



Board of Trustees
Minutes of Regular Meeting
Tuesday, September 1, 2015
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Barbara Smallwood (portion)
Robert Allgeier
Michael King
Mark Dudley

Staff Members Present:

Frank Johnson
April Burchett
Brian Buffo
Bruce Scott

Others Present:

None

Board Members Absent :

None

Meeting called to order at 6:00 p.m. by Ray Wilson, Chairman.

Public Comment – There was no public comment.

Chairman's Comment – Ray reported that he and Bob met with Frank regarding financial issues that were raised at the August 4 meeting, as well as the new flow meters, which Frank will talk about later in the meeting.

Claims Review and Approval – Questions were asked by the Board and answered by Frank. Bob requested that capital expenses be noted with “CE” on the margin on the Fund Summary Sheet, so the Board is aware of them. **Motion by Bob Allgeier to approve the claims received for August, 2015 in the amount of \$122,407.89 and to approve the payroll-related expenses paid during August, 2015 in the amount of \$85,186.17.** Seconded by Mark Dudley. There was no further discussion on the motion. Motion carried.

Minutes of August 4, 2015 Regular Board Meeting – Ray noted that the minutes were done well, as always. Mike asked about the question from the August meeting regarding the resolution wording. April noted that Bill Peterson will address this item when he arrives. **Motion by Mike King to approve the minutes of the August 4, 2015 Regular Board Meeting.** Seconded by Bob Allgeier. Motion carried.



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Douglas County Mosquito Abatement / Aquatic Environments: Nobody was present to present this. The Board opted to take this item out of order, or continue it to the October meeting if the representatives do not arrive before the end of the meeting.

MGSD SCADA System Upgrade: Frank presented a quote from Tesco Controls for \$102,777.00 for the SCADA system upgrades, which is within the budget of \$104,000.00. Bob asked if the quote covered the fiber and if the fiber will be extended to the gate and Frank stated that this is his understanding. Mike asked about terms on page 4, regarding issuance of a purchase order. Frank stated that MGSD does not issue purchase orders unless requested by the vendor. Bruce explained that a Board action approves the purchase, at which time the District Manager informs the vendor that the quote was accepted by the Board. If the materials are over the approved amount, the excess amount needs to be approved by the Board. Mike requested that MGSD receive a copy of Tesco's insurance coverage, and Frank stated MGSD does obtain that. Mike also asked for clarification regarding the term on the quote that all merchandise sold is subject to lien law. Bruce stated that typically on a contract MGSD requests any lien releases before the final payment is released. **Motion by Mark Dudley to approve the SCADA System upgrades as presented by Tesco Controls in an amount not to exceed \$104,000.** Seconded by Mike King. No further discussion. Motion carried.

Pineview Estates: Bruce reported on the status of the Pineview Estates sewer project. It was determined that the best solution would be to be served by MGSD. The BIA, EPA, and USDA are working together to find a solution, but they are concerned that the HOA is not in a position to operate a sewer system on its own. The homeowners are still trying to obtain ownership of the property. Frank and Bruce have a meeting next week with the USDA, and Bruce would like to tell them that if all the conditions were met and MGSD was satisfied with the construction standards and fees paid, that MGSD has capacity in the plant, and the Board would consider a commitment to serve subject to conditions. Bruce doesn't think that anything would come to the Board that would cause problems for MGSD. Discussion followed regarding the contract of service fee. Bruce doesn't want the Board to feel uncomfortable, while at the same time MGSD does not want to be seen by the community as actively looking for additional service hookups (Barbara arrived approx. 6:25 p.m.). Bruce emphasized that MGSD would only be responsible for anything that is gravity fed. Any other lines and lift stations would need to be maintained by the HOA. Discussion followed regarding the potential for future connection by Ruhestroth. Bob clarified that the line construction would be paid for by the HOA. Bruce noted that they can ask for a reimbursement agreement if anyone else hooks in, and that MGSD already has an agreement set up for the Bently line. Bob suggested the contract fees be paid by the HOA, rather than the individual property owners. Bruce noted that they will have a collection system within the subdivision, but that MGSD will not maintain that collection system. Barbara asked for clarification about who pays for the extension from the Washoe Tribe. Bruce stated that the homeowners would have to pay for the extension of the main from the Washoe Tribe property to the subdivision. He noted that there is also potential to serve the



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other side of the highway. The Board felt that they would be open to considering service to Pineview Estates, as long as all MGSD terms are met as the situation progresses. Bruce stated that he will not tell USDA any conditions that MGSD would place on the project in advance, but will explain what MGSD has not allowed in the past, as well as let them know what the Board's concerns are. Mark asked if approval of service to Pineview would be seen by the public as a conflict since MGSD wasn't as open to working with the County for the North Valley plant. Bruce explained that the County ran the numbers for several alternatives, and it wasn't cost effective for them to hook into MGSD's system. Bruce also explained that the same terms would have applied to the County as the Board is applying to Pineview Estates.

Board Benefits: April explained how a 457 Plan works, and discussed about how PERS benefits are paid out. April also noted that this does not affect just one current board member, and that MGSD needs a policy to address this for the future. Barbara was concerned about the long-term value equivalency between 457 and PERS benefits. Mike explained that the maximum total ~~contribution~~ **twelve-year liability** from MGSD would be \$24,192 at PERS's current contribution rate. Mike also noted that receiving PERS benefits is not only life long, but survivors can also receive benefits. Mike is asking for equal consideration and benefits. Bob noted that past board meeting minutes reflected that he forfeited the benefit. Mike responded that it was a long meeting and after further reflection, he changed his mind. Ray felt that when Mike ran for the Board, he knew what the situation was. Ray's concern is that a person can take all the money in a lump sum from a 457 account at retirement, but not with PERS. Barbara stated that she agreed that a policy needs to be put in place. Bob suggested that the Board direct legal counsel to prepare a formal resolution and a motion that would put a policy into effect to make a contribution to a 457 Plan. He would like the motion to include the details for a 457 contribution. Discussion followed regarding potential gains and losses in a 457 Plan. The Board concurred. Ray asked that Bill come up with some way for Mark to receive a benefit.

