



Board of Trustees
Minutes of Regular Meeting
Tuesday, May 3, 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 Wilcox
Tim Bunting
Patty Baratti-Sallani

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: Bob Allgeier discussed a conflict of interest at the County when he and Barbara were on the County Commissioners. It was a single issue, but Bob felt that Mike King has a conflict of interest, since he is related to Sarah in the first degree to consanguinity. Bob read a memo, which he requested be attached to the minutes, and which was not for comment or discussion (see attached memo).

Claims Review and Approval: Barbara Smallwood stated she had asked April about the Final Analysis Fee from City National Bank prior to the meeting, and April explained that it was the final fee from City National at the closing of the bank accounts. **Motion by Barbara Smallwood to approve the claims received for April, 2016 in the amount of \$46,085.20 plus miscellaneous expenses in the amount of \$107.31, and to approve the payroll-related expenses paid during April, 2016 in the amount of \$85,403.60.** Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays).

Minutes of April 5, 2016 Regular Board Meeting and April 14, 2016 Special Board Meeting: Motion by Barbara Smallwood to approve the minutes of the April 5, 2016 Regular Board Meeting. Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays). **Motion by Mark Dudley to approve the minutes of the April 14, 2016 Special Board Meeting.** Seconded by Bob Allgeier. [4 ayes, 0, nays, 1 abstain (King)] Motion carried.

Scheduling of Tentative Budget Public Hearing: Motion by Barbara Smallwood to set the date of the public hearing for the MGSD FY 2016-2017 tentative budget for Tuesday, May 24, 2016 at 12:00 p.m. Seconded by Bob Allgeier. Motion carried (5 ayes, 0 nays).



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GRGID Agreements: Bill Peterson reported that GRGID has scheduled this matter for their May meeting, so he anticipated having an answer at next month's regular board meeting.

Attorney-Client Conference: Bill Peterson reported that he was continuing to work on the service agreement with the Washoe Tribe for the casino project. Bruce Scott stated that the as-builts and line acceptance for the Gas Station and Casino will be on the agenda next month.

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

The Bently Heritage project is moving along, and the sewer improvements are straightforward.

He has heard of inquiries about a potential building in Minden Gateway Center.

He received as-builts for the Washoe Tribe project which will be on next meeting's agenda for acceptance.

Discussion followed regarding the status of the pretreatment ordinance, and the distillery waste from Bently. MGSD will require a discharge permit for the distillery waste.

Discussion followed regarding sewer review and inspection in conjunction with the County. Bill and Bruce reported that if MGSD can't reach an agreement with the Assistant District Attorney, then they will try to work through Larry Werner.

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

One unit of capacity was sold last month, but he has received calls on developments on Gilman and Minden Gateway.

He is trying to get a couple more quotes for repair on Digester 3, so an accurate bid package can be prepared.

There were a couple of repair issues: a water line failure which was 4 feet down and a natural gas line. Frank thought it would be best to replace the entire gas line possibly in the 2017-2018 fiscal year.

The Budget hearing scheduled for May 24th and he has one major change on the capital projects. The office phone system is going out, and an upgrade to the system will cost approximately \$7100. He will add it to the budget for the meeting on the 24th.

Tesco is onsite, and they are working on the SCADA upgrade.



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The Washoe Tribe Casino is expected to open on May 23rd. Frank will do the final walk-through prior to opening.

Discussion followed regarding the doorknob hangers regarding the line cleaning.

Discussion followed regarding televising the line at the Bently Heritage project. Bruce stated that most of the improvements will be private, and there aren't many new sewer improvements, but the line will be televised just to make sure everything is in order.

Discussion followed regarding the status of the restaurant in the old Danny's Restaurant on Ironwood and Hwy. 395. Frank reported that they are scheduled to open around July 4th and no additional capacity will be needed.

Administrative Report by Staff: April stated she received health insurance premiums and is looking at the policies offered to keep premiums as low as possible.

Board Comment: Mark thanked Bruce for the 11 x 17 map.

