



Board of Trustees  
Minutes of Special Meeting  
Friday, May 25, 2018  
12:30 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  
Michael King

Staff Members Present:

Frank Johnson  
April Burchett

Others Present:

Mary Schilling

Board Members Absent: Mark Dudley

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*Meeting called to order at 12:30 p.m. by Ray Wilson, Chairman.*

Public Comment: There was no public comment.

**Public Hearing for Tentative Budget for Fiscal Year 2018-2019** – Frank Johnson presented a revised final budget, with changes to the Legal, Postage, Repairs and Maintenance, Telephone, and Travel and Per Diem budgets, for an increase of \$38,000. This resulted in a total operating budget of \$1,971,931.00. Ray asked about the salaries, and Frank said there was no change to salaries. The Net Cash is now \$17,191 (was \$60,191), resulting in a Total Estimated Proceeds Net Cash of \$257,376. There was no change to the capital budget. The total budget is \$2,934,098, which is a reduction of \$350,270 from FY 17-18 budget. Mike asked why there is a decrease in salaries, and Frank explained it was because of lower salaries for the Board and for new employees. Discussion followed regarding a new employee starting on June 4<sup>th</sup>. Barbara asked about the reduction in the medical budget, and Frank stated that we got actual numbers for premiums this year, rather than the estimates we had in the past. The premium increased by 9%, while in the past he had budgeted for a 20% increase. Bob asked about the ARRA reimbursement. Frank explained that we make the payments on July 1 and January 1 of each year. Bob asked about the FEMA reimbursement. Frank said the paperwork has been resubmitted and the State is reviewing it. Ray asked about the increase in treatment costs on Page 6, and Frank explained that we have less flow but our cost to process the flow stays the same. Bob asked if Frank anticipates getting FEMA reimbursement within this fiscal year, and Frank said he has made that point to FEMA. Bob felt that the money we get on our invested capital will be higher than we're budgeting for, since it appears that the federal government will increase the interest rate. He felt we would get about \$30,000 more than is budgeted. **Motion by Bob Allgeier to adopt the Final Budget for the FY 2018-2019 with a tax rate of 0.1224.** Seconded by Mike King. Motion carried [Vote: 4 ayes (Smallwood, Allgeier, Wilson, King); 0 nay; 0 abstain; 1 absent (Dudley)].



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**Board Comment:** Barbara mentioned the article in the Record Courier on Pine View Estates. Discussion followed regarding the mentioned alternative of a new package plant. She also mentioned that the Planning Commission approved the big subdivision in the Ranchos with variances.

**Staff Report:** Frank Johnson reported on the following:

**Digester 3 Insurance Claim:** We received an insurance settlement of \$1,169,966.16, and we submitted the last 4 months of utility bills, which the insurance company denied. The insurance company covered all but 8% of the total claim. They have asked us to verify that there are no other claims to be submitted. The Board agreed that there were no other claims. Barbara asked that we mention that we had submitted the utility payments and they chose not to pay it. Frank said he will attach the claim adjuster's email denying the payment to the verification letter.

The heat exchangers for the Co-Gen gas skid have arrived and staff is in the process of installing them at this moment. He spoke with California Generator, who has former SDP employees working for them, to obtain quote for maintenance of the Co-Gen. They can maintain both the backup generator and Co-Gen, which may save us money.

**Esplanade Sewer Main:** Frank reported that we have put the developer on notice that they need to reconstruct the line or MGSD will not accept the line. This will be on the July agenda, since Bruce Scott will be gone for the June meeting. Discussion followed regarding notifying the homeowners of the private line if the developer chooses to leave the line as is.

**Gardnerville Ranchos GID Response Letter:** Frank spoke to Bill Peterson about MGSD's response to GRGID's letter, and Bill felt the response should come from legal counsel. He will have a draft letter available at the June 5<sup>th</sup> regular meeting for Board approval.

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

***Meeting adjourned 1:05 p.m.***

Approved by the Board of Trustees as presented on:

\_\_\_\_\_ By \_\_\_\_\_  
Date Barbara S. Smallwood, District Secretary

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