

**CARLIN CITY COUNCIL  
CITY OF CARLIN, STATE OF NEVADA  
SPECIAL SESSION  
CARLIN MUNICIPAL COURT ROOM  
101 SOUTH EIGHTH STREET  
CARLIN, NEVADA**

**October 9, 2019  
6:00 pm**

**Call to Order and Roll Call**

**Mayor Dana Holbrook called the meeting of the Carlin City Council to order at 6:13 p.m.**

**Council Members Present: Mayor Dana Holbrook  
Vice Mayor Lincoln Litchfield  
Councilperson Cameron Kinney**

**Council Members Absent: Councilperson Pam Griswold  
Councilperson Margaret Johnston**

**Staff: Madison Mahon, Carlin City Manager  
LaDawn Lawson, Carlin City Clerk  
Carlos Esparza, Carlin Public Works Director**

**Public: None**

**Pledge of Allegiance**

- 1. Comment by the General Public (Non-Action Item):** Pursuant to NRS 241.020(2)(D)(3)(I & II) this time is devoted to comments by the general public and possible discussion of those comments. No action may be taken upon a matter raised under this item until the matter has been included on a successive agenda pursuant to the required procedures at the discretion of the City in accordance with applicable law and identified as an action item.

**Municipal Code:1-6-11: MANNER OF ADDRESSING BOARD; TIME LIMIT:**

Each person addressing the board shall first give his name and address for the records, and unless further time is granted by the presiding officer, shall limit his address to five (5) minutes. All remarks shall be addressed to the board as a body and not to any member thereof. No person, other than the mayor, the members of the board and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the board, without the permission of the presiding officer. No question shall be asked except through the presiding officer. (Ord. 81, 9-10-1975, eff. 9-17-1975)

**PUBLIC COMMENT MAY BE TAKEN DURING DISCUSSION OF  
INDIVIDUAL AGENDA ITEMS.**

**No Public Comment.**

**2. Training from RCAC Community and Environmental Services (For Possible Action):**

- A) "Council's Responsibility for Water System Sustainability" training and presentation from Bridget Harris, Rural Development Finance Specialist, from RCAC Community and Environmental Services.

Bridget Harris, Rural Development Finance Specialist, from RCAC Community and Environmental Services, opened training with a power point presentation for the Council. She stated this training is on your general responsibilities to the long term sustainability of the water system. She stated the misuse of the water or misappropriation of the water. The job of the council is fiscal budgeting and financial planning. Making sure there are no illegal connections to the water system and no one is stealing water. You should know what you own and how it is being maintained. She asked if the City had a formal budget process for the water through the City's budgeting process and we do. She stated you should understand your expenditures and ask for clarification if needed. She stated you don't micro manage your departments but make sure you are asking the right questions. If something doesn't make sense or you need more clarification ask staff to pull the backup to an item. She asked the Council if they had heard of the duty of loyalty and the duty of care. Your duty is to put the water system needs above your own. The duty to care is that you do care and take an active interest in what you are doing. Take an active interest in the community and what they have to say. Then you must ask yourself if this job is truly a hardship, can you attend all the meetings you need to attend, and can you serve the community, focusing on the end result.

She asked do we have a mission statement and do you know what it says? Your mission statement for your water system should be to provide safe, clean, drinking water. Everything else is focused around that. Summarizing this is to put the puzzle pieces together serve customers, protect public health, and stay in business. Sometimes the customer doesn't think you are doing that because you have to raise rates, or shutting them off their water when they are wasting water. They don't think this is in their best interest but it is.

I am a finance specialist, so when it comes to money I like to break it down into three categories plan, monitor, and correct. So it is simple when you plan you setup a budget focusing on that mission statement to provide safe, clean, drinking water nowhere in there does it say "free" and capture the full system cost. It is operation and maintenance, it is the administrative cost, salaries, cost of testing, and cost of seeing the system will run well into the future. There is a term financial people like to throw around it is intergenerational responsibilities where you cannot pass on your lack of wanting a rate increase to your children, grandchildren, or great grandchildren. You

have to sustain the system that is before you when planning the future. A good budget includes the key people, it is good to send your City Manager, or bookkeeper, into a room to make the budget. But if your Public Works Director is not involved it does not make sense, because he knows what is in the ground and estimates when it is going to break based on the age of the item, and then budgets for those things. Then to make it balance, that is the hard thing, don't copy last year's budget or the inflation factor. Look over financial reports. Full cost is operation, maintenance, debt and debt services, the emergency maintenance reserves, the future capital improvements, and the regulatory requirements.

