



Board of Trustees
Minutes of Regular Meeting
Tuesday, August 1, 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
Craig Olson

Others Present:

Board Members Absent:

Raymond Wilson

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

Public Comment: There was no public comment.

Chairman's Comment: Barbara noted that Ray Wilson was unable to attend the meeting.

Claims Review and Approval: Discussion regarding the option of approving the HDR invoice from June under claims approval or under the Item 6 on the agenda. Bob preferred to approve it under the claims. Bob asked about the Smart Cover subscription, and about the Underground Service Alert annual membership. Barbara asked about the Record Courier fiscal summary report publication fee and April said she would forward a copy of the fiscal summary report to the Board. **Motion by Michael King to approve the claims received for July, 2017 in the amount of \$243,108.76 plus miscellaneous expenses in the amount of \$78,328.42, and to approve the payroll-related expenses paid during July, 2017 in the amount of \$83,372.87.** Seconded by Bob Allgeier. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Wilson)].



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Minutes of July 6, 2017 Regular Board Meeting: Bob noted on Page 1, second sentence under Claims Review, to change the wording from “check from” to “check to”. Mike asked about the status of the change in lien fees. April said it would be recording fees, plus one hour of Sarah’s hourly rate. **Motion by Mark Dudley to approve the minutes of the July 6, 2017 Regular Board Meeting with the noted correction.** Seconded by Mike King. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Wilson)].

HDR Engineering – Digester 3 Roof Repair – Item heard after Attorney-Client Conference (see Page 4).

MGSD Effluent Pond Embankment and Pond Repair – Bruce Scott discussed the letter from Michelle Gamble included in the board packet referencing the five submitted bids. RCI has worked with FEMA, and FEMA will not commit to any funding. They can fund up to 75% of the cost, and MGSD would potentially qualify for at least 50% of the cost of the project. The District will have to be the bank and pay the contractor and get reimbursement from FEMA. FEMA did acknowledge the cause of the damage due to the storm event. He recommended the approval of the low bid from Armac Construction. **Motion by Bob Allgeier to award the bid for the MGSD Effluent Pond Embankment and Pond Repair project to Armac Construction in the amount of \$149,034.00.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Wilson)].

MGSD Long-Range Planning – Bob noted that this item was placed on the agenda at the request of the Chairman. Bob discussed this with the Chairman, who asked that this item be continued to the September meeting. **Motion by Bob Allgeier to defer action on this item until September 5, 2017 regular board meeting.** Seconded by Mike King. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Wilson)]. Bob asked about surface water infiltration into the sewer mains. Frank said that with our flow meters we can now compare the numbers with last year’s numbers to obtain an approximate amount. Most of the infiltration is due to groundwater, since most of the manholes are sealed. Bruce said there aren’t good cost numbers, but if you have a leak of 1 GPM, the value of that is around \$12,000-\$16,000. He said the cheapest way to generate plant capacity is to reduce infiltration and inflow. The areas of potential infiltration have been identified and being monitored. Bruce also noted that in regards to the development of future mains, MGSD requires the developer to construct the mains for MGSD’s acceptance and maintenance. MGSD typically does not pay to extend mains.

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

Lien Fee Increase: With regard to the business impact statement for the lien fee increase, he explained the criteria to warrant the requirement for a business impact statement. Bill will provide a form to Frank



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to complete that states there is no business impact, since raising the lien fee is a result of the actual cost to MGSD.

Drug Policy and Personnel Handbook: Bill said these items are available for the September board meeting. Discussion followed regarding putting it on the October agenda, but he can have them circulated in the next week for approval at the September meeting. He asked the Board if they wanted to review these at the meeting or review them before the meeting and just approve them and ask questions at the meeting. The Board felt this would give them enough time to review them for approval at the September meeting, and asked April to place these on the agenda for the September Regular Board Meeting.

Inspection Issue with County: Bill was not able to move forward with this during July. He anticipated setting up a meeting with the District Attorney in August.

