

TRI General Improvement District Board of Trustees Meeting

DRAFT Minutes

December 7, 2023, 2:00 pm
440 USA Parkway Suite 105, McCarran, NV 89437

1. Call to Order and Roll Call

The meeting was called to order at 2:03p.m. by President Jay Carmona. GM Shari Whalen took roll call. Present were President Jay Carmona, Trustee Mitchell, and Trustee Gilman. Other attendees were Shannon McKnight, Clerk/Treasurer; Debbie Leonard, Legal Counsel; Oz Henke, Technical Services Manager; and members of the public.

2. Pledge of Allegiance

3. Public Comment (No Action)

No public comment.

4. Discussion/Possible Action:

Adoption of Agenda as submitted.

No questions or comments.

No public comments.

Trustee Mitchell moved to approve the agenda of December 07, 2023, as presented. Trustee Gilman seconded. Motion passed unanimously.

5. Consent Agenda for Possible Action:

- I. Approval of Minutes of October 5, 2023, Meeting
- II. Approval of Voucher Report for the Period of September 2023
- III. Approval of Voucher Report for the Period of October 2023

No questions or comments.

No public comments.

Trustee Mitchell moved to approve the consent agenda of December 07, 2023, as presented. Trustee Gilman seconded. Motion passed unanimously.

6. Discussion Only (No Action):

General Manager's Report

GM Whalen reported the following:

Budget Update

Staff will be presenting the FY23 audit and the first quarter FY24 budget update at today's meeting. FY25 budget presentations will begin in March.

General/Admin

Staff attended the annual Caselle Finance Training in Salt Lake City last month. Staff also completed the Public Employee Retirement System (PERS) audit with the State of Nevada.

Project Updates:

TMWRF Pipeline, TMWRF Pump Station, Asamera Reservoir, and Sydney Process Line

These projects are all substantially complete with a few minor items for final completion. There is a mitigation measure currently underway for the cathodic protection system on the pipeline near TMWRF. Commissioning at the lower and upper Booster Pump Station are both planned for the next few weeks.

Surface Water Induction Wells and Reservoir Booster Stations

Still waiting on NV Energy to pull wire and install transformers.

Comstock Valley Process Extension

The project has been awarded and staff is waiting on the developer to initiate construction. Staff has recently notified the developer that the project is required to be completed by June 2024.

Process System Pressure Testing

F&P continues to work on the 180-day contract and is close to completion.

Well 9

ROW acquisition for well site development is underway.

WWTP Effluent Pump Upgrades

The project is substantially complete, and TRIGID is coordinating with DOWL and Simerson on outstanding items, including on-site capabilities of the existing generator.

Well 3 Rehabilitation

Lumos will be providing bidding assistance for the Well 3 rehabilitation project that was approved as part of the FY24 Capital Improvement Program. The investigation has been completed and the construction project should be presented to the Board of Trustees for contractor award by February 2024.

Water Rights:

Staff is currently working on three water rights assignments at this time.

Easements:

The easement at the end of Pittsburg for a future water connection has been recorded. The Sydney easement for the Process Water extension needs to be relocated and Staff has requested that Tesla review the other outstanding easements for existing water and sewer infrastructure concurrently.

Operations:

Staff had a busy couple of months on the training front. Staff attended pump trouble-shooting training with Western Nevada Supply, and Lyon County hosted us at a regional Clay-Val training. TRIGID also hosted Humboldt County Public Works for an on-site and virtual Hungerford and Terry Arsenic Treatment Plant training. Wastewater personnel visited three Sequential Batch Reactor to Membrane Bioreactor retrofit plants in the greater Portland area in November as part of the Wastewater Treatment Plant PER process.

Wastewater personnel also assisted with the recent effluent pump commissioning and tie-in. In addition, water operations personnel have assisted with draining Tank 4 for the process water tie in at the south end of Peru Drive, and they replaced the production meter at Well 3.

Over the last two months, the Operations team has developed a new work order system and inventory database. They have all back up pump and motors updated and are working to inventory tools and other minor equipment at this time. They have also been creating Standard Operating Procedures for all water and wastewater tasks.

Well 6 is down again and Carson Pump has been contacted for trouble shooting. This well has been down three times in the last four years and due to its temporary location in a Con-ex box, it creates repair challenges. The well is planned to be relocated by the landowner to accommodate future expansion. DOWL is currently working on preliminary engineering analysis for possible location sites, but we will have to continue to pay premium repair fees until the well is relocated.

Engineering:

TRIGID Staff recently attended a joint meeting with Storey County, NDEP, and RCI to discuss the potential for a county-wide Integrated Source Water Protection Plan. This meeting was requested based on input from Board members at the August 3, 2023, Board of Trustees meeting where the Board took action to request assistance from the State of Nevada on an ISWPP Plan for the TRIGID Service Area.

We received our NDEP Discharge to Groundwater Permit on November 30, 2023. This permit has been expired since 2018, so obtaining the updated permit is a major accomplishment. GM Whalen thanked Courtney Dunn and Ken Johnson at DOWL, and Bonnie Hartley at NDEP for spearheading this effort. The NDEP permit has a compliance schedule that requires additional plans and capital improvement projects to be completed over the next six to twelve months. Staff will bring back updates on any items that are required to be completed in this fiscal year as these are currently unbudgeted.

