



Board of Trustees
Minutes of Regular Meeting
Tuesday, April 3, 2018
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Michael King
Robert Allgeier
Mark Dudley

Staff Members Present:

Frank Johnson
April Burchett
Bruce Scott
Peter Baratti
Bill Peterson

Others Present:

Mary Schilling

Board Members Absent:

Barbara Smallwood

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

Public Comment: There was no public comment.

Chairman's Comment: Ray announced that Barbara would not be able to attend tonight's meeting due to a family tragedy. Ray introduced Mary Schilling who is running for Trustee.

Claims Review and Approval: Mark asked about Item 9 for a booster pump from Codale Electric, and Frank stated that it's a small motor that runs 24/7. Pete added that we replace that motor about every 13 months. Ray asked about Item 16 for Gap Vax Inc., and Frank reported that this was parts for the big line cleaning truck. Bob asked about Item 31 for Sierra-Berkshire Associates, and Frank and April explained that this is for the Other Post-Employment Benefits valuation that is now a federal requirement. Bob asked about Item 39 to the Town of Minden for the surface water lease, and Bruce explained that it gives MGSD the ability to use the surface water north of the plant. **Motion by Bob Allgeier to approve the claims received for March, 2018 in the amount of \$54,230.06 plus miscellaneous expenses in the amount of \$1,176.22, and to approve the payroll-related expenses paid during March, 2018 in the amount of \$85,678.91.** Seconded by Mark Dudley. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Smallwood)].



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Minutes of March 6, 2018 Regular Board Meeting: Mike King noted on Page 4, the statement, “Bob has instructed Frank to budget for 150 Edu’s” Mike recalls additional discussion about 50 EDU’s, and Frank and Bob stated that 150 EDU’s was correct. The Board agreed that the minutes were correct as presented. **Motion by Mike King to approve the minutes of the March 6, 2018 Regular Board Meeting.** Seconded by Bob Allgeier. Motion carried [3 ayes (Wilson, Allgeier, King), 0 nays, 1 abstain (Dudley), 1 absent (Smallwood)].

Revised Board Action Concerning Restricted GRGID Fund Allocation for Collection System Rehabilitation Projects – Bob Allgeier reminded the Board of last month’s discussion regarding the capacity allocation for the rehabilitation account. He did not make a motion last month since he wanted to reflect on it more after hearing comments from the Board. Discussion followed regarding the GRGID interceptor line and the sewer lines north of GRGID that are maintained by MGSD. Bob noted that the 1974 Agreement with GRGID page 7 states that GRGID is responsible for the maintenance of the trunk line between GRGID and MGSD. Bruce stated that the interceptor has always been owned and maintained by MGSD. Bob discussed putting a parallel line adjacent to MGSD’s line along SR756. Bruce stated that the existing lines are capable of serving the proposed growth in GRGID. Motion by Bob Allgeier to approve Resolution No. 18-001 Resolution of Board of Trustees Regarding Capacity Fees Received from Gardnerville Ranchos General Improvement District (GRGID). Mike asked that the first paragraph be rewritten. Bill recommended that the Resolution be rewritten and presented at the May meeting. Bob withdrew the motion. Ray asked that the item be placed on the May agenda.

Tentative Budget FY 2018-2019 and set date for Budget hearing –Frank reported on the Tentative Budget presentation in the Board Packet. The operating expense budget decreased by \$37,000 from FY 17-18. Salaries also were reduced by \$3500, and benefits increased by \$18. Frank explained that the medical insurance company gave us some pretty good numbers for the next fiscal year, with a 9% increase. On capital expenses, Frank budgeted \$200,000 for collection system rehab, \$500,000 for solids handling improvements, \$65,000 for a new skid steer loader (Bobcat loader), \$100,000 for miscellaneous equipment, and \$20,000 for mosquito abatement. Bob asked about the solids handling improvements. Frank and Craig Olson spoke with the manufacturer on this, and the majority of the parts can be manufactured to our needs. Bob asked, if we had additional parts in stock would we need an additional belt press, and Frank said that if the belt press completely goes down, such as the frame being damaged, we wouldn’t have the ability to repair it in a timely manner. The cost for the machine alone is \$290,000. The project won’t be completed in the next fiscal year, because it would take about 6 months to procure the equipment for it. Frank reported that Craig Olson will be here next month to explain this further. Bruce reminded the Board that the existing belt press is 25 years old. Frank pointed out that if it sits over a long weekend, and it won’t start up on Monday morning, then we don’t have any backup for it. Frank stated that the budgeted amount covers only the equipment, and it does not include the engineering costs. Discussion followed regarding whether this addition will increase MGSD’s capacity. Mike asked about



