

TRI General Improvement District Board of Trustees Meeting
DRAFT
MINUTES OF THE JULY 7, 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: 1 669 900 6833 US Meeting ID: 709 779 0662.

Date of the Meeting: July 7, 2022, 2:00 p.m.

AGENDA: Introductory Items

- 1. Call to Order and Roll Call**
- 2. Pledge of Allegiance**
- 3. Public Comment (No Action)**
- 4. Discussion/Possible Action:**

The meeting was called to order at 2:01 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 Shannon McKnight, Clerk/Treasurer, Debbie Leonard, Legal Counsel, Oz Henke, Technical Services Manager, and Courtney Dunn, Civil Engineer along with two members of the public.

There were no public comments.

Trustee Mitchell moved to approve the agenda of July 7, 2022. Trustee Gilman seconded. Motion passed unanimously.

5. Consent Agenda for Possible Action:

- I. Approval of Minutes of May 19, 2022 Meeting
- II. Approval of Voucher Report for the Period of April 2022
- III. Approval of Voucher Report for the Period of May 2022
- IV. Approval of Contract Extension for Fiscal Year 2023, with Farr West Engineering in the amount not to exceed \$100,000 for engineering support services

- V. Approval of Contract Extension for Fiscal Year 2023, with Leonard Law PC in the amount not to exceed \$120,000 for legal support services
- VI. Approval of Contract Extension for Fiscal Year 2023, with Silver State Analytical in the amount not to exceed \$35,000 for analytical testing
- VII. Appointment of Shannon McKnight, TRIGID Administrative Services Manager, as the TRIGID Secretary/Treasurer
- VIII. Declaration of Emergency for April 7, 2022, Wastewater Treatment Plant Failure for purposes of Public Employee Retirement System (PERS) reporting of call-back overtime.

No questions and no public comments. GM Whalen corrected a misstatement made at the May 19, 2022 meeting under Agenda Item No. 7: the water enterprise fund collected \$784,000 more than it expends, not \$2.84 million. Trustee Mitchell moved to approve the consent agenda with the noted correction. Trustee Gilman seconded. Motion passed unanimously.

6. Discussion Only (No Action):

General Manager's Report:

GM Whalen reported as follows:

Budget Update

The third quarter budget update is on today's agenda. Staff is currently working on closing out year end and should have preliminary year-end budget numbers for presentation at the next Board of Trustees Meeting.

Project Updates:

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

Pipe installation continues. Over 14.6 miles have been placed to date. The high point tank construction in Lockwood is painted. Staff is still working with RBHOA and Canyon GID to resolve the easement issue in the RV Storage Yard, and there is an agenda item related to that.

TMWRF Pump Station

This project is 98% complete.

Reservoir Pump Stations and On-Site Pipeline

30-inch effluent main up to Denmark and near Walmart is underway. Both Booster Pump Stations and the Blend tank are also under construction. Potable waterline is also under construction from Denmark down to the Upper Booster Pump Station.

Auxiliary Power and Fencing Projects

Work is substantially complete on both projects and close-out documents have been submitted to TRIGID for review.

WWTP Pond Intake and SBR Project

The main portion of this project is complete, but the new wet well configuration has created challenges with screw press operation. Simerson has a contract to complete a modification and has been granted an extension of time to complete the work.

Water Rights:

TRIGID recently executed a process water agreement with Redwood Materials, Inc., which includes infrastructure extension for process water into the Comstock Valley.

New Development:

- Redwood and Comstock TRIC Water and Sewer extensions are well underway. Water line is completed and awaiting acceptance from the State. The Sewer line is near complete and will be tied into USA Parkway within the next few months. Process water infrastructure design is underway for the Comstock Valley Extension. Redwood and Locus (Comstock TRIC) are also mass grading for their projects. There have been no improvement plans for water and sewer service submitted at this time.

Other projects: 75 Pittsburgh, 1525 Venice, 1025 Waltham, 1500 Waltham, 1655 Milan, 2455 Peru, 2625 USA Parkway, 1900 Peru, 635 Denmark.

