

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

## **DRAFT Minutes**

**October 10, 2024 2:00 pm**  
**440 USA Parkway Suite 105, McCarran, NV 89437**  
**And by Zoom**

### **1. CALL TO ORDER AND ROLL CALL**

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, and Trustee Clay Mitchell. Other attendees were Shannon McKnight, Clerk/Treasurer; Debbie Leonard, Legal Counsel; and members of the public. Trustee Gilman was absent.

### **2. PLEDGE OF ALLEGIANCE**

### **3. PUBLIC COMMENT (NO ACTION)**

No public comment.

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

Adoption of Agenda

GM Whalen requested to pull agenda item #11 move it to the November 7<sup>th</sup>, 2024, Board meeting.

No public comment.

Trustee Mitchell moved to adopt the agenda with the change of continuing item 11 to the November 7<sup>th</sup>, 2024, Board meeting. President Carmona seconded. Motion passed unanimously.

### **5. CONSENT AGENDA FOR POSSIBLE ACTION:**

- I. Approval of Minutes of August 1, 2024, Meeting
- II. Approval of Voucher Report for the Period of July 2024
- III. Ratification for Emergency Sewer Repair on Innovation Way by Q&D Construction in the amount of \$18,953.75
- IV. Approval of Multi-year Process Water and Wastewater Rate Assistance Contract with DOWL in the amount of \$63,000, subject to annual budget appropriation
- V. Ratification of Amendment to DOWL Contract for Emergency Temporary Treatment to increase the fee in the amount of \$15,000 and to extend the contract through June 30, 2025

- VI. Approval of Partial Design and Value Engineering Contract Amendment for the TRIGID Wastewater Treatment Plant Upgrades to GCW in the amount not to exceed \$315,000
- VII. Approval of Amendment to Arsenic Treatment Contract for Partial Facility Design for the Well 4 and Well 5 Arsenic Treatment Plants to DOWL in the amount not to exceed \$200,000, subject to NDEP Office of Financial Assistance approval of the Arsenic Preliminary Engineering Report
- VIII. Approval of Purchase of 2024 Cat Model TH255C Telehandler from Empire-Cat in the amount of \$98,895

No public comment.

Trustee Mitchell moved to approve the consent agenda of October 10, 2024. President Carmona seconded. Motion passed unanimously.

## 6. DISCUSSION ONLY (NO ACTION):

General Manager's Report

### **Budget Update**

The unaudited year-end financial report for FY24 is on today's board agenda. In addition, the FY24 audit documents have been prepared and will be submitted to the auditor for review by the end of this week. The audit should be on the December 2, 2024, Board of Trustees meeting for consideration.

### **General/Admin**

TRIGID currently has a position open for certified wastewater operator.

Due to ongoing workload challenges related to Financial Administration, Engineering, Planning, and other unanticipated high-level administrative items such as complex public records requests, contract negotiations, and litigation, the TRIGID leadership team is considering recommending to the Board a reclassification of the Administrative Services Manager position to take over more of the financial oversight and routine contract administration responsibilities currently covered by the General Manager. This would require the concurrent creation of an administrative support position to take over utility billing, accounts payable, and other routine administrative functions of the District. This was an item that was originally contemplated to be proposed as part of the FY25 Budget Process, however, based on workload demand currently, it may be prudent to bring this to the Board mid-fiscal year for discussion and direction to staff.

The 2017 Effluent Agreement, between TRIGID and the Cities of Reno and Sparks, provides that the Cities must complete a rate study to establish a base fee and shortage fee related to operation of the TMWRF pump station. As previously reported, the Cities' rate study has not been completed, but TRIGID has provided the 2022 Rate Study, prepared by DOWL on behalf of the District, to the Cities. This 2022 TRIGID Rate Study included an exhibit with a possible rate methodology for the TMWRF base rate for the Cities. There was a long standing and unanswered question regarding a methodology to calculate the shortage rate; however, it appears that the question has been resolved internally and the Cities have drafted a rate agreement as allowed under the Effluent

Agreement. TRIGID has provided comments on the rate agreement, and we expect the rate agreement will be presented to the Board of Trustees for consideration at the November 7, 2024, Board of Trustees meetings. The Cities are anticipated to hear the item at their regularly scheduled meetings in November. The rate structure outlined in the agreement has already been included in the Rate Analysis completed by DOWL (Farr West) in 2022 and Resolution 22-002 adopted by the Board of Trustees. Staff does not anticipate that there will be any change to the current process water rates as a result of this agreement. In other words, this is a housekeeping item, and the Cities are in general agreement with the recommendations provided by DOWL (Farr West) in 2022.

