

# **TRI General Improvement District Board of Trustees Meeting**

## **DRAFT Minutes**

**May 18, 2023, 2:00 pm**

- 1. Call to Order and Roll Call**
- 2. Pledge of Allegiance**

The meeting was called to order at 2:00pm. by President Jay Carmona. GM Shari Whalen took roll call. Present were President Jay Carmona, and Trustee Clay Mitchell and Trustee Lance Gilman. Other attendees were Shannon McKnight, Clerk/Treasurer; Debbie Leonard, Legal Counsel; Oz Henke, Technical Services Manager; and Courtney Dunn, Civil Engineer.

- 3. Public Comment (No Action)**

There were no public comments

- 4. Discussion/Possible Action:**

Adoption of Agenda as submitted

Trustee Mitchell moved to approve the agenda of May 18, 2023, as presented with Trustee Gilman recused himself from Items 10, 11, and 12. Trustee Gilman seconded. Motion passed unanimously.

- 5. Consent Agenda for Possible Action:**

- I. Approval of Minutes of April 6, 2023, Meeting
- II. Approval of Voucher Report for the Period of March 2023
- III. Approval of contract award to DOWL in the amount not to exceed \$115,000 for Arsenic Analysis and Preliminary Engineering Report
- IV. Approval of contract award to GCW in the amount not to exceed \$149,900 for Wastewater Treatment Plan Analysis and Preliminary Engineering Report
- V. Ratification of Purchase of Two (2) Cornell 4YB 6-inch Effluent Pumps in the amount of \$59,219.16 from Cashman, for use at the TRIGID Wastewater Treatment Plant, to be reimbursed by Tahoe-Reno Industrial Center, LLC as part of the Process Water System Improvements
- VI. Approval of Purchase of Fairbanks Morse 6-inch Digester Pump Back-up Rotating Assembly in the Amount of \$20,508.75 from Nevada Seal and Pump
- VII. Approval of Purchase of WWTP Screw Press 3 -inch Netzsch Pump in the amount of \$17,668.57 from Nevada Seal and Pump
- VIII. Approval of Purchase of Flygt Lift Station Back-up Pump Model NX3127.070 in the amount of \$16,597.00 plus shipping
- IX. Approval of Contract to Sierra Air for replacement of HVAC system at the TRIGID WWTP in the amount of \$19,318.00
- X. Approval of a Three-Year Lease Agreement between RLC USA, LLC and TRI General Improvement District for a 1,650 Square-Foot Administrative Office Space at 440 USA Parkway, in the Amount of \$2,500 per Month, including a 3 Percent Annual Increase

- XI. Approval of an Exchange of Existing TRIGID Furniture, which is Currently Utilized by Others at the Storey County Government Center, in Return for Three Months' Rent Credit to TRIGID by Storey County for the Current Lease ending August 6, 2023.

There were no public comments.

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

**6. Discussion Only (No Action):**

General Manager's Report

**Budget Update**

Today, we are presenting several year-end purchase requests for FY23 on the consent agenda. In addition, we will have our Final budget presentation on the regular agenda.

**General/Admin**

Because our May meeting is off-schedule due to statutory budget approval requirements, Staff is recommending that we cancel the regular June meeting and convene the Board again at the regular meeting on July 2023.

If the Board approves the RLC USA lease for 440 USA Parkway, staff will begin demo, carpet cleaning and painting in order to mobilize to the new administrative office space as soon as possible. Our plan is to have TRIGID maintenance personnel complete this work in order to control costs. We will also begin preparation for administrative transition (signage, furniture, address change, business cards, etc.) immediately following today's meeting.

**Project Updates:**

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

Pressure testing of 52,000 lineal feet of pipeline has been completed to date. There are 3,000 lineal feet which is being tested now.

TMWRF Pump Station

This project is substantially complete. Remobilization continues to be pushed for commissioning due to delays on connection project completion.

Reservoir Pump Stations and On-Site Pipeline

The project is approximately 99 percent complete. Temporary bypass pumping has started and TRIGID field personnel are assisting in system commissioning utilizing bypass pumping. The contractor will have to remobilize to the site later this year to install electrical components when they arrive. All piping installed by WW Clyde has passed pressure testing. Piping installed by Patriot required some repairs after pressure testing, which is underway at this time.

