



Board of Trustees  
Minutes of Regular Meeting  
Tuesday, January 7, 2014  
6:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Michael Henningsen  
Raymond Wilson  
Barbara Smallwood  
Robert Allgeier  
Mark Dudley

Staff Members Present:

Frank Johnson  
April Burchett  
Sarah King  
Brian Buffo  
Bruce Scott

Others Present:

Richard Peters  
Michael King

Board Members Absent:

None

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*Meeting called to order at 6:00 p.m. by Michael Henningsen, Chairman*

Public Comment – There was no public comment.

Election of Board Officers – The Chairman opened the floor to nominations for Board officers. Ray reminded the Board of his discussion a year ago to rotate the Chairman position among those who would like to be Chairman.

**Motion by Ray Wilson to nominate Bob Allgeier for Treasurer for 2014.** Seconded by Barbara Smallwood. Motion carried unanimously.

**Motion by Mark Dudley to nominate Barbara Smallwood for Secretary for 2014.** Seconded by Ray Wilson. Motion carried unanimously.

**Motion by Ray Wilson to nominate Mark Dudley for Vice Chairman for 2014.** Seconded by Bob Allgeier. Motion carried unanimously.

**Motion by Bob Allgeier to nominate Ray Wilson for Chairman for 2014.** Seconded by Barbara Smallwood. Motion carried unanimously.

*Meeting further chaired by Ray Wilson, as newly elected Chairman.*



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Ray discussed the new State reporting requirements as enacted by the 2013 Legislature.

The Chairman called for further public comment. There was none.

**Claims Review and Approval** – The claims were reviewed by the Board and Bob asked about the higher gas bill. Frank responded that the weather has been colder, but he is looking into the specifics and will have more information at the February meeting. **Motion by Barbara Smallwood to approve the claims received for December, 2013 in the amount of \$38,583.81, and to approve the claims paid during December, 2013 in the amount of \$96,037.90.** Seconded by Mark Dudley. Motion carried unanimously.

**Minutes of December 3, 2013 Regular Board Meeting** – The minutes of December 3, 2013 were reviewed by the Board. **Motion by Mike Henningsen to approve the minutes of the December 3, 2013 Regular Board Meeting.** Seconded by Bob Allgeier. Motion carried unanimously.

**Richard J. Peters, Jr. and Co. – June 2013 MGSD Audit** – Represented by Richard Peters. Richard presented the annual audit for fiscal year ending June 30, 2013. He reported that there were substantial increases to the Cash and Inventory line items. Frank is working on getting more on top of the inventory items. Richard noted adjustments to the restricted accounts, pursuant to the motions made by the Board earlier this year. The income was up due to the user fee increase, ad valorem taxes were down slightly, and interest income was down substantially. The financial statement shows that MGSD is operating in the black. Depreciation was estimated under budget, which is not a violation of state law. Bob asked who comes up with the depreciation figure. Frank works with Richard to estimate that amount. Discussion followed regarding the \$600,000 increase in cash. Frank noted that more revenue than anticipated was received and expenditures were lower than expected. Discussion followed regarding using both restricted and non-restricted funds to pay for the County Road sewer line replacement. **Motion by Bob Allgeier to approve the audit dated June, subject to final review and any adjustments be made at the February regular board meeting.** Seconded by Mike Henningsen. Motion carried unanimously. Sarah asked about whether the audit has a final approval, since the final approved audit needs to be submitted to the State and County. **Motion by Bob Allgeier to amend the prior motion, to approve the audit dated June 2013 as**



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**presented by Richard Peters.** Amended motion seconded by Mike Henningsen. Motion carried unanimously.

**Treasurer's Report** – Bob discussed the expense sheets included in the board packet and noted that the capital expenditures are within the budgeted amounts for this time of year, but the lab expenses on the operations report were going to be higher this year due to some additional testing. Bruce noted that the additional testing was for the pretreatment ordinance, which was unanticipated at the time of the budget. Bruce stated that additional testing will probably be needed in the future due to pretreatment and line testing.

