



Board of Trustees
Minutes of Regular Meeting
Tuesday, April 5, 2016
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Barbara Smallwood
Robert Allgeier
Mark Dudley
Michael King

Staff Members Present:

Frank Johnson
April Burchett
Brian Buffo
Bruce Scott
William Peterson

Others Present:

Craig Olson
Tim Bunting
Patty Baratti-Sallani
Steve Thaler
Larry Werner

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 on the March 13, 2016 article in the Nevada Appeal about the Carson City sewer plant improvements. Bruce explained that the City reduced their water and sewer connection fees several years ago hoping it would create more hookups, but it reduced their capital revenue. Ray stated that he was proud of MGSD's plant and staff.

Claims Review and Approval: Ray asked about the Ahern Rental and Western Nevada Supply invoices, and Frank explained that a valve at Pump Station #4 had to be replaced. Bob asked about the surface water rights lease from the Town of Minden. Bruce explained that MGSD and the Town have an agreement for MGSD to use surface water owned by the Town. This agreement allows MGSD to use the water at a low rate, and the Town can show that the water is being used. **Motion by Barbara Smallwood to approve the claims received for March, 2016 in the amount of \$73,065.28 plus miscellaneous expenses in the amount of \$904.56, and to approve the payroll-related expenses paid during March, 2016 in the amount of \$89,315.39.** Seconded by Mark Dudley. Motion carried [5 ayes, 0 nays].

Minutes of March 1, 2016 Regular Board Meeting: Bob stated that in the first paragraph on Page 3 the words "release valve" should be replaced with "relief valve". **Motion by Mike King to approve the minutes of the March 1, 2016 Regular Board Meeting with the noted correction on Page 3, Paragraph 1.** Seconded by Bob Allgeier. Motion carried (5 ayes, 0 nays).



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Steve Thaler introduced Larry Werner, the new Interim County Manager. Steve and Larry stated that Larry is available if the Board has any questions or concerns.

HDR Engineering: Represented by Craig Olson. Craig presented a computer generated 3-D stress model of Digester 3. Craig also sketched a cross-section of the digester lid showing the bottom of the top slab and the line that froze, causing the pressure buildup. Craig reported that there was no conclusive information regarding how high the water reached in the digester. The first model showed the stress on the bottom cracks in the slab, and the second model showed the stress on the top slab. The computer model and field inspections show that the cracks occur at the column locations. Discussion followed regarding the structure and stability of the columns. Craig felt there were 3 causes of the failure: first, the line was plugged and the liquid could not escape; second, the gas couldn't escape; and third, the only place for the liquid to go was inside the tank. The pressure relief valve didn't not relieve until the tank filled, so Craig was not convinced that the valve failed. Craig and Bob agreed that the biggest failure was the freezing of the overflow line. Bob questioned if the line should have been insulated. Discussion followed regarding draining the digester for cleaning and inspection of damage. Frank reported he had spoken to Alan Reed and the claims adjustor. The adjustor requested the extent of the actual damage before the insurance company can inspect it. Frank included the draining and cleaning in the budget for next year. Craig stated there is money left in the contract which the Board approved last month to HDR to validate where the damage occurred. Bob asked if Craig had an opinion on how to reseal the top, and Craig said not yet. Frank will call the insurance company and let them know what is known so far. Discussion followed regarding the leaking of the gas from the top of the digester. Bruce mentioned the loss of revenue from the loss of gas should be included in the insurance claim, and Bill pointed out that the time and expense of staff to offset the damage should also be included.

GRGID Capacity Request: Frank reported that GRGID has requested the purchase of 20 units of capacity. Frank asked the Board if they preferred that he continue to bring GRGID's capacity requests to the Board for approval or if they would prefer that Frank administratively approve the request and report the purchase to the Board. Ray felt that as long as it is GRGID and as long as MGSD has the capacity available, then Frank can approve it and report it to the board. Barbara felt that as long as there is a standing policy, the policy couldn't be changed tonight since it was not an agenda item. **Motion by Bob Allgeier to sell 20.0 units of capacity to the Gardnerville Ranchos General Improvement District under the terms of the Supplement to the 1974 Agreement between GRGID and MGSD to be used within the Gardnerville Ranchos General Improvement District Boundary.** Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays).