Easements:

This week TRIGID will be executing four housekeeping easements to provide easement clean up and boundary line adjustments at the Reservoir Complex. These easements simplified and clarified access across the dam, as well as legal access to a TRIGID owned parcel, and helped adjacent landowners address development concerns.

Other Updates:

Staff welcomed two new employees to the District:

Shannon McKnight comes to us with over 20 years of public works administrative experience. She's joining the TRIGID Team as our new Administrative Services Manager and will serve as the District's Secretary/Treasurer.

Chris Wade is our new operator. He has 7 years of experience in operations and holds a Grade II Wastewater Treatment Certification from the State of Nevada.

We are extremely excited to have these two new employees on board.

TRIGID are still recruiting for an Operations Foreman. More information on that recruitment is available on our website at www.tri-gid.org.

No questions were asked.

7. Public Hearing:

Discussion and Possible Action to Adopt Resolution 2022-002, Changing and Establishing Certain Rates and Charges for Water, Sewer, And Process Water Service.

GM Whalen stated Farr West conducted a rate study due to the process water system coming online and higher expenses. The last rate study was completed by Farr West in 2019.

Lucas Tipton from Farr West presented the findings from the rate study and the proposed rates for Resolution 2022-002, noting that the methodologies that were used are nationally recognized and legally defensible. Mr. Tipton gave a brief description of why the rate study was necessary. The proposed rates are for a 5-year period through Fiscal Year 2027. Mr. Tipton went through the power point presentation discussing current cost scenarios and future cost scenarios. Mr. Tipton recommended keeping a cash reserve of 90 days for emergency funding, 1 year expense reserve and a positive cash flow. Mr. Tipton recommended the GID pursue funding for WWTP upgrades.

The Rate schedule for the Resolution is for the next 5 years. All fees include a base charge and commodity charge for each customer. It includes a rate increase over the next 3 years then a CPI increase for the following years. Mr. Tipton noted there is a regular industrial discharge rate, and a high strength discharge rate depending on the discharge limitations as determined by the development handbook, a TDS mitigation charge, and a new rate structure for the process water coming online in future.

The proposed rates will be able to fund a CIP of just over \$10M in the water system.

Mr. Tipton introduced the proposed Commercial, Industrial, Construction water, Irrigation, Sewer, High Strength Industrial Discharge and Process Water rate schedules and reviewed the cash flow analysis.

Mr. Tipton recommended that rates be reviewed each year with a formal study completed every 5 years.

GM Whalen noted that notice of the rate change hearing was sent to all customers through their utility bill and published in the paper following all legal requirements under NRS 318. To date, no formal comments have been received. GM Whalen stated the GID received two

requests for information regarding rate information, which was sent to the customers requesting them.

There were no public comments.

Trustee Gilman had no questions.

Trustee Mitchell asked why process water did not have the significant rates like other enterprises? Mr. Tipton stated it was being started from scratch, so the rates are being set where they need to be. Also, there are no capital projects proposed in the near future for the process water system that would impact fund balances at this time.

Public Hearing was officially closed.

Trustee Mitchell moved to adopt Resolution 2022-002, Changing and Establishing Certain Rates and Charges for Water, Sewer, And Process Water Service by the TRI General Improvement District as presented. Motion seconded by Trustee Gilman. The motion was approved unanimously.

8. Discussion/Possible Action:

Presentation and Possible Action related to TRIGID Third Quarter Financial Report.

GM Whalen gave a financial report update for the third quarter as follows with 75% of the fiscal year having been completed:

Water Enterprise Revenue – \$2.23 million in revenue collected with \$2.45 million being the projected budget amount, which is 91% of the projected amount.

Water Enterprise Expenses - \$675,000 in expenses with \$1.1 million being the projected budget amount, which is 61% of the projected amount.

Sewer Enterprise Revenue - \$1.28 million collected with \$1.31 million being the projected budget amount, which is 98% of the projected amount.

Sewer Enterprise Expenses are \$737,000 with \$1.25 million being the projected budget amount, which is 67% of the projected amount. GM Whalen noted that this fund will likely be over budget due to the emergency at the WWTP in April.

There were no public comments or questions.

Trustee Mitchell moved to adopt and approve the Third Quarter Budget Report as presented. Motion seconded by Trustee Gilman. Motion passed unanimously.