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the collection system rehab, and felt that more money should be budgeted for it. He pointed out that the Treasurer previously stated that we have about \$200,000 available right now, and asked if this was an additional \$200,000. Frank stated that this budget is for the projects that are planned for this summer. Mike said that Bruce identified rehabilitation projects totaling \$338,000. Mike discussed the proposed connection rate increases. He stated that with the insurance settlement and the FEMA reimbursement we are going to be close to \$8,000,000 which is about \$3,000,000 more than we had 4 years ago. He would like to see the Board allocate \$1,000,000 towards rehabilitation projects. Bruce stated that it's been several years since we've done any rehabilitation projects. He explained that of the \$338,000 projects, some of them will take over 6 months or a year to plan due to easement needs. The Board will set a budget annually for the projects that are identified each February or March, which will be put to bid for the summer. This way the budget can be tailored to take into account the bidding climate as well as construction needs. Bruce stated that we have about 15 years to resolve the big issues and felt that it was more prudent to address the small things at this time. He has projects prepared for the \$150,000-\$200,000 which have been budgeted for the next fiscal year. Frank reported that the Bobcat is 18 years old, and needs to be replaced. Frank reported that miscellaneous equipment is in the budget again this year to continue replacing equipment that it is wearing out. He also noted that we didn't need to use the mosquito abatement money this year, but he felt we should keep it in case we need it for the coming summer. The total capital expenses about \$962,000. Ray asked why treatment costs are up, and Frank stated that it is because our costs are up and flow is down, but that it is low compared to area plants. Frank pointed out that the net cash for operating activities is \$60,191, and the net cash for Capital is - \$347,167. Interest is going up and we are now averaging \$45,000. He reported that the total net cash is - \$300,376 including depreciation. Bob noted that on the operating costs we always seem to run over the some of the line items and he felt these items should be increased. Frank stated that he tries to stay under the total budget number. Bob felt it would be easier to adjust them now. Frank will make some minor adjustments and present them at the budget hearing. **Motion by Bob Allgeier to approve the Tentative Budget for FY 2018-2019 with a Tax Rate 0.1224%.** Seconded by Mike King. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Smallwood)].

The Board agreed to schedule the Tentative Budget hearing for Friday, May 25, 2018 at 12:30 p.m., with lunch at noon.

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

Discussion followed regarding foreclosure. April thought that since the title companies are so busy right now, she suggested sending letters to homeowners associations in the area to see how they handle foreclosures. As an attorney, Bill said he can start the Notice of Default and Election to Sell, since people tend to pay when they receive one, rather than letting the foreclosure proceed.



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

Chase Bank Project: Chase Bank is proposing to build a branch in Gardnerville on the corner of Hwy 395 and Lampe. Frank explained that there are capacity credits from the motel.

Park Cattle Proposed Subdivision: Park Cattle is looking at a subdivision near the Klauber Pond area west of Westwood. He and Frank met with their representatives during March.

Sewer Rehabilitation: We are about to go to bid on 3 rehab projects, and staff will handle the rehabilitation scheduled for Spruce St. The three projects include one at 10th St., the area by the Laundromat where the line crosses Hwy 395, and a leaking area on Waterloo by the feed store. The problem with the Waterloo issue is that it's a deep hole, and it will require a contractor who is qualified to handle this. Ray asked about Eddy St., and Bruce said we don't have enough detail right now, but we have cleaned it out so it's ok for the time being, but it will be on the agenda next year. Bob pointed out that there will be construction going on at the Food Closet on Waterloo, so maybe we can time our construction with theirs. Bruce thought this was a good suggestion. Mike asked about cost, and Bruce explained that the engineer's estimate will be within the budget. The problem is getting a general contractor who can bring in a subcontractor to perform the work. If the contractors are busy then the bids will come in higher. Traffic control and encroachment permits will drive the costs up as well.

Area Projects: Ray asked about pre-app meeting for the multi-family project on Waterloo. Bruce explained that it appears to be simple for sewer design and review, but complicated with respect to zoning. Ray also asked about the proposed Sierra Motel expansion, and Frank said it doesn't look like that that project will go forward as presented.

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

Capacity: 1 Edu of capacity was sold in March.

Digester 3: Frank reported that Digester 3 appears to have stabilized. He will take another gas sample to see where we're at. He has contacted Reno Rendering to bring us two loads of grease in order to slowly acclimate the tank. He is hoping to have the Co-gen running by this time next month. He spoke with the claims adjuster at the insurance company, and they asked for additional information, which was provided to them. We are expecting a check for \$750,000 as a progress payment, and they are reviewing the remaining claims. They also had general questions on the T-Loc and the utility costs. He anticipated that this would be completed by next month. Bob asked about giving them an extra billing for the 4 additional months of utility costs. Frank will talk to Alan.



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Open Operations Position: We will be looking at applicants for OIT position.

Pond Repair: Kelly from RCI and Frank are working with FEMA to set up a meeting to discuss the payment for the reservoir reimbursement.

MGSD Rates: Frank passed out the sewer and water study from Carson Water Subconservancy District, as well as a comparison study of raising sewer user fees as opposed to raising connection fees. Frank explained that the prior board approved an increase in the user fee of \$2.00 per month, which was not implemented. He showed the additional fees that would be collected from the increase in user fees as opposed to an increase in connection fees. Discussion followed regarding whether existing users or new development should pay for line maintenance. Mike suggested the Board study this and he would like to get Barbara's input. Bob said Frank didn't include the 2,000 Edu's grandfathered in the GRGID agreement.

Administrative Report by Staff – April had nothing to report.

Board Comment – There was no board comment.

Public Comment – There was no public comment.

Meeting adjourned 8:15 p.m.

Approved by the Board of Trustees as presented on:

Date

By _____
Barbara S. Smallwood, District Secretary

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