Scheduling of Tentative Budget Meeting: Frank reported that due to the timeframe for the submittal, we can only meet next week between Monday and Thursday. The Board felt that Thursday 14th would work best, although Mike would not be able to attend that day. **Motion by Bob Allgeier that the Board meet on Thursday April 14th starting at 12 noon to discuss the 2016-2017 tentative budget.** Seconded by Mike King. Motion carried (5 ayes, 0 nays).



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GRGID Agreements: Bill referred to the letter included in the packet which he sent to Mike Rowe, and reported that Mike Rowe and Bob Spellberg will present the information to their Board. He hoped to will have a response for the May meeting. Bob stated that the letter was well written, but noted the amount on page 3 of the letter should be changed from \$113,52.25 should be \$111,352.59. In addition, he asked Bill to recalculate the figure to take into account the amount that is paid to SDP for the maintenance and asked that the repayment schedule be provided to GRGID.

Board Benefits: Mike took issue with the assumption that he would abstain as outlined in the resolution, and would have preferred a phone call from Bill to let him know. Mike asked why PERS is not considered to be compensation, since it is included in the compensation statement provided for the District Manager. Bill explained that the compensation statement includes the value of both compensation and benefits. Bill stated that under PERS policy, the contribution was not considered to be compensation. **Motion by Barbara Smallwood to accept the newly created Board Policy entitled Resolution Regarding Private Retirement Accounts for Trustees in regard to PERS contribution for retired PERS members who are elected to the Board of Trustees.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 1 abstain (King)].

District Manager Annual Review: See comments on the attached annual review form. **Motion by Bob Allgeier to increase the District Manager's base pay to \$100,000.00.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 1 abstain (King)].

Attorney-Client Conference: Bill did not have anything to report.

Engineer's Report: Bruce reported that the Washoe Tribe is getting closer to the casino opening, and the Bently Heritage project is moving forward slowly. The Town of Minden is expected to approve construction and piping of a ditch on County Road, but that project is not anticipated to impact the sewer main. Bruce, Frank, Bill, and Marvin Tebeau met during the month regarding pretreatment ordinance.

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

No capacity was sold during March. He had an inquiry about possible development at Minden Gateway, and a potential restaurant at the old Danny's building on Ironwood and 395.

Frank spoke to Krista Jenkins regarding the mosquito abatement and she is waiting to see what transpires as the season progresses. The amount of MGSD's contribution is up to the Board, and Frank has put an amount of \$20,000 in the tentative budget. Bob clarified that MGSD is not responsible for the flow in the Martin Slough and asked if it would be possible to speak to ranchers to contribute. Barbara felt that it would be better to talk to the Towns as opposed to the ranchers. Frank said he would speak with Krista,



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since she may already have agreements with the Towns. Discussion followed regarding the proposal to cut down the wetlands. Krista felt the estimate was high.

Frank reported that he is drafting a letter to Saletti's since they promised the grease interceptor would be completed in the spring.

Frank stated that he was having trouble with Tesco setting a finish date on the SCADA upgrade, so he spoke with the CEO of Tesco to get a schedule in place. Discussion followed regarding the reasons for the delay.

Frank reported that he will be on vacation June 15th through the end of June.

Administrative Report by Staff: There was no comment by staff.

Board Comment: Mike expressed displeasure at the Board's scheduled pay increase effective January 1, 2017. He felt that when the action to increase Board compensation came up, he did not have the knowledge to make an effective decision on the matter. If the item came up now rather than last fall, he would have not approved the increase, believing that another increase in pay would be premature. Ray responded that the increase was allowed under NRS, and since it was the maximum amount allowed, no additional pay increases for the Board can be approved. Barbara clarified if Mike would like to rescind his vote, and Mike agreed that was the case.

Public Comment –There was no public comment.

Meeting adjourned at 8:55 pm.

Approved by the Board of Trustees as presented on:

Date

By _____
Barbara S. Smallwood, District Secretary

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