



Board of Trustees
Minutes of Regular Meeting
Tuesday, June 7, 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 (portion)
Michael King

Staff Members Present:

Frank Johnson
April Burchett
Brian Buffo
Bruce Scott
William Peterson

Others Present:

Craig Wilcox
Patty Baratti-Sallani
Bill Souigny

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 asked that an item be placed on the agenda for establishing an earthquake fund for sewer mains. Mike would like to ask Alan Reed about grant money for help with that. The rest of the Board concurred.

Claims Review and Approval: Mike asked for more detail for the descriptions on the claim sheet. Barbara stated that additional detail is available in the office, if it is needed. Frank explained that the detail could be too detailed. Mike said the descriptions are fine as is. Bob asked about the Express Technology claim, and Frank stated that was the licensing fee for the maintenance program. Bob stated that he has not signed the HDR Engineering check since he felt the digester damage was an engineering design error. Frank stated that he felt it was an operational issue not a design error. Barbara remembered agreeing to pay HDR Engineering for the assessment, so she felt the claim should be paid. Bruce stated that he didn't think it was a design error, but if the Board felt that it was, then they should get an independent third-party assessment of the damage. Mark expressed concern about the additional expense of a third-party assessment. Bob asked about the SmartCover systems claim, and Frank explained that was a two-year monitoring contract for the flow meters in the collection system. He opted for the 2-year agreement to save the District money. Mark asked about the claim for Rust Automated controls and Frank explained that it was for the louvers for the backup generator room. Mark also asked about the USB claim, and Frank stated it was for a specialized cleaning nozzle for the collection line cleaning. Mike felt that the HDR claim should be paid, and he believed that a third-party assessment of the digester damage will be needed in order to figure out what the claim will include. Barbara asked about NDEP and



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if that was for the discharge permit and Frank said she was correct. **Motion by Mike King to approve the claims received for May, 2016 in the amount of \$58,630.72 plus miscellaneous expenses in the amount of \$488.38, and to approve the payroll-related expenses paid during May, 2016 in the amount of \$86,039.40.** Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays, 0 abstain, 0 absent).

Minutes of May 3, 2016 Regular Board Meeting and May 24, 2016 Special Board Meeting: Motion by Robert Allgeier to approve the minutes of the May 3, 2016 Regular Board Meeting with the addition of the attachment to the minutes. Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays). **Motion by Barbara Smallwood to approve the minutes of the May 24, 2016 Special Board Meeting regarding the Public Hearing for Tentative Budget for 2016-2017.** Seconded by Bob Allgeier. (5 ayes, 0, nays, 0 abstain, 0 absent) Motion carried.

Warren Reed Insurance: Represented by Alan Reed. Alan reported that the pollution coverage, which was previously a separate policy, has now been included in the package coverage with no additional charge, saving the district about \$4,000. Alan discussed the carriers and syndicates within the POOL, and noted that it is owned by the members, not insurance companies. He discussed the grant money available for risk management and loss prevention. Renewal amount is \$76,477, about \$1600 less than last year. Combined with the pollution policy, the District saved about \$5600 for 2016-2017. He noted that payroll expenses and building and content amounts increased in 2015-2016, while vehicle schedule stayed the same. Claims costs in the pool have come down over time, resulting in greater stability. He foresaw more stability, and he anticipated premium savings in the coming years. Frank pointed out that the mini excavator has not been included in the property and vehicle schedule. Ray asked about earthquake coverage for sewer mains. Alan explained the problem in insuring them is that the risk is spread out. Alan said he can look into it again, and see if someone would be willing give a quote. Ray mentioned it would cost MGSD approximately \$73 million to replace the lines. Alan reported that in the 1997 earthquake, only 1 structure received extensive damage, to put things in perspective. Bob asked about clarification of the lack of contents for Digester 2 building, under Line 13. Alan stated that if the contents are permanently attached, they are considered part of the structure. Bob felt it was under-covered. Alan said he would reevaluate it. Alan explained the assessment process, and he also explained that the building and contents would be replaced at cost, rather than the assessment. Bill asked about co-insurance, and Alan explained that there is no co-insurance. Bill and Alan noted that the amounts shown are for modeling purposes to establish the premium. Bill explained that MGSD is not at risk. Bill asked about the limit on transmission lines within 1,000 feet of the plant, and Alan agreed that the lines within 1,000 feet of the plant are covered. Discussion followed regarding auxiliary coverage. Mike asked about FEMA for sewer main loss as a result of an earthquake. Alan explained that MGSD could use the blanket loss in the pool up to \$150 million in addition to the plant's \$40 million in coverage. He explained that the POOL distributes the majority of the blanket claims to where the center of the earthquake occurs. He wasn't sure if FEMA would participate, since it's determined on an event-by-event and case-by-case



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basis. **Motion by Mark Dudley to accept the Plant Insurance Package for FY 2016-2017 as presented by Warren Reed Insurance.** Seconded by Mike King. Motion carried unanimously (5 ayes, 0 nays, 0 abstain, 0 absent).

