

REGULAR MEETING

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

Thursday, March 17, 2022

MINUTES

Trustee Greg Dennis called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 6:01 p.m. Thursday, March 17, 2022 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Trustees present were Greg Dennis, John Patterson, Dan Helton, and Larry Johnson. Trustee Don Otto was absent. Also present were Shawn Kelly, Operations Manager; Cathy Glatthar, Assistant to the Board; Vickie DiMambro, Assistant to the Secretary/Bookkeeper; and Louie Test, Legal Counsel.

2. **Public Comment:**

Pam Roberts stated she listened to the audio tape of the February 17, 2022 meeting and agenda item 4.d. did not have an adequate description. She stated she concurred with all the Trustees' comments that Cathy Glatthar has been a significant asset to the Board and that she had a lot of respect for Cathy's husband, John, for doing the website. However, she agreed with Trustee Johnson that the administrative assistant should not be a remote position and that this Board should have been actively advertising to fill this position. She respectfully requested recruitment of a replacement be placed on the agenda and remain until that position was filled.

Ms. Roberts expressed concern that Louie Test, Board counsel, was not present at the last meeting and some other meetings. The Sun Valley GID has a back up attorney; they never have a meeting without counsel being present. If Mr. Test cannot attend, he needs to have a substitute available. If Mr. Test can't assure attorney coverage for every meeting, then the Board needs to retain a new attorney. For example, when the Board members started to discuss the "professional competence of a person," which in this case she believed that was [Operations Manager] Shawn, legal counsel would have probably interrupted and told them that issue was not on the agenda; she referred to Open Meeting Law 241. The bickering between Board members was unprofessional. Board members can have differing opinions, but personal attacks should not be tolerated by the Board President. Board members should not speak until recognized by the President, and if a Trustee wanders off topic, the President needs to intervene. Also, the Board should not engage in a debate with constituents when constituents make public comment. She referred to page 14 of the Board's handbook:

All trustees are responsible for contributing to meeting decorum by:

- *Refraining from making offensive remarks.*
- *Refraining from disturbing the meeting.*
- *Confining remarks to the agenda item under discussion.*

Susan Ambrose acknowledged Cathy and John Glatthar for their many years of dedicated service to our community both through the CAB and through the GID as well as John's CCW classes. They have served as our local historians for a great number of years.

Trustee Dennis commented that Cathy does a tremendous amount of work over and above and often times finds information on matters that affect the GID and brings those matters to the attention of the GID.

John Calvillo stated he lives on Grass Valley Road west at the end. He said there was a hole in the culvert and asked that it be addressed.

Shawn stated he was aware of the problem, but could not comment at this time.

Trustee Dennis said they would discuss the matter under road reports, and asked Mr. Calvillo to submit a road maintenance request.

Trustee Johnson commented that he echoed everyone's complimentary comments regarding Cathy and John Glatthar. He qualified that his remarks were taken out of context and he believed there were a number of duties Cathy could continue to do remotely. There were certain duties that required someone to attend in person. He expressed his heartfelt thanks to Cathy. In particular, after the flood of 2017-2018, he and Cathy worked with the Feds, with FEMA, with State Emergency Management to recoup as much money as we could for flood damage. He explained he provided the technical and face-to-face meetings with the bureaucrats and administrators, but Cathy did all of the paperwork, which was voluminous. That work resulted in the PVGID being reimbursed approximately \$150,000.

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

3. Approval of Minutes - February 17, 2022:

Trustee Patterson made a motion to approve the February 17, 2022 minutes as written. Trustee Johnson seconded the motion. Hearing no opposition, the motion passed.

4. Payment of Bills and Other Financial Matters:

a. Transaction Report and Payment of Bills:

Vickie DiMambro reviewed the transaction report (see attached). The total cash in all accounts was \$483,306.79. Income for the month was Ad Valorem/Property Tax \$219.52, Consolidated Tax (CTX) \$49,106.81, and LGTA/Fair Share \$3,709.34.

Vickie reviewed several of the payments: 1) Sierra Rental and Transport \$19,187.28 for trucking Class E for the Range Land Road Project, \$8,559.98 for trucking Class E to Wilcox Ranch Road, and \$1,600 to transport the JD772D grader from the Bar None Auction site in Sacramento; 2) Teichert \$20,140.22 for 3,390.62 tons of Class E for Wilcox Ranch Road; and 3) Les Schwab \$24,586.31 for tires and installation for the 770 and 772 graders.

Trustee Johnson made a motion to approve the transaction report and pay the bills. Trustee Patterson seconded the motion, and hearing no opposition, the motion passed.

b. Estimated Operating Funds Report:

Cathy Glatthar stated actual revenue was more than estimated by \$3,658.84. Estimated Net Operating Funds for Road Improvements as of August 15, 2022 was \$349,221 (see attached). She stated that figure was up from last month mainly because \$70,000 was set aside for the Range Land Road Project and the actual project cost was \$46,600.

Trustee Dennis said even though there have been significant increases in the property tax and sales tax revenues, we had to be watchful because we don't know when that may turn. We are on a cash basis; we do not carry any debt.

c. Tentative Budget for Fiscal Year 2022-2023 (FY23):

Trustee Dennis reported our budget runs from July 1 to June 30th.

Cathy referred to an updated Budget Worksheet (see attached) and explained there were only a few changes. She explained we received final revenue projections from the Department of Taxation on March 15th. She explained we still don't have the final, abated Ad Valorem projection, but an updated preliminary projection showed \$10,000 more in abatements than what she estimated last month, therefore she reduced the estimated Ad Valorem revenue by \$10,000 (from \$350,000 last month to \$340,000 this month). The final Consolidated Tax (CTX) projection came in a little bit higher by \$17,175. The net increase of \$7,175 in projected revenue was added to the Road Maintenance expense line item.

Pam Roberts opined that this agenda item should have been more descriptive and should have included the dates of the fiscal year; she appreciated that Trustee Dennis stated that in the beginning. She complained that the supporting documents were not available to the public until tonight, and not enough copies were available. She did acknowledge that more people than usual were in attendance tonight.

In reference to the Capital Outlay report from the February 17th meeting (see attached), Ms. Roberts asked what was the basis of the estimated values of equipment and vehicles? She said she would like to see a list of equipment and vehicles owned by the GID, along with their values, which should be based on current market value. She said she was dubious about the notion that the only place to buy or sell equipment was on Craig's List; at least that's what it sounded like when she listened to last month's meeting audio. The Board had the fiduciary responsibility to ensure money was well spent on newly acquired equipment and the sale of equipment was at a good price.

Trustee Dennis said transparency was important to us and Ms. Roberts' comments were well-taken.

Trustee Patterson referred to the Capital Outlay report and noted that the proposed capital outlay budget for FY23 had escalated to \$175,000. He stated the capital outlay remaining budget balance for the FY21 carryover and for FY22 (current fiscal year) totaled \$181,649 (\$89,283 + \$92,366). He thought the FY23 capital outlay budget was too high by \$50,000 and should be reduced and those funds go into the road improvements budget. He said that would leave \$125,000 for the FY23 budget, which was plenty of money in capital outlay for the primary item of a water truck, and to keep moving forward with the [maintenance] building.

Ferd Dahms, lives on Chantry Flats, wanted to know where they get a water truck for \$50,000?

Trustee Dennis said they hadn't purchased a water truck, yet. He said we do look in a number of places for equipment and vehicles, including auctions and private sales.

Nevada Storey stated he owns Palomino Valley Construction, LLC, general contracting. He said he bought Kustom Koatings asphalt paving company and offered his services to the GID. He said he has been building roads for 46 years.

Gretchen Miller said she was curious where the numbers came from for the capital outlay; what were those estimates based on?

Trustee Dennis said they were estimates based on current availability of equipment, but we might be off on some of those estimates. He stated they just purchased a grader for under what we thought we'd pay and we sold another one; we're doing really well so far. It may cost more for a water truck than what we've estimated.

Shawn explained these were his estimates and he purchases "pre-emission" vehicles, so they are older than 2003. He watches auctions, Craig's List, and other private sales sites. He cited the example of recently purchasing a 2001 transfer with a brand new engine, a brand new ECM, and Reliance boxes for \$15,000. He explained he had connections.

Trustee Johnson asked Trustee Patterson what would be cut from the capital outlay budget?

Trustee Patterson said the primary concern he's heard from Shawn and some Board members was a water truck. He explained Shawn found a grader and two small trucks. The building and the water truck were the primary items we were working towards, so what he was looking at was \$181,000 sitting there (set aside) and he thought \$125,000 next year would meet our needs for a water truck and the building, and we'd still have money leftover if something came up.

Trustee Johnson asked of that \$181,000 sitting there, what was it allocated for; what would be cut?

Cathy attempted to clarify the matter and referred to items 7 (Excavator) and 8 (Loader) and noted those items were at the bottom of the list and the list was somewhat in priority order. The water truck, the water tank, the building, etc. were all at the top of the list and were almost covered by the \$181,000 remaining budget. She reminded the Board that they should wait until after September to spend any of the FY23 capital outlay budget. She said hopefully a water truck that meets their needs would come up; that items were purchased out of order, but that's the nature of this equipment; we purchased a grader instead of a water truck - a viable, good choice ...

Trustee Johnson interjected and stated he recognized what Cathy was saying and that he thought Trustee Patterson's overall intent and concern was appropriate. He stated with the excavator and loader being lowest priority, he would agree and would always like to put more money on the roads than anywhere else.

