

Minutes of the
Gardnerville Ranchos General Improvement District
Board of Trustees meeting held October 27, 2021
931 Mitch Drive, Gardnerville, NV 89460

Approval of the Agenda:

Jim McKalip motioned to approve the Agenda. Bob McDowell seconded the motion All ayes. Motion passed.

Old Business: none

New Business:

- I Discussion and Possible Action to Adopt Resolution 21-06 amending Resolution 21-05 Authorizing the issuance of the Gardnerville Ranchos General Improvement District, Nevada, Water Revenue Bond, Series 2021 and otherwise concerning the bonds and the water Revenues pledged for their payment.

Marty Johnson, of JNA Consultants, explained this is an amendment to Resolution 21-5 and supporting documentation that will authorize the District to borrow \$5 Million for the construction of the South District Pipeline Project from Sterling Bank. In the Resolution, on the top of page 39, there is an allowance that Superior Bonds can be obtained by the District in the future. Sterling Bank objects to that language and will pull the bonds unless the District changes the working on the resolution. The District's request for proposals indicated that there would be NO Superior Bonds allowed and the Resolution must be changed to mirror the RFP. The closing is scheduled for Wednesday November 3, 2021.

Bob McDowell motioned to adopt Resolution 21-06 amending Resolution 21-05 Authorizing the issuance of the Gardnerville Ranchos General Improvement District Nevada, Water Revenue Bond, Series 2021 and otherwise concerning the bonds And the water revenues pledged for their payment. James McKalip seconded the Motion. Four ayes. Brad Newlon stood opposed. Motion passed.

Public Comment: none

- II Waterworth Presentation and Potential Future increase considerations. A presentation from Waterworth on the long-term financial model of the District will be followed by discussions and Questions and answers.

Calvin Coles, of Waterworth, was present via Zoom with the Waterworth presentation. Waterworth uses a program to respond to "What if" scenarios and questions. The program can be manipulated to show the future in different situations based on history, which the Board participated in.

Greg discussed the need for potential future water rate increases. The District has not increased rates since 2006. Inflation as measured through the Consumer Price Index CPI has increased 35.5%. District health insurance costs have increased by \$10000.00 per year or 10% as have PERS contributions.

John said it is hard to ask for a rate increase when the District has six Million dollars in reserves. Greg replied that there are plenty of future projects in the works that the reserves are earmarked for, and the District will not be able to pay for the projects without some type of rate increase. Jim McKalip suggested a couple rate increases each year early on rather than wait, to avoid the need for a large increase later.

Board and staff discussed tiered rates for high water users. Calvin Coles suggested analyzing the District's billing data as associated with tiered rates and flat rates. There are a lot of ways to break up the rates.

Brad Newlon does not think the Board can get away with a rate increase every year at this time because the District has six Million dollars in reserve; it is a balancing act. He suggested waiting until around 2028. The cost of food and gas keeps going up, now is the worst time to raise rates. Jim McKalip agrees, this year is not the time, however the board needs to be proactive and not wait until it's too late.

Leann Teter added that the high-end users should pay more and questioned if the commercial business had the same rate as residential customers. Greg replied that the base rates are the same regardless of residential or commercial and also that the District does not charge a base rate by the size of the meter. Example a two inch meter capable of using much more water than a ¾ inch meter are both charged \$21.50 per month.

Bob McDowell stated he is ready to discuss water rate increases, because the sooner it begins the easier it is will be. The more you wait the more bitter it will be.

It was decided that Greg would study and compile data and return to the Board at a later date with some tiered water rate structures which will also be incorporated into the Waterworth program for Board discussion.

Public Comment: none

Adjournment:

John Sheridan motioned to adjourn the meeting. Jim McKalip seconded the motion. All ayes. Motion passed.

By

**Dawn Hinds
Acting Secretary**

