



The Minden Town Board meeting was held on Wednesday, April 1, 2009, at 1602 Esmeralda Avenue in Minden, Nevada, beginning at 6:00 p.m.

Board members 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 Steve Thaler.
2. Hadfield/Stephans moved to approve the agenda as published.
3. Hadfield/Thaler moved to approve the minutes of March 4, 2009.
4. Approval of vouchers.
5. Public interest comments.
  - a. Robert McMillan noted that the sound system was not working well; he was not able to hear the board members unless they spoke more directly into the microphone. He reminded the board that debating was healthy, and they did not need to vote unanimously.

## **II. STAFF REPORTS**

1. Public Works: Greg Hill
  - a. Heybourne waterline testing is done; our system operated perfectly and we are very pleased with the way things went. The system went on line at 11:30 am Monday March 30. The County tank fills up in evening at a rate of about 1000 gallons per minute; the true test of the system will be in the summer months. There is no complaint about noise from nearby residents. County still operates their water system and they are responsible for the testing and compliance.
  - b. The alley and County Road project has had issues at the beginning but the contractor is doing better now. The last part in the alley will be the biggest issue.
  - c. Contractor will be doing the Post office alley and the 6<sup>th</sup> Street alley to replace the waterline before the paving. Work will be finished next week.
  - d. Replacement cost for pumps for wells has been adjusted.

- e. Well 1 upgrade: Applications have been made and hardship waiver was granted, with the hope to be online by June with a brand new pump.
  - f. Mr. Hadfield noted that detours have been successful during construction. Ross noted that fire chief is very pleased with communication and the way it is being handled.
2. Engineering Report: Bruce Scott.
- a. We received a response on letter to county. The reimbursement will be paid out of user fees over 25 years in a yearly payment. Trish, Amber and Bruce will meet next week and set up process to monitor and track customers and usage. New connections will require water from the county or individual, or will purchase water rights from town as they have in the past.
  - b. George addressed letter from Mr. Ruschmeyer and questioned if we want an addendum or an amendment to the original agreement. Bruce said he and Carl would work out details and bring to board. Bob suggested that a certain percentage of fees for new hookups be applied to pay the water debt to town and retire debt as quickly as possible. Bottom line is that they are going to pay for line and we are going to own it, it is basically a 25 year lease. Original idea was to pay through growth, and should be noted in agreement. There will be a courtesy amount (48,000 gallons) given to county for testing, etc.
  - c. Manhard Engineering agreement was approved at the last county commissioner meeting to look at water modeling and preliminary costs estimate on the county pursuing a water main connection from East Valley into Indian Hills with the possibility of connecting to Carson City. Bruce indicated that he supported this concept representing the Town. There was a meeting this week to frame things for the future and water modeling.
  - d. Five years ago, Rathbun parking lot expansion was conditionally approved with the condition of grant of easement to provide a pedestrian access for a proposed casino on the adjacent property. This project is coming back under the same terms, with landscape deferred until the path is put in.
  - e. Paving to start a week from Monday. Street sealing bids will be on next meeting agenda.
  - f. BLM right of way for tank site has been received and paid for; easement will follow.
3. Attorney Report: George Keele
- a. Mr. Keele worked on a few non reportable loss prevention matters last month.
  - b. The two new leases address utilities. Each tenant pays up to \$100.00 for utilities, with the town bearing responsibility over that. The utilities will be

negotiated at the end of the first ten month based on the first years' experience for calendar year 2009.

c. Mr. Keele gave an update on Chapter 269 services of town in enabling ordinance. We have existing services, and may want to look at having the County board of commissioners adjust some services. Mr. Keele reminded the Board of its opportunity to be more stringent and how the county has allowed the town board to control their budget. The County can dissolve the Town by resolution at a Board of Commissioners public meeting. To a very substantial degree the Board of Commissioners has acquiesced in very many areas of the town functioning and has allowed that delegation by the Town.

4. Board member reports:

Mr. Hadfield Report on State Legislature: State budget process is causing considerable controversy, with the revenues severely short and the expectation of additional reduction in the numbers. The town is somewhat insulated with lower sales tax income being the worst case scenario.

Mr. Thaler noted his first meeting attendance at the Arts Council board meeting, and encouraged attendance at the Art Bar and support for the program.

5. Chairman's report

Dave noted his meeting with the county to improve communication, with the plan for a joint meeting with the County Commissioners in May or June. He acknowledged receiving Nancy Kilburg's picture from Carson Valley Art Association.

Robb Hellwinkel reassured the board that Schat's Bakery is still part of the project at the casino.

**ADMINISTRATIVE AGENDA**

7:00 p.m. Discussion and possible action regarding the following questions: What direction is the Town of Minden taking regarding supplying water to Indian Hills GID, Carson City, and North Douglas County? Are additional lines (36") required to serve these entities? What additional wells or well capacity is needed to provide these services? If the Town of Minden provides these services, are there safe guards to protect the Town from the cost of removing arsenic caused by migration of arsenic into wells? What financial arrangements (model) will be needed for construction, maintenance, depreciation, duty cycle? Is the Town of Minden willing to go into debt to provide additional water to the north valley?

