



Board of Trustees
Minutes of Regular Meeting
Tuesday, February 5, 2019
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Barbara Smallwood
Michael King (by telephone)
Robert Allgeier
Mary Schilling
Ted Thran

Staff Members Present:

Frank Johnson
April Burchett
Peter Baratti
Bruce Scott
Bill Peterson

Others Present:

None

Board Members Absent:

None

Meeting called to order at 6:00 p.m. by Barbara Smallwood, Chairman.

Public Comment: There was no public comment.

Chairman's Comment: Barbara expressed concern about the state of the roads and the safety of staff and consultants to get home, so she would like to get through meeting quickly.

Public Comment Time Limits on MGSD Agendas: Barbara reported this was on the agenda due to a concern that there are a number of people who don't make their comments in a timely manner. She hoped the board would agree to set a time limit, so the meetings would not run longer than needed. Ted stated he was in favor of a 3 minute limit, as it seems to give everyone enough time to state their concerns. Bob and Mary concurred. **Motion by Ted Thran to set a time limit of 3 minutes for each comment made by a member of the public under the Public Comment periods of MGSD regular and special meeting agendas.** Seconded by Bob Allgeier. There was no discussion on the motion. Bob stated that the chairman can allow comment for longer than 3 minutes. Motion carried [4 5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent].

Claims Review and Approval: Bob asked about the billing from Douglas County Clerk, and clarified that this was the billing from the November election. He explained that there are a number of different billings from the Clerk's office. He noted that it will need to be added to the budget. April explained there will be a billing in July for the voter maintenance list, and a second billing in January if there are



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items on the ballot. Each July we will receive a bill for each voter. Barbara noted that some GID's are not receiving a bill. Bob asked about Richard Peters billing, since there was a substantial billing last month. The Board had agreed with Richard on a 3-year contract for \$13,000 each year. He would like additional clarification before approving the payment. Bill will discuss this further under his report. The Board agreed to remove the payment to Richard Peters from the January payment list. Barbara asked about the refund billings, and April explained that these were customers who pay through their banks but pay us monthly instead of quarterly. Over the past few years, they have accumulated a large credit, so we have refunded all except for the fees for one year. Discussion followed regarding Mike King having difficulty hearing the discussion over the phone. **Motion by Bob Allgeier to approve the claims received for January, 2019 in the amount of \$47,759.62 plus miscellaneous expenses in the amount of \$38,913.37, and to approve the payroll-related expenses paid during January, 2019 in the amount of \$91,313.12.** Seconded by Ted Thran. There was no discussion on the motion. Motion carried [4 ayes (Allgeier, Schilling, Smallwood, Thran), 0 nays, 1 abstain (King, due to inability to hear the discussion), 0 absent].

Minutes of January 8, 2019 Regular Board Meeting and January 23, 2019 Special Meeting: Barbara requested that on Page 2, remove "as" in Paragraph 3, so sentence reads "Mike nominated Ted Thran...". Barbara stated she made an error on Page 6 and would like the minutes to reflect that Mr. Booth is the Planning Manager and not the Community Development Director, and the Board concurred. **Motion by Ted Thran to approve the minutes of the January 8, 2019 Regular Board Meeting as corrected.** Seconded by Mary Schilling. There was no discussion on the motion. Motion carried [4 ayes (Allgeier, Smallwood, Schilling, Thran), 0 nays, 1 abstain (King, since he could not hear the discussion), 0 absent].

A longer cord for the telephone was found, so the call with Mike King was terminated. Once the telephone was repositioned, a new phone call was initiated with Mike King.

Motion by Ted Thran to approve the minutes of the January 23, 2019 Special Board Meeting. Seconded by Mary Schilling. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent].

