

REGULAR MEETING

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

Thursday, October 17, 2019

MINUTES

Trustee Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:01 p.m. Thursday, October 17, 2019 at 21555 Pyramid Highway, Reno, Nevada.

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

Trustee Dennis stated he used a drag on Rebel Cause Road and asked that the road be watered so the work might last for a little while. Shawn Kelly said he would have a load of water sprayed on it first thing Monday morning.

Trustee Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.
3. **Approval of Minutes – September 19, 2019 and October 3, 2019:** For the October 3, 2019 minutes, Trustee Dennis asked to have several changes made, as follows:
 - Page 3, fourth paragraph, fourth sentence: “Trustee Dennis indicated additional widening would eliminate the dirt road edges and make them susceptible to deterioration near the newly-placed asphalt edge. He added since this is not a road-widening project, we need the dirt edges to be there so we don’t crumble the new asphalt edge.”
 - Page 4, last paragraph, last sentence: “He said if you have soft spots, it will crack out underneath and go bad; like an asphalt road that has a depression, it will crack wherever the water sits.”
 - Page 7, second paragraph: “Trustee Dennis said he wanted to hear from our constituents.”
 - Page 16, third paragraph: “Trustee Dennis said he has looked at additives that might improve areas of clay, but if it’s dusty, fine grained or with no clay content, or the topsoil is DG, it won’t work.”
 - Page 18, third paragraph: “Trustee Dennis said he found one individual to work on the patch crew.”

Pam Roberts, in the audience, clarified her statement made during the September 19, 2019 meeting regarding attorney Louie Test not being present. She stated her concern was not about the quality of Mr. Test’s representation, but that when Mr. Test is not present, he cannot advise the Board on matters that arise during a meeting.

Trustee Dennis made a motion to approve the September 19, 2019 minutes as written, noting Ms. Robert’s comments, and to approve the October 3, 2019 minutes as amended. Trustee Breitmeyer seconded the motion, and hearing no opposition, the motion passed.

4. Financial Reports and Payment of Bills:

- a. Financial Reports:** Trustee Johnson reported per the Estimated Operating Funds for Capital Improvements report (see attached), we are projecting Net Operating Funds for Capital Improvements of \$237,000, and asked if that was for next summer's projects? Cathy Glatthar explained she held back amounts for the balance of the Joy Engineering contract, the "Before Winter Road Work" of \$74,000, and the SNC contract [for the Pavement Edge Reinforcement project] of \$100,000, so yes, the \$237,000 is what's remaining for next summer's projects. Trustee Johnson stated he was hoping that net operating funds figure would be higher.

Cathy reported corrections were made for an error in the LGTA distributions for fiscal year 2019, and the GID's portion, \$1,481, was taken out of the September LGTA payment. Trustee Johnson commented that actual revenue was slightly higher than estimated [by \$18,000].

- b. Payment of Bills:** Cathy Glatthar reviewed the transaction report (see attached). She stated the total cash in all accounts was \$471,305.94, and the income for the month was \$46,232.70. She stated there were no unusual payments this month, but there was the purchase of four grader blades, and she asked Shawn Kelly to expound on that bill. Shawn Kelly explained that Trustee Breitmeyer put us in touch with a new company, and we purchased the grader blades for half of what we were buying them for. Several people thanked Trustee Breitmeyer. Cathy explained that the bills being paid by checks tonight are now on the front of the transaction report. In answer to Trustee Johnson's question, Cathy explained our bills and payroll for the month totaled about \$24,000, which is a little bit below our average of \$30,000 per month. Trustee Dennis made a motion to approve the transaction report and pay the bills. Trustee Breitmeyer seconded the motion. Hearing no opposition, the motion passed.

5. Road Maintenance Reports:

- a. Road Reports:** Trustee Johnson said we are keeping pretty well abreast of most [road maintenance] requests, but we are lagging on a few requests. He said Shawn Kelly has been very busy with grading roads and preparing for next week's pavement edge reinforcement project.
- b. Status of 2019 Road Improvement Project:** Trustee Johnson explained there is a day's worth of backhoe work yet to be done by the contractor. He said that entails shaping the inlets to culverts primarily on Grass Valley Road west and some minor backhoe work to be done on Wilcox Ranch Road. He said the final bill from the contractor will be paid after this backhoe work is completed and signed off on.
- c. Status of 2019 Pavement Edge Reinforcement Project:** Trustee Johnson reported we have a signed contract with Sierra Nevada Construction (SNC) for time and materials with a daily rate for labor and equipment plus a unit price per ton of asphalt concrete delivered to the site (cost of trucking and material). He said that work will commence next Tuesday (October 22nd) and will take two to three days. He said with the amount of money we have available, we will be able to cover four to five miles. He reiterated the priorities are Whiskey Springs Road from the bridge crossing to the Pyramid Highway and Ironwood Road just west of Amy, around the sharp corner, and continuing north to just past the Ironwood pit. He said that will leave a fair amount of Ironwood that still needs pavement edge reinforcement, but that's all the money we have allotted for this year.

Upon Trustee Johnson's request for an update on hiring an asphalt patching crew, Shawn Kelly explained he had two or three interviews that didn't work out and he was still in the process of hiring a patching crew. Trustee Johnson stated the interior potholes will be fixed by the GID's crew.

Shawn added they worked on the shoulders and escapes on approximately one mile of Ironwood Road, where they also had to pull a lot of the sandy material that had been flowing down for years. He said they put down 100 yards of base on a 1,600-foot section of the Ironwood shoulder.

Trustee Johnson said we'll probably have to do more prep work. He said the contractor has suggested using a shoulder paver instead of the smaller, Pavijett machine. He said it will be more cost-effective. He said he will be keeping track of the tonnage of material and the cost and staying within our \$100,000 ceiling. He said that ceiling is necessary because for contracts of \$100,000 or more, we would have had to advertise for bids instead of soliciting for bids from three major companies, and we would have had to apply to the State for a prevailing wage contract number and be subject to prevailing wage requirements. He said we get more bang for the buck if we stay below the \$100,000 threshold.

