



SPRING CREEK ASSOCIATION BOARD OF DIRECTORS REGULAR MEETING MINUTES

Spring Creek Association ("SCA") Board of Directors
Wednesday, September 25, 2024, 5:30 PM, PST
Fairway Community Center Meeting Room
401 Fairway Blvd, Spring Creek, Nevada

The meeting was held in person and telephonically through Zoom.com

PRESENT: Kelly DiLulo (Tract 100), Jody Atkin (Tract 200), Randy Mauldin (Tract 300)

At-Large Members: Molly Popp, Vice Chair Hannum

ABSENT: Chair John Featherston and Jake Reed

CORPORATE OFFICERS PRESENT: SCA President Bahr, SCA Treasurer Austin-Preston

CORPORATE ATTORNEY: Katie McConnell

CALL TO ORDER: Vice Chair Hannum called the meeting to order in person and telephonically at 5:32 PM.

PLEDGE OF ALLEGIANCE.

NOTICE:

1. **Items may be taken out of order**
2. **Two or more items may be combined**
3. **Items may be removed from agenda or delayed at any time**
4. **Restrictions regarding Public Comment:** Pursuant to N.R.S. 241.020(c) (3), this time is devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified to be an action item. Comments during this public comment period are limited to items NOT listed on the agenda and shall be limited to not more than three (3) minutes per person unless the Board of Directors elects to extend the comments for purposes of further discussion. Persons making comment will be asked to begin by stating their name for the record and to spell their last name. The Chair may prohibit comment, if the content of that comment is a topic that is not relevant to, or within the authority of, the Spring Creek Association or if the content is willfully disruptive of the meeting by being irrelevant, repetitious, slanderous, offensive, inflammatory, irrational, or amounting to personal attacks or interfering with the rights of other speakers.

I. COMMENTS BY THE GENERAL PUBLIC

ACTION SHALL NOT BE TAKEN

No action may be taken on a matter raised under this item of the agenda until the matter itself has been included specifically on an agenda as an item upon which action will be taken.

Sharon Labarts, Tract 400, commented on the rezoning applications with the County Planning Commission and commented that a member of the Board was representing the developer. Attorney McConnell clarified that the SCA Board has not taken any action regarding any developments on the Elko Planning Commission agenda and a conflict of action would arise if the Board took action.

Ron Durham commented on his recent water bill being over \$350 and they had used less water this month. A representative from Great Basin Water was present and stated he would assist the property owner.

II. REVIEW, DISCUSSION AND POSSIBLE ACTION TO CONSIDER A REQUEST FROM JODY WITHERS TO DONATE 3 HOURS OF LIGHTS FOR TWO NIGHTS PER WEEK AT THE HORSE PALACE FROM OCTOBER 2024 THROUGH MARCH 2025.

FOR POSSIBLE ACTION

President Bahr introduced the item that Jody Withers was requesting the donation of lights for two nights per week for practices at the Horse Palace.

No public comment was received.

Member Popp moved/Member Atkin seconded to approve the donation of 3 hours of lights for two nights per week at the Horse Palace from October 2024 through March 2025. Motion carried (5-0), Members Featherston and Reed absent.

III. REVIEW, DISCUSSION AND PRESENTATION OF AN ANALYSIS OF SPRING CREEK WATER AND WASTEWATER UTILITIES PROVISION PROVIDED BY HANSFORD ECONOMIC CONSULTING.

NON-ACTION ITEM

President Bahr introduced the item and the presenters for Hansford Economic Consulting, Catherine Hansford and Mark Foree.

The purpose of the water and wastewater analysis was to primarily answer whether it is possible to make the utility systems public assets with public governance and would public ownership benefit SCA owners by reducing their water rates. In addition, the analysis examined the ability to serve projected growth and the effect that water rates might have on property values.

It is understood that Great Basin Water company does not want to sell the water and waste water system. Eminent domain could be pursued, but it would have to be done by Elko County, not SCA. If eminent domain was possible, the likely lender, (SRF program) requires a managerial consolidation for the loan which would require cooperation between Elko County and the City of Elko making SCA not a party to any decision making.

It is estimated that the fair market value of GBW to be at least 27 million dollars, with estimated soft costs and capital improvement costs for the next 3 years included would require a loan of at least 35 million dollars. This would also require a debt services reserve fund of approximately 1.7 million dollars and start up capital of at least 1 million dollars. The customers of the system would be paying the debt services for many years.

The operation costs of the water utility is estimated to decrease about \$500,000 per year under public ownership which is negated by the debt service reserve required as well as the needed start up capital.

