

TRI GENERAL IMPROVEMENT DISTRICT
MINUTES OF THE JANUARY 6, 2022 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: January 6, 2022, 2:00 p.m.

AGENDA : Introductory Items

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Public Comments
4. (For Possible Action) Adopt the Agenda as submitted

The meeting was called to order at 2:02 p.m. by President Jay Carmona. GM Shari Whalen took roll call. Present were President Jay Carmona, Trustee Clay Mitchell and Trustee Lance Gilman. Other attendees were Tracy Black, Secretary Treasurer, Oswald Henke, Technical Services Manager and Debbie Leonard, Legal Counsel for the GID.

No public comments. Trustee Mitchell moved and Trustee Gilman seconded the motion to adopt the agenda of January 6, 2022. The motion carried unanimously.

AGENDA ITEM 5: 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.)

- I. Approval of Minutes of December 2, 2021 Meeting
- II. Approval of Voucher Report for the Period of November 2021
- III. Award of WWTP Emergency Effluent Pond Piping to Simerson Construction in the amount not to exceed \$65,659.00, including a 10 percent contingency
- IV. Ratification of Section 125 Premium Only Cafeteria Plan Document, effective September 2021, in order to comply with Federal Internal Revenue Service Code for pretax payroll deductions.

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

5. General Manager's Report (Information Only)

Shari Whalen, General Manager reported on the following items:

Budget Update

The District's annual audit is now complete and will be presented to Trustees today. Staff thanked Dipietro and Thornton for their assistance through this year's audit.

FY23 Budget process is starting at the end of this month. Expect to see a budget priority presentation at the March Board meeting, at which staff will present general goals for the budget process and potential projects for Board consideration. Staff will present the Tentative Budget at the April Board meeting and final budget at a special meeting in the third week of May. Staff recommends moving the May meeting to the third Thursday instead of the first Thursday so that all Board business is done in one meeting during that month.

Staffing

The Maintenance worker position is still open.

Project Updates:

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

Staff is working with Farr West's punch list at Well 7. Upon completion, all three projects will be accepted for dedication.

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

Pipe installation continues. A total of 9 miles has been placed to date. There are two agenda items today to address the easement concern with the Rainbow Bend Homeowners Association.

TMWRF Pump Station

Work continues at the TMWRF facility but continues to be behind schedule. 72% of contract days have passed but only 46% of construction is complete. This should not hold up the overall Process Water Project completion.

TRIGID Effluent Reservoir (2000 AF)

Finish work is underway but final installation of two remaining valves can't be completed until late January due to supply chain issues. New monitoring wells should be drilled this month.

Reservoir Pump Station and Pipeline

Work is scheduled to begin this month. WW Clyde is the contractor.

Auxiliary Power and Fencing Projects

Work is beginning this month and should be completed within the next 90 days. The easement on Sydney Drive has been resolved as TRIGID discovered a blanket easement for facilities within Storey County ROW.

WWTP Pond Intake and SBR Project

Staff added these projects to the monthly update as both projects are being completed under emergency conditions to ensure that the WWTP can accommodate high flows through Summer 2022. The Pond Intake will be completed with outside resources (and is on the agenda for award today). The SBR project is slated to be completed with internal manpower at this time and should be completed by April 1, 2022.

Water Rights:

This month we executed two water agreements and currently have two additional water agreements in the works with potential customers for non-potable and potable water. We also executed an amended banking agreement with H2O NV.

Easements:

Nothing additional to report.

Other Updates:

Staff has completed the lion's share of permit renewals for Industrial Dischargers for 2022. New industrial dischargers have been identified who were previously unpermitted, and they have either been issued a permit for 2022, or staff is working with them to obtain discharge data to issue a permit. Staff expects to have all required permits finalized this month. GM Shari Whalen acknowledged Courtney Dunn for her hard work on industrial discharge permits.

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

AGENDA ITEM 7: Discussion/Possible Action:

Consideration and possible action to approve a Reimbursement Agreement for Oversized Water and Sewer Distribution Improvements with Silver Slate, LLC

GM Shari Whalen summarized this "late-comer" agreement, which creates a mechanism by which future customers in the Comstock Valley will pay their proportionate share of the original construction costs to connect to the new oversized infrastructure that was funded by Silver Slate. The term of the agreement is 15 years and requires TRIGID during that time to charge new applicants for service from these lines their proportionate share of construction costs based on capacity and remit that amount back to Silver Slate.

Trustee Gilman asked whether the original contract with Silver Slate include a recapture right or is this new business. GM Whalen responded that this is new business and is not the subject of an earlier contract but is allowed under the GID's service rules.

Trustee Mitchell asked for clarification on how much capacity Silver Slate would use. GM Whalen explained that Silver Slate's reservation is for most of the capacity and the balance would be available for reimbursement.

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

AGENDA ITEM 8: Discussion and Possible Action

Presentation and Possible Action to approve the FY21 Annual Financial Report and Audit

GM Whalen introduced Joe Costanza with DiPietro & Thornton, who provided a summary presentation of the Audit.