MGSD Board of Trustees Conflicts: Bill Peterson reported that he reviewed statute but none of the changes have any impact on the memo that he had prepared in 2015. Spousal conflicts are named in the Ethics statute, but there is also the concern about the responsibility for an elected official to represent his constituents and his ability to vote on items. The Ethics Commission balances this by having the elected official ask themselves a series of questions to determine whether a conflict exists on a specific item. This list of questions does not just pertain to spousal conflicts but also to any potential impairment of partiality by an official. As long as there is not an item that would treat Sarah in a manner different from any other employee, Mike would be permitted to discuss and vote on that item, although he would have to



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disclose that his spouse is an employee. An example would be, in the case of a salary increase for all staff members, Mike would have to disclose that Sarah is his spouse, but he would be able to discuss the item and cast a vote. But he would not be permitted to vote on anything that specifically pertains to Sarah individually. Barbara expressed concern regarding the search for a new District Manager. Barbara asked if Bill felt that only a disclosure was needed, or if an abstention would be in order when it comes time to select a replacement. Bill agreed that it should be disclosed to the applicants that the District Manager directly supervises the spouse of a board member. Bill felt that it should be an information item, but there is nothing in the ethics law to preclude Mike from taking part in the search and decision process. Mike stated he abstained from the employee salary scale and for the District Manager evaluation. For the manager search, he feels like he can contribute to the discussion, but may abstain from voting.

Digester 2 Floating Cover Repair: Bruce reported that it is Bill's opinion to go to formal bid for cleaning the digester to assess the damage. He and Craig are working together to prepare bid documents. The digester is down, it's safe, but not in use. He anticipated that the bid would be ready in April. Frank stated that the staff is currently running a natural gas line to the co-gen in to blend it with the methane, so we can get some use from the methane and operate the Co-gen. Pete stated that it is about \$300 for parts, and we will provide the labor in house. We have also received approval from SDP.

GRGID Interceptor Line Televising, Cleaning, and Repair Project: Bruce stated that they have checked into the references for DR Pipeline, and they received excellent reviews. Bruce recommended the board award all 3 portions of the project to DR Pipeline. Bob noted that 60% of the costs will be reimbursed by GRGID. **Motion by Bob Allgeier to approve a contract with DR Pipeline in an amount not to exceed \$43,760.00 for the 2019 Sewer Maintenance: Gardnerville Ranchos Interceptor Cleaning & Televising project subject to the conditions outlined paragraph 4 in the letter from Resource Concepts, Inc. dated January 28, 2019.** Seconded by Ted Thran. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent]. Bob asked if there were any more discussion with GRGID regarding payment of their share and Frank said no, they just wanted the amount so they could put it into next year's budget.

MGSD New Construction Fee: Bill reported that he reviewed the statute for Business Impact Statements, and the statute has changed substantially since the MGSD Code was established. It used to be that management had the authority to determine whether a proposed ordinance impacted the business community, but now it has to go out for public comment, so it adds an additional month to the process. Next month, the board can propose an ordinance for the new fee, and at the same time the board can change the MGSD Code to reflect the requirements in NRS. Bill felt that they can both happen at the same time. At the same meeting, the board can enact the changes to the MGSD Code, and then propose an ordinance for the new fee. Bob discussed the proposed fee that will be used for line rehabilitation.



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Discussion followed regarding amending MGSD's Business Impact Code as opposed to proposing a new fee. Ted felt that the agenda item does not adequately outline what the Board is discussing, so this should be tabled to the next meeting. Barbara felt that the Code should be corrected first to be in compliance with the law. Mike agreed with Barbara to fix the Code and wanted to review the big picture on fees before we change any fees. Bill didn't feel that a motion was needed and he would present a change to the MGSD Code at next month's meeting.

MGSD District Manager Resignation and Position Replacement: Barbara referred to the resignation letter from Frank. April stated she included the Job Description and Evaluation forms in the packet for the Board to review. The Board is not bound by any requirements to do an outside search or promote from within. But the first step is to determine what the Board is looking for in a District Manager. The comments can be turned back in to April or the Board can designate a subcommittee, but the subcommittee would be bound by Open Meeting Law. **Motion by Ted Thran to accept the resignation letter from Frank Johnson effective August 30, 2019.** Seconded by Bob Allgeier. [Motion carried \[5 ayes \(Allgeier, King, Schilling, Smallwood, Thran\), 0 nays, 0 abstain, 0 absent\].](#) Bob stated that the Board should discuss separate meetings for replacing the District Manager, and April responded that she would like to Board to mark up the Job Description and Evaluation Forms first, and bring them back to the next meeting, when a special meeting can be set up. Bob stated that it was important that Bill be present at the special meeting.