- d. Report on Flood Repairs and Mitigation and FEMA and State Disaster Funding (2017 Flood):** Trustee Johnson stated FEMA has approved the last project and forwarded it to the State, and we are waiting for the State to process the two remaining project worksheets. Cathy Glatthar added that once the State processes those two worksheets, she will be able to submit the paperwork for reimbursement. Cathy explained with FEMA's [75%] reimbursement and the State's 12.5% reimbursement, we will receive approximately \$50,000 to \$60,000. Trustee Johnson recognized Cathy for her efforts in getting the FEMA reimbursement. He said he provided Cathy with the data, but she has been ... Trustee Dennis said, good job Cathy. Trustee Johnson said in the end, the total reimbursement will be about \$130,000, so it was well worth the effort.
- e. Operations Manager's Report:** Shawn Kelly referred to his list of work to be completed before winter, dated September 15th (see attached), and stated they have completed the following:
- Graded - Pasture View North
 - Graded - Chieftan (Prepped for gravel haul)
 - Graded - Wild Horse, from Whiskey Springs to Crossover
 - Prepped and Graveled - Crossover, 483 yards of gravel placed from Wild Horse to Twin Springs
 - Graded - Wilcox Ranch from Twin Springs to Amy
 - Graded - Amy short (Ironwood to Wilcox Ranch)
 - Graded - Crazy Horse from Wilcox Ranch to Yellow Tail
 - Graded - Yellow Tail from Crazy Horse to Chantry Flats
 - Prepped and Graveled - Chantry Flats, 506 yards of gravel placed from Charlie's corner to end
 - Graded - Prairie from Winnemucca Ranch to Big Dog

- Prepped and Graveled - Big Dog, 368 yards of gravel placed from Prairie to end [of maintenance]
- Graded - Prairie from Big Dog to end
- Graded - Jackrabbit North and South
- Graded - Broken Spur North
- Graded - Bootstrap

He stated they graded 21 roads since last month's report, including swales and escapes which take longer. He said there's still a lot of work to be done. He said they have been doing infrastructure work and there are two seasons: winter and road work. He said they cannot do a lot of road work in the winter, so they have been trying to catch up on some of the infrastructure work. He said they still have quite a few culverts to install, but they are going to go out and grade roads to make them smooth, without spending time on the sides of those roads.

Shawn stated there was a horse racing event on Grass Valley Road, west of Pyramid Highway, a few days after the contractor had completed the work on Grass Valley. He said it rained that day and the vehicles exiting from the property tracked mud onto the newly graveled road. He said such operations should be required to have some sort of tire-wash system or cancel the event so they don't destroy the work we just had done.

Trustee Johnson agreed and stated it wasn't a permanent issue because within a few days the clay that had been tracked onto the road had dried up and blown away. He said any construction job requires a truck run out; a short section of three-inch-minus, coarse, angular, cobble that trucks have to drive across while leaving the construction site so that the dirt and clay drops off before they enter onto a city street or highway. He said we need to include this truck run out requirement for future special use permits (SUPs), and he would like to have the current SUP amended.

Cathy Glatthar stated she has contacted Washoe County and is waiting to hear back on the procedure to amend the SUP to add the new condition.

Shawn added he has had concerned residents calling him to report the road is being torn up by a commercial operation on Bacon Rind north. He said it is the pumpkin patch and corn maze events that are happening on the weekends. Cathy said they may have a special events permit and not a special use permit.

6. Old Business:

a. Discussion of October 3, 2019 Special Meeting and Workshop: Trustee Johnson stated there were a number of items brought up during that workshop including funding, road maintenance, levels of maintenance, requests for maintenance, etc. He said he appreciated everybody's input and they will do their best to consider that input in their future decisions. He said there were a few statements made at the workshop that needed to be corrected, as follows:

- He said a statement was made that there were [65] roads in our system and only [35] had been graded [in a nine-month period]. He stated, in actuality, there are 48 roads in our system and three of those roads are completely [hard-]surfaced, so there are 45 roads that we grade. He said through the commenter's cut-off date of August 15th, we have graded 38 out of 45 roads,

and Shawn has subsequently graded a few more of those roads. He opined that every road within our system will be touched within a year's period. He said the statement made that we had only graded half of our roads within a year's period was extremely misleading and not true.

- He said that same individual made a statement three meetings ago that the District should be notifying everybody in writing when we are going to be doing capital improvement projects in front of their property. He said since we have a lot of absentee property owners and so forth, that's going to be tough for us to do. He said he questioned that individual and asked if when she was on the Board, if the Board had notified residents before they tore up the pavement on Whiskey Springs, from the Pyramid Highway to Grass Valley, and she replied they had notified everybody in writing. Trustee Johnson said he interviewed Mr. Pratt, the only resident on that section of road at the time, if Mr. Pratt had been notified, and Mr. Pratt said neither he nor his farm corporation had been notified in writing or by phone or verbally.

Trustee Johnson said his point in making those corrections is that we are here to do our best for the residents of this Valley. He said we are here in a volunteer position and put in a whole bunch of hours and a bunch of effort. He said Trustee Otto used his own equipment and removed willows from the side of Quaking Aspen Road and also rough-graded a couple of vehicle turnouts. He said in actuality, residents who perform work on the road are supposed to come to the Board and inform us of their intent, get Board approval, and in actuality, this is something the Board needs to discuss here; are there insurance requirements that go along with that? He asked what if a vehicle hits somebody while they are using their private equipment to work on one of our roads?

