

TRI General Improvement District Board of Trustees Meeting

DRAFT Minutes

**October 5, 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 2:00 p.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. No public comment

Trustee Mitchell moved to approve the agenda of October 5, 2023, as presented. Trustee Gilman seconded. Motion passed unanimously.

5. Consent Agenda for Possible Action:

- I. Approval of Minutes of August 3, 2023 Meeting
- II. Approval of Voucher Report for the Period of July 2023
- III. Approval of Voucher Report for the Period of August 2023
- IV. Ratification of Emergency Expenses for Well 4 Motor Replacement in the amount of \$34,200 to Carson Pump
- V. Ratification of Emergency Expenses for August 2023 Water Line Leak at USA Parkway and Pittsburgh Avenue in the amount of \$74,238.95 to Q&D Construction
- VI. Approval of Purchase of Replacement Wastewater Grinder (30005-0032 DI Monster) for TRIGID Wastewater Treatment Plant Headworks in the amount of \$19,613.28, plus shipping, from JWC Environmental
- VII. Approval of Purchase of Standard LX Trailer Mounted Gas Extended Reach Valve Operator and one day training program for water valve exercising and valve can cleaning, in the amount of \$87,410.00, from E.H. Wachs Utility Products
- VIII. Approval of Purchase of Replacement Flygt Model 3153.095-0384 Wastewater Influent Pump for Headworks in the amount of \$30,164.00 plus shipping, to Pac Machine Co., Inc.

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

Staff had an audit kick-off meeting this week. All indications are that the audit will be completed on time this year, and since the December 2023 meeting is on December 7th, staff should be able to present the audit for Board review at that time. Staff will also present the first quarter FY23 budget update at the December meeting.

General/Admin

Spectrum is now up and running in the new office, and staff is completely moved in and set up. Staff is still working on a sign for the building, but customers seem to find the location easier and more convenient to visit.

Staff anticipates that the November 2023 Board of Trustees meeting will be cancelled as this is a slower time of year for Board action items.

to the General Manager reported that staff civil engineer, Courtney Dunn, has taken a position at DOWL and wished her luck with this new position.

Staff has elected to delay filling the staff civil engineer position at this time as the District is fully staffed in the field for the first time, and staff is going to reassign the staff engineer's compliance duties to licensed operators and re-assess workload and staffing needs during the FY24/25 budget process, slated to start in January.

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. This month, TRIGID attended a meeting with TMWA, the Cities, and the PLPT to discuss and attempt to resolve protests to the change applications necessary to put the pipeline into service. Further meetings are being scheduled to continue those negotiations.

Surface Water Induction Wells and Reservoir Booster Stations

NV Energy has installed all poles and conduits are installed but they still need 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. The project is expected to be complete in May 2024.

Process System Pressure Testing

F&P continues work on the 180 day contract.

Well 9

ROW acquisition for well site development is underway.

WWTP Effluent Pump Upgrades

This project was initiated by the Master Developer because the new outfall at the Asamera Reservoir and Blend Tank location increased the system head, and the existing effluent pumps at the WWTP cannot overcome this increased head. TRIGID has been utilizing diesel bypass pumping since the original construction phase outfall change was made. The project was awarded to Simerson Construction this summer and the project is expected to be completed by the end of October.

Water Rights:

Staff has completed the work for a new consent-to-assignment form that includes the consent of both TRIGID and the Master Developer in order to make the process simpler for our customers and developers and staff is currently assisting with five water rights assignments.

Easements:

Staff is working to acquire an easement at the end of Pittsburg for a future water connection, and Staff executed a license agreement with UPRR and an agreement with the contractor in order to install the water line across the railroad tracks at Pittsburgh Avenue.

Operations:

Wastewater

NDEP completed a site compliance visit in September, which is required by regulation to occur at least once every five years. Staff is waiting to receive the final report from NDEP, but Staff believes that the inspection went well as staff was able to highlight many of the major improvements accomplished since the WWTP emergency in April 2022. NDEP did indicate that a plant upgrade, if recommended in the Preliminary Engineering Report that is currently underway, may necessitate higher certifications for the WWTP. The WWTP is currently a grade 3 plant and may be upgraded to a grade 4 plant.