Discussion followed regarding Frank's vacation in June. He will be gone from June 15th to the end of June.

Public Comment –There was no public comment.

Meeting adjourned at 6:45 pm.

Approved by the Board of Trustees as presented on:

Date By _____
Barbara S. Smallwood, District Secretary

: /ab

April 11, 2016

TO: MGSD BOARD MEMBERS AND MINUTES MEETING MAY 3, 2016

**RESPONSE TO UNDATED MEMO FROM MICHAEL KING REGARDING BOARD COMPENSATION
DISTRIBUTED TO MGSG BOARD OF TRUSTEES AND PUBLIC AT APRIL 4, 2016.**

I deliberately refrained from commenting at the close of the April 4 meeting regarding your referenced memo. You were involved in a heated discussion with other members of the Board and I wanted to make certain that the information I would disclose regarding this and other issues was absolutely correct.

In my opinion, you are stepping into the election campaign involving Barbara Smallwood and myself. I do have the opinion that you would much prefer that Barbara and I are not re-elected to the Board.

Should you continue to make your views regarding the district known to the general public I would hope that the information distributed by you be correct and in proper context. **Your current memo contains critical errors.**

When Barbara and I began our Board service in January 2013, Board members were compensated with a payment of \$450 a month with the chairman paid \$550 per month. You notice that I did not say this compensation was salary as prior boards chose somehow to ignore this issue and their compensation was not ruled salary by PERS. No benefit contribution for Board salaries by MGSD was made to PERS as was required by state policy.

At the February 2013 meeting staff and legal counsel made the Board aware that MGSD had knowingly been in violation of State Law for several years. For your enlightenment and education I suggest you read NRS Chapter 318, specifically NRS 318.085 if you haven't already done so. The salary paid to Board members of GID Sewer Districts as compensation cannot exceed \$9,000 per year and all members of the Board must receive the identical salary. Chairman cannot be paid an additional amount. All salary compensation received by the Board is subject to a payment by the district to PERS as stipulated by law. MGSD decided many, many years ago that the retirement benefit paid to PERS would be fully paid by the district with no contribution paid by the employees. We are considered employees of the district, subject to state law.

As I previously stated, our salary compensation for the years 2013 and 2014 was \$450 per month. To be in compliance with state law it should have been \$550 per month. We could not change the damage already done at that time. A benefit payment to PERS was made starting January 2015 as required. The PERS payment by MGSD is not considered compensation as you well know as you have been in the PERS program for years. As you know, five or more years of service in a public agency must be accomplished before any board member can collect retirement benefits from PERS.

I assume you realize that compensation paid to board members is subject to income tax. Benefits are not considered compensation subject to taxation until paid at some future date to the recipient. Board

salaries were increased to \$600 per month, approximately a 9% increase, starting in January 2015. That salary was paid to you when you first served on the board and will continue for the two year period until January 2017 when it will increase to \$750 per month, a 25% increase. The maximum compensation currently allowed by state law. The Board took proper action at the meeting on September 1, 2015 to approve this increase. You were present at the meeting, voiced no objection and voted to approve the increase.

You are now suggesting that the Board re-visit this issue. I do well understand that your "conflict of interest" matter reduces the benefits you might provide to the board and MGSD. Only you personally can make a decision as to the value of the reduced services you provide to the community. You could take a voluntary decrease in salary to compensate the community if you feel strongly enough about it.

I am truly concerned about one other issue now confronting all of us. When scanning next year's budget information Frank distributed to us that evening I noticed one of our employees is named Peter Baratti. Patty Baratti Sallani has filed for the Board in the upcoming election and was in attendance at the Board meeting. April confirmed that Patty Baratti Sallani is the mother of son Peter who is a several year employee of the district.

Should she to be elected to the Board, both you and she would have identical "conflict of interest" issues which I believe could create monumental difficulties for future MGSD boards as it could leave only three Board members capable of voting on some critical issues. It takes three positive votes to pass legislation. This means that a single "no" vote could deny critical legislation on a timely basis to the district.

Bob Allgeier - Trustee