Comstock Valley Process Extension

Pump station project should be out to bid and pump station, tank, and pipeline are expected to be complete in May 2024.

#### Surface Water Induction Wells

Building construction substantially complete. There continues to be a delay on electrical due to challenges bringing power to the sites. NV Energy has finalized design plans and the electrical should be completed by August.

#### Sydney Process Line

The new easement for the Sydney process line has been executed. Construction has begun and Ames is currently anticipated an early completion (June 30<sup>th</sup>, 2023).

#### Process System Pressure Testing

F&P was awarded this project and their tentative start date is early June.

#### Well 9

This is a new well required for construction as part of the 10,000 AF process water system. Well siting has been narrowed down to two sites and DOWL (Farr West Engineering) is working on right of way acquisition.

#### **Water Rights:**

We executed one potable water assignment of beneficial interest.

#### **Easements:**

We have an encroachment permit request for a prospective developer east of the Reservoir which is currently under review.

#### **Operations:**

If you recall, Operations personnel have brought SBR1A and the small digester online for the first time in probably 10 years or more. Seeding has now commenced on SBR2A and we expect the SBR will be brought online by the end of May. This is a major accomplishment, and I would like to thank Chris Wade for his hard work on this project. This increases treatment capacity at the WWTP, although headworks capacity is still the limiting factor for peak flow operations. Also, all six lift station pumps were pulled and documented for vulnerability assessment and backup pump planning.

USA Booster Cloud SCADA was brought online today and the USA Booster, Peru Booster, Well 4 and Well 5 should be done by the end of May. The Wastewater SCADA conversion is now substantially complete, although minor programming work continues. This was a major undertaking and we had two personnel on site for multiple days running, in order to facilitate manual operation during the conversion. As an outcome of this effort, Staff has identified cross-training as a priority, so we have a deeper bench during labor intensive operational events. Ozzie Henke has done an exceptional job creating a training program for all technical personnel. Our first session was last week, and we will be meeting twice a month moving forward to make sure all of our technical staff have the ability to assist on water, wastewater, and process water operations.

For April water maintenance, the Well 7 feed lines and foot valve and Well 8 chlorine injection quill were replaced. A sampling station at Well 5 was installed and staff completed training at Well 5 with Twitchell Mechanical on rebuilding Clay-Vals. Staff is working hard to control weeds at all water and wastewater sites, and they continue

to paint well houses in their spare time. We are heading into the busy season for both water and wastewater operations as the weather warms up.

**Engineering:**

We have three agenda items to discuss a mitigation plan for Reservoir Filling, so, I'll skip that update at this time.

Staff submitted an application for a temporary discharge permit to NDEP to discharge non-potable water to the East Sydney wash as part of the Reservoir filling mitigation strategy. We are waiting on NDEP to issue that permit. We are working with two additional landowners north of the Reservoir on similar discharge plans, but to date, we have not been granted access by one landowner in that area.

NDEP Discharge to Groundwater (permanent) Permit Renewal should go out for public comment in July and should be granted by August. NDEP has requested that TRIGID and all process water customers apply for a temporary NDEP permit on July 1 in case NDEP has not been able to process the permanent permits currently under review at NDEP.

**New Development:**

Three will serves were issued for new projects in April. The water and sewer extension project on Pittsburgh Drive is still in progress, as well as the following on-site developments:

In plan review:

500 Denmark  
455 Italy  
1100 Venice

Under construction:

1200 USA Parkway PIC 1 and PIC 2  
1600 Peru (Pure 3.0)  
1655 Milan (Stericycle)  
625 Pittsburgh  
2200 USA Parkway  
2625 USA Conco D,  
2170 USA  
2175 USA  
7400 USA Fortis STY HUB and CUB  
400 USA, Pilot 1

Tenant Improvements:

1025 Waltham  
655 Waltham Brasa A  
589 London

No public comment.

**7. DISCUSSION/POSSIBLE ACTION:**

Update, Discussion, and Possible Direction to TRIGID staff and lobbyists regarding upcoming bills and legislative activities affecting TRI General Improvement District, and other properly related matters.

