



Board of Trustees
Minutes of Regular Meeting
Tuesday, July 6, 2017
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Barbara Smallwood
Robert Allgeier
Mark Dudley
Michael King

Staff Members Present:

Frank Johnson
April Burchett
Bruce Scott
Bill Peterson
Peter Baratti

Others Present:

Bill Shaw

Board Members Absent:

Raymond Wilson

Meeting called to order at 6:00 p.m. by Barbara Smallwood, Vice-Chairman.

Public Comment: Bill Shaw spoke about a sewer problem he had 3 or 4 months ago due to some plumbing work done by a neighbor. The day he discovered the problem, he came to MGSD at 8:00 am and approached the staff in the back. Brian Buffo addressed the situation within about a half hour. The situation was fixed in about 4 hours and the cleanup occurred the next morning. He said the Board should be proud of the staff for the work they did. The Board and staff thanked him for his comments.

Chairman's Comment: Barbara noted that Chairman Ray Wilson is out of town, but he had asked Barbara to share the opinion column from Michael Roberson in the Reno Gazette Journal, and she passed out an article from the Record Courier about the digester repair.

Claims Review and Approval: Mark asked about the boiler repair, and Frank noted it is repaired and is up and running. Bob asked about the check ~~from~~ to HDR for \$29,460 and if they gave a bid on the contract amount. Frank did not recall them presenting a bid. Bob was concerned about whether the insurance company would reimburse for HDR's charges. Bob felt HDR should be paid for the work they did, but asked where they came up with the contract amount and the additional charges. Bruce stated they would have typically provided a proposal to the Board. He felt it was appropriate for the Board to ask for that, even at this point in the project. Mark agreed that we should ask for an itemization. Frank agreed, and Bob asked Frank to contact HDR to ask them for an itemization and budget. The Board would not approve the HDR claim at this time, and the claim document was given to Frank. Bob asked about the NPAIP item regarding the insurance deductible, and why it wasn't \$5,000. Frank said he asked Alan



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Reed, and Alan didn't know either. Discussion followed regarding the boiler repair and what it entailed. Barbara asked about the status of the security camera, and Frank said we are still waiting for 2 components to plug everything in. **Motion by Bob Allgeier to approve the claims received for June, 2017 in the amount of \$604,979.46 plus miscellaneous expenses in the amount of \$25,243.03, and to approve the payroll-related expenses paid during June, 2017 in the amount of \$111,804.62.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Wilson)].

Minutes of June 6, 2017 Regular Board Meeting and June 16, 2017 Special Board Meeting:

Motion by Mark Dudley to approve the minutes of the June 6, 2017 Regular Board Meeting. Seconded by Bob Allgeier. Motion carried [3 ayes, 0 nays, 1 abstain (King), 1 absent (Wilson)].

Motion by Bob Allgeier to approve the minutes of the June 16, 2017 Special Board Meeting. Seconded by Mike King. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Wilson)]

Heybourne Meadows (formerly The Ranch at Gardnerville) Phase II C Record Drawing Approval

Discussion followed regarding the development name change due to new owners. Bruce noted that the improvements have been in the ground for a few years, and they are trying to get the final map approved. Bruce explained that the improvements will be field verified, and he is recommending approval subject to the final field inspection. Once the information is field verified and is determined to be acceptable, the record drawings will be signed off by Frank. If they are not acceptable, the record drawings will not be signed off, and it will be back to the Board next month. Bob asked if this part is in Gardnerville, and Bruce said everything that has been constructed to date, except the interceptor, is in Gardnerville. Barbara asked how many lots are in Phase II C, and Bruce said he was not sure. Barbara discussed that the Town of Minden did not accept the lines at last night's meeting for several reasons. Bruce agreed that there have been problems with dead-end water lines in the development. Bob asked if they will pay the fees for everything in the phase. Bruce noted that the fees will be paid when they get their building permit. Mike asked if Bruce was comfortable that they will comply with the conditions in his letter, and Bruce said yes because they will not be able to get a Certificate of Occupancy from the County until MGSD's conditions are met, and MGSD will not release an approval to Douglas County until our standards and conditions are met. **Motion by Mike King to approve the as-builts and accept the sewer mains for Heybourne Meadows (formerly known as The Ranch at Gardnerville) Phase IIC prepared by R.O. Anderson Engineering, Inc., subject to the 4 conditions in the letter from Resource Concepts, Inc. dated June 30, 2017. All rules, regulations, and requirements from MGSD are to be met and all fees paid.** Seconded by Mark Dudley. Barbara suggested we show both development names on documentation for cross-referencing. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Wilson)].



