



Board of Trustees
Minutes of Regular Meeting
Tuesday, January 2, 2017⁸
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Barbara Smallwood
Michael King
Mark Dudley
Robert Allgeier

Staff Members Present:

Frank Johnson
April Burchett
Bruce Scott
Peter Baratti
Bill Peterson

Others Present:

Jeremy Hutchings

Board Members Absent:

None

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

Public Comment: There was no public comment.

Election of Board Officers for 2018:

Mike King nominated Ray Wilson as Chairman for 2018, with a second by Barbara Smallwood. All present voted aye.

Bob Allgeier nominated Barbara Smallwood as Vice-Chairman for 2018, with a second by Ray Wilson. All present voted aye.

Bob Allgeier nominated Barbara Smallwood as Secretary for 2018, with a second by Mark Dudley. All present voted aye.

Ray Wilson nominated Bob Allgeier as Treasurer for 2018, with a second by Barbara Smallwood. All present voted aye.



Minutes
January 2, 2018
Page 2

Chairman's Comment: Ray thanked Pete for the pond tour. Ray asked Bruce to look into completing the road over the spillway so the operators can make a complete circuit around the pond, and would like to add it to next year's projects.

Mike asked to move Item 7 up on the agenda to be heard at this time. The Board concurred.

Mack Land & Cattle Annexation Request – Represented by Jeremy Hutchings. Bruce recommended approval of the annexation. Mark asked if the proposed road will come into Sixth St., and Jeremy said yes. Bob asked about the sewer location, and Jeremy said the plan is to extend the line on Deseret, but some lines will connect on a separate line. Jeremy said the plans aren't complete yet. Bruce noted that the plans will come back to the Board for review. Ray asked about the number of lots, and Jeremy said 14 lots. Barbara pointed out that it goes before the County Commissioners on Thursday, but it will be delayed until the members of the Water Conveyance Advisory Committee are appointed and have a meeting, and they won't meet until February. **Motion by Bob Allgeier to approve the annexation of 5.44 acres for Mack Land & Cattle located adjacent to Deseret Dr. in Minden (APN 1320-32-201-006). 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].

Claims Review and Approval: Mark asked about the Bobcat repair, and Frank said it had blown head gaskets. He noted that the Bobcat is 18 years old, and he will be looking at replacing it next year. Bob asked about the description for Western Nevada Supply, and Frank explained it was a typo, and the billing was for the pump only. Barbara asked about the cash flow statement and why there is a difference in the capacity fees. April explained that a check was inadvertently not deposited until today. **Motion by Barbara to approve the claims received for December, 2017 in the amount of \$81,537.59 plus miscellaneous expenses in the amount of \$1,203.08, and to approve the payroll-related expenses paid during December, 2017 in the amount of \$119,621.05.** Seconded by Mark. Motion carried [5 ayes, 0 nays, 0 abstain, 0 absent].

Minutes of December 5, 2017 Regular Board Meeting: Discussion followed regarding the foreclosure account mentioned on Page 5 of the December 2017 minutes under the Administrative Report by staff. Bill has received the information, and he will get with April to run it through a foreclosure company. Discussion followed regarding sending a letter from legal counsel regarding the foreclosure. **Motion by Mark Dudley to approve the minutes of the December 5, 2017 Regular Board Meeting.** Seconded by Mike King. Motion carried [5 ayes, 0 nays, 0 abstain, 0 absent].



Minutes
January 2, 2018
Page 3

MGSD Submittal Schedule for Board Meetings – Bruce stated that he has worked on this with Frank and April. Basically, if there is a line acceptance, there is an extra week for review. He felt this is a reasonable schedule for him and for a developer. The review can happen in a timely manner and there will be enough time for RCI to review it. **Motion by Bob Allgeier to change the due date for line acceptance submittals for Board approval, from 15 days prior to the Board meeting, to the 10th day of the month prior to the Board meeting, or the first business day prior to the 10th day of the month if the 10th falls on a weekend or a business holiday.** Seconded by Mike King. Barbara noted that wherever we post the submittal deadlines, to please make sure this gets updated. Motion carried [5 ayes, 0 nays, 0 abstain, 0 absent].

MGSD Board Compensation – **Motion by Barbara Smallwood to change the Board compensation from \$9,000 annually to \$6,000 annually, effective January 1, 2018.** Seconded by Mike King. Motion carried [5 ayes, 0 nays, 0 abstain, 0 absent].

MGSD Restricted Funds Allocation for Collection System Rehabilitation Projects – Bruce stated that this goes back to the conversations at the last board meeting. The reallocation will allow them to actively begin rehabilitation projects. It's a Board decision on how the funds are allocated. From the standpoint of rehab, they have both long-range and short-range issues. He recommended that the Board discuss and hopefully make a decision on a reallocation so he would have a budget amount for project funding. Ray asked about the rate we charge for capacity, and Bruce said 15% goes to rehab. Ray said they need to know what the distribution is for all restricted accounts so they can adjust it. He would also like to find out how we compare with other agencies for capacity fees. Bruce stated that there are 2 elements, capacity fee allocation, and capacity fee increase. He would like the Board to review how we allocate the existing capacity fees now, since money is needed in the collection system rather than plant improvements at this time. He would like the Board to allocate more money to rehab because over the next 10 years that is where the money will be required. A capacity fee increase is related but will need to be looked at separately. Bob discussed state demographer figures as well as projected EDU's. Mike pointed out that we do rehab on infrastructure for established residences, not just new development, and he felt that we are underfunded for rehab. Bob pointed out that we're looking at high maintenance at the plant. The first two items on Craig's plant list are maintenance items. He didn't think they should use restricted funds for this purpose. Bob suggested raising the connection fee to pay for the rehab. Barbara asked if we can raise the connection fee for the Ranchos as well, and Bob said no since they maintain their own lines. Bruce pointed out we can raise capacity fees for the Ranchos. Bob felt there was enough money in line rehabilitation to fund two projects that Bruce previously identified. He also brought up bonding through the state to get sufficient funding. Barbara pointed out that in the past; the Board has paid cash for everything, which is why the plant has functioned so well. Ray felt that they need the breakdown in front of them in order to make a decision. Item continued until the February meeting.



