Pete Schmalzer called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:00 p.m. Thursday, January 12, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Pete Schmalzer, Larry Johnson, and Dennis Magers. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel. Dennis Goodsell was absent.

Cathy Glatthar stated for the record that changes have been made to the agenda in order to comply with recently passed legislation - AB59 and AB257. She explained that the GID is required to have two public comment periods and every agenda item in which there may be action taken, has to be marked "for possible action."

2. **Public Comment (limited to three minutes per speaker):**

   Robbin Scholl thanked the GID for the attention paid to Range Land Road this last month. She hoped some process would be in place by the summer to control the dust.

   Pete Schmalzer asked if anyone else had any public comments? Hearing no requests, he moved to the next agenda item.

3. **Election of Officers:** Larry Johnson suggested the matter be postponed. Cathy Glatthar stated that she spoke with Louie Test and he said a motion to continue would be necessary. Larry then made a motion to continue the election of officers to the next meeting. Dennis Magers seconded the motion, and hearing no opposition, the motion carried.

4. **Approval of Minutes – December 8, 2011:** Larry Johnson made a motion to accept the minutes as written, and Dennis Magers seconded the motion. Hearing no opposition, the motion passed.

5. **Payment of Bills:** Pete Schmalzer asked if the Power Plan bill was for the grader? Maureen Sidley explained that it was an old bill from October that had been lost. Jim Hicks confirmed the expense was for repair of the grader. Maureen asked that the Board approve the purchase of 800 ["Forever"] stamps before the postage rate increases. Nearly 500 stamps will be used for the mass mailing. Pete asked Cathy Glatthar if the County was going to do the mailing for us? Cathy explained that the County will do the printing, folding and sealing, but because the GID is not a County department, we cannot use their bulk mailing permit for postage. She also mentioned that a bulk mailing permit costs $190.00 per year and the GID would not benefit from obtaining such a permit. Larry Johnson made a motion to pay the bills as submitted, including the purchase of the stamps. Dennis Magers seconded the motion, and hearing no opposition, the motion passed.
6. **Action Reports:**

a. **Road Committee - Road Repairs and Maintenance:** Pete Schmalzer commented that they haven't been able to do any forward-looking projects in part because it's been a short month and the weather has been dry, which has meant the roads need to be graded more often. He continued and said the Wayside yard work will be starting, so for the next month or two, only routine road maintenance will be done. Larry Johnson stated they collected soil samples from various arterial collector streets for analysis. They will then be able to provide this data to various material "tech reps" for recommendations and costs for this year's program. He said they have also surveyed centerline profiles of a low-lying area on Ironwood Road just east of the Pyramid Highway that they have tentatively projected to receive a chip seal this year. He said the road committee recognizes that the crew is spread thin with grading of primarily secondary roads, with attention on at least a monthly basis on the main collector roads.

Pete said Jim Hicks did the traffic counts on the four main collectors. Jim had a handout showing the results:

<table>
<thead>
<tr>
<th>Road</th>
<th>Dates: From - To</th>
<th>Trip Count per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axe Handle</td>
<td>01/03/12 - 01/10/12</td>
<td>1,653</td>
</tr>
<tr>
<td>Ironwood</td>
<td>12/13/11 - 12/21/11</td>
<td>400</td>
</tr>
<tr>
<td>Whiskey Springs</td>
<td>12/13/11 - 12/21/11</td>
<td>288</td>
</tr>
<tr>
<td>Range Land</td>
<td>01/03/12 - 01/10/12</td>
<td>227</td>
</tr>
</tbody>
</table>

Pete pointed out that the count for Axe Handle was surprisingly high, and that Jim plans on redoing the count. Jim said he would also put counters on Bacon Rind north and south. Jim stated they will also do a recount on Range Land. Pete commented that these counts provide useful information. Larry remarked that it helps us to establish priorities. Pete recommended that traffic counts be done on a regular basis; maybe twice a year.

Larry asked Jim about the progress on upper Quaking Aspen? Jim said they added material from just before Ansari up to Microwave. Next week they will regrade all of Quaking Aspen.

Larry then commented that the roads are in better shape this year than last year. There hasn't been any rain in a long time, and instead of having pot holes from wetness, we have pot holes from dryness. Pete felt it was probably skewing public perception because the roads that are normally bad in the summer are still bad, and the roads that are normally bad in the winter are great.

b. **Equipment Repairs & Maintenance:** Jim Hicks reported that the problem with the 770 [grader] that was mentioned at the last meeting was a problem with the cooling fan drive shaft. The U-joint broke and took out some hydraulic lines. It has been repaired and is back up and running. He said they think a piece of metal came out of the "tower" [elevated water tank] and it sheared the shaft on the International water truck spray pump. The shaft and the impeller were replaced. Jim said they will install a screen on the fill hole, to avoid having this happen again.
7. **Judicial/Government Affairs:** Louie Test said he had nothing to report.

Cathy Glatthar spoke up and said she had two items to report:

1. The [Truckee Meadows] Regional Planning Agency [TMRPA] sent out an annual report to be completed by various government agencies. She said she checked with Harold [Shotwell, former GID President] and he verified that this does not apply to the GID. Cathy said she will send an email to the TMRPA informing them that the GID will not be participating in this type of reporting.

2. The establishment of the Department of Community Services, which is the consolidation of Building and Safety, Community Development, Public Works, Regional Parks, and Water Resources, is in its final stages. The second reading of the ordinance [forming the new department] took place at Tuesday's Board of County Commissioners meeting.

Cathy also reported that Kim Robinson is now the Acting Director of the Truckee Meadows Regional Planning Agency. Bill Whitney has filled her spot in Community Development.

8. **Old Business – Updates:**

   a. **Update - Wayside Yard Special Use Permit (SUP):** Larry Johnson reported that the building permit application was rejected at the counter. Larry said today he met with Don Jeppson, the head of the Building Department, in order to sort things out, and got clear direction on how to proceed. Mr. Jeppson instructed his counter people to accept the resubmitted application and if they require anything further, they will contact Larry. Larry asked Cathy Glatthar if she had contacted code enforcement? Cathy replied that she had spoken with Lora Barretta, and Ms. Barretta wants to be kept apprised of what transpires with the Building Department. Larry then went on to say that State law allows us to have plans stamped by a licensed contractor in a design-build "mode." Larry reviewed the updated price quotes: BZ Electric $5,850 and the plumbing proposal is $8,000. Pete asked if these amounts were below the statutory minimums for advertising [going out to formal bid]? Larry explained that at $25,000, we'd have to get two competitive quotes for comparison. If it's over $50,000, we'd have to advertise and put out for public bid. Larry then made a motion to authorize the sub-contractors to proceed with the electrical and plumbing work with cost increases not to exceed 10%. Dennis Magers seconded the motion, and hearing no opposition, the motion passed.

   Cathy brought up the [compliance] timeline that was approved by Lora Barretta, the code enforcement officer. We have till April 30th [2012] to complete all the work. Cathy confirmed that this work includes the [restoration of the] Wayside slope. Larry explained that it includes the landscaping work and the fence slats. Larry then reviewed the fencing alternatives - either stuffing slats in the existing fence or replacing with pre-slatted mesh. Larry explained that Jim Hicks had costs for the replacement fencing. Jim said it's approximately $2,500 to replace the fencing material, and $3,100 to move existing gates and install a new set of gates. Larry made a motion authorizing Jim to get the fence work done for a budget of up to $6,000. Dennis Magers seconded the motion, and hearing no opposition, the motion passed.

   Larry reminded Jim that he needs to make time to haul [asphalt] grindings. Larry mentioned to Jim the need to abandon the western route out of the pit. Jim said they have already abandoned that route. The route will be scarified and hyroseeded.
b. **Update - Ironwood Well/Water Truck Fill Station (WTFS):** Pete Schmalzer asked if we had any updated work estimates? Larry Johnson said, "we do not." He felt the discussion should be, do we spend dollars on an alternate water source that saves a 15-minute haul or do we spend those dollars on road surfacing? Larry asked Cathy Glatthar what the ramifications are if we do not pursue the improvements? Cathy stated that we are supposed to have a building permit application submitted by August of this year. Larry wanted to know what our options are if we do not pursue development of that site? Cathy said she will look into it.

Robbin Scholl asked, "isn't the well already there?" Larry said yes, the well is already there. Ms. Scholl then asked how much it cost to put in the well? Larry replied that it was donated to us. Cathy clarified that Boeing gave us $50,000 for a well, and the land was purchased by the GID back in [1993]. Maureen Sidley mentioned the generator was purchased for $20,000. Pete spoke up and said his concern is not over the "sunk costs." He said he's interested in the cost/benefit from this point forward.

c. **Employee Handbook:** Pete Schmalzer said he needs to get with Jim Hicks, but this is a low-priority item and suggested this matter be tabled for now.

d. **Board Member's Handbook:** Cathy Glatthar handed out the updated "Trustee Filings" section. She explained that some major changes were made; that the filings are done online and it's not a user-friendly system. The updated section goes at the end of Chapter I. Pete Schmalzer and Dennis Magers both commented that the instructions Cathy wrote up were very helpful.

e. **Liability Insurance:** Louie Test said he reviewed the policies, but he had come across a liability policy for a water district and there's a Nevada Public Agency Insurance Pool. He recommended having Maureen or Cathy look into this. He said the insurance pool was created back in 1996 because of commercial insurance [rate] increases. It includes Workman's Comp and Liability Insurance, with higher coverage limits than we currently have. Maureen Sidley said she would set up a meeting with them and take our existing policies for review. Louie mentioned that Cathy had found some information about it online and the GID appears to be eligible. No premium costs were available.

f. **Website - Progress Update:** Cathy Glatthar said the [sub-committee] met and finalized the FAQs and they have been posted on the website. Because we have a recently occurring vacancy on the Board, a notice has to go out. So Cathy suggested combining the vacancy notice and the website announcement. Cathy stated that she sent out a proposed notice and asked if anyone had any comments? Pete Schmalzer suggested the vacancy notice be listed first. Cathy said she would make that change. Larry Johnson commented that he had a minor change to the newsletter before it's posted on the website. He gave the changes to Cathy. Cathy commented about the mailing, and as mentioned earlier, the County's Reprographics department will do the printing, folding, and sealing at a cost of 7 cents per piece. We will save approximately $100 over past mailings.

**g. Policy for Driveway and Private Road Access from GID Roadway Easements:** Larry Johnson said he talked with Trevor Lloyd about the need to set up a meeting to go over this matter. Larry said he did meet with the head of Washoe County Engineering, and he felt that it's up to Community Development and, primarily, the
Building Department to make sure we have signed off before plan submittal. Cathy Glatthar wanted clarification; she commented that she thought we were trying to get an agreement with the County where they review the plans and make sure they comply with GID standards. She said the past program of plan review by the GID failed because Boards changed and it was dropped. Larry said that will be discussed.

Larry then asked if anyone had looked at the draft modifications to the [resolution] for driveways that he handed out last month? Cathy said she did review Larry's draft and wanted to know if all references to "right-of-ways" should be changed to "easements?" Larry explained that they mean the same thing. Cathy then mentioned that if the Building/Engineering takes over [plan review], then we would need to change the wording to reflect that there would be no submission of plans to the GID. Larry agreed.

h. Amendment of Resolution F93-R1: Road Standards: Cathy Glatthar handed out a draft resolution in which she incorporated the revised road standards Larry Johnson handed out last month. She explained that she separated the list into two groups: "procedure" and "road standards." She said that any highlighted items were changes. Larry suggested that they take the time to review it and act on it at the next meeting. Cathy mentioned that she added procedure item #2 which requires a survey. She said that she did not understand road standard item #7. There was discussion, which resulted in removal of that item altogether.

9. New Business:

a. Acceptance of Letter of Resignation from Dave Kennedy: Larry Johnson made a motion to accept Dave's letter of resignation effective December 31, 2011. Dennis Magers seconded the motion and hearing no opposition the motion carried. Larry asked Cathy Glatthar to prepare a letter of appreciation to Mr. Kennedy thanking him for his service and have it signed by Dennis Goodsell. Cathy said she will take care of it.

b. Discuss Returning to a 5-Day Work Week: Pete Schmalzer stated that currently they work four [10-hour days]. Pete said the issue would be, would a 5-day work week be more efficient? Jim Hicks replied, no, they are much less efficient. Pete felt that rush hour was an issue. Jim said rush hour is not an issue; by the time they get to the work area, most of the traffic is out of the way. There's approximately two and a half hours of startup and shutdown time each day. If you add another [work] day, you lose another two and a half hours of grading time each week. Larry Johnson commented that the recent string of holidays caused four-day lapses in road work. That is his primary objection to the four-day work weeks. Jim asked, do you lose more time than you gain by the [five]-day work week? Jim continued and said it happens very rarely and if there is a problem, would it be better to run overtime for a short period than to convert to five days and lose the time? Larry agreed that is the question that needs to be scrutinized. Larry said Jim put it very well: Does the efficiency of 10-hour days for the majority of the year outweigh the handful of three-day weeks with four days off without attention to the roads? Jim said we usually don't have a problem, but if we do, arrangements could be made to work overtime. He reiterated that it's rare that there is a problem. He cited an example in the past when the crew had to work on New Year's day [when flooding occurred]. The Board decided to continue this item to next month.
Dennis Magers said he has a problem when we have these three-day work weeks, that the other County employees get paid for eight [hours] and the GID crew gets paid for ten hours. Discussion took place on this matter, and resulted in several alternatives: 1. The extra two hours could come from the employee's personal leave; 2. The employees could work an extra two hours; or 3. The employees could take a decrease in pay for the two hours.

c. **Review List of Equipment to be Auctioned:** Jim Hicks passed out a list of equipment to be auctioned. He reviewed the three-item list:

- 1963 Peterbilt Water Truck
- 1976 International Oil Distribution Truck
- Worthington Air Compressor

Larry Johnson made a motion to proceed with the auction process. Dennis Magers seconded the motion, and hearing no opposition, the motion passed. Maureen Sidley said she would take care of the auction advertisement.

10. **Calendar Review:** Cathy Glatthar referred to the list of "Important Dates" and reviewed the upcoming items:

- February’s meeting will be held on the third Thursday (February 16, 2012) because the tax rate will be set and the information from the State does not come in until mid-month.
- The Quarterly Economic Survey is due by February 14th.
- A copy of Health District Permit to Operate (AQMD) must be sent to the Director of Community Development by February 14th as proof that the Wayside SUP is active. Cathy said she would handle this.

11. **Correspondence:**

- A letter from the State Department of Taxation stating the Annual Audit was approved and no violations of statutes and/or regulations were noted.
- An email from a Range Land Road resident thanking the crew for "smoothing out Range Land before Thanksgiving and Christmas." They and their guests appreciated it. Larry Johnson commented that it sets a good precedence to grade the major roadways just prior to major holidays.
- An email from a resident on Two Forty Road thanking the crew for grading that road.

12. **Public Comment (limited to three minutes per speaker):**

Robbin Scholl mentioned that the last time the operations report was updated was on [December] 15th. Larry Johnson said we are a bit behind. Jim Hicks said he just sent the latest report to Cathy and it covers the past four weeks. Ms. Scholl asked who updates the website? Cathy Glatthar explained that Jim does the report and sends it to her and she gets it to the Webmaster. Ms. Scholl then asked if the newsletter that was proofed tonight will be posted on the website? Cathy said yes, the newsletter will be posted to the website and the notice about the website launching will instruct people to go to the website to read the newsletter. Ms. Scholl wanted to know if the website would be attached to Facebook? Cathy said the website will not be attached to Facebook. She explained that the website is a way to get information out to the constituents, but is not
meant for two-way communications where it has to be monitored and emails would have to be responded to. Larry Johnson said we’d really welcome people to attend these public meetings. Cathy mentioned that we have a volunteer Webmaster. Pete Schmalzer asked if anyone else had any public comments? Hearing no requests, he moved to the next agenda item.

13. **Board Member Items:**
   - Dennis Magers said he wants to discuss fuel and lubricants purchasing.
   - Dennis Magers mentioned a problem with the answering machine at the office. He would like the machine replaced or get voicemail through the phone company. Maureen said she would look into voicemail with AT&T.
   - Pete Schmalzer asked to have the 2012 Road Maintenance Strategic Plan on the next agenda.

Larry Johnson made a suggestion to have "For possible action" after the agenda item. Cathy said she will make that change.

14. **Adjournment:** Larry Johnson made a motion to adjourn the meeting. Dennis Magers seconded the motion. Hearing no opposition, the meeting adjourned at 6:42 p.m.
SPECIAL MEETING
PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT
PO BOX 615, SPARKS, NV  89432-0615
Thursday, February 16, 2012
MINUTES

Dennis Goodsell called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:02 p.m. Thursday, February 16, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Pete Schmalzer, Dennis Magers, Larry Johnson and Dennis Goodsell. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment (limited to three minutes per speaker):**

   Dennis Goodsell asked if anyone had any public comments? Hearing no requests, he moved to the next agenda item.

3. **Election of Officers:** Nominations were made, accepted, and voted on. The results were as follows:
   - President - Larry Johnson
   - Vice President - Dennis Goodsell
   - Secretary - Pete Schmalzer
   - Treasurer - Dennis Magers

4. **Approval of Minutes – January 12, 2012:** Pete Schmalzer made a motion to accept the minutes as written, and Dennis Goodsell seconded the motion. Hearing no opposition, the motion passed.

5. **Payment of Bills:** Maureen Sidley explained that she moved funds from the main account to the savings account to keep the balance below the FDIC [Federal Deposit Insurance Corporation] insured limit of $250,000. She added that she just received a notice from Wells Fargo that the Bank of New York Mellon Trust Company will be covering any amounts in excess of the FDIC's $250,000 limit. There was discussion on this, and Maureen was asked to research the matter to determine if the separate accounts at Wells Fargo are each covered by the FDIC up to $250,000 and report back at the next meeting. Dennis Magers requested a written statement from Wells Fargo as to their current policy. Pete Schmalzer made a motion to pay the bills as submitted. Dennis Magers seconded the motion, and hearing no opposition, the motion passed.

6. **Action Reports:**
   a. **Road Committee - Road Repairs and Maintenance:** Pete Schmalzer explained that they do not have a long-term projects list this month because there hasn't been any time for those projects (the drainage problem on Piute Creek, the cattleguard on Range Land, and completion of the Quaking Aspen spring work).

   Larry Johnson stated that the cattleguard on Range Land is a potential liability issue. Animals are wandering out onto Pyramid Highway because it is filled with sediment. Jim Hicks reported that the cattleguards at Range Land and Grass Valley [west]
were both dug out yesterday. Pete clarified that he was talking about the welding work that needs to be done to the Range Land cattleguard. Larry said the repair of the cattleguard is a priority and asked Jim to get it done within the next month.

Larry then addressed the project to raise the section of Ironwood Road about one and a quarter miles in from the highway to prepare it for chip seal this year. He asked Jim to look at the feasibility of several options for getting the work done over the next 60 days: hiring temporary labor to operate the GID’s equipment; having the crew do the work; or sub-contract the entire project. Dennis Magers asked how they planned on addressing the drainage problems? Larry explained that there is an existing drainage channel that goes towards the horse corrals, but to make use of it, they will need to raise the roadway approximately one foot over a 500 foot section. This will allow for the installation of a culvert, which will provide drainage on both sides of the road. Without proper drainage, the chip seal would fail.

Larry then spoke about a third priority for this year: a section of Axe Handle from the highway/cattleguard to the Bacon Rind intersection. Larry then referred to the February traffic count results and grading averages report Jim Hicks prepared:

<table>
<thead>
<tr>
<th>Road</th>
<th>Trip Count per Day</th>
<th>Grading: 2011 - 2012 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Monthly</td>
</tr>
<tr>
<td>Axe Handle</td>
<td>483</td>
<td>--</td>
</tr>
<tr>
<td>Axe Handle (East of Bacon Rind)</td>
<td>60</td>
<td>--</td>
</tr>
<tr>
<td>Bacon Rind (South)</td>
<td>183</td>
<td>0.88</td>
</tr>
<tr>
<td>Bacon Rind (North)</td>
<td>240</td>
<td>0.48</td>
</tr>
<tr>
<td>Ironwood</td>
<td>469</td>
<td>0.65</td>
</tr>
<tr>
<td>Range Land</td>
<td>200</td>
<td>0.61</td>
</tr>
<tr>
<td>Range Land (West of Peak)</td>
<td>100</td>
<td>--</td>
</tr>
<tr>
<td>Whiskey Springs</td>
<td>288</td>
<td>0.74</td>
</tr>
</tbody>
</table>

Larry commented that the Bacon Rind north number appears to be high and would like that count redone. Larry said it won’t change our priorities. Pete pointed out the grading number for Bacon Rind south was an "eye opener." Discussion ensued and the consensus was that, like Range Land, Bacon Rind is sandy and will need a special method of treatment. Larry concluded that the road committee will analyze these numbers and come back to the Board with recommendations.

