

REGULAR MEETING

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

Thursday, September 17, 2020

MINUTES

Trustee Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:00 p.m. Thursday, September 17, 2020 at 5105 Wayside Road, Reno, Nevada.

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

2. **Public Comment:**

Trustee Johnson confirmed with Cathy Glatthar that no public comments were received for tonight's meeting.

3. **Approval of Minutes – August 20, 2020:**

Cathy Glatthar stated she needed to correct the record regarding the number of homes served by Broken Spur Road, and read the following statement into the record:

“When doing the ‘Homes Served Per Road’ report, I designated the 19 homes on or accessing the Cape-sealed section of Broken Spur as accessing Pyramid Highway via Ironwood Road. There are an additional 13 homes on or accessing the dirt portion of Broken Spur that were listed as accessing Pyramid Highway via Whiskey Springs Road. Therefore, as of December 2019, there were 32 homes served by Broken Spur Road between Whiskey Springs and Sharrock.”

Trustee Johnson said with that correction made, it does not change the tone or the decision of his discussion on that matter [the level of maintenance (LOM) portion of the Resolution approved last month].

Trustee Dennis made a motion to approve the minutes as written. Trustee Currivan seconded the motion. Hearing no opposition, the motion passed.

4. **Payment of Bills and Other Financial Matters:**

a. **Transaction Report and Payment of Bills:** Cathy Glatthar reviewed the transaction report (see attached). She stated the total cash in all accounts was \$433,570.10. She stated the income for the month was Ad Valorem (Property Tax) \$111,847.45, Consolidated Tax (CTX) \$42,976.54, LGTA (Fair Share) \$2,861.68. She said she wasn't sure how ad valorem would come in with COVID, but we actually received more than expected with this first installment.

In answer to Trustee Johnson's question, Cathy stated the expected annual ad valorem was \$300,000. Trustee Johnson said we received about a third of the annual amount.

Cathy went on to review some of the payments, as follows: (1) Granite Construction for \$1,428.00 for 14 tons of patching material used on Right Hand Canyon, Whiskey Springs, Ironwood, Amy, and Sharrock; (2) Sierra Nevada Construction for

\$4,628.00 for the additional 52 tons of paving material for the Whiskey Springs Road edge paving project; (3) Martin Marietta Materials for \$1,722.00 for aggregate material for Wilcox Ranch Road (purchased on July 9th and 13th).

Trustee Currivan made a motion to approve the transaction report and pay the bills for September. Trustee Dennis seconded the motion, and hearing no opposition, the motion passed.

- b. Estimated Operating Funds Report:** Cathy Glatthar reviewed the Estimated Operating Funds for Road Improvements report (see attached). She explained this was the beginning of a new 12-month period which started September 1, 2020 and goes through August 31, 2021. She stated the estimated net operating funds for road improvements as of August 31, 2021 is \$509,194.

Cathy reviewed the estimated expenses and reserves that were held out from the estimated operating funds.

Trustee Johnson commented that the figures don't take into account monies we're going to spend in winterizing our roads this fall.

Trustee Dennis said he understands what Trustee Johnson was saying, but this was the best we've had in a long time.

5. Road Maintenance Reports:

- a. Road Reports:** Trustee Johnson stated the crew continues to grade roads.

In response to Trustee Dennis' questions, Shawn Kelly said he was still looking for a water truck. He said we have two water trucks and they both leak "like a sieve." He said he has been exploring an eight-thousand gallon water tank trailer. He said that would be almost double our current capacity per load.

b. Future Road Improvement Projects:

1. Trustee Johnson said Shawn has given us a list of roads he wants to improve this fall and winter, as follows (in no particular order):
 - Amy "short" (Ironwood - Wilcox Ranch)
 - Bacon Rind (S: Axe Handle to Sky Canyon)
 - Bacon Rind (N: End of surfacing to End)
 - Wild Horse (Whiskey to Sharrock)
 - Wild Horse (Sharrock to Crossover)
 - Twin Springs (Wilcox to Crossover)
 - Twin Springs (Crossover to Cul-de-sac)
 - Right Hand Canyon (Block "house" to Raptor/Thumbs Up)
 - Range Land (Peak to Winnemucca)

Trustee Johnson stated several roads will need grading work (and some need culverts) done before material is put down, such as Bacon Rind north and south.

Shawn Kelly said he can get trucking by the first of October and the special Class E aggregate material is "on the ground."

The discussion turned to the proposed improvements to Range Land Road from Peak Road to Winnemucca Ranch Road. Shawn and Trustee Dennis talked about the low spot at the intersection of Peak and Range Land and how it deteriorates when it gets wet.