In response to Trustee Dennis' question, Cathy clarified that the \$50,000 taken from the FY23 capital outlay budget would not increase the estimated road improvements budget for this summer's projects; you would see that \$50,000 in next summer's (2023) road improvements budget.

Trustee Patterson made a motion to adjust the FY23 capital outlay budget to \$125,000. Trustee Helton seconded the motion, and hearing no opposition the motion passed.

d. Wells Fargo Bank - Changes to List of Key Executives:

Cathy explained Wells Fargo Bank moved our accounts to "retail banking" which means we have to go to a local branch to make any account changes such as adding or deleting account signers. She explained she was at a local branch

recently and learned that there's another category, other than signers, called "Key Executives." She said changes were needed, as follows:

Keep: Vickie DiMambro and Catherine Glatthar

Delete: Maureen Sidley and Donald Otto

Add: Greg Dennis

She explained this item had to be on an agenda and minutes had to be provided to the bank in order to have these changes made.

Trustee Johnson made a motion to have the changes made as listed. Trustee Patterson seconded the motion, and hearing no opposition, the motion passed.

5. Road Maintenance Reports:

a. Road Reports:

Trustee Dennis reflected back on last month's meeting and stated sometimes there were differences of opinions. It's hard to know what's on each Trustee's mind and what each wants done and what we need to do. We need to think about some future needs which we will discuss later. He said Trustee Helton stated, "Bad asphalt was better than good dirt." We have chip sealed some roads and we have put down Class E base and applied mag-chloride on some of the Class E base; which has worked exceedingly well. We may not have the money to surface more roads with asphalt. We only have a crew of two and sometimes we do things in a hurry in order to get more done, and sometimes that rubs the wrong way with some of the Trustees; it can be a difficult balance. We've made some huge strides.

Trustee Dennis said from last month's meeting, it was determined that priority one was to get Wilcox Ranch Road done, and we did that. Priority number two was get paving patched, and we started working on that, but the "patch" truck broke down, so we could only get a small amount done at a time. He said road requests have been extremely minimal compared to the years before; he thought the crew was doing an excellent job in keeping things going.

Pam Roberts stated at the February meeting it was stated that because there were no requests for maintenance, except from the Otto family, that everyone was happy with the roads. She said she wasn't being critical of Shawn because she knows he does a really good job and works hard, but she didn't think it was a reasonable deduction that everyone was happy because you weren't getting maintenance requests. She said she encouraged people in the valley to submit maintenance requests. She said she got the impression that unless a maintenance request was submitted, it would not be placed on a list of work to be done, unless it was obvious and Shawn saw it. She said like the time Shawn saw tumbleweeds covering an entire section of Broken Spur Road, and he got out there and removed them. She opined that it was important to follow a scheduled maintenance plan. She said she drove around and checked out some of the roads and Quaking Aspen was in fairly good condition from Wilcox Ranch to O'Hara. She did note that the base material had been pushed to the sides of the road; she could not explain how that happened, but it did not make sense to her. She stated she sent in a road maintenance request on February 26th to have the dirt portion of Broken Spur graded; as of today, that request has not been fulfilled. There are now 53 homes on Broken Spur, and Broken Spur needs to be a priority. She acknowledged that patching has begun on

Ironwood, Amy, and Sharrock, but not Broken Spur, but it was good to know that problems with equipment was the reason. She said Range Land looked amazing; the crew did a great job, and if Broken Spur was in as good of condition as Range Land, she would be one happy camper.

Trustee Patterson said regarding the request for Broken Spur, he figured by March 26th it would be graded; that most requests are taken care of within a month.

Trustee Johnson said he did not think this Board has ever made the assumption that everybody is happy with the roads; he's always made the assumption that very few people are happy with the roads and we're not going to make everybody happy, but we do the best we can. He said he remembered having to put his truck in four-wheel-drive to make it across Ironwood when he moved out here 30 years ago. Ironwood now has a "saran wrap" Cape seal on it that is less than one-inch thick. It has no structural capabilities; it just keeps the water from getting down through it and creating ruts. He said a statement was made that if no maintenance request was received, then the road was not done; that was absolutely not so. He said Shawn surveys roads and grades roads in which he has had no maintenance requests, installs culverts where none have been requested; Shawn does all kinds of work where work has not been requested. Quaking Aspen, with the gravel off to the sides, was used all fall and half the winter as a haul route to the top of the mountain.

Ms. Roberts interjected and opined that Trustee Johnson was debating what she had stated and she didn't think that was appropriate.

Louie Test stated that Trustee Johnson wasn't attacking Ms. Roberts, that Trustee Johnson was just responding to some of the items Ms. Roberts brought up.

Trustee Johnson continued and explained that the gravel was on the sides of Quaking Aspen because they had 100 semis using it as a haul route to truck material up to Microwave. He said those trucks beat that road and removed the Class E and gravel from some areas and the subgrade and rocks were showing through. He said it was not a function of grading, but of the traffic on that road.

Shawn said he would agree that the crew was not pushing the gravel off to the sides of the road when they were grading. He said when you are driving on a gravel road and you hear gravel hitting your wheel wells, that gravel then goes to the side of the road; traffic causes gravel to go to the sides of the road.

Trustee Dennis said we have two people doing the work and if we hired more employees, then the labor offsets what we are able to do to improve roads with chip seal and base. He said it was a balancing act; we can't afford to pave roads.

Trustee Johnson stated it costs \$300,000 a mile to pave a road.

Ferd Dahms said the crew was doing a fantastic job since they had been here. He said from the people he has talked to, they are not really upset about the roads, they were upset about how fast people drive. He said when people haul down the roads and tear the roads up, all that gravel that Ms. Roberts was talking about, goes to the sides of the road. He said the morons who want to put a five percent pitch on these roads; that's just plain stupid because when those roads freeze up, you're going to have a parking lot out there, and they're all going to be in the ditch. The roads that the crew has crowned, are stable and the gravel is staying there.

Trustee Johnson addressed Broken Spur and said if you looked at past meeting minutes, Broken Spur is on his priority list to be improved just like Range Land, just like Wilcox Ranch. He explained we pick these roads off one at a time as we have budget and manpower. He said he would love to see all of our 44 roads brought up to wonderful standards, but it would take years to get there, and we were picking them off a few at a time each year.

Susan Ambrose said she would like clarification for Mr. Calvillo's situation, and others who live in a cul-de-sac.

Trustee Johnson explained there are a list of roads that have been accepted for maintenance, and there are some lesser roads that have not been accepted for maintenance and will not be maintained by our crew. People whose roads were not accepted for maintenance, still pay [taxes] to the District because they use PVGID-maintained roads to access their properties. He said the District has a resolution that outlines the procedure for residents to request to have their road accepted for maintenance, and there is no guarantee that a road will be accepted for maintenance. He said past Boards have been very reluctant to accept new roads for maintenance because we have a difficult time maintaining the 93 miles we already have.

Shawn addressed Mr. Calvillo's situation and explained that the GID does maintain to the end of Grass Valley Road (west). However, Mr. Calvillo and his family take care of their road. He said outside of the hole in the culvert (they have lost a lot of those aluminum culverts) it's off to the side and the Calvillos have put rocks around it. He said this is a quarter-mile stretch of road, and it's not in bad shape.

Mr. Calvillo said that was because he grades the road.

Shawn told Mr. Calvillo he was awesome for taking such good care of the road, and said the crew would fix the culvert.

Trustee Johnson thanked Mr. Calvillo for bringing the matter to our attention.

b. Operations Manager's Report:

[Operations Manager's Report - Period 02/14/2022 to 03/13/2022 (see attached)]

- Shawn read a statement into the record regarding his response to issues brought up at the February 17, 2022 meeting (see attached), including Wilcox Ranch, Quaking Aspen, Grading of Roads, and the Road Committee.

Louie Test interrupted Shawn part way through Shawn reading his statement and explained that Shawn could talk about the roads; that Shawn was getting way too personal.

Shawn continued with his statement and was again interrupted by Louie who told Shawn that was inappropriate.

Shawn then read the last paragraph of his statement.

Shawn then handed out a document entitled "Tips for Handling Toxic Board Members" (see attached).

Pam Roberts said she understands Shawn's feelings that he tried to express because she has been here at meetings when certain Board members have been

highly critical in a very direct way of Shawn. She again referred to the Board's handbook and read the following excerpts:

The day-to-day operations of the GID are performed by the road maintenance crew, under the direction of the Road Maintenance Operations Manager (OM) (or other authorized management personnel). The OM is the immediate supervisor of the road maintenance crew. The President of the Board (or his/her designee) is the immediate supervisor of the OM.

The OM attends all meetings of the Board, and is responsible for the "Action Reports." Those reports consist of road maintenance and repair, and equipment maintenance and repair issues. The OM may also bring requests to the Board for funding of projects, both routine and special, purchase requests, future planning ideas, etc.

Ms. Roberts said she believed at the last meeting there was an Open Meeting Law violation in which the Trustees were talking about the professional competence of a person without properly notifying it and having a closed meeting session. It should never have gone on the way it did; it was not fair to Shawn Kelly. Similarly, Shawn's response where he was also talking about the professional competence of a Trustee, was also not allowed under the Open Meeting Law, which was why your attorney was trying to stop that speaker. She said she thought it was important that they follow the rules and that the Trustees were aware of the Open Meeting Law. She said Shawn might still have a learning curve, but those kinds of comments or criticisms or concerns, in her mind, should be directed to the Board President and if there was still a Road Committee, they could deal with it with Shawn outside of an open meeting. She said she hoped these personal attacks stopped.