Pete mentioned that he and Larry met with a representative from Granite [Construction] to look at the section of Axe Handle from the cattleguard to Bacon Rind. One option was to use "road mix." Gravel from the [Wayside] pit would be spread out [over the asphalt] and then sprayed with liquid asphalt and bladed. Larry explained that we will need to weigh the life cycle costs of road mix against those of pulverizing and chip seal.

b. Equipment Repairs & Maintenance: Jim Hicks reported that the equipment is running well, but there was a problem with the snow plow. The crew member was plowing snow and hit a frozen driveway berm, which bent back and ripped the plow
blade. It's not repairable and he will look for a replacement this summer when the State yard will likely have a snow plow for sale. Larry Johnson complimented Jim on the snow removal done and said it was appreciated.

7. **Judicial/Government Affairs:** Louie Test said he had nothing to report.

8. **Old Business – Updates:**

   a. **Update - Wayside Yard Special Use Permit (SUP):** Larry Johnson reported that he was in the Building Department today and regarding the building permit application, they have received comments back from all departments except for the Fire Department and one Health Department Division. Larry said amendments will be made to the plans and they will be resubmitted. Larry noted that Water Resources signed off with no comments. Dennis Goodsell asked if they got everything they needed regarding the [fuel] tanks? Larry reviewed the list of information the Building Department was requesting on the fuel tanks. Cathy Glatthar pointed out that all those items were part of the temporary permit, so why was the Building Department asking for them again? Larry explained that they wanted everything on one plan sheet.

   Jim Hicks mentioned the crew has done what they can on the Wayside SUP work until they can get the contractors in to do their work.

   Cathy Glatthar mentioned that she did send the Air Quality Management Division permit to Community Development in compliance with the SUP. She said that Roger Pelham requested that when the permit is renewed in May, that the GID send them a copy of the renewed permit. Cathy stated that she requested that the GID sends the permit in once a year, upon renewal, and Roger approved the request.

   b. **Update - Ironwood Well/Water Truck Fill Station (WTFS):** Pete Schmalzer asked if everyone received the email from Cathy [with the options and pros and cons of those options]? Everyone acknowledged receiving the report. Pete talked about the travel-time savings of hauling water from Ironwood versus from Donovan's. He felt the savings was insignificant. He talked about the "fallacy of sunk costs; that just because we've spent money on something in the past, doesn't mean we are obligated to continue spending money on it if there's no continued benefit." Cathy Glatthar stated that $122,574 has been spent-to-date on this project. Larry asked if that included the cost of drilling the well that was donated? Cathy explained that we got $50,000 from Boeing, and we drilled two wells. She said she applied $25,000 to the Ironwood well. Larry said he agreed with Pete and then discussed the water usage and how it's well below the amount of water rights. He continued and said, "the question that the Board needs to weigh is, do we spend additional monies on the Ironwood site that could be used for capital improvements that would benefit a great number of people?" Pete asked, if the cost to finish developing the site was $30,000, was it worth the couple of hundred dollars a year of savings from not having to haul water from Donovan's? Jim Hicks said there was much more to it than that. He talked about the Ironwood well as a backup to the Wayside well. He explained that if the Wayside well goes down, they will have to haul water from Donovan's for every road, and production on [grading] roads will drop to about a third. Larry inquired about the yield of the Wayside well? Jim replied that it was at 250 [gallons per minute] and it's down to 200 [gpm]. Larry felt that the potential failure of the Wayside well was extremely remote. Mitch Gerlinger, in the audience, suggested doing "draw down" testing on both wells. Jim mentioned the Ironwood well
produces in excess of 400 gallons per minute. Larry stated that if the Wayside well were to go down, they could apply for a temporary permit and pump from the Ironwood well. Cathy mentioned that only one of the [five] options would be to [sell] the well site; all the other options just postpone development of the site for varying lengths of time. Dennis Magers said that is why option three (Apply for an SUP Amendment of Conditions requesting an extension) appealed to him. The Board decided to go with option three. Cathy said she will determine when the Amendment of Conditions will need to be applied for and put it on the calendar.

There was some discussion on water rights and the Board decided to address the water rights issue at a future meeting. Dennis Goodsell explained that if we do not have any water rights [attached] to the Ironwood well, the County will consider the well to be abandoned and it would have to be "plugged." Maureen Sidley said she would supply the Board with the water usage history for the past seven years.

c. Opening and Awarding of Bids for Surplus Property Auction: Larry Johnson reported that a bid of $50 was received for the Worthington Air Compressor and a bid of $900 was received for the 1969 Peterbilt Water Truck. No bids were received for the 1976 International Oil Distribution Truck. Pete Schmalzer made a motion to accept the bids, and Dennis Goodsell seconded the motion. Hearing no opposition the motion passed.

d. Liability Insurance: Maureen Sidley reported that she met with Wayne Carlson of the [Nevada Public Agency Insurance Pool (the "Pool") and will be meeting with them again next Wednesday. The Pool will bundle all the insurance policies except for health insurance and workman's comp. However, they can give us a better deal on workman's comp than Employers Insurance. Maureen continued and said that Robin [Mazzone] of A & H will be writing the policy. She said she will get a price quote next week.

e. Discuss Returning to a 5-Day Work Week: Larry Johnson said it should remain as is [4-day work weeks - 10 hours per day]. Pete made a motion to retain the 4-day work week. The motion died for lack of a second.

Dennis Magers commented that [at the last meeting they decided] there would be a two-hour adjustment for holidays, because our employees were being paid for 10 hours and other government workers were getting paid for only 8 hours. Discussion took place on this matter and concluded with Larry asking Cathy Glatthar to check with the County on their policy and for Maureen Sidley to check with the HR people with the Nevada Public Agency Insurance Pool. This matter will be continued to the next meeting.

f. Policy for Driveway and Private Road Access from GID Roadway Easements: Larry Johnson asked to continue this item and the next agenda item to the next meeting. Dennis Goodsell said he would talk with Trevor Lloyd about setting up a meeting with Washoe County Engineering and the Building Department.

g. Amendment of Resolution F93-R1: Road Standards: To be continued to next month.

h. Board Member's Handbook: Cathy Glatthar handed out a Secretary of State's report on the 2012 changes to the annual trustee filings, which should be filed at the end of Chapter I.
9. **New Business:**

a. **Appointment of Trustee to Fill Mid-term Vacancy:** Larry Johnson stated that four applications were received, but one was late, and legal counsel advised that it not be considered, and there should be no delay in making the appointment. Maureen Sidley informed the Board that she received an email from one of the applicants, Wes Cameron, saying that he had to go out of town and could not attend tonight's meeting, but that he still wanted to be considered. Cathy Glatthar asked Larry to verify that the applicants reside in the District and are registered voters of the District. The applicants present, Mitch Gerlinger and Robbin Scholl, both affirmed they reside in the District and are registered to vote in the District. Larry said that his focus will be on someone with road construction/maintenance background and experience. He stated that Mr. Cameron has a lot of homeowner (association) board experience and is well versed in homeowner-related issues and wanted to ask Mr. Cameron if that included streets, parking lots, drainage systems, etc. Pete Schmalzer asked each candidate to speak.

Robbin Scholl stated that she has been coming to the meeting because she wanted to get more involved. She said she's an accountant, so she looks at things financially. She said she has experience in government, meetings, and she has helped organizations move forward. She said she has a construction background and understands job costs and how to put together models. She felt she could help to organize thoughts and ideas so decisions could be made.

Mitch Gerlinger said he's worked for a local environmental, engineering, and water resources firm for nine years, and is a geologist by education. He handles emergency situations and new clients. He said he works with sub-contractors on a daily basis and has a good relationship with a lot of the construction and "ER" firms in town. He said he deals with government agencies on a daily basis.

Larry mentioned that this position fills the remainder of an existing term which expires December 31st [2012].

Pete Schmalzer asked that Larry read Mr. Cameron's email. Larry read the email.

Dennis Goodsell nominated Mitch Gerlinger. Pete seconded the nomination. The Board unanimously voted to appoint Mitch Gerlinger to fill the vacancy.

Larry thanked Robbin for her interest.

b. **Determination of Tax Rate for 2012/2013:** Cathy Glatthar passed around a handout and proceeded to explain that the State Department of Taxation issues a report that shows the calculated, maximum tax rate the GID can set, which is 0.7083 per $100 of assessed value. She explained that there is a capped, combined tax rate of $3.66 per $100 of assessed value. There are three entities involved in the combined tax rate: Washoe County, the GID, and Truckee Meadows Fire Protection District [TMFPD]. She said that currently the tax rates for the three entities equals the tax rate cap, but we don't know what the other two entities are going to do. If any of the entities raises their tax rate, the combined rate will exceed the cap. She explained that this has happened in the past and when this happens, the NRS statutes provide a method for handling this. All the entities go before the County Commission and work it out. She said that when this happened in the past, the TMFPD was allowed to keep their higher rate and the GID was given [a check which equaled the amount they would have received from property taxes at the increased rate]. She believed
that would not happen today with the economic conditions. She stated that she wanted the Board to know that they have that maximum rate they can set the rate at, and that they don't have to consider what the other entities may do.

Discussion turned to the tax rate set by other GIDs, namely Incline Village. Cathy explained that Incline Village is very different than the PVGID, because they collect fees from residents for their services (sewer, water, recreation, etc.). Larry Johnson said it's comparing apples to oranges. He said it would be apples and apples if the GID put up toll gate on all of our roads and charged fees to drive on them.

Pete Schmalzer questioned where the .7083 number comes from? Cathy explained that a statutory formula is used. She then read from the [Nevada Property Tax: Elements and Application report published by the Nevada Department of Taxation, Division of Assessment Standards]:

"Pursuant to NRS 354.59811, local government entity property tax revenues are allowed to be increased by a maximum of 6% per year. The previous fiscal year's property tax revenue is multiplied by 106%. This amount is then divided by the projected assessed valuation for the upcoming fiscal year to determine the tax rate necessary to generate that amount of revenue."

Larry stated what the options are: lower, stay the same, or raise the tax rate. He felt it wouldn't be prudent to lower the rate because there is a lot that needs doing and we need revenue. If we raise the rate, we will more than likely end up before the County Commission. Dennis Goodsell made a motion to keep the tax rate where it is right now. Pete Schmalzer seconded the motion, and hearing no opposition, the motion passed.

c. Fuel and Lubricants Purchasing: Dennis Magers proposed that the GID go with [the County's fuel bidding] system and get credit applications with the different companies. He reviewed a weekly fuel bid report [sent out by the County's Purchasing Department]. Pete Schmalzer and Larry Johnson questioned the operational aspects of switching to the fuel bid system. Dennis M. explained what he knew about how it would work. Jim Hicks shared some data with the Board: last year they used about 5,072 gallons of diesel, which equals about 253 gallons every two weeks. At that rate, with the cost of an employee having to be at the yard to accept delivery, they would have to make 14 cents per hour to break even. If they deliver within the first hour they have to be 14 cents cheaper than what we are paying now. In the second hour they have to be 28 cents cheaper. Dennis M. wanted the GID to go with two or three vendors and give them keys. Jim stated that the problem he sees with this, is that the agencies that use this system have someone on site to accept delivery. We don't have that kind of personnel. Larry asked if Jim had some idea of cost comparisons? Jim stated that for the last delivery, the lowest fuel bid was cheaper than Allied by 10 cents a gallon. Pete Schmalzer suggested contacting Allied Washoe and see if they will match the low bid. Dennis M. said he could do that. Larry commented that would be prudent, otherwise we would only save $500 per year. Pete added that Jim's correct; $500 a year would not be worth the impact to our operations. Dennis Goodsell mentioned that "lubricants" was also on the agenda. Jim said they will go through the school district for lubricants.

d. Phone Messaging Problem - New Answering Machine or Voicemail Service: Maureen Sidley said she hadn't looked into that yet, but would call the phone company tomorrow and see if they have a voice messaging service. If not, she will
get a new answering machine. Jim Hicks said he called the answering machine several times since the last meeting and there wasn't a problem. Larry Johnson asked who's having a problem with the answering machine? Dennis Magers said he called it once and got clicking noises. Cathy Glatthar said she has called and gotten the fax tone. Jim said sometimes the fax picks up before the answering machine. This matter will be continued to the next meeting.

10. **Calendar Review:** Cathy Glatthar explained that the State Department of Taxation sends out a calendar of events each year, and she has updated the list of "Important Dates" with any of the items from the State's calendar. She reviewed the upcoming items:
   - Cathy said she will report the newly elected officers to the Registrar of Voters.
   - Maureen Sidley will notify the Department of Taxation about the tax rate by February 24th.
   - A reminder to Jim Hicks to prepare the equipment and vehicle plan/budget for the March meeting.
   - Cathy reported that there will be three seats open for this election year: Mitch Gerlinger's, Dennis Magers' and Pete Schmalzer's seats. The candidate filing dates are March 5th through 5:00 p.m. on March 16th. Cathy suggested they review the information on elections in their Board Member's Handbooks. Cathy cautioned the Trustees to file their contributions and expenses reports all at once before the first deadline. Cathy said you have to go to the Registrar of Voters Office to file for candidacy, and there is no filing fee, because PVGID Trustees are not compensated.

11. **Correspondence:** None.

12. **Public Comment (limited to three minutes per speaker):**

   Robbin Scholl wanted to know if the cows on Range Land were causing a problem, and stopping them from working on the road? There was some discussion about cows, free range, and whose cows those were, etc.

13. **Board Member Items:**
   - Pete Schmalzer mentioned there has been a "crawler" [tracked vehicle] going up and down Quaking Aspen Road, and he wants to know if they can figure out who's responsible? Larry Johnson said his understanding is the wind farm is responsible for that equipment. We'll need to explore getting in touch with them and inform them about the damage and the cost to fix the road. The conclusion was that until and unless the GID is able to identify who is responsible, nothing can be done.
   - Larry Johnson asked if a letter went to David Kennedy thanking him for his service? Cathy Glatthar said yes, it was sent out under Dennis [Goodsell's] signature.
   - Cathy Glatthar mentioned she did send the letter to the CAB [Citizens Advisory Board] about the GID being present at their meetings when GID permitting issues were on the agenda. She reviewed the CAB's January meeting minutes and there was no mention of the GID's letter, so she contacted the new person at the County who is handling the CABs and that person is looking into the matter.

14. **Adjournment:** Pete Schmalzer made a motion to adjourn the meeting. Dennis Magers seconded the motion. Hearing no opposition, the meeting adjourned at 7:23 p.m.
Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:07 p.m. Thursday, March 8, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Dennis Goodsell, Pete Schmalzer, Larry Johnson, Dennis Magers and Mitch Gerlinger. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment (limited to three minutes per speaker):**
   Larry Johnson asked if anyone had any public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – February 16, 2012:** Larry Johnson had some amendments to the minutes. Pete Schmalzer made a motion to accept the minutes as amended, and Dennis Goodsell seconded the motion. Hearing no opposition, the motion passed.

4. **Payment of Bills:** Pete Schmalzer asked if the Artistic Fence bill covered the entire job? Jim replied, "yes." Pete then asked what was the scrap metal from Reno Salvage? Jim answered it was for the cattleguard. Pete made a motion to pay the bills as submitted. Dennis Goodsell seconded the motion, and hearing no opposition, the motion passed.

Larry Johnson announced that agenda item 7. d. - Insurance Review and Acceptance - would be heard at this time as the insurance representatives were present (see 7. d. below).

5. **Action Reports:**
   a. **Road Committee - Road Repairs and Maintenance:** Larry Johnson commented that it is nice to have the collector streets freshly graded, and complemented Jim Hicks on a nice job. He also mentioned that the upper section of Wilcox Ranch Road from Quaking Aspen to Goodher was regraded and the drainage was improved. He said an observation made was that private driveways entering the roadway interrupt drainage and cause damage. He said this shows the importance of getting the driveway standards policy enforced by the Building Department.

   - **2012 Road Maintenance Strategic Plan:** Pete Schmalzer identified the key projects as: Axe Handle (from the cattleguard to Bacon Rind); Ironwood (approximately the first mile in from the cattleguard); and isolated sections of damaged pavement on Whiskey Springs. Pete continued and explained each project:

     **Axe Handle:** Application of a road mix - blade mixed and blade laid - over the existing pavement without pulverizing the pavement. The cost would be between $40,000 and $50,000 for about six tenths of a mile. That is about twice as much as
the chip seal that was done last year. However, the life cycle of this surface may be twice that of the chip seal. Larry Johnson commented that he would have Jim Hicks observe and learn the process so the GID can do the work on their own in the future.

Ironwood: Preparation of the first mile of road for the application of chip seal. A portion of the road will have to be raised to create sufficient drainage.

Whiskey Springs: The worst sections of existing pavement would receive an application of road mix (as explained above for Axe Handle).

Pete explained that combined, all three projects would cost approximately $100,000.

Larry spoke about a draft plan that he drew up. He said they would continue the application of dust palliative stabilization on the remaining collector roads. Pete commented that as we surface sections of dirt road with chip seal, we will save some money each year by reducing the amount of dust palliative purchased. Mitch Gerlinger asked how much the durablend™ costs per mile? Jim Hicks replied, "about $3,000." Larry continued and talked about Range Land and Bacon Rind needing an alternative product for road stabilization. He said the last priority is to continue periodic grading of all of the roads. He then read the conclusion: The winter of 2011/2012 saw our roads in much better condition than the previous winter. This improvement was due to the following: 1) There are cross-gradients and roadside drainage so that precipitation does not sit on the road surface; 2) More frequent re-grading of major collector roads; 3) It's been a mild winter. It is the ultimate goal to surface and stabilize the major collector roads to greatly reduce the level of maintenance necessary so that we can apply more maintenance efforts to the remaining system. Larry said he would forward his draft to everyone for their review. Larry finished by saying that they will be meeting with construction companies and will come back to the Board next month with recommendations.

Dennis Magers voiced his concern over the amount of heavy truck traffic servicing the horse corrals and the impact it might have on the chip seal being proposed for Ironwood Road. He wanted to know if it would be better to use the road mix product proposed for Axe Handle instead of chip seal? Pete felt that the truck traffic alone would not have an adverse impact on the chip seal, but the "turning movement" out of their driveway might cause problems. Pete added that keeping it dry underneath the chip seal is important.

Cathy Glatthar asked if they would be [chip sealing] the section on Ironwood between Pyramid Highway and the cattleguard? Larry said no, because it's an NDOT right-of-way. There was a brief discussion, which ended with Larry requesting this topic be added to next month's agenda.

b. Equipment Repairs & Maintenance: Jim Hicks reported that there have been no equipment repairs. He did mention that the generator has failed once and that it may be a sensor.


Cathy Glatthar updated the Board on the creation of the new Department of Community Services. She said that because David Childs, Assistant County Manager and Acting Director of Community Development left the County, Rosemary Menard has been appointed as Acting Director of the new department. Also, because changes have not been made to the Development Code in regards to the newly created department, there
must be an Acting Director of Community Development, so they have appointed Bill Whitney to that position.

Larry Johnson mentioned there would be a meet and greet for Bonnie Weber on Saturday, March 24th. Cathy added that it will start at 5:30 here [at the Shooting Range].

7. **Old Business – Updates:**

   a. **Update - Wayside Yard Special Use Permit (SUP):** Larry Johnson reported that Jim Hicks has made some progress on this. The trailer has been moved and the new fence has been constructed. Larry said he checked on the status of the building permit and it is "pending." He said he will go down to the Building Department and see about getting the permit finalized. Once we can pull the permit, we'll get the contractors out to do their work. He did mention to Jim that the landscape mound could be done now.

   b. **Update - Ironwood Well/Water Truck Fill Station (WTFS):** Cathy Glatthar stated that she looked into the Amendment of Conditions that was approved at the last meeting in which the GID would request a two-year extension of the SUP. She explained that the application would need to be submitted on June 15th [2012], and the Board of Adjustment meeting would be August 2nd [2012]. She continued and stated that she was not heavily involved in the Ironwood SUP; that it was handled by [former president] Harold [Shotwell] and Tri State [Surveying]. She said that she thought that when the Director's Modification was applied for, Harold believed that the modifications of the parking and landscaping standards for Ironwood included the elimination of the slatted fence requirement, but she has learned that it did not, and the GID will be required to install fencing slats that provide 75% visual screening. She recommended that the Board apply for an amendment of this condition when they apply for the extension. Cathy mentioned that Harold's reason for not having slats was the threat of graffiti and tagging. That Harold had pictures of the NDOT yard [on Pyramid Highway just north of Whiskey Springs] which has been tagged repeatedly and had to be painted over. The Board agreed that the Amendment of Conditions application would include both items - the two-year extension and the elimination of the slatted-fence requirement.

