



Board of Trustees
Minutes of Regular Meeting
Tuesday, August 7, 2018
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Michael King
Mark Dudley
Barbara Smallwood

Staff Members Present:

Frank Johnson
April Burchett
Bill Peterson
Peter Baratti
Bruce Scott

Others Present:

Rob Anderson
Clay Hendrix
Mary Schilling
Todd Shaw

Board Members Absent:

Robert Allgeier

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

Public Comment: There was no public comment.

Chairman's Comment: Bruce, Pete, Frank, Bob, and Ray had a meeting regarding televising and cleaning the GRGID interceptor, and they have set up another meeting for August 15th. Ray and Bob met with Richard Peters in order to coordinate this for the budget. Money from each connection fee will go into a restricted fund to finance this. This will be discussed further under the Engineer's Report.

He asked Frank to call the Town of Minden regarding the dying trees on Ironwood. Frank will discuss this under his report.

Claims Review and Approval: Mark asked about the invoice from Great Basin Organics, and Frank stated that it was for compost for the odor control beds. Ray asked if the items purchased from Atlantic Blowers was for stock, and Frank said it was. **Motion by Mike King to approve the claims received for July, 2018 in the amount of \$107,128.40 plus miscellaneous expenses in the amount of \$39,169.25, and to approve the payroll-related expenses paid during July, 2018 in the amount of \$92,995.87.** Seconded by Mark Dudley. There was no discussion on the motion. Motion carried [4 ayes (Dudley, King, Smallwood, Wilson), 0 nays, 0 abstain, 1 absent (Allgeier)].



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Minutes of July 7, 2018 Regular Board Meeting: Barbara noted the following corrections: on Page 1, under Board Members Present, remove the second listing of Barbara Smallwood, and add Mary Schilling's name under Others Present; on Page 4 under the Engineer's Report correct Mimi Ross to Mimi Moss; on Page 6 in the last paragraph of the District Manager's Report, clarify that there will not be any funeral services at this location. **Motion by Barbara Smallwood to approve the minutes of the July 5, 2018 Regular Board Meeting with the noted corrections.** Seconded by Mike King. There was no discussion on the motion. Motion carried [3 ayes (King, Smallwood, Wilson), 0 nays, 1 abstain (Dudley), 1 absent (Allgeier)].

Park Ranch Holdings Annexation: Represented by Rob Anderson. April mentioned that the corrected annexation petition was re-signed yesterday by David Park with a new notary certificate. Frank stated that all the items required for the annexation application were submitted. Ray asked which ranch buildings would remain, and Rob stated that the barn and the old jail would remain, and all other buildings would be removed. Ray asked Rob about the timing of the project, and Rob replied that they anticipate submittal to Douglas County at end of August. They would like to have all approvals by the end of this year. Discussion followed regarding access to Muller Lane, and Rob reported that there are two outlets planned on Muller Ln. Rob stated that it is within MGSD's service area, but it is at a lower grade than MGSD's gravity system, so a lift station will be required and he has discussed this with Bruce. Any lift stations will be maintained by a homeowners association. Ray also mentioned the drainage. Rob stated that they are aware of the flood condition. Barbara stated that she heard they were considering a 100' easement along the river, and Rob said he did not know anything about that. Barbara asked about the existing utility easements in the area, and Rob said they would remain in place. Barbara asked how many units or lots were planned, and Rob said the project will have a minimum of 12,000 sf. lots, and lots along river will be a minimum of a half-acre. **Motion by Barbara Smallwood to accept the application from Park Ranch Holdings to annex 115 acres in the area of the Klauber Ranch between Tamarack Dr. and Muller Ln. (APN's 1319-25-000-020 and -021) subject to the conditions outlined in the letter from Resource Concepts, Inc., dated June 27, 2018, to set the date of the public hearing for annexation for the September 4, 2018 Regular Board Meeting, and to direct staff to publish the notice of public hearing. All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Mark Dudley. After calling for discussion on the motion, Ray asked about engineering the project so that a lift station would not be required, and Rob said the cost and the amount of the fill would be prohibitive. Motion carried [4 ayes (Dudley, King, Smallwood, Wilson), 0 nays, 0 abstain, 1 absent (Allgeier)].

