



Sun Valley General Improvement District Board Meeting Minutes of September 22, 2022

Board Members Present:

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

Board Members Not Present:

Joseph Barstow	Secretary
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Staff Present:

Chris Melton	SVGID, General Manager
Brad Baeckel	SVGID, Public Works Director
Erin Dowling	SVGID, Customer Service Supervisor
Elizabeth Thrall	SVGID, Senior Accountant
Maddy Shipman	SVGID, Legal Counsel
Jennifer Merritt	SVGID, Administrative Assistant

Other Members Present:

Denise Scott Myer	Public
Mark Neumann	Public
Mike Revty	Public
Bo Ramsey	Public
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 Vice Chair Severt

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

Audience member Mr. Neumann commented he has been working with Washoe County Sheriff's Office regarding their catalytic converter program. A lot of seniors don't have access to computers making it difficult to register; he stated seniors can call the Sheriff's Office to request a registration card to register their catalytic converter. He also stated the

new catalytic converter register sticker is deterring thieves.

Audience member Mr. Revy commented he attended the Sun Valley Car Show and the organizer would like to organize a Truck-n-Treat event for the Sun Valley Community next year. He thinks this would be a positive community event while giving the youth a safe place to gather.

Item# 4. Motion to approve the agenda.

Trustee Rider made a motion to approve the agenda. Treasurer Ortiz 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. Melton announced the 2022 NACO Conference is September 27th thru September 29th, 2022 at the Virginia City Piper Opera House. The Sun Valley Citizens Advisory Board meeting is scheduled for Saturday, October 1st, 2022 at Hobey's Casino commencing at 10 a.m. Summit Church is hosting a Free Medical Clinic Saturday, October 15th, 2022 starting at 9 a.m. at the Sun Valley Neighborhood Center.

Treasurer Ortiz commented she attended the Sun Valley Car show, it was well attended. She also likes the idea of partnering with the Impala's Car Club and other community partners to organize a Trunk-n-Treat event for next year. She also announced the new suicide hotline is 988.

Item# 7. Discussion and action to approve account payables for September 22, 2022.

Treasurer Ortiz gave a brief report of the account payables, customer refunds and payroll for September 22, 2022.

Treasurer Ortiz made a motion to approve the account payables for September 22, 2022 in the total amount of \$358,664.05. 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 September 08, 2022.

Vice Chair Severt made a motion to approve the Sun Valley General Improvement District Board Meeting Minutes of September 08, 2022 as submitted. Trustee Rider seconded the motion. The motion carried unanimously.

Item# 9. Discussion and action to approve fall newsletter final draft layout.

Ms. Glenn with Roo Co provided a final draft newsletter for review. This edition provides a lot of content thanking recreation sponsors, promoting upcoming events and programs, how to prepare for winter, and important dates.

Treasurer Ortiz requested to add the early voting dates if possible.

Ms. Merritt responded the newsletter is full and doesn't provide the space needed for the early voting dates. The Voting Information article directs individuals to call Washoe County 311. She also reported once Washoe County publishes the early voting schedule, the District will make sure to include it on the District's website and marquee, and post it in the District's lobby and at the Neighborhood Center.

Vice Chair Severt made a motion to approve the 2022 fall newsletter as submitted. Chair Ainsworth seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 10. Presentation of State of Nevada Unclaimed Property Reporting Process and possible adoption of Unclaimed Property Dormancy Charge of up to \$60 to District Utility Fee Schedule.

Ms. Dowling reported the District has begun the process of complying with NRS Chapter 120A (Unclaimed Property). The process consists of turning over to the State any unclaimed property (usually uncashed customer refund checks) following a one-year dormancy period. Staff has been working with counsel and the State of Nevada Treasurer's office to establish an account and will be submitting the District's report (and any unclaimed funds/property) by the law's November 1st deadline. The District is permitted by law to impose an Unclaimed Property Dormancy Charge of \$5 per month. Staff is requesting to add this fee to the District's Utility Fee Schedule to cover the administrative cost of noticing, preparation, and submittal of the report to the State. The amount permissible by law is up to and for purposes of this charge staff is defining the dormancy period as the 12 months commencing at the beginning of the fiscal year following the customer being sent a refund check and ending at the end of said fiscal year. Staff proposes the charge be imposed at the end of the dormancy period in an amount that is either 100% of the refund check (if less than \$60) or with a maximum charge of \$60 (if more than \$60). If the District imposes the dormancy charge of up to \$60, it will reduce the number of unclaimed funds that will be turned over to the State, streamlining the process of state reporting.