Infrastructure needs have been established and approved by the Public Utilities Commission in the amount of \$6.9 million for the next 3 years and it is estimated that the system needs approximately \$2.7 million investment each year for the following 17 years. These improvements would be needed regardless of ownership of the system.

Basin 048 is the designated basin for Spring Creek. The basin is over-appropriated but it is not over pumped. GBW holds sufficient water rights to serve all of SCA as new developments would be required to bring their own water rights.

There would be no significant change to rates over the next 6-10 years expected, with bills in the next 5-6 years expected to be slightly higher under public ownership. With public ownership, there would be better access to grant funding, there would be local control and a potential to use ad valorem revenue, though ad valorem is unlikely due to the tax cap.

The study also provided comparisons for water bills at different use levels for GBW vs a municipal owned system. In most cases, the municipal ownership resulted in higher bills than currently with GBW.

Water bills for Spring Creek customers are considered affordable as measured by State and federal funding programs as the median household income of Spring Creek is 153.5% of the statewide median household income. The monthly water bill is 1.15% of the median household income.

The effect of water bills on property values might be a consideration, but property values are more likely to be affected by regional housing supply, employment/unemployment, wages, and interest rates.

The conclusion of the study was that SCA could petition for a General Improvement District, otherwise, they would have no control in the process. Eminent Domain appears to be difficult and the cost to residents to acquire the systems would be expensive if that were possible. To keep rates as low as possible, it would require a managerial consolidation with the City of Elko and their willingness to enter into agreements with Elko County or a GID. There is a potential for lower rates under public ownership after at least 10 years if there is a potential for grant funds. Due to the high median household income, it is unlikely that grants would be accessible unless part of an economic stimulus such as ARPA.

Public Comment:

Mike Mostrow, Tract 400, commented that he has not seen any improvements and asked whether a GID was formed, wouldn't Elko County run it?

Andrew, Tract 400, commented that funds such as ARPA are not available to SCA, that it would have to be Elko County.

Brandy Scott, Tract 100, commented on the basin not being over pumped, but that it is over encumbered and that she would rather have anyone other than GBW do the management.

President Bahr commented on the proposed new developments and that it was discussed to not have them annex into SCA. There would be a deed restriction required to pay a proportionate amount for the road maintenance and they would be asked to create their own HOA to collect the fees and possibly upgrade the roads.

Brandy Scott, Tract 100, asked where the water comes from for new developments.

Vice Chair Hannum commented that there are no new water rights, new developments must buy and bring water rights that are currently allocated in the basin.

James Eason, GBW President, commented that GBW has over 7000 acre feet of water rights and are currently pumping 2817 acre feet per year (918 million gallons). In comparison, the City of Elko pumped over 2 billion gallons of water last year. He commented on Order 1329 that was issued by the State Water Engineer to make sure that downstream irrigation rights are not impacted.

James Eason also commented on their next rate case and that they would again be asking for a consolidated rate for all of their customers.

Lee Gurr, Tract 100, asked whether the meters are read in Spring Creek. Mr. Eason stated that all of the meters have been replaced with AMR meters that are automatically read.

There was a question from a Facebook user regarding not having enough pressure for fire trucks in the current system. There was general discussion on fire insurance coverage and that Elko County needs to request new ISO readings.

Roy Perry, Tract 100, commented on tankers pulling up to hydrants. Mr. Eason explained that there are hydrant meters and those customers would pay for the water used.

No action was taken.

IV. REVIEW, DISCUSSION AND POSSIBLE ACTION TO APPROVE THE PURCHASE OF ROAD SAND FOR THE WINTER SEASON.

FOR POSSIBLE ACTION

President Bahr introduced the item that staff had requested bids from several local vendors and only received one quote back from Ruby Mountain Rock and Ready Mix. They kept their price the same as last year and included the fee to haul the sand to SCA.

No public comment was received.

Member Atkin moved/Member DiLulo seconded to approve the purchase of road sand for the winter season from Ruby Mountain Rock and Ready Mix for \$31,848. Motion carried (5-0), Member Featherston and Reed absent.

V. COMMITTEE OF ARCHITECTURE

A. COA REPORTS

NON-ACTION ITEM

Secretary Duncan provided background on the COA reports, violations, and revenues.

B. VIOLATIONS – CONSENT AGENDA

Items may be taken individually for consideration or may be taken as a group by the Board of Directors. **FOR POSSIBLE ACTION**

Attorney McConnell provided clarification for the new process for COA violations. We have created a consent agenda and the COA Secretary will identify whether there has been any contact from a property owner. The Board can pull out specific properties after review of their packet for further discussion. The Board can consent to take action together on those other properties that there has been no contact.