Board Compensation: Bob reported that under NRS the Board members are allowed to be compensated at a maximum of \$9,000 per year. **Motion by Bob Allgeier to increase the monthly board compensation by \$150 to \$750 per month effective January 2017.** Seconded by Barbara Smallwood. Barbara expressed mixed feelings, since she served on boards with minimal or no compensation, but the Board deserves compensation due to its responsibilities. Ray noted that it is the maximum compensation allowed under NRS. There was no further discussion. Motion carried.



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Attorney-Client Conference: Bill Peterson reported on the following:

Southwest Gas – Bruce and Bill discussed the history of the gas line on Pinenut. Bill presented a letter that he wrote to Southwest Gas giving them a deadline to remove the encroachment. He asked for Bruce's thoughts, and Bruce thought that if Bill gets the letter out, then it is up to Southwest Gas to respond.

Gardnerville Ranchos GID – Discussion followed regarding the total cost for the hot water and co-gen projects, and GRGID's share of both projects. Mike Rowe had asked Bill Peterson for justification as to why the monthly fees don't cover GRGID's share of the cost. Bob suggested an alternative, that instead of giving them a refund based on MGSD's savings on the co-gen, then the cost saving is deducted from the variable cost for time until the projects are paid for. Bill explained in a response letter that the improvements were to the efficiency of the plant, so GRGID is receiving a benefit on the original capacity from improvements that they didn't have to pay for.

Insurance Policy Riders – Bill has a call in to Alan Reed regarding adding the reservoirs as a rider on the insurance policy. He hasn't heard back on insuring the collection system.

ARRA Loan Repayment – Bob asked if a response to the offer letter had been received from the state, but neither Bill nor Frank has heard anything. Bill will follow up with the State Treasurer's Office.

Further discussion regarding the lien clause in the Tesco proposal letter.

Bill reported that he looked at state statutes for a County takeover of a GID. If the majority of the voters in the district oppose a county takeover, it can't happen.

Frank noted that the Board directed him last month to write a letter to Saletti's, but Bill will write the letter.

Engineer's Report: Bruce Scott reported on the following items:

Sonic Restaurant – The Sonic restaurant is open.

Washoe Tribe Easements – He met with Mr. Peri regarding sewer easements for service to the Washoe Tribe, at the expense of the Tribe. He included a wide underground easement for water and sewer, and the easement is ready to record.

Ranch at Gardnerville -- The Ranch at Gardnerville is continuing. Jenuane Communities is negotiating to purchase the remainder of the development below Zerolene Rd.



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He will be gone next meeting. If there is anything critical, he will have someone from RCI attend.

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

Capacity: No capacity was sold in August.

MGSD Website - Changes to the website will be needed as part of the change in banking, and the website is not currently mobile friendly. There are also security upgrades that are needed. He will get an estimate from SDBX and get back to the Board.

Bank Change – Need copies of documentation for banking change.

Lindell Lane – Douglas HS is having their annual run and Frank granted permission to use Lindell Lane.

SmartFlow Meters – Frank gave a presentation of the Smartflow meters, the locations and current flow rates. If someone disturbs the manhole, if it loses signal, or if it backs up, Brian or Frank will be called. He also explained how the meter is situated in the manhole. He would like to purchase a couple more in the future to put out into the system. The Board agreed.

Reservoirs – Bob asked who the best person was to conduct a pond tour. Frank said to contact him or Brian.

Medicare for the Retirees – Bob asked how the retiree transfer to Medicare worked out, and April said there have been no problems.

Discussion followed regarding whether there were any problems with SDBX Studios. Frank stated staff has been very happy with them and they have always been very responsive.

Administrative Report by Staff – April Burchett reported on the following items:

Board Resolution to Change Banks – April reported that she consulted with Bill Peterson regarding changing the wording on the resolution eliminating the word *unanimously*. Bill stated that the resolution could be typed with the correct wording and that the Board could sign it with the amended language. That would satisfy the bank's needs. Bill passed out the resolution for signature.



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Credit Card Machine – April noted that the Nevada Appeal had an article regarding the changes to credit cards and the need for new machines. MGSD’s current machine is not compatible with the new cards, but staff has a plan in place to input cards directly into the merchant services website as of October 1.

Nevada Health Co-Op – Barbara asked about Nevada Co-Op closing down and if there is any impact to MGSD. April stated that she looked into them as a provider for a part-time employee and that they mostly served the rural areas of Nevada, so there was no impact to MGSD.

PERS Website – Ray stated that he had not yet created a login on the PERS website, and asked if it was required. April responded that it was not required, but there is information readily available if a login is created. She stated that she would help anyone who wanted to create a login.

Board Comment – Ray noted that Mike’s issue will be worked out next meeting, for Mike and future board members, and that he hoped they could put something in place so Mark can also receive a benefit.

Public Comment –There was no public comment.

Meeting adjourned at 8:25 pm.

Approved by the Board of Trustees with the noted corrections on:

October 6, 2015
Date

By _____
Barbara S. Smallwood, District Secretary

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