Trustee Johnson said once you start up the hill, the road is still good, and he said he would not surface that because our residents don't use that section of road.

Shawn said he actually gets requests to grade that section quite often because it falls apart quickly.

Trustee Johnson said Shawn would need to pull the sides in and raise that section of the road.

In answer to Trustee Dennis' question, Shawn said it would cost approximately \$11,000 to finish Range Land.

Trustee Johnson argued that cost is only to cover up that section with aggregate; you have to add the cost in time to raise the road before you can surface it. He addressed Shawn and said Range Land will have to wait for months into the future.

Shawn said this was an initial list and he eventually wanted every road covered.

Trustee Dennis said the major point was Range Land, as a priority, was last on the list. He said there are roads that have a much higher level of need for service, and Range Land might have to wait.

Trustee Johnson said for example, he would do Bacon Rind grading and surfacing as a higher priority than the end of Range Land.

Shawn said the list is not in any particular order; he will work on the roads on this list when he can. He said his priorities are Amy short, Bacon Rind north and south, Wild Horse, Twin Springs, and Right Hand Canyon.

Trustee Johnson said he would do Amy short first; Wild Horse, Twin Springs, and Right Hand Canyon (in whatever order Shawn decided on) next; Bacon Rind when moisture allows, and Range Land last.

Shawn said he didn't really want to put the list in any certain order because the weather may determine when he does certain roads. He said he wants to get it done.

Trustee Johnson added that every Monday morning there is an operations meeting to establish priorities for the upcoming week.

Trustee Johnson stated the cost for material and trucking for the listed roadways is estimated at \$121,000.

Trustee Dennis stated Bacon Rind needed to be done years ago, so it is appropriate to do, and Wild Horse has clay and rock and we need to surface that or we'll be in trouble. He said everything Shawn said, made sense to him.

Trustee Dennis made a motion to approve approximately \$125,000 for the wintertime improvements. Trustee Currvan seconded the motion, and hearing no opposition, the motion passed.

2. Shawn Kelly explained that at the last meeting there was a discussion about using crack sealer along the joints where the edge pavement was done. He said the cost would be approximately \$12,000 to purchase the crack sealing material.

Trustee Johnson reminded the Board that he had voiced concern on the compatibility of the crack fill material and future chip seals. He said he contacted the technical representative in Arizona for Crafcro who stated for this material, they recommended a separation of at least six months between the application of the crack seal material and the placement of any chip or slurry seal material over the top of it. Trustee Johnson said there's no problem in meeting that time separation, which meant the surface seal coats would adhere to the crack filler material. He said his concern had been allayed.

Trustee Dennis stated we are maintaining our Cape-sealed roads, first with the crack sealer and then with a chip seal later on.

Trustee Johnson clarified this process will be done on the Cape-sealed roads that have the pavement edge reinforcement.

Trustee Dennis asked if Shawn could handle this project along with all the grading that needed to be done?

Shawn said he would make it happen.

Trustee Dennis made a motion to approve the purchase of the crack sealing material. Trustee Currivan seconded the motion and hearing no opposition, the motion passed.

3. Trustee Johnson explained last month he asked the Board to consider the placement of additional edge pavement reinforcement of approximately 1.6 edge miles on Axe Handle Road. He said that would cover from Pyramid Highway to Bacon Rind (on both sides of Axe Handle) and then from Bacon Rind east approximately one half mile on one side because the road narrows so much there's not enough room to widen the road on both sides. He said he asked SNC (Sierra Nevada Construction) to prepare him an estimate and a schedule, but he has not received it, yet.

In answer to Trustee Dennis' question, Trustee Johnson said SNC charges a daily rate of \$10,000 for labor and equipment. He said there would be time left over and SNC could possibly do some pavement edge reinforcement on Bacon Rind north.

In response to Trustee Dennis' question, Shawn said this edge reinforcement on Axe Handle needs to be done now because we're losing the road; the road is narrowing because people are driving on the edge and breaking the Cape seal.

Trustee Currivan agreed and said the lower section of Axe Handle is bad.

Trustee Dennis made a motion to approve up to \$30,000 for pavement edge reinforcement on Axe Handle and possibly Bacon Rind north and authorize Trustee Johnson to administer the contract with SNC. Trustee Currivan seconded the motion and hearing no opposition, the motion passed.