Bob pointed out that the other item of note on the expense report is the telephone charges. The testing and telephone items may need to be adjusted before the end of the year.

Bob presented a Mid-Year Actual expense and income table comparing the mid-year expenses with the budgeted amounts. The operating revenue is slightly ahead of the projected amount, while the operating expenses are well under the budgeted amount. Bob felt the staff should be congratulated for operating well within the budget. Interest earned is very low, and is anticipated to remain low. Bob also noted that we have received the anticipated capacity fees for the year, and Bruce concurred. Discussion followed regarding the permitted plant capacity as compared to the actual flow and capacity sold, as well as projected and current population, and the population impact to anticipated capacity, connection, and annexation fees.

Mike thanked Bob for a clear presentation of the current status and future projected income. Ray noted we need to look at the extended long term, so that future boards have a surplus to work with.

**Engineer' Report** – Bruce Scott reported on the following items:

**Pretreatment Ordinance:** A draft of the ordinance has been provided to MGSD legal counsel for review, and will be presented to the Board for information purposes in the next month or two. As a result of implementation of the ordinance, there will be a permitting process for impacted customers. Discussion followed regarding ongoing testing and monitoring of the mains and the plant flow. Bruce stated that heavy metals can negatively affect the processing as well as the final sludge product. Bob asked if we can decline service to someone who doesn't meet our standards. Bruce said no, but we can decline acceptance of the chemical or metal into the mains.



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Mark asked about any recourse if we notice a problem at the plant. Bruce replied that MGSD can trace the problem upstream, if necessary, so if anything causes a problem of that size, it would be a large enough discharge to levy fines. Barbara asked if any current customers would be impacted. Bruce and Frank noted that there is one customer who is currently thinking of doing some copper processing, but otherwise nothing was noted from existing customers. Barbara asked if there would be a different user fee schedule for customers who would fall under this ordinance. Bruce stated that would be one of the things the Board would consider upon implementation of the ordinance. He recommended a surcharge be considered.

Douglas County Jurisdiction Issues: Bruce reminded the Board of the letters which were written by MGSD legal counsel in the past to the County regarding jurisdiction issues. Bruce reported that the problems with the County have arisen again, and discussed the problem that arose regarding the approval of the manhole construction in The Ranch at Gardnerville project. The County has taken the position that they are responsible for the roads, which gives them authority over anything in the road. Bruce feels that it is causing problems with the approval process between the County, the Towns, and MGSD. The County's proposed standards indicate that they will inspect all improvements, including sewer. Bruce feels that Bill Peterson should work more proactively and closely at the County Commissioner level to resolve the issues. The Board directed Bruce to update the manhole standard detail to avoid the problems encountered at The Ranch at Gardnerville. Bruce expressed concern that the County appears to be heading towards the idea that their authority extends to everything in the roadway, not only at the roadway surface but also to the improvements below the surface. Discussion followed regarding the County's lack of willingness to pay for line maintenance, the County's proposed standards, and the County staff involved in pushing the County's jurisdiction. Bob asked when a revised standard detail would be ready for Board approval. Bruce stated he would have that ready at the next regular Board meeting.

**District Manager's Report** – Frank Johnson reported on the following items:

EDU Allocations: 1.2 Edu's were sold during November.

Expense Report: Frank noted that all purchases are approved by him, so the budget is considered whenever a purchase is requested.

Gas Bill: Brian noted that it was very cold last month, and asked the Board to keep that in mind when considering the gas bill.



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**Secretary's Report** – There was no secretary's report.

**Public Comment** – Mike King noted that the meeting was very interesting and thanked the Board for their service.

**Board Comment** – Bob reminded everyone to file the financial disclosure report by January 15<sup>th</sup>.

Bob reminded the Board members whose seats are up for re-election that the filing period is March 3<sup>rd</sup> to March 14<sup>th</sup>.

***Meeting adjourned at 7:30 pm.***

Approved \_\_\_\_\_ Date \_\_\_\_\_ By \_\_\_\_\_  
District Secretary

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