And Away They Go Annexation: Represented by Rob Anderson. Rob reported that this property is located at the intersection of Hwy. 395 and Hwy 88. There is a tentative subdivision map for mixed use residential and commercial development. Bruce pointed out the area being annexed on the system map and explained that at one time entire parcels in this area were either completely within or outside the



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District boundary, but through a series of lot line adjustments portions of the parcels are now located outside of the District boundary. Ray asked if the street would continue across Hwy. 88 and Rob said yes. Bruce said it is a clean and simple annexation and recommended an annexation hearing at the next regular board meeting. **Motion by Barbara Smallwood to accept the application from And Away They Go to annex 9.38 acres at 1627 Hwy. 395 (portions APN's 1320-30-702-024, -025, -029 and 1320-30-601-009) subject to the conditions outlined in the letter from Resource Concepts, Inc., dated August 2, 2018, to set the date of the public hearing for annexation for the September 4, 2018 Regular Board Meeting, and to direct staff to publish the notice of public hearing. All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Mike King. There was no discussion on the motion. Motion carried [4 ayes (Dudley, King, Smallwood, Wilson), 0 nays, 0 abstain, 1 absent (Allgeier)].

Gardnerville Ranchos General Improvement District: Frank said GRGID's standard procedure was to purchase capacity in blocks of 20 EDU's, and we have received the check for fees. **Motion by Mike King to approve the purchase of 20 EDU's of capacity under the terms of the 1990 Supplement to the 1974 Contract between MGSD and Gardnerville Ranchos General Improvement District to be used within the Gardnerville Ranchos General Improvement District Boundary.** Seconded by Mark Dudley. There was no discussion on the motion. Motion carried [4 ayes (Dudley, King, Smallwood, Wilson), 0 nays, 0 abstain, 1 absent (Allgeier)].

Esplanade at The Ranch – Represented by Clay Hendrix from Jenuane Communities and KDH Builders (also with the Nevada Bar), and Todd Shaw from Campbell Construction. Ray said that the past MGSD Boards have not accepted a variance. Bruce explained that two of the manhole runs in the Esplanade did not meet MGSD's slope standard. The design met the standards, but the construction did not. Unfortunately it's at the upper end of the run, so there is less flow than would normally occur at the bottom end. There has been some history and discussion, and there are alternatives. First, digging up and re-laying the lines, which would be the most disruptive alternative; second, granting a variance and accepting the lines knowing there may be issues; and third, not accepting the lines and have the lines maintained by the homeowners' association. Bruce was not comfortable with the slope as constructed, although it may not cause any future problems. He reminded the Board that a compromise was discussed last month, and Clay had offered to attend last month's meeting, but Bruce told Clay he didn't think Clay's attendance was necessary, but the item would be continued to the August meeting if the Board had questions. Ray asked for clarification regarding the line size, and Bruce said it was an 8" line, which is the District's minimum standard. Mark asked why the standards were not met, and Bruce stated that he did not have a specific answer, whether the problem was in the staking or in the construction, although the other lines in the project did meet the standard. Todd said there are 9 services on the manholes in question. Todd stated that the slope design was 1%, and it was constructed at 0.78%. He has had experience with this type of situation before, and it has worked. There are flat slopes downstream of this



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as well. It is off, but not by much. Bruce pointed out that RCI's field measurement was slightly different than that of the contractors, although the differences are minimal. Bruce stated that the constructed line might work. The lower line is okay because there are more units on that line, so MGSD's slope standard is lower in that area. We want to make sure the District is protected, but forcing the lines to be dug up could expose the District to liability. If it were a private line, the homeowners could deal with it as a maintenance situation. Todd noted that if there was one more lateral on that line, it would meet MGSD's standard. Barbara expressed concern that it doesn't meet the standards, and the units were sold as being in a public sewer system. She does not agree with the staff recommendation to not accept the line. In addition, the homeowners weren't notified that there would be an additional charge for sewer maintenance on their HOA dues. She does not know of any way that these issues can be rectified. She reiterated that the lines were not built to MGSD standards, and a bypass line can be put in while the line is corrected to meet MGSD's standards.

Clay responded that they hate to have the homeowners get into the business of sewer and water, and they haven't yet been told that it isn't a public system. He felt that KDH Builders could fix the public sewer issue within the confines of the Nevada Real Estate Division. The developer would fund the maintenance costs until the homeowners' association could raise the money through its fees. He stated that per MGSD Code, they can ask for a variance for special provisions. There are no technical requirements for a variance but under Chapter 22.010 Adjustments and Exceptions, *"The Board of Directors of the Minden Gardnerville Sanitation District retains the right to grant adjustments and exceptions to the provisions of this ordinance in order to vary or modify the strict application in cases where there are practical difficulties or unnecessary hardships. Application for any adjustments or exceptions shall be made to the Board of said District in the form of a written application not later than fifteen (15) days prior to a regular District meeting."* His intent was to make written application for an adjustment. Barbara stated he didn't have a hardship; his unwillingness to pay to fix the problem is not the ratepayers' issue. Due to scheduling issues, he was unable to make written application for this meeting. He would like a chance to submit a written application for consideration, which would include Rob Anderson's study and analysis of the line. Barbara noted that we have a standard for a reason, and it is not acceptable to throw it back to the homeowner to maintain it.

