



The Minden Town Board meeting was held on Wednesday, March 4, 2009, at 1602 Esmeralda Avenue in Minden, Nevada, beginning at 6:00 p.m.

Board member present: Ross Chichester, Bob Hadfield, Dave Sheets, John Stephans, and Steve Thaler

Staff present: Greg Hill, George Keele, Trish Koepnick, Bruce Scott

- I. Meeting called to order by Chairman Sheets
  1. Pledge of allegiance led by Bob Hadfield
  2. Chichester/Hadfield moved to approve the agenda as is.
  3. Hadfield/Thaler moved to approve the minutes of January 23, 2009. Motion approved unanimously.
  4. Thaler/Hadfield moved to approve the minutes of January 31, 2009. Motion approved unanimously.
  5. Chichester/Hadfield moved to approve the minutes of February 4, 2009. Motion approved unanimously.
  6. Approval of vouchers
  7. Public Interest Comments
    - a. Roxanne Stangle expressed appreciation of the town staff on efficient snow removal and for board's support of the Farmers Market, the first one to be held June 2<sup>nd</sup>.
- II. STAFF REPORTS
  1. Public Works: Greg Hill
    - a. There is a minor punch list on County Road; there has been very positive feedback from the public on the project.
    - b. Well 1 upgrade is going forward as planned, new electric service will feed pump and motor and be totally separate from the existing service of the building in the back.
    - c. Existing motors can be fixed in about five days instead of having them in inventory.

d. Pump test at Well 3—the cost was very inexpensive. Step-down test showed initial static water level at 6.5 feet from the top. Greg referred to the handout showing the test results. Test was shut down after 90 minutes because it was impacting some homeowners down the street and there was enough information received by that point. Carson Pump recommends putting in a 150 hp motor and a pump that would do about 1950 gallons; this proposal would allow us to avoid new electrical but would require a new generator. Cost estimate of 120 kw generator in prepackaged residential containment unit which is very quiet would run about \$35,000. This is a good will with very good quality water; new pump would be set a little lower than the 110 feet.

e. Access driveway is done at Well 4 with a total cost under \$7,000.00.

f. Heybourne waterline is completed however we need to resolve issues with county on how we want this to work. Smart valve will get signals from Johnson Lane tank, opening and closing depending on signal from tank. We plan to test next week to see what it does to our system. It is not feasible to pump at night because the existing tanks are not sized large enough to feed the customer demand during the day. We will have to work without off-peak pumping until the new tank is built. Utility costs will be about double; we will see if we can fill the county tanks later in the day when the rates are cheaper.

Main concern is whether the smart valve is smart enough to work with our system. Programming is ready with Sierra Controls. It is a good time of year to bring online because the flows are lower. We will have joint training with our employees and the county's, and impress on the employees that this is a major commitment. We will be checking into need for increased certification.

g. New waterline project will start next week. Fairly complicated project, we will inform the residents about what is going on and why there will be so many outages.

h. Hwy 88 roundabout: Greg signed the permit for the landscaping. Bruce Scott noted that the interlocal agreement sent to us did not fit and is being revised. Will be executed by Minden and forwarded to NDOT.

i. Bid for street rehab entails two alleys, and it would be wise to install a new waterline before the new paving. We could do it similar to the Hellwinkel alley. Either we get the new lines in or delay the new paving. We will need to work with Post Office about the employee parking. Greg instructed to go ahead and pay for upgrade out of Repair and Maintenance fund. We will buy the materials, work will be done by contractor.

j. We have hired two new employees, Bob Kelly and Mark Cirillo. Thanks to Dave for interviewing while Greg was sick.

k. Greg authorized the mason to finish the brickwork on 1<sup>st</sup> Street; lamps will be in next week.

1. The weir at the Dreyer pond is finished. Only the town and Henry Dreyer have keys to control the level and it is much more efficient. Actual cost was \$11,125.

Bob Hadfield expressed frustration with the weeds at Monte Vista. Greg noted that we can deal with our weeds but not sure what can be done to hold developer accountable to manage their weeds.

