



**Sun Valley General Improvement District
Board Meeting Minutes of
March 24, 2022**

Board Members Present:

Sandra Ainsworth	Chair
Susan Severt	Vice Chair
Joseph Barstow	Secretary
Carmen Ortiz	Treasurer
Michael Rider	Trustee

Board Members Not Present:

Staff Present:

Jon Combs	SVGID, General Manager
Chris Melton	SVGID, Public Works Director
Erin Dowling	SVGID, Customer Service Supervisor
Jennifer Merritt	SVGID, Administrative Assistant
Maddy Shipman	SVGID, Legal Counsel

Other Members Present:

Hawah Ahmad	Audience
Jim Ainsworth	Audience
Carol Burns	Audience
Mark Neumann	Audience
Bo Ramsey	Audience
Kelly Glenn	roo co.

The meeting of the Sun Valley General Improvement District was called to order by Chair Ainsworth at 6:00 pm in the Sun Valley District Administrative Building, 5000 Sun Valley Blvd., Sun Valley, NV.

Item# 1. Roll call and determination of a quorum.

Board members present; Chair Ainsworth, Vice Chair Severt, Treasurer Ortiz and Trustee Rider. A quorum was present.

Item# 2. Pledge of Allegiance.

Led by Trustee Rider

Item# 3. Public comments for items not on the agenda.

Mr. Neumann commented he attended the public meeting regarding the Chocolate Drive development; there was a lot of opposition regarding the proposed development. He reported the Sun Valley Citizen Advisory Board (SVCAB) is considering holding its monthly

meetings at Hobey's Casino; their banquet room is available the first Saturday of each month. This would accommodate the SVCAB desired meeting schedule and not interfere with any of the programs that take place at the Sun Valley Neighborhood Center. Lastly, he gave a brief update regarding Highland Village development. The developer is seeking HDS zoning to build more homes per acre. Mr. Neumann will be attending the upcoming meeting to convey the desire to keep Sun Valley as a rural community.

Ms. Ahmad announced her candidacy for Washoe County Commissioner District 3. She welcomes the opportunity to meet with the Sun Valley residents to hear what the needs are for Sun Valley. She commented on the proposed low-income housing development on W. 1st Avenue; she stated this proposed development is an interesting opportunity for the Sun Valley community. The developer Ulysses Development Group LLC wants to be a community partner and welcomes public input on the project.

Trustee Rider announced Cal Ripken Baseball League will be hosting their open ceremonies on April 2, 2022 at Gepford Park starting at 11am. The league has invited the District to attend the open ceremonies. He also reported the SVCAB is scheduled to meet April 2, 2022 at the Sun Valley Neighborhood Center at 10am.

Item# 4. Motion to approve the agenda.

Vice Chair Severt made a motion to approve the agenda. Trustee Rider seconded the motion. The motion carried unanimously.

Item# 5. Certify posting of the agenda.

Ms. Merritt certified posting of the agenda.

Item# 6. Trustee/Manager's announcements, request for information, and statements relating to items not on the agenda.

Mr. Combs announced the flag is half-staff until sunset March 27, 2022 in honor of Madeleine Albright. SVCAB meeting is scheduled for April 2, 2022 10 am at the Sun Valley Neighborhood Center. Lastly, Sun Valley Easter Egg Hunt sponsored by the District and Community Services Agency, is scheduled for April 9, 2022 beginning at 11 a.m. at the Sun Valley Community Park.

Trustee Rider thanked the District for the opportunity to attend the Nevada Rural Water Association Conference, it was very informative. He appreciates Mr. Combs desire not to put murals on the water tanks. He attended a training session regarding water storage tank assessment and management, he realized by putting any kind of dark paint on a water tank compromises the tank's interior structure.

Item# 7. Discussion and action to approve account payables for March 24, 2022.

Treasurer Ortiz gave a brief report of the account payables, customer refunds and payroll for March 24, 2022.

Treasurer Ortiz made a motion to approve the account payables March 24, 2022 in the total amount of \$295,127.55 Trustee Rider seconded the motion. After discussion the motion carried unanimously.

There were no public comments.

Item# 8. Discussion and action to approve board meeting minutes of March 10, 2022.

Trustee Rider made a motion to approve the Sun Valley General Improvement District Board Meeting Minutes of March 10, 2022 as submitted. Vice Chair Severt seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 9. Discussion and action to approve final 2022 spring District newsletter.

