



Board of Trustees
Minutes of Regular Meeting
Tuesday, July 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

Staff Members Present:

Frank Johnson
April Burchett
Brian Buffo
Bruce Scott
William Peterson

Others Present:

Craig Wilcox
Tim Bunting
Therese Abraham-Noble

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 reported that he received an email from Mike King stating that Mike would not be able to attend tonight's meeting, and last month Mark let Ray know before the meeting that Mark would have to leave early. It is helpful to the Chairman know these things ahead of time. He requested that Board members let the Chairman know ahead of time if they can't attend or that they need to leave early.

Claims Review and Approval: Discussion followed regarding the timing of the ARRA payment. April explained that the ARRA payment is now being done by automatic transfer instead of wire transfer, so the payment is now made on the due date rather than the day before the due date. The July 1st payment will show on the FY 16-17 budget. She said that staff discussed this with Richard Peters, and Richard stated that an additional payment was made in the first year, so having only one payment in FY15-16 will put MGSD back on the correct schedule. **Motion by Barbara Smallwood to approve the claims received for June, 2016 in the amount of \$201,089.04 plus miscellaneous expenses in the amount of \$911.46, and to approve the payroll-related expenses paid during June, 2016 in the amount of \$86,862.60.** Seconded by Mark Dudley. Motion carried (4 ayes, 0 nays, 0 abstain, 1 absent).

Minutes of June 7, 2016 Regular Board Meeting: Bob noted that at the bottom of Page 4 change "and overseas vacation" to "an overseas vacation". **Motion by Mark Dudley to approve the minutes of the**



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June 7, 2016 Regular Board Meeting with the noted change on Page 4. Seconded by Bob Allgeier. Motion carried (4 ayes, 0 nays, 0 abstain, 1 absent).

Fund for Emergency Sewer Main Repair: Ray noted that setting up a fund for emergency sewer main repair had been discussed at past meetings, and he has set a goal of establishing funding for 10% of the 72 miles of sewer main while he is on the Board. Bob asked if the intent was to cover damage by more than an earthquake, and Ray said for any damage that would be not covered by insurance. Bob asked that it be referred to as an emergency reserve fund to be used for any reason that the Board determines is needed. Discussion followed regarding the unrestricted reserve funds, the history and projected amount. Bob stated that there is currently approximately \$2.8 million to \$2.9 million in the unrestricted reserve funds and felt that about \$2 million should remain unrestricted. He recommended establishing the fund with \$800,000 to \$900,000. He stated it would be difficult to predict how much money to add to it each year, but the Board can determine a specific amount each year when the budget is reviewed. Mark asked about starting, stopping, and adding to the fund, and Bob said it would be up to the Board each year, and the Board can opt to stop the funding at any time. Barbara asked about how the item is agendaized due to the name change of the funds. Bill stated the agenda gave sufficient notice to the public about allocating money for sewer main repair. Ray asked about holding it until August meeting for the name issue, and Bill said that would be the safest route. The Board directed that it be placed on the August agenda with the fund name as Emergency Repair Fund. Bruce stated that it is important to the public that the Board is looking into this kind of issue, to let the public know that the Board is serious about thinking ahead on these types of items. With this fund, MGSD will not have to chase money if something happens. Bill said this is something that most utilities do at some point in time. He noted that developers tend to feel that if a utility can bank money, they are charging too much, but it is smart planning. Mark stated that with some of the recent purchases MGSD has made, the District is being proactive in damage detection and repair has been done quickly, minimizing expense. Discussion followed regarding allocating amounts each year. Bob asked Bill and Bruce to come up with wording about the timing of adding money to the resolution.

GRGID Agreements: Bill contacted Mike Rowe and Mike said he would get a letter by tonight's meeting, but Bill didn't receive a letter. Ray asked Bill to contact Mike Rowe tomorrow to let them know that the Board has been patient, but a prompt answer would be appreciated.

Attorney-Client Conference: Ray stated that the June 28th letter to Douglas County was excellent. Bill has not heard anything back on the letter. Discussion followed regarding the status of the inspection release form from the county and Bill's letter of June 28th. The County is asking for one for LaCosta Phase 2. Bruce stated that he is reviewing the corrected plans, and will send a letter in the next week.



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

Digester #3 Cleaning – The Chairman previously signed the contract with Clean Harbors in Frank's absence. Brian reported that they will mobilize the 11th or 18th. The time frame to complete the project is the end of August, but he anticipated it will be finished sooner.

Standard Details –The County is putting together a committee to coordinate standard details, and Frank and Bruce expect to take part in that. Most of the County's details are based on MGSD's, although there are some variations.

Pretreatment ordinance – Marvin Tebeau is working on an enforcement response plan. He has some draft language that will address EPA guidelines on this portion of the pretreatment plan, and he is trying to get the language in place before any projects come forward that will involve industrial discharge into the sewer system. Bently Heritage will be on a small scale, and there is a permit in place with GE. Bruce asked to meet with Bentley's distiller the next time he is in town to get more detail on discharge chemicals. Ray asked about a completion date for pretreatment, Bruce thought 2-3 months.