- b. Discussion and Possible First Reading of Resolution F19-R1 Roads Accepted for Maintenance, Level of Maintenance Designations, and Road Maintenance Standards - This Resolution Supersedes Resolutions F77-R4 Road Maintenance Seasonal Roads, F93-R1 Resolution for Accepting Seasonal and Future Roads for Normal Maintenance by Palomino Valley General Improvement District, and F06-R1 Roads Accepted for Maintenance and Level of Maintenance Designation:** Trustee Johnson said he had written a proposed resolution for consideration by the Board and the public and started to read it into the record. Trustee Dennis interjected and said he did not agree with Trustee Johnson's proposed language that, "The classification of 'Seasonal Roads' described in previous resolutions is hereby terminated." Trustee Dennis said if the seasonal roads are eliminated, then all the roads will be required to be maintained even in the higher elevations when it snows and you have roads that are impossible to remove the snow from, as well as get access to, and you are creating an impossible problem for the GID. Trustee Johnson stated Curnow Canyon is the highest-elevation road in our system, and confirmed with Shawn Kelly that Shawn has done snow removal on Curnow Canyon during our worst snow storms.

Shawn asked to correct the record, that maybe past operations managers have not done snow removal on these high-elevation roads, but he worked on a road crew in Tahoe and bladed roads with three-to-four feet of snow. He said you can remove snow in the higher elevations if you chain up and do it properly.

Pam Roberts, in the audience, called for a point of order, stating that [Trustee Johnson's draft resolution] document has not been shared with the public.

Louie Test agreed and said neither the public nor the Board or himself have had a chance to review this document.

Ray Johnson, in the audience, suggested that Trustee Johnson should wait until agenda item number 12 (Board Member and Staff Items) to read the proposed resolution into the record.

Trustee Dennis said he was impressed with some of the ideas and one of the things he took from the workshop was the class 1, 2, and 3 values on a road, was still a good format to use. He said there's nothing perfect about it; we went through detailed discussions of what was a 1, 2, and 3 road. He said there was no specific clarification, but it gives somebody an idea of what to expect. He said there are exceptional situations where there is more traffic, such as workers going up to [Virginia] Peak. He said there are roads all over the District that receive a lot of commercial traffic, so we shouldn't just be going after commercial operators who use our roads to access their sites on Virginia Peak to get them to contribute dollars for road maintenance. He said he has noticed a lot of commercial traffic that we don't have control over, and making a special issue out of one road maybe isn't the way to look at it. He said maybe we could designate the roads to be used, such as Whiskey Springs instead of Ironwood. He said he didn't know if we could focus on collecting money from commercial traffic; it's pretty hard to do.

Trustee Dennis said he liked the ideas that Ms. Roberts and Ms. Willmore had about collecting money; such as going to the State Legislature. He said it's not an easy thing; going to the State Legislature is risky.

Trustee Dennis said Trustee Johnson did a good job talking about the Special Plan Area, and the historical information was worth reading again.

Pam Willmore said she did some research and believes that the GID Board sets the ad valorem [rate] and then it's taken to the County Commissioners, and the County Commissioners are responsible for having the ad valorem tax collected by the tax authorities.

Cathy Glatthar said she did some preliminary research on this, and Ms. Willmore is correct that this Board sets the ad valorem rate, however, there's a state-wide cap of \$3.64 per \$100 of assessed value. She said there would be a very low chance of having the state-wide cap increased for the benefit of the PVGID. She explained the GID does not have the capability to sponsor a bill draft request; we'd have to get a legislator or possibly, Washoe County to sponsor a bill draft request for us, but she said she doesn't know exactly how that works.

Ms. Willmore said there are other GIDs in the State who might possibly have the same problems. She said she understands there's a cap and we've reached that cap, and in order to change the GID's current rate, we'd have to go to the Legislature, which isn't impossible.

Trustee Johnson said you would be bucking the residents of every city and county in the State for the benefit of a handful of people that live within these GIDs, and your chance of doing that, in his opinion, were slim and none.

Cathy explained there is the possibility of a tax-cap override. She stated it would be a ballot question that would have to be posed to the registered voters in the GID's District. She reiterated that she did not know exactly how this works; that she's only done some preliminary research. She said there was a two-cent Library tax override voted on in 1994 that increased Washoe County's maximum, combined rate to \$3.66. In answer to Trustee Johnson's question, Cathy said unless that statute has changed, just a simple majority, not two-thirds, would be needed to pass the ballot question.

Trustee Dennis said we also discussed at the workshop that the County collects ad valorem taxes, and there are subdivisions in the County that, with some of the ad valorem taxes, get their subdivisions repaved, concrete fixed, storm drains fixed. He explained out here we get taxed that same ad valorem tax by the County and we get zero benefit. He said that small percentage of value out here, that might be agreeable to the County at some point in time, if we could get that portion of it, and maybe even cut a deal with a tax-cap override so we could somehow maybe double our fees and make a big dent in the improvements to the roads out here. He said he wasn't sure if he would voice his opinion against \$300 versus \$600 a year on roads, if we were improving them by 100 percent.

Trustee Johnson said the entire County road department is funded by gas taxes, including the repaving done in subdivisions. He said Trustee Dennis' comments got him thinking about things, and he reviewed a project done by his former company that involved the Zephyr Cove General Improvement District. He said he was astonished to learn that years ago, the Zephyr Cove GID received a Federal Highway Administration grant for their road improvements. He said he will look into that for us. He added that he has not given up on the gas taxes. He said he wanted Louie Test to request a legal opinion from the State Attorney General whether the GID is eligible to receive gas tax distributions.

Louie Test said he did research the matter and it has to go through the County because GID's are not one of the agencies that can receive gas tax distributions. He said that's something that could be changed through the Legislature.

Trustee Johnson said he fully recognizes that if you go to the Legislature and ask for your fair share of gas tax, then the City of Reno, City of Sparks, Carson City and Las Vegas are going to oppose you getting any dollars because it takes away from their share. He said he needs to meet with the new County Manager.