Ms. Glenn with roo co. provided a copy of the final draft spring newsletter for review and approval. The newsletter promotes the upcoming movie in the park, opening of the pool, information on citizen advisory boards, outreach to local veterans, reminder to water days, a thank you message from Mr. Combs. Announcements of the upcoming Give Away Day and the Keep Truckee Meadows Beautiful annual Great Community Cleanup event and other important dates between April and June. She also reported depending on the outcome of an upcoming agenda item regarding the 2.5% rate increase, she will add an article regarding such.

Vice Chair Severt requested to bullet point or bold the days for the water day article to draw more attention to the customers.

Treasurer Ortiz inquired what months are covered with the newsletter spring edition. She also wanted to know if it was possible to include the April 2, 2022 SVCAB meeting under important dates. She also requested that once the SVCAB has finalized their meeting schedule and location, the District advertise the new schedule.

Ms. Glenn responded the spring edition covers the months of April thru June; the next newsletter is scheduled for July. The newsletter is scheduled for its first distribution April 4th; the SVCAB meeting would have already taken place prior to distribution.

Ms. Dowling commented the District would not be able to promote the SVCAB meeting schedule in the spring edition due to the timing of distribution. The District can include SVCAB future meeting dates in the upcoming summer edition.

Vice Chair Severt requested the newsletter to include Washoe County's website in the SVCAB article so those that are interested in attending a meeting, can view the meeting schedule.

Chairperson Ainsworth requested staff to include the SVCAB meeting on the District's calendar and Facebook page.

Ms. Merritt reported the District posts the SVCAB meeting agenda from Washoe County, staff posts the agenda in the District's front lobby, Sun Valley Neighborhood Center and on the District's Facebook page.

Audience member Mr. Neumann inquired about the announcement of the Truckee Meadows Fire Protection Green Waste events.

Ms. Merritt responded she had shared the Truckee Meadows Fire Protection Green Waste event for north valleys on the District's Facebook page. She will share the Spanish Springs event once the date has been released.

Vice Chair Severt made a motion to approve the newsletter as submitted and with the additional amendments; bolding watering days and including additional article regarding rate increase if needed. Trustee Rider seconded the motion. After discussion the motion carried unanimously.

Item# 10. Discussion and possible action to update District Personnel Policy 6 regarding eligible employees that can receive health benefits.

Ms. Dowling provided a copy of the District's Personnel Policy 6 regarding benefits. Staff is requesting approval of the amendments to the policy that clarifies eligible employees that can receive health benefits. She stated by law the District is required to offer health benefits (medical, dental, vision and long-term disability) to regular employees who work 30 or more hours per week.

Treasurer Ortiz made a motion approve amendments to District Personnel Policy 6 regarding eligible employees for health benefits. Vice Chair Severt seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 11. Discussion and action to approve For The Record proposal for board room recording equipment and software for a not to exceed amount of \$11,000.00.

Mr. Melton reported in 2015 the District converted its recordings of board meetings from cassette to digital. The District's current digital software is known as For the Record (FTR). At the time of conversion, the current operating version was compatible with windows 7; today windows 7 is no longer supported. Staff is seeking approval to replace its current recording equipment and software. Staff's recommendation is to continue with FTR, as it is commonly used throughout other governmental agencies as the preferred digital recording software.

Mr. Melton provided a copy of For The Record's proposal that includes an all-in-one FTR Touch Dell computer. The computer will come preloaded with the recording software. The proposal also includes ten new 18" gooseneck microphones and bases. The total proposal for equipment, licenses and software is \$7,867.50. Staff is requesting approval of a not to exceed amount of \$11,000.00 to accommodate additional services for onsite installation and training. The project would be paid from the District's Acquisition Fund.

Audience member Mr. Neumann inquired if the proposal includes video and telephone option for meeting attendance. He felt the proposal is high for just audio recording.

Chairperson Ainsworth responded the proposal is for audio only, similar to current recording setup.

Vice Chair Severt made a motion to approve For The Record proposal with onsite installation and training with a not to exceed amount of \$11,000.00 paid from the District's Acquisition Fund. Trustee Rider seconded the motion. The motion carried unanimously.

Secretary Barstow arrived at 6:30 pm

Item# 12. Discussion and action to approve salary for newly appointed General Manager, Chris Melton.

Mr. Combs reported the District Board of Trustees recently appointed Chris Melton as the District's new general manager. Staff was directed to have a formal agenda item to discuss and approve Mr. Melton's salary as the general manager. Mr. Combs provided a copy of the general manager job description and the District's salary chart. Mr. Combs reminded the board; the general manager position is a salary position set by the board. No salary range has been set for the general manager position.

Vice Chair Severt congratulated Mr. Melton on his promotion and for accepting the position. She made a motion recommending an annual salary of \$107,000.00. Chair Ainsworth seconded the motion.