   Pete Schmalzer brought up the draw-down test on the Wayside well that was brought up at the last meeting. Mitch Gerlinger discussed the process, and Jim Hicks informed the Board as to what was done to test the well after it was drilled. Larry asked Mitch to contact Aqua Well Drilling and find out what data they have on the well. Mitch asked Cathy Glatthar to supply him with the well drillers report so that he has the reference numbers. The Board agreed to perform the draw-down test.

   c. **Fuel Purchasing:** Dennis Magers reported that he talked with Allied Washoe and the person who used to submit bids to the County is no longer at Allied Washoe, but that they will be beginning submitting bids again, and that the GID can choose their supplier based on the fuel bid reports. Dennis M. recommended that the GID choose two or three vendors from the list. Dennis M. also mentioned that Allied Washoe has poor key control, and recommended the padlocks be converted so that the keys can't be readily copied. He said he can do that for about $200 in materials. Pete Schmalzer made a motion that we keep Allied Washoe as one fuel vendor and have Dennis M. select a second vendor and set up an account with them. Mitch Gerlinger seconded the motion. Hearing no opposition, the motion passed.
d. **Insurance Review and Acceptance:** Maureen Sidley introduced Robin Mazzone and Carol Ingalls [of the Nevada Public Agency Insurance Pool (the "Pool")] . Maureen explained that Robin is with A & H and has been handling the GID's insurance for years. Carol Ingalls handed out a brochure which explained the insurance program that is being recommended. Ms. Ingalls explained that she is in the process of filling out the application needed to obtain a quote. Maureen stated that other than health insurance and workman's comp (which will be a separate policy through the insurance Pool), everything will be covered under one policy and if an asset is added during the year, there is no additional cost for the balance of the year. Ms. Ingalls briefly explained the background of the Pool. She commented that the policy will be all inclusive: Public Officials’ Liability, General Liability, Auto Liability, Auto Physical Damage, Property, and Scheduled Equipment (non-licensed equipment such as the dozer). Ms. Ingalls explained that the annual renewal is on July 1. That she will contact the GID in January to determine if there have been any changes (i.e. additions or deletions), and in June she will present the GID with the cost of renewing the policy. Larry Johnson asked how the insurance premium will be determined? Ms. Ingalls explained that it is based on the "exposure" that the GID has, which is very low. Pete Schmalzer requested a comparison be presented at the next meeting showing what coverage we have now and what it costs versus what coverage is being recommended and the cost of that new coverage. Maureen said she would prepare that for the next meeting. Ms. Ingalls explained that she will have the prorated premium figure for the next meeting [April 12, 2012]. Larry thanked Mr. Mazzone and Ms. Ingalls for their time. Ms. Ingalls mentioned the "tort cap," which was recently increased from $50,000 to $100,000, and said it "gets violated all the time," so she doesn't recommend it being counted on to provide any protection.

e. **Discuss Returning to a 5-Day Work Week:** There was a brief discussion as to what had been discussed in the past. Larry Johnson said it should remain as is [4-day work weeks - 10 hours per day] and the Board agreed.

f. **Discuss Holiday Pay Policy:** Larry Johnson said that since other agencies on a 4-day work week pay for 10-hour holidays, we should leave it as is. No one else had any comments to the contrary.

g. **Policy for Driveway and Private Road Access from GID Roadway Easements:** Larry Johnson said he would set up a meeting [with Trevor Lloyd, Engineering and the Building Department] when he goes in to pull the Wayside building permit.

h. **Amendment of Resolution F93-R1: Road Standards:** Larry Johnson said this item will be continued to next month. Dennis Goodsell asked if Larry had an answer on item #5 regarding the culverts [being sized to the ten-year or 25-year flows]? Larry said he will get that answer so the policy can be finalized.

i. **Solution to Phone Messaging Problem:** Larry Johnson stated that he thought Cathy [Glatthar] had the best solution to this problem, which is to use the GID cell phone number for incoming calls as it has a messaging system. Pete Schmalzer said, "it's the free option." Cathy reported that both the office and the cell numbers are listed in the phone book. Dennis Magers suggested that Maureen Sidley contact AT&T and request the word "Fax" be inserted next to the office number in future directories. Cathy mentioned that the PVGID's website and the list of Trustees on the Registrar's website have been changed and both sites show the cell number as the contact phone number. Maureen mentioned that she did find [a phone system with] an answering machine that has a battery backup and it's only $37.
j. **Board Member's Handbook:** Cathy Glatthar had several handouts that she passed around along with an itemized list of the updated sections/pages. She then reviewed the itemized list. She asked the Board members and staff to be sure to update their handbooks with this information.

8. **New Business:**

   a. **OM's Capital Equipment and Vehicle Plan/Budget:** Jim Hicks handed out a list of equipment and vehicles needed. Jim reviewed the list, which consisted of a 4-wheel drive pickup and a snow plow. There was a brief discussion on the items. Jim explained that they "shop" the surplus equipment at the State yard. Pete Schmalzer made a motion to approve a budget of up to $12,000 for the purchase of the listed equipment. Dennis Magers seconded the motion, and hearing no opposition, the motion passed.

   b. **Tentative Budget:** Maureen Sidley handed out the tentative budget worksheet, and explained the numbers. She said the tentative budget is due on April 15th, but it's the final budget in May that the Board will want to fine-tune. She further explained that the final budget isn't due until May 30th. Maureen clarified that chip seal, durableblend™ and other road surfacing improvements are considered road maintenance expenses, not capital improvements. She further explained that the Wayside SUP work will go in the [General Governmental] Capital Outlay account and any equipment purchases will go into the [Highway and Streets] Capital Outlay account. Cathy Glatthar reminded the Board that the GID has only one fund, which means that the Board cannot spend more than the budgeted, bottom-line expense figure, without having to go through the budget augmentation process.

   c. **Designation of Auditor/Auditing Firm:** Maureen Sidley said she would like to continue with Kohn Colodny. Larry Johnson asked how much the audit cost? Maureen said between $10,000 and $12,000 a year and that this is much less than other auditors have charged. Cathy Glatthar said she thought it would be prudent to get a few estimates from other firms. Maureen agreed to get a few more estimates. Maureen then suggested the Board designate Kohn Colodny and if they decide to go with another auditor, she will inform the State of the change. Pete Schmalzer made a motion to designate Kohn Colodny as the auditor at this time, and to have quotes obtained from three qualified firms. Dennis Goodsell seconded the motion, and hearing no opposition, the motion passed.

   d. **Bank Accounts Insurance Coverage:** Maureen Sidley suggested the Board move some of the funds over the $250,000 FDIC limit into a credit union account, which pays a higher rate of interest. Larry Johnson asked Maureen to get something in writing from Wells Fargo that states which of the GID's accounts are FDIC insured. Maureen said she would also look into what the credit unions have to offer.

9. **Calendar Review:** Cathy Glatthar handed out an updated list of "Important Dates," and reviewed the upcoming items:

   - Cathy said Maureen Sidley will be receiving some better revenue projections from the State Department of Taxation on March 15th and 26th. Maureen said that after she receives the projections, she will send them out to everyone and they can insert them into the tentative budget worksheet.
   
   - Maureen will need to report the auditor designation by March 30th.
10. **Correspondence:**
Larry Johnson reported getting a note from someone complaining about the "crevice" in front of the mailboxes at Whiskey Springs and Amy. Jim Hicks said he will take a look at it. Larry continued and stated that he received a phone call from someone on Bacon Rind requesting that something be done about Axe Handle. Larry reported that he called the person back and told him that Axe Handle was one of the strategic plan priorities for this year. He then reported receiving a couple of calls complimenting the GID on the condition of the roads.

11. **Public Comment (limited to three minutes per speaker):**
Larry Johnson asked if anyone had any public comments? Hearing no requests, he moved to the next agenda item.

12. **Board Member Items:**
- Larry Johnson reiterated his request that a "Highway Approaches" item be placed on the next agenda.
- Cathy Glatthar had a follow up on the letter sent to the CAB [Citizens Advisory Board]. The letter was not handled at their January meeting, but it is on their agenda for March 26th and is supposed to be read into the record at that meeting.
- Cathy stated the deadline for filing for candidacy is Friday, March 16th. She also reminded the candidates of the deadlines for filing their Financial Disclosure Statement (March 26th) and their Contributions and Expenses Reports (1st one - May 22nd).
- Cathy asked if any other Board members wanted business cards? Larry Johnson requested 20 cards.

13. **Adjournment:** Pete Schmalzer made a motion to adjourn the meeting. Dennis Magers seconded the motion. Hearing no opposition, the meeting adjourned at 7:15 p.m.
Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:02 p.m. Thursday, April 12, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Dennis Goodsell, Pete Schmalzer, Larry Johnson, and Mitch Gerlinger. Dennis Magers was absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment (limited to three minutes per speaker):**
   
   Charles Moore introduced himself as the new Truckee Meadows Fire Chief, and said he will be taking over on July 1st. He introduced Mary Walker as the District's financial consultant. He said his cell phone number is 775-313-8903. He thanked Larry [Johnson] for the quick tour of the [Wayside] well and the [volunteer] fire station. He said there would be interest on his part if there were members in the community who had an interest in being volunteer fire fighters.

   Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – March 8, 2012:** Pete Schmalzer made a motion to accept the minutes as written, and Dennis Goodsell seconded the motion. Hearing no opposition, the motion passed.

4. **Payment of Bills:** Pete Schmalzer asked if the BZ Electric bill amount was as expected? Larry Johnson believed BZ Electric gave a fixed-price quotation and said he would compare the invoice to the bid before releasing the payment. He said he would do the same for D & D [Plumbing]. Pete made a motion to pay the bills as submitted, subject to comparing the invoices for BZ Electric and D & D Plumbing against the quotes. Dennis Goodsell seconded the motion, and hearing no opposition, the motion passed.

   Larry Johnson announced that agenda items 7. b. - Insurance Review and Acceptance - and 7. d. - Reconsideration of Tax Rate for 2012/2013 - would be heard at this time as representatives were present (see 7. b. and 7. d. below).

5. **Action Reports:**
   
   a. **Road Committee - Road Repairs and Maintenance:** Pete Schmalzer reviewed a handout which outlined:

      **Accomplishments:**
      
      - Repair of the Range Land cattleguard. Jim Hicks reported that they have completed about one third of the work on the cattleguard.
• Investigation of grader scarification on Right Hand Canyon. Pete explained that they tested the use of the grader to scarify a section of the old asphalt on Right Hand Canyon. He said the [asphalt] chunks were too large and could not be broken up with any of the GID’s equipment. They ended up pushing those chunks off the road and pulling in dirt from the shoulders and regraded the road.

• Routine maintenance of the remainder of the system. Larry Johnson commented that our roads are in pretty good shape, but acknowledged that it is that time of year when we have to patch pot holes. He continued and reported that he received a complaint about an area above the chip sealed section of Axe Handle. He asked Jim if he was aware of the problem? Jim said they have started patching in that area, but that some of the asphalt is not patchable. Larry said maybe those sections could be handled the same way as Right Hand Canyon, but material would have to be hauled from the pit.

2012 Road Improvement Plan:

Pete explained that the target budget for the 2012 construction season (which spans the 2011 and the 2012 fiscal years) is $140,000, of which, $40,000 is budgeted for the durablen™ program and $100,000 for resurfacing projects. Pete then reviewed the following chart depicting the road resurfacing projects, a proposed priority ranking of those projects, and the estimated cost of each project:

<table>
<thead>
<tr>
<th>Road</th>
<th>Priority</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axe Handle - Cattleguard to Bacon Rind</td>
<td>1</td>
<td>$25,000</td>
</tr>
<tr>
<td>Whiskey Springs - End of Chip Seal to Right Hand Canyon</td>
<td>1</td>
<td>$30,000</td>
</tr>
<tr>
<td>Ironwood - Cattleguard to 0.5 miles South</td>
<td>2</td>
<td>$25,000</td>
</tr>
<tr>
<td>Range Land - Cattleguard to 1.0 mile [West]</td>
<td>3</td>
<td>$20,000</td>
</tr>
<tr>
<td>Bacon Rind - South</td>
<td>3</td>
<td>--</td>
</tr>
</tbody>
</table>

Pete commented that there are two factors for determining prioritization: [traffic volume and frequency of maintenance].

Long-term Plan:

• $100,000/year for resurfacing program -
  o Given ~ $30,000/mile for chip seals and a 5 - 7 year life, we can maintain 15 - 25 miles of chip sealed roadway (currently we have 10 miles of pavement).
  o Rationalize network - Those 15 - 25 miles of chip seal should include the highest priority roads - prioritize by traffic and maintenance demand. This is not necessarily all of the roads that are currently paved.
  o Get highest priority roads into condition to be maintained as chip seal roads.
$40,000/year for durablend™ program -
  o If/when roadways in the durablend™ program are converted to chip seal, add new roads to the program.

Pete said he believed this plan was sustainable. Larry reiterated that the chip seal should last 5 to 7 years, which means 5 to 7 years after the initial chip sealing, the road will have to be chip sealed again. Larry explained that it would be a 5 to 7 year rotational plan. If we only get 5 years of life, we can do 15 miles. However, if we can get 7 years of life, we can chip seal 21 miles of roads.

The Board continued to discuss the plan and changes were made and are reflected in the road improvement plan chart above. As for Bacon Rind, no funds remained, so the decision was made to have Jim continue grading Bacon Rind south on a regular basis (approximately every two weeks during the summer).

Larry stated that asphalt sections that are not slated to be chip sealed will be covered with dirt from the shoulders (as was done recently for two sections of Right Hand Canyon which was discussed earlier) or hauled from the pit.

The Board then discussed two options for chip sealing the remaining asphalt on Whiskey Springs Road from the chip sealed section to Right Hand Canyon: 1) Chip seal only the worst sections, or 2) Chip seal entire sections of the asphalt, regardless of condition. After discussion as to the pros and cons of each option, the Board agreed to chip seal only the worst sections of asphalt on Whiskey Springs Road. Therefore, they could probably chip seal all the bad sections up to Right Hand Canyon Road this year.

Larry reviewed the three immediate road maintenance priorities with Jim: 1) Finish repairing the Range Land Road cattleguard; 2) Finish repairing the bad sections of Right Hand Canyon Road; 3) Patching the asphalt on Axe Handle Road.

Mitch Gerlinger mentioned Dennis Magers' concern from the last meeting about the heavy truck traffic created by the [Bureau of Land Management] BLM horse corral facility and the impact it would have on the chip seal planned for Ironwood Road. Pete reiterated that the main concern would be the "turning movement" [into and out of the facility]. Pete suggested chip sealing into the BLM's driveway so that the turning motion would not be occurring right on the edge of the pavement. Mitch felt the GID should approach the BLM and discuss the GID's plan with them. Mitch then volunteered to contact the BLM on this matter.

b. Operations Manager's Report: Jim Hicks reported that the equipment is running fine and everything's looking good.


Note: At this time, Louie Test left the meeting.

7. Old Business – Updates:

a. Update - Wayside Yard Special Use Permit (SUP): Larry Johnson reported on the compliance work completed to date. He instructed Jim Hicks to call the painter and schedule the painting of the containers, the office trailer and the water tank. Larry then discussed the remaining work that has to be done: scarifying in preparation for hydroseeding, landscaping/hydroseeding, an electrical inspection, and surfacing of all drive areas with asphalt grindings. Cathy Glatthar mentioned that the code
violation extension expires at the end of the month, and asked if another extension is necessary? The Board discussed the matter and Larry instructed Cathy to apply for a three-month extension.

The discussion then turned to the SUP condition of approval that the GID provide the fire department with access to water for fire fighting. Larry explained that in an email [Warm Springs Citizens Advisory Board] CAB Chairman, Jeff Wiggins requested information regarding the completion of the Ironwood well site so the CAB could request funding from the County. Larry shared with the Board his response to Chairman Wiggins, in which he explained that the Wayside well was operational [days before the house fire this past Saturday]. That a condition of approval required the overhead water tank be moved [out of the front yard setback], which included plumbing and electrical work. Building permit plan check fees were paid and the plans were reviewed and approved by the fire department (a special fitting was needed for Reno Fire). The work was completed and inspected by Washoe County and signed off. Larry shared his disappointment that there was no internal communication to the local fire station as to the availability of water from the PVGID's Wayside well. To remedy the situation, the GID would be meeting with the new Fire Chief today to make sure the fire fighters have the correct information. Larry said they would also discuss the upgrade necessary to reopen the volunteer fire station on Little Ironwood. Larry requested to be placed on the agenda for the next CAB meeting, as some of these issues are not related to the PVGID's mission of road maintenance.

Larry reported meeting with the new Fire Chief at the volunteer station for a tour and then showing him the Wayside well and water tank. Larry asked Dennis Goodsell to stop by the Spanish Springs fire station and make arrangements for the Captain to coordinate with Jim so he can show them how the system works. Larry asked Cathy to draft a statement based on his response to Jeff Wiggins posted to the GID's website. Cathy agreed to get that done. Dennis G. suggested and agreed to notify the BLM fire station of the water availability.

b. Insurance Review and Acceptance: Carol Ingalls [of the Nevada Public Agency Insurance Pool (the "Pool") referred to an overview of the insurance program which her associate, Robin Mazzone, handed out. Ms. Ingalls explained that with a $2,500 deductible per claim, the annual premium would be $8,966.43, and for a $1,000 deductible per claim, the annual premium would be $9,232.43. Ms. Ingalls stated for comparison, the expiring policies were two auto policies and the crime policy with a total premium of $8,214 per year. So, for about $1,000 more per year, the GID will get the directors and officers liability, general liability, property, and equipment coverage. Ms. Ingalls informed the Board that the prorated amount for the balance of this fiscal year [2011-12] is $1,970.82. Mitch Gerlinger inquired as to the rate of change in the premiums from year to year? Ms. Ingalls said they are anticipating a 10% increase for the next fiscal year, which begins July 1, 2012. The workers' comp policy is not included, because it does not come up for renewal until July 1, but she will have the renewal cost for the GID's June meeting. Pete Schmalzer made a motion to approve the $1,000 deductible policy. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed. Maureen Sidley explained that Resolution F12-R2 - A Resolution Authorizing Membership in the Nevada Public Agency Insurance Pool - needed to be signed by the Trustees present. Louie Test reviewed the resolution and cleared it for signing.
c. Review of Audit Estimates and Possible Change to Auditor Designation: Maureen Sidley explained that since it is tax season, she will have something for the Board for the next meeting.

d. Reconsideration of Tax Rate for 2012/2013: Larry Johnson reported that Cathy [Glatthar], Dennis Magers, Louie [Test] and himself met with [Washoe] County manager, Katy Simon, Mary Walker and [Sheri Mendez] to discuss a letter the GID received from the Truckee Meadows Fire Protection District (TMFPD). In that letter, the TMFPD was asking the GID to lower their property tax rate so they could raise theirs. Larry mentioned that Cathy did some research and learned that the PVGID's [tax] district (comprised of Washoe County, the Fire District and the PVGID) is the only [tax district] at the State-mandated "max" (of $3.66) and because of this, the Fire District can't raise their rate in order to generate more revenue. Larry continued and explained the proposal is for the PVGID to lower their tax rate by 0.0687. The GID would enter into a legal agreement by which the GID would be compensated for the loss of property taxes. Larry further explained that if this interlocal agreement is not made, the matter would go to arbitration before the County Commission, and we might lose. Furthermore, Larry said it really doesn't matter where the money comes from, just that the GID doesn't lose any revenue. Larry then reviewed the conceptual interlocal agreement, which Cathy explained was on the back of Resolution F12-R1 which she handed out.

The conceptual agreement reviewed by the Board is as follows:

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Truckee Meadows Fire Protection District
Palomino Valley General Improvement District
Conceptual Interlocal Agreement for
Consideration of a 0.0687 Property Tax Rate Decrease for PVGID

Conceptual:
1) For consideration of a 0.0687 tax rate decrease which the TMFPD would like to use and levy, the TMFPD agrees to pay the PVGID $41,000 in FY 12-13. Specifically, the TMFPD will provide a portion of their AB 104 revenues in the amount of $41,000 to PVGID for FY 12-13 by September 1, 2012.
2) PVGID will decrease their FY 12-13 property tax rate by 0.0687 from the current 0.4885 tax rate to 0.4198.
3) The TMFPD FY 12-13 tax rate will increase from the current 0.4713 tax rate to 0.5400.
4) For FY 13-14 and beyond, the TMFPD and PVGID agree to establish an alternative formula for distribution of Consolidated Taxes by this Cooperative Agreement according to NRS 360.730. The alternative formula will include the adjustment of each entity's base Consolidated Taxes through the Department of Taxation by increasing the PVGID Consolidated Tax base by the greater of $45,000 or the amount the 0.0687 tax rate would generate and decreasing the TMFPD Consolidated Tax base by the greater of $45,000 or the amount the 0.0687 tax rate would generate in FY 13-14. This will be done in order to insure the PVGID is kept whole or better through this Agreement. By increasing the Consolidated Tax base of the PVGID, the parties acknowledge this will be a continuous on-going funding source for PVGID for FY's 13-14 and beyond.
5) The Interlocal Agreement will be drafted according to this conceptual agreement by the District Attorney's office in conjunction with the PVGID's attorney if the PVGID gives its approval at their April 12, 2012 Board meeting.
6) The TMFPD will bring this Interlocal Agreement to its Board of Fire Commissioners at its May 15, 2012 meeting for approval.
7) The property tax rate adjustment for both entities will be incorporated into each entity's budget for FY 12-13.
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Larry explained that the property tax revenue that 0.0687 would generate is about $40,000 [for FY 2012-13]. The GID is asking for an additional $1,000 to cover legal and administrative costs. Larry read item #4 of the agreement and explained that the Consolidated Tax (CTX) alternative formula would be used for the foreseeable future.