Mr. Keele noted that this item did not have adequate notice to be fully prepared for a comprehensive review or to explore in great depth. All items to be discussed are intertwined.

Mr. Scott addressed the questions. The Town of Minden is a committed partner with Douglas County with whom we are exploring moving water north for the purpose of serving the northern portion and potentially other portions of Douglas County. 36 inch lines are required to serve these areas. We have no idea about what well capacity is needed because we do not yet know the amount of water needed but we are preparing for additional services. We cannot give a good answer about the migration but it is not an issue in the Town's well system. He would be more worried about changing federal standards. Financial arrangements are undefined at this point. Minden water rights sales have been and will be earmarked for water system improvements for a solid financial approach and protection for Minden residents. If the choices are going into debt or losing water rights, an open mind must be kept because the loss of water rights would be much worse.

Mr. Sheets noted that the Minden Board has always had objective to wholesale water, not become the entity that sends out the bills.

Mr. Hadfield said that water can be moved in a lot of ways and not necessarily in a pipeline. The Town can no longer acquire large blocks of water rights from a developer, only the consumptive use. We have water rights beyond current and long term needs. The Board's view is to not remove ownership for this asset except when it can be used to benefit the town residents. We can't profiteer on water sales; it must be utilized for the benefit of the orderly growth of Carson Valley. We are committed to protecting the Town of Minden residents from incurring any additional cost other than what we would normally be required in order to provide water to our system, and to having a water rate structure that allows us to accumulate money in a reserve, to look to the future needs for replacement, etc. and consider water a state resource that we are granted permission to use as a good steward. We protect our water rights by building these water lines, helping the county and changing water rights on paper to an actual delivery system. We are also defending the state water engineer from the Paiute Pyramid Indian tribe.

Mr. Chichester did not foresee the town ever going into debt to provide water to Nevada; other entities will have to make the investment so we can provide the water to them at a rate that provides for orderly replacement of parts and the ability to drill new wells. He sees the money spent as a short term investment to protect the Town water rights.

Mr. Sheets expressed appreciation to Mr. Pohlman for putting this item on the agenda allowing the board to clarify these issues.

Public Comment:

Robert Pohlman stated that he asked for this to be on agenda because it does not make sense to have a 24 inch line as in the Manhard design, but his main concern is that there will be more than one waterline in case it breaks. He also questioned the letter to the county concerning the waterline.

Mr. Scott said that a 24 inch size in the contract is probably not right, but this is just preliminary. There is a need to plan for redundancy and complement the 24 inch

line. The letter to the County was only in relation to the water right commitment at the end of 2008. The water comes with a price for additional water.

Mr. Hadfield agreed that a 24 inch pipeline is not acceptable. We do not want to be a retailer of water, only a wholesale purveyor, but we fully understand the need for redundancy and capacity. It is not the Town who makes this happen; the county has the role to figure out the design of their system, and it is ideal timing in the present economy to have a chance to look at things and plan for the future. After the Manhard study there will be a plan and a common vision. The Minden board has always worked hard to keep Minden a special place and one way to do that is to reallocate our assets for the benefit of the valley.

Mr. Keele amplified on Bob's comments. There is no written plan but there is evidence in the minutes for decades that capture the vision of the board. Everything has been well thought out and implemented, and the board has ensured that every state engineer shared their vision of not profiteering from water rights and their entitlement to purvey water throughout the entire Carson Valley. It could not have been captured in one document; it is a process resulting in a position that is holding up in the court system.

Public Comment:

Bev Giannopoulos expressed appreciation for the board's position as watchdogs for the Minden water rights.

7:10 p.m. Discussion and possible action on Town of Minden water ordinance including but not limited to changes in relation to the Red Flag Identity Theft Compliance, and to proper accounting treatment by the Town of payments to accrued interest, late charges and past due principal applications.

Mr. Stephans noted that the town procedures are in conflict with wording of the water ordinance, and would also like to address applying penalties, recognizing that current payers should not subsidize those customers that do not pay on time. This is in part due to the change in billing from in advance to in arrears. Mr. Stephans will work with Mr. Keele to update the text and bring back to the board for approval.

7:15 p.m. Discussion and possible action on annual review of water rates and increase, by Town Board resolution, of 5% to 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 costs, labor rates, insurance rates and other factors.

This was the second reading of rate change by resolution. The motion from last month was summarized by Mr. Hadfield, indicating that no rates were raised last year, and looking at the traditional costs of operating the water system, not associated with the North Valley service, and to meet the goals we have set forth in relation to redundancy, equipment, and reserves, proposing to raise the rates by 5%.