Nevada Storey, in the audience, stated he was a road builder since 1976 and has been a superintendent for almost all of the big companies in Reno. He said he's been out here since 1998 and this gentleman here [referring to Shawn] does a great job. He said Shawn's been doing a great job and he's probably the best we've had, other than Richard Evans [former Operations Manager].

Debra Shirk, in the audience, stated she was at the last meeting and it was pretty bad. She said she lives on Amy and she talked to a neighbor who stated Amy was the best it's ever been for many, many years. She said she hoped [Shawn] did not quit, and that she hoped the Board did something with this gentleman.

Bob Heckman, in the audience, said he was new to the valley and is a retired highway/road builder. He said you're asking this gentleman [Shawn] to throw band aids on these roads, continually. He said Shawn does an awesome job. He said he lives on Quaking Aspen, and Wilcox Ranch is truly nice now. He said Shawn doesn't have the budget to do it the right way. He said Shawn was doing an awesome job with what he's got. He asked if we just witnessed Shawn's resignation?

Trustee Johnson said Shawn did not resign.

Shawn clarified that if the hostile and toxic work environment continued ...

Louie Test said unfortunately he had a double-hernia operation and that was why he wasn't at the last meeting. He said he thought the appropriate way to handle this situation was to call for a closed meeting and talk about the character and competency of the [Operations Manger] ...

Trustee Johnson interjected and said that's not the problem.

Louie said yes and no; if you have a Board member who feels that an employee is not acting properly ... but we have never called for a personnel session. He said if you are going to talk about the character and competency of an individual, you have to go to a closed session.

Trustee Johnson said we have, on an annual basis, had closed sessions.

Louie said closed sessions don't have to be on an annual basis.

Trustee Johnson agreed that a closed session can be called anytime, and said they did so with the previous Operations Manager.

Louie said at that point if a Board member has a problem about the character and competency, then it's addressed in that closed meeting. He added if there was action that has to be taken, whether it be against the employee or whether it be against the person who is making the accusations, then that can come out in the open meeting, if that's necessary.

Cathy Glatthar asked Louie if there can be a closed session if there are issues with a Board member?

Louie said if a Board member has a problem with an employee ...

Cathy asked what about the other way around? Can there be a closed session for an issue with a Board member?

Louie said yes and no; if you're going to be talking about the character and competency of an individual, then that has to be in a closed session.

Shawn asked if he took the names out of his statement and said "Board member," would that be impugning anybody?

Louie said no.

Shawn asked if he could then finish his statement?

Louie said no, not at this point.

Shawn said he liked things to be on the record.

Trustee Dennis said there were legal ways we had to proceed. He said he thought Shawn has become an excellent road manager; Shawn's not totally 100% skilled at everything, but no one is. He said he was still backing Shawn.

Louie said the Board has the authority to call a closed session.

Trustee Dennis said did he need to call a closed session if he totally disagreed with a Trustee? He asked if he was responsible for calling a [closed session meeting] if a Trustee says he wants ...

Louie interjected and said Trustee Dennis has a problem here because Trustee Otto is an elected official, but you don't have a problem with the fact that you have the rules and regulations that indicate ... and he hated doing this without

Trustee Otto being here; you do have the authority to discipline/censure a Board member for violation of your rules, but that was about the extent of it. If a Board member is making comments about the character and competency of the employee, then that should be handled in a closed session. But so far as Trustee Otto is concerned, and again Louie said he wished Trustee Otto was here, you have the authority, as the Board, to censure Trustee Otto. That Trustee Otto is an elected official and could not be removed except by recall. He said you can have a hearing, and you have to notice Trustee Otto also, in order to proceed with censuring Trustee Otto for not complying with the rules and regulations. He said that would be up to the Board.

Gretchen Miller, in the audience, said she thought everybody could agree that if the whole thing was stopped at the beginning, it wouldn't have happened. She said she thought they should just agree that that meeting got out of hand and it shouldn't have.

Trustee Johnson said Shawn Kelly had his full support and always had. He said Shawn was in a tough and tenable position, and we're asking him to do the impossible here with all of these roads and all of the time, and Shawn does his very best, and Shawn has great initiative. He stated we don't have an Operations Manager problem, we have a Trustee problem [audience clapping], unfortunately, and he didn't know how to address that.

Pam Roberts said she wanted to echo what the GID's attorney said, that if they wanted to have a discussion about the character and professional competence of a person ... somebody said in another meeting that it had to be an employee and that's not accurate ... it's a person, an individual. You then have the right, the President can call a special meeting and you'd have to follow the notice rules. Please ask your attorney how to do it right so you don't mess it up. At that meeting you can discuss those things there was an interest in discussing, but you need to do it right, or they were going to be sued by somebody. She said she wanted them to keep doing the hard work they were doing, including Shawn.

- Shawn said they were almost out of mag-chloride and he contacted Dust Busters and the price of mag-chloride was due to go up on April 1st. He said it would be roughly \$12,000 to get the mag-chloride tank topped off.

Trustee Dennis said they would discuss that under the next agenda item.

c. Future Road Improvement Projects - Strategic Planning, Implementation, and Funding:

Trustee Dennis stated this item includes:

- The chip seal - we essentially make the roads look like they are asphalt paving, but they are not - Trustee Johnson has done a fabulous job with the Cape seals and chip seals.
- The Class E base - a higher-fines material we get from Teichert. It compacts nicely and then we apply a mag-chloride solution which helps the surface to harden and stabilize.
- Funding - It's a balance between how much we can spend on chip seals and how much we can spend on aggregate materials, and the time it takes to place the material. The availability of trucks to haul the material has been a challenge.

Susan Ambrose stated she had some photos regarding her comment about Ironwood Road. She said she appreciated that some patching was done today on Ironwood Road, but as Trustee Johnson stated earlier, it was like putting [a layer of saran wrap on top of the dirt; that the chip seal was less than an inch thick]. The first stretch of Ironwood that was chip sealed [last year] was holding up really well. She asked that the remainder of Ironwood be a priority.

Trustee Johnson asked to have a Board discussion on this before having additional public comment. He said when he embarked on the Cape seal system 11 years ago, he had hoped that they could get three to four years performance life before they would have to go back over the top of it with another application. That has proven pretty well, and additional road sections were sealed in 2012, 2013, 2014, and then, in 2015, they went back to the original road sections and applied another coat. He said how many miles they could surface in one year depended on how long that performance life was between each re-application and available funding. He said he had originally hoped they could surface Wilcox Ranch to the Quaking Aspen intersection, but we don't have the budget to do that; we can't extend and add additional Cape seal. Future Boards may have more funding, and what is true today, may not necessarily be binding on future Boards; they may be able to put a Cape seal on Right Hand Canyon, Amy short, and Wilcox Ranch. He said that may come to fruition, but we were not there yet.

Trustee Johnson said if we have a relatively dry winter, our Cape seals hold up really well, but if we get a wet month, like we did in December, the roads that had to be put off a year [due to lack of funding], have developed potholes. He said that is what happened on Ironwood. He said we have approximately nine miles of existing Cape seal that needs to be resurfaced. At 20 feet wide, average, times 5280 lineal feet per mile times nine miles times the most recent cost for chip seal and micro-surfacing ... we don't have anywhere near the budget to do all nine miles. He explained we'll have to break that up into increments. He said typically every spring he drives the roads and uses his professional judgment to make recommendations to the Board. He reviewed the sections of roads that we needed to resurface, as follows:

- Ironwood from where we left off last year to Amy, approximately three miles. This is the highest priority. It is the worst section, it is the oldest section, and it is the section that has shown the most deterioration following the December storms.
- Amy from Ironwood to Sharrock
- Whiskey Springs from just west of Amy to Right Hand Canyon
- Axe Handle from Pyramid Highway to Curnow Canyon

Trustee Johnson commented that the Whiskey Springs segment was in the best condition of all of those segments listed, and he suggested they delay that segment until next year.

Trustee Johnson said the dirt road that required upgrading, in his opinion, due to the level of traffic, the number of homes served, and the condition of the road, would be Broken Spur.

In answer to Trustee Patterson's question, Trustee Johnson stated the latest estimate he had for chip seal was 37 cents per square foot, and 30 cents per square foot for the micro slurry.

Debra Shirk asked if the GID was going to get any money from whomever was having all these semi trucks hauling material down Amy Road?

Trustee Dennis stated that was the other agenda item that he hoped Trustee Patterson was working on and would address (item 7.b. Current and Future Development Impacts).

Gretchen Miller said on Broken Spur, there was a single owner who was building a huge number of homes and the GID should be on their tail or the County's tail to have some assessments levied or standards enforced that would bring up the quality of Broken Spur without the GID doing a thing.

Trustee Dennis said he thought the County just reimbursed everybody on impact fees.

Shawn interjected and said every time the crew grades Broken Spur, the contractors just tear it up. He said he contacted the builder and asked them to use Ironwood, and they continue to come in via Whiskey Springs.