Pete Schmalzer wanted to know how a change in the GID's CTX base was connected to the change in the GID's ad valorem rate? Mary Walker explained that approximately 66% of the TMFPD's funding comes from property taxes, and the rest comes from CTX and "AB 104" [aka Fair Share or LGTA] money, both of which are from sales taxes. Ms. Walker stated that State law does not allow the TMFPD to "buy-down" property taxes with property taxes; the TMFPD must use another source of revenue; i.e. CTX or AB 104 revenue. Larry explained that Cathy had Tom Gransbery, the PVGID's Local Government Finance Analyst at the Department of Taxation, review the first draft of the conceptual agreement. Based on Mr. Gransbery's recommendations, a number of changes were made to the agreement. Ms. Walker stated that the TMFPD's commitment is to make the GID whole or better.

Pete asked Louie Test to comment on the binding nature of the agreement. Louie Test said he made a notation to discuss a "bailout" clause with the District Attorney. Larry voiced his concern that there be a termination clause tied to non-payment. For instance, if for any reason the GID was not "made whole" by this agreement, we'd have the right to terminate. Louie Test agreed.

Larry said he would like to get an annual statement from the Department of Taxation stating that the GID is receiving the proper funding in accordance with this agreement. Cathy said we should discuss this with Tom Gransbery. Ms. Walker agreed and said the Department of Taxation could be our "third party review."

Pete brought up a few scenarios, such as the tax rate cap increasing or one of the entities decreasing their tax rate, and wanted the escape clause to allow us to terminate the agreement so we could increase our tax rate. Ms. Walker and Cathy both said the agreement would not prevent the GID from increasing their tax rate if either of Pete's scenarios occurred.

Mitch Gerlinger wanted to know if TMFPD and Reno [Fire] reconsolidated, what affect that would have on this agreement? Ms. Walker was adamant that that would not happen. Louie Test suggested the wording of the bailout clause be something to the effect that if there are material changes in the circumstances or non-payment, the agreement can be terminated. Louie also recommended that the termination clause provide for an annual review in which material changes or non-payment could be addressed and the agreement be renegotiated. Ms. Walker mentioned that according to Tom Gransbery, [Nevada Revised Statute] NRS [360.730] does not allow the agreement to be amended during the first two years. Cathy believed Mr. Gransbery misread the NRS. She then read a portion of NRS 360.730 subsection 6:

*The governing bodies of the local governments and special districts that have entered into a cooperative agreement pursuant to subsection 1 may, by majority vote, amend the terms of the agreement. The governing bodies shall not amend the terms of a cooperative agreement more than once during the first 2 years after the cooperative agreement is effective and once every year thereafter, unless the Committee on Local Government Finance approves the amendment.*

Pete made a motion to authorize Larry Johnson, [as President of the Board], to
effectuate the interlocal agreement that has been made a part of Resolution F12-R1, subject to the addition of a termination clause drafted by Louie Test. Dennis Goodsell seconded the motion. The resolution was passed by unanimous vote of the Board members present.

e. Tentative Budget: Maureen Sidley reviewed a few changes she made to the tentative budget worksheet. Maureen explained that the ending fund balance should be no lower than $50,000 which represents two months worth of operating expenses. Cathy Glatthar noted that the licenses and permits figure should be increased to include the water rights permit extensions and proofs [of beneficial use]. Pete Schmalzer asked Maureen if she could break down the Road Maintenance line item into three subcategories: 1) Patching, 2) Dust Treatments, and 3) Resurfacing? Maureen said she could do that internally, but for the budget it should remain as a single line item. Other adjustments were discussed and Maureen said she would adjust the numbers so that the ending fund balance is at least $50,000. She said the final budget isn’t due till June 1st, so at the meeting in May any further changes can be made. That meeting will be the third Thursday, May 17th. Cathy clarified that it is best that Maureen allocates all but $50,000 into the expenses, because if our expenses happen to exceed the total amount budgeted for expenses, then we will have to go through the process of augmenting the budget, which can be costly.

f. Bank Accounts Insurance Coverage: Maureen Sidley reported that she did verify that [the Wells Fargo accounts are FDIC insured] for $250,000 per account. She did contact Greater Nevada Credit Union and they offer 2% interest, whereas Wells Fargo is paying 1%. She noted that the credit union accounts are also insured up to $250,000. She will be checking a few other banks and report back next month.

g. Policy for Driveway and Private Road Access from GID Roadway Easements: Larry Johnson said this item will be continued to next month.

h. Amendment of Resolution F93-R1: Road Standards: Larry Johnson said this item will be continued to next month.

i. Board Member’s Handbook: Cathy Glatthar handed out an updated "Contacts List" and reminded the Board that this list is confidential.

8. New Business:

a. Highway Approaches: Larry Johnson asked to have this item removed.

b. Scheduling of Wayside Well Draw-down Test: Mitch Gerlinger will get with Jim Hicks to devise a plan on implementing the draw-down test.

c. Notice to Operations Manager Regarding May Closed Session: Cathy Glatthar handed Jim Hicks his notice of the closed session to be held on May 17, 2012. Cathy asked the Board when they want to start the meeting for the closed session? Larry Johnson suggested 4:00. Cathy advised the Board that if the closed session ends early, the open session cannot start until 5:00.

d. Employee Performance Appraisal Policy: Larry Johnson commented that with past Boards, the President performed the evaluation. He continued and said he doesn’t mind giving the Board and Jim [Hicks, Operations Manager] his draft evaluation, but he would like input from the rest of the Board. Larry then handed out a suggested modification of the performance [appraisal] form for review and comment. Larry explained that he was attempting to formulate an evaluation that was more appropriate to Jim’s job, whereas the old form was too general. Pete
Schmalzer suggested dropping "Quantity of Work" and "Quality of Work" as those two seem to be covered elsewhere. Pete also suggested adding "Project Prioritization." Larry said he will make those modifications and get his draft evaluation out to the Board and Jim. Then, during the closed session they will discuss Jim's performance, make any necessary changes, and all will sign the final evaluation. Pete asked about Dan's appraisal? Jim said he will do Dan's evaluation and then get it to Larry before the meeting.

9. **Calendar Review:** Cathy Glatthar handed out an updated list of "Important Dates," and reviewed the upcoming items:

   - Maureen Sidley will be filing the tentative budget by April 16th.
   - The Wayside Code Compliance extension expires on April 30th. As discussed earlier, Cathy will prepare a request for a three-month extension.
   - A change in the procedure for Annual Performance Appraisals was discussed earlier, so Cathy will draft the policy change for approval at the next meeting. Cathy said she wants to be sure the policy in the Board Member's Handbook is up to date.
   - Cathy reiterated that the May meeting is a special meeting which will be held on May 17th, beginning at 4 p.m. when the Board will go into a closed session and then at 5 p.m. the open session will start.
   - Maureen said she will have a Notice of Public Hearing for the Budget published on May 7th.
   - The Ironwood Road WTFS SUP Amendment of Conditions application must be submitted on June 15th. Cathy asked Larry if he wanted her to fill out the application for his review? Larry replied, "yes." Pete asked when the Board of Adjustment meeting would be held? Cathy said, "August 2nd."
   - Maureen will file the Quarterly Economic Survey by May 15th.
   - The Aggregate Pits Air Quality Permit expires at the end of May.

10. **Correspondence:**

    Larry Johnson reported receiving an "Official Notice of Outdoor Community Event Application" for May 26th [at 6505 Ernie Lane]. Larry commented that access would be from either Winnemucca Ranch Road or Range Land Road. He asked Jim to grade Range Land prior to the event, and others requested Range Land be graded after the event, too.

11. **Public Comment (limited to three minutes per speaker):**

    Larry Johnson asked if anyone had any public comments? Hearing no requests, he moved to the next agenda item.

12. **Board Member Items:** None

13. **Adjournment:** Dennis Goodsell made a motion to adjourn the meeting. Mitch Gerlinger seconded the motion. Hearing no opposition, the meeting adjourned at 7:35 p.m.
Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 4:15 p.m. Thursday, May 17, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Dennis Goodsell, Pete Schmalzer, Larry Johnson, and Mitch Gerlinger. Dennis Magers was absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; and Cathy Glatthar, Assistant to the Board.

2. **Retire to Closed Session:** Pete Schmalzer made a motion to go into a closed session, pursuant to NRS 241.030, to review the performance appraisals of employees, Jim Hicks and Dan Schaufus. Pete further stated that no action will be taken and discussion during the closed session will be limited to considering the character and professional competence of said employees. Dennis Goodsell seconded the motion, and hearing no opposition, the Board went into the closed session.

**Reconvene for the Open Session of the Special Meeting.**

Larry Johnson reconvened the special meeting at 5:00 p.m.

1. **Roll Call:** Present were Dennis Goodsell, Pete Schmalzer, Larry Johnson, and Mitch Gerlinger. Dennis Magers was absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; and Cathy Glatthar, Assistant to the Board.

2. **Public Comment (limited to three minutes per speaker):**

   Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – April 12, 2012:** Pete Schmalzer made a motion to accept the minutes as written, and Mitch Gerlinger seconded the motion. Hearing no opposition, the motion passed.

4. **Payment of Bills:** Pete Schmalzer asked if a welder was being rented from Sierra Welding? Maureen Sidley explained that payment is for gas tanks. Cathy Glatthar asked if the Shumway's Mobile bill included skirting of the trailer? Jim Hicks said, "yes." Larry Johnson asked what the BZ Electric bill for $225 was for? Jim Hicks said it was for the second inspection by the State. Larry asked if we were now done with BZ? Jim said there is still the inspection of the containers, and the County may still come out to inspect the line from the trailer back to the pole. The County inspector was going to check with his boss and find out if they would accept the State's inspection. Jim said he has not heard back from the inspector. Pete made a motion to pay the bills as submitted. Dennis Goodsell seconded the motion, and hearing no opposition, the motion passed.
5. **Action Reports:**

a. **Road Committee - Road Repairs and Maintenance:** Larry said that he and Pete need to get together to measure the areas to be chip sealed on Whiskey Springs. Larry explained the process for chip sealing the badly deteriorated sections of asphalt: Jim will pull material from the shoulders onto the road to even out the surface and then those sections will be chip sealed. Larry then reviewed the proposed chip seal program:

- Whiskey Springs - All the badly deteriorated sections from the existing chip sealed section to Right Hand Canyon - approx. 1 mile
- Axe Handle - From the Cattleguard to Bacon Rind - approx. 0.6 mile
- Ironwood - From the Cattleguard to approximately 1 mile South
- Range Land - From the Cattleguard to approximately 1 mile West
- Contemplating Bacon Rind - South (1 mile) or Axe Handle - the badly deteriorated section further up the road [beyond Bacon Rind]

Larry explained it will be set up as a "unit price" contract: price per lineal foot of 20-foot-wide roadway. The project can be put out to bid in a relatively short period of time. Pete asked what the timeline would be? Larry explained that we have to go through the formal [published] bid process. We have to accept the lowest responsive bidder, and Larry explained that it's straightforward as to the materials and the process. Larry said it will take about two weeks for him to prepare the bid documents. The Road Committee will tailor the details of the bid. A notice will have to be published. At the June meeting, the Board would vote to award the bid and issue a "Notice to Proceed" to the winning contractor. The work would start by late June or early July at the latest.

Pete talked about the prep work needed on Ironwood. Larry said it should be done now. He and Pete will need to set some grade stakes and Jim needs to include this work as a priority to be done in the next few weeks.

Larry wanted to put out a notice in early June notifying residents of the roadwork. Jim suggested traffic control measures for Axe Handle. There was a short discussion about traffic control signs, and whether the GID should provide them or the contractor. Jim said we could put the signs out.

Pete requested that an email account be set up strictly for road maintenance requests. Larry agreed and asked Cathy to have it posted on the website. He asked her to forward the requests to the Road Committee on Fridays. This will create a paper trail, whereas a phone call does not, and therefore cannot be corroborated. Pete suggested they be given two options: 1) by email; or 2) by phone. Jim said he keeps a log of phone calls and had six calls over the past month and all those roads have been done.

Pete mentioned Mitch's idea of a Google "phone tree" for emergencies. This would not be a public number. There would be a number to be called and the "system" would forward the call to the first person on the list, for instance Jim, if Jim didn't answer it would go to the next person on the list, such as Cathy, and so on. With this system, no private numbers would have to be given out to the fire department or the BLM, but someone with the private numbers of the Trustees or Jim, could make the
call. Larry mentioned that Chief Moore will make sure all the area fire fighters visit the GID yard and learn what the procedure is to get water. Pete reiterated with this "phone tree" system, there is one number that can be given out and it will ensure that someone connected with the GID is reached. Dennis Goodsell stated that he visited with Station 17 and with the BLM station here in the Valley to inform them of the availability of water. Cathy asked Mitch to gather more information on the Google "phone tree" system.

b. **Operations Manager's Report:** Jim Hicks reported that the [asphalt] patching on Axe Handle is nearly complete. They will patch any sections of Whiskey Springs that are not designated for chip seal. The International water truck is back; the condenser and the compressor were bad and it had an air leak.

Cathy Glatthar asked about "Pete 2" [the Peterbilt water truck]? Jim said he's mentioned this before, but it was put off. The truck has a brake problem, which is intermittent. The Board decided to have it taken into town and fixed.

Larry asked Jim if he has the requests for maintenance for Curnow Canyon and Crazy Horse. Jim responded, "yes," and they will get to the roads. He reported on the work done on Ironwood and Amy. They "patched" Ironwood and sprayed those areas with mag-chloride and graded Amy and sprayed it. They will spray Right Hand Canyon to lock up that surface.

Larry then discussed the durablend™ program for the year. He said they experimented last fall with re-spraying the first section of Ironwood and that did not make a difference. There are two options: 1. Apply the durablend™ while simultaneously doing the chip seal project; or 2. Postpone the durablend™ program until after the chip seal project is compete. Following a short discussion, the Board decided to get durablend™ applied to Whiskey Springs Road now, and then do the rest of the roads in the durablend™ program after the chip seal work is done.

Larry asked if a homeowner can pay the supplier directly for dust control in front of their house? After a brief discussion, Larry asked to have this item placed on next month's agenda.

6. **Judicial/Government Affairs:** None.

7. **Old Business – Updates:**

   a. **Update - Wayside Yard Special Use Permit (SUP):** Larry Johnson reported that we did receive the [code violation] extension of time, but we will need to apply for another extension because the landscape work (hydroseeding) can't be done till the Fall, after the initial storms. We had a dry Spring and the moisture content is insufficient. Larry stated most of the SUP items are done; remaining items are: 1. Haul [asphalt] grindings (Jim said there may be enough grindings at the Ironwood pit); 2. Paint the containers, the office trailer and the water tank (the contractor will be onsite Monday to begin the work).

   b. **Status of Wayside Well Draw-down Test:** Mitch Gerlinger reported the test has been completed, but he hasn't had time to analyze the data yet. He said they drew down about two feet an hour for a total of 18 hours and monitored the recovery rate for about 12 hours. The recovery rate wasn't very good. Mitch said we will need to watch the overall depth-to-water in the well because the well driller's report showed the static water level at 83 feet (in 2008) and when he started the test the static
water level was 191 feet. So in four years, we lost over 100 feet. The good news is the pump is set at 550 feet and the total well depth is 600 feet. Mitch recommended that the static water level be monitored.

c. **Ironwood Water Truck Fill Station:** Larry reported that he attended the Citizens Advisory Board meeting last week and updated them on the Ironwood well and the possibility of developing it as a fire protection source. When he went in to sign the agreement with the [Truckee Meadows] Fire Protection District (TMFPD), Chief Moore was there, and he told Larry they have included funds in their budget to develop that well. If the budget is approved, we have agreed to obtain the building permits and do the construction management. We should know by our next meeting if the funds will be available to complete the Ironwood well.

Larry stated that Cathy [Glatthar] has prepared a request to the Board of Adjustment to amend conditions of approval to delete the slats in the fence [and be granted a two-year extension]. Cathy said the application must be filed on June 15, 2012. Larry signed the letter and the affidavit and Maureen Sidley notarized the affidavit.

d. **Bank Accounts:** Maureen Sidley explained that she found an alternative source to protect the funds in excess of the FDIC $250,000 limit. The County has a "pool," similar to the insurance pool we just joined, that guarantees excess funds. She said she will look into interest rates and report on that next month.

e. **Review of Audit Estimates and Possible Change to Auditor Designation:** Maureen Sidley said she got three names of other auditing firms from Beth Kohn and sent out letters requesting an estimate to perform the GID's audit.

f. **Public Hearing - Final Budget for Fiscal Year 2012-13:** Maureen Sidley reported that no one requested any changes to the tentative budget figures. She said she received a letter from the State that the [tentative] budget was approved with one figure needing to be changed and two new pages were added, but did not apply to the PVGID, so the figures were zeros. Dennis Goodsell made a motion to approve the final budget for fiscal year 2012-13. Pete Schmalzer seconded the motion, and hearing no opposition, the motion passed.

g. **Policy for Driveway and Private Road Access from GID Roadway Easements:** Larry Johnson said that after he reviewed the Amy Ranch Stables special use permit, he realized he will need to modify this policy to state that culverts must be repaired and/or extended as requested by the PVGID. This item will be continued to next month.

h. **Amendment of Resolution F93-R1: Road Standards:** Larry Johnson said this item will be continued to next month.

i. **Board Member's Handbook:** Cathy Glatthar handed out a packet of handbook updates. She said she prepared a cover sheet with instructions and reviewed the list of updates.

8. **New Business:**

a. **Action on Closed Session:** None.
b. **Employee Compensation:** Pete Schmalzer said that we are asking the employees to operate at a higher level and he felt that a raise was appropriate. Dennis Goodsell suggested a cost of living increase. Larry Johnson asked Maureen Sidley what the Consumer Price Index (CPI) was? Maureen searched the Internet and found the CPI was 3.6. Mitch Gerlinger mentioned that at his firm, three or four percent was standard for this year; partial cost of living and partial merit pay. Larry stated that anyone who is employed in 2012 should be very, very grateful. He felt Dan is very well compensated for the level of work that he does (comparative to other construction work), and he recommended a cost of living raise for Dan. Larry then said that Jim makes only about $3 an hour more than Dan, and therefore he felt that Jim is underpaid. Larry said we do need to be careful, as a fiscally responsible Board, in handing out raises automatically, because when you give a percentage increase every year, all of a sudden a long-term employee is no longer competitive in his market. Larry felt that neither of our employees are in that category. He prefers to base raises on performance. He feels Jim is underpaid. We don't have a lot of money this year and a lot of companies are not giving raises at all. Mitch said Dan and Jim should get cost of living raises and Jim should get an additional merit raise. Pete made a motion to give Jim Hicks a 5% raise and Dan Schaufus a 3% raise effective June 1, 2012. Dennis Goodsell seconded the motion. Hearing no opposition, the motion passed.

c. **Amy Ranch Stables Special Use Permit:** Larry Johnson read a letter he wrote to Community Development requesting conditions of approval be placed on the project as follows: "... that the proponents use their water truck on event days to water the roads before contestants and spectators arrive and to re-water the roads just before their guests leave. Driveway accesses onto Amy Road presently have 12" diameter culverts to perpetuate drainage into roadside ditches. The end of the culvert at the main entry has been damaged by traffic. The PVGID requests that the proponent be required to extend the culverts sufficient length in both directions to prevent damage to [culvert] ends from the turning radius of longer vehicles such as trucks or horse trailers. The proponent shall repair future damaged culverts when directed by the PVGID."

9. **Calendar Review:** Cathy Glatthar handed out an updated list of "Important Dates," and reviewed the upcoming items:
   - The Ironwood Road WTFS SUP Amendment of Conditions application must be submitted on June 15th. Cathy asked Larry if he wanted her to file the application? Larry replied, "yes."
   - The Aggregate Pits Air Quality Permit [expires at the end of May. The renewal application is in process.]
   - Maureen Sidley will be filing the final budget by June 1st.

10. **Correspondence:**
   - Maureen Sidley received a letter from the State approving the tentative budget.
   - Larry Johnson reported receiving several emails and phone calls from residents requesting road maintenance.
11. **Public Comment (limited to three minutes per speaker):**

Larry Johnson asked if anyone had any public comments? Hearing no requests, he moved to the next agenda item.

