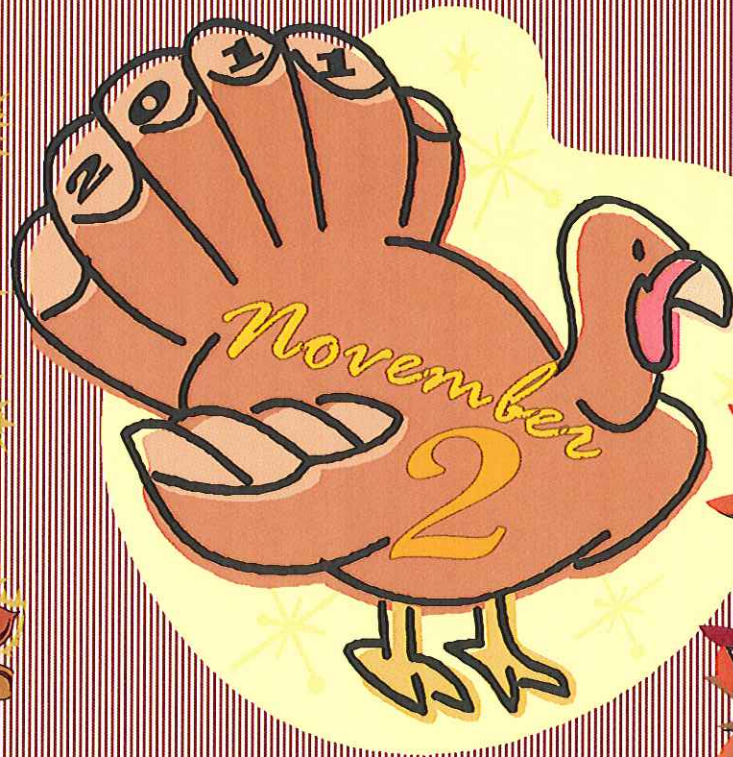




Town of Minden

BOARD
MEETING





The Minden Town Board meeting will be held at 5:30 p.m. on Wednesday, November 2, 2011, at 1602 Esmeralda Avenue, Minden, Nevada.

NOTICE: NRS 237: The Minden Town Board has adopted a Standard Policy No. 7, which contains a motion regarding Business Impact Statements. When the Town Board approves its agenda, it also approves a motion which includes ratification of staff action taken pursuant to NRS 237.030 et seq. with respect to items on the Board's agenda. This includes, without limitation, the conclusion that each rule, ordinance, or regulation which is on the Board's agenda is without direct and significant economic burden on a business or direct restriction on the formation, operation, or expansion of a business; and that each rule, ordinance, or regulation which is on the Board's agenda for which a BIS has *not* been prepared does not impose a direct and significant economic impact on a business or a direct restriction on the formation, operation, or expansion of a business.

NOTICE: to persons with disabilities: Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Please contact the Minden Town Office in writing at 1604 Esmeralda Avenue in Minden, Nevada or call 775-782-5976 in advance of the meeting, preferably at least 24 hours prior to the meeting, so that the arrangements may be conveniently made.

NOTICE: Items on the Agenda may be taken out of order. The Minden Town Board may combine two or more agenda items for consideration. The Minden Town Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Copies of this notice and agenda have been posted on or before 9:00 a.m. on the third working day before the meeting at the following locations: Minden Administration Office, Minden Post Office, Douglas County Administrative Building, and CVIC Hall bulletin board.

5:30 P.M. CALL MEETING TO ORDER.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

APPROVAL OF MINUTES: October 5, 2011 Board Meeting

ACKNOWLEDGEMENT OF GIFTS

ACKNOWLEDGEMENT OF SERVICE AWARDS:

PUBLIC COMMENT: Discussion may be limited to three minutes per person at the discretion of the Chair. No action may be taken on a matter raised under this portion of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.

STAFF REPORTS: Items on the Administrative Agenda will not be discussed during staff reports.

