



Board of Trustees
Minutes of Regular Meeting
Tuesday, January 3, 2017
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Barbara Smallwood
Mark Dudley
Robert Allgeier

Staff Members Present:

Frank Johnson
April Burchett
Brian Buffo
Bruce Scott
William Peterson

Others Present:

None

Board Members Absent:

Michael King

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

Public Comment: There was no public comment.

Election of Board Officers for 2017:

Bob Allgeier nominated Ray Wilson as Chairman for 2017, with a second by Mark Dudley. All present voted aye.

Ray Wilson nominated Barbara Smallwood as Vice-Chairman for 2017, with a second by Bob Allgeier. Mark Dudley stated that he is happy with how the Board meetings have been running, but he thought that Mike King should have a chance to have a position. Mark Dudley nominated Mike King for Vice Chairman for 2017. Discussion followed regarding the order of a second nomination and whether a second was needed for nominations for Board positions, and Bob felt a second was not needed since anyone who was qualified could be nominated. Votes for Barbara Smallwood: 2 (Allgeier, Wilson); Votes for Mike King: 1 (Dudley); 1 abstain (Smallwood), 1 absent (King). Ray Wilson nominated Barbara Smallwood as Vice Chairman for 2017. All present voted aye.

Bob Allgeier nominated Barbara Smallwood as Secretary for 2017. All present voted aye.

Ray Wilson nominated Bob Allgeier as Treasurer for 2017. All present voted aye.

Barbara noted that she did not ask Mark if he was interested in a position, since he had stated in the past he preferred not to have an officer position, and Mark concurred.



Minutes
January 3, 2017
Page 2

Chairman's Comment: Ray thanked April for getting the 2017 calendar of meeting dates and deadlines to the Board. Ray said he received an email from Mike King that he wouldn't be able to attend the meeting due to a bad cold.

Ray reported that he asked to be put on the agenda at the Minden Town Board meeting about the rates, and Jennifer Davidson said she had received MGSD's letter regarding the rates, and she made copies of the letter for each of their Board members. Ray heard that two Minden Board members were spreading a rumor about MGSD being at fault for Bully's not being able to come to Minden. He spoke with Jennifer about changing how MGSD charges rates for some businesses to a time basis, but Ray stated that MGSD is not in a position to do that, since sewer can't be shut off in the event of non-payment. He asked Bob to attend the Minden meeting as well.

Ray noted that Mike brought up the recycling report at last month's meeting, and he asked April how many reports she has to file each year. April said there were a few that needed to be reported to the federal government, including OSHA and a labor survey. She noted that these reports are completed online and don't take very long to complete. Ray had a question on Mike's numbers on the recycling report regarding what MGSD pays Bently for treated effluent. Frank pointed out that Bently charges for sludge disposal, but not for treated effluent. Ray will contact Kurt Hildebrand again about printing the entire rate letter. Bob asked about the time frame of the Bently contract. Frank said he thought it was 75 years. Bill and Bruce pointed out that they will pay more over time under the terms of the contract.

Claims Review and Approval: Bob asked about the HDR Engineering claim. When he spoke to Alan Reed, Alan said the claims adjustor asked that HDR's invoices be sent to them for approval prior to payment. So he asked that the HDR Engineering claim be withheld from payment and that the invoice be sent to Alan Reed for his instructions. Barbara asked if it had been paid already, and Frank thought it was given to the Board for signature. Mark asked if the engineering is being questioned, and Bob said the explanation wasn't given to him, but he thinks so. Ray asked for confirmation from Bill that it was ok to release the check to GRGID, and Bill said he wanted the check released. Ray clarified that the claim for Richard Peters was under Richard's contract. Ray asked about the Southwest Gas claim, and Frank explained it was determined that the meter was broken so the additional amount was for the corrected amounts over the past three months. **Motion by Mark Dudley to approve the claims received for December, 2016 in the amount of \$69,849.38 excluding the check for HDR Engineering for \$5,638.52, plus miscellaneous expenses in the amount of \$1,880.61, and to approve the payroll-related expenses paid during December, 2016 in the amount of \$121,847.38.** Seconded by Barbara Smallwood. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)]. *See further discussion regarding the HDR Engineering claim and a revised motion approving all claims on Page 4.*