12. **Board Member and Staff Items:**

Cathy Glatthar asked to have Special Events discussed at the next meeting. She briefly explained that there are a number of events that occur in the Valley that the GID is unaware of because courtesy notices from Community Development are not sent out for events with 99 or fewer attendees.

Larry Johnson requested to change next month’s meeting to the third Thursday, June 21st. The Board agreed. He also asked to have a permanent change in the regular meeting date to the third Thursday added to next month’s agenda.

13. **Adjournment:** Mitch Gerlinger made a motion to adjourn the meeting. Dennis Goodsell seconded the motion. Hearing no opposition, the meeting adjourned at 6:50 p.m.
Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:01 p.m. Thursday, June 21, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Dennis Goodsell, Pete Schmalzer, Larry Johnson, and Mitch Gerlinger. Dennis Magers was absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment (limited to three minutes per speaker):**

   Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – May 17, 2012 - Closed Session and Open Session:** Mitch Gerlinger made a motion to accept the minutes from the closed and open sessions as written, and Pete Schmalzer seconded the motion. Hearing no opposition, the motion passed.

4. **Payment of Bills:** Pete Schmalzer made a motion to pay the bills as submitted. Dennis Goodsell seconded the motion, and hearing no opposition, the motion passed.

5. **Action Reports:**

   a. **Road Committee - Road Repairs and Maintenance:**

      - **Award Bid for 2012 Road Rehabilitation Program:** Larry Johnson reported that the contract documents for the 2012 road improvements were written up and put out for bid. Larry reviewed the sections of road to be chip sealed:

        - **Axe Handle Road - Three segments**: 1) From the Cattleguard to Bacon Rind - approx. 0.6 mile; 2) & 3) two sections east of the intersection with Bacon Rind
        - **Ironwood Road**: From the Cattleguard to approximately 1 mile south
        - **Whiskey Springs - Four segments**: Delineated in the bid documents, extending from the existing chip-sealed section to Right Hand Canyon
        - **Range Land - From the Cattleguard westward to Grey Van**

      Larry stated that the bids were advertised per [Nevada Revised Statutes] NRS regulations. Four responsive bids were received by June 7th. Larry reported that Sierra Nevada Construction (SNC) was the low bidder, at a unit price of $0.248 per square foot for a total bid price of $92,119.60. Larry stated that he contacted SNC and requested their signed contract, certificates of insurance, and the materials specification requirements.
Larry explained the process of surfacing over the top of our prepared sub-grade will consist of the application of an asphalt base prime coat, then a heavy oil layer is applied, the chips are laid on top of the oil. A roller is used to seat the chips into the surface. Typically the next day another layer of asphalt emulsion is applied on top, to "glue" the chips in place.

Larry further commented that because the bid was very favorable, the Road Committee has looked at other priorities and suggested an extension of the chip seal program to include Whiskey Springs from Pyramid Highway east to the beginning of the existing chip sealed section; which is a few hundred feet short of two miles. Larry explained that normally they would have extended the chip seal on Ironwood, the road with the highest level of traffic, but decided to go with Whiskey Springs because Ironwood will require extensive sub-grade work in order to provide sufficient drainage.

Larry mentioned drainage is a problem with Range Land between Easy Jet and Grey Van. They will have to deepen and widen the roadside ditches in order to handle the storage of water from heavy storms. Pete Schmalzer explained that if we get a heavy storm, there is a possibility that a portion of the chip seal on Range Land will be damaged.

Larry talked about and applauded the most recent past Board that had the philosophy to reduce the crew down to two men and use those dollars on the roadways instead of paying wages. With only a two-man crew, grading efforts are stretched as far as humanly possible.

Larry mentioned that there are a lot of roads that need to be graded right now and said a resident requested Yellow Tail be graded. Larry continued and said that he drove Yellow Tail and it's in bad shape. The hot weather causes the fines to disappear and we're left with rocks jutting up. It's not a good situation. The crew is concentrating on preparing the roads for chip seal. Once that is done, the crew will work on the durablend™ program, and then get back to grading the untreated roads.

Pete reviewed the schedule for chip seal, stating the work would begin a week from Monday. Larry stated the benefits of the chip seal program are three-fold: 1) we will have an all-weather surface that doesn't get muddy in the winter and doesn't get dusty in the summer; 2) the level of maintenance is greatly reduced (the required maintenance will be to maintain the drainage by "pulling" the ditches and re-supporting the shoulders); 3) there will be more time to grade other roads in the system.

Larry then brought up the matter of the Board needing to decide whether to put the dollars saved in purchasing durablend™ for the chip sealed roads into adding new roads into the durablend™ program or using the savings to chip seal more miles of roadway.

Larry talked about the rotation cycle of re-applying the chip seal layer every 5 to 7 years depending on the performance of the chip seal. He stated that this road improvement program has the potential to be the model for dirt road maintenance in the State. He said it has to be done right, it has to be monitored, and maintained. He said as long as he lives in the Valley, whether he's on the Board or not, the Board can consult with him.
Louie Test wondered how much of the reserves that have been built up over the years were being used to do this [improvement] work? Pete said they have taken the budget into consideration and determined an amount of money that could be spent annually on the chip seal program. Pete continued and mentioned that this year we will probably use some of the reserves. Since we are getting such a good price to do the work, we'll want to extend the amount of chip seal we do this year, as much as $150,000 worth, and cut back and spend up to $100,000 next year.

Larry requested permission from the Board to sign the contract and issue a notice to proceed to the contractor. He also asked for approval to initiate a change order for expansion of the quantities to include additional chip seal on Whiskey Springs.

Pete made a motion to sign the contract and issue a notice to proceed. Dennis Goodsell seconded the motion, and hearing no opposition, the motion passed.

Pete then discussed the change order, which led to a discussion about the schedule for completing the preparation of the sub-grade by the GID crew and the contractor's schedule for the prime coat, the chip seal layer and the fog seal. The Board then decided to have the GID crew work overtime to ensure the roads are prepared just prior to the contractor coming in Monday, July 2nd to begin the chip sealing process. Pete made a motion to authorize Larry to issue a change order to include the section of Whiskey Springs from Pyramid Highway to the existing chip seal at the same unit rate. Dennis Goodsell seconded the motion, and hearing no opposition, the motion passed.

Larry then discussed the various means by which the residents would be notified of road closures and detours: a notice on the website, signs, and personal notification to the people who live on the affected sections. Pete offered to post flyers around the Valley.

Larry commented that after the chip seal work is completed, the remaining collector [roads] will be graded and durablend™ will be applied. Following that, the remaining dirt roads will be graded.

Cathy Glatthar asked that the Road Committee look at a longer-lasting solution for the roads with bad rock problems, such as upper Wilcox [Ranch] and Yellow Tail. Pete mentioned two solutions: bring dirt up from the ditch or truck dirt in. Larry commented that the benefit of the road improvement program is that it will allow us to stabilize additional roadways, especially maintenance-intensive sections.

Larry reiterated a statement he's made in the past that his direction to Jim [Hicks] is that his road gets graded last. Jim acknowledged Larry's statement.

Larry mentioned that he may want to have asphalt grindings hauled in, spread, and rolled into the dirt on the 500-foot section of Ironwood Road that is being prepared for chip seal.

- **Road Maintenance Requests Procedure:** Pete Schmalzer read the statement he proposed to have posted on the website:

  **Road Maintenance and Repair Requests:**

  To notify the PVGID of road maintenance needs, please send an email to palvalgid@gmail.com. Please include "Road Maintenance Request" in
the subject line, and include the name of the road, the approximate location, and a brief description of the problem. These requests will be compiled every week into a report, which will be distributed to the PVGID crew and board members, and prioritized at the Road Subcommittee’s weekly meeting.

**Urgent requests:**

The palvalgid@gmail.com email account is not necessarily monitored on a daily basis. To notify the PVGID of an urgent problem, please call the Operations Manager at 775-848-6788.

The Board agreed and asked Cathy Glatthar to get it posted on the website.

b. **Operations Manager's Report:** Jim Hicks reported that the Peterbilt water truck brake problem has been fixed. He also reported the International water truck has a recurring brake problem. The crew is able to fix the problem, but they have to use International parts.

6. **Judicial/Government Affairs:** None.

7. **Old Business – Updates:**

a. **Wayside Yard Special Use Permit (SUP):** Larry Johnson asked Jim Hicks what the status was on the electrical work and inspection? Jim reported that the electrical work is nearly complete, they still need to grade around the trailer, and they will cover the drive areas with asphalt grindings in the Fall when the landscape work is done. Cathy Glatthar suggested the electrical work and the grading around the trailer be done by July 31st (when the code violation extension expires). Then the next extension request will just be for the landscaping and grindings. Larry felt that the grindings could be done by July 31st. Cathy asked Larry what date he wanted for the next extension request? Larry replied, "December 31st." Cathy said she would have the extension request documents ready for Larry’s signature at the next meeting.

b. **Wayside Well Draw-down Test Results:** Mitch Gerlinger reported that he has not processed the data yet, but he has taken measurements, and the static water level has not returned to where it was before the draw-down test was started.

c. **Ironwood Water Truck Fill Station:** Larry reported that we have a tentative agreement with the Truckee Meadows Fire Protection District (TMFPD) for their funding of the improvements to the Ironwood well. He further stated that he and Cathy [Glatthar] have reworked the agreement and TMFPD is in agreement with our changes. Cathy clarified that there is one item the TMFPD wants us to reconsider and that is the length of time of the agreement. Pete Schmalzer wanted to know why there needs to be a termination date? Cathy agreed, and thought it should be "in perpetuity." Mitch Gerlinger was concerned that there was nothing in the agreement about the quantity of water they can draw from the well and if that would have a negative impact on our water rights and standing with the State [Water] Engineer? Larry said something could be added to that regard. Louie Test wanted to know if the GID was going to be responsible to maintain the generator if it breaks down? Pete said the GID will be using the well and will maintain the generator, but expressed concern that if the generator fails and must be replaced or something else that costs a great deal of money, there should be something in the agreement to address such
possibilities. Cathy commented that Louie Test and Blaine Cartlidge will be working on the official agreement and these items should be added.

Cathy spoke up and reported that she did submit the Amendment of Conditions application for an extension of time and elimination of the fence slats. The Board of Adjustment hearing will be on Thursday, August 2nd at 1:30 p.m. in the Commission Chambers, Building A. Cathy stated she will be posting a "Notice of Possible Quorum" so more than two Board members can attend the meeting. She continued and stated that TMFPD Chief Moore has written a letter to the Board of Adjustment in support of the GID’s request for a two year extension.

d. **Bank Accounts:** Maureen Sidley said she did not have time to do anymore research on this item.

e. **Review of Audit Estimates and Possible Change to Auditor Designation:** Maureen Sidley said she had sent out letters to four auditing firms and received two responses: 1) Muckel Anderson for approximately $9,500; and 2) Kohn Colodny not to exceed $9,800. Pete Schmalzer recommended staying with Kohn Colodny and the Board agreed.

f. **Policy for Driveway and Private Road Access from GID Roadway Easements:** Larry Johnson said that he had nothing to report. He did note that the equestrian center on Amy did extend their driveway culverts as requested by the GID as a condition of approval for their special use permit.

g. **Amendment of Resolution F93-R1: Road Standards:** Larry Johnson said he had nothing new on this item. He expressed concern that as the roads are improved with chip seal, people will drive too fast and accidents will happen. Louie Test said the Board needs to be sure the speed limit signs are posted and maintained.

h. **Board Member’s Handbook:** Cathy Glatthar said she had nothing this month.

8. **New Business:**

a. **Resolution to Change Regular Meeting Date:** Larry reported receiving an email from Dennis Magers that he has a conflict with the change to the third Thursday meeting date this month, next month and possibly again in October. Larry said he has a conflict with the second Thursday every month and that is why he’s requesting this change. Dennis Goodsell mentioned that for two months we have to hold the meeting on the third Thursday, so this change would be less confusing. Cathy Glatthar had a draft of Resolution F12-R3 for the Board to review. Pete Schmalzer mentioned to Jim Hicks that the GID meeting signs would have to be changed. Jim said he would take care of it. Dennis G. wanted to know if there was some concern with the [meeting start] time? After some discussion, Larry suggested 5:30. Dennis Goodsell made a motion to change the monthly meeting date to the third Thursday of the month at 5:30 p.m. Pete Schmalzer seconded the motion. Hearing no opposition the resolution passed. Cathy mentioned that she will need Larry to sign the final resolution and that she has five [working] days to get it to the Clerk’s office.

b. **Special Events:** Cathy Glatthar explained that when she was reviewing the Mexican Rodeo event permit, she learned that notices of special events are sent out only when there will be more than 99 attendees expected for such an event. The County’s business [licensing] department handles these temporary event permits.
She said that a property owner on Grass Valley (on the west side of Pyramid Highway) has 30 some outdoor events each year, but since they have less than 99 attendees, the GID does not receive a notice. After some discussion, it was determined that under normal circumstances (which we are not under right now) the need for road maintenance would be noted when the biweekly road surveys are conducted by the crew, or when a resident makes a road maintenance request.

c. **Discuss Property Owner(s) Paying Supplier Directly for Dust Control:** Larry Johnson asked Louie Test, when the roads are being treated with durablend™, can a private property owner pay for additional treatment? Louie said we would have to consider the liability and asked if we would be doing the work? Larry clarified that the contractor[supplier] sprays the product, not the GID, and the property owner would pay in advance with a cashier’s check made payable to the contractor; it would be an extension of our contract with the supplier. Jim Hicks said we would do the "prep." Mitch Gerlinger commented that the prep is part of our normal activities. Jim mentioned that other counties (not necessarily Nevada counties) allow property owners to pay for additional road treatment. Louie advised that we get a hold harmless/indemnity agreement from the property owner for assumption of liability while the durablend™ is being applied on the property-owner-paid-for section of roadway. After additional discussion, Larry said he would talk with the durablend™ supplier and discuss the matter with them. Louie said he would look into finding a way to accomplish this. Jim said he would find out what procedure other governmental agencies use. Louie concluded that we needed to find out how to handle this contractually and then determine how to handle it practically, so that no preference is shown. Jim mentioned that it takes about three years/applications for the durablend™ to build up.

Larry said along those same lines, Jim needs to contact [Envirotech] and be sure they list us as an additional insured.

9. **Calendar Review:** Cathy Glatthar handed out an updated list of "Important Dates," and reviewed the upcoming items:

- Cathy will be informing the Parks Department of the change in the regular meeting date and time.
- Maureen said the Auditor’s Letter of Engagement was signed by Larry this evening and will be sent out.
- Cathy reported that Maureen sent her the Health District’s Permit to Operate [the Wayside and Ironwood aggregate pits], and she has already sent it to Roger Pelham. Roger has acknowledged receipt of the permit, and we are in compliance with that Wayside SUP requirement.
- Maureen Sidley will be publishing the annual fiscal report on or before July 1st.
- Cathy asked Maureen if we would be requesting a waiver of the MD&A [Management Discussion and Analysis] report this year? Maureen said no, we will go ahead and submit the report as part of the audit from now on.
- Cathy said Jim will need to provide the annual throughput figures for the Wayside gasoline fueling facility to the Health District no later than July 20th.
- Cathy stated the Notice of Possible Quorum for the Board of Adjustment meeting on August 2nd, must be posted by July 26th.
10. **Correspondence:**
   - Maureen Sidley mentioned that as a government agency, the GID does not have to have proof of insurance in the trucks, but that was disconcerting, so Carol [Ingalls] put together insurance packets that could be placed in each vehicle.
   - Health District's Permit to Operate [the two aggregate pits].

11. **Public Comment (limited to three minutes per speaker):**
    Robbin Scholl said she lives on Range Land Road. She asked for a copy of the 2012-2013 budget. Maureen said she would get that to her. Ms. Scholl then asked how to get an item on the agenda? Larry said ask for it the month before. Ms. Scholl asked what the procedure is to do a petition to get the west side of the Valley moved up to a higher priority level for the 2013-2014 budget? Mitch Gerlinger said to have them send correspondence if they can't attend the meetings. Larry stated that petitioning the Board doesn't mean that a request will be acted upon. He said that he would make his decision based on where we spend our dollars is the best for the most people. Ms. Scholl expressed her appreciation for the Board working with her. She said the petition would let the Board know that Ironwood and Whiskey Springs are very important, but there are those on [the west] side of the Valley that feel Range Land is maybe not as important [to the Board], but it is important [to them]. Larry expressed surprise over Ms. Scholl's comment. He said we have put an inordinate amount of maintenance on Range Land as compared to those other streets, simply because the [road] material conditions warrant that. He further stated that that is what will guide his decisions. Ms. Scholl said she's been here since 2006, and the dust has never been worse. She said she remembers the road was watered more frequently, but at that time there were more employees. She thought a petition would be a good way for the Board to understand that there are concerns on [the west] side of the Valley. Larry asked her if she didn't think there were concerns everywhere in this Valley? Ms. Scholl said she wasn't saying there weren't. Larry Johnson asked if anyone else had any public comments? Hearing no requests, he moved to the next agenda item.

12. **Board Member and Staff Items:**
   - Mitch Gerlinger would like to discuss the Google "phone tree" system at the next meeting.

13. **Adjournment:** Mitch Gerlinger made a motion to adjourn the meeting. Dennis Goodsell seconded the motion. Hearing no opposition, the meeting adjourned at 7:26 p.m.
Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:30 p.m. Thursday, July 19, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. Roll Call: Present were Dennis Goodsell, Dennis Magers, Pete Schmalzer, and Larry Johnson. Mitch Gerlinger was absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. Public Comment (limited to three minutes per speaker):
   Cathy Glatthar thanked the Board and the crew for the chip seal.

   Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. Approval of Minutes – June 21, 2012: Pete Schmalzer made a motion to accept the minutes as submitted, and Dennis Goodsell seconded the motion. Hearing no opposition, the motion passed.

4. Payment of Bills: Larry Johnson commented that we do not yet have an invoice from Sierra Nevada Construction. Larry then requested approval and reimbursement for a measuring wheel he purchased for the GID. Pete Schmalzer asked Maureen Sidley if the GID is tax exempt? Maureen said, "yes," and she would email the tax exempt letter to the Board. Cathy Glatthar mentioned that there is no tax exempt number, just a letter stating that the PVGID is a governmental agency and is therefore tax exempt. Pete made a motion to pay the bills as submitted. Dennis Goodsell seconded the motion, and hearing no opposition, the motion passed.

5. Action Reports:
   a. 2012 Road Improvement Project: Larry Johnson reported that we've made a good start. That Sierra Nevada Construction (SNC) is the area's leading expert at doing chip seals. Larry reviewed the scope of the project, which was expanded to include an additional, nearly two-mile section of Whiskey Springs.

   Larry explained that there are some small areas on each of the newly chip sealed sections that will require remediation. He is working with the contractor and the remedial work will be done in two to three weeks. Larry reported that the emails and phone calls he has received have been extremely complimentary.

   Larry then reviewed his road improvement plans for next year. He stated that he wanted to take our most heavily traveled roadway, Ironwood Road, and take off from the chip seal and go to Amy. He said the following year he'd like to do Amy and Wilcox Ranch to the Quaking Aspen intersection. He commented that it remains to be seen if we want to do anymore on Range Land.
Pete Schmalzer discussed the prep work that will be needed prior to next year's chip seal program. This year's prep work caused a severe backlog in road grading. He then suggested the prep work be done by equipment operators hired to do the work using the GID's equipment.

Pete pointed out that there will be approximately $5,000 in cost overages for increases in materials used. Larry added that field decisions were made which led to the increases in materials, such as the "fog seal" emulsion. Pete continued and said that some of the remediation is our fault and some is SNC's fault; so they will be negotiating the remediation costs.

Larry explained that the areas that did the best were the ones that had previously been treated with durablend™. He further stated that the other areas that did equally well were those where soil [hauled from the Wayside pit] was bladed over the old pavement. Pete mentioned that native soil [from the shoulders] was used on the lower section of Axe Handle and it did not turn out very well. Pete said we learned a lot from this process.

Larry stated that for future Boards, they will author a maintenance manual. The manual will detail such things as a condition survey will need to be done on the chip sealed roads on an annual basis; a prioritized list of roadways that will need re-application of chips or some other product; etc.

b. Road Committee - Road Repairs and Maintenance:

Larry talked about the need to treat segments of Bacon Rind that are prone to washboard with some type of stabilization.

Larry then reviewed a few options for the Board to consider:

1. Use less durablend™ and use those savings on chip seal.

2. Expand the durablend™ program to secondary roads, such as Crazy Horse and upper Wilcox Ranch (dirt would have to be hauled in and then sprayed).

Dennis Magers suggested treating areas that require the most maintenance.