Trustee Dennis brought the discussion back to future road improvement projects, and reiterated that the chip seal projects outlined above would cost approximately \$270,000. He added that there were three different products: chip seal, slurry seal, and Cape seal. He said Trustee Johnson has stated we may need to use certain products for some areas due to the existing level of deterioration, which may cost more and use the chip seal in areas that were not as bad. If we take \$270,000 out of the \$350,000 estimated funds for road improvements, we would only have \$80,000 left to do Class E base, Broken Spur, and other work, and that wasn't much.

Trustee Patterson read Brannon Shreve's email comments regarding Broken Spur into the record (see attached).

Trustee Johnson reiterated that to pave the two miles of Broken Spur to County standards would cost \$600,000 and that was just for paving and the placement of base; that did not include the drainage, grading, or raising the road. Compare that to our total budget available for roads this year of \$350,000, so, obviously we can't pave Broken Spur as Mr. Shreve requested.

Trustee Patterson said he looked at the roads and agreed with Trustee Johnson's assessment that Whiskey Springs Road could wait until next year. He said Ironwood was a priority and he agreed with having the short section of Amy resurfaced. He had been considering only the first half mile of Axe Handle, but Trustee Johnson listed all the way up to Curnow Canyon (three miles). He asked the Board to consider resurfacing Right Hand Canyon; something had to be done there.

Shawn said he thought the first section of Axe Handle up through the intersection with Bacon Rind was needed this year (0.58 mile).

Trustee Patterson said he looked at Right Hand Canyon because Shawn had brought it up at last month's meeting.

Trustee Johnson said with Right Hand Canyon, we could not get by with just doing a chip seal; it would have to be patched first and would require at least a Cape seal (a coarse chip seal with a slurry seal or a micro-pavement over the top of it). He said the riding surface would improve the underlying pavement somewhat, but when we Cape seal over that rough pavement, it's going to be much better, but it's still going to be rough; were they willing to accept that and accept the criticism from the residents?

Trustee Helton said it would protect the surface and keep it longer and the roughness ... everybody would be quite happy.

Trustee Dennis stated that Trustee Helton had stated in the past that "Bad asphalt was better than good dirt."

Jim Currivan said the first half mile on Axe Handle and patches in a few places further up, should take care of Axe Handle for another year, at least.

Pam Roberts said the Class E base was a good way to go; that it was a lot less expensive than the paved option, which wasn't realistic. She said she appreciated Trustee Johnson's comments that Broken Spur needed improvement due in part to the number of homes served (up to 53 homes built or being built). Some people take the dirt section to Whiskey Springs because it is the fastest way to go. They can go the Ironwood way to Pyramid, but that adds about five minutes. She said she understood the funding limitations, and when she spoke at a CAB meeting, she stated the GID Board does the best they can with a very minimal budget of a million dollars, that the Trustees are not paid, they have a two-person crew and they were doing the best they could. She said she appreciated their effort on getting input from the public, and she agreed that Ironwood was a priority.

Trustee Helton said regarding Right Hand Canyon, Trustee Johnson's idea was a very good idea; that it might be rough, but it would repair the road in a way that it would last quite a while. It had a good surface underneath it; it's been there for sixty years, and was a "pugmill" road put down with oil mixed with dirt.

Trustee Johnson said we would do the first 6/10ths of a mile on Axe Handle and substitute the first 1.4 miles on Right Hand Canyon; reducing the total by one mile.

Trustee Johnson said he'd like permission from the Board to prepare bid documents to present to the Board at the next meeting. He explained that way it would be bid late April or May; this work is best done starting the first week in June, July, or August, but let's get it done fairly early. He reiterated the roads, as follows:

- Ironwood from where we left off last year to Amy, 3 miles.
- Amy from Ironwood to Sharrock, 0.5 miles.
- Axe Handle from Pyramid Highway right-of-way to just past Bacon Rind, 0.6 miles
- Right Hand Canyon from Whiskey Springs to the end of pavement, 1.4 miles.

Shawn said they would patch Right Hand Canyon before the asphalt surfacing was done.

Trustee Johnson agreed and said they needed to patch and make that surface as smooth as possible because that would reflect on the final riding surface.

Trustee Helton said the important part was to make the asphalt last, and if it was rough and lasts ... he would explain that to his neighbors.

Trustee Helton made a motion to authorize Trustee Johnson to draft the construction documents and bring them to the Board for review and possible approval at the next meeting. Trustee Patterson seconded the motion, and hearing no opposition, the motion passed.

Trustee Dennis said we now need to discuss what's left in the budget.

Trustee Johnson said Broken Spur was unique; it was a mess. Portions of it had poor/weak subgrade soils and a lot of it was low; the road should have been constructed a foot higher to get adequate drainage. This road would require some engineering analysis.

In response to Trustee Dennis' statement that we needed to continue the Class E base program, Shawn said we needed to cover Prairie.

Cathy mentioned that we had pretty much spent the approved budget for Class E, so the Board would need to approve new funding for Class E.

Trustee Johnson said he thought after the pavement rehabilitation projects, we'd have \$100,000 left to spend in the road improvements budget for Class E, Broken Spur, etc. That is just through August 15, 2022, and some of this work might not get done until September or October or even November, and by then we'll have new numbers to work with. He said Prairie should get surfaced with Class E now.

Trustee Johnson talked about Broken Spur needing to be analyzed and the Open Meeting Law would not allow three Board members to get together and utilize their expertise to come up with engineering solutions for that road.

In response to Trustee Johnson's question, Shawn explained that Prairie is one mile long and would cost about \$15,000 for the Class E material and trucking. Shawn said he could get Prairie done within a month.

Trustee Patterson made a motion to approve \$15,000 for Class E surfacing of Prairie Road. Trustee Johnson seconded the motion, and hearing no opposition, the motion passed.

Trustee Patterson made a motion to approve \$15,000 for mag-chloride. Trustee Helton seconded the motion, and hearing no opposition, the motion passed.

Pam Roberts said she was pretty familiar with the Open Meeting Law, and she believed each Trustee could go look at Broken Spur and make their own observations and then come back to an agendaized Board meeting to discuss what each Trustee's findings and observations were.

Trustee Johnson said while that was true, that was a very poor substitute for them meeting on site and generating ideas and solutions.

Louie Test said that was where the Open Meeting Law comes in, when you have deliberation.

Trustee Patterson asked if that applied to a project that was already approved by the Board; couldn't Trustees go out and talk about the project that has already been approved?

Louie explained not as a group because they might talk about and deliberate on changes to the project; that's where you would get into a hang up with the Open Meeting Law.

6. Old Business: None

7. New Business:

a. **Makeup of the Road Committee:**

Trustee Patterson said as for the Road Committee, per the handbook, there are only two Board members, so you don't have a quorum. The President of the Board is the direct supervisor of the Operations Manager, so the President has to be on the Road Committee (or the President's delegated person), and one other Board member. He said he appreciated his time on the committee and he thought he helped Trustee Dennis solve a few problems. He said he did believe it would be good to mix it up and he thought a different perspective and point of view was always good on a committee. What he didn't want to see the Board do, was to confine whoever the President was to say, "these two people were the Road Committee and that's it." He thought the President should have the flexibility to confer with different Board members, at different times, for different matters. He concluded and said he was ready, willing, and able if Trustee Dennis needed him for anything.

Trustee Dennis said there would be other items that they would need Trustee Patterson's expertise on.

Louie Test interjected and explained in 2019 the Legislature passed new language in the Open Meeting Law [NRS 241.015 (4)(d)], which states:

(d) A subcommittee or working group consisting of at least two persons who are appointed by a public body described in paragraph (a), (b) or (c) if:

(1) A majority of the membership of the subcommittee or working group are members or staff members of the public body that appointed the subcommittee; or

(2) The subcommittee or working group is authorized by the public body to make a recommendation to the public body for the public body to take any action.

Louie explained you cannot have a meeting of two, even though it isn't a quorum, without noticing it as a public meeting. He said as long as they weren't having any deliberations, they would not have a problem. He said he talked to the Attorney General's Office, and if those meetings were only for "ministerial operations" (and there was no definition of "ministerial operations") ... and he was assuming they were not deliberating at those meetings. He said his understanding was the deliberating occurred here at the Board meetings, and the Road Committee was there to be sure Shawn was doing what the Board directed him to do. He explained that the Deputy Attorney General said she doubted there was a complaint, but if a complaint was raised saying that deliberations were going on by an appointed committee, then there's a violation of the Open Meeting Law and the Attorney General's Office would conduct an investigation. He added that the safest way to do things, was one Trustee could go out and look at a project or work being done and if there were any issues, that Trustee would bring those issues to the Board. There was no deliberation with one person.

Trustee Dennis said that makes the operations of the Road Manager more critical in the future because the specifics and needs assessments become difficult for one person.

Louie clarified that even the perception of deliberation could lead to a complaint being filed.

Bob Heckman asked if it made a difference what the makeup was; what if it was not a Board member?

Trustee Dennis said if it was not a Board member, he could consult with someone on a matter. For instance, if he had a road grading expertise in the neighborhood that wasn't a Board member, he could meet with that individual to discuss a project.