As another housekeeping item, GM Whalen clarified that in the Staff Report and Staff Introduction to Agenda Item 7 on the August 1, 2024, Board of Trustees meeting, she accidentally omitted International Paper as a permitted Industrial Discharger. At the March 7, 2024, Board of Trustees meeting, in the General Manager's Report, GM Whalen notified the Board of Trustees that International Paper had been served with a cease-and-desist order due to multiple non-compliant discharge events that created significant operational challenges at the WWTP headworks. International Paper has generally not been discharging since that time, as they have the required capital improvements to rectify the situation in the queue for design and construction. Staff has a meeting with them in two weeks to get an update on their capital improvement schedule and related discharge plans. Staff expects that they will begin to discharge industrial wastewater pursuant to their existing permit once the improvements are complete.

The Switch Petition for Judicial Review (Case 24 OC 00004 IE) was heard by Judge Russell in Virginia City on October 4<sup>th</sup>. Proposed orders are due to the judge by Monday. On September 20, 2024, the Master Developer filed a lawsuit against TRIGID (Case CV24-02167). TRIGID has 45 days to answer. TRIGID also retained Connelly Gallagher as outside legal counsel licensed in Delaware to represent TRIGID in the Fulcrum bankruptcy proceedings. Fulcrum currently has an outstanding balance for connection fees, water and sewer billing, and industrial discharges of \$951,334.26.

### **Project Updates:**

#### Substantially Complete Portions of the Process Water System:

Final Dedication Packages have been prepared by DOWL, acting as the Engineer-of-Record for Tahoe-Reno Industrial Center (the Master Developer), for review and consideration for acceptance by TRIGID of about \$100 million in new process water infrastructure. Packages have been provided for the following projects: TMWRF Pipeline (including induction wells), TMWRF Pump Station, Asamera Reservoir Construction, Reservoir Pumping Facilities, Sydney Process Line, and Existing Process System Testing and Commissioning. One of the seven submittal packages is incomplete, but Staff has contracted with Shaw Engineering to initiate review on the six complete packages. A few weeks ago, Shaw's comments were provided to DOWL to be addressed and DOWL is currently working on getting the comments resolved. Staff hopes that the projects will be ready for final acceptance by the end of the year, barring any unforeseen issues with addressing the comments on the close out packages.

These projects represent only a portion of the process water system, and the system as currently built by the Master Developer cannot deliver process water at the flow rates or at the water quality committed by the Master Developer to process water users. TRIGID has informed the Master Developer that its acceptance of any process water infrastructure or property needed for the process water system is subject to a reservation of TRIGID's rights to have the Master Developer construct, acquire and dedicate all additional elements necessary to meet all its obligations to TRIGID.

## Well 9

The landowner has preliminarily denied the Master Developer permission to complete well exploration on their property. The Master Developer has requested a meeting with Staff and DOWL to discuss options moving forward. This is an outstanding project that needs to be completed as part of the process water system.

## Comstock Valley Process Extension

The project design is complete, and construction has not proceeded at this time. Redwood has been investigating alternative funding strategies, including State Infrastructure Bank Funding. Staff has met with Redwood and the State Infrastructure Bank team to discuss this approach. Redwood has obtained EDAWN's sponsorship for this project, which allows them to be eligible for SIB funds. Redwood provided a presentation on the project to the State Infrastructure Bank Board of Directors on July 26, 2024, regarding project funding and we were informed by Redwood that the project will be considered by SIB in October. Staff has reached out to Redwood for an update, and we heard that the next Board meeting in November will be the one that Redwoods item is heard for action. but we have not heard back. We will meet with them next week and we'll get a more detailed update at that time. an update then.

## Well 3 Rehabilitation

The final casing repair on the well rehab is underway and is expected to be complete next week.