During discussion Treasurer Ortiz inquired if Mr. Melton will be subject to a introduction period.

Mr. Combs responded all new hires and/or employees promoted into a new position are placed on a six-month introductory period. He stated when the District promotes a employee; that employee should be eligible to use their already has accrued sick and vacation time during an introduction period. This will eliminate the concern at the end of the year requesting approval to extend the period to use the time and/or be paid a set number of hours for not being able to use accrued time. However, all new hires can start using their accrued time after the six-month period.

After discussion, the motion carried unanimously.

There were no public comments.

Item# 13. Discussion and possible action to implement Board approved 2.5% rate increase for residential, commercial from \$2.40 per one thousand gallons to \$2.46 per one thousand gallons, and bulk single use water consumption from \$3.36 per one thousand gallons to \$3.44 per one thousand gallons; as a direct pass through from Truckee Meadows Water Authority.

Mr. Combs reported staff is requesting to implement the approved 2022 2.5% rate increase for water consumption only as a direct pass through from Truckee Meadows Water Authority (TMWA) that goes into effect May 1, 2022. As a reminder TMWA approved a multi-year rate increase, a 3% in 2017 a direct pass through to District customers, 3% in 2018 the District absorbed the increase with no pass through to District Customers. In 2019 and 2020 TMWA defer the 2.5% rate increase. The District Board of Trustees approved on April 18, 2021 a multi-year 2.5% water consumption only rate increase for 2021, 2022, and 2023. These increases are a direct cost to the District from TMWA, and as such, should be passed through. He reported under the direction of the Board of Trustees, staff is required to bring this for final approval each year for additional review and consideration to determine if a rate increase is needed. If approved, the increase will require a sixty-day period notice to the District customers of the effective date June 1, 2022.

Mr. Combs reported TMWA has a Tier rate system; Tier 1 with the 2.5% increase will raise the cost per thousand gallons from \$1.61 to \$1.65 for the first 34,000,000 gallons. There are eight months (April thru November) out of the year that the District uses in excess of the 34,000,000 gallons triggering TMWA's Tier 2. The 2.5% increase will raise the cost per thousand gallons from \$2.67 to \$2.74. During these months the District experiences a loss

of approximately \$87,000.00. The District does not have a tier rate structure. The current rate for residential and commercial customers is \$2.40 per thousand gallons; with the 2.5% increase it will raise the cost per thousand gallons to \$2.46. The current rate for bulk single use is \$3.36 per thousand gallons; with the 2.5% increase it will raise the cost per thousand gallons to \$3.44. The average monthly usage is 5,000 gallons per single family dwelling; this equates to a \$0.30 monthly increase. The average monthly high usage is 12,000 gallons per single family dwelling; this equates to a \$0.72 monthly increase. He reported staff believes that the rate increase should be by consumption only and not on base rates at this time. The rate increase on consumption will be paid by customers who use the most water and will be less disruptive on our fixed income customers and those who conserve water.

Trustee Rider commented approving a rate increase is not taken lightly. He understands the need for it, but he wants it to be known it is not because the District is being fiscally irresponsible. This increase is a direct pass through from TMWA who initially raised the water rate. The District has to pass through the increase in order to remain viable and continue delivering safe drinking water.

Vice Chair commented she agrees with Trustee Rider's statement. She would rather increase the rate incrementally as needed, instead of having to do one large increase in the future.

Treasurer Ortiz commented it is unfortunate that TMWA continues to raise the rates.

Chair Ainsworth agreed with all trustees' statements, and stated it has to be considered as a pass through. It is unfortunate everybody's rates are increasing.

Audience member Mr. Neumann suggested adding an article in the District newsletter noticing the District customers of the rate increase. The article should include that the increase is a direct impact by TMWA and not by the District.

Audience member Ms. Burns thanked the District for allowing the use of the Sun Valley Neighborhood Center for the April 2, 2022 Sun Valley Citizen Advisory Board meeting. She also commented on the new Washoe County Neighborhood Meeting HUB website. The new HUB website is the primary location for neighborhood meeting information.

Vice Chair Severt made a motion to approve implementing the approved 2.5% rate increase for residential, commercial from \$2.40 per one thousand gallons to \$2.46 per one thousand gallons, and bulk single use water consumption from \$3.36 per one thousand gallons to \$3.44 per one thousand gallons, effective June 1, 2022. Trustee Rider seconded the motion. The motion carried unanimously.

Item# 14. Review and discussion of the District's tentative budget for Fiscal Year 2022/2023 with action to approve.