Gretchen Miller said she thought what Louie Test was saying was that it didn't matter if they were deliberating or not, if somebody complains, you have to pay for the investigation and Louie's time, and it would cost them money that they could have been putting into the roads.

b. Current and Future Development Impacts:

Pam Roberts said they needed to address the deterioration of roads with all the heavy construction with all the new homes being built. With the Warm Springs Plan and the Specific Plan Area being updated, it was critical that the PVGID was communicating the needs and concerns with Eric Young (Washoe County Planner responsible for the Plan updates). She said she learned that a builder of new homes at the end of her road was required to pay a Regional Road Impact Fee (RRIF) of more than \$5,000 per home. She opined that that money should be transferred to the PVGID; all builders in the area should pay the RRIF to the PVGID to upgrade the roads. She wanted the Board to look into that.

Cathy Glatthar said historically, a lot of past Boards thought the same thing and it has been looked into several times in the past and those funds, she believed, went to the Regional Transportation Commission (RTC), and they will not give any of that money to the GID.

Trustee Helton said they fought that battle back in 1988.

Pam Roberts said she understood that the RTC had a very big budget. She said she would look into it.

Trustee Dennis said Trustee Patterson has brought up all the above with regards with how to deal with impacts and fees, and it also involves the Special Plan Area (SPA), which when it was created, had HOAs and impact fees and was going to pay for flood control, roads, and maintenance thereof, within the SPA. Nobody is whole yet with regards to our needs or the residents within the SPA; we have to wait and see what the County is going to do with a new area plan. There are some major outcomes that could change with this area plan. He said Truckee Meadows Water Authority (TMWA), the water purveyor for Reno/Sparks/Washoe County, was looking at an effluent and water recharge project out here in Palomino Valley. If that project comes about, it would greatly reduce the housing units that would be developed in the SPA. He explained there were some different outcomes that could happen out here and we'd have to wait and see what happens with TMWA and the Area Plan.

Trustee Patterson stated that he and Trustee Dennis, separately, had open communication with the County and residents here in the Valley. He said he was going to work with Trustee Dennis on this matter, but now that subcommittees are not allowed, he'll probably keep working with the County and Valley residents on the area plan update and when he has something to report, he would have it agendaized.

Trustee Johnson said there were two separate issues:

1. TMWA's area of concern is the farm area. The great majority of the SPA could, in one scenario, be maintained as agricultural land, in perpetuity. The great majority of that area proposed for development, goes away. That remains to be seen.
2. There are still areas outside of the farm area that are still in the SPA and still zoned for small lots. The building that's going on in the cul-de-sacs along Broken Spur were a prime example of that. We were asked to approach that builder and ask why he was not paying an impact fee to the GID or monies to improve the roadway in front of their development. After the SPA was set up, certain developers paid monies into funds to fully improve Broken Spur to County standards. Obviously, Broken Spur was never improved. Those developers then sued the County to get their money back; the Court decision was to refund each individual (current) landowner in the area where those original funds were collected. Some of the residents in the room tonight received refund checks, the developer building the homes off Broken Spur received a refund check; are those people willing to step forward now and give that rebate money to build the road? No; so we're stuck. We need to figure out how to go forward from here. What happens in future approval of all of the remaining lots outside of the farm areas when it gets developed, do we have a way of making them pay into the District? With new parcel maps and new subdivision maps, that's true, but those old subdivision maps that were approved back in 2001 and so forth, we have no recourse.

Cathy said we also learned with Brian Murphy's project at the end of Grass Valley Road, that if he had his development go through and connect with Ironwood, which is what Mr. Murphy has planned, the County considers Ironwood to be paved and Mr. Murphy will not have to improve the that section of Ironwood to County standards.

Trustee Patterson said he would talk to people, but not speak for the Board or make any decisions. He said he would bring updates to the Board.

Trustee Johnson thanked Trustee Patterson for taking that on.

Cathy suggested they could have this as a standing agenda item, and if there was nothing to report, Trustee Patterson would just state that.

8. Judicial/Government Affairs:

Louie Test stated there was nothing to report.

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

- The Tentative Budget will be filed with the Department of Taxation by April 15, 2022. Cathy mentioned she would get the final, abated ad valorem figure on March 25th and she will update the ad valorem figure, if need be. She said there will be two more opportunities to discuss the budget, at the April meeting and at the budget hearing on May 19th.
- Shawn received the Air Quality Management Division's throughput reporting form tonight and it's due by April 15th.

- Vickie will be taking over the Quarterly Economic Surveys, and she will have that ready for Trustee Dennis' signature at the April meeting. It is due by May 15th.
- The tax rate and budget hearing information is due to the Treasurer's Office in April and she would handle that.
- Next month's meeting will be on April 21, 2022.

10. **Correspondence:**

- Cathy Glatthar reported receiving an Agency Review application from the Planning and Building Division for Palomino Farms; the owners of the area in the SPA where the TMWA water study is being conducted. She explained Palomino Farms is requesting a Master Plan Amendment (MPA) and a Regulatory Zoning Amendment (RZA) to reclassify the Commercial zoning and the Public/Semi-Public zoning. She summarized that the request was to move the Commercial zoning to the intersection of Whiskey Springs and Pyramid Highway, and move the Public/Semi-Public zoning to near Sage Flat Road. She said that was scheduled to be heard by the Planning Commission on May 3rd. The comments and/or conditions of approval, if this Board had any, were due on March 28th.

Trustee Johnson said we needed to look at that and see if the PVGID was impacted.

Cathy read the following excerpt from Palomino Farms' application:

It is important to note that this application is essentially the first step in a future TMWA sustainable water management plan site. Approval of the MPA and RZA do not grant an approval of a specific project. Once the proper land use designations are in place, any future development of the site for commercial use will require additional review to establish conformance with Washoe County planning, engineering, public health, and safety standards. This includes the review and approval of any required use permits by the appropriate County approval boards in addition to encroachment permits reviewed by the Nevada Department of Transportation (NDOT). These processes will allow for site specific projects to be fully analyzed in terms of impacts, etc. and allows Washoe County to place proper conditions on a future project(s) to ensure all impacts are properly mitigated.

Cathy explained no specific project was being proposed, these were zoning amendments.

Trustee Johnson said they presently have commercial zoning out in the middle of or on the margin of what was to be a subdivision, but now with the TMWA water project, that may remain as agricultural land and they will want to move that commercial piece out to the highway area.

In answer to Ms. Robert's question, Cathy stated the Planner is Roger Pelham.

Pam Roberts said she and Ms. Miller met with Mike Railey from the Christy Corporation and Mike Benjamin, one of the Palomino Farms owners, regarding their intent to submit that application. She said the gentlemen talked about some of their ideas on how they would utilize that commercial space, but as Cathy stated, those details were not in this application.

Trustee Johnson said he could not see that this would impact the GID.

11. **Public Comment:**

Debra Shirk asked if the Board was going to do anything with the semis driving on Amy to recoup for them breaking the roads down?

Trustee Dennis confirmed that Ms. Shirk was talking about the semis hauling material up to Microwave Road. He stated that he will be looking into that matter.

Ms. Shirk said she started noticing them ride through again and that was why she brought it up again.

Shawn explained the recent trucks were working for the GID; that Ironwood Road can't handle the load, so he has the semis take Whiskey Springs to Amy. He said that was one reason why they covered Amy (from Whiskey Springs to James Ranch) with Class E.

Trustee Johnson said the Microwave project had ended sometime in November.

Trustee Dennis 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 said he wanted to schedule a special, closed meeting to discuss our Operations Manager as related to Trustees.

Trustee Dennis said let's leave it at that, and Trustee Johnson could get with Louie Test and find out how to exactly describe that so it can come back to the Board. He asked if Trustee Johnson wanted it before the April meeting?

In response to Trustee Johnson's question, Shawn stated he would like to take care of it sooner than later.

Trustee Johnson said then it should be before the April meeting, and he would coordinate with Louie and get the language tied down; it would be a closed, personnel session.

Cathy said it had to be noticed and the range classroom would have to be available.

The Board agreed to have the meeting start at 5:00 p.m.

Cathy said she knew how to notice a closed session, and she would look into setting up that meeting.

- Cathy updated the Board on the State funding for the 2017 flooding. She reported she has been advised that the request to receive State Disaster Relief Account funding of the 12.5% has to ...

Trustee Johnson interjected and asked how much was that?

Cathy responded and said it is \$18,905.14. The request has to go before two committees at the State level, that meet bi-monthly, so it may be handled by June, but if not, it may not happen until August.

- Cathy said she had an update for the Board's Handbook and asked the Board members to add it to their binders. She said she had an extra copy of the handouts from the March 19, 2020 meeting, and asked that the Board members check their handbooks for the March 19, 2020 resolution, and if they didn't have it, to let her know.

- ## **13. Adjournment:** Trustee Johnson made a motion to adjourn the meeting. Trustee Patterson seconded the motion, and hearing no opposition, the meeting adjourned at 9:09 p.m.

PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT

TRANSACTION REPORT AS OF March 14, 2022

Submitted by Vickie DiMambro, Bookkeeper

Total of all Bank Accounts:	Balance as of March 14, 2022 - Almost CD #5010	465,225.41
	Balance as of March 14, 2022 - A/P / General Ckg #4179	681.38
	Balance as of March 14, 2022 - Payroll #4430	17,000.00
	Balance as of March 14, 2022 - Petty Cash	400.00
	Total Cash In All Accounts	483,306.79

<u>Wells Fargo - Almost CD #5010</u>	Balance as of February 14, 2022	509,861.75
Income for the Month		
Ad Valorem/Property Tax	219.52	
Consolidated Tax (CTX)	49,106.81	
LGTA/Fair Share	3,709.34	
Other Income	0.00	
TOTAL	53,035.67	
Interest Income	4.15	53,039.82
Transfer to Wells Fargo #4179	(55,500.00)	
Transfer to Wells Fargo #4430	(42,176.16)	(97,676.16)
	Balance as of March 14, 2022	465,225.41

<u>Wells Fargo - A/P / General Ckg #4179</u>	Balance as of February 14, 2022	537.35
Transfer from Wells Fargo #5010	55,500.00	
Interest Income	0.08	55,500.08

NAME	CK #	AMOUNT	DESCRIPTION	
Catherine Glatthar		2,677.77	Secretarial Services \$1,699.52, Accounting/Financial Work \$690.00, Office Supplies \$63.25, Public Relations \$225.00	
Flyers Energy		1,790.80	Fuel	
Hoffman & Test		490.00	January 2022 Retainer \$400.00, Additional Work \$90.00	
Pyramid Business Services		910.00	Monthly Bookkeeping and Payroll	
Sierra Rental & Transport Co, Inc.		29,347.26	Trucking Class E for Range Land Rd Project \$19,187.28, Trucking Class E to Wilcox Ranch Road \$8,559.98, Transport JD772D Grader from Bar None Auction Sacramento \$1,600	
Teichert/Pyramid Materials/WNM		20,140.22	Class E 3,390.62 Tons @ \$6.00/ton less \$203.50 (discount) for Wilcox Ranch Road	
TOTAL		55,356.05		(55,356.05)
			Balance as of March 14, 2022	681.38

**PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
TRANSACTION REPORT AS OF March 14, 2022**

<u>Wells Fargo - Payroll #4430</u>		Balance as of February 14, 2022	17,000.00
Transfer from Wells Fargo #5010	42,176.16		
Interest	0.10		42,176.26
Net Payroll	7,882.56	Net Payroll	
SK's BECC 3/3/2022 Stmt			
Waste Management	SK's CC	31.74	Monthly Waste Removal
Powerplan/Pape (John Deere)	SK's CC	196.71	Parts for 772D Grader
Powerplan/Pape (John Deere)	SK's CC	588.36	Parts for 772D Grader
McDiesel	SK's CC	1,054.35	Ford F450 Repairs
Reno Salvage Co.	SK's CC	101.21	Parts for 772D Grader
Powerplan/Pape	SK's CC	187.12	Coolant for 772D Grader
SK's BECC 4/3/2022 Stmt			
Superior Hydraulic	SK's CC	354.24	Repair parts for Vactor
Superior Hydraulic	SK's CC	81.50	Repair parts for IR Compactor
Home Depot	SK's CC	(199.00)	Returned Paint Gun
LJ's BECC 3/3/2022 Stmt			
Prominence	LJ's CC	2,819.16	Monthly Health Insurance
Motorola	LJ's CC	70.00	Monthly Two-way Radio Bill
Les Schwab	LJ's CC	24,586.31	770 and 772 Grader Tires and Installation
Alhambra	LJ's CC	12.25	Monthly Office Water
Wells Fargo Cash Back	LJ's CC	(380.94)	Wells Fargo Cash Back Reward
Verizon	LJ's CC	33.50	Monthly Telephone Bill
NV Energy	Bill pay	413.27	Monthly Electric Bill
PERS	Bill pay	2,993.20	PERS Monthly Payment
Payroll Taxes - Patriot Payroll	EFT	1,344.72	Payroll taxes (941, NV Unemployment)
The Wave Car Wash	Debit	6.00	Car Wash F450
		<u><u>\$42,176.26</u></u>	<u><u>(\$42,176.26)</u></u>
		Balance as of March 14, 2022	17,000.00

<u>Wells Fargo - Petty Cash</u>		Balance as of February 14, 2022	400.00
Deposit	<u>0.00</u>		
	0.00		0.00
	<u>AMOUNT</u>	<u>DESCRIPTION</u>	
	<u>0.00</u>		
TOTAL	<u>0.00</u>		<u>0.00</u>
		Balance as of March 14, 2022	400.00

Reviewed by Cathy Glatthar, Assistant to the Board: CAS 3/14/2022

ESTIMATED OPERATING FUNDS FOR ROAD IMPROVEMENTS

Submitted by Cathy Glatthar, Assistant to the Board

ATTACHMENT - 03/17/2022 Meeting - Agenda Item 4.b.

Total Cash in all Bank Accounts as of March 14, 2022	483,307	
Additional Revenue Expected Through August 15, 2022	317,008	
ESTIMATED OPERATING FUNDS THROUGH AUGUST 15, 2022		800,315
LESS Average Monthly Expenses (\$30,000) x 5 Months	-150,000	
LESS: Capital Outlay FY21 Carryover (\$91,537 - \$2,254 = \$89,283);		
Capital Outlay FY22 (\$150,000 - \$7,534 - \$45,100 - \$5,000* = \$92,366);		
*Capital Outlay - \$5,000 for 2 Pickup Trucks from TMFire (Pending);		
Insurance \$10,000 (July);		
Unexpected Repairs (\$5,000/mo x 5 months);		
Workers' Comp \$1,473 (May) & \$1,800 (Aug);		
Class E \$125,423 - \$75,551 - \$28,700 = \$21,172	-241,094	
LESS Reserve Funds (= Ending Fund Balance per Budget)	-60,000	
ESTIMATED EXPENSES & RESERVES THROUGH AUGUST 15, 2022		-451,094
ESTIMATED NET OPERATING FUNDS FOR ROAD IMPROVEMENTS AS OF AUGUST 15, 2022		349,221

Additional Revenue Expected Through AUGUST 15, 2022:

From 2021/2022 Final Budget	Figures Used for Est Op Funds Rpt			
320,000	320,000	Ad Valorem	Apr '22 thru Aug '22	76,183
567,000	540,000	CTX	45,000 x 5	225,000
38,000	38,000	LGTA	3,165 x 5	15,825
925,000	898,000			317,008

	-27,000	Difference between Budget and Estimated Operating Funds Report Projected Revenues
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MONTHLY EXPENSES:

	Average	Actual	Difference	
Payroll	17,000	15,040	1,960	
Other (non Road Maint)	13,000	33,005	-20,005	
	30,000	48,045	-18,045	
Capital Outlay		0	A/P Acct Exps	55,356
Road Maintenance		49,487	P/R Acct Exps	42,176
TOTAL EXPENSES		97,532		97,532

REVENUE - ACTUAL AND ESTIMATED

NOTE: As of 3/14/22, Actual Revenue was MORE Than YTD Estimated By: **\$3,658.84**

AD VALOREM				
Date	Estimated	Actual	Difference	YTD Difference
at 09/14/21 (35%)	112,000.00	119,761.39	7,761.39	7,761.39
at 10/18/21	0.00	6,815.67	6,815.67	14,577.06
at 11/15/21 (21%)	67,200.00	51,432.04	-15,767.96	-1,190.90
at 12/13/21	0.00	6,964.55	6,964.55	5,773.65
at 01/17/22	0.00	67.18	67.18	5,840.83
at 02/14/22 (21%)	67,200.00	58,556.49	-8,643.51	-2,802.68
at 03/14/22	0.00	219.52	219.52	-2,583.16
April (21%)	67,200.00			
May	0.00			
June	0.00			
July (2%)	6,400.00			
August	0.00			
	320,000.00	243,816.84	-76,183.16	
CTX				
Date	Estimated	Actual	Difference	YTD Difference
at 09/14/21	45,000.00	45,255.83	255.83	255.83
at 10/18/21	45,000.00	44,511.41	-488.59	-232.76
at 11/15/21	45,000.00	43,668.43	-1,331.57	-1,564.33
at 12/13/21	45,000.00	45,611.37	611.37	-952.96
at 01/17/22	45,000.00	43,672.42	-1,327.58	-2,280.54
at 02/14/22	45,000.00	43,020.72	-1,979.28	-4,259.82
at 03/14/22	45,000.00	49,106.81	4,106.81	-153.01
April	45,000.00			
May	45,000.00			
June	45,000.00			
July	45,000.00			
August	45,000.00			
	540,000.00	314,846.99	-225,153.01	
LGTA				
Date	Estimated	Actual	Difference	YTD Difference
at 09/14/21	3,185.00	6,846.91	3,661.91	3,661.91
at 10/18/21	3,165.00	6,023.97	2,858.97	6,520.88
at 11/15/21	3,165.00	0.00	-3,165.00	3,355.88
at 12/13/21	3,165.00	3,658.38	493.38	3,849.26
at 01/17/22	3,165.00	4,850.80	1,685.80	5,535.06
at 02/14/22	3,165.00	3,480.61	315.61	5,850.67
at 03/14/22	3,165.00	3,709.34	544.34	6,395.01
April	3,165.00			
May	3,165.00			
June	3,165.00			
July	3,165.00			
August	3,165.00			
	38,000.00	28,570.01	-9,429.99	