1. Public Works: Monthly report of activities by Public Works staff.
2. Engineering Report: Discussion may include streets, sidewalks, drainage, water issues and related items.
3. Attorney Report: Discussion may include factual and legal aspects of the performance by the Town and its advisory board of functions granted to the Town under provision of Chapter 269 of the Nevada Revised Statutes, the Douglas County Code, the Town ordinances and policies. These items include, without limitation, streets, sidewalks, drainage, water rights, water distribution rates, and Chapter 237 of NRS. This item may include a report on the status of the Ninth Judicial District Court Order affirming Nevada State Engineer Ruling 5791 entered February 24, 2010.
4. Board member reports:
 - Board member comments
 - Chairman's report

CONSENT CALENDAR FOR POSSIBLE ACTION

Items may be moved to or from the Consent Agenda at the beginning of the Board meeting during the Approval of the Agenda item, by a Town Board member or member of the public. Items on the Consent Agenda may be voted on in a block, i.e., with one motion on all those items, one second to the motion, and one vote by the Board members. Items removed from the Consent Agenda will be heard immediately following the Consent agenda in the same order set forth in the Consent Agenda.

Minden Town Board Agenda
November 2, 2011
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1. For possible action. Discussion and possible action regarding approval of the August/September 2011 claims
2. For possible action. Discussion and possible action regarding approval of a budget transfer within Minden Capital Equipment/Construction Fund.

ADMINISTRATIVE AGENDA: The following item(s) are scheduled for public hearing. At the beginning of each item, the Chairman will read the Agenda item into the public record. Next, Town staff will present a summary of the staff report and recommendation, including any updated information that was received after the date staff reports were distributed. The Board will follow with questions of staff, and then the Chairman will open the hearing to public comment including testimony. Normally, the applicant and/or their representatives are permitted to speak first, followed by Board questions, and then the Chairman will allow comments and questions from the public at large. For items on which action is taken, the Chairman will close the hearing of public comments before a motion is made and a vote is taken. The Chairman has the right to establish reasonable time limits for comments and allow for rebuttal comments.

6:30 p.m.

1. Presentation only: Q& D Construction Company Inc. will present a summary of the Buckeye Maintenance Facility project. This facility will be referred to as the Town of Minden Public Works Yard.
2. For possible action: Discussion and possible action regarding the approval, approval with conditions, or denial of a request for the zone change for the Booster Station parcel. Appearance by Bruce Scott
3. For possible action: Discussion and possible action regarding the approval, approval with conditions, or denial of a request to authorize water system telemetry upgrades per the proposal from Sierra Controls dated August 3rd, 2011 in the amount of \$165,755. Appearance by Bruce Scott.
4. For possible action: Discussion and possible action regarding the approval, approval with conditions, or denial of a request to move forward with the Well 7 project. Appearance by Bruce Scott
5. For possible action: Discussion and possible action regarding the selection of a Minden Town Manager. This will include having each of the top five candidates appear before the Town Board to present why they should be chosen as the next Town Manager. Each candidate may not exceed 15 minutes for their presentation. After the presentations, the Board will have discussion. Public comment will then be taken, followed by a vote of the Town Board.
6. **ADJOURNMENT**



The Minden Town Board meeting was held on Wednesday, October 5, 2011, at 1602 Esmeralda Avenue, Minden, Nevada.

5:30 P.M. CALL MEETING TO ORDER BY CHAIRMAN JOHN STEPHANS.

Board Members present: Matt Bernard, Charlie Condron, Roxanne Stangle, John Stephans, and Steve Thaler.

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

The Pledge of Allegiance was led by Steve Thaler.

Condron/Stangle moved for the approval of the agenda as published. Motion carried unanimously.

Bernard/Thaler moved for the approval of the minutes of the September 7, 2011 Board Meeting. Motion carried unanimously.

Acknowledgement of gifts: None

Acknowledgement of service awards: None

PUBLIC COMMENT

John Garvin expressed concern about the Lucerne pipeline project. He noted that the property owners affected had been assured that fencing would be replaced if necessary. He asked for the Town to also consider replacing the retaining wall that he had installed in the easement. Mr. Scott said that we need the whole 20 feet for purposes of construction; we are not sure how much damage will take place in the area. Mr. Stephans said that we could put this on the agenda for November.

