm, exceeded the previous capacity, with excess flows topping the roadway. Some flows eroded a gully at this location; some flows ran westward down the road, some into their driveway, and some into the western field described above. The storm flows crossing the road are aimed at the adjacent fence corner and have nearly undermined the fence. The stream channel then bends back to the north paralleling the fence. There are berms of soil present from previous excavation activities (District?). A

simple solution would be to straighten out the channel (mostly within our easement, and place excess material along their fence. Rock riprap would provide additional protection.

Conclusion

While I was trying to have this discussion and offer solutions to the owner, Katherine Snedigar and her male companion stood right behind the Carlsons continually questioning our honesty, integrity, motives, and even hurled vulgar obscenities. I finally asked the owner to send them away; she did not.

It is almost impossible to remain calm and professional in the face of such verbal abuse. I considered calling Louie Test to pursue a potential court restraining order against these individuals. I probably was not thinking as clearly as I normally do, under stress, because it didn't occur to me until later that a major factor in erosion of the gully through their horse field is the fact that the owner carefully removed every bit of vegetation down to the bare earth. Without vegetation and root growth to anchor the soil and help dissipate flow, the unprotected soil was subject to rapid and excessive erosion. There becomes a point when individuals need to take responsibility for their own actions and poor decisions.

I informed the owner that I would provide a written description of what the District is willing to do, as follows:

1. Western Drainage – Place rock riprap at end of culvert (which is inside our easement) to minimize future erosion, and
2. Eastern Drainage
 - Place a 22.5-degree union on end of recently installed culvert;
 - Straighten stream channel away from their fence;
 - Place excess soil present next to fence, and
 - Place rock riprap next to fence corner.

District actions have in no way damaged their property, and the current grading project will give them additional protection. This is a minor amount of work, and upon signed acceptance by the owner, will remove liability from the District.

Thanks,

Larry Johnson, President

Witnessed by:

Don Otto, Trustee

PVGID OPERATIONS REPORT

Report Period 6-17-2019 to 7-14-2019

ATTACHMENT: 7/18/2019 Meeting Agenda Item 5. e.

ROADS GRADED AND COMPACTED:

1. Wilcox Ranch: Twin Springs to Quaking Aspen
2. Wilcox Ranch: Quaking Aspen to 2800 Wilcox "pit" - Pull material from shoulder rebuild road
3. Wilcox Ranch: 2800 Wilcox to Goodher Rd - Pull material from shoulder to rebuild road
4. Quaking Aspen: From Wilcox Ranch - Grub North & South shoulder, Rip and pull material from South shoulder to build up road, sift lots of rocks out, compact
5. Curnow Canyon
6. Sharrock: Broken Spur to Grass Valley
7. Grass Valley (West)
8. Range Land: Gray Van to Peak
9. Prairie: Winnemucca Ranch to Big Dog
10. Big Dog
11. Piute Creek: Whiskey to turn - Spot grade
12. Piute Creek: Turn to end of maintenance - Also widened several areas

OTHER ROAD WORK:

1. Right Hand Canyon - Patch 3.5 tons
2. Whiskey Springs (Upper) - Patch 1.39 tons
3. Amy: Sharrock to Ironwood - Patch 0.5 tons
4. Ironwood "Hill" - Patch 1 ton
5. Wilcox Ranch - Install 6'x24" HDPE extension on #4 Culvert, Install a retrofitted 10'x48" CMP extension on #5 concrete culvert
6. Range Land - Washout cattle guard and repair
7. Grass Valley (West) - Washout cattle guard and repair

OTHER:

None

EQUIPMENT:

1. '05 International water truck: Rear, right, front axle brake maxi pod broke off at the bolts - had to cage and back off brakes, took back to yard, R&R
2. '95 Peterbilt water truck: Air leak - hose replacement pending
3. 770 Grader: Hydraulic filter came loose - Installed new filter and added 2.5 gallons hydraulic fluid
4. 770 Grader: Engine temp gauge registered hot because radiator dirty - Washed and flushed dirt out of radiator cooling fins
5. 770 Grader: New Tires (6)
6. '92 Freightliner dump truck: New steer tires (2)
7. '88 International patch/sand dump truck: New tires (6)
8. '05 International water truck: R&R front cab bushings