Trustee Johnson said Trustee Dennis brought up a number of issues that were discussed in the October 3rd workshop; one of which was the table showing the Levels of Maintenance: 1, 2, and 3. He said it was important that our residents realize that table is fine, but it's a little subjective and is continually changing as new people move in on certain roads and traffic increases on those roads. He said he felt it was important to review that table every five years. He said secondly, he thought it was important that everyone understood that the number of residents on a road is but one of the factors involved in how often that road probably gets graded. He said in general, the heavier trafficked roads will get maintained more often than the least travelled roads. He said there are other very important factors such as weather events that don't affect certain roads, that hammer some smaller roads that require an inordinate amount of effort to keep them serviceable. He said there are factors such as sub-grade soil characteristics; a lot of our sandy roads, like Bacon Rind, they

washboard three days after you grade them. He said some of our roads on the alluvial fan that have sufficient binder and good granular materials, you can grade them very infrequently and they stay in much better condition than some of these other roads that we have to grade more frequently. He said you have to keep in mind that the 1, 2, and 3 LOMs that are based on how many houses that that road serves, is but one of the factors involved in the decisions on how often a road gets attention.

George Boyce, in the audience, opined that the LOM should not be based on the number of houses served. He said the GID should take a physical count, using traffic counters, and find out how much traffic you have. He said on Range Land, there's a lot of traffic going to Moon Rocks that has nothing to do with the local citizens.

Trustee Johnson agreed and said they have used traffic counters in the past and Ironwood/Wilcox Ranch had the highest amount of traffic, Whiskey Springs was second, Axe Handle was third, and Range Land was fourth. He said maybe it's time to do it again. He added that all of these four roads are LOM 1 roads.

Trustee Johnson said there was a lot of good discussion at the workshop and for several of our dirt roads: Amy between Ironwood and Wilcox, probably two-and-a-half miles of Wilcox, and the upper section of Right Hand Canyon, we will be looking at some type of soil stabilization or dust palliative. He said we will have the winter to look at some twenty-five different products, some new ones, including one Trustee Dennis found. Trustee Johnson said we'll have to determine which product works best for the clay soils; these products do not work on sandy soils such as Bacon Rind and the roads off of Range Land. He said we will look into these soil stabilization products for next summer, because it doesn't look like we are going to have the capital budget to do much in the way of asphalt surfacing.

Pam Willmore said she wanted to make one more suggestion about raising fees. She said she understood that it would be difficult to keep track of construction vehicles, such as concrete trucks, going to a property under construction, but wondered if some kind of fee could be attached to a building permit.

Dan Klebenow said he believed the City of Reno charges a fee for road use by construction trucks for a single house being built, and that Washoe County charges a road fee for subdivisions. He said it would be nice if the GID received some of that money.

Trustee Johnson said in his future meeting with the County Manager, he would discuss having a GID fee attached to building permits.

- c. **Right Hand Canyon Road:** Trustee Johnson said he already mentioned Right Hand Canyon Road.
- d. **Broken Spur, Sharrock, and Amy Developer-Placed Cape Seal Repairs:** Trustee Johnson said in this next month he will contact the developer, Brian Murphy, and make the request that Mr. Murphy maintain the Cape seal that he placed on those roads. Trustee Johnson said it would be a peer request because Mr. Murphy put the Cape seal down, sold houses, and made the profit. He said Mr. Murphy was supposed to form a Homeowners' Association to collect fees for that purpose; it didn't happen, and now we the GID and the residents are stuck with it. He said we have no enforcement authority. Someone in the audience asked if we had any legal

enforcement. Louie Test said the best way we might have any enforcement in the future would be get a special use permit (SUP) provision requiring an agreement with the developer that the developer will maintain the road conditions after construction is completed. He said if there is a violation of an SUP condition, then we could file a complaint with the Planning Department; that's one of the ways we could get the enforcement and the other way would be through the subdivision process. Trustee Johnson reminded Louie Test that the developer circumvented the subdivision process by doing serial parcel maps.

Larry Chesney, in the audience, stated Brian Murphy was not the developer of those particular lots; Brian Murphy was the home builder. Mr. Chesney said Mr. Murphy is the land developer for the new development on Grass Valley Road that will utilize Ironwood Road for access. Mr. Chesney said he knows about this because he is on the County Planning Commission and did a lot of research on the history.

Trustee Johnson clarified that it was Mr. Murphy who constructed the Cape seal on portions of Amy, Sharrock, and Broken Spur.

Trustee Johnson reiterated that he will first ask Mr. Murphy to repair the asphalt on those roads, and if Mr. Murphy doesn't agree to do so, then the GID will.

- e. **Water Rights:** Trustee Johnson said he has sent an email and left a phone message, but hasn't met with Mr. Lindesmith yet. Cathy Glatthar confirmed that we need the information from Mr. Lindesmith by next month. Louie Test asked if we were keeping track of the gallons? Shawn and Cathy said yes, and we've actually met the usage for one of the 4-acre-foot permits in the Ironwood well. Trustee Johnson said we can file for Proof of Beneficial Use for that permit. Louie said we'll have to file for extensions on the remaining two permits.

7. **New Business:** None

8. **Judicial/Government Affairs:** Louie Test said he had nothing to report.

9. **Calendar Review:** Cathy Glatthar reported the next meeting is November 21st.

- Trustee Johnson asked if there were trustees up for election in 2020? Cathy said the seats held by Trustees Currivan, Otto, and Breitmeyer are up for election in 2020.
- Cathy stated she will get the Quarterly Economic Survey done by November 14th.
- Cathy said the Acceptance of the Audit will be on next month's agenda. She said the audit was being wrapped up. She said she received a draft of the audit and had several questions and comments and was waiting for the auditor to finalize the audit.
- In answer to Cathy's question about when he wanted to agendize "Implementation of Future Capital Improvement Projects," Trustee Dennis said the public is going to want to know what's planned for the future, and this can wait until after the first of the year.
- Trustee Johnson informed the Board he would not be here for the meeting on November 21st.

10. **Correspondence:** None

11. **Public Comment:**

Ray Johnson thanked Shawn for doing a great job on north Broken Spur about a month ago. He said it's really great compared to what they had before; it's wide enough for two cars to pass without having to go into the ditch.

Shawn Kelly said he is aware there is a soft spot on that road and he will bring in some material for that spot and they need to also put in a culvert there.