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Gardnerville Ranchos General Improvement District Capacity Request – Frank stated we have received the check from them and everything is in order to purchase 20 units of capacity. **Motion by Bob Allgeier to sell 20.0 units of capacity to the Gardnerville Ranchos General Improvement District under the terms of the 1974 Agreement and the 1990 Supplement to the 1974 Agreement between GRGID and MGSD to be used within the Gardnerville Ranchos General Improvement District Boundary.** Seconded by Mike King. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Wilson)].

Attorney-Client Conference/Gardnerville Ranchos GID Revised Settlement Agreement – Bill Peterson stated that this item can be discussed under an open session. He spoke with Mike Rowe about an amended agreement removing the provision that called for the good-faith renegotiation of the contract. The GRGID board approved the amended contract subject to approval by the MGSD board. Bill reminded the Board that the cash settlement terms are \$200,000 within 2 weeks, and an additional \$12,000 be withheld from any refund owed them under the fixed and variable cost. Bob noted the settlement breaks down to \$175,000 for the co-gen project and an additional \$37,000 for the heat loop. Bob asked Bill if he recommends we accept the offer. Bill said yes, for two reasons. First, there are no guarantees of the settlement in arbitration due to discounts applied to probabilities of not winning; and, second, for public relations between the two districts. Bob said that at no time during the mediation was there discussion about the benefit GRGID was realizing from the improvements. Bob stated the project was approved to save on MGSD's utility bills, but nobody noted how much GRGID would save from the projects as well. On an average, GRGID would save \$45,000-\$50,000 per year by having the co-gen in place. The return that GRGID is getting is 25% on their money. He doesn't want anybody to feel sorry that GRGID is paying us under the terms of the settlement. He would like to have our attorney notify GRGID as to the fact that they have made themselves a very attractive settlement. Mark noted that he felt that we should move forward with approving the agreement and take that on afterwards. Mike King felt that they got an even better deal because of the money MGSD has spent on this, so he is not concerned about what their return is, but to make sure this situation doesn't occur again. Bill reported that there will be other projects that GRGID will need to share costs in the future. (See additional note regarding telephone conversation between April Burchett and Ray Wilson below Attorney Client Conference on Page 4) **Motion by Mike King to approve the revised Settlement Agreement and Release of Claims between MGSD and GRGID as presented by Snell & Wilmer and to authorize the Vice Chairman to sign the settlement document.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Wilson)].

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

The Employee Handbook and Drug Policy are still being worked on, and he hoped to have that ready for the August meeting.



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Douglas County-MGSD Jurisdiction Issue: He is trying to get that resolved. He will send another letter to the County DA stating that we have exclusive jurisdiction over our facilities under Nevada law, we are not subject to their standards, and we will not sign their documents. Otherwise, we will have to seek a declaration from a court. He felt that we are a ways away from that, but we need to move forward. Bruce noted he always sends a courtesy copy of his correspondence to the County so they are aware of MGSD's review. Barbara asked if the County is doing this to other Districts, and Bruce said yes and to the Towns as well. Frank noted that the County charges an additional fee to a developer to inspect other agencies' infrastructure. Barbara referred to the Draft Master Plan Policy 6.6 stating that Douglas County will be responsible for provision of sewer and water in Minden-Gardnerville community. Discussion followed regarding the meaning of the language in the Draft Master Plan. Bob didn't interpret the wording to mean the County would actually supply the sewer, and Bruce felt the implication is there but noted that it would be confusing for a developer, especially one that isn't local. Bill said he interpreted that to mean that a new subdivision will be required to have water and sewer service but does not state that the County will provide the service. Mike asked how this gets resolved. Bruce felt that the solution was to enforce MGSD's jurisdiction over the sewer infrastructure. If we enforce our position, then the County's role in this policy is reduced to making sure that water and sewer are provided by the appropriate entity. Bob said the County Commissioners will probably have this on their agenda in October, and we should do something in the next month or so to get this resolved prior to the Commissioners approval. Bruce suggested amended language to add "by the appropriate purveyor" and Mike suggested adding "service providers".

Additional Comment from Attorney-Client Conference/Gardnerville Ranchos GID -- Barbara asked that it be noted under Item 8 that April noted her conversation with the Chairman regarding the settlement agreement with GRGID.

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

Digester Repair: The digester repair is moving forward on schedule. KG Walters is getting ready to frame the new roof. They will have a major pour in a couple of weeks, which will be the new roof and which will tie-in to the existing wall. There are some change orders, and Frank will address these under the District Manager's report.

Reservoir Damage/FEMA Claim: Bruce reported that the access road to the ponds has continuously being damaged in heavy storms, and the solution is to make a heavier duty road. However, FEMA called up Cinderlite, asked for an estimate to build this road, and received a bid that was much lower than the engineer estimate. RCI is working with FEMA to get the cost discrepancy resolved. Discussion followed regarding the proposed stabilization repairs.