Trustee Johnson said he wants to get this project done by the end of October.

c. **Operations Manager's Report:** In answer to Trustee Johnson's question, Shawn Kelly stated they are alternating between the two wells and pull a few loads of water from Wayside, but they are primarily using the Ironwood well.

6. **Old Business:**

a. **Second Reading and Possible Adoption of Resolution No. F20-R2 Amendment of Resolution Nos. F89-R1 and F91-R1 and Motion No. F93-M5, Snow Removal:**

Trustee Johnson stated the changes to the resolution discussed last month were made and asked if there was any further discussion?

Trustee Currivan made a motion to approve Resolution No. F20-R2 (Snow Removal). Trustee Dennis seconded the motion. Upon the vote, the motion passed unanimously.

Trustee Johnson said the bottom line is, when it snows a bunch, Shawn will make the decision and handle it.

7. **New Business:**

a. **Unincorporated Town Affects on PVGID:**

Louie Test said he read through the statutes and he did not see that the unincorporated town would have any impact on the GID. He said the GID would function as an independent governmental agency within the unincorporated town.

In answer to Louie Test's question, Cathy Glatthar stated one of the tax districts within the GID boundaries is at the maximum tax rate of 3.66. She said she believed the BCC (Board of County Commissioners) would have to approve a property tax override for tax district 4400. She said she tried to explore that issue, but did not have an answer on that. She said if there was no override, and the unincorporated town set a tax rate, the other three entities within tax district 4400 would have to agree to a reduction in their rates to keep the total tax rate at 3.66.

Trustee Dennis said that's questionable because there would be competing interests for any money that becomes available.

Trustee Dennis said the other interesting thing that happened at the August 18th BCC meeting was that the BCC completely revised how CABs (Citizens Advisory Boards) would operate, and are instigating measures to make the CABs more compatible with the citizens and residents within those areas.

Louie Test concluded that he did not see how the unincorporated town could have any effect on the PVGID, unless the unincorporated town wanted to change the format and wanted to take on road maintenance.

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

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

- Our next meeting is scheduled for October 15, 2020.
- The audit has gone smoothly and may be ready for the October meeting, instead of the November meeting. Trustee Johnson mentioned he answered the standard fraud inquiry questions from the auditor. Louie Test stated the auditor did not request the letter regarding any pending legal matters. Cathy said she would follow up on that with the auditor.

10. Correspondence:

None

11. Public Comment:

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

12. Board Member and Staff Items:

Trustee Dennis said in the future he would like to discuss how soil amendments could be used to correct sections of poor subgrade before we cover them with the Class E aggregate.

Shawn Kelly wanted to discuss using mag-chloride on the Class E-surfaced roads.

Trustee Johnson said next spring he wanted the Board to consider a mag-chloride type material.

Trustee Dennis said a DG (decomposed granite) road like Bacon Rind has a tendency to unravel as soon as the moisture is gone. He said the question is, is it the aggregate topping that will provide the adherence so the subgrade doesn't go bad or is it something that needs to be part and parcel of the subgrade so it doesn't unravel?

Trustee Johnson said let's have a discussion of subgrade improvement/encapsulation on roads to be surfaced with the Class E aggregate. He said Trustee Otto asked at a past meeting if we would be better off to add a thicker layer of aggregate on these roadways now?

Trustee Dennis said he agreed with Trustee Otto, but the money we had was only sufficient to do the work as estimated in Shawn's cost analysis.

Trustee Johnson verified with Shawn that the estimates for the Class E were for two tenths thickness.

Shawn added that was 1,000 tons per mile.

Trustee Johnson said since Bacon Rind will not be done by October 15th, he wanted to have this discussion at the next meeting because the Board may want to increase the thickness to four inches for Bacon Rind.

13. Adjournment: Trustee Dennis made a motion to adjourn the meeting. Trustee Currivan seconded the motion, and hearing no opposition, the meeting adjourned at 6:50 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

TRANSACTION REPORT

As of September 17, 2020

Total of all Bank Accounts:	Balance as of September 17, 2020 - Almost CD #5010	415,918.76
	Balance as of September 17, 2020 - A/P / General Ckg #4179	251.34
	Balance as of September 17, 2020 - Payroll #4430	17,000.00
	Balance as of September 17, 2020 - Petty Cash	400.00
	Total Cash In All Accounts	<u>433,570.10</u>