In accordance with TRIGID Policy 2-2, Staff coordinated with President Carmona and Debbie Leonard, outside legal counsel for the District, to advise the Nevada Senate Committee on Natural Resources regarding potential impact to TRIGID relating to AB387. Staff testified at the May 11 hearing in opposition to the Bill. We would like to thank Sarah Adler of Silver State Government Relations for coordinating meetings with key legislators on behalf of the District on May 9 as well.

SSGR provided a brief update on other legislation to GM Whalen:

At this point, it does not look like AB387 will move forward as it has not been scheduled for additional meetings either today or tomorrow; however, things can always change at the last minute.

Today, Senate Natural Resources is scheduled to pass out 5 water bills from their committee:

AB20 - This is the Division of Environmental Protections bill relating to the Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects, the Account for the Revolving Fund, and the Account for Set-Aside Program. This bill would redefine "eligible recipients" for the Account to match federal eligible recipients under the Clean Water Act. The bill also adjusts statutes relating to the allowable use of funds from the Accounts.

AB34 - This bill comes from the State Engineer revising provisions regarding publishing notices in newspapers regarding orders and other applications. The bill also removes requirements maps be submitted to the State Engineer on mylar materials.

AB91 - This bill permits the sinking or boring of replacement wells for water already appropriated on public lands without filing with the State Engineer. Currently, this process exists on private land.

AB191 - This bill excludes public or private utilities with less than 15 service connections, serves year-round residents, and supplies municipal and quasi-municipal from the definition of "supplier of water" for purposes of adopting or updating water conservation plans and other water loss measurements.

AB220 - This bill expands on water conservation efforts in Southern Nevada. The measure makes various changes, including connecting septic systems that use Colorado River water to a municipal system by 2054, requiring new construction for buildings that use Colorado River water to install certain irrigation controllers and spray sprinklers, and prohibiting the installation of new turf on any parcel that uses Colorado River water.

The legislative budget committees have also voted to approve an additional \$3.1 million to the Division of Water Resources to expand staffing levels by 10 employees, provide training, restore funds swept from the Basin Account and addresses a USGS gauging budget gap.

Trustee Mitchell requested that staff watch SB226 regarding prevailing wage if appropriate. Sarah Adler will look at the bill in more depth and notify GM Whalen with details.

No public comment.

No action taken at this time.

**8. DISCUSSION/POSSIBLE ACTION:**

Presentation and Possible Action to accept the TRIGID FY23 Third Quarter Financial Report

GM Whalen presented a financial summary as of March 31, 2023. Water Enterprise Fund revenue is at 140.99% of budget projection and expenses are 75.86% of budget projection. Sewer Enterprise revenue is at 86.27% and expenses are at 70.04%.

GM Whalen explained that 40-40-20 percent split was used to budget thinking the process water line would be up and running. GW Whalen stated an augmentation may be needed at year end and discussed the expenses that would generate the necessity for the augmentation. GM Whalen will bring back to the Board at that time.

TM asked if the processed water line would begin to accrue expenses prior to coming online and receiving revenue? GM Whalen stated that we could request the Board to approve a loan between enterprise funds to cover those. GM Whalen stated Items 10, 11, and 12 would discuss further.

TM asked when the augmentation would be triggered. GM Whalen stated the GID would report to the Department of Taxation in August after the fiscal year to cover the entire fiscal year.

No public comment.

Trustee Mitchell moved to approve and accept the TRIGID FY23 Third Quarter Financial Report, as presented. Trustee Gilman seconded. Motion passed unanimously.

**9. DISCUSSION/POSSIBLE ACTION:**

Presentation, Discussion and Possible Action to Approve the FY2024 Final Budget, including, but not limited to the Water Fund Final Budget, Sewer Fund Final Budget, Process Water Fund Final Budget, Position Control, Salary Schedule, Organizational Chart, Comprehensive Five-Year Capital Improvement Plan, and Annual Indebtedness Report

GM Whalen presented the final budget presentation to the GID Board.