No questions and no public comments. Trustee Gilman complimented the audit report and Trustee Mitchell expressed his thanks for the work that was done. Trustee Mitchell moved to approve, and Trustee Gilman seconded the motion. Motion carried unanimously.

AGENDA ITEM 9: Discussion and Possible Action

Discussion and Possible Action to approve Assumption of Obligations and Indemnity Agreement with Tahoe-Reno Industrial Center, LLC, related to easement across APN 003-534-22 for effluent pipeline.

GM Whalen summarized the issue and gave a status update, explaining that this item is related to the easement for the pipeline to cross property owned by Rainbow Bend HOA. Canyon GID granted an easement, but it is disputed by Rainbow Bend HOA. TRI is paying all costs incurred by TRIGID related to the Rainbow Bend HOA matter.

No public comment.

President Carmona requested clarification that the fees associated to acquire the easement is not paid by TRIGID, but will be paid by the developer. GM Whalen confirmed. President Carmona was concerned that this is not clear on the social media that he sees.

Debbie Leonard clarified that the mechanism might be that the TRIGID makes the payment and then gets reimbursed by the developer.

Trustee Gilman recused himself from discussion and voting on this item because of his pecuniary interest with the Master Developer.

Trustee Mitchell requested clarification on the agreements that created TRIGID's obligations. GM Whalen explained that there are several agreements that create the Master Developer's obligations and that even though the GID will be the grantee of the easement from Rainbow Bend it is the Master Developer's responsibility under the Process Water agreements to construct and pay for the Process Water system.

No more questions and no public comments. Trustee Mitchell moved to approve the Assumption of Obligations and Indemnity Agreement with Tahoe-Reno Industrial Center, LLC, related to easement across APN 003-534-22 for effluent pipeline. President Carmona seconded the motion. Motion carried unanimously.

AGENDA ITEM 10:

Discussion and Possible Action to approve conditions of Rainbow Bend Homeowners Association for easement across APN 003-534-22 for effluent pipeline and to authorize General Manager to enter into agreement related thereto

Trustee Gilman recused himself from discussion and voting on this agenda item due to his pecuniary interest with the Master Developer.

GM Whalen explained the process for acquiring enough votes from the association members to meet the qualifications of the association's bylaws to approve the easement. Rainbow Bend HOA's board is appointing volunteers to go door-to-door to get ballots returned. Volunteers would continue the effort until March 2022. In consideration for this effort, the HOA would be paid \$25,000 for the easement plus any costs, to be paid by the Master Developer per Agenda Item 9.

There is no proposed written agreement proposed by Rainbow Bend Homeowners Association. The proposed terms were just presented in an email. However, staff is requesting that if an agreement is drafted to encompass the terms, the board authorizes the General Manager to enter into that agreement.

Trustee Mitchell expressed concerns about certain language in the second bullet point that appeared as advocacy in favor of approving the easement, rather than just having volunteers continue until there are sufficient votes to decide the question.

GM Whalen expressed that this language came from the Rainbow Bend legal counsel. Debbie Leonard, GID legal counsel, indicated that some of the language had been cleaned up and offered to revise the language to address Trustee Mitchell's concerns to indicate that balloting would continue until the issue is decided.

GM Whalen stated that the project manager, Chuck Reno from Farr West Engineering, is also on the call, attends the Rainbow Bend Homeowners meetings, and is available for questions.

Trustee Mitchell also asked for clarification as to whether payment occurs even if the easement is not approved. Debbie Leonard responded that the \$25,000 payment would only occur if the easement is conveyed, but the costs for the balloting would still be paid by the Master Developer, no matter the outcome. Chuck Reno confirmed that was his understanding as well.

Trustee Mitchell also expressed concern that the GID might be sending a message that might make it harder to obtain the easement.

President Carmona expressed that this is why it is important for the public to know that the GID is not paying for the easement, the master developer is. He also reminded that the GID has

the power of eminent domain to acquire an easement for fair market value, and \$25,000 is very generous for this easement.

Trustee Mitchell stated that the GID should keep perspective on the goal, which is to get the easement.

President Carmona noted that if the HOA Board wanted, it could try again to get enough votes to approve the easement, but that is up to the HOA Board.

No more questions and no public comments. Trustee Mitchell moved to approve the conditions of Rainbow Bend Homeowners Association for an easement across APN 003-534-22 for the effluent pipeline and to authorize General Manager to enter into agreement related thereto. Trustee Mitchell further moved to authorize staff and legal counsel to modify the wording to make it clear that the efforts will continue until sufficient ballots are received to decide the question regarding the easement.

President Carmona seconded the motion. Motion carried unanimously.

AGENDA ITEM 11: PUBLIC COMMENT. There were no public comments.

AGENDA ITEM 12: ADJOURNMENT. With no further business to come before the Trustees, the meeting was adjourned at approximately 2:58pm.