



Board of Trustees
Minutes of Regular Meeting
Thursday, July 5, 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
Barbara Smallwood
~~Barbara Smallwood~~

Staff Members Present:

Frank Johnson
April Burchett
Bill Peterson
Peter Baratti
Bruce Scott

Others Present:

Diane Poyzer
Doug Stimpson
Keith Ruben
Mary Schilling

Board Members Absent:

Mark Dudley

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

Public Comment: There was no public comment.

Chairman's Comment: Ray requested that a meeting be scheduled with him, Frank, Bruce, Bob Allgeier, and Peter Baratti to discuss the GRGID Interceptor. He asked each participant to give their available dates to April for scheduling.

Claims Review and Approval: Mike and Ray asked about Boiler repairs on Items 26 and 27. Frank said we had to rebuild all the boilers for the hot water system throughout the plant. Ray asked about the bill from SmartCover, and Frank explained that was the annual fee for the flow monitoring in the manholes in the GRGID interceptor and other lines.. **Motion by Barbara Smallwood to approve the claims received for June, 2018 in the amount of \$140,278.74 plus miscellaneous expenses in the amount of \$1,668.13, and to approve the payroll-related expenses paid during June, 2018 in the amount of \$114,290.55.** Seconded by Bob Allgeier. Motion carried [4 ayes (Allgeier, King, Smallwood, Wilson), 0 nays, 0 abstain, 1 absent (Dudley)].

Minutes of June 5, 2018 Regular Board Meeting: Mike stated that on page 2 the motion approving the minutes for the special meeting should be changed from "Regular Board Meeting " to "Special Board Meeting". Bob stated that on page 2 under the HDR Engineering "...but we would issues" should be



Minutes
July 5, 2018
Page 2

changed to "... but we could have issues." Mike asked who made the motion on Page 4 under Warren Reed Insurance. April will listen to the recording to determine who made the motion. **Motion by Mike King to approve the minutes of the June 5, 2018 Regular Board Meeting with the noted corrections, including the changes on Page 2 and on Page 4.** Seconded by Barbara Smallwood. Motion carried [4 ayes (Allgeier, King, Smallwood, Wilson), 0 nays, 0 abstain, 1 absent (Dudley)].

Park Ranch Holdings Annexation: Item pulled from agenda due to incorrect information on the application.

Pine View Estates: Represented by Doug Stimpson. Bruce explained that the State Revolving Loan Fund (SRLF) has funding available for principal forgiveness funds, which makes the funding a grant. This will allow additional funding to the Pine View Estates HOA, but a public agency has to apply for it. Doug Stimpson explained the status of the private ownership, and it is anticipated that the BIA will execute individual deeds to homeowners next month. USDA needs to put everything together for the funding by August 5th since that's when their money runs out for the fiscal year. Ray asked about the newspaper article that talked about another alternative. Doug explained that they found a system in Churchill County which was also funded through a USDA loan. But after looking at it further, they decided that even though it's more expensive to hook into MGSD, they don't have the manpower to run their own system and it would be more advantageous to them to have service through MGSD. Ray explained about the reimbursement when others hook into the system. Bob asked Bruce how long NDEP would take if we submit the application. Bruce felt it would probably be a 3 month process. Doug stated that NDEP wants to push the application. Barbara stated that this process will have no impact to MGSD rate payers. She also stated that MGSD will also serve the parcel under Contract, and the contract has not been implemented, so the fees have yet to be determined. Doug was aware of that. Mike stated that he really wants to help them, but he is uncomfortable with some things. He reminded Doug that the Board had asked for updates in the past, and he wanted to know the details of the contract, as well as the loan. He would like MGSD legal counsel take a look at what we're applying for. He also noted that there would be expenses incurred by MGSD in preparing and administering the loan. Doug stated that everything is being handled through RCI or USDA. Doug can call USDA and ask them to contact Bill Peterson. Discussion followed regarding an agreement with Pine View Estates HOA. Mike wondered if MGSD has any liability on this. Bruce explained that the funding would not happen until the whole package is complete, and the funding won't be finalized until USDA's items are completed. Bill clarified the concerns of the Board are actually 2 separate items. First, the Board's concern about liability, which sounded like it would be addressed in the loan paperwork, and second, the Contract of Service which would be like other Contracts of Service with MGSD. Bruce stated that the concerns would be addressed during the finalizing of the funding approvals. Ray agreed that USDA should call Bill Peterson. Bruce said that tonight the HOA needs the Board's commitment to file the application with NDEP, and stated that the impact to MGSD can be assessed prior to the Chairman signing the loan paperwork. Bill agreed,



Minutes
July 5, 2018
Page 3

and stated that there was no legal obligation until the loan paperwork is signed. **Motion by Bob Allgeier to direct the District Engineer to file an application, on behalf of the Pine View Estates Homeowners' Association, with Nevada Division of Environmental Protection State Revolving Loan Fund for a Principal Forgiveness Loan in an amount of \$500,000.00. All costs and fees incurred by MGSD are to be reimbursed to the District by the Pine View Estates Homeowners' Association, and that any fees be reimbursed to MGSD within 30 days.** Seconded by Mike King. Bruce pointed out that since RCI is their engineer for the preliminary engineering report, they will work with everyone to make sure all the pieces are getting together. Motion carried [4 ayes (Allgeier, King, Smallwood, Wilson), 0 nays, 0 abstain, 1 absent (Dudley)].

