



Board of Trustees
Minutes of Regular Meeting
Tuesday, January 6, 2015
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Barbara Smallwood
Mark Dudley
Michael King
Robert Allgeier

Staff Members Present:

Frank Johnson
April Burchett
Bill Peterson
Brian Buffo
Bruce Scott
Sarah King

Others Present:

Richard Peters
Chad Walling

Board Members Absent :

None

Meeting called to order at 6:00 p.m. by Ray Wilson, Chairman. Ray welcomed Mike to Board.

Election of Board Officers – The Chairman opened the floor to nominations for Board officers.

Motion by Bob Allgeier to nominate Raymond Wilson for Chairman for 2015. Seconded by Michael King. Ray reminded the Board that in the past he had stated that he would prefer that the Chairman position rotate each year. He stated that he had spoken with Mark Dudley to see if he would be interested in being the Chairman. Mark stated that the meetings were running smoothly and he did not see a need to change the Chairman. Ray felt that since nobody else expressed an interest in the position, and since the Chairman now makes the same amount in salary as the other Board members, he would be willing to be the Chairman. He asked if any Board member opposed the motion. Hearing none, the Chairman called for the vote. Motion carried unanimously.

Motion by Raymond Wilson to nominate Mark Dudley for Vice Chairman for 2015. Seconded by Barbara Smallwood. Motion carried unanimously.

Motion by Bob Allgeier to nominate Barbara Smallwood for Secretary for 2015. Seconded by Michael King. Motion carried unanimously.

Ray spoke about how he felt Bob Allgeier is doing an excellent job as Treasurer. **Motion by Raymond Wilson to nominate Robert Allgeier for Treasurer for 2015.** Seconded by Mark Dudley. Motion carried unanimously.

Ray stated that he would prefer that a different Board member be Chairman next year.



Minutes
January 6, 2015
Page 2

Public Comment: - There was no public comment.

Claims Review and Approval – Ray noted that the gas bill was much lower, and Bob pointed out that there was an issue with a gas valve last year, which is why there is a large difference. **Motion by Bob Allgeier to approve the claims received for December, 2014 in the amount of \$45,303.57 and to approve the payroll-related expenses paid during December, 2014 in the amount of \$91,591.40.** Seconded by Mark Dudley. There was no further discussion on the motion. Motion carried.

Minutes of December 2, 2014 Regular Board Meeting – **Motion by Barbara Smallwood to approve the minutes of the December 2, 2014 Regular Board Meeting with the suggested addition on Page 2, “Motion later rescinded; see Page 4, below”.** Seconded by Bob Allgeier. There was no further discussion on the motion. Motion carried unanimously.

Washoe Tribe of Nevada and California– Represented by Chad Walling, R.O. Anderson Engineering, Inc. Bill Peterson stated that this item was placed on this agenda to resolve any question that could arise that the item was not properly noticed on the December meeting. Ray clarified that the agreement would be sent to the Tribe after ratification, and Bill stated that the agreement had already been provided to the Tribe. **Motion by Bob Allgeier to ratify the Board’s action at the December 2, 2014 regular board meeting regarding the approval of the Agreement for Annexation between Minden Gardnerville Sanitation District and the Washoe Tribe of Nevada and California, as presented, for 36.6 acres located at 950 Hwy 395 N. (portion APN 1220-11-002-009). All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Michael King. Discussion followed regarding the timing of the pass-through billing for legal and engineering fees. Ray noted that Barbara and Bob had dealt with the Tribe before, and future Boards will be grateful that these steps were taken. He felt the agreement was well-written. Motion carried unanimously. Discussion followed regarding the 60-day window for the agreement approval has started. Chad noted that the Tribe is aware of the deadline and are working on approving the agreement.

Richard J. Peters, Jr. and Co. Annual Financial Audit – Represented by Richard Peters. Richard noted the summary on Pages 4 and 5, and stated that it was a typical year for MGSD. He pointed out an 18% increase to Salaries and Benefits, and that Services and Supplies costs decreased by 22.3%. There was a \$50,000 adjustment to the Inventory amount, since there are more accurate numbers available for accounting. He noted that on Page 8, the Cash increased by about \$700,000 and the Restricted Cash increased by \$250,000, with the Restricted Cash breakdown outlined on Page 17.



Minutes
January 6, 2015
Page 3

Bob suggested that this item be tabled until the next meeting for approval, in order to give the Board a chance to study the document. Richard stated that he is concerned about the deadline for submission to the State, but he will call the State to get an extension. Mike agreed and asked that in the future, the document be provided 5 to 10 days prior to the meeting in order for the Board to review it. He noted Richard's years of service, but also noted that if the Board has any additional concerns after the approval another extension would be needed. **Motion by Bob Allgeier to table the approval of the audit until the February meeting.** Seconded by Michael King. Motion carried unanimously.

Attorney-Client Conference: Bill stated that he has nothing to report.

Barbara asked about the possible conflict between Mr. King and Mrs. King, and is there something noting what Mr. King can and cannot take action on. Bill noted that Mr. King would have to abstain from anything he benefits from, including salaries, wages, and benefits. Bill will do some research and see if there is anything else that would trigger a concern and create a document that would identify any items in advance of a meeting.