## Emergency Treatment:

The Veolia RO plant continues to be shut down due to the presence of hydrogen sulfide gas first detected around July 4, 2024. As previously reported to the Board, after Veolia completed their investigation of the source of the hydrogen sulfide gas, it requested that TRIGID consider mobilizing a floating surface intake and rental diesel pump to see if they have better luck treating effluent taken from the surface of the Reservoir, instead of utilizing the existing Lower Booster Pump Station. Staff felt that there wasn't enough information to be sure this approach would work, and this approach would have significantly added to operating costs for pump and pipe rental and diesel fuel. Alternatively, additional and significant capital outlay in the Process Wastewater cost center of the Process Water Enterprise Fund would have been required in order to avoid rental charges for the term of the contract. Because of this, Staff evaluated other options over the past two months.

First, a floating intake was evaluated; however, after preliminary design was completed and we met with several different contractors, we determined that this would not be a viable option due to constructability, foundation, and liner integrity concerns. Next, we reached out to Ixom, which is the same company that equipped the Reservoir with the existing five Solar Bee mixers. Ixom informed staff that they were never able to do a comprehensive design for the Reservoir, due to lack of information provided to them by the Master Developer on Biological Oxygen Demand (BOD) of the TRIGID WWTP effluent. Staff was informed that Ixom assumed a BOD of 7 mg/l, and TRIGID Staff believes that value is unconservative for the Reservoir. In September, Staff delivered BOD data for the past several years to Ixom, and they updated their analysis. Ixom recommended three bubble diffusers to aerate the Reservoir water near the outfall and possible subsequent relocation of existing mixers.

In order to mobilize this solution, TRIGID needed to purchase three Ixom air diffusers and a compatible air compressor and hire a general contractor and electrician to complete the installation. This week Q&D will start installing a 4" HDPE line from the Upper Booster Pump Station to the reservoir, along with a four-port header to allow for the connection of the three aerators and one future aerator, if needed. San Joaquin Electric will also be on site next week installing the electrical feed to the air compressor location in anticipation of the equipment arrival.

At this time, Staff expects these additional emergency costs to be less than \$150,000. Staff anticipates that the installation of this equipment will be complete in the next two weeks and the RO plant will be recommissioned shortly thereafter. Staff will be bringing a complete financial summary along with all invoices back to the Board of Trustees for ratification at the November meeting.

TRIGID sent Veolia a letter on August 23, 2024, requesting a waiver of rental fees (\$3,883 per day) for the days that the Veolia RO plant has been inoperable. Veolia initially countered with a 30 percent discount on non-operating day rental fees for three months, a six-month contract extension, and the addition of the discounted fees in the contract's early termination penalty table. Staff believes, at a minimum, this credit should be extended for as long as the plant is off-line, especially considering that TRIGID continues to incur electricity and manpower cost to recycle water through the plant while it is not operational. There has been some subsequent back and forth with Veolia regarding these non-operating day rental fees and, currently, TRIGID has requested a credit of 30 percent of the non-operating day rental fees for four months, which will be approximately \$140,000, in return for adding the credited balance to the early termination penalty fees in the contract, but not extending the contract. Staff is waiting to hear back from Veolia on if this request is acceptable. A contract amendment to extend the contract based on the terms of Veolia's offer will be brought to the Board for consideration at the November 7, 2024, Board of Trustees meeting.

**Water Rights:**

NA

**Easements:**

Staff is working with a new customer on several easements near the Reservoir for their development, but the easements are not finalized at this time. In addition, DOWL and the Master Developer are working on the Small Reclaim Tank easement adjacent to the Reservoir, as well as the on-site Tesla easements.

**Operations:**

Water System:

Valve exercising has started in Zone 1 and will continue through the rest of the year, weather permitting. There were 3 leak repairs. First, there was a leak on Electric Ave at Tesla's trailer site near the entrance. Staff identified an unknown connection that did have a meter and backflow but was not accounted for in the system. The account has now been set up and billed to Tesla. The second leak was in Milan and was the 2-inch domestic line to Thrive. The 3rd was a 1-inch landscape line in Electric at the corner of USA serving the

landscape and entry monument for TRI Owner's Association. This caused substantial damage to the subbase and formed a sink hole causing damage to a large section of asphalt. Invoices for all repairs will be brought to the Board of Trustees for ratification once staff receives them.