Dennis M. asked if they anticipate any problems on Ironwood where people are accelerating and decelerating getting on and off Pyramid Highway? Larry replied the acceleration occurs between the cattleguard and the highway, which was not chip sealed because that is NDOT's [Nevada Department of Transportation's] right-of-way. Jim Hicks commented that they will repair that section by bringing in dirt and using the loader to smooth it out. Jim warned that it won't last because it is not stabilized. Larry said he wanted to contact NDOT again about that area, because at a minimum, it needs to be patched.

c. Operations Manager's Report: Jim Hicks reported that the International water truck is in the shop, again. He then reported that someone cut the lock off the Ironwood well site gate and stole the battery from the roller. He commented that the Peterbilt water truck carries about 18% less water than the International, so that makes a difference when the temperature is in the nineties; the roads are drying out before the next load arrives.

7. **Old Business – Updates:**

   a. **Wayside Yard Special Use Permit (SUP):** Cathy Glatthar reported that the code violation extension request form and letter are ready for Larry Johnson's signature. She said she will submit those on July 30th, which should give Jim Hicks time to complete the electrical work in the containers and the grading work around the trailer. Jim Hicks wanted to know if gravel could be used instead of grindings? Cathy responded that we would have to request an amendment of conditions if we wanted to do something other than what was agreed to in the SUP. After some discussion, it was decided that with the extension to December 31st, we can find the time to haul the grindings.

   b. **Wayside Well Draw-down Test Results:** Larry Johnson stated that Mitch Gerlinger is not here tonight to make a report. Pete Schmalzer mentioned a conversation he had with Mitch, and Larry concluded that we will not do another draw-down test in the future.

   c. **Ironwood Water Truck Fill Station:** Larry reported that the draft agreement with the Truckee Meadows Fire Protection District (TMFPD) for their funding of the improvements to the Ironwood well is nearly complete. Cathy Glatthar said she found an NRS that outlines what must be contained in such an agreement, and we need to add a termination clause. Louie Test said we could use the same termination clause that was used in the tax agreement. Cathy explained that she sent Mary Walker the excerpt from last month's meeting minutes which outlined the Board's concerns and what additional items they wanted addressed in the agreement. Cathy said Mary sent a revised agreement, which she sent to the Board for their review and that is the version they are discussing tonight. Larry said we should accept this new draft, and hand it over to Louie Test and the TMFPD’s attorney to finalize and write up the official agreement. Larry stated he wants to apply for the building permit.

   Cathy reported that the Amendment of Conditions hearing is on Thursday, August 2nd at 1:30 p.m. in the Commission Chambers. The application is for a two-year extension of time and elimination of the fence slats. Louie Test mentioned a reason not have slats is vandalism. Larry agreed and said that graffiti is our main reason to eliminate the slats. He mentioned the NDOT yard gets tagged repeatedly.

   d. **Bank Accounts:** Maureen Sidley said she researched the interest rates offered by all the banks and credit unions in this area and learned that they are all about the same. However, Wells Fargo is actually paying a higher rate than the credit unions on the [high-balance, “Almost” CD] account.

   Larry asked if all of the GID’s money is protected? Maureen replied, "yes,” that any amounts over the FDIC insurance limit are protected under the government pool that she found and signed up for last month.

   e. **Discuss Property Owner(s) Paying Directly for Road Improvement:** Larry Johnson stated he had a call from the owner of the equestrian center who wanted to pay to have the roads adjacent to their facility chip sealed. Jim Hicks said he did some research and found a few counties “back East” that allow property owners to pay for dust control. Larry then read from Cooper County’s dust control program.

   Louie Test suggested that property owners contract directly with the contractor. Larry clarified that the GID must be involved because we have to prepare the roadbed and the dust palliative, chip seal, or other road improvement must be done at the same time that the GID is having the work done on other roads.
Discussion continued on this matter and the following terms and specifications were proposed for the GID's program:

1. The property owner should pay the contractor directly and in advance.
3. GID is not responsible for unsatisfactory work. Property owner must work out grievances with contractor.
4. Maintenance is still the GID's responsibility.
5. Property owner's work must coincide with the GID's schedule.

Cathy Glatthar wanted to know how property owners would be noticed? Larry said noticing could coincide with the Spring newsletter. Cathy reminded the Board that we can use Washoe County's Reprographics department for mailings.

Pete Schmalzer said the policy and resolution should be drafted and presented at the next meeting for approval. Larry said he would write up the policy and resolution.

Public comment:

**Tricia Johnson** said she was concerned about the possibility of multiple quarter-mile sections that are scattered around the Valley, and would the crew have time to prep all these areas and still be able to handle the regular work?

Larry voiced doubt that very many people would take advantage of this program. After some further discussion, Pete suggested there be a trial run if someone came forward. Larry spoke up and said he wants a trial run. Larry will provide the Board with a copy of his payment to Envirotech.

f. **Policy for Driveway and Private Road Access from GID Roadway Easements:** Larry Johnson said that he had nothing to report.

g. **Amendment of Resolution F93-R1: Road Standards:** Larry Johnson said he had nothing to report.

h. **Board Member's Handbook:** Cathy Glatthar passed around handouts. She said she updated the resolutions list by adding the resolution for the change in the meeting date and time. She said she also found an old resolution to augment the 1996/97 budget that was not numbered and was not in the resolutions binder; that has been numbered and added to the list.

8. **New Business:**

a. **Google "Phone Tree" Emergency Contact System:** Pete Schmalzer said Mitch was going to handle this and he's not here tonight. Cathy Glatthar suggested the Board discuss the idea of using the phone tree. Pete explained that in the case of an emergency, the system is a way for emergency personnel to get in contact with the GID. There would be a number to be called and the "system" would forward the call to the first person on the list. If that person didn't answer, it would go to the next person on the list, and so on. The Board decided that this is appropriate. Pete asked Cathy to include this as an action item for Mitch to inform the Board on what this will cost and how the system works.
9. **Calendar Review:** Cathy Glatthar handed out an updated list of "Important Dates." Larry Johnson reviewed the upcoming items:
   - Cathy said she handles constituents reaffirmation that they wish to remain on the email list to receive notices, agendas, and minutes.
   - Jim Hicks said he submitted the annual throughput/consumption figures for the Wayside gasoline fueling facility. Cathy asked that Jim send her a copy of the report.
   - Cathy and Jim need to post the Notice of Possible Quorum by July 26th for the Board of Adjustment hearing on August 2nd.
   - Cathy will send the Wayside Code Compliance Extension request to Code Enforcement on July 30th.
   - Maureen Sidley will file the Indebtedness Report on or before August 1st.
   - Maureen must file proof of publication of the Annual Fiscal Report with the Department of Taxation by August 14th.
   - Maureen must submit the Quarterly Economic Survey by August 15th.

10. **Correspondence:**
    - Larry Johnson said he received some emails and phone calls.
    - Cathy Glatthar passed out the property tax summary she received by email today from the Treasurer's office. The report shows the total amount of ad valorem property taxes that was actually billed for fiscal year 2012/2013. She reported that the amount is $36,694 less than what was estimated for budgeting purposes.
    - Cathy reported receiving an email about the July 30th public hearing concerning the tax abatements for Apple.
    - Larry stated he received a letter from the engineer with [Amy Ranch Stables] documenting the installation of driveway culvert extensions as per the GID’s condition of approval.

11. **Public Comment (limited to three minutes per speaker):**
    Larry Johnson asked if anyone had any public comments? Hearing no requests, he moved to the next agenda item.

12. **Board Member and Staff Items:**
    - Next agenda: Discuss Property Tax Summary Report.

13. **Adjournment:** Dennis Goodsell made a motion to adjourn the meeting. Dennis Magers seconded the motion. Hearing no opposition, the meeting adjourned at 6:55 p.m.
Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:33 p.m. Thursday, August 16, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Mitch Gerlinger, Pete Schmalzer, Dennis Magers, and Larry Johnson. Dennis Goodsell was absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment (limited to three minutes per speaker):**
   
   **Larry Chesney** stated he lives on Rebel Cause Road. He said it was fantastic that Range Land Road was chip sealed. However, the contractor did a bad job and large areas are now spalling.

   **Mary Anderson** complained about the chip seal work done on Axe Handle Road. She also asked if anything can be done with Bacon Rind Road?

   Larry Johnson informed the audience that their concerns would be addressed under the Road Reports agenda item.

   Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – July 19, 2012:** Pete Schmalzer made a motion to accept the minutes as submitted, and Dennis Magers seconded the motion. Hearing no opposition, the motion passed.

4. **Payment of Bills:** Pete Schmalzer commented that the payment for SNC [Sierra Nevada Construction] appeared to be 90% of the change order and should have been 90% of the entire bill [$150,706.70 x 90% = $135,636.03]. Maureen Sidley said she would make that correction. Larry Johnson explained the purpose of the 10% retention was to have sufficient reserves if there is a need to go to a different contractor to fix the problem areas. Mitch Gerlinger made a motion to pay the bills with the correction to the SNC payment. Pete seconded the motion, and hearing no opposition, the motion passed.

5. **Action Reports:**

   a. **Road Committee - Road Repairs and Maintenance:**

      Larry Johnson explained that there were two sets of sub-grade soil conditions that were chip sealed over: 1. In the case of Whiskey Springs and Ironwood, there was stabilized (with durablend™), hard sub-grade surface. 2. On both Range Land and Axe Handle the soil types are very sandy, and were not able to be stabilized in some areas. He reported that they understand there are some problem areas, and they are working with the contractor to schedule the repairs. He said the contractor’s chip seal
The crew is anticipated to be back in the area to do the remediation work by mid-September. Larry stated that for Axe Handle, they will upgrade to a "micro-paving" course; which has the advantage of self-leveling and it will fill in the irregularities of the old, underlying cracked asphalt. He then explained the remediation work that will be done for Range Land: areas with unconfined sub-grade soil will be excavated and replaced with asphalt grindings and re-chipped. He stated, "Every area of deficiency that we note on all roadways will be repaired."

Larry Chesney, in the audience, asked if this information would be on the website?

Larry Johnson agreed that something should be posted on the website. Cathy Glatthar asked that either Larry or Pete write something up and get it to the Webmaster for posting.

Pete Schmalzer explained that both he and Larry have a lot of experience in building roads, and what they are trying to figure out is how to build roads within our budget. He continued and addressed Bacon Rind. He said Bacon Rind will probably have some of the same problems as Range Land. He explained that even with relatively low traffic counts, Bacon Rind has a high maintenance frequency. Larry commented that the Board recognizes the need to find a solution for Bacon Rind, but they have to come up with an affordable solution.

Larry said what the residents need to acknowledge is that in order to do these capital improvements, we had to postpone maintenance on the lesser streets and now we are behind and playing catch up. The storm this week has put us further behind.

Larry mentioned there is a maintenance request procedure posted on the website. He encouraged residents to report roads that need maintenance or repair. Pete explained the process and the preference that requests are sent via email, but emergencies should be called in.

Mary Anderson, in the audience, asked if asphalt grindings could be used on Bacon Rind? Larry explained that they have looked into all kinds of solutions, and then discussed the disadvantages of gravel - it washboards. He said right now the best solution is to grade it more often. Larry then explained that in his opinion the Board has the duty to put our money where it benefits the most people, and do the best we can for everybody else. Larry gave the example of his road: it is rocky and "tire-busting," but his instructions to the road supervisor is to grade this road last.

Pete reiterated that the capital improvement program they have put in place is designed to get more of the roads chip sealed, thereby getting the high-volume roads out of the routine maintenance cycle. He stated this strategy will allow for more frequent grading of the secondary roads. He continued and said it will take five to seven years to accomplish. Larry added that every year it's going to be a little better; that we all have that to look forward to, but we also have to be patient.

Larry reported that they are developing a program that will allow property owners to pay privately for improvement, such as the application of dust palliative, of their section of roadway in front of their property.

Larry Chesney reported that a Sheriff's Lieutenant who attended a Warm Springs CAB meeting said if speed limit signs were posted, they would come out and do some traffic enforcement. Pete said this has been brought up before and the Sheriff's Office has said these are private roads and they will not enforce speed limits. Larry
Johnson said we could put this down as an agenda item. Louie Test reported some history on the matter. He said we were going to try to get legislation passed that defined roads in improvement districts as public roads, and the response to a survey was that the residents did not want the Sheriff's Department out here. Louie asked Mr. Chesney to let him know who the Lieutenant was and he'll get in touch with him and we'll have this on next month's agenda.

Larry reported on the durablend™ program, stating that approximately three miles of Ironwood was done last week. Another three miles - Ironwood, Amy and Wilcox Ranch - was scheduled to be done tomorrow, but because of the flooding that occurred yesterday, that will be postponed till next Friday. The remaining portions of Wilcox Ranch, up to Mid Road, will be done the following week. Jim Hicks explained that flooding on Pasture View (north) created a ditch across the road that was ten feet wide and 18 inches deep, and it took quite a bit of time to repair the damage. Pete suggested a low water crossing be put in. Discussion turned to other flood damage that affected properties along Whiskey Springs Road. Larry said that we would have to install box culverts to handle that amount of water, and we can't afford to do that, especially for such events that occur every 15 to 18 years.

b. Operations Manager’s Report: Jim Hicks reported that the International water truck has a coolant leak that they finally found and the A/C hoses leak; both will get fixed on Monday. The Peterbilt water truck was used on Friday and there is a problem, which he believes is the "governor." He said he will postpone that repair until they are done with the durablend™ unless it stops working before then. Jim reported they fixed the flood damaged roads today, which did not allow them time to prep the roads for durablend™ and that is why they had to reschedule for next week.

6. Judicial/Government Affairs: Louie Test said he has not heard from the Truckee Meadows Fire Department in regards to the Ironwood well agreement. Cathy Glatthar reported that it's with Blaine Cartlidge. Louie said he would contact Blaine. Larry Johnson said he was holding off on submitting for the building permit until we have a signed contract.

7. Old Business – Updates:
   a. Wayside Yard Special Use Permit (SUP): Cathy Glatthar reported that the code violation extension to December 31st was approved. Larry Johnson mentioned we still need to haul the grindings, and the hydroseeding needs to be done later this year. Larry asked Jim Hicks if the grading around the trailer had been inspected? Jim said no, because he has to be at the yard when the inspector comes, so after the durablend™ is done, he will call for the inspection.

   b. Ironwood Water Truck Fill Station: Larry Johnson reported that at the Board of Adjustment (BoA) hearing, the special use permit two-year extension was granted, and he handed the official notification to Cathy. He explained what transpired at the meeting and reported that the matter of the elimination of the fence slats has been continued to the next BoA meeting (October 4, 2012), so we can provide the Board with the documentation showing that we had permits to drill the well and install the fencing. Larry mentioned that one of the Board members lives out here and said the site was an eyesore. Cathy added that the BoA member's problem was with the storage of equipment at the site, and that she explained to the Board that was a temporary situation. Larry suggested we add a condition that we will not use the site for storage. Louie Test suggested having a picture of the site without the slats and
then one with slats drawn in to show the contrast, because right now, without slats, the site blends with the surroundings, whereas, if slats are added, it will stand out. Larry mentioned to Jim that asphalt grindings will be needed at this site too, and when SNC is doing the chip seal patch work on the various roads, we agreed to provide asphalt grindings for use as stabilization, so that will be the time to get the grindings for the Wayside yard and the Ironwood well site. Cathy suggested the sections of culvert be removed from the well site.

Larry Chesney said if the Board wanted the support of the CAB, to please send him the meeting notice and he’ll be there. Larry Johnson thanked him and told him we’d get him the notice.

c. **Policy and Resolution for Property Owner(s) Paying Directly for Road Improvements:** Pete Schmalzer suggested this be continued until after the test run. Larry Johnson agreed.

d. **Policy for Driveway and Private Road Access from GID Roadway Easements:** Larry Johnson said he wanted to add a provision that the road or driveway have a cross slope or be crowned with roadside v-ditches tying into the existing roadside v-ditches to minimize sedimentation across our roads. Some discussion took place on other ways to achieve proper drainage from intersecting roads and driveways.

e. **Amendment of Resolution F93-R1: Road Standards:** Larry Johnson reported Washoe County Public Work’s standards for culvert size is, "12 inch minimum, which should be of sufficient size to carry the volume of the adjacent roadside ditch." A brief discussion took place; after which it was decided to increase the minimum culvert size to 18 inches, but of sufficient size to carry a roadside drainage. Cathy Glatthar asked Larry if he would reword item #5 of the Road Standards so that this can be brought back next month for approval? Larry agreed to do so. Louie Test asked Larry if the specifications in item #2 of the Road Standards were acceptable standards that would not create any hazards? Larry replied that they are standard specifications.

f. **Google "Phone Tree" Emergency Contact System:** Mitch Gerlinger said he had nothing to report on this for this month.

g. **Board Member’s Handbook:** Cathy Glatthar passed out an updated "Contacts" list for the government agencies. She said she added Chief Moore and Mary Walker of Truckee Meadows Fire; our new County Commissioner, Bonnie Weber; and Katy Simon, the County Manager.

8. **New Business:**

a. **Discuss Property Tax Summary Report:** Cathy Glatthar explained that this report is published each year by the Treasurer's office. The report shows the total amount of ad valorem property taxes that was actually billed for fiscal year 2012/2013. She reported that the amount is $36,694 less than what was estimated for budgeting purposes. Pete Schmalzer remembered that at the last meeting, Cathy had mentioned that we often come in above what has been billed. Cathy explained that last year this report showed $28,570 less billed versus budgeted, but we actually received nearly the same amount that was budgeted. She said that may be due to people paying amounts in arrears, which includes penalty fees and interest. Maureen Sidley said the Auditor calls and finds out how much money is in arrears,
and as soon as she gets that figure, she will let the Board know. Dennis Magers asked how sales tax figures into this? Cathy responded that it doesn't; this is strictly ad valorem. Mitch Gerlinger asked if a property is sold at a tax-lien auction, do the taxes owed come out of the proceeds? Larry Johnson said, "yes."

b. **POOL/PACT Human Resources Service Plan:** Cathy Glatthar passed out a summary of the Human Resources Service Plan. She explained that this is a free service offered to members of the insurance POOL we joined earlier this year. She reviewed the handout which listed the services this company offers. She pointed out the Employee Assistance Program that Jim and Dan might want to look into. She asked the Board to review the handout (Larry was given the entire service plan packet) and let her know if they would like to avail themselves of any of these services, especially the compliance review. She mentioned the packet includes a suggested "Small Organization Personnel Policies" table of contents, and said this is essentially a table of contents for an employee handbook and could be used to be sure our employee handbook contains all the pertinent information and policies. Cathy said there are training courses and other information available online, but you will need to register.

9. **Calendar Review:** Cathy Glatthar handed out an updated list of "Important Dates":

- Cathy said the Truckee Meadows Fire payment of $41,000 is due by September 1st. Maureen Sidley said we received the payment and it's reflected in this month's income.

10. **Correspondence:**

- Cathy reported receiving an email today from someone reporting storm damage on Silver Horse. She said she has already reported it to Jim.

- Larry Johnson said he received correspondence from Al Beebe regarding damage to the chip seal on Axe Handle. Larry said he called Mr. Beebe and left him a message as to the status of the plans to repair Axe Handle.

- Pete Schmalzer reported receiving a phone call from someone who had durablend™ on her vehicle because she drove through it when it was still wet. Larry commented that we are posting notices of the durablend™ application schedule on the website [and emailing it to the PVGID constituents on the email list]. Jim Hicks said he puts the signs out. Larry said we are doing the best we can.

11. **Public Comment (limited to three minutes per speaker):**

None.

12. **Board Member and Staff Items:**

- Pete Schmalzer stated that it is unusual for a road maintenance agency to be maintaining roads without any funding from gas taxes. He said he reviewed the NRS and found a statute that deals with gas tax assessments for cities and counties. He and Larry will work together on this and report back next month.

- Mitch Gerlinger asked to have the Wayside well draw-down test results item put back on the agenda for next month.

13. **Adjournment:** Pete Schmalzer made a motion to adjourn the meeting. Mitch Gerlinger seconded the motion. Hearing no opposition, the meeting adjourned at 7:16 p.m.
Dennis Goodsell called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:33 p.m. Thursday, September 20, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. Roll Call: Present were Peter Schmalzer, Mitch Gerlinger, and Dennis Goodsell. Larry Johnson and Dennis Magers were absent. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. Public Comment (limited to three minutes per speaker):

   George Boyce commented on the chip seal put down on Range Land. He felt that the contractor did not apply the chip seal properly on the south side of the road.

   Peter Schmalzer informed Mr. Boyce that he would address his concerns under Action Reports.

   Cathy Glatthar thanked the Board and crew for the work done on the upper Wilcox [Ranch Road] hill.

   Dennis Goodsell asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. Approval of Minutes – August 16, 2012: Peter Schmalzer made a motion to accept the minutes as written, and Mitch Gerlinger seconded the motion. Hearing no opposition, the motion passed.

4. Payment of Bills: Maureen Sidley said she wrote a check for the remaining 10% retention for SNC [Sierra Nevada Construction], but wasn’t sure if the work had been completed. Peter Schmalzer said the work has not been completed and that check should not be signed. Peter asked Jim Hicks if the payment for Durablend will be the last one? Jim Hicks said, "no," that there will be additional invoices for Durablend. Peter asked Maureen if any income from property taxes had come in? Maureen said, "yes" approximately $77,000 came in. Mitch Gerlinger asked Maureen if we received the payment from Truckee Meadows Fire? Maureen replied, "yes." Cathy Glatthar added that the payment came in last month. Peter Schmalzer made a motion to pay the bills with the exception of the SNC payment. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.