Engineer's Report: Bruce Scott reported on the following:

Sonic Restaurant: Sonic is getting close to breaking ground. The line in front of Sonic was televised in order to see the conditions prior to construction, and a blockage was found in the main. He will review the tape with Frank and Brian to determine if either Sonic's contractor can do a repair or if it would be better to have MGSD perform the repair. He requested concurrence from the Board to have staff review it and decide on the best option for repair, and he didn't think it would be expensive. Frank noted that they can't get a camera through it, so they don't have a lot of information on it. Barbara concurred that Frank and Brian and Bruce would be the best people to look into it, and the Board agreed.

Pineview Estates Analysis: Pineview Estates HOA is finally moving forward on the sewer analysis study, Discussion followed regarding alternatives for sewer improvements. Bruce noted that any alternatives would need to be approved by the EPA and NDEP.

Ranch at Gardnerville: Bruce reported that Ranch at Gardnerville has prepared plans for the next phase on Buckeye Road. The Town of Minden is having difficulty with a proposed large open drainage ditch. The Town staff is recommending that the Board deny it. The plans don't meet MGSD standards yet, so there will be some redesign of the sewer connection to the main on Buckeye Road. Discussion followed regarding the proposed drainage system and the maintenance and flooding problems encountered with the drainage ditches in the Johnson Lane area. Discussion followed regarding the timing of the submittal, which did not give MGSD adequate time for thorough review, and Bruce anticipated it will be submitted for the February agenda.



Minutes
January 6, 2015
Page 4

County Road Project: Bob stated that he reviewed the financial statement Bruce submitted at the last meeting regarding the County Road project, and he thought RCI did a very professional job. He thanked Bruce for doing a great job. He reminded the Board that Mark Dudley made a comment at the last meeting about contractors MGSD can hire, but if RCI continues to perform at the level of service on future projects, MGSD will be well served. Bruce reminded the Board that additional work will be performed in the spring to take care of the sealing issues. He reported that RCI has contacted each homeowner that expressed a complaint to make sure their issues were resolved. The Board stated that they agreed with Bob's comments. Ray asked if MGSD is required to go with the lowest bidder, and Bruce stated that he will be working with legal counsel to come up with criteria and a process for preferred contractor selection. Bill stated that MGSD is not required to go with the lowest bidder, but it does raise a red flag, so criteria will need to be in place. Mark mentioned the option of choosing from the 3 lowest bidders, and Bill noted that typically there would have a first choice contractor and a second choice contractor in case the first choice contractor doesn't meet the requirements. Mike asked if the detailed requirements and standards needed to perform the project can be put in the bid notice, as well as making it perfectly clear to bidders that references will be required and their past work will be reviewed. Bruce explained that you can tailor bid proposals for certain equipment, but it's more difficult when you're bidding out for a contractor's service. Mark clarified that there are minimum standards to perform a job, and some contractors perform the work at a higher standard than the minimum. Bill stated that there are additional items we can require from the bidders in order to make a more detailed determination of who the best contractor is for the job.

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

Mid-Year Financial Status: Frank presented mid-year charts showing Expenses and Revenues. Frank noted that interest income has been lower than anticipated. The Operations expenses are approximately 34% of the total amount budgeted, and the Payroll expenses are just under 50%. When the new truck is purchased and work begins again on the collections system master plan, he anticipated that entire the capital budget will be utilized. Ray thanked Frank for presenting this.

Saletti's: Frank is drafting a letter to Saletti's for review by Bruce Scott and Bill Peterson, regarding a demand for installation of a grease interceptor. He is expecting some strong feedback from the owners. Ray asked if MGSD can charge them for cleaning services, and Frank noted that our ordinance allows MGSD to charge \$400 per hour to perform the work. He will have a video to show the Board next month.

EDU Allocations: There were 5 EDU's sold during the Month of December.

Washoe Tribe Truck Stop: He anticipates the Tribe will submit plans for the February agenda.



Minutes
January 6, 2015
Page 5

Secretary's Report – April reminded the Board about training next week and will email an agenda to the Board on Friday.

Bob also pointed out the annual Financial Report is due to the Secretary of State's Office on January 15th. Bob reported that he has had problems accessing the Secretary of State's website to file the report

Public Comment –There was no public comment.

Board Comment – Ray asked all the Board members to try and make the training session on the 15th.

Park Cattle Company Effluent Rights: Barbara asked about the letter received at last month's meeting from Allison MacKenzie law firm about the proposed change to the place of use area, and she was wondering what the status of it was. Bruce and Bill stated that they don't have any problems with Park's request. Bob pointed out that they will be asking for an amendment to the agreement, and asked why it should be approved before they sell the property. Bruce stated that Park Cattle probably can't move forward with their permitting until they get this item cleared up. Discussion followed regarding payment of legal fees and the review and approval process of the contract amendment. The Board requested that Bill Peterson contact Park's attorney to check on the status and remind them of the terms of the contract regarding noticing and payment of fees.

Barbara thanked April for the calendar of meeting dates.

Meeting adjourned at 7:20 pm.

Approved _____ Date _____ By _____ District Secretary

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