Judy Costanza, Right Hand Canyon Road, asked what level was her road?

Cathy Glatthar responded Right Hand Canyon is a level 2 for the first 3.2 miles.

Ms. Costanza said there are nine new families in the canyon and they drive like maniacs, and the dirt just flies up into her house. She asked that the dirt be brushed off the road and the potholes be filled

Trustee Johnson reiterated that the GID wants to put down a soil stabilization/dust palliative product that will reduce the dust significantly. He added we'll be in winter soon and the dust will settle and the soil stabilization will be done next year.

Ms. Costanza commented about the way these people drive.

Shawn Kelly said he was in a work zone and a driver came at him doing 50 miles per hour, and Shawn said he signaled for the driver to slow down and the driver flipped him off.

Dan Klebenow, Right Hand Canyon, said the Board talked about fixing the Cape seal on Broken Spur, Sharrock, and Amy, and asked why can't Right Hand Canyon be fixed with Cape seal?

Trustee Johnson responded and explained that Cape seal costs \$70,000 a mile and it costs \$300,000 a mile for paving.

Mr. Klebenow said we've talked about this before and in 2016, he said Trustee Johnson stated he was going to make the Right Hand Canyon people happy. Mr. Klebenow said he hasn't seen any happy people up there with all this pavement being busted up under normal wear and a blade coming through there and pulling up a lot of the asphalt. He said he knew the GID was doing their best, but why couldn't they put a chip seal over that existing pavement that's there?

Trustee Johnson said he just answered that question; it's money.

Mr. Klebenow added that was 2016; now it's three years later and everything is more expensive.

Trustee Johnson said what happened the very next year - in 2017 we had an 80-year flood that decimated our whole system and we spent our whole year's budget trying to fix flood damage. He said and then this past winter, we had more flooding.

Mr. Klebenow asked why Broken Spur, Sharrock, and Amy get precedence over Right Hand Canyon?

Shawn Kelly explained nothing has actually been done on Broken Spur, Sharrock, and Amy. He said as far as him coming in with the blade, all he knew was that section of Right Hand Canyon was a dirt road. He said there was a lot of gravel over that road.

Ms. Klebenow said you can still see chunks of pavement there.

Shawn said there were past blade operators that pulled dirt onto that road.

Louie Test interjected and stated we take public comment and don't get into a lot of discussion.

Trustee Johnson addressed Mr. Klebenow and explained for Broken Spur, Sharrock, and Amy we are talking about filling potholes; we are not talking about paving a half-mile section of road. He said there is no comparison in cost or level of effort. He said he

would love to make everybody in this Valley happy. He said he is on his third term, and that would be mission impossible. He said we do our best with the dollars we have available.

Ms. Klebenow said last week she saw a street sweeper on Whiskey Springs Road and could they have the street sweeper on Right Hand Canyon to clear the dirt off and then see what's there?

Shawn said first you'd need to talk to a lot of residents who have not had their road graded; and said although he understands the purpose for doing that, sweeping that section of Right Hand Canyon would take time away from grading roads. He explained what they were doing on Whiskey Springs Road with the sweeper was preparing for the edge pavement work that's going to be done next week.

Trustee Johnson said if you dig down in that half-mile section of Right Hand Canyon Road, you will find a piece of asphalt here and there; it's not continuous.

Mr. Chesney said that pavement was put in [50-some] years ago by Rocketdyne. He said the GID has done a tremendous job over the past two years with some capital improvement projects and they are doing the best they can with the small amount of money they have. He said as people continue to develop in the Right Hand Canyon area, there's more and more traffic; these roads were never ever intended for the level of traffic we have now. He said the GID can't continue to pave because they don't have the Federal money like Rocketdyne had.

Ms. Klebenow, 3155 Right Hand Canyon Road, said she has lived there for 23 years and she has see a deterioration of the road. She said recently the GID put down some base, but currently the base has shifted to the sides of the road and once again, potholes and uneven surfaces have reappeared. She asked what are we going to do about it?

Mr. Klebenow said there are people moving onto their properties, living in trailers, and bringing in Conex containers. He said he believed that was illegal, that you needed a building permit in order to have any type of storage on your property.

Mr. Chesney said that's a County code enforcement matter.

Mr. Klebenow said he has talked to the County.

Trustee Johnson said he and his wife had acted on individuals who essentially squatted for months on a property, and it was very difficult, but they finally did get the County to act.

Cathy Glatthar stated code enforcement is complaint driven; someone has to report such violations before code enforcement will investigate.

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:

- Trustee Johnson read into the record his proposed Resolution F19-R1 Level of Maintenance Designation (see attached, as amended). He handed his draft to Cathy Glatthar and asked her to type it up and send it out. This item will be on next month's agenda.

13. Adjournment: Trustee Dennis made a motion to adjourn the meeting. Trustee Breitmeyer seconded the motion, and hearing no opposition, the meeting adjourned at 7:40 p.m.

ESTIMATED OPERATING FUNDS FOR CAPITAL IMPROVEMENTS

ATTACHMENT - 10/17/2019 Meeting - Agenda Item 4.a.

TOTAL CASH IN ALL BANK ACCOUNTS AS OF OCTOBER 17, 2019	471,306
ADDITIONAL REVENUE EXPECTED THROUGH AUGUST 31, 2020	559,036
ESTIMATED OPERATING FUNDS THROUGH AUGUST 31, 2020	1,030,342
LESS AVERAGE MONTHLY EXPENSES X 10 MONTHS	-300,000
LESS Hot Pot & Plow (\$10,500 max for both); Capital Outlay (\$75,000 - \$10,500 = \$64,500); Balance of Joy Eng Contract (\$86,932.70); Audit \$10,200 (Nov); Unexpected Repairs (\$5,000/mo x 10 months); Insurance (\$9,000 Jun or Jul); Before Winter Road Work - Aggregate, Trucking, Culverts (\$74,000); Workers' Comp \$1,772 (Nov, Feb, May) & \$2,400 (Aug); SNC \$100,000 (Nov)	-412,849
LESS RESERVE FUNDS (= ENDING FUND BALANCE PER BUDGET)	-80,000
ESTIMATED EXPENSES & RESERVES THROUGH AUGUST 31, 2020	-792,849
NET OPERATING FUNDS FOR CAPITAL IMPROVEMENTS AS OF AUGUST 31, 2020	237,493