The General Manager acknowledged all the hard work and dedication by Chris Wade, the lead WW Operator. His efforts were instrumental in the progress the District has made and was able to illustrate to NDEP during the site visit. Chris is also engaged in the District's cross-training program, and the District's certified water operators are currently learning how to operate the WWTP and run the wastewater lab.

All four influent pumps were pulled and maintained in September. It was determined that one pump should be replaced as it was irreparable, and that item was on the consent agenda today.

Finally, the District's largest 40 hp, 12 inch SBR pump went down at the WWTP this week, but staff had a spare pump on hand and the plant was not taken out of service. This is because of the money allocated in the CIP for FY23 and FY24 to purchase back-up pumps and motors. GM Whalen thanked the Board of Trustees for providing funding for those purchases, noting that it's already paying off.

Water

The District's water operators are cross-training the wastewater operators on compliance sampling procedures. Staff initiated a hydrant flushing program for the first time in District history. Alan Terry, the District's certified Grade 3 Distribution Operator, revamped the daily log system so that operators can access and enter totalizing meter reads at well houses, along with other important information, directly into their iPads in the field.

Water operators also took over the discharge reporting and observation at the Peru and Sydney washes in September.

Maintenance

Maintenance personnel have been painting and repairing fire hydrants and cleaning the "bone yard" at the WWTP. Also, Maintenance Personnel were integral in weed abatement at the Reservoir prior to the NDEP site visit last month GM Whalen acknowledged Dominic Scurti and Brian Pittman for their efforts at the Reservoir Complex in preparation for the NDEP site visit, which went well because of hard work and advanced preparation.

Engineering:

The Industrial Discharge permit renewal cycle will begin next month with Staff sending Industrial Discharge Permit Surveys out to all existing industrial dischargers. Staff's internal goal is to issue all eligible permit renewals by January 1, 2024.

The Well 3 Rehabilitation down hole investigation was completed and recommendations are expected to exceed \$100,000, which is above the NRS 338 threshold for a public works project. Staff is working to contract with Lumos to provide bidding and statutory compliance assistance. It is anticipated that this project will still come in under the budget allocated in the FY24 CIP.

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. Staff has executed the emergency engineering services contract, and work is approximately 90 percent complete on civil improvement design required to connect the temporary treatment equipment.

Staff continues to negotiate regarding the temporary treatment methodology and a related performance guarantee. TRIGID did not accept the initial Veolia proposal because Veolia could not provide an acceptable performance guarantee on the Silica Removal Clarifier System at the TRIGID WWTP. That issue, combined with the receipt of updated discharge and demand information from two key customers, resulted in a revision to the Veolia proposal to utilize RO and Multi-media filtration only. To date, Veolia has not provided a performance guarantee on the RO solution, but Staff has another meeting with them tomorrow to continue discussions on this item.

At this time TRIGID has determined that the only viable temporary treatment solution to prevent Reservoir filling will significantly degrade water quality in the Reservoir over the next several years. If acceptable terms can be reached with Veolia, including a performance guarantee, and if the Builders of the Process Water System will agree to take on the obligation to remediate any degradation in Reservoir water quality associated with this temporary mitigation measure, Staff would be prepared to execute both the temporary treatment contract and solicit prices for emergency construction contracts soon. If that does not occur, industrial dischargers may be required to curtail industrial discharges starting in January 2024.

Revised reservoir filling model runs indicate that the reservoir will not fill as soon as originally predicted. However, inaccuracies and variability in the data provided by the major industrial dischargers call into question the data inputs and, therefore, usefulness of the reservoir filling model.

Two NDEP temporary discharge permits are in effect at this time. To date, the District has discharged over 8 million gallons into washes within our service area. For context that is approximately 1 percent of the Reservoir capacity. In addition, significant rainstorms in September may have impacted our efforts to mitigate reservoir filling.