Mr. McMillan said that it was a very nice event on Saturday celebrating the 150th anniversary of Douglas County, even though some felt that the attendance could have been better. It is too bad we can't have something like that more often. He thanked the Town for their contribution to the event. He also stated his opinion against hiring anyone for the manager's position who is retired from a public position and already collecting a pension. He believes it is not against the law and should not be, but it seems like greed and shows no responsibility to contributing to society and the community.

STAFF REPORTS

1. Public Works: Monthly report of activities by Greg Hill.

Mr. Hill stated that he has a very limited oral report this month, as he has been on vacation; Mr. Concannon had submitted the written report for the packet. The certificate of occupancy for the Buckeye Maintenance Facility was received on Monday, October 3rd and the move-in process is under way. Frontier Communications will be installing the phone equipment on October 10th.

2. Engineering Report by Bruce Scott.

Mr. Scott had a meeting with the representatives of the Gateway Center this afternoon. The Maverik escrow will close mid to late November. They spoke about participating with the cost share for the NDOT entrance project and getting some of their adjacent work rough graded so the pieces will fit. The rep will take this back to the purchasers; there seems to be a real desire to work with the Town and Mr. Scott. He is hopeful to get a portion of the grant match from them. Also, a key to a padlock for access will be brought to the Town office, and staff is asked to let Mr. Scott know when it gets there so the surveyors can use it. There will be an updated rendering of the project in the next couple weeks for the Board to see.

The accumulated pass through billings for the Booster pump and Douglas County water rights were sent out last week.

Staff is working with the Mahogany Court Apartments concerning the water odor issue. We are hopeful to get the tests back by Monday and that the tests will verify this is an on-site issue. They have had a number of complaints regarding the smell of hydrogen sulfide.

Indian Hills is now taking Minden water. The demand for water will be going down for the winter; April of 2013 is the anticipated time for Carson City to come on line.

Buckeye Booster Pump Station pre-construction conference was held Tuesday.

The Lucerne waterline will probably start in late November or early December. Burdick plans to have a crew at each end of the line, with an anticipated four month duration window.

Water right filings are being published and there will be public hearings related to these. We had our normal extensions of time on Town water rights as well as those that Carson City purchased.

A letter was sent supporting a high tech facility by Edgewood in the neighborhood of the Science Park, indicating that the Town is prepared to provide service and support this for economic development.

We have not yet finalized the process with the purchase of the Bently property, but this does not hold up the installation of the water line. We are dealing with an easement issue along the Pole Line Ditch on the west side of Winhaven to Heybourne Road. The easement is owned by Bently and coming with the purchase of the property. We are going through with the zone change which should be finalized in the first week of December; this was not anticipated originally and staff assures that it will move forward as a priority with the County. Easements are in place everywhere else.

3. Attorney Report by George Keele

Mr. Keele visited with the proprietors of Designing With Nature dealing with parking the heavy equipment in the residential area around 6th Street and Esmeralda. They expressed a desire to work with the Town concerning long term parking of large vehicles and equipment, and they will be happy to visit with the Town about this to satisfy the Town's concerns and will try to park heavy equipment as little as possible for no longer than an hour or so. Mr. Stephans thanked Mr. Keele and wondered if they might be interested in renting our old facility. Roxanne said that Designing With Nature has been trying very hard to cooperate.

Mr. Keele will no longer be on the Commission on Ethics.

He noted that Mr. Myler who sat in for him at the last meeting disqualified himself from the parking issue. He agreed that disclosure was appropriate but respectfully disagreed with his abstention, believing that there was not a conflict. Mr. Keele proceeded to give a training session on disclosure and disqualification for the Board Members, and passed out an ethics training sheet that is attached to the official record of the minutes. This will be certified by Mr. Keele as ethics training.

CONSENT CALENDAR FOR POSSIBLE ACTION

Condron/Stangle moved to approve the August/September 2011 claims. Motion approved unanimously.

ADMINISTRATIVE AGENDA

1. Not for possible action: Discussion of financial/accounting needs of the Town of Minden with Anne Henderson, Accountant Senior for Douglas County.

Ms. Henderson introduced herself and noted that she has been with the County for 22 years.

