



Board of Trustees
Minutes of Regular Meeting
Tuesday, June 6, 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
Bruce Scott
Bill Peterson

Others Present:

Alan Reed
Craig Olson
Rob Anderson

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.

Chairman's Comment: Ray will not be at the July meeting. He requested putting an action item on the August agenda to discuss long-range planning, including equipment maintenance and replacement. Bob said he will come up with some financial projections. Ray hoped everyone read the letter from Mike Arraiz included in the board packet. Frank pointed out that it is a nice letter, but that is standard behavior of MGSD staff. Ray asked Bruce to draft a letter to Mike Arraiz to thank him for the letter, and to let him know that the letter made it to the Board. Bruce stated that Peter Baratti and Chris Baracosa did a really good job.

Claims Review and Approval: Mark asked about the crane inspection. Frank explained it's an annual inspection of MGSD's several small cranes which are located in various areas of the plant. Barbara asked about the status of the security camera installation. Frank said that the last switches were on order, and he expected those in about 2 or 3 weeks. Barbara asked about backup, and Frank explained it would be on a DVR hard drive. Bob asked about the excavator bucket, since one had already been purchased. Frank explained that a narrow bucket was needed for the gas line repair. **Motion by Mark Dudley to approve the claims received for May, 2017 in the amount of \$178,255.35, plus miscellaneous expenses in the amount of \$1,031.58, and to approve the payroll-related expenses paid during May, 2017 in the amount of \$83,661.54.** Seconded by Bob Allgeier. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)].



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Bob stated there was an error in the capital expenses report. The total amount for each item doesn't match the YTD total. April said she would rectify the formula and get a corrected report to the Board. Bob said he spoke to Sarah to schedule another audit in July.

Minutes of May 2, 2017 Regular Board Meeting and May 31, 2017 Special Board Meeting: Barbara noted that on Page 1 "#1" should be added in the two places DCSID is shown, under the Chairman's Report and under Claims. **Motion by Barbara Smallwood to approve the minutes of the May 2, 2017 Regular Board Meeting as corrected.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)]. **Motion by Barbara Smallwood to approve the minutes of the May 31, 2017 Special Board Meeting.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)]

HDR Engineering Digester 3 Roof Repair – Represented by Craig Olson. Craig gave an explanation for the large invoice presented in May. Bob clarified the invoice did not include the previous time to assess the damage, and Craig explained the invoice was for time related to preparation of the bid documents and drawings. Bob said he did not recall Craig giving a cost for the document preparation. Craig explained that RCI is handling most of the day-to-day inspections and construction management. He mentioned there is a status meeting on June 7th at 8:00 am, and he was planning on attending that meeting. Bruce said he would not be able to attend the meeting, but Kelly Garcia from his office would be there. Discussion followed regarding the master plan prepared by HDR in 2012. Bob and Craig clarified most of the recommended near-term projects on the master plan had to do with solids handling. Craig explained that there currently is no backup to the solids handling. Frank said we have the parts in-house to repair, but no actual complete backup. Bob noted that the EDU's have risen, but the flow has not. Craig said it is similar to what is happening in California, that flow is going down due to conservation, but the loading (the concentration) is going up. Bob said the master plan did not need to be revised, because the projected expansion projects weren't changing, just the estimated cost of the projects would change. Ray asked if the master plan expanded the life of the plant, and Bruce noted that the age of the plant was not a factor, the master plan projects are based on the population over time. When the flow reaches a certain level, MGSD can then project when expansions are needed. He also stated that it doesn't mean that the plant would actually need to expand, since the current plant is capable of handling more flows than the existing permit allows. Bruce felt that it was important to recognize which equipment was wearing out, so they could be replaced without a plant expansion. He noted two issues facing the District, collections and age. Bruce recommended stepping up the rehabilitation to keep degradation of lines from getting out of hand, and he suggested reallocating some the capacity fees to rehab, if expansion items were not needed in the near future. Craig stated he was pleased with the progress of the digester repair, and the Board thanked Craig for attending the meeting.