Mr. Combs reported the District is required to prepare and submit a tentative budget to the Nevada Department of Taxation on or before April 15, 2022. He stated there will be a standing agenda item regarding the budget on every agenda until the District holds its public hearing on the tentative budget scheduled for May 26, 2022. He gave a brief overview of the District's proposed tentative budget for fiscal year 2022/2023. Mr. Combs stated the water revenue and water purchased reflect a 2.5% increase due to the Truckee Meadows Water Authority rate increase. The District has not received its Health Insurance renewal yet, but it

is projected to be a 20% increase in premiums. Prior year health insurance premiums were flat. Staff will continue to monitor health insurance, but the District is limited to on health insurance providers because of having to offer insurance to eligible retirees per NRS. The liability insurance is projected to have a 5% increase in premiums. The District's compensation has 5% built in to cover performance raises; there is also a 0.50% increase by PERS. Staff increased various repair and maintenance items, such as fuel and materials, due to inflation. Staff also increased BLM Rent; several of the District's BLM leases are up for renewal and the District is obtaining a new BLM lease for Highland Ranch Parkway. He reported BLM is now requiring surety bonds for each site at the time of renewal or new applications. He proceeded and reported staff is budgeting for the upcoming legislative session, compensation study and a water rate study. Mr. Combs reported the District's Water Fund consists of; Revenues \$3,715,300, Expenses \$3,721,781, providing a proposed Net Income Loss for the Water Fund (\$6,481).

Mr. Combs reported on the District's Sewer Fund; sewer revenue and expenses increases are very similar to the Water Fund, related to new development, projected insurance increase and other various services. The District's biggest expense for sewer is due to the Truckee Meadows Water Reclamation Facility (sewer treatment plant). Mr. Combs reported the District's Sewer Fund consists of; Revenues \$3,250,362, Expenses \$3,147,372, providing a proposed Net Income for the Sewer Fund \$102,990.

Mr. Combs reported the District's Acquisition Fund consists of; Revenues \$1,719,335, Expenses \$3,058,300 providing a proposed Net Income Loss for the Acquisition Fund (\$1,338,965). Mr. Combs reported the District is projected to receive \$392,585 in Ad Valorem; this is due to growth of the community. He also reported on the capital improvement projects for water, sewer and recreation; some of the capital improvement projects are identified in the District's Water and Sewer Master Plan Schedules. There are other capital improvement projects that are identified by staff. Some of these projects include software upgrades, field and office equipment purchase, office remodel, new roof for the main office, new dump truck, studies that might require outside consulting, repair and maintenance of some of the District's tanks, vaults, meters and clean outs as well as some other potential purchases that would be classified as an asset. He reminded the board; a lot of the infrastructure improvements will be developer paid. He stated the District currently has enough reserves built up in its Acquisition Fund to cover these expenses.

Mr. Combs reported the revenue for the Properties and Garbage Fund is contributed from the Prosser Rentals and Garbage Franchise Fee. The District receives a portion of the fees collected for garbage service that is contracted out to Waste Management. He reported the Properties and Garbage Fund is what is used for beautification projects, such as cleanups and recycling days, junk car removal and the garbage subsidy program. Mr. Combs reported the District's Properties and Garbage Fund consists of; Revenues \$244,320, Expenses \$119,650, providing a proposed Net Income for the Properties and Garbage Fund \$124,670.

Mr. Combs reported last year the District was able to open the pool, but it had a short season due to the poor air quality from forest fires. The District budgeted for the additional revenue of \$90,000 from Washoe County. These funds are to applied toward park and pool improvements. He reported there is an increase to pool compensation to help obtain and retain lifeguards for this season. He proceeded with the District's Recreation Fund, the fund consists of; Revenues \$436,500, Park Expenses \$188,412, Pool Expenses \$218,255; providing a proposed Net Income for the Recreation Fund \$29,833.

Lastly, Mr. Combs reported 2022/2023 overall budget summary for all funds revenues is projected at \$9,365,817, all funds expenses is projected at \$10,453,770; an overall Net Income Loss of (\$1,087,953). He stated the net income loss is due to the capital improvement projects; some projects might get deferred to next fiscal year or developer paid, reducing the overall net income loss. He thanked staff for all of their hard work with assembling the District's 2022/2023 tentative budget and requested approval of the draft tentative budget.

The board thanked Mr. Combs for his presentation of the 2022/2023 tentative budget.

Audience member Mr. Neumann inquired about the capital improvement project upgrading a portion of the sewer interceptor. He also inquired if there was going to be an increase in street-cut repairs based in the inflation of materials. Lastly, he suggested District staff inquire about the warranty on the District office building roof prior to replacing it.