- 1. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 134 SPRING CREEK PKWY (106B-001-025) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**
- 2. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 325 OAKMONT DR (402-002-007) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**
- 3. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 370 LAKEPORT DR (106B-004-030) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**
- 4. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 387 EDGEBROOK DR (106B-002-047) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**
- 5. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 393 SMOKEY DR (202-010-003) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**
- 6. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 411 CASTLECREST CT (202-030-027) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**
- 7. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 411 LILY PL (202-004-018) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**
- 8. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 416 LAWNDALDE DR (103-009-006) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**

9. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 417 MERINO DR (202-012-010) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
10. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 438 TIFFANY DR (202-025-060) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
11. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 447 JASPER DR (202-030-009) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
12. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 459 GYPSUM DR (202-021-014) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
13. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 462 LAWDALE DR (103-002-007) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
14. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 467 TIFFANY DR (202-029-006) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
15. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 527 CRIPPLE CREEK DR (402-016-009) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
16. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 533 LAWDALE PL (103-006-087) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
17. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 549 ASHCROFT DR (103-006-014) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.

Secretary Duncan stated that the property has been in violation since August 2023 and the property is making progress with painting the front porch and started the roof and shed repairs. She is requesting they be granted additional time.

No public comment was received.

No action was taken.

18. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 581 PALACE PKWY (402-009-037) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
19. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 589 HAYLAND DR (202-009-044) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
20. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 641 ABARR DR (402-007-018) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
21. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 648 WESTBY DR (202-012-030) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
22. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 684 SPRING CREEK PKWY (106C-005-013) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
23. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 695 SPRING VALLEY PKWY (202-003-062) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
24. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 711 BRONCO DR (403-025-010) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
25. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 720 SPRING VALLEY PKWY (202-009-073) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.
26. REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 751 ALPINE DR (401-011-017) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.

Secretary Duncan stated that the property has been in violation since June 2024. The violations have been resolved and she recommends

dismissing the violations.

No public comment was received.

Member Atkin moved/Member DiLulo seconded to dismiss the violations at 751 Alpine Dr (401-011-017). Motion carried (5-0), Members Featherston and Reed absent.

27. **REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 893 SPRING VALLEY PKWY (202-028-012) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**
28. **REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 893 ZEPHYR DR (401-017-025) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**
29. **REVIEW, DISCUSSION AND POSSIBLE ACTION TO REFER COA VIOLATIONS AT 960 WOLF CREEK CR (402-011-006) TO LEGAL COUNSEL FOR FURTHER ACTION AND OR OTHER ACTION CONSISTENT WITH COA RULES.**

Member DiLulo moved/Member Popp seconded to move the consent agenda forward and refer the COA Violation numbers 1 through 16, 18 through 25, and 27 through 29 to legal counsel for further action and uphold the fine. Motion carried (5-0), Members Featherston and Reed absent.

- VI. APPROVAL OF MINUTES: FOR POSSIBLE ACTION**
- A. August 28, 2024, Regular Meeting Minutes**
Member Popp moved/Member Atkin seconded to approve the August 28, 2024, Regular Meeting Minutes as presented. Motion carried (5-0), Members Featherston and Reed absent.

- VII. ACCEPT AUGUST ASSESSMENT AND LEGAL RECEIVABLE REPORTS. FOR POSSIBLE ACTION**

Treasurer Austin-Preston provided general comment on the report.

Member Popp moved/Member DiLulo seconded to accept the August 2024 Assessment and Legal Receivable reports as presented. Motion carried (5-0), Members Featherston and Reed absent.

- VIII. ACCEPT AUGUST 2024 FINANCIAL REPORTS. FOR POSSIBLE ACTION**
Treasurer Austin-Preston and President Bahr provided general updates.

Member Popp moved/Member Atkin seconded to accept the August 2024 financial reports as presented. Motion carried (5-0), Members Featherston and Reed absent.

- IX. MEETING SCHEDULE NON-ACTION ITEM**

The next Regular Board of Directors meeting is scheduled for Wednesday, October 23 2024, at 5:30pm. The meetings may be held telephonically.

- X. PUBLIC COMMENT** **ACTION SHALL NOT BE TAKEN**
Kenny Kelly, SCI commented that they are not charged by GBW for water breaks for construction.

Member DiLulo commented generally on the amounts of water used by the Golf Course and that the city uses reuse water.

Member Mauldin commented on the water loss in the 200 Tract that has been mentioned previously by GBW.

ADJOURNMENT

The meeting adjourned at 8:24 p.m.