



Board of Trustees  
Minutes of Regular Meeting  
Tuesday, April 4, 2017  
6:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Raymond Wilson  
Barbara Smallwood  
Mark Dudley  
Robert Allgeier  
Michael King

Staff Members Present:

Frank Johnson  
April Burchett  
Bruce Scott  
William Peterson

Others Present:

None

Board Members Absent:

None

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

**Public Comment:** There was no public comment.

**Chairman's Comment:** Ray asked Bruce about the dam inspection by the State, and Bruce said it's not yet scheduled but it is overdue. He expects the State to call anytime to schedule an inspection. Ray asked Frank about drug testing for employees, and Frank said there is a policy for those employees who have CDL's. April explained that none of MGSD's vehicles are large enough to trigger the Federal DOT random drug testing requirements. Ray asked Frank about getting a time clock, and Frank explained that there is a time clock, which the employees use for callbacks and scheduled overtime. Discussion followed regarding drug screening of employees. Bill Peterson asked that April get him the information and he will look into it.

**Claims Review and Approval:** Mark asked about the sewer repair on 8<sup>th</sup> St. Bruce reported that when a lateral was repaired on 8<sup>th</sup> St, the plumber plugged the main, which also served another house. It needed to be repaired immediately, so another contractor was brought in to fix it. It turned out that the first contractor did not have a permit. Ray asked if we can go after him for reimbursement. Frank said we are in the process of doing that. **Motion by Bob Allgeier to approve the claims received for March, 2017 in the amount of \$92,694.89, plus miscellaneous expenses in the amount of \$1,328.15, and to approve the payroll-related expenses paid during March, 2017 in the amount of \$109,069.55.** Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays, 0 abstain, 0 absent).



Minutes  
March 7, 2017  
Page 2

**Minutes of March 7, 2017 Regular Board Meeting:** Motion by Barbara Smallwood to approve the minutes of the March 7, 2017 Regular Board Meeting. Seconded by Mike King. Motion carried (5 ayes, 0 nays, 0 abstain, 0 absent).

On the special meeting minutes, Barbara asked that on Page 1, Line 10, for the sentence that states, “we all want the same thing”, add “stable rates for” in front of “ratepayers”. Also, she noted that on Page 2, Joe Ruben should be corrected to Joe Hooven, and she asked for removal of the end of the sentence about the sports bar at Minden Gateway Center, “... and the Board discussed that the business presented a set of plans with a large number of drains and offered to work with the architect to bring the number down, but the project fell through.” Frank said they did bring plans, so he said the sentence was correct. The developer purchased one unit for the foundation of the building then submitted plans for the interior. Frank pointed out that there is a calculation sheet that was based on a set of plans. Frank thought the confusion came because the developer wanted estimates for various types businesses in the full shopping center without submitting plans. Mike stated that he wished he could have been at the meeting, but he heard positive things about it. Discussion followed regarding Carson City waiving fees. **Motion by Barbara Smallwood to approve the minutes of the March 23, 2017 Special Board Meeting with the noted corrections Line 10 under Public Comment and correcting Joe Hooven’s name.** Seconded by Bob Allgeier. Motion carried (3 ayes, 0 nays, 2 abstain, 0 absent).

Bob discussed some of the comments made at the workshop about adjusting the fees for the line maintenance. He stressed the importance of reviewing the maintenance policy, which hasn’t been done in about 3½ years. The earliest installed lines are the weakest in the system. The County Rd. replacement was for a line that was about 50 years old. Lines are constructed from different materials than what was used then. Bruce noted that most of the older lines have been replaced, but there are still a few lines in use that are older than the County Rd. line. Generally, the current board isn’t going to have to deal with the replacement of the lines down the road, so he felt that there was no reason to consider the suggestion made at the workshop regarding having the user fees pay for maintenance. The board concurred. Mike asked if other lines would be less costly to replace. Bruce agreed, and noted that the County Rd. line was more costly to replace due to the large number of laterals and the traffic control.

**MGSD Budget-Review and Approval of Tentative Budget for FY 2017-2018** – Frank presented the tentative budget. He noted that Bently has not charged us for their monitoring well testing and based on his conversations with them, they won’t be charging us in the future on that, so that line item was removed. He noted that the Accounting fees went up a small amount. He anticipated a slight increase on Salaries and benefits, while medical was expected to remain the same. The total operating expense increased 0.4%.

Frank discussed each capital item:



Minutes

March 7, 2017

Page 3

**Air Handling System:** This was in last year's budget but it was for the lab portion. This amount is to replace the system in the operations area in the old part of the administration building. Discussion followed regarding the current water system, and the proposed system.

**Collection System Rehab:** He did not anticipate many repairs, but he wanted to leave it in place in case it's needed.

**Digester #3 Repair:** Alan Reed is expecting a decision from the insurance company by the end of this week. The amount is \$1 million in case the claim is denied.

**Maintenance Program:** We've had the same program since 2002, and it won't work with Windows 10. Frank would like to replace it with a web-based program. The user fees are \$55 per month per user. Barbara asked about a backup in addition to the cloud. Frank noted that daily backups occur on the server.

**Miscellaneous Equipment:** A couple of pumps had to be replaced this last month, so he has added this to the capital budget to replace the older equipment as it goes out.

**Mosquito Abatement:** He spoke with Krista Jenkins at the Mosquito District about this, and she anticipates a large number of mosquitos this spring and summer due to the wet winter.