Ms. Henderson noted that she had commented on a number of occasions that the Town could use financial expertise on staff, someone on-site who is involved in all the issues at the planning stage, not just after the fact. Minden's issues have become increasingly more complicated now that Minden is a water provider not only for Minden residents, but also for Douglas County and Indian Hills, and will soon be for Carson City as well.

Minden's six funds are divided between three governmental-type funds, and three business-type funds, or enterprise funds. These different types of funds use different methods of accounting. The water and trash services are accounted for in Enterprise Funds, which require the use of full-accrual accounting. This means that preparing Enterprise fund budgets and managing Enterprise funds is more involved than the other type of funds. When you're dealing with enterprise funds, you don't just prepare a budget and call it good. You need someone with a good understanding of accounting and budgeting for enterprise funds, because you need to be sure that costs are adequately classified and recorded as these become the basis for rate setting. Preferably, you also need someone with water system experience and the process of rate setting.

She noted that she was very glad to see that the search for a Town Manager recognizes the importance of a strong financial background as well as a water background. These are critical areas, and she firmly believes that it will take a strong financial background to adequately handle the issues of the Town of Minden. She also said that you may wish to give consideration to an accounting position as well.

Discussion ensued pertaining to establishment of rates and reserves. Ms. Henderson said that there are not set guidelines for reserve policies, but there is a need to set a formal policy.

Ms. Henderson said that Minden's water agreements define the reserves and set-asides, and as we go forward we need to refine and define these. Mr. Stephans wanted to be sure that it was understood that the agreements define that the dollars are to be used specifically for those accounts.

Mr. Condron asked if it is appropriate to use some of those funds to repay money that we might have to borrow from our existing reserves to finish some capital improvements. Ms. Henderson said it is fairly limited in how to do that and there are rules to follow. You can do interfund loans that can be repaid. There is no issue in transferring from

wholesale reserves to retail reserves.

Mr. Thaler expressed concern about the legislation addressing transfers from enterprise funds to general funds, as we do from trash to general for the streets. Our concern is that we need to develop policy because of the change in the two water funds.

Ms. Henderson said that her understanding about the new legislation is that there will no longer be an allowance to transfer from enterprise funds to general, as we have done for many years. If it is currently being done, this will be phased out.

Mr. Scott asked if there is anything that can be shared that the County has for reserve policy. Ms. Henderson said that there are different policies and it depends on the system. She said there is a lot of guidance out there to set these policies.

Mr. Bernard asked how much time she thinks we need to dedicate for an employee's time for accounting purposes. Ms. Henderson answered part time or more initially; this depends on the financial expertise of the new manager and the use of the existing staff.

Mr. Stephans would like to know what we can do to improve our operations in relation to the County. She said that it would definitely help to have an accounting position on the Town staff.

Mr. Bernard asked how much the County does right now and whether or not going forward Ms. Henderson will be able to do this. Mr. Stephans said it is a matter of the Town taking the initiative to be able to do it ourselves. The County has no extra time and we should be able to be in charge with a cooperative effort. Ms. Henderson said that it would be a great benefit to have someone on the staff; and a lot may depend on what skills the manager brings in. She will remain as County support for the Town but it is more difficult to stay on top of this now, especially with the more complex water situation and cutbacks at the County level.

Mr. Thaler said he believes it is our responsibility to take the initiative, as this is only going to take more of Anne's time. He does not believe that the manager should be spending all of his time on finances. He thinks the County should be the double check of what we do, and we are moving to that next level of complexity.

Mr. Scott said that it is handy to have that internal position, as a liaison and a check and balance. Most of the smaller entities he knows of have a financial manager in house who is not the manager.

Ms Stangle said she thinks that we need to have a dedicated finance person, as it is really hard to expect a Town manager to do all the things we expect of a manager and this as well.

Mr. Condrion said that this should be put on the agenda soon, as we need to address this.

Mr. Stephans said that this has opened up our eyes it is an opportune time to think about what we really need. He thanked Ms. Henderson for all the work that she does for the Town.

2. For possible action: Discussion to approve, approve with conditions or deny a request to approve the budget for the Christmas Kickoff weekend in an amount not to exceed \$2,500. Appearance by Matt Bernard.