Mike appreciated all of Barbara's concerns, and he is struggling to determine how this can be resolved. He felt that the developer should have the time to file anything he needs to meet a legal standard. He would prefer to follow what Bruce says, and if Bruce had said he was comfortable with this then he would feel it's acceptable. But he is reluctant to make a decision. Mark felt that once the Board starts accepting a deviation, it's difficult to figure out at what point the deviations are no longer acceptable. He was concerned about setting a precedent. Discussion followed regarding who is liable if the line doesn't work in the future. Ray said he would not be able to accept the line now, but he knows it's a big expense to tear it out. He would allow a private system if the developer would maintain the line. He would also agree to a condition that if the line works in 2 or 3 years, then the developer could apply for acceptance then. Peter concurred with this alternative. Barbara clarified that the development company would maintain it,



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not the homeowners' association. Barbara said it still sets a variance. When it fails in the third year, then it goes back on the homeowners. Ray directed Clay to submit an application for variance for the September meeting.

Bruce stated another option to consider would be an extended warranty until the District can evaluate whether it works, and noted that MGSD has done this in the past. Clay and Todd stated that they want the line to work, and if it didn't they would want to replace it. Ray mentioned that we would require a performance bond in case the line needed to be replaced. Mike asked Clay to list alternatives and options in their application, and he liked Ray's recommendation to wait for 2 years and see how it performs. Mark asked if there was any type of monitoring device that can be put in the line, and Frank said the flow would be too minimal for a device to work properly. Bruce stated that the best situation is to look at the flow in the line every quarter to see how the line works. Plastic pipe has better smoothness and modern pipes are more efficient than older lines. Discussion followed regarding who would pay for the maintenance. Ray asked Clay to address that as well in his application. Ray stated that he would prefer a 5-year warranty to a 3-year warranty. Discussion followed regarding the factors that need to be taken into account to determine the cost of replacing the line. Todd pointed out that they have tested the line and televised it, and it looks good. Frank and Pete stated that MGSD tested and televised it as well, and it does what it is supposed to do. Discussion followed regarding checking the manholes in the line prior to paving, and Todd recommended that MGSD consider doing that to avoid this problem in the future. Frank explained that the lines and manholes can settle during construction, which is why inspection happens after all construction is completed. Clay thanked Bruce and Frank for the time they have spent to work out a solution.

Attorney-Client Conference – Discussion continued regarding the Esplanade line problem. Bruce explained that he does not want to waste MGSD's staff time to perform an additional check on the manholes prior to paving. Discussion followed regarding the potential cost to replace the line. Bruce stated that the entire street would probably need to be replaced. It would cost about \$60,000 to \$80,000 if not more, depending on problems encountered with other utility lines. Frank discussed considering the line as a private lateral, and Bruce said that would protect MGSD. Unfortunately, there is not a satisfactory answer to the impact on the homeowners who have already purchased units in the Esplanade. Bill noted that either the Board could accept the line subject to conditions, or the Board could not accept the line but still require a bond, and he asked for clarification about the obligee of the bond. Ray thought it would be to MGSD, in case the developer and contractor are not around in 3 years. Bruce recommended not accepting the line, not accepting the variance, and making the homeowners responsible for the maintenance of the line. It would then be the developer's responsibility to deal with the homeowners, and MGSD would be protected by saying the line was not accepted. If there wasn't a homeowners' association, he would have made a different recommendation. Peter expressed concern that they would come back with engineering that would lean toward showing it will work. Bill stated that Frank was correct, that it is like a lateral and we don't maintain laterals. Ray directed Bruce or Frank to



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contact Clay to let him know the board won't accept the variance and the homeowners' association will have to maintain the line. Bill concurred. MGSD staff could televise it on a regular basis and then bill the HOA. It would cost about \$1 to \$2 per unit per month to cover the cost of flushing. Barbara was concerned that we were getting into the maintenance business. Bruce said we don't have to do it, but we would want to be onsite when it's done. Frank stated that we want to provide the maintenance so we can control what comes into MGSD's system. Bill wondered about allowing a private line to connect in to our system. He felt it was unusual, but there doesn't seem to be anything illegal about it. Mike noted it is the builder's responsibility, not MGSD's, to go to the homeowners' association. Frank reported that the MGSD Code allows us to enter the line at any time to perform work and charge the owner. Peter asked Bruce how much of the line would be private, and Bruce thought the 2 shallow runs would be private, but the rest meets standard and could be accepted. Bill stated that Bruce had the most reasonable plan, to not accept it. Frank will call Clay Hendrix tomorrow. Bill thought that a letter should go with it stating that the Board will not accept the mains.