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LaCosta at Monte Vista Ph. 3 & 4A As-Builts – Represented by Rob Anderson. Bruce stated he had reviewed the as-builts and referred to his letter that was presented to the Board. He recommended approval of the as-builts subject to field survey review. MGSD staff was satisfied with the construction, and they had completed testing and inspection of the new lines. He also asked RO Anderson Engineering for an electronic set of the as-builts. Bruce said he would do a final approval letter once the field-work was completed. Rob Anderson stated that he had no issues or concerns with the condition outlined in Bruce’s letter. Discussion followed regarding how many more homes and the time frame for completion of construction. Rob said that Kim Posnien will be doing additional phases, and he anticipated that it would take a couple of years until completion. Bob asked if we have had any conflict with the County over the inspection, and Bruce said no. **Motion by Bob Allgeier to approve the as-builts and accept the sewer mains for LaCosta at Monte Vista Ph. 3 & 4A prepared by R.O. Anderson Engineering, Inc., subject to the 4 conditions in the letter from Resource Concepts, Inc. dated June 5, 2017. All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Barbara Smallwood. Barbara asked at what point MGSD officially accepts the lines. Bruce said MGSD will write the final letter of acceptance after all the conditions are met. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)].

Warren Reed Insurance MGSD Plant Insurance Policy – Represented by Alan Reed. Alan discussed the digester claim, noting that he was disappointed with how it was handled. The information was received from Frank in a timely manner and submitted to the insurance company in a timely manner, but it kept being delayed. He thought there should have been a coverage decision in August or September of last year, but the claim was submitted as an equipment loss as opposed to a property loss, so it was misrouted. Ray asked how it works for reimbursement. Alan asked if we have received reimbursement yet, and Frank said no. Alan will follow up on the reimbursement status. Bob asked how long we can expect for reimbursement, Alan said it shouldn’t be any different from the construction draw schedule but he would verify that. It should be cleaned up in total a couple of months after the completion of construction. Alan thanked the Board for their patience.

Alan discussed the bidding process for insurance coverage and the history of the Pool, and pointed out that the Pool’s net assets are now over \$200,000,000. There are no significant coverage changes this year. The two newest coverage provisions are for pollution and cyber liability. Alan also mentioned the loss control and grant program. Alan reported that MGSD’s premium increased by \$198. Alan looked at vehicles, payroll and property. Payroll went up 6%, the vehicles remained the same, and there was a slight increase in property value. Ray requested that if the coverage of the sewer mains increases to please let the Board know. Ray explained MGSD’s emergency fund that was created, and Alan thought that it was good that the District was self-insuring the mains. Bill asked if we were limited to the scheduled amount on the property coverage. Alan explained that the Pool re-appraises the property every 4 years and while that amount is used for the basis of the policy, it doesn’t mean the loss is limited to that



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amount. **Motion by Bob Allgeier to approve the plant insurance package from Nevada Public Agency Insurance Pool for FY2017-2018 as presented by Warren Reed Insurance.** Seconded by Mark Dudley. Frank asked if the excavator is included, and Alan pointed it out in the packet. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)].

MGSD Pretreatment Ordinance – Bruce presented the Pretreatment Ordinance prepared by Bill Peterson for final approval. Bill explained that some of the sample language was prepared for larger government agencies and did not apply to MGSD. Bill pointed out that the District can require a permit for discharge, review what is being discharged, and enforce it. Bruce noted we are currently going through this process with the Bently distillery. Bob noted a correction on Page 1, item 3, *an* should be changed to *a*. He also asked about the use of the word *prior* on Page 10, Item C, and Bill confirmed that *prior* was the correct word. Barbara asked about the definitions and the confusion with garbage disposal under Section 25.226 with the rest of the code. Bruce said the intent of this ordinance is to provide definition only under this ordinance and is defined further on Page 4 (25.010.34.D) as Industrial and other Special Uses. Bruce explained there will be two waste streams from Bently Distillery, one for discharge under this permit, and one for standard office and commercial use. Discussion followed regarding other businesses that would currently need to abide by this. Bruce said an inventory of businesses in the District was done, and only GE comes close. **Motion by Mark Dudley to approve the MGSD Pretreatment Ordinance as corrected.** Seconded by Barbara Smallwood. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (King)].

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

SB 471 was passed by both houses in the Legislature and has been signed by the Governor.

The mediation with GRGID starts tomorrow. He received a call from Mike Rowe to see what it would take to settle the matter, so they are aware there are some problems with their legal case. Bill was optimistic about the case.

Ray thanked Bill for appearing at the hearings, and he also wanted to thank Cam McKay and The Ferraro Group for their work on this. Ray asked Bruce or April to do a letter to Cam and The Ferraro Group to thank them.