Sanitary Survey corrections were completed with the exception of Well 6 and the Tesla Tank drainage. Operations personnel completed field TDS samples at select well sites to assist with Industrial Discharge program management and customer communication. Well 7 air vac was replaced. Acid feed was rebuilt for Well 2.

#### Sewer System:

Influent pumps 4 and 2 were pulled, cleaned, and put back in service. New fuses were ordered for influent pump panels and will be installed by the end of the month. Screw press was torn down for cleaning and put back into service. WW Crew has been pulling manholes and identifying problem areas to try and identify where there might be illegal dumping. Lift Stations were cleaned at the end of September by Marshals. Next round of camera and cleaning will start on Peru, and staff will have the East side of the park finished this fiscal year. New lights were installed in the WWTP lab.

#### Process System:

Process water operators are starting to sample more points around the reservoir for Silica, TDS, Conductivity, DO, and H<sub>2</sub>S. As staff determines the key locations to obtain these samples, it is reconsidering the need for a boat with a pump setup to provide operators with safe access to the interior areas of the Reservoir.

#### Engineering:

As previously reported, Staff has initiated a small contract with Resource Concepts, Inc, to assist with Industrial Discharge Program Management. Over the past few months, RCI has familiarized themselves with existing permits, double checking that all DMRs for Permit Year 2023 and 2024 have been properly submitted and reviewing permit modification requests for this year. As a result of this work, RCI determined that two existing Industrial Dischargers have violated the TDS rolling annual average limits and will be subject to the \$106,514 TDS Mitigation Fee approved by the Board in July 2022 (Resolution 22-002). Staff has reached out to both customers and notified them that the invoice will be sent along with the 2025 Permit invoices, and both customers have requested that they be allowed to pay the fee over the next twelve months in equal installments. Staff has looked into this and can create a TDS Mitigation Fee in Caselle to be sent out monthly to these two customers in their utility bill. RCI will also assist us with noticing and permit writing for the upcoming permit cycle starting in November.

DOWL has submitted the Arsenic Treatment Preliminary Engineering Report to the Office of Financial Assistance at NDEP as part of our SRF Project. Staff originally thought that an arsenic blending project or a single package plant might be required, but after collecting and analyzing arsenic data across the system, DOWL recommended a package arsenic removal plant at each well site. Understanding how best to phase and fund this much larger than anticipated project is paramount to ensuring compliance with the Federal Arsenic Rule. Moving forward with partial design and phasing work is on today's consent agenda. Staff believes that all design work will be retroactively reimbursable if the Board elects to fund the project through SRF. Staff would like to see the project move towards a loan application on the first phase of the project sometime in the next twelve months and Staff

will be bringing back a resolution to Board for consideration as a requirement of the SRF loan application once we have determined the best way to phase the project.

GCW previously submitted the Wastewater Treatment Plant Preliminary Engineering Report to the Office of Financial Assistance at NDEP as part of our SRF Project and the PER is approved. The 50 percent design and constructability and value engineering analysis is on today's consent agenda. In speaking with Jason Cooper at SRF, this project can proceed forward with a loan application as construction phasing is much more straight forward and the project does not require State Board approval because it is a Clean Water Project. As required by SRF, a Resolution directing Staff to move forward with a loan application for design and construction will be included on the November 7, 2024, Board of Trustees Agenda. Again, Staff believes that all design work will be retroactively reimbursable if the Board elects to fund the project through SRF.

DOWL, Kimley Horn, and TRIGID Staff had a joint infrastructure master planning meeting with key developers in the Comstock and South Valleys last month. This will help inform the water, sewer, and process water masterplans for infrastructure expansion in this part of the TRIGID service area. Staff anticipates that the master plans may not be ready for review by year end due to existing workload.

**New Development:**

There are fourteen developer projects currently under construction at this time, with two new additional projects in design review. Staff is still working through the transition for DOWL to complete plan checks and inspections, but overall, the process has improved with the extra support provided by the District Engineer.

Trustee Mitchell requested that the GID save the GM Reports as a historical reference for the GID.

No other comments.

**7. DISCUSSION/POSSIBLE ACTION**

Discussion and Possible Direction to Staff related to the use and/or conveyance of Parcel No. 005-091-55, with a physical address of 3405 USA Parkway (sometimes called the Triangle Parcel) for construction of a process water and wastewater treatment facility for the use of Supernap Reno, LLC

GM Whalen presented the item to the Board.

