



Board of Trustees
Minutes of Regular Meeting
Tuesday, September 4, 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
Robert Allgeier

Staff Members Present:

Frank Johnson
April Burchett
Bill Peterson
Peter Baratti
Bruce Scott

Others Present:

Rob Anderson
Clay Hendrix

Board Members Absent:

None

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

Public Comment: There was no public comment.

Chairman's Comment: Ray reported that he, Frank, Bruce, Bob, and Pete met on the 15th regarding GRGID, and they didn't discuss anything new, they just had a more in-depth discussion.

Ray stated that he had a conversation with Steve Thaler about the County Commissioners. Steve reported to Ray that Barry Penzel wants all GID's under the control of the County. Ray asked Frank to contact all the GID's to let them know the fight isn't over yet. ~~This is Barry's last term, so he is going to fight pretty hard.~~ Barbara noted that there is an item on Thursday's County Commissioner's agenda regarding this.

Claims Review and Approval: Mike reported that on Item 45 for the Visa bill, the flowers for Ron Wilcks were \$269, and he felt that was too much money for a flower arrangement. He would like to put an item on the October agenda to fix a maximum amount to spend for flowers. Barbara felt that staff has good judgment on that and felt that staff should decide. The other Board members agreed. Barbara asked about whether we have a G/L account for training, and Frank said that we did. Barbara and Ray asked about the refund to Carson Valley Arts Center, and Frank said he didn't realize they had a capacity credit when he calculated the capacity for their latest remodel. Barbara felt that the voter registration maintenance fee was ludicrous; since the County is charging the same fee for each voter for every District they are in. Frank reported that the first purchase using the GovSpend program saved the District \$400.



Minutes
September 4, 2018
Page 2

Bob asked who Power and Control Solutions (Item 27) was, and Frank stated that they repaired the power and control systems on the boilers amongst some other equipment as well. **Motion by Mike King to approve the claims received for August, 2018 in the amount of \$71,685.07 plus miscellaneous expenses in the amount of \$1,100.12, and to approve the payroll-related expenses paid during August, 2018 in the amount of \$87,336.56.** Seconded by Mark Dudley. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, Dudley, King, Smallwood, Wilson), 0 nays, 0 abstain, 0 absent].

Minutes of August 7, 2018 Regular Board Meeting: Mike asked about the first paragraph on page 4 regarding the staff recommendation, and whether the sentence was clear. After discussion, it was decided that the minutes did not need to be corrected. **Motion by Barbara Smallwood to approve the minutes of the August 7, 2018 Regular Board Meeting.** Seconded by Mark Dudley. There was no discussion on the motion. Motion carried [4 ayes (Dudley, King, Smallwood, Wilson), 0 nays, 1 abstain (Allgeier), 0 absent].

Park Ranch Holdings Annexation Public Hearing: Represented by Rob Anderson. Frank stated that the public hearing date was published in the Record Courier. Barbara thanked April for placing the public notice in the packet. Ray asked if there was a 100' easement on the River, and Rob said there was not. Ray asked for clarification of the location of the half-acre lots. Rob stated that the parcel boundaries for the half-acre lots would go from the Ordinary High Water Mark to the road. Bruce explained that it would be awhile before we see a subdivision map. **Motion by Bob Allgeier to approve the annexation for Park Ranch Holdings, annexing 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. 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 [5 ayes (Allgeier, Dudley, King, Smallwood, Wilson), 0 nays, 0 abstain, 0 absent].

And Away They Go Annexation Public Hearing: Represented by Rob Anderson. Frank stated that the public hearing date was published in the Record Courier. Ray asked about whether the plan calls for a continuation of the road across from Hwy. 88, and Rob said the road will go from the intersection of Hwy. 395 and Hwy. 88 and tie into Monte Vista Ave. at Ironwood Dr. **Motion by Barbara Smallwood to approve the annexation for 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. All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Bob Allgeier. There was no discussion on the



Minutes
September 4, 2018
Page 3

motion. Motion carried [5 ayes (Allgeier, Dudley, King, Smallwood, Wilson), 0 nays, 0 abstain, 0 absent].

