



Board of Trustees  
Minutes of Regular Meeting  
Tuesday, August 2, 2016  
6:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Raymond Wilson  
Barbara Smallwood  
Robert Allgeier  
Mark Dudley  
Michael King

Staff Members Present:

Frank Johnson  
April Burchett  
Brian Buffo  
Bruce Scott  
William Peterson

Others Present:

Craig Wilcox  
Tim Bunting

Board Members Absent :

None

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*Meeting called to order at 6:00 p.m. by Ray Wilson, Chairman.*

**Public Comment:** There was no public comment.

**Chairman's Comment:** Bob reported that at Barbara's request, the Board was sent the policy statement regarding the collection procedure for MGSD. Since the Board is responsible for the policy and the finances of the District, the last statement on the policy regarding Collection Procedures states, "Exceptions to the above collection schedules may be made whenever it is determined that an extension of the payment deadline is warranted. Possible justifications for an exception include, but are not limited to, untimely invoice delivery, lost or misplaced invoices, incorrect customer information, or efforts to promote customer satisfaction, particularly with long-term customers". Bob felt that ~~it~~ whether a customer was long-term was irrelevant. All customers have the responsibility to pay what is owed. He asked that this item be placed on the September agenda for amendment by the Board. Barbara asked if it is codified, and April stated that it is an internal document for staff use only. Barbara agreed with putting the amendment on the agenda next month.

**Claims Review and Approval:** Barbara asked about the unpaved portion of the parking lot, and Frank explained that it was due to a water line break, and it will be paved. Frank explained that NV Energy had not issued billings to MGSD for 3 months, and it has since been rectified. **Motion by Barbara Smallwood to approve the claims received for July, 2016 in the amount of \$109,350.36 plus miscellaneous expenses in the amount of \$123.96, and to approve the payroll-related expenses paid during July, 2016 in the amount of \$117,981.66.** Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays, 0 abstain, 0 absent).



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**Minutes of June 7, 2016 Regular Board Meeting:** Bob noted that on the minutes under the Board comments on Page 4, the tax rate for Tahoe Douglas 3.5 cents per \$100 of assessed valuation, and MGSD's is 12.24 cents per \$100 of assessed, so the numbers should be corrected to \$.1224 and \$.0350.

**Motion by Bob Allgeier to approve the minutes of the July 5, 2016 Regular Board Meeting with the correction on Page 4 as noted.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 1 abstain (King), 0 absent].

**Gardnerville Ranchos GID Capacity Request:** Frank reported that we received a letter from GRGID, and stated that they last purchased capacity in July 2015. MGSD has received a check from GRGID for \$79,575.00. Frank explained that they purchase 20 units at a time. **Motion by Mark Dudley to sell 20.0 units of capacity to the Gardnerville Ranchos General Improvement District under the terms of the 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 (5 ayes, 0 nays, 0 abstain, 0 absent).

**Fund for Emergency Sewer Main Repair:** Ray noted that based on Bob's explanation last month, the fund can be started with \$300,000. Bob reminded the Board that Bill and Bruce were asked to provide resolution language for the fund. Since the resolution language was not prepared, the item will be continued until the September meeting. **Motion by Ray Wilson to table the action on the Emergency Sewer Main Repair fund until the September 6, 2016 meeting.** Seconded by Bob Allgeier. Motion carried. (5 ayes, 0 nays, 0 abstain, 0 absent).

**GRGID Agreements:** Bill presented a letter from Mike Rowe dated July 29<sup>th</sup>, in which they requested additional information. Bill explained that GRGID appears to be referring back to the terms of the arbitration agreement in 1976. The original buy-in capped any additional expenses for improvements. GRGID disagrees with our claim, and they felt that the terms of the arbitration agreement show that the amount collected from GRGID at that time paid for the plant expansions to that date, and that any future plant expansion were paid for by EDU purchases. Bill stated that the next step is to write another letter that is more detailed. Ray felt that it had taken too long for GRGID to respond to Bill's letter. Discussion followed regarding making an adjustment in MGSD's billing to GRGID for their portion of the power and gas bills, whereby MGSD would not pass the power and gas credits through to GRGID. Discussion followed regarding filing a court case. Ray felt that the next step should be for Bill, Frank, and Bob Allgeier to meet with Mike Rowe, Bob Spellberg and GRGID's treasurer. Mike felt that if it comes down to a court case, there are no winners, so if there was a different way to approach this, it would be worth looking at. He expressed concern that if MGSD is in a dispute with another agency, then someone else could use the dispute to support their argument to consolidate utilities. Bob suggested that Bill meet with



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him and Frank to go over the amounts month-to-month. Bill stated felt that it would be better to deduct the power and gas credits from GRGID's refund, and put the ball in their court to sue. Barbara noted that the last letter sent by Bill to GRGID explained things well, and agreed to hold the money [9/6: *Barbara noted that the money referred to was the refund for the Variables costs*]. Ray asked that this be placed on the agenda for next month.