2. Engineering Report: Bruce Scott

a. Noted that the in-house capabilities that we have are impressive, good structure was built at the Dreyer's pond.

b. RCI is working diligently on flood plain for yard; county is pursuing an appeal of FEMA flood map. Technically, we are not in the flood plain because the new mapping is not in effect, so we are not required to do a conditional letter of map revision.

c. We are reviewing the conditions on the Mueller project; they went for a building permit and the county called to see if the conditions were met. We have been working with county to clarify the process, and defining what Town is paying fees on. Town will definitely pay for electrical permits, and pay for the shell of any building we construct, but not on the equipment inside. Appreciate the ability to dialogue with the county; Mimi and Mahmood have been very responsive.

d. County Commission agenda for March 5<sup>th</sup> has item concerning a proposed pipeline going north from the East Valley area potentially to Carson City. Bruce will represent the Town to make sure that the town and county work is coordinated; it is critical to go forward for Minden to exercise their water rights; Indian Hills would like to connect to arsenic-free water, and there is a potential need for county water in the north valley. The usage of Indian Hills is about 1000 acre feet; we have had initial meetings with the county concerning the scope of agreement. There is much more infrastructure needed long term. Money available for grants, stimulus, revolving loan, grants. There is about 19 million dollars coming to the State of Nevada for the drinking water fund with 20% earmarked for green projects. Up to 50% could be subject to reduced interest, forgiveness, etc. It doesn't look real good for us but priority might be high because of arsenic situation. Ross stated that Indian Hills' water users need to take action, it is their responsibility; they failed to do anything about the problem, they need to step up to the plate and do something about it. The letter to the county about details of the Heybourne waterline agreement has not been responded to yet. Bruce will pursue the answer to the letter.

e. Drainage issue at the pole line ditch, stub was terminated because it was for phase 2 of Monterra. Stub pipe was left open, but when the waterline went through it was backfilled completely because it had no purpose right now. Bruce does not feel there is a need to extend the line right now but would be

an issue for Monterra phase 2; Bob Pohlman had some major concerns about this in regard to possibly affecting Winhaven.

3. Staff report: Sheila Byington

a. The Board needs to update policies written in 1993; please give Sheila feedback on handout through Trish. Sheila will retype and get it back to board.

4. Attorney Report: George Keele

a. Greg and George have had visits about the slip and fall from the paint on the curb. Litigation has been resolved. Also had discussion over other matters, not necessary to disclose but open to discussion if Board wishes to contact him.

b. Chapter 237 requirement states that before a governing body (Douglas County) adopts a rule, the business likely to be affected need to be notified. Determination needs to be made by the town (as staff to Douglas County) whether we need to notify the business in regards to the adoption of a rule. Example: In Street Closings we have not notified businesses because we have determined that the event does not impose direct and significant impact on the businesses, nor does it directly restrict the expansion of business. Staff at the county looks at all and makes a determination if a form needs to be generated. We will be working on this with the county.

III Discussion and possible action: Approve, approve with conditions, deny or continue request for approval of Design Review of office building remodel for the new administration office for the East Fork Fire and Paramedic Districts at 1694 County Road, APN 1320-30-801-006, East Fork Fire and Paramedic Districts, Applicants.

Scott McCullough was representing East Fork Fire District. They have purchased this building. Mr. Keele disclosed that he has a conflict of interest; the conflict is that the entry shared by both this building and Cambridge Court, where his office is located. Mr. McCullough noted that there will be no shared access with Cambridge Court, but the plan is to share the access with the library. Design looks very similar to the library and will look much better; there will be site improvements, curb and gutter, modification of the landscaping, and a better entry.

Mr. Chichester noted that there would not be a whole lot of public traffic, but had concerns about the fire trucks parking on Library Lane. Most of these vehicles would park across the street at the fire station.

12-15 people will be working there with shared work changing to dedicated space. Building will be added on to, and being over 5000 square feet it will need to be sprinklered. Plan is to be under construction April 18<sup>th</sup> and open mid-summer; funding is by East Fork Fire.

Robert McMillan expressed concerns about property not being on the tax roles, and double spending insofar as the Minden Inn Parking lot improvements were made for them and the burden put on the taxpayers

Thaler/Hadfield motioned to approve with conditions laid out by Tim Russell in his report dated February 25, 2009, the Design Review of office building remodel for the new administration office for the East Fork Fire and Paramedic Districts at 1694 County Road, APN 1320-30-801-006, East Fork Fire and Paramedic Districts, Applicants. Motion carried unanimously.

IV. Discussion and possible action: regarding town corporate yard and possible direction from Town Board on what method of delivery system the Town should use in procuring the design and construction of this project. Items to be discussed may include flood plain update, construction management vs. traditional bid process, project budget, design elements and scheduling.

Mr. Scott noted this is a follow up to last month's discussion, with an opportunity to determine how to the board desires to proceed. The budget is around \$750,000. Mr. Chichester is hoping to see how we will use the entire parcel in 20-30 years, need a lot of forethought, area for storage, drainage, etc. Need a master plan to design a facility that would meet the needs of the community for a long time, with large enough driveways and the ability to get the vehicles out of the weather. Discussion included a construction manager in what could be a really good bidding climate, costs of this manager as opposed to architect, independence of the manager, how the manager can design and then bid on the project, how much the construction manager fee is.

