

TRI GENERAL IMPROVEMENT DISTRICT
MINUTES OF THE OCTOBER 7, 2021 PUBLIC MEETING
OF THE BOARD OF TRUSTEES

Place of Meeting

The meeting was held at 1705 Peru Drive, McCarran, NV and via Zoom Video conference with members of the public able to join a Zoom Meeting at <https://zoom.us/j/7097790662> or by calling the following number:

Phone: +1 669 900 6833 US Meeting ID: 709 779 0662.

Date of Meeting: October 7, 2021 2:00 p.m.

AGENDAN ITEM 1: Introductory Items

- 1.1. Call to Order and Roll Call
- 1.2. Pledge of Allegiance
- 1.3. Public Comments:
- 1.4. (For Possible Action) Adopt the Agenda as submitted

The meeting was called to order at 2:04 p.m. by Trustee Carmona. GM Shari Whalen presented roll call. Present were President, Jay Carmona, Trustee Lance Gilman and Trustee Clay Mitchell. Other attendees were Tracy Black, Secretary Treasurer, Ozwald Henke, Technical Services Manager and Debbie Leonard, Legal Counsel for the GID.

No public comments and no changes needed to the agenda. Trustee Mitchell moved and Trustee Gilman seconded the motion to adopt the agenda of October 7, 2021. The motion carried unanimously.

AGENDA ITEM 2: Consent Agenda (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually.)

- 2.1. (For Possible Action) Approval of Minutes of May 20, 2021 Meeting
- 2.2. (For Possible Action) Approval of Minutes of August 5, 2021 Meeting
- 2.3. (For Possible Action) Approval of Voucher Report for the Period of July 2021
- 2.4. (For Possible Action) Approval of Voucher Report for the Period of August 2021

(For Possible Action)

No questions and no public comments. Trustee Mitchell moved to approve, and Trustee Gilman seconded the motion. Motion carried unanimously.

AGENDA ITEM 3: General Manager's Report (Information Only)

Shari Whalen, General Manager, summarized several updates for the GID including budget, projects, and administrative matters.

Budget Update

Staff is working to implement the new Sewer Enterprise Budget in Caselle, which is our governmental accounting software. GM Whalen noted that there is an agenda item for later today to provide an update on the FY21 year-end budget summary. Staff has provided all preliminary draft financials and reports to DiPietro and Thornton to prepare for this year's audit and our auditor's field work is underway currently. DiPietro is hoping to have the audit completed in October, almost a month prior to the statutory deadline. Staff expects to present the audit at the December 2, 2021 Board of Trustees meeting.

Staffing

Staff was successful in hiring an Operations Administrative Assistant, Courtney Dunn. Courtney is a graduate civil engineering student at the University of Nevada, Reno. She's been helping staff out quite a bit with administrative support, as well as utility billing. She's been assigned some special projects, including industrial discharge permit compliance monitoring, and she's going to be developing the District's conservation plan, as required by NDEP.

GM Whalen noted that the District finally has a few qualified applicants for the maintenance worker positions, and staff is hoping to schedule interviews in about two weeks.

Blue Horizons Insight, LLC, the company that has been providing technical support on the TRIGID WWTP and a Grade 3 Certified Treatment Plant Operator, has relocated out of the State. Nevada Bureau of Water Pollution Control has indicated that the District can no longer use Blue Horizons to meet its NAC445A requirements. Staff is currently working on a service contract with Blake Hiller in order to provide these critical Grade 3 Operator support services.

Project Updates:

Well 7, Well 8, and the Arsenic Treatment Plant at Well 2

Staff has reviewed the as-builds and final compliance package. Staff is working with Farr West and F&P Construction on final punch list of items on Well 7 and then will be able to accept dedication of all three projects.