PALOMINO VALLEY GID BUDGET WORKSHEET FY2022-2023

#2 - March 17, 2022 Meeting

By Cathy Glatthar, Assistant to the Board

	(1)	(2)	(3)	(4)	(5)
	Actual	Final	Estimated	Proposed	Change
	July 1, 2021 to Dec 31, 2021	Budget FY22	at 6/30/2022	Tentative Budget FY23	From 2/17/2022
Beginning Fund Balance		347,468	509,261 (Actual at 7/1/2021)	440,690	
Income					
Ad Valorem	185,617	319,934	319,934	340,000	-10,000
CTX Consolidated Tax	177,465	567,465	567,465	645,531	17,175
LGTA (Fair Share)	14,533	38,000	38,000	40,000	
Interest Income	19	100	100	100	
Other Income-FEMA Reimbursement	0	20,000	20,000	20,000	
Total Income	377,634	945,499	945,499	1,045,631	7,175
TOTAL INCOME & FUND BALANCE	377,634	1,292,967	1,454,760	1,486,321	7,175
Expenses - Public Works					
Salaries & Wages					
Employee Compliance Expenses	0	100	100	100	
Insurance-Workers' Comp	2,833	7,000	6,000	6,500	
Payroll Direct Deposit Fees	91	300	400	600	
Payroll Taxes	1,167	3,500	2,500	3,500	
Salaries & Wages/Regular	66,672	145,000	138,000	150,000	
Salaries & Wages/Seasonal	825	15,000	2,500	25,000	
Total Salaries & Wages	71,587	170,900	149,500	185,700	
Employee Benefits					
Insurance-Employee/Medical	15,478	40,000	32,000	40,000	
PERS Employer Paid Expense	15,828	36,000	32,000	36,000	
Total Employee Benefits	31,306	76,000	64,000	76,000	
Services, Supplies, Other Chgs					
Accounting Services	8,745	22,000	20,000	22,000	
Advertising	0	500	300	500	
Audit	11,145	11,100	11,145	11,500	
Equipment Maintenance Expense	21,663	30,000	35,000	30,000	
Equipment Non-Depreciable	636	1,000	2,000	2,000	
Equipment Rental	0	5,000	0	5,000	
Fuel & Oil	15,123	35,000	35,000	40,000	
Insurance-Liability/Auto/Equip	0	11,000	11,000	12,000	
Legal Fees	3,525	6,500	6,500	8,000	
Licenses and Permits	0	1,500	700	1,000	
Office Supplies	587	1,500	1,200	1,500	
Operating Supplies	1,879	3,000	4,000	5,000	
Public Relations	0	250	250	250	
Road Maintenance	168,948	683,592	500,000	824,396	7,175
Secretarial Services	8,770	18,000	18,000	20,000	
Signs	162	1,000	500	1,000	
Telephone	686	450	1,300	1,500	
Utilities					
Electric	884	2,400	3,000	3,400	
Restroom Rental	779	1,700	800	0	
Waste Removal	190	1,000	800	1,000	
Subtotal Servs, Supps, Oth Chgs	243,722	836,492	651,495	990,046	7,175
Other Income/Expense					
Other Income					
Cash Rewards	589	500	1,000	500	
Total Other Income	589	500	1,000	500	
Other Expense					
Cash Rewards Annual Fee	0	75	75	75	
Total Other Expense	0	75	75	75	
NET OTHER INCOME	589	425	925	425	
Total Servs, Supps, Oth Chgs	243,133	836,067	650,570	989,621	7,175
Capital Outlay	9,699	150,000	150,000	175,000	
TOTAL EXPENSES - PUBLIC WORKS	355,725	1,232,967	1,014,070	1,426,321	7,175
NET ORDINARY INCOME		60,000	440,690	60,000	
Ending Fund Balance		60,000	440,690	60,000	
		1,292,967		1,486,321	7,175

Proposed
Budget FY23

Beginning Fund Balance	440,690
Ad Valorem	340,000
CTX Consolidated Tax	645,531
LGTA Special (Fair Share)	40,000
Interest Income	100
Other Income-FEMA Reimbursement	20,000
TOTAL INCOME & BEGINNING FUND BALANCE	<u>1,486,321</u>
Salaries & Wages	185,700
Employee Benefits	76,000
Servs, Supps, Oth Chgs	989,621
Capital Outlay	175,000
Ending Fund Balance	60,000
TOTAL EXPENSES & ENDING FUND BALANCE	<u>1,486,321</u>

CAPITAL OUTLAY					
EQUIPMENT, VEHICLES, & STRUCTURES/YARD IMPROVEMENTS					
By Cathy Glatthar as Reviewed by the Road Committee					
FY 2021 BUDGET ALLOCATIONS AFTER JUNE 17, 2021 MEETING					
Priority	Item Description	Upper-end cost to purchase	Lower-end income from sale of old item	Estimated/ Net Cost	
Capital Outlay Balance as of June 17, 2021					\$91,537
1a	Building Option: Office Trailer remains as is, hookup water and sewer systems	Project completed Dec 2021 Actual Cost =		\$2,254	-\$2,254
Balance remaining					\$89,283
2	Water Truck (would sell 2005 Int'l water truck)	\$60,000	(\$30,000)	\$30,000	-\$30,000
3	Water Tank (would replace the tank on the 1995 Peterbilt water truck) (Cost updated 9/2021 from \$24,000 to \$30,500)	\$30,500	(\$500)	\$30,000	-\$30,000
Balance to go into a Maintenance Building Fund					\$29,283
PROPOSED ALLOCATIONS OF REMAINING FY22 BUDGET - FOR THE FEBRUARY 17, 2022 MEETING					
Capital Outlay Budget for FY22					\$150,000
	Wayside Well Major Repairs on 8/23/2021 (Including lowering pump)	\$7,534	\$0	\$7,534	-\$7,534
4	Two (2) Pickup Trucks from TMFire (Pending)	\$5,000	\$0	\$5,000	-\$5,000
6	Grader (would sell John Deere 670 grader - anticipate \$20,000 proceeds, but not sold as of 2/17/2022 meeting)	\$45,100		\$45,100	-\$45,100
Balance remaining					\$92,366
Added 9/16	Elevated Tank for Ironwood-WTFS	\$35,000	\$0	\$35,000	
1b	Maint Bldg (\$125,000 less bldg fund \$29,283 fr above)	\$95,717	\$0	\$95,717	-\$95,717
4	Pickup Truck to replace 1983 Ford welding truck	\$15,000	\$0	\$15,000	
5	Tilt Bed Trailer (would sell Zieman tilt bed trailer)	\$20,000	(\$4,000)	\$16,000	-\$16,000
Balance remaining					-\$19,351
PROPOSED FY23 BUDGET AND ALLOCATIONS					\$175,000
Balance remaining from FY22 plus FY23 budget					\$155,649
7	Excavator	\$75,000	\$0	\$75,000	-\$75,000
8	Loader (would sell 1990 Case loader)	\$60,000	(\$15,000)	\$45,000	-\$45,000
TOTALS		\$345,817	(\$19,000)	\$326,817	-\$9,451
9	Hot Patch Program Equipment: (Postpone)				
	Paver	\$30,000			
	36" smooth-drum roller	\$15,000			
	Trailer for roller	\$10,000			
	Tack pot	\$15,000	\$70,000	\$0	\$70,000

PVGID OPERATIONS MANAGER'S REPORT

Report Period 2/14/2022 to 3/13/2022

ATTACHMENT: 3/17/2022 Meeting Agenda Item 5.b.

ROADS GRADED AND/OR COMPACTED:

1. Wilcox Ranch: Spread 3390.62 tons of Class E from near 5255 Wilcox Ranch to near 2850 Wilcox Ranch - 2.7 miles

OTHER ROAD WORK:

1. Range Land: Spray 2,000 gallons of mag-chloride on new Class E

OTHER:

1. Office work
2. Road committee meetings
3. GID Meeting
4. Post Agenda
5. Road Surveys
6. Town for parts
7. Misc. Yard work
8. Cattle Guards for Range Land: Prep and Prime
9. Ironwood well: Replace gate-valve seal

EQUIPMENT:

1. '91 670 Grader: Change oil & filter, fuel filter, air filter, lube. Prep grader to put up for sale. Removed all GID equipment.
2. '03 770 Grader: Change oil & filter, air filter, lube. Had six new tires installed.
3. '01 F450: No start when cold. Block heater inoperable - had replaced, had glow plugs and relay checked, they were good. Changed oil & filter, lube. Changed fluid in front and rear differentials.
4. '05 772 Grader: Inspect machine completely as new to fleet. Change oil, lube, install new block heater, missing ladder on side of cab - install new, redirect auxiliary hydraulic hoses and remove auxiliary hydraulic levers (Not in use), install company radio and antenna, install SK's CB radio for Class E delivery, install warning light, change front head lights back over from high snow lights back to original lower position, right upper door hold open latch inoperable - repair. Had to build and weld a brace to protect accumulator on side of frame. Had Les Schwab Install six new tires.
5. '02 Pete: Change oil & filter, lube.
6. '05 IR Compactor: Hydraulic hose failed - remove, take to town to have one made - install new hose.

From: Shawn Kelly

I would like to respond to the issues brought up at the last board meeting on February 17, 2022.

Regarding Wilcox Ranch:

Don Otto emailed a road request to grade Wilcox Ranch on February 8th. Since Wilcox is 5 miles long, a request for specifics was sent within an hour. It took Don 5 days to respond on the 14th. It was inspected and was addressed in an email on the 16th. At that time, the crew was working on the Range Land Road project.

I disagree with Greg Dennis' assessment that Wilcox is in an acceptable condition. I do feel that Wilcox from Crazy Horse to almost Goodher is very rough. I have skimmed the road in places trying to correct some of the conditions; however, the Class E is very thin and I am trying not to pull up any native material as Wilcox is due to be covered with more Class E.