The law requires, all customers/vendors with outstanding check balances exceeding \$50 must be sent a letter at the end of the fiscal year following the one-year dormancy period at a last known address. The District is required to send a letter to the last known address advising them the need to claim the funds by a certain deadline. If not claimed the District will submit the report to the State Treasurer with electronic funds submittal by the November 1st deadline. Staff has notified all customers/vendors for the one-year period for the 2021-2022 fiscal year for all outstanding accounts exceeding \$50 this year, with a deadline of September 30, 2022.

Treasurer Ortiz inquired if the District's checks have an expiration date printed on them if not cashed.

Ms. Dowling responded District issued checks are valid for 180 days.

Chair Ainsworth commented this law has been in place for several years; any unclaimed property has to be reported to the State.

Ms. Shipman reported the law was passed in 2007, with the District just now adopting a process for reporting; there is a possibility of the District receiving a penalty for non-compliance.

Ms. Thrall reported if a customer/vendor calls the District past the 180 days after they realize they have an uncashed check, the District will work with them by voiding the original check and re-issue a new check in the same amount.

Vice Chair Severt made a motion to adopt the State of Nevada Unclaimed Property Reporting Process and approve adding the up to a maximum amount of \$60 Unclaimed Property Dormancy Charge to the District's Utility Fee Schedule. Chair Ainsworth seconded the motion. The motion carried unanimously.

There were no public comments.

Item# 11. Update of District's unaudited financials ending June 30, 2022 and update on District's Long-term debt.

Mr. Melton provided an unaudited budget analysis report ending June 30, 2022. Mr. Melton gave a brief overview of several items that exceeded the approved budget. He gave a brief overview of the District's Water Fund and highlighted on the line items that went over budget. The District's Office Compensation is 12.47% over budget due to the employee retirement payout for sick and vacation. The District had a vacancy within the accounting department with the retirement of the senior accountant and hiring of a temporary part time accountant; the Retirement/Office (PERS) expense is 8.98% over budget due to the additional accounting employees, and Other Operating Expenses is 100% over budget for the recruiting services to vet for a new senior accountant. The District had one BLM right-of-way renewal this year and also filed for a new right-of-way. During this process the District is now subject to having surety bonds for each of the right-of-way permits. This expense item is 100% over budget. He was pleased to reported half of that BLM expense will be developer reimbursed. He reported the District has been working with Washoe County to get invoiced in real time for Street Cut Permits; an agreement has been reached, Washoe County will invoice the District for the estimated amount for Street Cut Repairs in advance and will true up after paving has been performed. The budget has once again gone over 20% for Street Cut Permits; expenses paid towards Street Cut Permits this year are for 2020 and 2021. District's R&M Mains is over budget due to a fiscal year beginning inventory adjustment that was made. The District replaced all its meters ten years ago, the batteries are reaching their life expectancy and the District's R&M Meters, Boxes, Batteries is 91% over due to battery replacement. The District does get a prorated credit for all recycled Flexnet's returned due to dead batteries. Staff did their best to estimate an increase for fuel, but did not budget enough. Staff did not anticipate the increase as much as it did due to the nation's economics; therefore, the District's Fuel expense is 28% over budget. The District experienced an unforeseen exit in the field department requiring the District to perform a lot of recruiting. The District's Advertising expense is 100% over budget. He reported the District's 2021/2022 approved water budget expenses was projected at \$3,577,105.39 and year-to-date the District's expenses are \$3,211,412.33. The overall 2021/2022 approved Water Fund was projected to have a net income of \$496,842.96.

Mr. Melton reported the District's 2021/2022 approved sewer budget mirrors the water budget, the same expensed line items are over budget. The District's 2021/2022 approved sewer budget expenses was projected at \$2,985,303.78 and year-to-date the District's expenses are \$2,584,854.33. The overall 2021/2022 approved Sewer Fund was projected to

have a net income of \$282,296.86.