County Master Plan Housing Element: Bob reported that the goals under the proposed Housing Element of the Master Plan for the County, with respect to Multi Family housing, are also of concern to MGSD. Goal 1 of the County's Master Plan states, "to increase housing opportunities in Douglas County by removing regulatory barriers", and Goal 2 states, "to amend the Douglas County Development Code to remove the limits on the number of unrelated persons that can live in a dwelling unit". He would like Bill to discuss this with the District Attorney. Bob expressed concern that this would result in a large increase in the flow to the plant. Goal 3 says, "to reduce the development costs associated with affordable housing developments including land acquisition and other upfront costs." Policy 3.1 states, "support development with reduced development and building permit fees, as well as reduced water and sewer fees." The County has no control over our fees and rates. Under Nevada Rural Housing Authority rules there is no Ad Valorem tax collection from low-income housing developments. Discussion followed regarding fees for the low-income facility on Mahogany Dr. by the High School. April reported that all fees were paid, including annexation, engineering, and hook-up fees, and they are currently paying a quarterly user fee. There are no reduced rates assessed to low income housing units. Barbara discussed her concerns regarding the County trying to regulate MGSD's rates, as well as the definition of a family. Mike proposed that MGSD compose a letter to the County Commissioners outlining our concerns, and since it is a potential impact to flow rates, this would also impact the service to other customers in the District as well as quarterly rates. Bob asked if the Board has the right to express their concerns to the County. Bill felt the Board has a duty to raise their concerns, since it will impact the usage by causing plant expansion without payment of additional capacity. The Board asked Bill to draft a letter to the County.

GRGID Settlement: Mike was concerned that with Mike Rowe retiring that the dispute will occur again. Bill said that the resolution document will set the understanding of how the contract is interpreted. If we improve our communications with them going forward, it should eliminate any problems going forward. Discussion followed regarding GRGID's share of the Digester Repair.



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HDR Engineering – Digester 3 Roof Repair – Craig Olson reported that the Digester repairs are getting close to completion. On July 21st, the top roof deck was poured, and there hasn't been a lot of activity since then because they're waiting for the concrete to cure. Mark asked about the cure time, and Craig reported 28 days. He anticipated that construction would be complete in another month. Bob asked if they can put the lining in before the concrete cures. Craig explained that the way it's constructed, the lining is in there already and they will just need to thermal weld it. There is still some piping to be installed. The only thing that may cause a delay is the guard rail, but that will not delay getting the digester back online. Craig asked if the flame arrester was serviced, and Frank stated that it was and he detailed it in the District Manager's report. Mike asked if this repair would extend the life of the digester. Craig said that the concrete was in pretty good shape, but the ferrous materials at the top had some erosion. They installed stainless steel to some flange covers and will take care of the leaking problems, so it will extend the life of some of the component parts. Bob asked how long the vessel is expected to last. Craig said they recommend 50 years. Mike asked about 50 years from the time of repair as opposed to the time of initial construction, and Craig said from the time of repair, but the components will periodically need to be replaced. Bob asked Craig to provide us with explanations with submittals of invoices.

Bob discussed long-range projections for the District. Bob asked Craig about the drop in the average daily processing and population projections to estimate additional Edu's. He wondered how realistic the flow projections outlined in the Master Plan were. Craig explained that they were trying to estimate the rate of growth. He agreed that it will be years until we reach the next flow trigger number. The next improvement items listed in the master plan are actually for redundancy. He is seeing quite a bit lately that flows are down and loads are up. He was also concerned about the multi-family issue in the County's master plan. Discussion followed regarding the impact of the Tesla plant on the demand for skilled workers in Nevada and California. Barbara expressed concern about the decreased flows and then the impact to the flow if the vacant commercial zoning areas are built out. Bruce stated that there is a cushion in the projected flow numbers and it would take a huge project to cause the flow to spike. Typically what would impact us is housing. There isn't much land zoned for commercial and industrial, and most of the expected growth in the County is not projected in our area. Mark noted that the costs stated in the master plan have also changed since it was put together.