Mr. Melton responded, as part of the improvements required for the Highland Village Phase I development, a portion of the sewer interceptor needs to be upgraded. This project is will be developer paid. He also reported the District performs its own cold patches whenever the District cuts the road. Washoe County and RTC invoices the District once they have done the actual road repair. Based on the number of street cuts, the District didn't feel the need to increase the line item. There is also enough in the budget to cover street cuts and including raising District facilities if Washoe County or RTC performs any road repairs.

Trustee Rider made a motion to approve Sun Valley General Improvement District 2022/2023 tentative budget as presented. Vice Chair Severt seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 15. Legal report by Maddy Shipman.
None

Item# 16. Field report by Chris Melton.

Mr. Melton reported on the following:

- He regrets to inform the board, two grade three service technicians have recently resigned. Management is doing its best to recruit to fill the vacancies.

- Due to the recent resignations, the District currently does not have a certified backflow tester. Each year all commercial properties are required to have their backflow tested by the District. Due to the staffing shortage, he is allowing each commercial customer have their backflow tested by a certified backflow operator. Customer's will be required to schedule and pay for the test to an independent contractor and provide the District the test results. The District will be sending letters to each commercial customer regarding the testing requirements along with a list of local certified backflow operators. He stated if this is successful, he may recommend a Tariff change to implement this practice and save the District 160 hours that is spent towards testing.

Item# 17. Office report by Erin Dowling.

Ms. Dowling reported on the following:

- The District's winter evaluation ended March 21, 2022. District billing representative is working in setting the sewer average.
- She has working on the renewal process for the District's Garbage and Recreation Assistance Program.

Item# 18. Manager report by Jon Combs.

Mr. Combs reported on the following:

- He has been working closely with Mr. Melton sharing as much information as possible to assist with an easy transition.
- He stated the board made a good decision appointing Mr. Melton as the new general manager. The District also has highly qualified staff to help support management to keep operations going smoothly.

Item# 19. Public Comments.

Mr. Ainsworth commented it is concerning the hear Mr. Melton's report about the shortage of staff. The District should consider looking at the compensation package to remain complete in this tough market keeping qualified employees.

Carmen Ortiz commented she is an active community member; she is the chair of the Sun Valley Citizen Advisory Board and a trustee to the Sun Valley General Improvement District. She announced her candidacy for Assembly District 27.

Item# 20. Board Comments.

Trustee Rider congratulated Ms. Ortiz and wished her good luck in the upcoming election. He commented one of the District's water storage tanks had a security breach. A hole was cut into the fence for access to graffiti the tank. He complimented Mr. Melton for the quick response time by staff securing District facilities and performing graffiti removal.

Secretary Barstow thanked the District for the get-well card. He clarified his comments at the last board meeting regarding his request for more information; it came off as if staff was not keeping the board informed. He apologized for the delivery of his comment, that was not his intentions. Staff does a great job keeping the board apprised of District business and emergencies on a regular basis. He thanked Mr. Combs for his time dedicated to the District and he looks forward to working with Mr. Melton as the new General Manager.

Vice Chair Severt thanked Mr. Combs; when he assumed the general manager position, he was thrown into the job with no training. He since then has done a great job leading the District for the past several years. She thanked the District for the opportunity to attend the Nevada Rural Water Association conference. She was able to attend the training session for

Clean Water Act and the Do's and Don'ts of Water Management, especially during emergencies. She also attended a training session on rate settings; setting rates is very complex and recognizes the need for the District to perform a rate study in the upcoming year.

Treasurer Ortiz congratulated Mr. Combs and thanked him for his service. She congratulated Mr. Melton on his promotion and looks forward to working with him as the new general manager. She also thanked staff for working with Washoe County and making the Sun Valley Neighborhood Center available for the upcoming Sun Valley Citizen Advisory meeting April 2, 2022.

Item# 21. Future Agenda Items.

Mr. Combs reported the following items will be on the next agenda;

- Consideration of accepting a bond in lieu of the first payment of facilities fees from Ulysses Development Group
- Possible update from Truckee Meadows Water Reclamation Facility and Commissioners.

Trustee Rider requested possible discussion of recreation/pool wages if necessary.

Vice Chair Severt requested Trustee Rider's request to be expanded to discuss the pool operations.

Secretary Barstow requested a report of all the recreation users.

Item# 22. Adjournment.

Secretary Barstow made a motion to adjourn at 7:40 pm. Treasurer Ortiz seconded the motion. The motion carried unanimously.

Approved by the SVGID Board of Trustees on April 14, 2022
Minutes Prepared by: Jennifer Merritt, Administrative Assistant