The Industrial Discharge permit renewal cycle is underway. Industrial Discharge Permit Surveys have been sent out and most have been collected at this point. Staff will be issuing 2024 permits over the next few weeks. Our internal goal is to issue all eligible permit renewals by January 1, 2024.

During the May 18, 2023, Board of Trustees meeting, the Board directed staff to enter into emergency contracts for engineering services, emergency construction, and emergency rental equipment for temporary treatment of process water. We have received three bids for the emergency construction project, and we intend to award the base bid and the first two bid alternatives to RDC, the apparent low bidder, in the amount of \$868,015. The RDC team is anticipating project delays due to supply chain issues for required electrical components. However, staff requested that they develop an alternative approach by the end of this week in order to commission the project in March 2023. If this occurs, staff will proceed with the bid award as authorized by the Board of Trustees in May.

Due to changes to the Veolia treatment scope, DOWL has completed several redesigns for the civil improvements. DOWL will submit a request for additional funding for the construction inspection and contract administration portion of the project. Staff will submit the increase request for consideration at the January Board of Trustees meeting.

Staff continues to negotiate with Veolia regarding contract terms and conditions. We anticipate the final contract will include a performance guarantee with regard to Total Dissolved Solids and Silica. We will continue to meet weekly with Veolia to finalize the contract. It is anticipated that the Veolia Equipment Preparation Charges will be approximately \$304,000. In the Board packet for the May 18, 2023, meeting, Staff included the Veolia Equipment Preparation Charges in the emergency construction amount of \$995,500. Staff believes this line item fits more appropriately in the Veolia Rental Costs. It is anticipated that the actual monthly fee will be less than the authorized monthly rental amount of \$544,000 per month. However, Staff will bring back an agenda item for approval or ratification of the upfront cost in addition to the monthly rental fee at the January 4th Board of Trustees meeting once these amounts have been better defined.

Finally, Staff initiated the rate analysis process and complied with noticing requirements under NRS 318 for rates related to temporary treatment; however, as negotiations continue with Veolia, the rate setting has been delayed until staff has more information on final costs. The rate study will be re-noticed and heard at the February Board of Trustees meeting.

New Development:

We are waiting for the final package from the developer to initiate the dedication process for the water and sewer line on Pittsburgh.

Twenty-two sites are currently under construction and three projects are currently in plan review.

No questions or comments.

No public comment.

7. DISCUSSION/POSSIBLE ACTION:

Discussion and possible action to authorize the law firm of Freeman Mathis & Gary LLP, subrogation counsel retained by Nevada Public Agency Insurance Pool, to bring suit against F and P Construction, Inc., Great Basin Control Systems, Inc., and Ken Morgan related to the April 2022 incident at the TRIGID Wastewater Treatment Plant

GM Whalen presented the history of the April 2022 incident and Pool PACT's retention of subrogation counsel.

No questions or comments.

No public comment.

Trustee Mitchell moved to authorize the law firm of Freeman Mathis & Gary LLP, subrogation counsel retained by Nevada Public Agency Insurance Pool, to bring suit against F and P Construction, Inc., Great Basin Control Systems, Inc., and Ken Morgan related to the April 2022 incident at the TRIGID Wastewater Treatment. Trustee Gilman seconded. Motion passed unanimously.

8. DISCUSSION/POSSIBLE ACTION:

Presentation, Discussion and Possible Action to Approve the FY23 Audit Report and Financial Statements

Joe Costanza presented the FY23 Audit Report to the Board.

GM Whalen clarified that much higher-than expected revenues for water but not for sewer were determined to be due to a meter that was classified as sewer that was water in the rate model. Reduction in water revenue is anticipated when process water system comes online.

No questions or comments.

No public comment.

Trustee Mitchell moved to approve the FY23 Audit Report and Financial Statements, as presented. Trustee Gilman seconded. Motion passed unanimously.

9. DISCUSSION/POSSIBLE ACTION:

Presentation, Discussion and Possible Action to Approve the FY24 First Quarter Financial Report

GM Whalen reported that at the end of the FY24 first quarter, Water revenue is at 77% of budget due to the delay in conversion to the process water system and several large construction projects paid connection fees and expenses are at 24.81% of budget. Sewer revenue is 29% of the budget and expenses are 24% of budget.

Due to the 40-40-20 split between water, sewer and process water funds, and with the delay in the process system coming on line, overages in certain expenses are anticipated in the water and sewer funds.

Staff is closely monitoring SCADA and legal services line items, which may be overbudget at year end due to retention of outside legal counsel, so a budget augmentation may be necessary.

No questions or comments.

No public comment.

Trustee Mitchell moved to approve the FY24 First Quarter Financial Report, as presented. Trustee Gilman seconded. Motion passed unanimously.

10. Public Comment (No Action)

No public comment.

11. Adjournment

President Carmona adjourned the meeting at 2:31pm.