**State of Nevada Consolidated Tax Distribution Formula:** Bob noted that a package of the data was sent to the Board regarding the consolidated tax. Bob reminded the Board of the discussion that took place at the July meeting regarding the amount of money Tahoe Douglas Sewer District receives from the state, as well as information regarding the Tahoe Douglas Sewer District and how their sewage is processed. Bob felt they should have received less money than DCSID and MGSD. Frank noted that April found more information after they last spoke, which stated that SCCRT was based on assessed value, not on population. At the time, if assessed values were higher, then the entity received more SCCRT. Bill had also researched the history of the legislation. The formula for the allocation of money prior to 1997 was based on property values. In 1997, it was noted that enterprise districts should be relying less on tax and more on user fees. But a lot of the districts had been relying on the tax. So the money was frozen in 1997, rather than changing it retroactively. Discussion followed regarding development and assessment in the Lake areas in 1981. Mike stated that a lot of hard time was put into this, and he commended Bob and April for all the research. The Board felt that there was nothing that could be done to remedy the inequity, but appreciated the research and work involved. Barbara also noted the inequity in the [property tax](#) assessment across the counties, and that will have to be addressed by the legislature.

**Attorney-Client Conference:** Bill reported that he made an agreement with the Assistant DA to do an inspection agreement on an annual basis. Bruce felt that the County's agreement form needed to be revised to require the project be built to MGSD's standards as opposed to the County's standards. He was not in disagreement in the standards, but improvements need to be to MGSD's standards. Ray suggested that the language state that MGSD will meet the County's standards at a minimum, but that MGSD's standards will exceed the County's. Bill and Bruce also felt that would be a good idea.

A question came up about distribution of materials prior to a meeting. Bill stated it is not a violation of the open meeting law. The problem ~~that~~ arises ~~is~~ if it ~~is~~ part of the agenda materials. If it is part of the agenda, then everyone getting the agenda is required to receive a copy of the supporting material. One way to avoid the trouble is to have April distribute all materials. Barbara stated that in a class on the Open Meeting Law, it was noted that items distributed by email should be blind copied, so there isn't the ability to hit "Reply All" and inadvertently cause a meeting. April asked if an item requested for distribution is not part of the board packet, should it be sent out to everyone on the agenda packet list, and Bill said no. Mike stated that if there are any memos, that it should just be sent in the board packet. Mark felt that it was nice to have it early to have the time to review it.



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

**Pretreatment Ordinance:** Bruce reported that he anticipated having a draft available for board review at the October meeting.

**Standard Details:** Frank and Bruce met with the County on standard details. Our details are being updated. They will be ready next meeting or at the October meeting.

**Washoe Tribe possible future service:** He received a call from the Carson Water Subconservancy District, and there was some interest in extending the sewer main south to serve the Washoe Tribe. He explained to Ed James that the Board is considering serving Pine View Estates. The Tribe needs to talk to the BIA and other agencies, so there may be additional interest in extending the sewer main to serve Washoe Tribe property along Hwy 395. Additional meetings will be needed, and Bruce will keep the Board apprised of the status. Discussion followed regarding plant and main capacity to serve Ruhenstroth. Bruce said there is plenty of capacity in the plant and the main to serve Pine View and Ruhenstroth, because there aren't a lot of units in those areas. Discussion followed regarding differences between serving Pine View vs Ruhenstroth due to pump stations.

**Town of Minden Engineering Changes:** The Town of Minden is changing their approach regarding engineering services. They have put together a bid proposal and will interview some firms. RCI will not be their engineer going forward. Ray and Barbara expressed displeasure at the Town's decision, since it hampers continuity.

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

Frank noted that there was a compliance problem with MGSD's online bill pay, and he commended Sarah King for her time and efforts in getting the matter resolved and ensuring MGSD was compliant and able to resume taking online bill payments.

**EDU's** – One unit of capacity was sold last month.

**Digester 3** – Clean Harbors is close to being done. They came across a snag, and there may be a change order. Frank said he had only been informed of the problem earlier today, and he did not have any details. MGSD procured a second truck to be on standby for material hauling. The Clean Harbors quote is \$21,000 under the budgeted amount, so Frank requested that he be given the authority to approve the change order if it doesn't exceed the budgeted amount. The Board authorized Frank to approve the



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change order up to the budgeted amount. Any amounts over the budgeted amount will need to be brought to the Board for approval.

SCADA System Upgrade – The new SCADA system has been installed for over a month, and the old system has been dismantled. No issues have been encountered with the new system.

Mower – The mower is expected to arrive later in the week. Due to the excessive weeds this year, Frank anticipated that it will be put to immediate use.

Water Line Break – Frank explained there was a water line break in the parking lot. It is an NPW line for irrigation, but it hasn't been used since the early 1980's when the highway was widened and the state said we couldn't use NPW that close to the highway. Frank anticipated the occurrence of this type of repair, since the lines are getting old. As noted earlier, the repair area still needs to be patched.

Douglas County Utility District Concept: Frank referred to the memo included in the packet that was presented at a County Commissioners meeting. He considered it to be a "pie-in-the-sky" concept. Bob felt that the County's meeting with MGSD a while ago regarding serving the North Valley area was the initial contact about this. Bob asked Bill if the County could just vote to take over MGSD. Bill explained that if at least 50% of the voters within the district protested it, then the District cannot be dissolved. Frank reported that the managers said at the most recent meeting that if this idea gains any momentum, then all the districts will need to get their legal advisors and managers involved to get a plan to fight it. All the area GID managers are keeping an eye on it.

Administrative Report by Staff: April reported that at the suggestion of Alan Reed, MGSD has changed Workmans' Compensation providers from Employers to the Public Agency Compensation Trust (PACT). Due to the PACT insuring more agencies, their rates have been reduced, and it appears MGSD will save about \$2,000 a year in Workmans' Compensation coverage.

Board Comment: Ray asked that Bill and Bruce get together on the resolution to create the emergency repair fund.

Public Comment: There was no public comment,

*Meeting adjourned 7:50 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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