Esplanade at The Ranch – Frank reported that he spoke with Clay Hendrix of KDH Builders about the shallow slopes in the Esplanade. He stated that MGSD wants to make sure the line is maintained properly even if the lines are not accepted for maintenance. He and Clay agreed that MGSD would not accept the lines, but that MGSD would annually flush, or more often if needed, the mains at the cost of the Esplanade's HOA. He discussed MGSD's hourly rate for cleaning with Clay, and he agreed to the fee. Bill agreed with the compromise. Bruce stated that we need to make it clear that we are not accepting the lines for maintenance, they are private lines maintained by the HOA and that there would also need to be a cleaning contract, which would be a recorded document. Bruce felt it was a reasonable solution that Frank came up with, since KDH does not want to dig up the line, and MGSD doesn't want to accept the liability of maintaining it. But we want to make sure the lines are flushed properly. Ray would like to see Bill draw up a contract for the board's approval. Barbara felt they should dig up the line and repair it so it meets MGSD's standards. Bruce stated that the design met the standard, but it was not built to the design. We did not know that until a field review of the as-built drawings was performed. He explained that typically the as-builts are submitted by the engineer, but R.O. Anderson Engineering, who was the original design engineer, was no longer involved. Bruce stated that this line is not in the middle of the system, so it will not impact the remainder of the system. He thought it probably would work, but to be sure we shouldn't accept the line. It should be clear in the motion that the lines will be private, and that it will be recorded. Barbara wanted to know where MGSD's review process failed so it won't happen again. Frank stated that the review process did not fail. Bruce explained that MGSD trusts that the construction will occur according to plan and that we verify where we can. Discussion followed regarding recording of a document. Frank said Clay Hendrix could not attend tonight's meeting, but he will come next month if needed. Pete explained that the contractor did everything aboveboard, but they missed their mark on the slopes. It's a calculation issue, not poor construction. It's very easy to miss a couple hundredths at the beginning, so at the end it does not meet our standards. Frank stated there are other subdivisions that are in the same situation. Bob and Barbara said that they weren't on the board at the times those areas were approved. Mike wondered how changes to the field review process would affect staffing. Bruce said that we are in the maintenance/cleaning business now. Bruce recommended that the Board reject and do not accept for maintenance the mains in the Esplanade, and agree to enter into a contract with the HOA for maintenance and cleaning of the line. Ray agreed with Bruce's



Minutes
July 5, 2018
Page 4

recommendation, and that the contract can't be changed without approval by MGSD. Bruce pointed out that the current homeowners would be inconvenienced if we made the contractor dig up the lines. We can add an interim step that a field survey occurs before the line is covered. Bill stated legally the Board can do what they want. **Motion by Barbara Smallwood that the sewer at Esplanade meet the MGSD standards.** Seconded by Bob Allgeier. Barbara would like to have the developer meet with the Board. She understands that staff is trying to do a compromise, but she feels that the contractor should fix it and make it right. Bob noted that the installation problems had nothing to do with MGSD or with R.O. Anderson Engineering. Motion carried [4 ayes (Allgeier, King, Smallwood, Wilson), 0 nays, 0 abstain, 1 absent (Dudley)].

Skid Steer Loader – Frank explained the skid steer loader is like a Bobcat, and he obtained 3 different estimates, which were all within \$5,000. Bob asked if we would sell the existing one, and Frank stated he would like to keep it for a backup. Sonsray has a Case for \$61,000, which is within the budgeted amount of \$65,000, and all of our current accessories will work on it. Frank also got an additional year on the warranty, which would typically be 2 years, so it is a 3 year warranty. **Motion by Bob Allgeier to approve the purchase of a Skid Steer Loader from Sonsray Machinery in an amount not to exceed \$65,000.00.** Seconded by Mike King. Motion carried [4 ayes (Allgeier, King, Smallwood, Wilson), 0 nays, 0 abstain, 1 absent (Dudley)].

Attorney-Client Conference – Frank spoke with Greg Reed at GRGID, and that the GRGID Board meets on the 10th, in which they will have a discussion to set up a meeting. Ray noted that he, Pete, Frank, Bruce, and Bob need to meet first to discuss the rehabilitation of the interceptor. Bob suggested that since it will take more than one preliminary meeting, we should tell GRGID that we won't be ready to meet until at least September.