Mr. Hill noted that issues come up in the course of construction; he believes that using a construction manager insures a quality project without subcontractor using inferior products.

Mr. Scott reviewed the construction manager concept: Hire manager as a professional to design and run the project. He is paid a flat fee. He assembles the subcontractors for a fee that is negotiated; builder is in many respects closer to the process as your representative. It is the same protection under public construction including warranty process: you work backward from the budget. We could get a feel for the project before starting by interviewing contractors and getting a proposal, seeing what they can do for us and how much we get for the fee and what the fee is.

Mr. Scott noted that inspection is part of the process and in the present bidding climate this is crucial, inspection can get very costly. We might want limited service of architect. Perhaps a committee of staff and Board could interview and see if this is a reasonable way to go, then possibly look at architect and more traditional way to get a comparative. George interjected that all meetings would need to be noticed. Greg and Bruce will initiate process; Mr. Thaler and Mr. Hadfield offered to help out.

V. Discussion and possible action: Approve, approve with conditions, deny or continue request to award recommended bid for the 2009 Street Rehabilitation Project. The Board will decide whether to enter into a contract with the lowest responsive bidder for the project. Bids will be opened on February 26, 2009, which is six days before the Town's March 4, 2009 regular monthly meeting at which this agenda item will be heard.

Mr. Scott noted that the engineer projected cost was high, and we might increase the scope of the bids because of the low cost of the bids. Additional areas of work as noted in Tim's memo of recommendations could be added.

Marv McQueary Excavating, Inc. is the low bidder. We will be watching and testing closely. Mr. Hadfield proposed following the rating system to determine what areas of additional work could be done.

Hadfield/Thaler moved to award bid for the 2009 Street Rehabilitation Project to Marv McQueary Excavating, Inc., and to add items 1,2,3,4, and 5 (included in the February 26, 2009 memo from Tim Russell concerning additional roadways) based on their bid prices to the scope of the work, with a not-to-exceed amount of \$542,856.00. No public comment. Motion carried unanimously.

VI. Discussion and possible action on annual review of water rates and adjustment, if any, by Town Board resolution of Town water service rates in all classes of water service, including out-of-service-territory contract rates, taking into consideration increases or decreases, as applicable, of materials cost, labor rates, insurance rates and other factors.

Mr. Chichester noted that this is our annual review of water rates; last year we did not raise the rates. Operating expenses need to be covered by operating costs. Interest was used to build reserve, and interest will be much less next year, but expenses will not decrease. We actually need to be in neighborhood of an 8% increase but that is not feasible.

Discussion included building up the reserve to be able to maintain the system. We are not growing and getting hookup fees anymore, we may have done a disservice by not increasing rates last year. We need to increase 5%. To not do this delays the inevitability of bigger increases in the future.

General board discussion included revenue projected from county users, formula used to arrive at increase justification, how big we need the reserve—or rainy day fund—to be, continuing with no bonds or debt and the good quality of water that we produce. It is critical to purchase backup pumps, and also keep in mind the cost of the legal dispute.

**Public Comment:**

1. Bob Pohlman: Town ratepayers should not pay for the Heybourne waterline to serve the rest of the county. Ratepayers should only pay for what happens in the town; we need to look carefully at what the rate payers pay.

2. Mr. McMillan agreed with Mr. Pohlman, and thinks the rate per 1000 gallons is too cheap. He also would like Board to look at the possibility of someone taking the water without us even knowing it because the technology does exist.

Mr. Keele addressed the above comments. Every state engineer has understood the Town's need to create infrastructure to show beneficial use for the water rights that the town owns. The waterline is for the common good to protect water rights, saving the county millions of dollars, and the connections in the future will be the payback.

Mr. Stephans addressed the need to institute delinquent penalties, with a waiver in the case of special circumstances, especially since our billing system is now in arrears instead of in advance.

Mr. Scott noted that reserves being used to fund the waterline have been partially built by connection and water rights. Those funds offset a portion of a benefit that the ratepayers have received by the above criteria.

Chichester/Hadfield moved to approve a rate increase of 5% in all classes of water service, including out-of-service-territory contract rates, taking into consideration increases or decreases, as applicable, of materials costs, labor rates, insurance rates and other factors, to be effective July 1, 2009. Motion carried unanimously

VII. Discussion and possible action on annual review of Town trash removal rates, both residential and commercial, taking into consideration increases or decreases, as applicable, of materials costs, labor rates, insurance rates and other factors.