Mr. Melton reported the District's properties and garbage has not had a lot of activity and nothing significant to report. The District's 2021/2022 properties and garbage approved budget expenses was projected at \$129,026.00 and year-to-date the District's expenses are \$56,890.05. The overall 2021/2022 approved Properties and Garbage Fund is projected to have a net income of \$187,265.26.

Mr. Melton reported the District's recreation is improving but there are two notable expenses that went over. The District's Equipment Rental is for the portable restrooms within the parks. Staff requested additional cleanings during the peak months resulting in the District going 78% over budget. Lastly, there has been a significant increase to Pool Chemicals, resulting in the District going 55% over budget. The District approved 2021/2022 parks and pool approved budget expenses was projected at \$409,847.78 and year-to-date the District's expenses are \$319,228.48. The overall 2021/2022 approved Recreation Fund is projected to have a net income of \$141,283.25. Mr. Melton was pleased to report the District's 2021/2022 budget for all funds revenue was projected at \$7,974,656.00, year-to-date the District's total revenue is \$8,616,570.09. The District's 2021/2022 budget for all funds expenses was projected at \$8,342,183.55, year-to-date the District's total expenses are \$6,172,385.19. The overall 2021/2022 budget for all funds was projected to have a net income loss of (\$367,527.55), based on year-to-date revenues and expenses the District is now projected to have a net income of \$2,444,184.90. He thanked staff for being extremely diligent with the District's expenses and trying to save whenever possible.

Mr. Melton gave a brief report on the District's cash/reserves/long-term debt thru August 31, 2022. The District has three bank accounts; O&M (operating account) with a cash balance of \$3,758,025.89, CIP (reserve account) with a cash balance of \$10,836,325.29, and CD's (investment account) with a cash balance of \$3,095,076.79. The District's debt consists of two sewer loans with the City of Sparks (Truckee Meadows Water Reclamation Facility) and two State of Nevada Water Bonds. The first City of Sparks Sewer Loan; principal balance is \$733,846.68 plus interest of \$23,336.59 (interest at maturity) with a scheduled payoff date of fiscal year 2027. The second City of Sparks Sewer Loan; principal balance is \$1,152,803.39 plus interest of \$36,666.22 (interest at maturity) with a scheduled payoff date of fiscal year 2027. The first State of Nevada Water Bond; principal balance is \$2,116,491.58 plus interest of \$110,176.55 (interest at maturity) with a scheduled payoff date of fiscal year 2026. The second State of Nevada Water Bond; principal balance is \$1,226,403.44 plus interest of \$104,832.26 (interest at maturity) with a scheduled payoff date of fiscal year 2029. Staff's recommendation is to look at paying off State of Nevada Water Bond #2 off once the District receives enough Facilities Fees from future development. Staff would then use the designated funds the District used for Water Bond #2 and apply them towards Water Bond #1 in efforts to pay off Water Bond #1 early.

Ms. Thrall reported on the District's Restricted Reserves that consist AB 198 for Water Capital Replacements only per 2002 grant; monthly allocations \$1,350.00 with a current reserve balance of \$314,082.00. State of Nevada Water Bond #1 (semi-annual payment of \$318,095.00); monthly allocation \$31,810.00 with a current reserve balance of \$795,643.76. State of Nevada Water Bond #2 (semi-annual payment of \$110,936.00); monthly allocation \$11,094.00 with a current reserve balance of \$432,768.29. The District funds its Depreciation; monthly allocations \$5,000.00 with a current reserve balance of \$868,148.34. City of Sparks (Truckee Meadows Water Reclamation Facility) improvements/loans; monthly allocations \$45,000.00 with a current reserve balance of \$1,828,642.43.

Trustee Rider complimented staff for their hard work and looking out for the rate payers. He appreciates the Recreation starting to pay for itself.

Vice Chair Severt thanked staff for the comprehensive overview of the District's financials. She would like to have regular updates throughout the year so the District can plan accordingly with future trends.

Treasurer Ortiz inquired if the District should consider paying off Water Bond #1 first since it has a higher interest maturity resulting in a larger savings.