Additional Revenue Expected Through August 31, 2020:

285,000	Ad Valorem	Nov '19 thru Aug '20	169,836
432,000	CTX	36,000 x 10	360,000
35,040	LGTA	2,920 x 10	29,200
752,040			559,036

MONTHLY EXPENSES:

	Average	Actual	Difference
Payroll	18,000	10,904	11,500
Other (non Road Maint)	12,000	12,304	-304
	30,000	23,208	11,197
Road Maintenance		1,222	
TOTAL EXPENSES		24,431	

REVENUE - ACTUAL AND ESTIMATED

NOTE: As of 10/17/2019 Actual Revenue Exceeds Estimated By:

\$18,139.16

AD VALOREM

Date	Estimated	Actual	Difference	YTD Difference
at 09/19/19 (35%)	99,750.00	108,753.21	9,003.21	9,003.21
at 10/17/19	0.00	6,410.74	6,410.74	15,413.95
November (21%)	59,850.00			
December	0.00			
January	0.00			
February (21%)	59,850.00			
March	0.00			
April (21%)	59,850.00			
May	0.00			
June	0.00			
July (2%)	5,700.00			
August	0.00			
	285,000.00	115,163.95	-169,836.05	

CTX

Date	Estimated	Actual	Difference	YTD Difference
at 09/19/19	36,000.00	37,881.70	1,881.70	1,881.70
at 10/17/19	36,000.00	36,664.07	664.07	2,545.77
November	36,000.00			
December	36,000.00			
January	36,000.00			
February	36,000.00			
March	36,000.00			
April	36,000.00			
May	36,000.00			
June	36,000.00			
July	36,000.00			
August	36,000.00			
	432,000.00	74,545.77	-357,454.23	

LGTA

Date	Estimated	Actual	Difference	YTD Difference
at 09/19/19	2,920.00	2,871.61	-48.39	-48.39
at 10/17/19	2,920.00	3,147.83	227.83	179.44
November	2,920.00			
December	2,920.00			
January	2,920.00			
February	2,920.00			
March	2,920.00			
April	2,920.00			
May	2,920.00			
June	2,920.00			
July	2,920.00			
August	2,920.00			
	35,040.00	6,019.44	-29,020.56	

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

TRANSACTION REPORT

As of October 17, 2019

Total of all Bank Accounts:	Balance as of October 17, 2019 - Almost CD #5010	451,893.06
	Balance as of October 17, 2019 - P/R / Petty Cash #4430	17,000.00
	Balance as of October 17, 2019 - A/P / General Ckg #4179	<u>2,412.88</u>
	Total Cash In All Accounts	<u><u>471,305.94</u></u>

<u>Wells Fargo - Almost CD #5010</u>		Balance as of September 19, 2019	431,266.93
Income for the Month			
Ad Valorem/Property Tax	6,410.74		
Consolidated Tax (CTX)	36,664.07		
LGTA/Fair Share	3,147.83		
Other Income	<u>0.00</u>		
TOTAL	46,222.64		
Interest Income	10.06		46,232.70
Transfer to Wells Fargo #4179	(9,500.00)		
Transfer to Wells Fargo #4430	(16,106.57)		(25,606.57)
		Balance as of October 17, 2019	<u><u>451,893.06</u></u>

<u>Wells Fargo - A/P / General Ckg #4179</u>		Balance as of September 19, 2019	811.87
Transfer from Wells Fargo #5010	9,500.00		
Interest Income	0.07		9,500.07

NAME	CK #	AMOUNT	DESCRIPTION	
Catherine Glatthar	9724	2,547.66	Secretarial Services \$1,762.50, Accounting \$647.50, Office Supplies \$104.60	
Flyers Energy	9725	1,612.88	Fuel \$1,416.88, Grease \$196.00	
Granite Construction	9726	1,221.96	11.98 tons cold patch @ \$102.00 per ton	
Hoffman & Test	9734	435.00	Monthly retainer - 9/19/2019 mtg & travel costs	
NAPA	9727	240.17	Battery Charger, O Rings, & Paint for Gas Tank	
North State Drug & Alcohol Testing	9728	40.00	Pre-employment drug testing for C Apple	
NV Energy	9729	72.33	Utilities - Electric	
Praxair	9730	256.14	Weld torch V-315HD Clam shell - shop	
Pyramid Business Services	9732	1,343.05	Monthly Bookkeeping, Payroll & Audit	
Sani Hut	9733	<u>129.87</u>	Monthly Restroom Rental	
TOTAL		7,899.06		(7,899.06)
			Balance as of October 17, 2019	<u><u>2,412.88</u></u>

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

TRANSACTION REPORT

As of October 17, 2019

<u>Wells Fargo - P/R / Petty Cash #4430</u>			Balance as of September 19, 2019	17,000.32
Void check #5916 JSG		424.81		
Transfer from Wells Fargo #5010		16,106.57		
Interest		0.32		16,531.70
Net Payroll		8,288.49	Net Payroll	
Craig's List Seller	ATM	300.00	Gasoline fuel tank	
SK's BECC 10/3/2019 Stmt				
Waste Management	SK's CC	29.16	Waste removal	
Prominence	SK's CC	2,902.71	Health Insurance	
Absolute Hose and Fittings	SK's CC	1,299.41	Grader blades (4)	
SK's BECC 11/3/2019 Stmt				
Silver State Barricade & Sign	SK's CC	40.20	Orange Flo Marking Paint 12@ \$3.35	
Craig's List	SK's CC	25.00	Job posting for Truck Driver/Laborer - Skilled Trades/Artisan Category	
Craig's List	SK's CC	25.00	Job posting for Truck Driver/Laborer - Transportation Category	
Verizon	SK's CC	35.21	Monthly cell phone bill	
Alhambra (aka DS Services)	SK's CC	12.25	Monthly office water	
RondoEnterp	SK's CC	95.00	Repair parts for F450 Snow plow	
Ebay - RondoEnterp	SK's CC	7.85	Shipping of Repair parts for F450 Snow plow	
Costco	SK's CC	248.99	05 IR Compactor Batteries (2)	
PERS	5917	2,616.00	PERS Monthly Payment	
TNT Auction, Inc.	Debit	11.11	Tack oil tank	
Federal 941 Payment	EFTPS	595.64	Payroll Taxes	
		<u>\$16,532.02</u>		(\$16,532.02)
			Balance as of October 17, 2019	<u>17,000.00</u>