Regarding Quaking Aspen:

First, I was not aware of any problems with the ditches on Quaking Aspen until the last board meeting on February 17th. Upon hearing about the "ditch problem", I personally inspected the areas on the following Monday. Some board members were concerned about safety due to the vertical cut of the ditch line not having a 2:1 swale. At the time, instead of making all the passes necessary to construct the 2:1 slope and pull the back slope for one road, such as Quaking Aspen; I cut a functional drainage ditch on multiple roads that day. I do not disagree with their assessment of the proper ditch construction; I know the proper way to construct a ditch, however, I was trying to open as many drainages on as many roads as I could in case of more wet weather. To address the safety concern, I measured the road from edge of ditch to edge of ditch for almost a mile and a half (between Wilcox and O'Hara). The average width was 24' and the last ½ mile averaged 19'. There are still weeds in most places between the edge of the gravel road and the ditch showing that I never encroached on the roadway itself, as some board members had said. I will agree that on sections of the north hillside of the road there are up to 8" berms next to the ditch with some rocks (but no boulders, as was stated) which are still 2'-3' from the edge of base; and they will catch water coming off the hillside. At a future date, I intend to address the swales and windrows.

I would like to point out that prior to us basing roads in the valley, rocks would surface a short time after grading due to poor soil conditions. As rocks surfaced, Larry and Tricia Johnson would stop at times in their travels to remove the rocks from the roads. Rocks have always been an issue to contend with on GID roads.

Regarding the Grading of Roads:

As I said last month, many of the roads are or were still frozen contrary to what Don Otto said. He stated we have had only a couple of freezes and by 9:00 am it is okay to grade. "That's what he has been doing." Since we have had over 7" of precipitation this winter and at least 2 months of below freezing temperatures, the roads have not been able to thaw to a gradable condition. This makes grading impractical, as frozen chunks are lifted and dragged across the roadway creating an uneven surface. I have tried multiple times throughout the system and have had chunks. I would like to point out that grading roads that have been driven on for 50-60 years is way different than grading on work sites where native soils and material that was trucked in are easily gradable, as I believe that is the type of work Don does. Also I would like to point out the Palomino Valley road system is unique with its 80+ miles of dirt roads

Regarding the Road Committee:

It was stated that the Road Committee was established out of necessity due to problems with a previous employee. When I was hired, I was told the Committee would continue until I learned the system. During Larry Johnson's last year on the Road Committee, our Monday meetings consisted of talking about hunting and such, then he would ask if there were any road requests. If we had any request we would discuss them. Otherwise when he left the meeting he would say, "It is hot and dry, so grade, grade, grade." These meetings generally lasted around 30 minutes.

There has been discussion of changing the now monthly meetings to weekly and changing the members. Since I have learned the valley's road system I don't believe there is a need for once a week meetings, as they take time away from working on the roads especially during the hot/dry season. In addition, requests from the residents have been handled in a timely manner (conditions permitting) as John Patterson has stated. I have been planning the GID maintenance and some projects over the last 4 years with good success. There has been little need for the Committee to micromanage or change my plans. Since my employment, most of the GID roads have improved tremendously.

There was also a comment at the last board meeting about 2 Board members "Dan and Don" having 70 years experience between them. Although both have experience on equipment, only Dan has had extensive experience with our road system. As to my experience with Don, the winter of 2019, he came in to help with flooding issues. The grader broke down (wasn't his fault), but he left the entire cab and windows full of mud as well as the moldboard. The mud on the moldboard froze, and it took two weeks for us to get the moldboard to move. I believe a good operator always cleans his machine or least tries to. After the February 14, 2019 flood, I met with Larry and Don at a road that was severely damaged. Don, who was on the road committee at that time, offered to go out and get some drainages opened up. I asked him if he could slow down and take it easy on the equipment because the last time he left the yard going full throttle causing mud to fly all over the machine. He told me that's what those machines were made to do. I am one who believes that equipment should always be taken care of so it will last, even if I don't own it! Also, he leaves equipment for someone else to clean up after him. At that time, I was told I couldn't tell a 30-year operator what to do. I don't care how many years they have done it! If they're hard on equipment, it is wrong. Another time, during a special project, I hired Don to run the dozer at the Wayside pit to cut material so we could spread it on Range Land. He only lasted 3 hours then he got disgusted with our dozer and simply left. Thankfully, I had another temporary worker who stepped up to finish Don's work. Another thing, Don has repeatedly said that roads don't need water to grade! I believe that any 30-year journeyman grader operator should understand the importance of water; not only does it help when cutting the road, it is the glue that holds the road together. Also, using water is easier on the equipment and less likely to start a fire.

Don has had a toxic attitude regarding the GID employees for years, as a resident and as a board member. As a board member, he has specifically had a vendetta against me, which I put on the record in the past. A former board member told me that in November 2020, Don met with him and another board member-elect, and Don talked to them about getting me fired. In addition, recorded at last month's meeting, I believe Don broke the open meeting law, again, as he communicated with multiple board members about the condition of Wilcox Ranch and the ditches on Quaking Aspen. Also it was brought up by another board member that he received a separate text from Don about the Quaking Aspen ditches, and in Don's text, he stated, "that's what we get for hiring a truck driver." Dan said he also got that same text, which violates the NRS 241 open meeting law, as that's considered to be a "walking quorum."

In conclusion, because of the hostile and toxic work environment that Don has created for me as an employee of the GID, including the libel and slander I have endured these past few years, Something Must Change! I enjoy my work and the challenges of being the operations manager. Also, I have upgraded many pieces of equipment which has helped to improve the road system. I believe the valley is going in a positive direction. However, as long as Don Otto continues to create such a toxic and hostile work environment, I will reluctantly be forced to give my resignation. Thank you for the time.

Tips for Handling Toxic Board Members

SHARE

Imagine that your mission is a destination. Your organization and its operations are the vehicle moving towards that destination. Your board members are the drivers behind the steering wheel of that vehicle. Your board members' goals should ensure that organization continues to stay on course. They should be shaping a secure and sustainable future for the organization by implementing sound procedures and financial management policies. But what happens when the drivers aren't in agreement? What happens when one driver hijacks the car? The car stalls or otherwise gets lost from its destination. Similarly, when there is a toxic board member, the organization can't move forward. Here's how to recognize and handle a toxic board member, ease tensions, AND preserve the organization's future.

Identifying a Problem

The first step to solving a problem is recognizing that one exists. Some of the biggest complaints and behaviors that we see that both cause tension AND are signs of a bad board member include:

- regularly missing meetings
- pursuing a personal agenda
- refusing to help fundraise
- failing to handle confidential information securely
- refusing to accept or complete tasks
- failing to disclose conflicts of interest
- monopolizing board discussions, or simply not participating in the conversation at all
- behavior disrespectfully toward the board president and other members

Taking Action

If any of these behaviors are occurring within your organization's board of directors, they should be addressed sooner rather than later to prevent any further tensions and damage to the organization.

Step 1: Review board member requirements with the entire board

At your next board meeting and/or via email, review the requirements of board members with everyone on the board. (If you don't have board member requirements, then take the time to develop them now.) This way, the toxic board member won't immediately feel singled out. Additionally, reviewing board member requirements with the entire group helps ensure that every board member is on the same page concerning duties and requirements and brings any problematic behaviors to light.

Step 2: Have a private conversation with the toxic board member

If the problematic behavior persists, have a frank discussion with the toxic board member in private. It's important to note that the Chair or President of the board is responsible for these conversations, not the organization's Executive Director or a fellow board member.

This conversation should include:

- Clear communication of how their behavior does not meet the board member requirements

- A discussion on how disruptive behaviors prevent good decision-making and the negative effects their actions have on the organization's future.

- A discussion of the disciplinary plan of action that will occur if behaviors do not change. This plan should conclude with a removal.

Step 3: Remove the toxic board member

If the member's behavior does not improve, and the steps of the disciplinary plan of action have been exhausted, then the best choice for the organization's health is to remove the toxic board member.

If the board's next election is already in the works, you can first ask the exiting board member to resign. If this is not effective, consult your organization's bylaws to see what kind of vote will be required to remove this member (e.g., majority, two-thirds, unanimous, etc.).

When presenting a case for a board member's removal to the rest of the board, remind members of the requirements you recently reviewed together, how the toxic board member's actions violate these requirements, and the exhausted disciplinary plan of action.

Moving Forward

For your organization to function effectively, its board of directors must create an open dialogue of productive discussions in a respectful environment. If a member is threatening this possibility, the sooner the issues are addressed, the better. Often, problematic behavior can be remedied by effective, early intervention. If this does not work, you should not hesitate to more drastic steps to address issues and get the organization back to operating healthily.

If you're looking toward your nonprofit's future but not sure how to get where you want to go, our experts can help you take the first steps. Contact us to learn more about our nonprofit consulting services.

PVGID MINUTES MARCH 17, 2022
ATTACHMENT - Agenda Item 5.c.
Road Improvement Suggestion

Subject: Input on capital improvements

From: Brannon Shreve

Sat, Mar 12, 2022 at 4:55 PM

With all the new houses off of Broken Spur going in we should find a way to pave Broken Spur all the way to Whiskey Springs. Or at least get a nice road base packed road that stands up to the traffic better. It's pretty bad and it gets bad very quickly after it's fixed. Thank you for all that you do for our valley.