No public comment. Hadfield/Chichester moved beginning July 1, 2009 to increase the water rates by 5% for the upcoming budget year in all classes of water service including out of service territory and contract rates and taking into consideration

increases and decreases as applicable, of materials costs, labor rates, insurance rates and other factors. Motion carried unanimously.

7:20 p.m. Discussion and possible action on Town of Minden trash ordinance including but not limited to changes in relation to Red Flag Identity Theft compliance and to proper accounting treatment by the Town of payments to accrued interest, late charges and past due principal applications.

This is the same issue as the water ordinance in regards to needed changes. Direction was given to Mr. Stephans and Mr. Keele to review and update the text and bring back to the Town Board for approval, to be followed by two readings at Board of Commissioner meetings.

7:25 p.m. Discussion and possible action on annual review of trash rates and increase of 5% to the 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.

This was the second reading for the trash rate increase of 5% by resolution. No public comment. Thaler /Hadfield moved to stay consistent with the 5% increase to the 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. Motion carried unanimously.

7:30 p.m. Discussion and possible action on

- a. 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%) each category, i.e. CVIC Hall, Minden Park, and Street Closures.

This item will be brought back with language changes for review at the May 2009 meeting.

- b. Acceptance or rejection on proposal for the structural evaluation of the balcony at the CVIC Hall.

Keith Schaffer of Peak Consulting Engineering was pleased to provide proposal for structural inspection, for capacity in weight or mass with an idea of how it relates to people, and if there is a need for retrofit.

Chichester/ Hadfield moved to sign a contract with Peak Consulting Engineers for a structural evaluation of the balcony of the CVIC Hall in an amount not to exceed \$1,250.00. Robb Hellwinkel noted that the county had not adopted the existing International Building Code that pertains to older buildings. Motion carried unanimously. Mr. Keele noted that the

scope of commission is to determine safe load and not buttress the balcony to increase the load.

7:40 p.m. 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 may involve Board instructions to Town staff as to how to proceed with the preliminary planning for this position.

Mr. Thaler noted his time line goal was to determine when we wanted manager on board, and move backwards to start the process 6-8 months beforehand. We still need to figure out what this person will do and where we put him or her.

Mr. Hadfield stated that he regards the opinion of two new members as critical. If we agree the position is needed, January 2010 is a good goal to be able to work with current board for a whole year before Dave, Ross and Bob leave. It may be prudent to not make any decision prior to May figures from the state. Looking forward, the issues of the town will be more dynamic, future board will be given more opportunity to have more resources available. Growth will return and the size of the town may double. Staff is talented but also will be leaving. Three new members may not be able to devote as much time. How we advertise for the position is critical.

Mr. Thaler stated we had the continuity in the past prior to term limits; the manager is the only way to keep things solid, and probably would take Minden to a new level. We want to recruit someone who has the same vested interest as the board in the town.

Mr. Stephans is not opposed to manager but believes the timing is wrong in relation to budget. Longevity of manager is questionable, and would like to see a local in this position.

Mr. Chichester believes that we will need a manager at some point in time, but would like to see nothing happen until the beginning of the new fiscal year. Perhaps we should consider part time? What are the specific duties going to be? How does Mr. Park at the Town of Gardnerville function?

Discussion included looking at the job description, figuring out the real day to day duties, also the possibility of doing a workshop with Jim Park and possibly a Gardnerville board member.

Public Comment:

Robb Hellwinkel spoke in support of the manager position and believes it critical to get the right person, possibly a consultant.

Bev Giannopoulos agreed that job requirements are more than what is on a job description.

Robert McMillan expressed concern that the need for a town manager had not been clearly defined, and questioned if this was an attempt to make the board members' job easier.

Mr. Keele noted that present members have the luxury of having the time and have devoted many hours a month. If this position is planned prudently, this person will be paid in part by a voided expense from Mr. Scott's time.

Mr. Hadfield said that Mr. McMillan's point is well taken and agreed that we need to articulate for the public what we are trying to accomplish so they will understand and support the concept.

Mr. Thaler stated that in the past the Board has been outstanding at looking to the future, being patient and doing it right. He sees a manager as bringing more out of the board and actually creating more revenue for the Town.

Sandy Deyo believes the position is justified; if delayed too long an awful lot of knowledge will be missing.

Mr. Sheets stated that individually we will start to formulate what is important and that he will work on setting up a workshop.

7:50 p.m. Discussion and possible action: Approve, approve with conditions, deny or continue request for approval of 2009-2010 tentative budget.

Mr. Chichester spoke of details of the balanced budget. There will be no large equipment to buy this year. Interest income from investment is markedly down. The total budget is \$4,081,000.

Hadfield/Thaler moved to approve the tentative budget as presented. Motion carried unanimously.

Mr. Hill reminded board and staff of use of microphones in order to be heard well. Before the next meeting we will test microphones.

Chichester/ Thaler moved to adjourn meeting at 9:40 p.m. Motion carried unanimously.