Bill also reported that Pine View Estates is going forward. He reviewed the documents from NDEP that would have to be signed by MGSD and there is no liability to or obligation by the District.

Ray discussed the meeting regarding GRGID that is scheduled for August 15th as well as their meeting with Richard Peters. Mike read the 1974 Contract, and he can't figure out where MGSD is supposed to pay for things. Ray pointed out that it is in the 1990 Supplement. Ray asked April to provide the Board copies of all the GRGID agreements.

Engineer's Report – Bruce reported on the following:

GRGID Interceptor Line Televising and Cleaning: Bruce contacted 5 companies who can do cleaning and televising on a line this size: Summit Plumbing in Gardnerville, Clean Harbors in Sparks, Underground Video Technologies in Wadsworth, Express Sewer and Drain in Rancho Cordova, and Waters Vacuum Truck Service in Reno. He gave them each a detailed summary of pipe diameter, lengths, and traffic control. One company has responded, Underground Video Technologies, and provided an estimated amount of \$93,500, with the following breakdowns: the portion along Hwy. 88 would be \$18,400, the portion through Mackland and across the Mack field would be \$24,000, the portion down Hussman would be about \$14,600, and the portion on State Route 756 would be \$36,500. These are preliminary numbers, and he is not considering this as a bid. He wants to get other estimates, so he can give a better recommendation to the Board regarding a plan for cleaning and going to bid. Bruce felt it is time to televise it, even if we do it in portions. Mike asked why the project is going out to bid as opposed to staff performing it, and Bruce said it's mostly due to the impact on staff as well as traffic control requirements. In addition, larger lines require different methods and equipment, which MGSD does not have. He will have more detail next month.



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

Capacity: 20 EDU's were approved for GRGID.

Reservoir Reimbursement: He hasn't received any answers from the State on the FEMA reimbursement. He is going to find out who he needs to talk to higher up on the ladder.

Projects in the District: He has reviewed pre-applications for a building shell for a tavern in the area of Walmart and a proposed drive-through coffee shop by Sonic.

GovSpend Purchasing Software: GovSpend does not have a demo, so Frank gave a presentation with basic information. Discussion followed regarding how the system works. Frank noted that the cost for the program is in the budget. The Board directed Frank to purchase the program.

Trees on Ironwood: Frank and Peter met with Battle Born Tree Service this afternoon. There is a new pest called the pitch moth. We have 72 pine trees around the plant perimeter, in addition to the trees on the outside perimeter which belong to the Town of Minden. If we lose the trees, we would lose 20 years' worth of tree coverage. It would cost around \$1600 per tree to remove and replace the trees, but it would be about \$7,500 to \$10,000 to treat the trees inside the plant perimeter. It's possible the trees can be saved. We need to do it now because August is when the moths cocoon, and the treatment needs to be done before the moths hatch in September. Barbara asked if the trees are getting enough water, and Frank said that water is not an issue. Some of them are too close, so they need to be trimmed up. Mike asked about the trees outside the perimeter, since we don't want to have the trees re-infected. Frank will coordinate with JD Frisby at the Town of Minden about having them all treated. This will be an ongoing occurrence, although it will not necessarily happen every year. But it will need to be monitored. Peter reported that the price includes removal of some of the smaller trees since they are being choked out, trimming back the trees from power lines, as well as other pruning to keep the trees in a healthier condition. Discussion followed regarding whether this needs to be placed to bid, and it was determined that it fell below the bid threshold per NRS. Frank will obtain a solid bid from them tomorrow. The board directed Frank to have the trees treated and to coordinate with the Town of Minden.

Frank reported that the co-gen system has been running for about 2 weeks. Ray asked if we ever got the money back for the view port, and Frank said it was re-certified and rebuilt. We did receive it back. It is on the shelf, and the next time the digester is cleaned it will be installed.

Administrative Report by Staff – April noted that past-due accounts are in the packet, and a large number of liens were filed in July.



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She also provided the NDEP pre-app for Pine View to keep the board informed of the progress. We are waiting for NDEP to take the next step.

Board Comment – Barbara discussed the median home prices in Pine View versus in other areas of Carson Valley, which were considerably higher than in Pine View.

Discussion followed regarding the upcoming Vacation Home Rentals item being considered by the County Commissioners.

Barbara reported that Mimi Moss gave a report on the growth management element of the master plan but didn't know when it's going to the Commissioners. All of the subdivisions that are already vested by development agreements are outside of the growth cap. Barbara also was concerned that The Ranch at Gardnerville has only 1 entrance, but Frank and Peter reported that there is an emergency access on Zeroline.

Public Comment – There was no public comment.

Meeting adjourned 8:25 p.m.

Approved by the Board of Trustees as presented on:

_____ By _____
Date Barbara S. Smallwood, District Secretary

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