Mr. Melton responded staff recommends paying off Water Bond #2 because it has a smaller balance. Staff would like be conservative and pay off what it can without depleting the District's reserves; but still pay additional towards others to help pay them off early.

Audience member Mr. Ramsey inquired what is the difference in depreciation amounts for water and sewer; is it related to older equipment. He also appreciates staff being fiscally responsible and wanting to payoff long-term debt. He suggested to make sure District funds aren't entirely depleted in the event the District has to pay for various capital improvement projects.

Mr. Melton responded the District performed a true-up of its fixed assets, and a lot of older equipment was removed from the asset list. Equipment is replaced and added to the fixed asset list, so the depreciation will always fluctuate between water and sewer. Staff does not want to use any of its reserves to pay off the long-term debt, it wants to use the facilities fees that are projected to come in within the next year. This way the District still has its reserves to perform any planned and/or unforeseen capital improvement projects.

The Board thanked staff for the comprehensive financial report.

Item# 12. Discussion and action to accept Washoe County Subgrant (American Rescue Plan Act) in the amount of \$250,000 to be used towards recreation operations, maintenance and improvements; with direction to staff prioritizing recreation improvement projects.

Mr. Baeckel reported the Washoe County Board of County Commissioners approved the District's American Rescue Plan Act (ARPA) grant application in the amount of \$250,000.00 on September 13, 2022. Staff provided a list of recreation projects for consideration. Projects consist of repaving the Sun Valley Community Park basketball court and the walking path around the soccer field. The walking path would include a curb to assist with the dirt bank eroding, the estimated cost for both projects is \$150,000.00. Creation of an intermittent Park Maintenance position to assist with maintaining a clean and healthy park environment, estimated expense salary and benefits is \$40,000.00. Update all existing outside park lighting to brighter and more efficient LED fixtures, estimated cost is \$30,000.00. Acquire a professional irrigation consultant to evaluate all park irrigation systems and implement recommended improvements, estimated expense \$30,000.00. The last project for consideration is rehabilitation and replacement of the Sun Valley Community Park playground area and equipment, estimated cost is \$40,000.00. He reported both the park lighting and irrigations system have the potential of providing long-term savings being more efficient. The playground rehabilitation project can be replaced at any time using Washoe County Residential Construction Tax that are set aside for the Sun Valley Parks. Mr. Baeckel reported staff is requesting approval of prioritizing the list of projects in the order

as presented. Staff will obtain quotes for each project and they will be brought to the Board for review and formal approval. He also stated staff would like to offer the intermittent Park Maintenance position to the District's current seasonal part-time employee, as he is familiar with the job duties and his work shows pride in the parks. He acknowledged Mr. Melton and Ms. Merritt efforts with obtaining the grant.

Treasurer Ortiz inquired if the estimates provided are actual estimates.

Mr. Baeckel responded the estimates provided are staff estimates based on prior jobs. Staff is currently requesting for formal estimates for all the projects.

Audience member Mr. Neumann commented Highland Village and 5 Ridges Development have shown interest in assisting financially with park improvements.

Audience member Mr. Ramsey inquired if the \$40k for the grant funded employee position will also cover the associated benefit expenses.

Mr. Melton responded the \$40k is the total expenses for the part-time employee. This will cover the hourly wage for 25 hours per week, workers comp, PERS, uniform, and etc.

Treasurer Ortiz made a motion to accept Washoe County American Rescue Plan Act sub-grant of \$250,000.00 to be used towards recreation operations and maintenance improvements and approving staffs recommend prioritized projects as presented by staff. Vice Chair Severt seconded the motion. The motion carried unanimously.

Item# 13. Presentation by District staff regarding 2022 recreation season review.