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 must be delayed due to modifications to the scope of work and related uncertainty around treatment costs that will inform the rate setting. The rate study may be re-noticed and heard at the December Board of Trustees meeting.

New Development:

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

19 sites are currently under construction and two projects are currently in plan review.

Trustee Gilman asked a question regarding a recent pipe break on USA Parkway. GM Whalen responded that the pipe break in August was near the location of the December break. Both breaks appeared to occur where pipe was installed directly on boulders. The locations are not within the areas covered by insurance. Staff has been exploring supplemental insurance for pipeline areas not covered by insurance.

No public comment on the General Manager's report.

7. DISCUSSION/POSSIBLE ACTION:

Discussion and Possible Action to authorize and direct Staff to retain litigation counsel and initiate legal action, if necessary, related to the respective rights and obligations under the Water Rights Use Agreement (Nonpotable) between Tahoe Reno Industrial Center, LLC, SUPERNAP Reno, LLC and TRI General Improvement District and the Exit Agreement between Tahoe Reno Industrial Center, LLC and TRI General Improvement District and related agreements and obligations.

Trustee Gilman recused himself from discussion and voting on this matter.

GM Whalen reported to the Board that Tahoe Reno Industrial Center, LLC, and SUPERNAP Reno, LLC (known as "Switch"), collectively known as the Builders of the Process Water System, have obligations under the Water Rights Use Agreement dated August 7, 2015 to design, construct and dedicate to TRIGID a Process Wastewater Treatment Facility. This facility is necessary for Switch to discontinue its industrial discharges into the TRIGID Wastewater Treatment Plant and for Switch's treated wastewater to be used in the Process Water Supply System. To date, the Builders of the Process Water System have failed to satisfy those obligations, creating serious operational challenges related to Reservoir filling and water quality. TRIGID has been expressing these concerns to the Builders of the Process Water System for the past two years, but to date, the Builders have failed to take action. The Process Wastewater Treatment Facility is a critical component of TRIGID's Process Water Supply System. The Tahoe-Reno Industrial Center, LLC now contends it no longer has the obligation to build the Process Wastewater Treatment Facility due to Switch's failure to provide design information. This dispute between them, along with their failure to act is not tenable for TRIGID.

Due to its immediate urgency, TRIGID has been working diligently to develop short-term, mid-term, and long-term mitigation measures to address Reservoir filling. At this time, absent the necessary Process Wastewater Facility, TRIGID has determined that the only viable temporary treatment solution to prevent Reservoir filling will significantly degrade water quality in the Reservoir over the next several years. Had the Builders of the Process Water System complied with their contractual obligations to build the Process Wastewater Treatment Facility, both Reservoir filling and Reservoir water quality degradation would have been avoided. For that reason, Staff believes that TRIGID should not implement this temporary treatment measure unless the Builders take responsibility for subsequent Reservoir water quality remediation.

Based on these facts, this agenda item requests authority from the Board of Trustees to retain litigation counsel and initiate legal action, if necessary. Prior to initiating legal action, Staff will request that the Builders engage in mediation with the goal of resolving their disputes and reaching an agreement regarding the Process Wastewater Treatment Facility and remediation of subsequent Reservoir water quality

degradation resulting from the temporary treatment solution. However, Staff requests the necessary authority to commence a legal action should a timely resolution not be reached.

Public comment made by Courtney Sweet representing Tahoe Reno Industrial Center, LLC.

No additional comments and no questions.

Trustee Mitchell moved to authorize and direct Staff to retain litigation counsel and initiate legal action, if necessary, related to the respective rights and obligations under the Water Rights Use Agreement (Nonpotable) between Tahoe Reno Industrial Center, LLC, SUPERNAP Reno, LLC and TRI General Improvement District and the Exit Agreement between Tahoe Reno Industrial Center, LLC and TRI General Improvement District and related agreements and obligations. President Carmona seconded the motion. Motion passed unanimously.

8. Public Comment (No Action)

No public comment

9. Adjournment

President Carmona adjourned the meeting at 2:25pm.