Esplanade at The Ranch – Represented by Clay Hendrix from Jenuane Communities and KDH Builders. Clay stated that after the last meeting, Frank contacted him to let him know the Board would deny acceptance of the line, and he wanted further clarification of this. Frank explained that even though the main is not accepted, it is considered a lateral and it is still on a public sewer system. Barbara explained we pay our \$42 a quarter, as their property owners will, but they will pay an additional charge to maintain the sewer in their area. Ray said he doesn't mind treating it as a lateral as long as there is someone who will pay for the maintenance and repair of the line. Ray stated that he was hesitant to approve a variance since it would set a precedent. Barbara stated she did not want to accept the line. Mike stated that the Board wants to make sure KDH gets a fair deal, and he asked for Bruce's opinion. Bruce stated that everyone in MGSD's system should have access to an MGSD-maintained sewer main, but his recommendation was to not accept the line. He noted that the lines as constructed will probably work, but they will need to be monitored. Mark asked if there is any possibility of future construction on the end of that line, and Clay said no. Barbara's concern was that if the units aren't continuously occupied there could be a flow problem. She stated that we shouldn't accept any of it to avoid the question of which lines are in and which are out. Bill asked what the solution was if the line wasn't flowing. Bruce stated that flushing the lines would remedy the situation. Bill pointed out that there is a section in the Code that allows MGSD to flush a line and charge \$400 per hour. Bruce said the worst case scenario is it needs to be cleaned either by MGSD or another contractor with MGSD onsite to inspect it. Clay stated that the Homeowners' Association will have a property manager and if they receive too many calls with problems, then the developer will call the contractor to replace the line. Bob stated we have a code for a purpose. Clay stated that as long as MGSD does not accept the lines then the HOA will have to work that into their maintenance schedule. Mike did not have a problem with accepting the lines that are in compliance, and not accepting the lines that are not in compliance. Bruce reiterated that we should not accept any of the lines. There is a Homeowners' Association and they would be responsible for maintaining the lines in the entire complex. Mike asked if it was okay to not accept the lines that are in compliance. Barbara felt we should not accept any of the lines in the development, so everyone knows they are on a private line and that it's easier on the operations staff to know that all the lines are private. **Motion by Barbara Smallwood to deny the acceptance of the sewer mains within the Esplanade at the Ranch since the sewer lines were not constructed to the approved plans as submitted.** Seconded by Bob Allgeier. Clay asked legal counsel if the motion was beyond the scope of the agenda, and Barbara agreed that it was beyond the scope of the agenda. Mike asked that we continue the item until next month. Clay wants to look at the ramifications regarding private maintenance of the line, and would like to come up with some other suggestions. The Chairman tabled the motion until the October meeting, with Barbara and Bob agreeing to the motion being tabled.



Minutes
September 4, 2018
Page 4

MGSD Employee Benefits – April explained the benefits offered by Colonial Life to the Board, and stated it would be a way to provide additional benefits to the employees at no cost to MGSD. She also noted that employees can continue this coverage after retirement. Ray stated it sounds like a good plan for the employees. **Motion by Bob Allgeier to approve the addition of voluntary Accident, Disability, Cancer, and Critical Illness benefit plans provided by Colonial Life to MGSD’s Employee Benefits Plan, with premiums to be funded by MGSD employees through payroll deduction.** Seconded by Mark Dudley. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, Dudley, King, Smallwood, Wilson), 0 nays, 0 abstain, 0 absent].

MGSD Restricted Accounts – Bob reported on the cash amounts in each restricted fund. He stated that although the Board recently made the decision to reallocate the money for line rehabilitation, calculating the cost for rehabilitation of MGSD-owned lines is different than calculating the cost for rehabilitation of the GRGID interceptor line. In the 1977 agreement with GRGID the distribution of cost for maintenance and rehabilitation of the line is different than the other fees that were set under the Supreme Court decision. GRGID was responsible for acquiring the right-of-way from the point of connection with MGSD’s system to the point of connection with GRGID’s collection system. They were also responsible for constructing the line, and they did those things. The 1977 Agreement outlines the cost for maintenance as 60% to GRGID and 40% to MGSD. GRGID does not have anything to do with MGSD’s other lines, and MGSD has nothing to do with GRGID’s internal lines. Currently, of the amount collected for capacity fees, \$570 goes into an account for sewer rehabilitation. In addition, there is a \$178.75 fee that is paid by GRGID for connections. He would like Bill to write a resolution for next month’s meeting regarding a restricted capital account for the GRGID interceptor line, and noted that we would be saving the money for GRGID’s portion of the cost. **Motion by Bob that a restricted capital account for the GRGID interceptor line maintenance, repair and replacement, be established effective July 1, 2018. Funding for this account will be determined by the Board and will initially be derived from capacity fees and connection fees as paid by GRGID. Other sources of funding may be established by the Board. Our Legal Counsel is directed to compose a resolution establishing this restricted account, its sources of funding and distribution of funds to meet the tenets of the MGSD/GRGID 1977 Agreement. Adherence to the 1989 Supreme Court decision is required.** Discussion followed regarding whether the restricted fund would cover MGSD’s 40% or GRGID’s 60%. Bruce clarified that GRGID’s capacity and connection fees would be used for MGSD’s portion of the repair and televising of the GRGID interceptor. Motion seconded by Mike King. There was no further discussion on the motion. Motion carried [5 ayes (Allgeier, Dudley, King, Smallwood, Wilson), 0 nays, 0 abstain, 0 absent].