TMWRF Pipeline (16-mile 24-inch diameter pipeline from TMWRF to TRI Center)

Pipe installation continues. A total of 6.3 miles has been placed to date. The Tank foundation at Lockwood has been poured, and pipe installation has begun on the Menezes hillside. Staff attended the Rainbow Bend Homeowners Association meeting in order to clarify the requirements for the easement through the RV Storage Yard in Lockwood. The

Rainbow Bend HOA Board voted to send out cards to its members to vote on granting an easement. Farr West Engineering also submitted change applications for the water rights for the new induction wells, and staff continues to work closely with TMWA on the change applications for the pipeline project. Staff met with NDOT and with the State Engineer and Department of Conservation and Natural Resources leadership to brief them on the associated agreements and discuss next steps for the NDOT water rights title work and water change application submittals.

TMWRF Pump Station

There have been some brief demobilizations on this project due to supply chain issues, but the contractor is expected to be back on site soon, and staff anticipates that the schedule will not slip significantly.

TRIGID Effluent Reservoir (2000 AF)

The lining is now substantially complete and the reservoir is fully lined. Staff is now working against the clock to get the remainder of the process water projects completed because there is no outfall for the reservoir. Staff will manage the reservoir by drawing water out to meet future non-potable demand. This has also created some urgency on compliance improvement for our industrial discharge program, as well as optimization of wastewater treatment plant operations.

Auxiliary Power and Fencing Projects

Notice to proceed has been issued on both projects and Farr West is working on permitting for the Auxiliary Power projects with Storey County Planning. Through this process, staff identified an issue with the easements on Well 5 at Sydney. Storey County is proposing a temporary easement to allow construction to proceed at the site until a permanent solution can be developed. Construction should start in December on the generators and January for the fencing.

USA Parkway

As previously reported, repair work for the January damage to USA Parkway is now complete. The responsible contractor has reimbursed the District in full for the damage completed earlier this year.

Legislative Updates:

Staff and TRIGID's lobbying team have attended two Special Committee meetings for Innovation Zones, provided public comment at both meetings and submitted letters expressing the concerns of the District. Sarah Adler with Silver State Government Relations, is here today, and will be presenting a detailed summary and update on this item later in today's agenda.

Water Rights:

The District signed the Water Rights Acquisition and Use Agreement with Nanotech for potable water and non-potable water, by which Nanotech acquired and can use an additional 72.9 acre feet of potable water and 10 acre feet of non-potable water for its project. In addition, Staff signed the associated Assignment of Beneficial Interest in Water Rights and Water Rights Deed.

Staff is currently working on a water agreement with two other potential customers for non-potable water.

Easements:

The District signed several easements to NV Energy over the last two months, one of which was to facilitate an NV Energy project across TRIGID owned property, for which TRIGID was compensated in the amount of \$3,300.

Cybersecurity:

In June 2021, the District filed a cybersecurity claim with POOL Pact in the amount of \$65,932.29. Staff previously reported that the District's insurance coverage includes a zero deductible for this type of claim, so there was no cost to the District. After the last Board meeting, the District's insurance carrier reported that it had investigated our coverage based on their discovery that the claim was a result of a security breach that originated outside of our organization. Their subsequent conclusion was that the District was covered for this claim, but there was a \$1000 deductible.

Other Updates:

Staff continues to coordinate with prospective developers on a many different projects and potential projects within the service area. There are several projects currently under construction, and staff is assisting five existing or potential customers with planning and due diligence activities to support development. Industrial Discharge Permits will expire for all the District's permittees will expire at the end of December 2021, so staff is beginning the process of revising the District's discharge permit template and reaching out to all industrial dischargers to coordinate on next year's permits. There are also changes to the Sewer Rules to support improvement of our Industrial Discharge Permit Program on today's agenda.

There were no questions from any of the Trustees regarding the GM's Report.

AGENDA ITEM 4: Discussion and Possible Action to Direct Staff regarding the Special Joint Committee on Innovation Zones, associated legislation, and other matters properly related thereto

Trustee Gilman recused himself from discussion or voting on this agenda item. GM Whalen introduced Sarah Adler, Silver State Governmental Relations. Sara Adler provided a summary of

the legislative session and provided recommendations for future participation in the legislative committee regarding the Innovation Zone proposal.