Ray asked about the status of the Personnel Manual. Bill said it and the Drug Policy will be ready for review at the July meeting. Bill also noted that OSHA requires certain things done by an employer. Bob asked if OSHA has been in to do a safety review. Frank said they were in about a year ago, and that MGSD furnishes all safety equipment to the employees. April explained that the Safety Manual is separate from the Personnel Manual but it refers to the Safety Manual. Ray asked that the Personnel Manual be placed on the July agenda for discussion only, and action will be taken at the August meeting



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

Reservoir Damage and FEMA Claim: Plans were submitted to FEMA yesterday, and the project will go to bid. FEMA can potentially reimburse up to 75% of the costs and then the State can approve coverage for one-half of the remaining 25%. Bruce did not feel that it was worth submitting to the State, since they will require us to use our emergency funding before they pay anything. As a result, there probably won't be enough money to do everything, so the next step is to focus on what the Board chooses to do. These repairs should take care of the major issues. Bruce also noted that we have a year and a half from the event to get the work done. Discussion followed regarding long-term repairs. Bruce stated that after these repairs are completed, the emergency action plan will be updated and submitted to the State. Bob asked if FEMA pays for the engineering costs as well, and Bruce said yes.

Douglas Avenue Sewer Lateral Repair: The staff did a great job on the Douglas Ave. sewer issue, as was noted in the letter from Mike Arraiz. The line is now stable. RCI will stay on top of the neighboring property owner to make sure the problem is resolved in a timely manner.

NDOT Martin Slough Project: NDOT is moving ahead with the Martin Slough crossing, and they will probably go out to bid in another month or so.

Discussion followed regarding a potential multi-family development in the Monterra subdivision and the status of the Pine View Estates ownership issues.

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

EDU's – 9 units were sold during May.

Gas Line Repair – There is a shortage on polyethylene gas pipe, so we are waiting on piping.

Mosquito Abatement – Frank talked to Krista Jenkins at the Mosquito Abatement District. They are currently working on spraying. We haven't seen any mosquitoes yet, but she asked us to contact them as soon as we see something, so she can perform a barrier spray.

Health Insurance Premiums – Staff is meeting with L/P Insurance on Thursday morning to determine health insurance rates and plans.

Recording Fees – Discussion followed regarding increasing MGSD's lien fee, since the recording fees are increasing to potentially \$41 per document as a result of a legislative bill. Bill Peterson will look at



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whether a business impact statement will be needed. The Board would like to charge minimum of \$100 for lien fees. Ray asked April to add 1 hour of Sarah's time.

Bob asked if Richard has got back to him about the digester repair as capital or repair as discussed at the May 31st meeting, and Frank said not yet. Discussion followed regarding changing the parapet on the digester. Bob wanted that brought to the Board for approval. Bruce and Frank thought it was less costly than the original plan, but Bob was concerned that the insurance company will not approve it. Bruce felt the approach was to state this is a safety issue. Bruce noted there are several change orders in the process, and asked Frank to follow up on the status of these at tomorrow's meeting.

Ray asked Frank to thank Peter Baratti and Chris Baracosa from the Board for their work on the Douglas Ave. sewer issue.

Barbara asked about the EDU's in GRGID that are limited per the contract and whether we need to renegotiate their contract if they meet their maximum EDU count. Bill explained that there was a finite amount at one time, but the contract was renegotiated, and under the new amendment they are now treated like any other customer asking for capacity. Barbara clarified they can buy as many as we approve, and Bill stated that was correct. Bob pointed out they pay less than the actual number of EDU's, since the initial finite amount is not included in MGSD's billing per the contract.

Administrative Report by Staff: April discussed collecting from accounts that have been past due for a long period. She would like Bill Peterson to look into additional options to collect on these as well as setting up a policy for staff on these types of items. Ray asked about foreclosing on a lien. Bill stated there is one title company that can proceed with foreclosure. Bill will research this and coordinate with April. Ray thought a policy would be a good idea. Ray thanked April for bringing this to the Board's attention.

Board Comment: There was no Board comment, other than Ray and Bob coordinating with Bill regarding meeting time and place prior to the mediation tomorrow.

Public Comment: There was no public comment.

Meeting adjourned 8:30 p.m.



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Approved by the Board of Trustees as presented on:

_____ By _____
Date Barbara S. Smallwood, District Secretary

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