9. Discussion/Possible Action:

Presentation and Discussion related to TRIGID Wastewater Treatment Plant Failure on April 7, 2022, and Possible Action to Ratify Emergency Operations and Repairs Expenses Incurred through June.

GM Whalen gave a recap of the April 7, 2022, incident at the WWTP. TRIGID has filed an insurance claim with the POOLPACT through Davies Solutions. Current invoices to date equal \$393,833.85. Davies is currently investigating the claim and working with the GID.

President Carmona thanked those who assisted the GID with this emergency, along with our TRIGID crew.

Trustee Gilman asked if there was still outstanding work being done to recap costs through insurance. GM Whalen confirmed that was occurring. Trustee Mitchell asked for clarification that the trustees are being asked to ratify the expenses to date. GM Whalen confirmed yes.

There were no public comments.

Trustee Mitchell moved to ratify Emergency Operations and Repairs and Expenses incurred through June in the amount of \$393,833.85, and to direct staff to make periodic reports until normal operations resume at the Wastewater Treatment Plant. Trustee Gilman seconded. Motion passed unanimously.

10. Discussion/Possible Action:

Discussion and Possible Action to approve Acknowledgement of Easement Assignment and Agreement with Rainbow Bend Homeowners Association related to easement across APN 003-534-22 for effluent pipeline.

GM Whalen requested a motion to approve the Acknowledgement of Easement Assignment and Agreement with Rainbow Bend Homeowners Association. This involves Canyon GID assigning an easement to the GID along an existing utility alignment. GM Whalen showed the exhibit attached to the agreement.

Legal Counsel Leonard stated there are still discussions with Rainbow Bend's counsel regarding who is moving the RVs and personal property that are in the way. Staff asked that the Board give discretion for GM Whalen to negotiate the final details to be able to do what needs to be done to finish this project so it does not have to come back to the board.

There were no questions or public comments.

Trustee Mitchell made the motion to approve the Acknowledgement of Easement Assignment and Agreement with Rainbow Bend Homeowners Association related to the Easement across APN 003-534-22 for the effluent pipeline and to authorize the General Manager to finalize and implement any outstanding terms or details. Trustee Gilman seconded the motion. Motion passed unanimously.

11. Discussion/Possible Action:

Discussion and Possible Action to approve Assumption of Obligations and Indemnity Agreement with Tahoe-Reno Industrial Center, LLC, related to the Acknowledgement of Easement Assignment and Agreement with Rainbow Bend Homeowners Association.

GM Whalen noted that the board took action on this on January 6, 2022, and there were minor language changes to this agreement, so it is being brought back for final approval with the language changes.

There were no questions or public comments.

Trustee Mitchell moved to approve the Assumption of Obligation and Indemnity Agreement with Tahoe-Reno Industrial Center, LLC, related to the Acknowledgment of Easement Assignment and Agreement with Rainbow Bend Homeowners Association. Trustee Gillman seconded. Motion passed unanimously.

12. Discussion/Possible Action:

Discussion and Possible Action Related to the General Manager's Annual Performance Review and Associated Personnel Action Form.

GM Whalen stated that she had been properly noticed and had submitted her self-evaluation to the Board of Trustees.

Trustee Gillman stated that he would like to place a gold star in the proper place and hats off to Shari for a job well done.

Trustee Mitchell said there was no need to change anything and felt the ratings could be raised. He felt she was above target in most areas, is thoroughly satisfied with GM Whalen's performance, and had no negative comments.

President Carmona echoed what others stated and added that Shari does a phenomenal job and handles things with pure excellence. She is the right person for the job, and we want to do whatever we can to keep her here. President Carmona further noted that GM Whalen's self-evaluation scores are a little shy, she did a fantastic job and is a great leader. This is a tip of the hat to you.

There was no public comment.

Trustee Mitchell moved to approve the General Manager's Annual Performance Review and Associated Personnel Action Form. Trustee Gilman seconded. Motion passed unanimously.

13. Public Comment (No Action)

There were no public comments.

14. Adjournment

President Carmona adjourned the meeting at 2:57pm.