Minutes
January 2, 2018
Page 4

MGSD Long-Range Planning – Collection System Rehabilitation Projects – Bruce has some projects identified based on the TV inspections, as well as meetings with the operators, but he needs a budget amount to determine which projects to bring forward. We are not in a crisis with respect to rehab, but we are in a declining situation. We can't wait until there is a bigger problem and then bond for it. Bob stated that there is about \$150,000 to \$160,000 available in the rehabilitation restricted account. Bruce will bring projects to the February meeting with cost estimates for consideration. Discussion followed regarding the schedule for getting the projects out to bid. Item continued until the February meeting.

MGSD FY 2016-2017 Audit – Richard will be at the February meeting to present the audit. Bob asked about a possible accounting error in the expenses for Digester 3. Bob asked why is there a \$54,000 difference between the cost sheet and the budget-expense sheet, and Frank explained that the reimbursement from the insurance company is not shown on the cost sheet. He asked why KG Walters hasn't given us the final bill. Frank said they are waiting for the final walk-through, but Bob wants them to get the bill in since the insurance company isn't going to pay us until the final billings are in. Bruce will push them to get a final billing submitted.

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

He has not had a response from the County in response to the letter he sent about jurisdiction.

With regard to the rehabilitation discussion, the basic concept of rate billing is based on who is causing the cost, and he noted that other utilities consider rehabilitation as depreciation, and the user rates include the depreciation amount. He suggested performing a rate study to determine how much we need annually and who is responsible for various portions of the rate. Frank reminded the Board that when the last rate increase was approved, an additional amount was approved but not implemented. Bruce suggested informally approaching a company to get a feel for the cost to perform a rate study. It would pay off if someone really attacked the rates. Bill asked if POOL/PACT has this resource available. April will look into it. The Board directed Bruce to look into a rate study informally. Discussion followed regarding the complexity of a rate study.

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

Discussion followed regarding activity at Heybourne Meadows and the Esplanade. The sewer line issue in the Esplanade has not been resolved.



Minutes
January 2, 2018
Page 5

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

EDU's: 9 EDU's were allocated in December.

Digester 3: Frank reported that the relief valve is on, the digester has been heated, and sludge is being added to it, but it has to be done incrementally. We need to take a sample of the gas and have it analyzed before we can take grease. He has contacted SDP to let them know we are getting close to getting the co-gen back online. We found out the insurance company is waiting until all the bills are in until they reimburse us.

Projects within the District: Nothing was brought to us last month, but there is a large subdivision in the Ranchos submitted to the County.

Meadow Lane: He met with Rich Nalder, and Rich disagrees with the Board's decision regarding reimbursement of the lateral repair.

Scottsdale Plumbing: Frank had a message from Dale Armstrong in response to Bruce's letter (included in the packet), but he was not in when Frank returned the call.

Taurus: Pick-n-Pull will offer only \$44 for the Taurus, so he contacted Douglas High School and they will be delighted to take it for their auto shop class.

GRGID Tax Assessment: We will be working on the reassessment this year. With respect to the remaining \$12,000 that is owing from the settlement, it will come out of any money due on the fixed and variable costs.

Cleaning Service: Frank reported that he cancelled the cleaning service today. He is in the process of looking at another cleaning company.

Discussion followed regarding tipping fees for the grease.

Ray complimented Frank on his letter to Rich Nalder and Barbara expressed frustration that Mr. Nalder tapped into our system without working with MGSD. Barbara asked if GRGID has unlimited capacity, and Frank stated that as long as we have capacity, we can sell it to them.

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

April reported that she received the notice of board training regarding ethics, open meeting law, records retention, etc. today. She has registered.



Minutes
January 2, 2018
Page 6

Barbara asked about the letter regarding foreclosure. Bill will send a letter to the customer on his letterhead for one more attempt to collect prior to initiating foreclosure proceedings.

Board Comment – Barbara noted that in reviewing the Public Facilities component of the proposed Douglas County Master Plan, she is concerned about the map showing MGSD’s boundaries. Bruce stated that he was asked by the County to verify the boundaries. He will double check it, but it looks correct.

Barbara noted that the expansion of North Valley Treatment Plant is scheduled on the County Commissioners agenda.

Barbara reported that the Housing element of the County’s Master Plan has a second draft, and they left in the subsidies for the utility companies to use as a tool. In the Agriculture element of the proposed County Master Plan, there is an item to allow chickens on residential lots.

Barbara also reported that the Towns are moving forward to forming a committee for Plan for Prosperity.

Discussion followed regarding proposed development occurring in GRGID.

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

:/ab