Mr. Bernard says that all is going well with the planning and there is a lot of participation. We are fortunate that we need to purchase less this year.

Mr. Thaler would like to make sure that we have enough candy for the Parade of Lights. It has been said that there will be no throwing candy from the floats allowed this year.

Thaler/Condrion moved to approve the budget for the Christmas Kickoff weekend in an amount not to exceed \$2,500. Motion carried unanimously.

3. Not for possible action: Presentation by Town Engineer, Bruce Scott, and discussion by Town Board concerning water system capital improvement projects and consideration of capital reserves for Fiscal Years 2011-12 and 2012-13.

Bruce Scott referred to the narrative in the packet. He had figures from Douglas County concerning the budget as the starting point to review the capital reserve information. As of September 26, based on the current approved agreements and the incurred expenses, the projection is a capital reserve balance of \$3,635,000 at the end of fiscal year 2012. This does not include any obligations not set yet. There will be some further expenses going out as well as some reimbursement coming back in.

The RCI documents take the projected reserve, gives projected costs that will be incurred from current projects, shows the projected reimbursements, and shows priority recommendations for possible capital improvements. With the exception of the telemetry system which should be around \$165,000, the figures used erred on the high side.

The telemetry system was put as the top priority with Well 7 second, to be on line for summer of 2012. Well 7 is a good producing well that Bently drilled. We don't anticipate a major housing system but some minor changes to the

existing booster pump station. Mr. Scott also recommended getting the Buckeye well on line by April 2012 when Carson City comes on line so we are able to meet peak demands. Until there is a larger waterline connection, that will not be Minden's responsibility; our 24-inch line is very undersized for serving the Valley, and we have distribution issues. There is an existing well site for the Ranch at Gardnerville which we will not be able to develop until that subdivision moves forward. This represents the bulk of short term capital needs. Mr. Scott encouraged the Board to consider getting the two wells on line by spring of 2013.

Mr. Stephans thanked Mr. Scott and said that ultimately what we need to do is develop what we want in reserves. He reminded all present that we have never considered in our revenue stream the selling of water and hook up fees. We are going to have to pass 12,000 gallons of water through our pipes in peak periods; right now we do not have the capability of doing that because of the restriction of the size of pipe. We must keep in mind what we want to do with capital improvements, as well as litigation expenses which come out of the reserves.

Mr. Condran said this is very good information; timelines would be very helpful to determine a date when we have to make these commitments. Also, we need to work on policy in respect to reserves and we need to do this quickly.

Mr. Thaler agreed that we need to create a policy. He feels that what we need in reserves is more like 4.5 million. We have expanded our liability and we need to be cognizant of that, looking at the long term. Reserves are used for future capital projects as well as emergencies if things fail. The first step is creating a policy on good reserves for water and trash and this will help set the rates. He feels that the new manager should have this as a priority, and he encouraged the chairman to set time aside at the next meeting to make this reserve policy.

Mr. Scott said that the history of reserves was not by design, but by what we sold. Now is not the time to have the luxury to set the reserve we would really like to have unless we can fund some of these projects; we do not want to overstress our system and be too close to the edge without enough capacity.

Mr. Thaler said the only mechanism to build up reserves will be the sale of water, and we will not be getting rich with this.

Mr. Scott said this is the only way of building the reserves enough to fund depreciation to replace a well. Long term, the water rates will allow us to sustain the level we reach when we get to balance. He believes that long term the concept of having multi million dollars in reserve will be a target; and the money should be put back into the infrastructure with a comfortable but not huge reserve.

Mr. Thaler does not mind aiming for that target in order to have a large reserve to work with; the reserves becomes a major priority in order to be prepared.

Mr. Scott said his emphasis is more related to the protection of water rights from the outside.

Mr. Keele said that Minden's redundancy is in effect a reserve in the ground, but you can keep cash reserves at the same time.

Mr. Thaler said we must not forget the reserves for the retail water system which needs to be repaid.