5. Action Reports:

   a. Road Committee - Road Repairs and Maintenance:

      Peter Schmalzer explained about the issues with the chip seals; that the major issue was with Range Land, and there are minor issues with Axe Handle, Ironwood and Whiskey Springs. He reported having an agreement with the contractor to come back and fix the problems. He reiterated what they believed happened with each of the
roadway sections that were chip sealed, and reviewed the remediation measures that would take place in the very near future.

Peter reported that all the Durablend has been put down. He stated that the chip seal preparation took longer than expected and that, along with the storm damage last month, put us behind on regular road maintenance.

George Boyce repeated his earlier comment that the south side of Range Land was not done properly. Peter explained that the equipment used by the contractor laid down a full 20-foot wide chip seal surface. Mr. Boyce then said they broomed too much of the chips off. Peter explained that the brooming is done after the asphalt sets, and it is done as a safety measure so that loose chips are not present that would otherwise be kicked up by traffic and possibly crack windshields.

Peter then explained that the type of failure was a "shear" failure or "tearing" which indicates that the asphalt did not adhere to the subgrade, possibly due to loose material on top of the hard subgrade.

b. **Operations Manager's Report:** Jim Hicks reported the International water truck is back in the shop for repair. The A/C doesn't work and the turn signals are not working properly. He reported the grader has a hydraulic leak that they will be fixing. He mentioned the Durablend is done.

6. **Judicial/Government Affairs:** None.

7. **Old Business – Updates:**

   a. **Wayside Yard Special Use Permit (SUP):** Jim Hicks said they will get the electrical, grading, and fencing inspections done in the next two weeks. He added, if 200 yards remain at the site, they will get the asphalt grindings on Monday.

   b. **Wayside Well Draw-down Test Results:** Mitch Gerlinger handed out data sheets and charts. He reviewed the information, explaining the true water level in the well at the beginning of the test was 220 feet. He said during the test the water level flowing into the formation around the well did not equal the beginning water level of 220 feet. Mitch said he will check the water level again to see where it is at this point. Mitch concluded that the well is a good producer, but there is a finite amount of water; after the test was done, the water level rebounded fairly rapidly to 180 feet. He mentioned that last month's storm should have provided some recharge.

   Jim Hicks brought in a bottle of well water which was very cloudy. Mitch said those are the clays and suggested to "surge" the well periodically to clear the clays.

   c. **Ironwood Water Truck Fill Station:** Dennis Goodsell reported that the elimination of the fence slats was pending and would be heard at the October 4th Board of Adjustment (BoA) meeting, and that the extension was granted. Cathy Glatthar mentioned that a letter was written to the BoA, and delivered by Larry Johnson yesterday. She explained that the letter addressed all the concerns of the BoA from the first meeting (August 2, 2012). Also in the letter, we agreed to an additional operational condition that the Ironwood well site will not be used as an equipment storage yard. Cathy continued and said hopefully, through this letter, the BoA will understand that this is Ironwood and not Wayside - that they are two different projects; that we were legal when we drilled the well; that we were legal when we put up the fence; that we went through the process of re-zoning the parcel; and then we obtained the special use permit. Cathy reiterated that meeting is Thursday, October
4th at 1:30 p.m. She stated that a "Notice of Possible Quorum" will be posted, so as many of the Board members who want to attend, may do so.

Louie Test said he talked with Blaine Cartlidge about the funding agreement with Truckee Meadows Fire (TMF). Louie reported that Blaine was okay with a termination clause with a 10-year term and an automatic renewal for 10 years. He said they also discussed the possibility of the GID selling water rights and Blaine suggested adding language that would allow TMF to use the well even after the water rights have been sold. Louie explained that when water is taken from reservoirs to fight fires, the fire department doesn't have to have water rights, so it won't be an issue. There was discussion about the sale of the generator if the water rights are sold. Louie suggested that Cathy request another letter of support from Chief Moore; this one requesting support for the elimination of the fence slats.

d. Policy and Resolution for Property Owner(s) Paying Directly for Road Improvements: Larry Johnson was not present. Peter Schmalzer did mention that the trial run was cancelled because it was too late in the year.

e. Policy for Driveway and Private Road Access from GID Roadway Easements: Larry Johnson was not present. George Boyce asked what the policy is for a property owner who wants to put in a driveway culvert? Cathy Glatthar reviewed the former policy [Resolution F92-R1] and said the policy was being amended. Peter Schmalzer said right now there is no policy in force. Mr. Boyce said he would be putting in a 15-inch culvert. Peter said that should be adequate for his location on Range Land.

f. Amendment of Resolution F93-R1: Road Standards: Larry Johnson was not present. Cathy Glatthar reported that the culvert size was addressed at the last meeting and she drafted the resolution and sent it to Larry for his review. She said Larry told her he would have some additional revisions that he would address at a future meeting.

g. Google "Phone Tree" Emergency Contact System: Mitch Gerlinger reported that Google's system will not do what we want it to do, and he will look into other phone tree options.

h. POOL/PACT Human Resources Service Plan: Cathy Glatthar asked the Board if they wanted to avail themselves of any of the Human Resources offerings, in particular, the compliance assessment? The Board decided that would not be necessary since we only have two employees.

i. Board Member's Handbook: None.

8. New Business:

a. Discuss Findings on Possible Funding from Gas Taxes: Dennis Goodsell reported meeting with the County Manager, and she [Katy Simon] will be turning it over to the DA for his opinion and also the LCB [Legislative Counsel Bureau]. He said that [Ms. Simon] mentioned the gas tax is based on how many miles of County-owned improved/maintained roads, and there would probably be a problem [getting gas tax funding for] private roads. Peter Schmalzer said he was unable to attend that meeting, but if he had been there he would have mentioned that [Washoe County] is getting gas tax money for a portion of Olinghouse Road, which he believes is on the Indian Reservation, and therefore not owned by the County. The
County might maintain that portion of road, but does not own it. Peter stated the list contains roads on BLM property. Louie Test felt that the Washoe County DA might be biased as Washoe County would lose some of the funding if the PVGID receives gas tax funds, and he suggested the Attorney General look into the matter, since this is a State question. Cathy Glatthar mentioned that Ms. Simon did state that the matter of GID's receiving gas taxes was brought up during a legislative session some years ago, but it did not go anywhere. Cathy then said that during the meeting with Ms. Simon, it was brought to her attention that NDOT's list of improved roads did not include any unpaved roads. Peter said the unpaved roads were on a separate "sheet" within the Excel workbook.

b. **Enforcement of Speed Limits by Sheriff's Office:** Cathy Glatthar explained that Larry Chesney, Vice Chair of the [Warm Springs] CAB, was present at our last meeting and he recalled a deputy who attended the CAB's May meeting said that as long as speed limit signs were posted in the Valley, the Sheriff's Office would come out and enforce the speed limits. She followed up with Mr. Chesney who referred her to the May 2012 CAB minutes. Cathy explained that she looked at those minutes and Mr. Chesney was mistaken. She then read the following excerpt from the May CAB minutes: Sergeant Brady said, "... they do not have jurisdiction on local private roadways." Cathy said this is what [the Sheriff's Office] has said from "day one." Cathy said she sent this to Mr. Chesney and he has not gotten back to her on the matter.

George Boyce asked the Board if they would consider putting in speed bumps on the chip sealed areas in order to slow people down? Mitch Gerlinger said the deceleration before and the acceleration after a speed bump will be detrimental to the chip seal surface. Louie Test cited an example where the Fire Department and Emergency Services objected to speed bumps being put in.

9. **Calendar Review:** Cathy Glatthar handed out and reviewed an updated list of "Important Dates":
   - The "Notice of Possible Quorum" needs to be posted by September 28th.
   - The Board of Adjustment hearing for [elimination of] the fence slats [requirement] is on October 4th.
   - Maureen Sidley needs to handle the "Management Representation Letter" for the Auditor.

10. **Correspondence:**
   - Cathy Glatthar reported receiving emails for road maintenance requests, which had been forwarded to the Road Committee.

11. **Public Comment (limited to three minutes per speaker):**
    **George Boyce** wanted to know if the Board has asked the DOT [Department of Transportation] to [pave from Pyramid Highway] to the cattleguard?

    Peter Schmalzer said this matter has been discussed a lot, and [NDOT] will not do that section. The PVGID was granted an access easement, and if we want to do any work in their easement, we have to meet their standards, which is not feasible.

    **George Boyce** then asked if the Board would object to a community group petitioning the DOT on this matter?
Several Board members said they had no objection.
Dennis Goodsell asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

12. **Board Member and Staff Items:** None

13. **Adjournment:** Mitch Gerlinger made a motion to adjourn the meeting. Peter Schmalzer seconded the motion. Hearing no opposition, the meeting adjourned at 6:51 p.m.
Larry Johnson called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:36 p.m. Thursday, October 18, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Mitch Gerlinger, Dennis Goodsell, Larry Johnson, Dennis Magers, and Peter Schmalzer. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment (limited to three minutes per speaker):**

   George Boyce of 4800 Range Land Road asked if the chip seal defects would be repaired?

   Larry Johnson replied, "yes, it's a work in progress" and thanked Mr. Boyce for his patience. The contractor has experienced some delays on another project. Larry said he would discuss this in more detail in the road report.

   Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – September 20, 2012:** Peter Schmalzer made a motion to accept the minutes as written, and Mitch Gerlinger seconded the motion. Hearing no opposition, the motion passed.

4. **Payment of Bills:** Maureen Sidley reported she has provided a breakdown for the income received per Cathy [Glatthar's] request. Peter Schmalzer asked if we received the payment from Truckee Meadows Fire? Cathy Glatthar explained that the one-time payment of $41,000 for the tax rate agreement was received, and the up to $30,000 for Ironwood [well development] will be paid after the project is completed. Cathy Glatthar asked Maureen if the workman's comp insurance is through the POOL/PACT? Maureen said, "yes, but it is a separate policy." Larry Johnson asked Maureen to explain the payments for the employees’ health insurance premiums? Maureen stated the GID pays up to $800 per month per employee, which was voted on by a past Board. Maureen mentioned in order to avoid late payment charges, she pays some of the recurring bills a month ahead and estimates the amount, therefore some accounts have a credit balance. Dennis Goodsell made a motion to accept the report and pay the bills. Dennis Magers seconded the motion, and hearing no opposition, the motion passed.

5. **Action Reports:**

   a. **Road Committee - Road Repairs and Maintenance:**

      Peter Schmalzer explained the large areas of chip seal repair have been done. The remaining smaller areas will be done by hand. Larry Johnson mentioned that he and Jim Hicks have marked all the remaining areas requiring repair. He explained that the chip seal patching on Axe Handle will be done prior to the application of the
micro-paving. Larry stated the crew has, for the most part, caught up on grading the dirt roads, and most people are satisfied, and even complimentary, about the condition of the roads.

Larry then said he wants a better definition of road priorities. The policy is to give priority to the roads with the highest amounts of traffic. Traffic counters have been used in the past, but have been manipulated by local residents, resulting in meaningless counts. Larry suggested mapping the number of residences on each roadway, in an effort to determine the number of residences served for each road.

Dennis Magers suggested chip sealing Amy Road from Whiskey Springs to Wilcox Ranch before chip sealing anymore of Ironwood. Dennis M. explained that would take the traffic off of Ironwood. Dennis M. continued to say Ironwood will require extensive drainage work prior to chip sealing, whereas Amy already has good drainage. Larry remarked that was a good suggestion.

Dennis M. added that if more chip seal is to be done on Ironwood next year, the east-west section should be done. He suggested the Wilcox Ranch Road hill [aka upper Wilcox] be chip sealed because of the high maintenance time required. Peter stated they are still assessing the costs and the results of this year’s chip seal program, and they are not ready to talk about next year’s program right now.

Larry requested that Jim Hicks do some [asphalt] patching on Whiskey Springs. Jim Hicks said that as soon as they finish the dirt roads, they will get to the patching work that needs to be done.

Larry mentioned to the Board that the very upper section of Axe Handle is paved, but so badly deteriorated that it’s dangerous. He suggested the shoulder material (DG - decomposed granite) be brought up onto the road. Jim mentioned there’s a phone line in that ditch, but there’s enough material for them to work with. Larry mentioned bringing in some dirt and then spraying it with mag-chloride; that worked well in Right Hand Canyon.

Peter mentioned the need to take care of the sink hole on Quaking Aspen before next spring.

b. Operations Manager’s Report: Jim Hicks reported the International Tractor front end had to be rebuilt; it was unsafe on the highway and they need it to get the [asphalt] grindings. The International water truck is back in the shop for an engine problem and the clutch fan is not working. The Peterbilt water truck is still running, but the problem with the engine still exists and there is a brake problem. The generator was worked on and is running fine. The grader has a crimp in the hose that feeds the ripper bar, but it is not severe enough to warrant repair at this time.


7. Old Business – Updates:

a. Wayside Yard Special Use Permit (SUP): Larry Johnson reviewed the list of remaining items: spread asphalt grindings, hydroseeding once we get some rain, electrical, grading, and fencing inspections.

b. Ironwood Water Truck Fill Station: Larry Johnson reiterated the Board of Adjustment deleted the requirement to put slats in the fence, and we agreed to a condition to not use the enclosure for equipment or material storage. Larry noted the
condition was not included in the latest Action Order, and he would advise Community Development of the omission.

Larry then discussed the cooperative agreement between the GID and Truckee Meadows Fire [Protection] District (TMFPD) which Louie [Test] and Cathy [Glatthar] have gotten finalized. He mentioned he will be signing the agreement tomorrow and then it goes before the [Fire] Commission on October 23rd for their approval. If approved, we will apply for building permits and need to complete the project by the end of March [2013]. Cathy Glatthar presented Resolution No. F12-R4 for Interlocal Agreement with Truckee Meadows Fire Protection District for a Palomino Valley Water Supply. Peter Schmalzer made a motion to approve Resolution No. F12-R4. Dennis Magers seconded the motion. All members voted to approve the resolution.

c. **Discuss Findings on Possible Funding from Gas Taxes:** Cathy Glatthar explained that this item was kept on the agenda because Katy Simon, the County Manager, is working on it, and she has referred it to the DA's (District Attorney's) office. Cathy continued and said she emailed [Ms. Simon] and mentioned [Louie Test's] request that the matter be reviewed by the AG's (Attorney General's) office, and she said she corrected her error on the unpaved roads [they are included on NDOT’s list of roads]. Peter Schmalzer talked about the possibility of going away from a gas tax to a vehicle-miles-travelled tax using GPS units, and that may be the opportunity for the GID to raise the subject again. Peter said we should keep an eye on this. Larry Johnson talked about the issue of our roads being easements across private property; they are not actual right-of-ways owned by a public agency.

d. **Resolution and Policy for Property Owners Paying Directly for Road Improvements:** Larry Johnson suggested postponing this item until sometime next year. He requested this item be removed from the agenda, and have it brought back sometime next year.

e. **Amendment of Resolution F92-R1: Policy and Procedure for Driveway and Private Road Access to GID Roadway Easements:** Larry Johnson requested that this item remain on the agenda, and he hopes to have something to present to the Board in the near future.

f. **Amendment of Resolution F93-R1: Procedure for Accepting Roads for Maintenance and Road Standards:** Larry Johnson requested that this item remain on the agenda, and he hopes to have something to present to the Board in the near future.

g. **Board Member’s Handbook:** Cathy Glatthar handed out an updated list of contacts and noted that Maureen Sidley’s address had changed. She reiterated that this list is confidential.

8. **New Business:**

a. **Development Code Amendment for Equine Uses:** Larry Johnson explained Community Development is drafting standards for when permitting would be necessary for equestrian centers, whether it’s for just boarding horses, whether it’s for holding events or not. He said the CAB (Citizens Advisory Board) recommended 50 horses, and Community Development initially is recommending 20 horses for a commercial operation before a [special use] permit is required. As for the GID, the concern is at what point does that impact road maintenance and road conditions? There can be times, such as the Mexican Rodeo and the equestrian center on
Whiskey Springs, where events proposed could be large enough where road maintenance, dust control, etc. could be an issue. Larry mentioned the GID imposed conditions on the Amy [Ranch Stables] project for culvert extensions. He said the Board needs to decide whether to comment on this matter.

Peter Schmalzer said the GID is limited in what can be imposed on operators of such facilities. We can't make them pay extra for the impacts to the roads, nor can we make them pave the roads. Our money comes primarily from property taxes; we don't get any money from business license fees, or special events permit fees, etc. Peter asked if we represent the people driving on the roads, or the people paying for the roads, or the people who are voting? There are three different groups of people.

Cathy Glatthar commented that the variables are many: the distance from the highway, the number of horses boarded, whether there will be equestrian events. She said in her opinion, the GID needs to be able to review any and all projects, on a case-by-case basis. She said the GID is not on the list of reviewing agencies for business licenses, and should request to be added.

George Boyce, in the audience, asked why the Board can't get money from business licenses or building permit fees?

Louie Test replied the GID does not have jurisdiction. The GID receives tax revenues pursuant to state law. He remarked that when a house is built or other improvements are made, the property value increases and therefore the property taxes increase.

Larry asked Cathy to send a letter of response to Community Development.

9. **Calendar Review:** Cathy Glatthar reviewed the list of "Important Dates":

- At the November 15th meeting, the annual audit will be approved and signed.
- Maureen Sidley will file the Quarterly Economic Survey by November 14th. Maureen said it is already done.
- Proof of Beneficial Use or Request for an Extension for three water rights permits are due by November 26th. Maureen said she would contact Debbie Maurer at Tri State.
- Maureen Sidley said she had not received the "Management Representation Letter" from the auditor, so she will contact Kohn-Colodny.
- This year we will be getting a letter asking if we wish to participate in the Debt Management Committee. Normally the GID does not participate, because we don’t have any debt. The Board authorized Maureen to respond "The PVGID does not wish to participate."

10. **Correspondence:**

- Larry mentioned that emails requesting road maintenance are collected on a weekly basis and forwarded to the Road Committee, and reported that he believes they are caught up on those requests.
- Cathy Glatthar reported receiving a thank you note from an upper Quaking Aspen resident. Jim Hicks mentioned that they are not quite done with the work on that section of road.
- Cathy said she forwarded to Larry an email from a constituent who is concerned about how people are driving on the roads, speed limits, etc. Larry said he would answer that email.
• Cathy mentioned an email from a constituent asking why the GID doesn't get any of the special event permit fees paid by the Mexican Rodeo, which Peter Schmalzer answered very well.

• Cathy stated she received an email from a title company requesting information on "our" Homeowner's Association (HOA) or Property Owner's Association (POA). She said she responded by explaining that the PVGID is not an HOA or a POA, that the PVGID is a governmental agency.

11. Public Comment (limited to three minutes per speaker):
Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.

12. Board Member and Staff Items:
• Larry Johnson requested an item for next month's agenda regarding getting the word out to new property owners advising them of the GID's website.

• Cathy Glatthar mentioned in reviewing the Board of County Commissioner's October 19th agenda, she noticed an item about the assessment roll being updated with a net increase of $126+ million of assessed value. She said she contacted Frances Finch at the Treasurer's office and learned that the net tax increase to the PVGID would be only $1,314.

13. Adjournment: Peter Schmalzer made a motion to adjourn the meeting. Mitch Gerlinger seconded the motion. Hearing no opposition, the meeting adjourned at 7:03 p.m.
Larry Johnson called the special meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:32 p.m. Thursday, November 29, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Dennis Goodsell, Dennis Magers, Peter Schmalzer, Mitch Gerlinger, and Larry Johnson. Also present were Jim Hicks, Operations Manager; Maureen Sidley, Assistant to the Secretary; Cathy Glatthar, Assistant to the Board; and Louie Test, Legal Counsel.

2. **Public Comment (limited to three minutes per speaker):**

   Jim Schnieder stated he had submitted some correspondence relative to Chieftan [Road], but did not see a specific agenda item for Chieftan.

   Larry Johnson said Chieftan would be discussed under item number 5, the Road Committee action report.

   George Boyce mentioned school bus drivers are driving on the edge of the chip seal on Range Land Road, which is breaking up the chip seal. He asked if someone would contact the School District?

   Larry Johnson thanked Mr. Boyce for bringing the matter to the Board's attention, and said it was something he would handle.

   Cathy Glatthar congratulated Mitch, Dennis, and Pete for being elected to the Board.

   Larry Johnson asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – October 18, 2012:** Cathy Glatthar said she had a correction to what she reported under item 12 regarding the update to the property tax assessment roll. She said the increase of $1,314 was actually an increase in the tax revenue and not in assessed value, but it is still a small increase. Dennis Goodsell made a motion to accept the minutes as corrected, and Mitch Gerlinger seconded the motion. Hearing no opposition, the motion passed.