Attorney-Client Conference – Bill had nothing to report.



Minutes
September 4, 2018
Page 5

Engineer's Report – Bruce reported the following:

Hookup Fees: Bruce presented a handout of a comparison of residential connection charges in the area. The lowest right now is Carson City but it will be increasing in 2020, making it higher than MGSD's.

Reservoir Emergency Action Plan: RCI received comments from the State Engineer which have been addressed. The final document has been submitted and is good for 5 years.

FEMA Claim: Frank and Kelly have had contact with FEMA. They have 300 to 400 requests for funding and they are trying to work on them as fast as they can. MGSD's claim is in the queue.

Effluent Reuse: The effluent water right permits are being maintained in good standing.

GRGID Interceptor Line Rehab: Bruce has heard from one more company for the GRGID line televising and he is hoping to hear from a couple more. He anticipated having better numbers at the October meeting.

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

Capacity: No capacity was allocated last month.

Reservoir Reimbursement: He spoke to Kelli Anderson of the Nevada Department of Public Safety, and they have a backup of 400 claims, but we are supposedly in the system.

GRGID: He met with Greg Reed, and GRGID would like to schedule some times that are after hours during the middle of the week, since a daytime meeting would conflict with GRGID board members' work schedules. Discussion followed regarding having the entire boards of both bodies meet, as opposed to 2 members of each board, the district managers, and legal counsels. Bruce reported that Greg's response to the interceptor rehabilitation was that they need time to budget for the cost, but he didn't deny GRGID's responsibility for sharing the cost. Bruce's impression was that it wasn't going to be a big deal as long as they have time to budget it. Discussion followed regarding the extent of the GRGID interceptor line. Greg preferred to spread the cost over 2 fiscal years. Barbara asked for clarification on whether the proposed meeting was about the interceptor or rewriting the agreement. Bill suggested that Frank talk to Greg to see what the specific issues are to determine who should attend the meeting. Frank said Greg asked about GRGID's percentage of flow and revenue, which is about 41% of the total flow and 28% of MGSD's revenue. Greg told Frank that it changed his presentation to the GRGID board. The Board directed Frank to follow up with Greg for more information.



Minutes
September 4, 2018
Page 6

Projects in the District: The Martin Stahl project in Gardnerville and the Human Bean project in Minden are moving forward, but they haven't been submitted to MGSD yet. Other projects in the works include the multi-family subdivision by Monterra and the car wash at Minden Gateway. Frank stated that he conveyed to the representatives of the car wash that the lines in that area need to be addressed.

Barbara reported that she read the debt management commission report and our report was included. She asked if it goes to both the State and to Douglas County and Frank said it did get submitted to both the State and the County.

Ray asked about how long it would be for the Park Ranch Holdings to begin work. Bruce said he would be surprised if we saw anything in the next 6 months, since there are a lot of hurdles and approvals that would be needed.

Administrative Report by Staff – April had nothing to report.

Board Comment – Barbara reported that in Mr. Penzel's item on the County Commissioners agenda, he included the facilities plan from the Master Plan Update, which says that MGSD services the Tribe through GRGID. She asked if the customers served by contract of service are subject to the pretreatment ordinance, and Frank said yes. Frank and Bruce stated that the Tribe only has residential customers through GRGID. The casino is served directly by MGSD.

Bob would like to place an item on the October agenda to raise the connection fees to generate income for future line replacement.

Ray stated he could not attend the Commissioners meeting on Thursday. Frank said he would attend the meeting.

Public Comment – There was no public comment.

Meeting adjourned 8:15 p.m.



Minutes
September 4, 2018
Page 7

Approved by the Board of Trustees with the noted corrections on:

10/2/2018
Date

By _____
Barbara S. Smallwood, District Secretary

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