One bad sample of your water system could cost you hundreds of thousands of dollars. Billing is monthly and a flat rate and the 45 days is important to your float in your income and expenditures.

Emergency reserves should be at least the cost of a pump. It is one of those things that if it stopped working today no one would be getting water. Save for that most expensive, or most perplex item.

Debt service is usually an amount set by the lender who gives you funding so if something happens you can still continue to pay them. It is usually one year of payments. Most lenders give you ten (10) years to set this aside. So you need to set aside this money. I had a city actual default on a federal loan and they are no longer a city.

The CIP reserves the capital improvements/capital replacement is actually the hardest one to get to, you just get a list of everything you have and when it was put into use, how much it cost, and what is the expected cost in the future. Estimate your cost and the amount of funding you will need to replace that item. You may get a loan or may be able to apply for grants. With USDA it is usually 20% grant, 40% loan, and 40% is your cost. From what I was looking at today it is your pipes and they are all going to go out about the same time.

The fifth one is coming at is a subset of the CIP which is a short lived asset reserve and what the lenders are saying is if it is going to last less than 10 years you will have to keep a reserve to replace or repair. If it only going to last 10 years they are going to consider it standard maintenance and repair and you will need to pay for it yourselves. The PER from Farr West should have that information for you.

Monitoring that is the Council's job to look over and understand the reports and ask questions if needed. Review and have financial policies in place. One of the requirements is that council's review the statements at least four (4) statements a year. These statements should be a Balance Sheet, Statement of Financial Position, Profit and Loss, Statement of Activities, Cash Flow Projections, and Budget to Actual. A good Financial Statement is concise, all inclusive, and put into a form that is easily understood. It should be provided to the Council for a timely review and accuracy.

Policy and procedures you need have and make sure people understand them and establish how your staff will function and how the council will function. Make sure every customer and every employee is treated the same. The Freedom of Information

Act makes most things available to the public so you want to make sure they are readily available. Make sure you conform to state and federal laws. Follow the Open Meeting Laws and Ethic Laws. When applying for funding you most likely will need a Conflict of Interest Statement. See you have a Procurement policy, and job descriptions, and the job descriptions should be reviewed once a year. You should also have an Investing Policy, after reaching this amount we are going to put this amount into an investment account. Policies do not need to be lengthy.

Capital improvement plans to sustain for 20 years. You can get to this point by laying it out, look at it for a 30 year period. It is really about planning and prioritizing things. Review and see what items may go out all at the same time and prioritize them. Which one affects public health and plan for funding of these projects. If you do a rate study in order to apply for funding this should be part of the study. Get the age, cost, and how you are going to fund them. Funding is getting tighter everyday. Consider the inflation rate. Evaluate your equipment and consider refurbishment or replacement and estimate the remaining life. Consider loans vs grants.

Discussion was held regarding the rate study and it being part of the PER and getting on the priority list.

**No Action Taken.**

**3. PUBLIC COMMENTS (Non-Action Item):**


A) Pursuant to NRS 241.020(2)(D)(3)(I & II) this time is devoted to comments by the general public and possible discussion of those comments. No action may be taken upon a matter raised under this item until the matter has been included on a successive agenda pursuant to the required procedures at the discretion of the City in accordance with applicable law and identified as an action item.

**No Public Comment.**


**4. Adjournment (For Possible Action):**

**ACTION: Councilperson Cameron Kinney moved to adjourn. Vice Mayor Lincoln Litchfield seconded the motion. Motion carried the meeting was adjourned at 6:50 p.m.**

**Approved:**

  
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**Mayor Dana Holbrook**

**Attest:**

  
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**LaDawn Lawson, Carlin City Clerk**