



Board of Trustees
Minutes of Regular Meeting
Tuesday, June 3, 2014
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Mark Dudley
Robert Allgeier
Michael Henningsen
Barbara Smallwood

Staff Members Present:

Frank Johnson
April Burchett
Sarah King
Bruce Scott
Brian Buffo
Bill Peterson

Others Present:

Michael King

Board Members Absent :

Raymond Wilson

Meeting called to order at 6:00 p.m. by Mark Dudley, Vice Chairman.

Public Comment: - No public comment.

Claims Review and Approval – Claims were reviewed by the Board, and questions were answered by Frank Johnson. Barbara had a question about small claims and how they are processed. The process was explained to the Board. There was also a question about the court fees, the recovery of the fees and the application of the fees. Bob asked about not receiving the electric bill. Frank pointed out that it had been received and was on the fund summary sheet. **Motion by Barbara Smallwood to approve the claims received for May, 2014 in the amount of \$122,603.08 and to approve the claims paid during May, 2014 in the amount of \$82,134.01.** Seconded by Mike Henningsen. Motion carried.

Minutes of May 6, 2014 Regular Board Meeting and May 16, 2014 Special Board Meeting – The minutes of the May 6, 2014 board meeting and the special minutes of the May 16 2014 meeting were reviewed by the Board. **Motion by Mike Henningsen to approve the minutes of the May 6, 2014 Regular Board Meeting and the May 16, 2014 Special Board Meeting.** Seconded by Barbara Smallwood with a discussion to correct page 4, line 5 of the Employee Benefits which noted 39% and should actually be 59%. She suggested a correction in the margin with an initial so as to not retype the minutes. Motion carried.

MGSD Plant Insurance Package – Taken out of order as Alan Reed was not available till later to present it.



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MGSD ARRA Loan Repayment - At Bob's request, Bill Peterson, MGSD's legal counsel had a resolution that the amortization and repayment of the ARRA Loan shall be allocated and booked to the Operations account instead of the Capital Reserve Account. He suggested having an effective date and Bob suggested July 1, 2014. Bruce asked if a business impact statement was needed and Bill said no. Bob suggested taking the payment from the Operation account so that in the future if there is any income coming in to offset the expense then it can be added to that same account and the restricted cash account is not touched. This way the benefit shows in the Operation account. Barbara asked if there was a number for the resolution and April stated that MGSD had never done a resolution except for ordinances. Barbara's concern was that the percentages of allocation were not being shown at all times and was hoping that the resolution would show this more clearly. Barbara wanted to know if it should be a resolution or a motion and Bill said it is a resolution and should be a resolution as it would be perpetual. **Motion by Bob to approve the resolution drafted by Bill Peterson.** Seconded by Mike Henningsen. Motion carried unanimously.

Attorney-Client Conference– Bill Peterson stated that April had suggested he hold off discussing his fee structure till the next Board Meeting as Ray Wilson, the chairman was not present. Barbara stated that was fine but felt the item should be agendaized.

Engineer's Report – Bruce stated that his letter summarized the limited activities. Submittals are being received from the contractor on the County road line. Initiation of construction is being shifted to the next fiscal year and the contractor is fine with it. There is limited activity out there as shown by the District Manager's report with the sale of capacity to Ranch of Gardnerville and Smith's Gas Station. Bently has nearly finished tearing up down town Minden with their eco system rebuilding. Town of Minden is finally going to be able to do the Gateway landscape improvements and clean that up. There is long range planning for the Martin slough. The property on Lucerne St. in Minden is going to have a trail head with a parking area. Bently wants to build a distillery in the area of the silos. People have already been sent to distillery school. COD garage is slowly moving ahead and should open soon without Schat's Bakery. The High School improvement is also starting soon.

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

EDU Allocations: 3.6 EDU's were allocated during the month of May.

Mosquito Abatement: It has been too wet out there so far to spray but they are supposed to start tomorrow.



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Bently Biofuels: Met with a couple guys from Bently Biofuels and talked about the bio fuel by product and about the Co Gen system. Currently it is being put on the compost heap and they are looking for a place to dispose of it. Frank spoke of accepting their waste form the biofuel process and also the tipping fees involved. The dialog would be continued on his return from vacation.

Secretary's Report –April passed out a GL sheet and showed how the money gets transferred and show on a monthly breakdown sheet when it gets paid out and when a credit comes in.

Barbara referred to the fund summary and asked who the acreage fees had been received from. April explained that it was from GRGID.

The Vice-Chairman adjourned for a break for 5 minutes at 6:45.

Meeting reconvened at 6:50.

MGSD Plant Insurance Package – Alan Reed presented the Plant Insurance Package for FY2014-2015. He informed the Board that there was an increase from 77,012.38 to 80,404.72 for FY 2014-2015. For everyone within the pool, the 115 members, the renewal pricing was flat. MGSD saw a 4% increase on the property schedule and payroll went up by 9% from \$530,000 last year to 580,000 this year. This is what affected the premium pricing. The buildings were all reappraised so the property cost went up. These are the replacement costs. The vehicle count remained the same. The 115 entities comprise of 98% of the eligible entities in Nevada. 45 of these have voting rights. Voting rights are determined by size. However everyone can participate in the safety and policy meetings. The objective of the Pool is to remain stable and provide economic stability for the members involved. Currently the premiums are beginning to level out. It has gone from 450 claims a year to 350 claims. He spoke about the deductible and the fact that the pool provides the first \$500,000 coverage for liability. This has been built by the member entities and the purpose is to make the insurance buying process easier for the members. The pool is funded by the premiums paid by the 115 entities which amount to about 5 million a year. There was a question about replacement costs of the structures and whether it was the actual cost or estimated cost. Discussion followed about the values quoted which are the estimated replacement cost. Frank had a question about the Co Gen building coverage and coverage for loss re. the MGSD ponds that were not covered. It was explained that coverage was based on sudden occurrence versus a slow happening.

The current big issue is cyber liability and the losses occurring are astounding. The pool is now offering seminars and webinars with a lot of good information. There was a question about the Co Gen being remotely monitored. Frank explained that there are two different systems and in no way connected.



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Alan explained the flood coverage and the maintenance deductible and the equipment breakdown coverage. Cost and liability is shown in the handout and the graphs show the severity of claims. **Motion by Bob Allgeier to accept the Plant Insurance Package for FY2014-2015 as presented by Warren Reed Insurance.** Seconded by Mike Henningsen. Motion carried unanimously.

Public Comment –There was no public comment

Board Comment –There was no board comment

Meeting adjourned at 7:25 pm.

Approved _____ Date _____ By _____ District Secretary _____.

:/smk