Minutes
January 3, 2017
Page 3

Minutes of December 6, 2016 Regular Board Meeting: Barbara asked that a portion of a sentence be struck on Page 5 under Douglas County Utility District, “which included a sunset clause”, since April indicated that there was a lot of confusion on the tape, and Barbara did not recall making that statement. Bob asked if the material cost of \$28,000 on the line break was still accurate. Frank said it was. Bob said MGSD’s insurance policy includes process piping, and it would exceed the \$5,000 deductible. He would like to talk with Frank about this further. **Motion by Barbara Smallwood to approve the minutes of the December 6, 2016 Regular Board Meeting striking the sunset clause language in the middle of the paragraph on Page 5.** Seconded by Bob Allgeier. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)].

Pine View Estates Proposed Sewer Main Extension: Ray felt that since they have not contacted MGSD for further action, there is no need to schedule them for the February meeting. If they contact us, they can be scheduled for the next available Board meeting.

Workshop for Douglas County Area Rates: April reported that she had spoken with Bill Chernock of the Chamber of Commerce, and noted that emails were sent to the Board regarding their conversations. Since most MGSD Board members want to participate in the workshop, Bill would like MGSD to host and set the date of the workshop. April pointed out the week of January 16th through January 20th (except for the 18th), or the 25th through the 27th would work for Bill Chernock. The Board had several questions, including the time of day, the number of expected people, and the venue. Discussion followed regarding the topics of discussion at the workshop. Barbara thought the idea behind it was to provide an opportunity for MGSD to get the rate information out to the business community, since there is so much misinformation out there about MGSD. April said there wasn’t any particular reason that it was being scheduled in January, so she can get more information from Bill Chernock and reschedule it for the February meeting. Ray would like Bruce to be present in case questions are asked about how the rates are set. Barbara suggested a set time frame be determined, such as 2 or 3 hours. Frank suggested having a short regular meeting agenda, and then schedule the workshop following the meeting. Bob heard that some people in the business group would like MGSD to change the policy of payment up front, and offering the option of making payments for capacity and connection fees over a period of time. Ray asked what happens if they go out of business. April agreed that this has been the main concern when this issue came up in the past.

MGSD Retiree Benefits: April referred to her memo in the packet. April reported that the retirees were appreciative of the Board’s policy regarding the reimbursement of their medical premiums and have taken some benefit reduction in their supplemental policy over the past couple of years to keep it within the reimbursement amount. But they were not able to keep it under the \$200 limit this year. Bob had no objections to April’s suggestion to raise it to \$250. **Motion by Bob Allgeier to amend Exhibit 1 of the**



Minutes
January 3, 2017
Page 4

MGSD Revocable and Unfunded Post-Retirement Medical Benefit Plan to increase the Medicare Part B Supplement Reimbursement Amount to \$250.000 per month from \$200.00 per month.

Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)].

Digester 3 Damage: Frank referred to the District Manager's report regarding this item, and he is still waiting for the final design from HDR Engineering. Ray raised the concern that Mike had last month about what happens if another digester went down. Frank said while not optimal, we could manage. Ray referred to Bill's email regarding not being able to handle the repair as an emergency repair. Frank got a call from an independent engineering inspector that the insurance company has hired. Frank hoped to schedule an inspection during January. Mark asked if anything is being done to keep the water from getting into the digester since the roof is cracked. Frank said it didn't matter since the top has to come off anyway. Bill wondered if the policy covered costs associated with expediting the process.

Back to Agenda Item 5 Claims, April reported that the HDR claim had been paid early in December.