Mr. Stephans noted that the revenue basically declines by \$36,000 because of DHS no longer being picked up. Expenses are not going down. We have been putting \$50,000 into reserve and \$100,000 into general fund to pay for damage to roads by our trash trucks. To continue this course we have a shortfall with expenses continuing to go up.

Public comment:

1. Robb Hellwinkel. As a resident he supports what the Board does and thinks 5% is more than fair for this valuable commodity.
2. Robert Pohlman hoped the big new truck does not drive on Winhaven Garden streets.

General discussion included 5% across the board might get us to our goal more quickly. We need to decide and plan for reserve, especially when it costs \$160,000 to replace a trash truck.

Hadfield/Thaler moved to approve a rate increase of 5% for Town trash removal rates, both residential and commercial, taking into consideration increases or decreases, as applicable, of materials costs, labor rates, insurance rates and other factors, to become effective July 1, 2009.

VII. Discussion and possible action on annual review of rental rates for the CVIC Hall and Minden Park, and of Street Closure rates, taking into consideration increases or decreases, as applicable, of materials costs, labor rates, insurance rates, and other factors since the last such review was conducted. Board action may include keeping the rates as they are or increasing or decreasing the rates by not more than ten percent (10%) in each category, i.e. CVIC Hall, Minden Park, and Street Closures.

a. George reviewed the lease for Minden Electric at a rate of \$1.00 a square foot, standardizing the rate for all three units and keeping it that way. Board would like to keep the lease terms relatively short in case there is a need to let one unit go, possibly for use by Town manager. Mr. Thaler noted that the current economy has caused a bigger supply than demand, best to keep units occupied.

Chichester/Thaler moved to approve the contract on a month-to-month basis for a period of two years at \$1.00 square foot, commencing February 1, 2009. No public comment, motion carried.

b. Ms. Koepnick presented the background for the CVIC structure, noting the chart showing the cost for replacement of CVIC equipment and the possibility of a tiered structure. We have not raised rates in 5-6 years. Comparative study shows that we have the least expensive rates by far. Mr. Stephans agreed on the tiered structure. We are not operating to make a lot of money; he has a problem raising the rates for non-profit. He would also include fundraisers that were not non-profit to be included in the reduced rate. Mr. Hadfield would like to set aside depreciation of some kind in real money to account for replacement and consider some number to build in to a rate structure, so that we do not have to rely on office space income.

Mr. Stephans will look at rates with staff and bring it back in April.

Chichester/Thaler moved to continue the part of this item that is the rate structure for the CVIC Hall, Minden Park and Street Closure until the next meeting, also to be effective July 1<sup>st</sup>. No public comment. Motion carried.

VIII. Discussion and possible action on creation of Town manager position with discussion to include possible time frame. The Board does not intend to take action at this time but discussion may involve Board instructions to Town staff as to how to proceed with the preliminary planning for this position.

Mr. Chichester noted that when Sheila retired, we saw a need for this position similar to Gardnerville. We are at a point for dialogue about this; there is need for this position in terms of how much the town has grown, and the need for continuity, especially in regards to the county, and look at the benefit this could provide. The position will be included in 09-10 budget for funding at around \$100,000.00 including benefits. Mr. Hadfield noted the increase of coordination with other government entities, especially with water issues. There are ongoing things and we just cannot fill the gaps. Mr. Thaler definitely sees advantages to this position, taking it to the next level, especially the liaison element.

Robert McMillan: appreciates no action on the item tonight. Consider positive thinking as far as town manager; make it possible for present staff to advance to this position. Devotion and service to the Town should be high criteria.

Robb Hellwinkel considers it very critical to hire a manager before Bob, Dave and Ross leave.

Mr. Keele asked to give consideration to Bob Hadfield or other very talented retired people who might start at part time and accomplish as much in that respect as a full time person.

Mr. Thaler noted that the search is the hardest; pick a date to start and back it up. Ross supports a timeline of six months for finding a person, with the goal being to have someone hired one year before Ross, Bob, and Dave retire.

#### Staff Reports continued

#### 3. Attorney report George Keele

- a. Insurance renewal update will be coming soon.
- b. Clarification on acceptance of streets in regards to Minden Village; we accepted as being built to Town standards but not accepting as part of town. It is a good neighbor act on our part to clean streets but not a liability.

#### 4. Chairman Report

Dave reported on a meeting with county staff and some commissioners, primarily on water; it was a good discussion. There is another meeting scheduled for mid-month with our representative, Mr. Brady. We would still like to see a joint meeting with our board and the County commissioners.

Mr. Thaler has his first meeting with the Arts Council next Thursday.

Thaler/Stephans moved to adjourn. Motion carried unanimously. Meeting adjourned at 10:05 p.m.