Reviewed by Cathy Glatthar, Assistant to the Board: CAG 10/16/2019

PVGID OPERATIONS REPORT

Report Period 9-16-2019 to 10-13-2019

ATTACHMENT: 10/17/2019 Meeting Agenda Item 5. e.

ROADS GRADED AND COMPACTED:

[Grader Hours: 10/1 to 10/10 (7 working days) = 47 hours; 9/2 to 9/30 (17 working days) = 35 hours]

1. Wild Horse, Whiskey – to where contractor ended
2. Wild Horse, Sharrock – Crossover
3. Crossover, N
4. Crossover, Prep for gravel pull shoulders and escapes
5. Twin Springs, Crossover – Wilcox Ranch
6. Crazy Horse, Wilcox Ranch – Yellow Tail, Widen, Pull shoulders, add swales and escapes
7. Yellow Tail, Hill top of headwall – Chantry Flats Prep for trucks
8. Chantry Flats, Yellow Tail – End, Pull shoulders add swales and Escapes. Cut 300' V ditch at Charlie's turn for culvert drain to Cottonwood Creek
9. Range Land, Gray Van - Rebel Cause, Prep road for contractor to place 550 tons "24 trucks" Class E material. GID did the finish grading. Grade from Rebel Cause to Winnemucca Ranch, Install swale on South side and escapes
10. Pasture View, Whiskey Springs – Chieftan
11. Broken Spur N, Widened two feet and installed swales and escapes
12. Bootstrap, installed swales and escapes
13. Chieftan, Pasture View – end, Spot graded
14. Prairie, Winnemucca – Big Dog, Cleared shoulders, built up road, put in swales and escapes
15. Prairie, Big Dog – Jack Rabbit, Cleared shoulders, built up road, put in swales and escapes
16. Big Dog, Prep for gravel, Ditch work, swales and escapes, and truck turn around
17. Jackrabbit, N – S, Cleared shoulders, built up road, put in swales and escapes
18. Amy, Whiskey Springs – James Ranch
19. Chantry Flats, Import and spread 506 yards of gravel from Chieftan creek
20. Crossover, Import and spread 483 yards of gravel from Chieftan creek
21. Big Dog, Import and spread 368 yards of Gravel from Chieftan creek

OTHER ROAD WORK:

1. Grass Valley W, Finish cleaning culvert #7, Note: This culvert needs to be replaced
2. Whiskey Springs, Shoulder patch 12 tons
3. Wilcox Ranch, Work with contractor watering road for grading
4. Stockpile 1400 yards of gravel at Chieftan creek

OTHER:

1. R&R Wayside yard gas tank

EQUIPMENT:

1. 05 International, Oil pan bolts loose, tighten
2. 770 Grader, R&R cutting edges

Palomino Valley GID

Roadwork Before Winter 2019

- GRADE - Pasture View North
- GRADE - Chieftan (Prep for gravel haul)
- GRADE - Wild Horse, Whiskey Springs - Sharrock - Crossover
- Prep/GRAVEL/GRADE - Crossover, Wild horse – Twin Springs
- GRADE - Wilcox Ranch, Twin Springs - Amy
- GRADE - Amy short
- GRADE - Crazy Horse, Wilcox Ranch - Yellow Tail
- GRADE - Yellow Tail, Crazy Horse - Chantry Flats
- Prep/GRAVEL/GRADE - Chantry Flats gravel from Charlie's corner to end
- GRADE - Prairie, Winnemucca Ranch - Big Dog
- Prep/GRAVEL/GRADE - Big Dog, Prairie - End
- GRADE - Prairie, Big Dog - end
- GRADE - Jackrabbit North and South
- GRADE - Broken Spur North
- GRADE - Bootstrap
- GRADE - Sage Flat
- GRADE - Curnow Canyon and Space Test
- GRADE - Hockberry
- Add BASE - Wilcox Ranch, Goodher - Mid
- Add BASE - Quaking Aspen, Wilcox Ranch - O'Hara
- Add BASE - Range Land, (over existing) Grey Van - Peak

- CULVERT INSTALL - Wilcox Ranch add 22° at #3 (36") to redirect water flow
- CULVERT INSTALL - Wild Horse at Sharrock 24"x32' HDPE
- CULVERT INSTALL - 4955 Pasture View 12"x30' HDPE
- CULVERT INSTALL - 5155 Pasture View 12"x30' HDPE
- CULVERT INSTALL - Chantry Flats, Charlie's corner 15"x35' HDPE
- CULVERT INSTALL - Chantry Flats, midway at headwall 15"x30' HDPE
- CULVERT INSTALL - 4300 Amy homeowner driveway (Homeowner-supplied culvert)
- CULVERT INSTALL - Right Hand Canyon before Block house 15"x33' HDPE
- CULVERT INSTALL - Wilcox Ranch, from "oxbow" pond to Cottonwood Creek 18"x30' CMP
- CULVERT INSTALL - 2 at 6405 Grass Valley West 15"x40' CMP
- CULVERT CLEAN - 2600 Right Hand Canyon
- FRENCH DRAIN INSTALL - 4"x100' upper Quaking Aspen "At Spring"

- Clean debris from shoulder of Whiskey Springs and Amy
- Cottonwood Creek move gravel from digout back to edges of creek, install K-rail at Amy and Sharrock

October 17, 2019 Agenda Item 6. a.
Discussion of October 3, 2019 Special Meeting and Workshop

Discussion Point #1

Re: Resolution F06-R1 Roads Accepted for Maintenance and Level of Maintenance Designation (October 12, 2006 Meeting)

Purpose: To set the record straight on Susan Ambrose's assertion that sometime after the original 2006 resolution was passed, Quaking Aspen was changed to LOM 1.