<u>Wells Fargo - Almost CD #5010</u>		Balance as of August 20, 2020	287,110.78
Income for the Month			
Ad Valorem/Property Tax	111,847.45		
Consolidated Tax (CTX)	42,976.54		
LGTA/Fair Share	2,861.68		
Other Income	<u>0.00</u>		
TOTAL	157,685.67		
Interest Income	2.58		157,688.25
Transfer to Wells Fargo #4179	(11,000.00)		
Transfer to Wells Fargo #4430	(17,880.27)		(28,880.27)
		Balance as of September 17, 2020	<u>415,918.76</u>

<u>Wells Fargo - A/P / General Ckg #4179</u>		Balance as of August 20, 2020	351.22
Transfer from Wells Fargo #5010	11,000.00		
Interest Income	0.03		11,000.03

NAME	CK #	AMOUNT	DESCRIPTION	
Catherine Glatthar	9834	1,548.18	Secretarial Services \$1,031.40, Accounting/Audit \$455.00, Office Supplies \$61.78	
Flyers Energy	9833	1,940.09	Fuel	
Granite Construction	9832	1,428.00	11.5 tons patching material for Right Hand Canyon Rd, 1 ton Whiskey Springs, 1.5 tons Ironwood, Amy, and Sharrock @ \$102.00/ton	
Hoffman & Test	9831	435.00	Monthly retainer and travel expenses	
NV Energy	9830	96.89	Monthly Electric Bill	
Pyramid Business Services	9829	1,023.75	Monthly Bookkeeping, Payroll, Audit Preparation	
Sierra Nevada Construction	9828	4,628.00	52 tons paving material for Whiskey Springs Road	
TOTAL		<u>11,099.91</u>		(11,099.91)
			Balance as of September 17, 2020	<u>251.34</u>

ESTIMATED OPERATING FUNDS FOR ROAD IMPROVEMENTS

ATTACHMENT - 09/17/2020 Meeting - Agenda Item 4.b.

Total Cash in all Bank Accounts as of September 17, 2020	433,570		
Additional Revenue Expected Through August 31, 2021	635,468		
ESTIMATED OPERATING FUNDS THROUGH AUGUST 31, 2021		1,069,038	
LESS Average Monthly Expenses (\$30,000) x 11 Months	-330,000		
LESS: Capital Outlay (\$14,108 + \$75,000); Audit \$10,750 (Oct); Unexpected Repairs (\$5,000/mo x 11 months); Insurance (\$9,000 Jun or Jul); Workers' Comp \$1,192 (Nov), \$1,397 (Feb, May) & \$2,000 (Aug)	-169,844		
LESS Reserve Funds (= Ending Fund Balance per Budget)	-60,000		
ESTIMATED EXPENSES & RESERVES THROUGH AUGUST 31, 2021		-559,844	
ESTIMATED NET OPERATING FUNDS FOR ROAD IMPROVEMENTS AS OF AUGUST 31, 2021		509,194	
Additional Revenue Expected Through August 31, 2021:			
From 2020/2021 <u>Final Budget</u>	Figures Used for <u>Est Op Funds Rpt</u>		
301,627	300,000	Ad Valorem Oct '20 thru Aug '21 188,153	
502,198	450,000	CTX 37,500 x 11 412,500	
38,000	38,000	LGTA 3,165 x 11 34,815	
841,825	788,000	635,468	
MONTHLY EXPENSES:			
	Average	Actual	Difference
Payroll	17,000	15,616	1,384
Other (non Road Maint)	13,000	5,586	7,414
	30,000	21,202	8,798
			A/P Acct Exps 11,100
			P/R Acct Exps 17,880
Road Maintenance		7,778	Petty Cash Exps 0
TOTAL EXPENSES		28,980	28,980

REVENUE - ACTUAL AND ESTIMATED

NOTE: As of 09/17/2020 Actual Revenue is Greater Than Estimated By:

\$12,020.67

AD VALOREM				
Date	Estimated	Actual	Difference	YTD Difference
at 09/17/20 (35%)	105,000.00	111,847.45	6,847.45	6,847.45
October	0.00			
November (21%)	63,000.00			
December	0.00			
January	0.00			
February (21%)	63,000.00			
March	0.00			
April (21%)	63,000.00			
May	0.00			
June	0.00			
July (2%)	6,000.00			
August	0.00			
	300,000.00	111,847.45	-188,152.55	
CTX				
Date	Estimated	Actual	Difference	YTD Difference
at 09/17/20	37,500.00	42,976.54	5,476.54	5,476.54
October	37,500.00			
November	37,500.00			
December	37,500.00			
January	37,500.00			
February	37,500.00			
March	37,500.00			
April	37,500.00			
May	37,500.00			
June	37,500.00			
July	37,500.00			
August	37,500.00			
	450,000.00	42,976.54	-407,023.46	
LGTA				
Date	Estimated	Actual	Difference	YTD Difference
at 09/17/20	3,165.00	2,861.68	-303.32	-303.32
October	3,165.00			
November	3,165.00			
December	3,185.00			
January	3,165.00			
February	3,165.00			
March	3,165.00			
April	3,165.00			
May	3,165.00			
June	3,165.00			
July	3,165.00			
August	3,165.00			
	38,000.00	2,861.68	-35,138.32	

PVGID OPERATIONS REPORT
Report Period 8/17/2020 to 9/13/2020
ATTACHMENT: 9/17/2020 Meeting Agenda Item 5.c.