Washoe Travel Plaza and Wa She Shu Casino As-Built: Bruce referred to his letter in the Board packet regarding the as-builts. RCI has reviewed the improvements in the field, and MGSD staff has reviewed the condition of the improvements, so Bruce recommend acceptance of the lines. Brian stated the improvements were well done, and Frank reported that the Tribe has paid all the fees. **Motion by Bob Allgeier to accept the as-builts and sewer mains for the Washoe Travel Plaza and Wa She Shu Casino projects as prepared by R.O. Anderson Engineering subject to the conditions outlined in the letter from Resource Concepts, Inc., dated May 25, 2016. All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays, 0 abstain, 0 absent).

MGSD Capital Projects for FY 2016-2017: Frank explained that he would like to get contractors moving on some of the projects, especially the air conditioning for the lab area and the office telephone upgrade, rather than agendaize each item for Board approval. Bob clarified that none of the bills would be paid until after July 1st. **Motion by Barbara Smallwood to authorize the District Manager to proceed the capital projects scheduled for FY2016-2017, approved by the Board of Trustees at the May 24, 2016 Special Board Meeting, on an as needed basis, and that invoices will not be processed until FY 2016-2017.** Seconded by Bob Allgeier. Motion carried (5 ayes, 0 nays, 0 abstain, 0 absent).

Mark left the meeting (approximately 7:15 p.m.).

Digester 3 Repair: Bruce stated that Frank has obtained cost estimates from contractors for the digester cleaning, and the estimates range from \$70,000 to \$200,000. The lowest responsible bidder is from Clean Harbors with a bid of \$79,000. He asked the Board for authorization to move forward with developing a contract with Clean Harbors and obtain the proper insurance and bonding prior to the July board meeting. Frank pointed out that this cost is included in the capital projects for FY2016-2017. Discussion followed regarding the necessity of the cleaning for the insurance claim. **Motion by Barbara to allow RCI to move forward to prepare contract documents for emergency services for cleaning of Digester 3 with Clean Harbors, developing the contract and proper insurance and bonding to allow for continued inspection of the extent of damage, with proper insurance and bonding.** Seconded by Mike. Discussion followed regarding gas and odor seeping through the cracks in the digester. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Dudley)].



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GRGID Agreements: Bill reported that his letter to GRGID was discussed at the GRGID meeting, but minutes are not available yet. It is his understanding that the GRGID Board asked Bob Spellberg to provide Mike Rowe with a summary of the issues, and asked that Bill Peterson provide clarification on each of the summary items. Bob Spellberg has not provided the summary to Mike Rowe yet. Bill is not sure what to make of it. Bill said he will follow up with GRGID, but in the meantime MGSD is holding the money due to GRGID for the fixed costs. Barbara asked that Bill call them if we haven't heard from them by 10 days before their next meeting.

Attorney-Client Conference: Discussion followed regarding jurisdiction issues with the county. Bill stated that he was unable to get to proceed with this during May, but he will get to it next month. The Assistant District Attorney asked that we provide them with documentation on each project, but Bruce and Frank would prefer a long term blanket document, since the sewer mains belong to MGSD and the County has no business interfering with them. Bruce said he would agree to an annual indemnification agreement, but would prefer a five-year agreement.

Engineer's Report: Bruce Scott reported that there is a small amount of construction in the Monterra and La Costa subdivisions, but there are no large projects going on right now. There have been a couple of inquiries at the Gateway Center. Mike Pegram purchased the Virginia Ranch Estates property and is working on development plans.

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

No capacity was sold during May.

The SCADA System upgrade is pretty much complete. The new program is currently running parallel with the old system for the next couple of weeks to work out any bugs. He instructed Brian to hold the check to Tesco Controls until the system is working as needed. Bob asked about the start date of the warranty. Bruce suggested that acceptance of the improvements be put on the agenda for the July board meeting in order to clarify the warranty start date.

The TVing is continuing on the collection system, and no major issues have been found so far. They are working in the Chichester area, so the mains are relatively new.

Frank will leave the office at noon on Monday June 13th for an overseas vacation, and he is scheduled to return to the States on June 30th. However, he may have a family obligation in San Diego upon his return, so he may miss the July board meeting. He was confident that things will run well in his absence.



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Bob asked if Frank had received an answer about the ad valorem taxes, and Frank reported that the State Department of Taxation said it was due to the cap on the abatement. He will obtain more clarification from the State.

Bob stated that DCSID's SCCRT income is \$438,000 as opposed to MGSD's \$135,000, and asked how the amounts are computed. Frank will research this.

Administrative Report by Staff: There was no administrative report.

Board Comment: There was no board comment.

Public Comment –There was no public comment.

Meeting adjourned at 7:40 pm.

Approved by the Board of Trustees as presented on:

_____ By _____
Date Barbara S. Smallwood, District Secretary

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