From the October 3, 2019 Draft Minutes at top of page 13:

[Ms. Ambrose] said her question would be when this LOM sheet was amended in 2009, she didn't know who was on the Board at that time ^[1], but all of a sudden Quaking Aspen Road, if we're talking about level of traffic, it became a number 1 for LOM ^[2]. She said that doesn't compute in her brain if we are talking about the primary roads for ingress and egress in 2006 per Resolution F06-R1. She said what happened with the amended April 9, 2009 ^[3] that now Quaking Aspen, just a two-mile stretch, is now considered a level 1?

^[1] On October 12, 2006, when Resolution F06-R1 was adopted, the Board Members were:

1. Harold Shotwell
2. John VanderMeer
3. Deobra Solomon (absent on 10/12/2006)
4. Cathy Glatthar
5. Ray Johnson

^[2] The original, 2006 List of Roads and LOM shows Quaking Aspen (from Wilcox Ranch Road to Hidden Canyon Road) was designated as a LOM 1. Furthermore, **no** LOM designations have been changed since 2006.

^[3] Amendments (additions) to the list over the years since 2006, required a Board-approved resolution, and there have been two such resolutions, as follows:

1. March 13, 2008, Resolution No. F08-R2 - Accept Bootstrap Lane for Maintenance and Amend List of PVGID Accepted Roads and Level of Maintenance
2. April 9, 2009, Resolution No. F09-R2 - Accept Chieftan Road for Maintenance and Amend List of PVGID Accepted Roads and Level of Maintenance

Note: Revisions to correct errors have been made over the years, such as Grey Van corrected to Gray Van, Sage Flats corrected to Sage Flat, and Wilcox Ranch miles from Amy Road to Goodher Road was corrected from 5 miles to 4 miles.

Discussion Point #2

Purpose: To correct the record regarding the number of roads in the system that are maintained by the PVGID and how many have not been graded in a one-year period from October 15, 2018 to October 13, 2019 and the number of miles they represent.

From the October 3, 2019 Draft Minutes at bottom of page 12:

Ms. Ambrose said she looked back at the operations reports from mid-December 2018 to mid-August 2019^[1] to see which roads had been graded. She reported there are approximately 65 roads^[2] in the system that the GID is required to maintain. She said the GID's stated guideline and priority is to keep all of the roads serviceable. She stated of the 65 roads, [in that nine-month period], 35 roads have received road grading; that means half the roads in the District have been graded at least one time, and the other half have not been touched^[3].

[1] Ms. Ambrose "looked back" at the operations reports covering nine months, whereas, all the discussion at this meeting and the September 19th meeting, was about the GID grading all roads *at least once a year*. Therefore, twelve months of reports should be used in order to obtain meaningful statistics.

[2] There are 48 roads accepted for maintenance in the District, three of which are completely hard-surfaced (old pavement and/or Cape seal), leaving 45 roads that are all or partially dirt roads.

[3] In the one-year time period from October 15, 2018 to October 13, 2019, eight (8) roads (4.6 miles) and five (5) sections of roads (5.6 miles) were not graded.

Discussion Point #3

Purpose: To address Pam Willmore's suggestion that the PVGID go to the State Legislature and have the Ad Valorem tax cap raised so that the PVGID can increase revenues.

Preliminary findings (not all have been verified as being true and correct):

1. The Ad Valorem Tax Cap of \$3.64 per \$100 of assessed value is the **State-wide** cap (NRS 361.453)
2. A legislator (or possibly Washoe County?) would have to agree to sponsor a bill on behalf of the GID
3. A tax cap **override**, specifically for the PVGID **may be** possible
 - a. An example: The 2-cent override in 1994 to support Washoe County Libraries was approved by the voters; tax cap is currently \$3.66 per \$100 assessed valuation in Washoe County. (November 8, 1994 Ballot Question No. WC-1, Washoe County Library Question)
 - b. A ballot question would have to be approved by a majority of the registered voters residing within the boundaries of the taxing entity (NRS 361.4728)

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

RESOLUTION NO. F19-R1
Levels of Maintenance Designation

This resolution supersedes previous resolutions F77-R4, F93-R1, and F06-R1 for maintenance of existing roads. Acceptance of new roads for maintenance is covered by Resolution F16-R2.

The classification of "Seasonal Roads" described in previous resolutions is hereby terminated. Residents on roads previously listed as seasonal who desire to have road improvements beyond normal grading shall bear the cost of road improvements. It will not be the responsibility of the PVGID to upgrade these roads except where deemed practical and cost effective by the Board. These roads shall be maintained in their present condition and width.

The level of maintenance is summarized on the following, Table 1 - PVGID Accepted Roads and Level of Maintenance Amended October 2019. This table should be reviewed and possibly updated every five (5) years as growth occurs within the District.

The following procedure shall be followed to amend the list of Accepted Roads; which includes additions, deletions, and any change to a level of maintenance designation:

Upon a resolution to add, delete, or change the level of maintenance for an accepted road, the Board of Trustees must draft a resolution to amend the list of "Accepted Roads and Level of Maintenance." The resolution must include the following:

1. Name of Road
2. Portion of Road to be Added or Deleted (if applicable)
3. Number of Miles to be Added or Deleted (if applicable)
4. Level of Maintenance Designation (1, 2, or 3)

The Level of Maintenance table is a list compiled primarily on the number of residences served. It is not a guarantee of how many times a year any particular road segment will be graded since many other factors such as weather events, and subgrade soil characteristics are also involved.