Amended motion by Mark Dudley to approve the claims received for December, 2016 in the amount of \$69,849.38, plus miscellaneous expenses in the amount of \$1,880.61, and to approve the payroll-related expenses paid during December, 2016 in the amount of \$121,847.38. Seconded by Barbara Smallwood. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)].

GRGID Agreements: Bill apologized for missing last month's meeting. He was concerned about the publicity and political ramifications with the activity in the County, so he sent the memo recommending arbitration. MGSD would demand arbitration in a letter to GRGID and then suggest mediation. He is comfortable that the statute of limitation is April, but once arbitration is demanded, it will stop the statute of limitation. Bill thought our position is really good, and it would be good to have someone knowledgeable make a decision. He recommended sending a letter to GRGID demanding arbitration, then hold the arbitration until MGSD and GRGID can sit down with a good mediator and a couple of people from each Board. Basically, it would be mediation prior to arbitration but after arbitration is demanded. Mediators don't care about a result, they like win-win deals. Bob clarified that it is non-binding. Bill recommended Judge Gamble. Ray said that the cost of mediation is shared by both parties and Bill confirmed this. The Board agreed to arbitration and mediation.

Attorney-Client Conference: Ray asked Bill about the cost estimate from Greg Ferraro. Ray noted that other GID's have committed to the cost, and since Greg said the cost was negotiable, we would like to hear back from him on a final amount. Ray asked if the legislators have to have a reason to pass a bill to take us over. Bill didn't think so. Bruce pointed out that someone like Greg could be effective in getting a bill like that killed. Discussion followed regarding the amount pledged by other districts, amounting to



Minutes
January 3, 2017
Page 5

\$50,000. Bill spoke about the effectiveness of a bill stuffer. Bill will call Greg tomorrow. Ray asked Bruce to keep abreast of it.

Bill stated that he is behind on the Pretreatment Ordinance, and it is on his list to finish this month.

Engineer's Report: Bruce Scott said it's been pretty quiet. He and Frank have spent some time with NDOT regarding the culvert redesign and the request for 100' x 20' permanent easement and temporary easements. Bruce suggested coming up with some ideas for NDOT ditch maintenance and access. He will work with Bill on this when he hears more from NDOT.

Frank and Brian have had a couple of pre-submittal meetings at the County.

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

EDU's – No EDU's were sold last month.

Digester 3 – Frank spoke with SDP and renegotiated the contract to \$500 per month for the duration of the repair.

Frank will be absent for the March board meeting due to a family obligation.

Muller Lane Sewer Line Break – Frank received a phone call from the County about a big sewer line leak on Muller. DCSID's export line had broken at the bridge over the Carson River. Frank showed pictures of the flow from the line. Frank thought the recent earthquake may have knocked something loose. Discussion followed regarding repair options. Bruce noted that the GRGID interceptor line runs under the river at the Lutheran Bridge. It did fine in the 1997 flood, but as a result of that flood, adjustments were made so it can be shut off if needed.

Barbara asked about the lines at Saletti's in relation to the proposed demolition. Frank said that the lines will be properly cut and capped. Bruce talked about the line locations. Frank noted that the remaining capacity will go to Carson Valley Inn for their use.

Administrative Report by Staff: April asked if anyone was interested in serving on the County's Debt Management Commission as the GID representative. The Board did not have any recommendations or nominations.



Minutes
January 3, 2017
Page 6

Board Comment: Barbara reported she listened to the County Commissioners meeting regarding the money owed by the Historian Inn to the County, in the amount of \$171,000 on transient occupancy tax (TOT) and over \$30,000 on property tax. She asked if they are behind at MGSD, and April said they have paid in full and they actually have a credit.

Public Comment: There was no public comment.

Meeting adjourned 7:30 p.m.

Approved by the Board of Trustees as presented on:

_____ By _____
Date Barbara S. Smallwood, District Secretary

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