Ms. Dowling provided a brief recap of the 2022 recreation season events and programs that took place at the various District recreation facilities. The District partners with various agencies for the use of the District recreation facilities to provide community events. She was proud to report there was 11 events provided from February thru September of 2022. There are two more events scheduled, Community Medical Clinic in October and the Veterans Celebration in November. The Robert & Norma Fink Sun Valley Pool season operated for nine weeks. The pool was open to the general public for open swim Tuesday thru Sunday. The aquatic staff did a great job working creatively to accommodate as many patrons as possible each day, utilizing a wait list when there were capacity issues due to the lifeguard shortage. The Sun Valley Community Park complex continues to offer programs with Reno United Tang Soo Do Martial Arts, New Revival Church, Boy Scouts, Girl Scouts, Washoe County Senior Services, and Community Services Agency. The District permitted league use with Sun Valley Cal Ripken, Northern Nevada Soccer League, USA BMX, Reno Adult Baseball League, and Sierra Youth Football. There was a total of 11 reserved pavilion rentals for party use throughout the season.

Ms. Dowling reported staff is pleased with the continued expansion of programs, services, and events that are offered at the District's recreation facilities. Staff would also like to thank all of the partners, sponsors, donors, and volunteers who contribute to the community recreation opportunities.

There were no public comments.

Item# 14. Legal report by Maddy Shipman.

None

Item# 15. Field report by Brad Baeckel.

Mr. Baeckel reported on the following items:

- There are a total of 175 backflows that get tested annually; all have been tested except for seven that need to install new backflows and two others that should be tested by next week. During this process the District unfortunately had to disconnect eight services; those customers have since complied and are working towards becoming compliant. The District has been in communication with those customers that need to install new backflows; as long as they continue to show progress the District will continue to work with them.

Item# 16. Office report by Erin Dowling.

Ms. Dowling reported on the following items:

- The State of Nevada continues to work on the low-income assistance for water and sewer program parameters that will be universal for the multiple utility agencies.

Item# 17. Manager report by Chris Melton.

Mr. Melton reported on the following:

- CliftonLarsonAllen, LLP (CLA) was on site last week working with the District accounting department to compile needed information to complete the audit. CLA is finalizing their report and is tentatively scheduled for October 27, 2022 to present the Final Audit Report.

Item# 18. Public Comments.

Audience member Mr. Neumann commented he is aware of infrastructure funds becoming available; he thinks the Sun Valley roads and intersections are in need of rehabilitation. He suggest the District work with Washoe County and RTC getting striping near the intersections, it will help reduce traffic accidents.

Audience member Mr. Ramsey commented the Summit Church is hosting a Summit 5k Challenge Saturday, September 24, 2022 to help raise funds for the Eddy House.

Item# 19. Board Comments.

Trustee Rider thanked staff for their continued hard work and for their diligence with the District's budget. He commented the Reno Adult Baseball League is a great addition to the Sun Valley Community. He was proud to see young adults, that he once coached, continuing to play ball beyond the prep league. This program continues to engage the teens and young adults in sports and recreation. He also reported abandoned vehicles are becoming a nuisance on Mineral Dr. and surrounding area.

Vice Chair Severt commented when Washoe County improved the north portion of Sun Valley Boulevard there were unintended consequences. There is a service road that was left vulnerable resulting in individuals using it for illegal dumping. Washoe County Sheriff's Office has recently cleaned up the site for the second time this year. She has placed a request with Washoe County to have this site protected/blocked to eliminate future dumping's. She also commented she is a council member on the Family Resource Center (FRC) board; the FRC, Washoe County School District and University of Reno have put in for a grant to fully fund additional FRC sites for five years. She is pleased to announce the FRC sites at Desert Skies Middle School, Hug High School, and the Obrien Middle School are thriving and benefiting multiple communities. Lastly, she appreciates the Eddy's House offering assistance and a safe place for teenagers to go.

Treasurer Ortiz thanked the Washoe County Sheriff's Office Abandon Vehicle Program; they recently removed an illegal dumped motorhome on 7th Ave.

Item# 20. Future Agenda Items.

Mr. Melton reported the following items will be on the next agenda.

- Renewal of Roo Co. Service Agreement for public relation services
- Review of Community Service Award nominations
- Review and judging of 2022 photo contest

Item# 21. Adjournment.

Treasurer Ortiz made a motion to adjourn at 7:07 pm. Trustee Rider seconded the motion. The motion carried unanimously.

Approved by the SVGID Board of Trustees on October 13, 2022
Minutes Prepared by: Jennifer Merritt, Administrative Assistant