Water Enterprise Fund – Projected revenue of \$1.6 million and expenses of \$1.5 million

Sewer Enterprise Fund – Projected revenue of \$1.4 million and expenses of \$1.4 million

Process Water Enterprise Fund – Projected revenue of \$1.3 million and expenses of \$1.3 million

GM Whalen presented the Organizational Chart including two new operator positions.

GM Whalen presented the 2023-2024 Capital Improvement Plan

GM Whalen presented the Nevada Department of Taxation FY24 Budget Summary.

GM Whalen stated Resolution 2022-001, an interfund loan may or may not be necessary depending on when the processed water line begins collecting revenue.

GM Whalen presented a positive cash flow summary.

No public comment.

Trustee Mitchell moved to approve the FY2023 Final Budget, including, but not limited to the Water Fund Final Budget, Sewer Fund Final Budget, Process Water Fund Final Budget, Position Control, Salary Schedule, Organizational Chart, Comprehensive Five-Year Capital Improvement Plan, and Annual Indebtedness Report as presented. Trustee Gilman seconded. Motion passed unanimously.

## **10. DISCUSSION/POSSIBLE ACTION:**

Discussion and Possible Action to Direct Staff to Negotiate and Execute an Emergency Contract with Veolia Water Technologies and Solutions (Veolia) for Temporary Process Water Treatment Rental Equipment, Supplemental Technical Support and Manpower, and Chemicals in the amount not to exceed \$544,944 per month

GM Whalen requested items 10, 11 and 12 be read into the record to hold discussion.

GM Whalen gave the following summary:

The Asamera Effluent Reservoir has been operated as an unlined infiltration basin for over twenty years, as part of our wastewater discharge to groundwater permit issued by NDEP. As part of the Process Water Projects under construction, the reservoir was enlarged and lined to facilitate treated effluent storage for reuse purposes. However, other projects have been delayed due to right-of-way, supply chain, and other issues, while the reservoir construction was completed on schedule. Tahoe Reno Industrial Center, LLC (“the Master Developer”) has not constructed a process wastewater treatment facility that it is contractually obligated to build. This means treated wastewater, including large volumes of industrial wastewater from two temporary industrial dischargers, is flowing into the reservoir, with no way to discharge or percolate into the ground, and no way to deliver process water to customers.

At this time, the process water system is expected to come online in August 2023 and, if process water demand is sufficient, Reservoir filling will slow significantly. However, the process water

system improvements constructed by the Master Developer to date are insufficient to meet the specified water quality criteria required by contract to meet process water customers' requirements. As a result, certain process water customers indicate they will be unable to utilize the process water when it becomes available absent additional treatment.

As part of the 2023 Industrial Discharge Permit Cycle, Staff received updated information from two key industrial dischargers that indicate filling of the Reservoir may occur as soon as October 2023. Since receiving this information, Staff has been working with Stakeholders and water quality experts to concurrently address reservoir filling concerns and water quality challenges on the new process system. At this time, TRIGID has determined that implementing temporary treatment will allow process water customers to utilize process water sooner than anticipated, which will effectively accelerate demand on the process water system and slow reservoir filling. The projections prepared by TRIGID indicate that this temporary solution could delay Reservoir filling in the near term; however, other criteria, including Reservoir water quality and Wastewater Treatment Plant Capacity, are anticipated to necessitate an alternative, permanent solution in one to five years from now.

TRIGID continues to refine the scope of work to be provided by Veolia, however, initial temporary treatment cost estimates provided by Veolia included the following key items:

Monthly Equipment and Service Rental:	\$214,437
Monthly Chemical Costs (variable estimate depending on quantities):	\$258,507
Monthly Supplemental Technical Support and Manpower (2 FTEs):	\$ 72,000
Initial Estimated Monthly Rental Costs	\$544,944

In addition, TRIGID has worked with DOWL to create a high-level estimate of the associated costs to mobilize the Veolia rental equipment and connect it to the existing TRIGID system. Preliminary estimates indicate that it could cost up to \$995,500 to complete this work as outlined below:

Veolia Equipment Preparation Charges	\$387,350
Freight/Mobilization	\$80,000
WWTP Site Connection Piping	\$63,250
WWTP Site Fencing	\$20,000
WWTP Site Pad Construction	\$10,000
WWTP Site Electrical	\$80,000
Reservoir Blend Tank Site Piping	\$48,000
Reservoir Blend Tank Site Fencing	\$20,000
Reservoir Electrical	\$50,000
Reservoir North Wash Piping	\$121,400
SCADA Integration	\$25,000
Contingency (10%)	\$90,500
Total Preliminary Estimate	\$995,500

Additionally, TRIGID would require the support of DOWL for process temporary treatment rate

analysis, civil design, and construction management in order to complete the preparation work required for the Veolia equipment to be connected to the TRIGID system, which is estimated to be approximately 10 percent of the total up-front project cost (\$99,550).

TRIGID believes that installation of this system is the responsibility of others who have failed to construct the necessary treatment infrastructure as required by contract; however, due to the Reservoir filling, Staff recommends that TRIGID complete this temporary project at this time while it analyzes the options for enforcing contractual obligations. Because there currently are no process water rate payers, there is no cash balance in the Process Water Fund. Under State Law, the Water Enterprise Fund would be able to provide a no-interest loan to the Process Water Fund in order to pay for this unanticipated expense. If the Veolia contract is approved, Staff will bring back a resolution for the Water Fund loan at the July 2023 Board of Trustees Meeting.

The excess costs associated with this temporary treatments system will need to be paid through a process water surcharge rate, in addition to the normal process rate previously approved by the Board of Trustees for typical process water system operating costs (electricity, communications, salaries, etc.). Staff will bring back a recommendation on a process water surcharge rate for Board Consideration no later than August 2023, immediately prior to the process water system final commissioning. Staff continues to meet with Veolia and the process water customers in order to refine these initial cost estimates and there is hope that we can identify alternatives to lower the cost for temporary treatment. However, due to tight time frames on construction of connectivity infrastructure and mobilization of the Veolia equipment, Staff is requesting direction to continue to negotiate and refine the Veolia Scope and Fee, as well as the emergency engineering and construction contracts, and administratively execute all required contracts once TRIGID is satisfied that the plan has been optimized. Pursuant to TRIGID Policy 2-2, Section 7, the General Manager has the authority to negotiate and execute agreements on behalf of the Board of Trustees, in conjunction with the President of the Board and the District's Legal Counsel. However, due to the magnitude of the contracts required to mitigate Reservoir Filling and address process water quality, formal direction from the Board is requested at this time.

No public comment.

Trustee Mitchell moved to approve the Negotiate and Execute an Emergency Contract with Veolia Water Technologies and Solutions (Veolia) for Temporary Process Water Treatment Rental Equipment, Supplemental Technical Support and Manpower, and Chemicals in the amount not to exceed \$544,944 per month as presented. President Carmona seconded. Motion passed unanimously. Trustee Gilman recused himself.

#### **11. DISCUSSION/POSSIBLE ACTION:**

Discussion and Possible Action to Direct Staff to Negotiate and Execute an Emergency Contract with DOWL, LLC for temporary treatment rate study, civil design, and construction management, in the amount not to exceed \$99,550, related to connection of temporary treatment equipment to existing TRIGID infrastructure

No public comment.

Trustee Mitchell moved to approve the Negotiate and Execute an Emergency Contract with DOWL, LLC for temporary treatment rate study, civil design, and construction management, in the amount not to exceed \$99,550, related to connection of temporary treatment equipment to existing TRIGID infrastructure as presented. President Carmona seconded. Motion passed unanimously. Trustee Gilman recused himself.

## **12. DISCUSSION/POSSIBLE ACTION:**

Discussion and Possible Action to Direct Staff to Negotiate and Execute one or more emergency construction contracts for connection of temporary treatment equipment to existing TRIGID infrastructure with a total amount not to exceed \$995,500

No public comment.

Trustee Mitchell moved to approve the Negotiate and Execute one or more emergency construction contracts for connection of temporary treatment equipment to existing TRIGID infrastructure with a total amount not to exceed \$995,500 as presented. President Carmona seconded. Motion passed unanimously. Trustee Gilman recused himself.

## **13. Public Comment (No Action)**

No public comment.

## **14. Adjournment**

President Carmona adjourned the meeting at 3:00pm