Attorney-Client Conference: Bill reported that it came to our attention today that Richard Peters' CPA license was revoked in November 2016. After reviewing the statute, a licensed CPA is required to prepare the audit. Bill was out of town, so he had Carrie Parker research the requirements at the State. The Department of Taxation stated that our audits since November 2016 were out of compliance and had to be redone. There is a meeting of the Local Government Finance Committee scheduled in April, and they want Frank to be present at that meeting. We will need a new auditor. Barbara stated that we will need to do an RFP. Mike felt that this is unfortunate for Mr. Peters and maybe we should give him the opportunity to respond and noted that this will cost MGSD a considerable amount of money to redo the audits.

Engineer's Report: Bruce reported on the following:

Sewer Rehabilitation: Last meeting it was requested that RCI take a look at the age of the sewer mains, but it is a large task. He hopes to get it done next month. They know the locations, but they don't know the ages of the lines. They are initially going by personal knowledge about when the mains were constructed, and then details and dates can be added in over time. In the last 15 years, some of the old



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lines in Minden and Gardnerville have been addressed, and we just need to locate that information. Then the ages can be added to the system mapping.

Bruce recommended televising and cleaning the 15" interceptor from Tenth St. to the plant. It's the District's oldest interceptor. He would like to see if it is appropriate to put together a bid package for the 15" line, since we cannot do that line internally. Bob asked the age of that line, and Bruce stated that the interceptor was done in conjunction with construction of the plant. Ted asked if it is all under 395, and Bruce said yes. Bruce passed out the rehab sheet that was presented last month. Mike stated he would like to see some increase in the rehab money. Bruce said we can look at the higher priority items, and some can go forward, but some are going to take extra effort. For example, the Oxoby project is going to take at least another year in order to obtain the needed easements. Others are identified projects that are action items. He can put together a bid package and the Board can pick and choose among the projects listed in the bid package. Bob asked if the estimates included everything and Bruce said yes, except for the cost of acquiring right-of-way for easements. Ted asked if it would be more cost effective in the Oxoby project to relocate everything to one lateral running in the middle, but Bruce said we need to speak with them first to see what works for them. This project would be better for 2019 to be a recon item with intent of going to bid and construction in 2020. Bob felt we should do one item and take a look at it as an example to see how close we are to the numbers before bidding on all of them. Mike asked if we can increase the rehab money available to do some of these projects this year, and Bob stated we can pull from the emergency repair fund, which has \$1,000,000 available for repairs. Bruce suggested that the Oxoby project not be done this year. He would like to get started with the balance of the projects outlined in red, which is about \$225,000, as well as the easement recon work on Oxoby. Bruce suggested that \$250,000-\$500,000 be put into the FY 19-20 budget but not more than that. This year he wants to look at the blue projects with staff to identify projects for following year. The Board directed Bruce to look into a bid package for 2019 rehab projects and to work with staff to identify 2020 projects.

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

Capacity: 4 Edu's were sold in January.

Security for Admin Office: Frank met with a company for security on the front door. The estimate is for \$7700 with the ability to upgrade in the future. There will be video cameras at each desk for the admin staff, as well as an intercom, door release, 3 video displays, and training. Discussion followed regarding including the back doors in the future.

Final Fixed Costs with GRGID: Frank reported that \$12,000 owed from GRGID to MGSD was taken from last year's fixed costs, so the total due from GRGID for this year \$42,985.00. Discussion followed regarding the reimbursement to GRGID for the utilities from the Digester Repair insurance settlement. Frank stated this will be worked out in July when he does the Variables billing.



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Tognetti Alley: Frank reported that he researched the history of the Tognetti Alley abandonments, and the abandonments actually started in 1940's. He noted that even if the fences are relocated, MGSD still has the easement and has access to the lines.

Administrative Report by Staff: April reported that for those Board members who have accounts at Wells Fargo, we have spoken to Wells Fargo representatives and MGSD accounts will no longer show on Board members' personal account listings.

On the past due accounts report, the payment went through for the account that was scheduled to be paid off today. In addition, we filed 2 accounts for small claims court yesterday. She also noted that the certified mailings were successful.

Board Comment: Barbara reported that Tom Dallaire was appointed Douglas County Community Development Director.

Bently project: Barbara reported that there was a fabulous article in Reno Edibles magazine on the Bently Heritage project. She will get a copy article to April for distribution to the Board.

Public Comment: There was no public comment.

Meeting adjourned 8:00 p.m.

Approved by the Board of Trustees as presented on:

_____ By _____
Date Ted Thran, District Secretary

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