4. **Payment of Bills:** Peter Schmalzer made a motion to pay the bills. Dennis Goodsell seconded the motion, and hearing no opposition, the motion passed.

5. **Action Reports:**

   a. **Road Committee - Road Repairs and Maintenance:**

      Larry Johnson reported that all repairs to the chip sealed roads have been completed. He further commented that they learned from this year's program that some of the roads with sandy soil subgrades will require intense stabilization efforts in order for the chip seal to adhere; which costs money. That may mean a smaller program next year. He asked everyone to consider Dennis Magers' excellent suggestion to chip seal the two and a half miles of Amy, instead of chip sealing the
remaining four miles of Ironwood, which will require extensive drainage and stabilization work.

Larry then reviewed a handout that summarized the contract, change orders and payments to Sierra Nevada Construction (SNC) for the chip seal program. Larry said he negotiated with the contractor and was able to get the repair charges reduced. He concluded that the balance owed to SNC was $34,395.17, which is included in the bills tonight.

Larry explained the difference between paving and chip seal, and talked about the 5-year cycle of chip sealing. Peter Schmalzer explained that the micro-paving (aka cape seal) done on Axe Handle cannot be applied directly to dirt. But it is an option to apply it to the chip sealed surfaces because it is effective at filling in the imperfections of the chip sealed surface. Larry mentioned that he and Peter will develop a chip seal program/maintenance manual to guide future Boards.

George Boyce, in the audience, asked how much the micro-paving costs? Peter said approximately 30 cents per square foot.

Larry said he and Peter inspected Chieftan and Twin Springs Roads. As for Chieftan, the flash flood we had back in August did erosional damage to the upper sections of Chieftan. Discussion occurred as to what should be done to fix the damage, and the work was scheduled to be done before the first of the year. Jim Schnieder, in the audience, gave the Board permission to come onto his property to obtain any rock they need for the repair work. He thanked the Board for addressing the problem. Larry made a suggestion to add a turnout in one section of the road.

Larry reported that both his wife and Peter had received calls from a gentleman at the head of Twin Springs [Road]. Larry said when the man talked to his wife the first time, he was very rude, and had an extremely bad attitude. The second time the man called and spoke with his wife, he was more reconciliatory. Larry said when he got back into town, he called the man and told him the procedure for contacting the GID and invited him to come to this meeting. Larry said his wife submitted an email that listed the man's complaints. Larry said he and Peter inspected the road, and the statements made by the man were false. One statement was that a school bus had rolled over on this section of roadway, and in inspecting that area, Larry said he did not believe that was possible. Cathy Glatthar said she called the School District's Transportation Division, got an answering machine, left a message, but has not heard back from anyone. Larry said he will ask about this claim when he contacts the School District regarding the bus drivers driving on the edge of the chip seal. Larry explained that another claim made was the road has been narrowed by the GID's maintenance activities, particularly beyond the first cul-de-sac. Larry said that upon inspection this claim is untrue because there is a power pole on the edge of the travelled way and there are juniper trees with large diameter [trunks] (which means they are at least 50 years old) at the very edge of the travel way on both sides of the road. Larry concluded that the complaints were completely unfounded. Peter said he agreed with Larry, and added that the inside ditch has some erosion that could be flattened out, but that would be low on the priority list.

Larry spoke about a letter he received from John Glatthar about the section of Wilcox Ranch Road south of the Quaking Aspen intersection, and that the road is narrow and winding. The letter stated three points: 1) people drive too fast, 2) people don't
stay on their side of the road, and 3) there is poor sight distance because of the curvy nature of that section. Larry said that our residents need to figure out that if you don't slow down and stay on your side of the road on a curvy mountain road, that you will be in an accident. He said he doesn't know how to impress that on people. He further commented that that section has the creek and a big drop off on one side, and if the road is straightened, that people will just drive faster. He mentioned that there have been similar comments made by other residents. That there have been comments from people who ride horses and motorists won't slow down. Larry wanted the Board to think about a suggestion for more signage, and that would cover the GID. He asked Jim Hicks to find out what signs would cost (fully installed) and report back at the next meeting. Larry mentioned a head-on collision that occurred on Quaking Aspen Road, where there was good sight distance and both drivers were familiar with the road. Peter suggested including information about road maintenance frequency, i.e. minimal maintenance. Larry reiterated his concern for people who ride horses on the roads. Cathy Glatthar made a comment that it goes both ways. She has had horseback riders who make no effort to move over, even though she slows way down and drives along the far edge of the road. She mentioned that horses can spook, and the riders should do what they can to put distance between their horses and vehicles. Larry asked that a notification be posted on the website. Larry also stated the commercial vehicle drivers are an issue. Tricia Johnson, in the audience, suggested contacting the horse boarding facilities and ask them to educate their boarders. Larry added the operators of such facilities could post signs at their facilities that inform riders that the roads are public, beware of traffic, ride on the shoulders, etc. Maureen Sidley suggested such a notice should mention that many motorists don't understand horses.

Larry thanked Jim Hicks for doing the repairs to upper Axe Handle. Larry then reiterated the asphalt patching work still needs to be done on Whiskey Springs. Jim Hicks said that he will do that next week, weather permitting. Larry thanked Jim for grading the major collector roads just before Thanksgiving, and said he wanted grading of the collector roads before holidays to be standard practice.

Cathy Glatthar explained that she contacted the Assessor's Office and they supplied us with maps (aerial and street) which show the residences on each roadway within the District's boundaries. Larry thanked Cathy for obtaining the maps and asked if she could request the maps in digital format? Mitch Gerlinger added either CAD or Arc GIS and have them sent to his work email. Larry said there were two things he wanted to do with the maps: 1) he wanted the maps to delineate sections of roads we have accepted for maintenance, and show level of maintenance in different colors, and 2) count how many residences are served per road.

b. Operations Manager's Report: Jim Hicks reported the repair work on upper Axe Handle was done, they hauled the grindings, new tires were put on the grader, and an injection computer and a spray pump were installed on the International water truck.

Larry suggested that Jim put some grindings down at the entrances to Ironwood and Whiskey Springs. Jim said they have done that in the past, but they don't stay very long because they don't have a way to lock them in place. Jim said he thought putting patching material in those areas would last longer, or using a rejuvenator.
6. **Judicial/Government Affairs:** Louie Test reported the legislature will meet soon and if the GID has any BDR's [Bill Draft Requests] they want submitted they have to be in by December 10th and will have to be sponsored by a legislator. He said Pete Goicoechea has four bills he can submit. Louie said we should watch and see if there is anything that would affect the GID. Peter Schmalzer asked Louie to watch out for any legislation regarding the vehicle-miles-travelled gas tax.

7. **Old Business – Updates:**
   a. **Wayside Yard Special Use Permit (SUP):** Larry Johnson will contact Aspen Landscaping about scheduling the hydroseeding. Cathy Glatthar suggested the Ironwood hydroseeding be done at the same time. Jim Hicks said the inspections will be called for soon. Cathy mentioned the code violation extension expires on at the end of the year. Cathy also mentioned there are good sized boulders along Red Corral Trail that they could use in the landscaping.
   b. **Ironwood Water Truck Fill Station:** Larry Johnson said he will work on getting the building permit application submitted, as there is a completion deadline of March 31, 2013. Larry will work with the new Fire Chief as to their requirements for the truck fill. Jim Hicks said he will wait until after the construction is done before spreading the asphalt grindings on the drive areas.
      Cathy Glatthar stated for the record that the cooperative agreement between the GID and Truckee Meadows Fire [Protection District] (TMFPD) was approved by the Fire Commission. The TMFPD will reimburse the GID up to $30,000 for the development of the site. She asked that a thorough record be kept of all bills associated with the completion of the site.
      Cathy also mentioned the fencing was paid for, but not completed because of the zoning issue. She agreed to call Lance at Artistic Fence and negotiate the completion of the work.
   c. **Discuss Findings on Possible Funding from Gas Taxes:** Cathy Glatthar stated she sent a follow up email to Katy Simon [County Manager], but has not heard back.
   d. **Amendment of Resolution F92-R1:** Larry Johnson postponed this item.
   e. **Amendment of Resolution F93-R1:** Larry Johnson postponed this item.
   f. **Board Member’s Handbook:** Cathy Glatthar handed out an updated list of Resolutions and Resolution F12-R4, the Interlocal Agreement with TMFPD for a Palomino Valley Water Supply. She asked Maureen Sidley to file the extra copy of the resolution with the minutes from last month.

8. **New Business:**
   a. **Review Annual Audit:** Maureen Sidley stated there are some possible changes to the audit, so it will be brought back to the Board at the December 20th meeting. She mentioned she spoke with Tom Gransbery [State Department of Taxation] and we have met the statutory requirements.
   b. **Discuss Possible Participation in the Legislative Memorandum of Understanding (MOU):** Cathy Glatthar explained this is an effort to have affected
entities, such as Washoe County, the Cities of Reno and Sparks, other GIDs, etc. to cooperate on legislation being proposed by any of the entities before the bill draft requests (BDRs) are submitted for consideration by the Legislature. She re-affirmed what Louie Test said earlier that the GID would have to get the County or a legislator to sponsor a BDR on our behalf. She said she learned that participation in the MOU would not cost the GID any money; it would take a Board member’s time to attend the various meetings. Larry Johnson asked if any other GIDs were participating? Cathy said Incline Village, Sun Valley, and South Truckee Meadows GIDs were participating; but Gerlach GID was not. Peter Schmalzer said he would be interested in sitting in on a few meetings and seeing how the process works. Mitch Gerlinger said he might go also. Peter Schmalzer made a motion to participate in the MOU. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed. Cathy told Larry she would get a signature page to him that he will need to sign and return to [the Truckee Meadows Regional Planning Agency].

c. **Discuss Way to Inform New Property Owners About the PVGID**: Larry Johnson mentioned the Board of Realtors. Cathy Glatthar suggested going through the Treasurer’s Office and having a notice included with the tax bills. Cathy mentioned that we might get the support of our County Commissioner, Bonnie Weber, because she is trying to find ways to communicate with her constituents, because the County may be eliminating the Citizen Advisory Boards. Larry said that would be after someone has purchased property in the District, and he wants buyers to be aware of the GID before they purchase. He said he didn’t know if the Board of Realtors would distribute material or if it would be effective. Larry said he wanted buyers to be informed and not have unreasonable expectations about the GID and the roads. Dennis Magers mentioned going through the Recorder’s Office and when a title search is conducted, the information would be part of the record. Peter Schmalzer reiterated his comments about signage that would state something to the effect of “minimal road maintenance beyond this point” and such signs would be seen by potential buyers. George Boyce suggested posting signs with the GID’s website address below the speed limit signs at the major entrances to the Valley. Larry requested that more thought be given to the matter.

9. **Calendar Review**: Cathy Glatthar reviewed the list of "Important Dates":

- Cathy asked Maureen Sidley if she had an update on the water rights? Maureen said she contacted Debbie Maurer at Tri State and the extensions have been filed.
- Cathy asked if the Board would be petitioning the Department of Taxation to revise the population estimate? The answer was, "no."
- Cathy asked Maureen if she received anything from the Debt Management Committee? Maureen said she did and wanted to know if she was to send a response stating the GID would not be participating? The answer was, "yes."

10. **Correspondence**:

- Maureen Sidley reported receiving an informational packet from PERS for Jim Hicks.

11. **Public Comment (limited to three minutes per speaker)**:

Larry Johnson asked if there were any public comments? Hearing no requests, he moved to the next agenda item.
12. **Board Member and Staff Items:**

- Maureen Sidley said she spoke with Debbie [Maurer] of Tri State and learned that Ron Olson is interested in buying water rights, and he is offering $3,000 [per acre foot]. Maureen asked for this to be on the next agenda, and handed out a report showing prior years' usage. Peter Schmalzer asked Maureen to supply the Board with more water usage data before the next meeting.

- Cathy Glatthar stated she sent the letter regarding the Equine Development Code Amendment. She said she spoke with Karen Kremers who handles business licenses and special event permits, and was told the GID is on the list of reviewing agencies.

13. **Adjournment:** Dennis Goodsell made a motion to adjourn the meeting. Dennis Magers seconded the motion. Hearing no opposition, the meeting adjourned at 7:29 p.m.
Dennis Goodsell called the regular meeting of the Palomino Valley General Improvement District (PVGID or GID) to order at 5:48 p.m. Thursday, December 20, 2012 at 21555 Pyramid Highway, Reno, Nevada.

1. **Roll Call:** Present were Mitch Gerlinger, Peter Schmalzer, and Dennis Goodsell. Absent were Larry Johnson and Dennis Magers. Also present were Jim Hicks, Operations Manager; Mauree Sidley, Assistant to the Secretary; and Cathy Glatthar, Assistant to the Board.

2. **Public Comment (limited to three minutes per speaker):**

   **George Boyce** asked if anyone spoke with the School District about the school bus drivers driving on the edge of the chip seal?

   Peter Schmalzer explained that Larry Johnson was going to look into the matter and he is not here tonight, so we don't know the status.

   **Mr. Boyce** added that the bus drivers are parking by the speed limit sign waiting until it's time to pick up the children. He said they should be waiting at the chain up area instead.

   Dennis Goodsell asked if there were any further public comments? Hearing no requests, he moved to the next agenda item.

3. **Approval of Minutes – November 29, 2012:** Peter Schmalzer made a motion to accept the minutes as written, and Mitch Gerlinger seconded the motion. Hearing no opposition, the motion passed.

4. **Financial Reports and Payment of Bills:** Peter Schmalzer made a motion to pay the bills. Mitch Gerlinger seconded the motion, and hearing no opposition, the motion passed.

5. **Action Reports:**

   a. **Road Committee - Road Repairs and Maintenance:**

      Peter Schmalzer explained there are a few pot holes in the chip seal which the crew will be handling. Jim Hicks said they will try to get to the patching after the first of the year. Peter mentioned they will have to use cold patch for now and when the weather warms up they can chip seal the holes. Jim said they are waiting for the materials. Mitch Gerlinger offered to help with the patching.

   b. **Operations Manager's Report:** Jim Hicks reported all the requested work has been completed, including the widening of Chieftan Road. Cathy Glatthar asked about the deep channel on Wilcox Ranch just past the “ox bow” heading southeast. Jim said they had filled it in. Cathy said the second rain storm washed it back out again. Dennis Goodsell mentioned there were some areas on Ironwood that needed to be filled in. Jim said Ironwood and Wilcox are on hold because of the weather. Treated roads will become extremely slimy if they are graded and then it snows or rains.
Jim reviewed a list of equipment and vehicle repairs that are needed: the backhoe boom cylinder has to be rebuilt; the loader bucket cylinder has to be rebuilt and the injection pump is leaking and it appears that the front seal on the transmission is leaking; the Chevy dump truck has a bad injector; the flatbed truck has no brakes and the carburetor needs to be rebuilt; the International water truck has a problem with the air brakes; and the International dump truck needs a new clutch. Dennis G. asked Jim if he had an idea of how much it would cost to do the repairs? Jim estimated somewhere between $15,000 and $20,000.

6. **Judicial/Government Affairs:** Louie Test was not present.

7. **Old Business – Updates:**
   a. **Wayside Yard Special Use Permit (SUP):** Jim Hicks reported the inspections by the building department were done and everything passed. He explained that the fire department must do their inspection before the certificate of completion is issued. Jim continued and explained the rocks and talus are in place and hydroseeding is scheduled for December 27th. Cathy Glatthar said she would inform the code enforcement officer of the status because the extension expires on December 31st.
   
   b. **Ironwood Water Truck Fill Station:** Peter Schmalzer mentioned that Larry Johnson was hoping to get the building permit application submitted by the end of the week. Peter said he will contact Larry, and submit the application if Larry can't.
   
   Jim Hicks mentioned the landscaping crew was out today doing weed removal. He said the rocks are in place on the berms, and they are just waiting for the hydroseeding to be done.
   
   Cathy Glatthar reported that she contacted Lance at Artistic Fence and received a proposal for $520 to complete the fence (adding the barbed wire and brackets at the top of the fence). Mitch Gerlinger made a motion to approve spending $520 to complete the fence. Peter Schmalzer seconded the motion, and hearing no opposition, the motion passed. Dennis Goodsell signed the proposal and Cathy said she would email it to Artistic Fence and they will contact Jim to schedule the work.
   
   c. **Review and Approval of Annual Audit:** Maureen Sidley explained that the audit is being completed; that the fund balance will not change, so the audit can be approved based on the draft the Board received in November. There was some discussion about the changes that were being made to the draft. The Board decided they did not want to approve the draft version. Maureen said she would contact Tom Gransbery at the Department of Taxation and ask if we can submit the draft by December 31st, but not approve the final audit until the January meeting. A special or emergency meeting may have to be held if the final audit has to be approved and submitted by December 31st.
   
   d. **Discuss Findings on Possible Funding from Gas Taxes:** Cathy Glatthar stated she has not heard anything [from Katy Simon].
   
   e. **Discuss Way to Inform New Property Owners About the PVGID:** Peter Schmalzer asked that this item be removed from the agenda.
   
   f. **Amendment of Resolution F92-R1: Policy and Procedure for Driveway and Private Road Access to GID Roadway Easements:** Larry Johnson was not present.
g. Amendment of Resolution F93-R1: Procedure for Accepting Roads for Maintenance and Road Standards: Larry Johnson was not present.

h. Board Member’s Handbook: Cathy Glatthar said she had nothing this month.

8. New Business:

a. Discuss Signage: Jim Hicks reported the cost of a sign and installation is approximately $100; which includes the cost of the sign, post, fittings, concrete, etc. There was some discussion as to how many signs would be needed. The conclusion was that two signs are needed for blind curves and other such hazards, but only one sign is needed to mark end of PVGID maintenance or not maintained by PVGID.

b. Discuss Water Usage and Water Rights: Maureen Sidley suggested putting some of the water rights up for sale at an inflated rate and if someone wants to pay the price, why not sell? There was some discussion and questions were asked about whether the water rights would have to be auctioned, or if we can lease the water rights. Maureen said she would have to look at the NRS statutes.

c. Proposed Consolidated Tax (CTX) Legislation: Cathy Glatthar explained that she saw an item on the Board of County Commissioner’s December 11th agenda about support for some Consolidated Tax (CTX) legislation. She said she researched the matter and learned there was a working group who proposed a change to the CTX distribution formula. Cathy said she contacted Tom Gransbery at the Department of Taxation, and he said the proposed formula will not materially affect revenues for any of the entities, and it should stabilize the distributions. Mr. Gransbery also said the PVGID’s agreement with Truckee Meadows Fire Protection District established an alternative formula for calculating the CTX distributions. Cathy reiterated that the bottom line is the proposed change in the formula will not materially affect the GID’s CTX distributions.

d. Employee Bonuses: Maureen Sidley explained that in the past the President of the Board has handled the issuance of employee bonuses, but Larry Johnson requested the item be agendized and voted on by the Board. Maureen said in the past $500 was given to Jim and $300 to Dan. Mitch made a motion to give those same bonuses this year. Peter Schmalzer seconded the motion, and hearing no opposition, the motion passed.

9. Calendar Review: Cathy Glatthar reviewed the list of "Important Dates":

- Cathy stated the newly elected Board members will have a swearing in ceremony in early January, where they will sign their oath of office. She said they should receive a notice.

- Cathy reminded the Board that their Trustee filings are due by January 15th. She said the newly elected Trustees will need to file the Acknowledgment of Ethical Standards (AES) by the 15th. She said all the information on the filings is in their Board Member’s Handbook.

- Cathy asked Maureen if she received anything from the Debt Management Committee about voting? Maureen said she did and she replied that the PVGID would not be participating.

- Cathy mentioned that at the January meeting, the Board will be electing officers.

10. Correspondence: None
11. **Public Comment (limited to three minutes per speaker):**

George Boyce asked if the Board was going to put signs up, and if so, would they be putting the contract out for bid?

Peter Schmalzer said they were still discussing signs and where they would be needed. He said that the amount will not require bids. Mitch Gerlinger asked Mr. Boyce if there was someone he wanted the GID to get a quote from? Mr. Boyce said his son owns a sign shop. Jim Hicks has the information and will get a quote from Mr. Boyce's son.

Dennis Goodsell asked if there were any more public comments? Hearing no requests, he moved to the next agenda item.

12. **Board Member and Staff Items:**

- Peter Schmalzer asked Cathy Glatthar if she had heard anything regarding the Legislative MOU? Cathy said she informed the coordinator that the GID had one or two Trustees interested in attending the meetings, but she had not heard back yet, which may be due to the fact that some of the entities have not signed the MOU yet. She said the Board of County Commissioners were waiting until their first meeting in January when the newly elected Commissioners were seated.

13. **Adjournment:** Peter Schmalzer made a motion to adjourn the meeting. Mitch Gerlinger seconded the motion. Hearing no opposition, the meeting adjourned at 6:58 p.m.