Engineer's Report – Bruce reported on proposed developments within the District. An annexation for "And Away They Go" at Hwy 88 and Hwy 395 will be on next month's agenda. It will be a mixed commercial and residential development, with an extension of Hwy. 88. Also, the Carson Valley Inn is planning to add guest rooms at the north end of the existing building. Ray asked about the Car Wash at Minden Gateway Center, but neither Frank nor Bruce have heard anything further. Ray asked what Park is planning to do, and Bruce explained that there is a tentative plan for a residential subdivision, consisting of about 150 to 200 lots. He noted that it will require a lot of approvals from County, State, and Federal agencies. Barbara reported that she had asked Mimi ~~Ross~~ Moss how many buildable lots there are in the County. Mimi told her that since the Transfer Development Rights (TDR) process has changed, there isn't a number. Barbara thought the Park project could be 250 lots using TDR and clustered development. There would also be an increase in traffic through Westwood Village and on Muller Ln. Bruce did not think that what was proposed will be sustainable through the approval process.



Minutes
July 5, 2018
Page 5

Bob asked if the Board approves the annexation, would the annexation remain in place even if the parcel is not developed. Bruce said yes and noted that MGSD would receive ad valorem money once the annexation process is completed.

Discussion followed regarding the rehabilitation schedule. Bruce stated that he is planning on going to bid in September.

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

Capacity: 14.40 Edu's of capacity were sold in June.

Belt Press Replacement: Mike passed out a letter with his thoughts about the belt press replacement (see attached). Frank spoke with the manufacturer about a portable belt press, who said that unless we are planning on renting it out on a full-time basis, it would not be feasible. We could rent one but it would take a couple of days to get it online. Frank felt that we need the backup in case of an emergency situation. Mike stated that at a minimum there should be an emergency standard operating procedure (SOP) in place in case of failure. He felt that it could be the rental is not the optimal solution, but he thought we should have a relationship with the manufacturer so we have the fittings available, and if we keep the digester low, we would have the time to get a temporary unit onsite. He also felt that the belt press should be run 7 days a week, which would take additional staffing, and that the money would be available for additional staffing if we don't spend the \$1.8 million on a backup belt press. Discussion followed regarding when the belt press is run on the weekends. Bob noted that Craig stated that the belt press capacity was sufficient to handle our permitted capacity. Bob asked how much the belt press could process over a 5 day period. Frank noted it isn't a capacity issue; it's a backup and age issue. He stated that roughly 20,000 gallons draw down each time we run the unit. He stated that it can't be run by itself, since it needs constant monitoring and adjustment and that it does not operate in the evening hours. Discussion followed regarding the complications that will arise in an emergency that would slow down the connection process. Ray stated that he is opposed to hiring more staff due to cost. Ray discussed Frank's discomfort with one person running the belt press. Ray said we need more in depth discussion on this. Frank said we have time to discuss this and make a decision. The Board asked Frank to develop an SOP in case of emergency failure.

Reservoir Reimbursement: Frank spoke with the State last week, and they are still working on it. He will keep on them.

Projects in District: Frank reported that the Food Closet is building a new facility on Waterloo. He also noted the Carson Valley Inn expansion. He also met last month with someone with a wine tasting venue behind Superior Car Wash in South Gardnerville.



Minutes
July 5, 2018
Page 6

Pete and Frank viewed a demonstration of a program called GovSpend. This program lists purchases made by other governmental entities in the area, as well as information regarding the purchases by other entities, including vendor and cost. It could be used as leverage as a bargaining tool. He would like to obtain it, but there is a \$3,000 per year maintenance fee. Barbara asked that he put together information for the next board meeting for consideration.

Odor Complaint: Frank reported that odor complaint was received by NDEP. NDEP staff members were onsite today, and they stated have received several complaints from an anonymous source for several entities in the area. Frank noted that we don't typically receive complaints. NDEP reported that they did not find any issues with MGSD.

Power Co-Generation: We are trying to keep the co-gen running, but some of the parts have corroded since it sat so long. We are waiting for a pressure relief valve to replace a corroded one. He stated that it won't be run unless it's 100% operational. The latest part is expected middle of July. He anticipated it will be fully operational by the August regular board meeting.

Bob reminded Frank about GRGID's share of the maintenance costs for the pond repair. He also noted that with the insurance rebate, we have to work out whether we owe GRGID money.

Barbara asked about the location for Fitzhenry's. Frank reported that they are located at Esmeralda and 9th St. in Minden. It is an office only and that all chemical processing is done in Carson City. There won't be any funeral services at this location.

Administrative Report by Staff – April reported that a couple of late customers have paid.

April reported that letter was received from Carson Tahoe Health to sponsor Hopefest Cancer event, but after consulting with legal counsel, MGSD is not in a position to do this, due to use of tax payer money. Ray asked that she note this in the response letter. April stated that there are also raffle tickets available if anyone is interested in purchasing them. Please see April if you are interested in purchasing one.

Board Comment – Ray reminded Bob and Bruce to get with April to let her know when they can meet.

Barbara thanked Bruce for an updated system map. She also thanked everyone for positive thoughts during her surgery.

Discussion regarding the acreage discrepancy on the Park Ranch



Minutes
July 5, 2018
Page 7

Public Comment – There was no public comment.

Meeting adjourned 8:10 p.m.

Approved by the Board of Trustees with the noted corrections:

August 7, 2018
Date

By _____
Barbara S. Smallwood, District Secretary

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