ROADS GRADED AND/OR COMPACTED:

[Grader Hours: 770 Grader = 66 hours; 670 Grader = 6 hours]

1. Sage Flat
2. Easy Jet
3. Grey Van
4. Range Land: Grey Van – Winnemucca Ranch
5. Two Forty
6. Grass Valley (W): Pyramid – Flying Eagle
7. Crazy Horse: Wilcox – Hay Cyn, Cleared off lots of rocks
8. Quaking Aspen: Wilcox – O’Hara
9. Wild Horse: Whiskey – Crossover
10. Piute Creek
11. Amy (S): Wilcox – End
12. Pony Springs
13. Hockberry
14. Peak E – W
15. Sharrock: Amy – Wild Horse
16. Pasture View (S): Sharrock – End

OTHER ROAD WORK:

1. Right Hand Canyon: Whiskey – Pavement end. Sweep with pull broom. Patch with 11.5 tons cold mix
2. Whiskey Springs upper, Sweep with pull broom. Patch with 1 ton cold mix
3. Ironwood, Amy, Sharrock: Pot hole patch large holes only with 1.5 tons cold mix

OTHER:

1. Post Agenda
2. Road survey
3. Town for parts

EQUIPMENT:

1. 05 Int. Water Truck: Right rear Axle seal bad saturated shoes with oil, Brake drum had a major groove in it, Also S cam axle and bushings bad. Replace all new parts install new brake shoes and adjust. Also seat was very bad R&R
2. 05 IR Compactor: Hydraulic leak, Tighten fitting, Coolant leak Radiator small hole, put stop leak in hope to seal! Dealer said \$3900 for new one
3. 05 Int. Water Truck: Change oil & filter, lube
4. 02 Peterbilt 379 Tractor: Change oil & filter, Fuel filter, Lube

Second Reading and Adoption
Regular Meeting
September 17, 2020

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

RESOLUTION NO. F20-R2

AMENDMENT OF RESOLUTION NOS. F89-R1 AND F91-R1 AND MOTION NO. F93-M5
SNOW REMOVAL

WHEREAS, on January 3, 1989, the Board of Trustees approved Resolution No. F89-R1, Administrative, Road Committee and Priority Roads for Snow Removal; and

WHEREAS, on April 9, 1991, the Board of Trustees approved Resolution No. F91-R1, Road Maintenance, Snow Removal; and

WHEREAS, on January 26, 1993, the Board of Trustees approved Motion No. F93-M5, Amending Resolution No. F91-R1, Snow Removal on Private Roads and Driveways;

NOW, THEREFORE, be it RESOLVED, that this resolution amends and supersedes all previous resolutions and policies regarding snow removal, as follows:

- Snow removal from GID-maintained roads should be performed when snow depths reach six inches. It is understood that snow depth determinations are subjective as snow accumulation varies rapidly with elevation, wind patterns, etc.
- If significant snowmelt from sunshine or above freezing temperatures are forecast, snow removal from higher elevation roads first may be appropriate.
- If snow depths are significant (greater than six inches) throughout the valley, or if clouds and colder temperatures retard snowmelt, the major collector roads should be plowed first (i.e. Ironwood, Whiskey Springs, Axe Handle, Amy, Wilcox Ranch, and Range Land Roads).
- The GID operations manager shall establish priorities, schedules, and the potential need for overtime to accomplish these goals.
- Snow removal shall be performed as needed on a seven-days-a-week schedule.

BE IT FURTHER RESOLVED that this Resolution be spread at large upon the minutes or attached thereto.

Upon motion by Trustee, _____, seconded by Trustee _____, the foregoing Resolution was passed and adopted this _____ day of _____, 2020 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Board of Trustees of the Palomino Valley General Improvement District

By: _____
Larry J. Johnson, President

NOTE: This Resolution cannot be amended or cancelled without a vote of the PVGID Board of Trustees.