Pine View Estates –Mark asked about the status of Pine View Estates , and Bruce has heard nothing further. It's his understanding that the residents are trying to get ownership so they can get the USDA funding.

District Manager's Report: Frank Johnson deferred to Brian who reported on the following items:

EDU's – No Edu's were sold in June, but Starbucks submitted a remodeling plan, and it appears they will have to add 1 to 2 units.

Independence Diner – The diner is open and Brian did a walk-through, and the only change was the deletion of one sink.

SCADA System Upgrade –Tesco will be here on Thursday to finish the SCADA system upgrade.

Digester Cleaning – Clean Harbors is bringing in equipment from Arizona. The digester has been taken out of service. Discussion followed regarding MGSD loss due to the shutdown of the digester.

Lab Air Conditioning – The new air conditioner for the lab was installed.

Office Phones – The office phones have been upgraded with no loss of service.



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Administrative Report by Staff: There was no administrative report.

Board Comment: Bob reported on a comparison of the Supplemental City County Relief Tax (SCCRT) tax revenues for Tahoe Douglas Sewer Improvement District and MGSD. He gave a history of the consolidated tax in Nevada, including SCCRT. Tahoe Douglas SID receives about \$437,000 per year in SCCRT, while MGSD receives \$135,000 per year. He noted that Tahoe Douglas SID has about the same amount of sewer main as MGSD, fewer employees than MGSD, and no treatment plant. When the revenue amounts were determined in 1997, all entities had until April 1998 to appeal the distribution. Bob researched the past minutes and found only one reference in June 1997, that Dave LaBarbara spoke to Bill Peterson. Bill had looked at the bill and told David that the amount is fixed. Bob also reported on Tahoe Douglas SID's salaries as reported on Transparent Nevada. He had spoken with Mike Pelham at the State Department of Taxation, who did not know the formula which determined the fixed amounts, but there seems to have been an adjustment made to Tahoe Douglas SID's amount. He and April tried to find a boundary map for Tahoe Douglas SID, but were unable to locate one. Bob spoke with a former secretary to the state senate, who had served at the time of the bill, and who noted that Harvey Whittemore lived in Glenbrook and had a lot of influence with the state at that time. He then noted the tax rate for Tahoe Douglas SID, which is \$.0350% as opposed to MGSD's at \$.1224%. He believed that MGSD has not been receiving a fair share of consolidated tax revenue. He didn't know if the state would raise MGSD's revenue amount, but it appeared that MGSD's share of the County's money would increase by about \$100,000. He requested that this item be placed on the agenda for the August meeting. Bob asked Bruce and Bill if they had any recollection of this matter in 1997. Bruce stated that David LaBarbara handled the finances during that time. Bill had no recollection, but suggested looking into the Legislative Counsel Bureau records. Discussion followed regarding the question of MGSD continuing to receive revenue if Douglas County is no longer a receiving county in the future. Bob asked that the agenda state, discussion regarding State of Nevada Consolidated Tax distribution formula.

Public Comment – Therese Abraham-Noble stated that the SCCRT revenue distribution doesn't sound even, and it needs to be straightened out without upsetting the apple cart.

Meeting adjourned 7:41 p.m.

Meeting reopened at 7:43 p.m.

Public Comment – Therese Abraham-Noble requested discussing her current billing and the late fee, lien fee, and court fee charges with the board. She noted that she has lived in the District for 31 years, and she reviewed her billing history and medical history. She disputed the finance charges and complained that



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she was provided no notice about the lien being filed. She said that someone should leave a notice on her door or contact her that the lien will be filed. Ray said he can go to her house to knock on the door to remind her to pay the bill. Mark asked about the policy and time line for assessing finance charges. April explained that if an account has not been paid at the end of the quarter, finance charges are assessed and the account is billed for two quarters plus the finance charges. If the account has not been paid by the end of the second quarter, the next quarter bill will have a note that a lien will be filed in about 15 days if payment is not received. If payment is not received, the lien is recorded. The account will be taken to small claims court toward the end of the third quarter if payment still has not been received. Ms. Abraham Noble requested that the Board change its policy for lien and court charges. Ray stated that he will personally pay the finance charges and lien and court fees for Ms. Abraham-Noble, but MGSD will not change the policy about assessing these fees, since they are the costs incurred by the District. Ms. Abraham-Noble would be responsible for payment of all quarterly rate fees, and Ray will personally pay the balance. No charges were to be written off. Discussion followed regarding attempts to call Ms. Abraham-Noble but MGSD did not have the correct number on file. Due to Ms. Abraham-Noble's medical issues, Ray asked that staff inform him if her invoice was past due in the future and he would notify her personally.

Meeting adjourned 8:05 p.m.

Approved by the Board of Trustees as presented on:

Date By _____
Barbara S. Smallwood, District Secretary

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