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Discussion followed regarding various master plan amendments in the Minden and Gardnerville area.

Mike asked about the contingency fund noted in the June 6th minutes on page 5. Bruce said even if we didn't have a named emergency fund, the State would identify any reserves and make sure those are spent first. Mike asked if there was some accounting that could be done to put us in a better position next time, and Bruce said we would have to restrict all our money which would not allow the Board enough flexibility to manage repairs and improvements. The state knows MGSD's accounting as well as we do, and they would have identified any money available.

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

Capacity: 3.2 edu's were allocated last month in addition to the 20 units allocated tonight to GRGID.

Digester 3 Repair: Frank reported that a change order in the amount of about \$11,000 was approved. This was a time-sensitive item in order to make sure the part could be manufactured on time, and Frank contacted Ray Wilson for approval. Frank spoke to Richard Peters, who stated that this project is a maintenance/repair expense, since it does not extend the life of the equipment. Frank said a decision was needed about the railing which is about a \$1500 deduction. He would like to go with the railing rather than the concrete parapet. It will be a change from the initial bid. Alan said insurance would not balk at that.

Grease Tank Ladder: Frank discussed replacement of the ladder on the grease tank, as a change order for the Digester project. He received a loose estimate from KG Walters of about \$50,000. This repair would be a safety item, since the current ladder is not safe. Bruce agreed that there was no way to get staff to the top of the tank in a safe manner and noted that it will be costly to replace. It probably would not be subject to insurance, but it is most cost effective to do it while KG Walters is onsite, since it's next to the digester. Bruce noted it is a complex design. Pete said it will preserve the integrity of the tank, and explained that several staff members have almost taken a spill when they go up there. Frank stated we don't have to go up there to clean it, but it is better to clean from the top rather than opening the hatch. Discussion followed regarding the process of approval of the change order. Bruce said the best thing would be to allow Frank to move forward to authorize the approval as long as the cost is in the ballpark in order to expedite the change. Bob asked if HDR would be involved, and Frank and Bruce both stated that KG Walters is designing it, not HDR. Bill noted that he was in favor of moving forward in order to prevent a workers' comp issue. Frank said he will approve it as long as the cost does not exceed \$50,000.

Reservoir Repair: Frank reported that July 11 is the pre-bid conference, with bid opening on the 21st, so the bid can be awarded at the August 1 meeting.



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Gas Line Repair: Frank and Pete reported that half of this project is complete, and he anticipated having the other half completed in the next week or two. The operators are encountering a lot of pipes. Pete is updating our as-built plans as we encounter hurdles.

Attendance at County Commissioners: Frank reported that he attended the County Commissioners hearing on the County's proposed design standards, and they were less than receptive to Frank's attendance. They told Frank to work it out our concerns with Eric Nielsen.

Mosquitoes: The mosquitos got bad here last week and Frank spoke to Krista Jenkins. Bob stated that Mosquito Abatement sprayed two weeks ago, but he couldn't find any evidence. They sprayed again and it seems to have worked. Discussion followed regarding charges by the Mosquito Abatement District.

Frank reported that the air conditioning in the operations area is completed.

Administrative Report by Staff: April reported that there were no changes from last month on the past due accounts.

Bob asked about the Health Insurance costs. April reported that HHP will cover the retiree and she will have costs at the August meeting.

Discussion followed regarding the proposed change to the Lien Fees as shown on Page 6 of the June 6th minutes. Mike asked for clarification of whether Sarah's hourly time is included in the \$100, or in addition. April will clarify that with Ray and get confirmation from Bill about whether a Business Impact Study will be needed.

Barbara discussed the empty commercial space noted in the County's Master Plan, and asked how we handle empty commercial spaces. April reported that MGSD does not charge the sewer fee for that unit if the water is off.

Board Comment: Bob reported that the County is adding 400,000 gpd to the North Valley plant and the cost to expand the plant is \$10 million. Commercial sewage will be sent to North Valley and no longer to Carson City. Barbara noted that some of the money will come from Redevelopment.

Bob provided agenda wording for the August board meeting regarding long term planning and gave it to Bill and April. He has the greatest respect for the intelligence, knowledge and history of professional contractors, board, and staff we have at MGSD. He thinks there will be reports for each of the items noted, and suggested the reports be combined in a book for future reference.



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Mike reflected that the big win with GRGID was that we set the contract straight for the future. He really respected Bob and his efforts on this. He also commended Bill for the job he did on this.

Public Comment: There was no public comment.

Meeting adjourned 8:20 p.m.

Approved by the Board of Trustees as presented on:

_____ By _____
Date Barbara S. Smallwood, District Secretary

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