Mr. Stephans said that most of the infrastructure in the ground right now is new; there would not be enough in reserves to repair for a major disaster. If we had to replace the alley waterlines it would cost half a million dollars at the most. If you look at the Heybourne water line reimbursement it was reserve money that put in the initial water line, funded by the residents of Minden and those dollars should go back to retail reserves. We have made commitments and do not want to put ourselves behind the power curve. What do we really need for the entire water reserve? We have litigation, old pipe in the alleyways and a commitment to pump water north. If Douglas County wants us to pump more, the Town should not be the bank for the construction of the infrastructure. There are some items on Mr. Scott's list that we really need to look at and do, and we can decide this at a workshop or meeting.

Mr. Keele suggested hiring a utility rate design expert. Mr. Stephans said that he will close with Mr. Keele later on this concept.

Mr. Bernard thanked Mr. Scott for his input and mentioned that he now has a much better comfort level. He is still not sure about the revenue side to adjust the rate design, which will allow us to pay back to the retail fund.

Public comment:

Bob Pohlman: Douglas County will have to have pipe in the ground by 2015 to go to the fairgrounds; County Engineer Cathe Poole said that she thought the ball was in Minden's court to negotiate a contract and provide the water. Also, he really thinks the Town Board should have a member on the Subconservancy Board. He was told that Carson City would need more acre feet in 8 years. He also questioned from Minden's economic standpoint whether the line be down HWY 395 or East Valley Road.

Robert McMillan: Carson City will be online in 2013. When a rock is thrown into a still lake, we have ripples and that is how our water system is working. We have commitments and basically the reserve funds have nothing to do

with them. We have made obligations and we also have obligations to make sure the water is safe. We should make the people that want this water pay for the improvements

Lee Bonner: He is encouraged by the conversation; the County will be looking at water issues tomorrow, and in the future Douglas County and Minden will work together in a lot of ways. He commends Minden for how we have done things.

Mr. Scott said that we do provide the ability to hook up to our system if the domestic wells are affected. Also, the reserves that we are utilizing are mostly from water rights sales and hook up fees, which the Minden residents do not generate. The agreements address water treatment; if we have to treat in the future, there is a component in the rate structure that is put aside in a "lock box" that all parties have concurred on.

Mr. Stephans questioned how to handle this and the logic to back the action. We have made a commitment and need to perform accordingly; he believes that we should fund the first two priorities on Mr. Scott's list.

Mr. Thaler said we need to get the reserve policy in place by the end of the year, as January starts the budgeting process.

Mr. Condron agreed about having a policy in place, and sees the value in the design of the reserve policy and rate structure. He encouraged a timeline to show when we need to make the decisions for funding projects.

Mr. Scott said that he would be comfortable asking the Board for formal approval of the expenditures after the water rights transfer is through the protest period. He would like to ask for approval of the telemetry at the next meeting, as he would like the telemetry to be on line by next summer.

Mr. Scott encouraged all to think about whether we need a special meeting.

4. For possible action: Discussion and possible action to approve, approve with conditions, continue, or deny Resolution #2011R-081 to augment the 2011/2012 budget.

Condron/Stangle moved to approve Resolution#2011R-081 to augment the 2011/2012 budget. Motion carried unanimously.

4. Board reports

Board member comments:

Mr. Thaler thanked Mr. McMillan for the positive comments on the Douglas County anniversary celebration. The compliments he received had a lot to do with being in Minden, and he felt that it went off without a glitch. He noted that Mr. Condron will be replacing him as the Town liaison for the Arts Council.

Mr. Condron said that the Chapter 13 second meeting was held; they will polish this before they bring it back to Board, after they get a draft from Douglas County.

Ms. Stangle said that Haunted Minden will be held on October 21st. The Town will be participating in Safety Street from 3:00 p.m. to 8:00 p.m. She encouraged participation from the Board, hoping for a one hour commitment from each member.

Board chairman comments

Mr. Stephans thanked the Board, Mr. Keele, and Mr. Scott for their contributions and efforts. He also thanked the public; he appreciates their input and asked them to continue to come to meetings and express their viewpoints.

ADJOURNMENT

Condron /Thaler moved to adjourn the meeting at 8:22.p.m. Motion carried unanimously.