Sara Adler reported her activities to support the GID's interactions with the legislature this past session and also with the Innovation Zone special committee. Ms. Adler worked with GM Whalen to provide public comment for the GID at both committee meetings. The first meeting on August 12th was primarily a presentation by Blockchain Inc. t in moving forward with the ability to create a new separate and autonomous form of county government.

During this meeting participants were informed that the second meeting would focus on the Bill Draft Request which was similar to the Bill Draft Blockchains presented during the legislative session. The GID submitted to the committee public comments, which were presented by GM Whalen during this meeting. GM Whalen discussed concerns relating to existing contractual obligations, the need for the GID to retain its eminent domain powers and governance issues.

Blockchain Inc. has now notified various members of the committee it is withdrawing its pursuit of an Innovation Zone. The GID is waiting to hear what will happen next with the special committee and the BDR but will be prepared to participate, as needed.

Trustee Mitchell and President Carmona thanked everyone for the hard work that went into the presentations at the hearing. The Board took no action on this agenda item.

No public comments.

AGENDA ITEM 5: Presentation and Possible Action related to the Fiscal Year 21 Year Ending Budget Presentation

GM Whalen updated the board on the unaudited budget year-end totals. Apart from the payment from the TRI LLC for auxiliary power and fencing, the revenues collected were at 140%, which is a testament to improvement in the GID's water meter reading program. The GID finished at 100% of budget on the expense side and, accounting for depreciation, 102% of budget.

No questions or public comments. Trustee Mitchell moved to approve the TRIGID Year-End Budget Report, Trustee Gilman seconded the motion. Motion carried unanimously.

AGENDA ITEM 6: Discussion and Possible Action related to proposed revisions to TRI General Improvement District Water Rules, Regulations and Rates including, but not limited to, fees associated with new development and water modeling

GM Whalen explained the regulations and the ability to modify as needed annually based on what was learned over the year. Past amendment included allowing the GID to be reimbursed by individual customers for engineering and legal services incurred by the District that were not a benefit to all customers. Because of the costs to the GID to collect those charges, staff is requesting approval of a flat fee of \$500 for water modeling and \$1500 retainer for engineering, legal or other outside services that staff can collect up front to alleviate difficult in collections.

No public comments. Trustee Mitchell moved to approve the revisions to the water rules as proposed by staff, Trustee Gilman seconded the motion. Motion carried unanimously.

AGENDA ITEM 7: Discussion and Possible Action related to proposed revisions to TRI General Improvement District Sewer Rules, Regulations and Rates including, but not limited to, fees associated with new development and sewer modeling, fees for industrial discharge permitting

GM Whalen explained that staff is requesting similar modification to the Sewer Regulations that were requested in the Water Regulations, consisting of a \$500 fee for sewer modeling and \$1500 retainer for outside consultant fees. In addition, the rules will restate the penalties the District can charge pursuant to NRS Chapter 318: the District can charge customers who violate their industrial discharge permits up to \$100 per day and customers who violate federal rules could be charged up to \$1000 per day. The District is also requesting authorization to add fees to cover the cost of developing, issuing and managing an industrial discharge permit. These fees are based on NDEP's NAC 445A and depend on the total volume of water discharged by the permittee.

Trustee Gilman asked for further explanation of what constitutes special permitting. GM Whalen explained that most customers discharge normal bathroom and breakroom water into the sanitary sewer system, but some customers use water for industrial use, manufacturing, and cooling. Those customers must have an industrial discharge permit to discharge their industrial waste stream into the District's WWTP. In some cases, the wastewater must be pretreated before being discharged to ensure it is compatible with the District's WWTP.

No public comments. Trustee Mitchell moved to approve revisions to the District's sewer rules as proposed by staff, and Trustee Gilman seconded the motion. Motion carried unanimously.

AGENDA ITEM 8: NEW BUSINESS. There was no new business.

AGENDA ITEM 9: PUBLIC COMMENT. There were no public comments.

AGENDA ITEM 10: ADJOURNMENT. With no further business to come before the Trustees, the meeting was adjourned at approximately 2:42pm.