Frank asked for more detailed explanation of the work performed on the HDR invoices. Craig said he will put together a work summary for the Board.



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

NDOT Encroachment Permit: NDOT has asked for additional information, and RCI will get that information to them. They want depths for each manhole. Due to the difficulty in opening the manholes in the highway, they agreed on providing estimates.

Pine View Estates: Frank and Bruce went to a meeting at the County regarding Pine View Estates. They are making progress on acquiring individual ownership, but they don't have a schedule. Bob heard that the title should be cleared in 3 to 4 months.

Bently Heritage: He is still waiting for more detail on the nature of the sewage.

Bob reported that there is a sliver of land bordering two sides of our ponds, and he had been approached by someone from the County regarding MGSD's interest in this parcel. Bob wanted to know if it had to do with our road and whether the road was encroaching onto this parcel. Bruce said it's hard to tell since there are dueling legal descriptions. If the County offers the ground to MGSD at no cost, he would recommend the Board accept it. Bruce remembered that it came up a few years ago, and the County wanted MGSD to pay for the land. Discussion followed regarding how the discrepancy occurred, and how the County obtained ownership. Bob asked if the rest of the Board would be willing to accept the land from the County if it was offered at no cost. Otherwise, the County would approach the Parks to resolve it. Discussion followed regarding any drawbacks to accepting the parcel. Bill did not see any. The Board agreed.

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

Capacity: 29 units were allocated during the month of July, 9 units to the Esplanade project and 20 to GRGID which were allocated at last month's meeting.

Platform for Grease Tank Change Order: Frank said he received two estimates: one at \$53,000 for steel, and one for aluminum at \$63,000. He did not expect the costs to be this high, but noted it has to be done for safety reasons. Barbara suggested the aluminum option, due to the painting needs for steel. The Board concurred on the aluminum. Bob clarified that the estimate included engineering. The Board gave authorization to proceed, with the formal approval of the change order at the September meeting. Discussion followed regarding sending the change order to the insurance company. Bill felt it should be submitted to the insurance company.

Maintenance Program: Frank noted that our current maintenance program is antiquated. The one Frank recommended will help with long-range planning. It's about \$1400 more than estimated, but that will



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include on-site training. The licensing fee is \$2800 each year, for three licenses for Pete, Frank, and one for the operators. He will get that rolling.

Personnel: We will advertise the vacant operator position around mid to late August for a mid-September start date. Discussion followed regarding the difficulties in hiring certified operators.

Projects within the District: No projects came forward, except for Pine View Estates. Discussion followed regarding proposed development.

Security Camera System: Frank anticipated that the security camera system would be fully functional on Wednesday. The security camera at the front desk is functioning. He is also looking into integrating a panic button to the alarm system and to County dispatch. Frank explained that the cameras are motion detected and go to a DVR.

Administrative Report by Staff – April Burchett reported on the following:

Medical Insurance Premiums: Four employees received a benefit from the increase in the monthly allowance by MGSD, and the total medical premium went down. This was partly due to MGSD's getting bids on the market. Due to the uncertainty with health care, she was unable to say whether the premiums would be similar next year. The premium for the retiree is still projected at this time, because his application is still being processed. And she noted that the total premium is estimated, since we weren't billed for the retiree and two employees. Bob asked if this amount will go up when we hire a new employee and April said it would.

Lien Fee: April clarified that the proposed lien fee includes the recording fee of \$35 for 2 documents (the lien and the lien release), and one hour of Sarah's time at \$28.64. There were 10 people potentially going to small claims, but the number is now down to 5 after Sarah called each of the customers. The lien filings were also due to phone calls. Discussion followed regarding the administrative process for customers for liens and small claims court. April will have formal past due report next month, since we're still waiting for some payments.

Board Comment – No board comment

Public Comment – There was no public comment.

Meeting adjourned 8:10 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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