No public comment.

Trustee Mitchell moved to direct staff to determine and comply with the pertinent provisions of NRS Chapter 318 and work with Supernap Reno LLC, aka Switch, so that APN 005-091-55, also known as the Triangle Parcel, can be used for a process water and wastewater treatment facility by Supernap Reno LLC in satisfaction of TRI-GID's contractual obligations to Switch regarding process water quality, and process water and wastewater treatment. President Carmona seconded. Motion passed unanimously.

**8. DISCUSSION/POSSIBLE ACTION:**

Presentation and Possible Action to Accept the TRIGID FY24 Year End Financial Report, including, but not limited to, a process water and wastewater cost summary and adjustments to the FY24 Budget Objects pursuant to TRIGID Administrative Budget Policy 2-3

GM Whalen presented the item to the Board.

Trustee Mitchell asked about the balance of the water revenues and process water revenues. GM Whalen discussed the timing of the process water system coming on-line, which resulted in the revenues in the water fund being higher than anticipated. Staff and DOWL determined that several accounts were identified as sewer accounts when they were water accounts. When Staff observed a declining fund balance in the sewer fund, it came back to the Board for a rate adjustment. The revenues in the process water fund are for only one month rather than twelve months.

No public comment.

Trustee Mitchell moved to accept the TRIGID FY24 Year End Financial Report. President Carmona seconded. Motion passed unanimously.

## 9. DISCUSSION/POSSIBLE ACTION

Discussion and Possible Action to Modify Article 2 of the TRI General Improvement District Water Service Rules, Regulations and Rates to add the definition for “Domestic Use” of potable water

GM Whalen presented the item to the Board and explained that this is a housekeeping item to codify the historical practice and that humidification is not a domestic use.

No public comment.

Trustee Mitchell asked regarding the applicability of the rule, and GM Whalen confirmed it will apply to new will serves.

Trustee Mitchell moved to modify Article 2 of the TRI General Improvement District Water Service Rules, Regulations and Rates to add the definition for “Domestic Use” of potable water . President Carmona seconded. Motion passed unanimously.

## 10. DISCUSSION/POSSIBLE ACTION



Discussion and Possible Action to Modify Article 10 of the TRI General Improvement District Sewer Service Rules, Regulations and Rates to:

- (I) Amend the Pretreatment Limits to comply with the TRI General Improvement District NDEP Discharge to Groundwater Permit (NS2000502) issued in November 2023, and
- (II) Disallow discharge of any pesticides or herbicides in the TRIGID sewer system, and
- (III) Require a TDS Control Plan for any industrial discharger exceeding 1,000 mg/l in any month, and
- (IV) Prohibit a new connection of any Significant Industrial User (SIU), as defined by USEPA, to the TRI General Improvement District sewer system without the written consent of the TRI General Improvement District General Manager

GM Whalen presented the item to the Board.

No questions from the Board.

No public comment

Trustee Mitchell moved to Modify Article 10 of the TRI General Improvement District Sewer Service Rules, Regulations and Rates to: (I) Amend the Pretreatment Limits to comply with the TRI General Improvement District NDEP Discharge to Groundwater Permit (NS2000502) issued in November 2023, and (II) Disallow discharge of any pesticides or herbicides in the TRIGID sewer system, and (III) Require a TDS Control Plan for any industrial discharger exceeding 1,000 mg/l in any month, and (IV) Prohibit a new connection of any Significant Industrial User (SIU), as defined by USEPA, to the TRI General Improvement District sewer system without the written consent of the TRI General Improvement District General Manager. President Carmona seconded. Motion passed unanimously.

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

Discussion and Possible Action to Adopt the TRI General Improvement District Process Water Service Rules, Regulations and Rates, including rules related to process wastewater discharge.

Item #11 was pulled from the agenda and moved to the November 7<sup>th</sup>, 2024, Board meeting.

## **13. PUBLIC COMMENT (NO ACTION)**

Paul Taggart, on behalf of Switch, stated he is in support of item 7 and is looking forward to working with Staff to address it.

No other public comment.

#### **14. ADJOURNMENT**

President Carmona adjourned the meeting at 2:45pm.