**Reservoir Rehabilitation:** Due to the damage from the weather, the reservoirs will have to be addressed

Mike asked about how the digester repair budget relates to the repair fund. Bob explained we can use the GRGID money to help pay for the digester repair. The remainder will come out of unrestricted reserves.

Discussion followed regarding the treatment cost. Bruce noted MGSD has an efficient system.

Frank noted that the proceeds from contributed capital have not been increased. Actual interest revenue has increased, but he is keeping the number low at \$4000. Total estimated proceeds is projected at (\$562,147). The depreciation is almost \$1.5 million.

Frank projected a 1.6% COLA for salaries. He discussed certification of employees, including an employee who obtained additional weed chemical certification.

Bob's asked if some of the capital charges, such as mosquito abatement and primary sludge pump be included in the maintenance and labor charges under the agreement with GRGID, since they are maintenance of grounds and plant facility. These are not capital expenditures like a capital acquisition, but they are maintenance types of projects. He also asked about the RAS Pump, the Effluent Check



Minutes  
March 7, 2017  
Page 4

Valve, and the Digester Cleaning. Bill thought they could be included. Discussion followed regarding getting clarification from Richard Peters prior to including them in the next billing to GRGID.

**Motion by Bob Allgeier to approve the MGSD tentative budget for Fiscal Year 2017-2018 with a tax rate of 0.1224%.** Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays, 0 abstain, 0 absent).

Discussion followed regarding scheduling the final budget hearing. April will schedule setting the public hearing date on the agenda for the May meeting.

Discussion followed regarding security for the administrative staff. Frank said the security camera system is on the capital budget for the current year, and the conduit is being laid. A mirror was installed above Sarah's desk, and the cameras are on order for each gate and in the front office. Bob also requested an alarm be placed under the desks.

**District Manager Annual Review:** See comments on the attached annual review form. **Motion by Barbara Smallwood to increase the District Manager's base pay to \$103,000.00 annually.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 1 abstain (King), 0 absent].

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

The mediation meeting for GRGID is set for June 7. He received Bob's list, but the mediator will not review the items before the mediation.

Yesterday he testified before the Senate Government Affairs Committee in the legislature on MGSD's change to the statute on County dissolution of a general improvement district. There was a lot of opposition to the bill, mostly to the Chapter 309 issue. Senator Settlemeyer supported the bill, he was asked a lot of questions by the committee, and he suggested a compromise to immunize MGSD from the complaints. There are 14 GID's in Douglas County that the DA considers weak, and the DA wanted more flexibility so the County can take some action on these. Bill felt that the committee members were favorable to the preserving the independence of the GID's. At the end, Settlemeyer asked our lobbyist if we would remove our amendment from this bill to add it to another bill. Greg Ferraro agreed as did Bill if it meant it would be more likely to get passed.

Meeting adjourned at 8:45 pm to a closed session to discuss a potential litigation matter regarding an employment resignation.

Open Meeting called to order at 9:15 p.m.



Minutes  
March 7, 2017  
Page 5

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

RCI is pursuing a FEMA claim for the reservoirs and Michelle Gamble at RCI has had a couple of meetings with State Emergency Management representatives, and she has a meeting with a FEMA representative on Friday. MGSD staff is capable of doing some repairs in house, depending on whether FEMA will allow in-house repairs or force us to bid the project.

The Notice to Proceed for the Digester repair was issued. KG Walters will start on April 17<sup>th</sup>. They have until September 15<sup>th</sup> to complete the project.

He is still working with NDOT on their Hwy. 395 project. Their right-of-way department is insisting that MGSD will pay for the raising of the manhole, but the subject manhole is from the old line coming from 10<sup>th</sup> St. His staff is researching to see if we have an easement for the area.

He noted that when he took a look at the digester project at the Carson City plant, he was surprised at how poorly the Carson City plant looks. MGSD's plant is clean and it is kept in good condition.

Bruce noted that the old sewer mains that predated MGSD have since been replaced by MGSD. The County Road line was probably the worst of the older lines to replace. Our televising capability has really helped with the line inspection. He did not recommend reducing our connection fees. Our fees are earmarked in restricted funds and that has served MGSD well.

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

No capacity was allocated in March.

RAS Line Repair: The insurance claim was denied by the insurance company. MGSD staff replaced the line, and Frank estimated that this saved about \$23-25 thousand on material alone.

Projects within the District: Esplanade at the Ranch has broken ground. The plans show over 40 units, but they have not yet applied for capacity. Part of a main that was previously installed will be abandoned, since they won't need it. Frank attended a meeting at the County for a restaurant in a building behind Sharkey's, but he didn't think it would move forward. A zero capacity permit was issued for a donut shop in Carson Valley Fair, and there was existing capacity in the unit. Capacity was purchased for a model home in LaCosta Phase 2, but the developer is not yet hooking the home into the sewer main.

Personnel: Peter Baratti has taken over the position of Operations Supervisor. Discussion followed regarding his certifications. The open position will be advertised in the fall.



Minutes  
March 7, 2017  
Page 6

**Administrative Report by Staff:** April reported that Bill Chernock was not able to attend the meeting, but he wanted to thank the board in person for hosting the workshop.

**Board Comment:** Bob discussed long-range plans and objectives, including updating and revising the MGSD website, reviewing and upgrading the district policies, and detailed review and long-range planning of maintenance needs and the cost to plant systems.

**Public Comment:** There was no public comment.

***Meeting adjourned 9:40 p.m.***

Approved by the Board of Trustees as presented on:

\_\_\_\_\_  
Date

By \_\_\_\_\_  
Barbara S. Smallwood, District Secretary

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