



Board of Trustees
Minutes of Regular Meeting
Tuesday, February 3, 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
Lynelle Hartway

Board Members Absent :

None

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

Public Comment: - There was no public comment.

Claims Review and Approval – Frank stated that the claims were low for the month. **Motion by Barbara Smallwood to approve the claims received for January, 2015 in the amount of \$47,404.20 and to approve the payroll-related expenses paid during January, 2015 in the amount of \$110,483.45.** Seconded by Bob Allgeier. There was no further discussion on the motion. Motion carried.

Minutes of January 6, 2015 Regular Board Meeting and January 15, 2015 Special Board Meeting – **Motion by Bob Allgeier to approve the minutes of the January 6, 2015 Regular Board Meeting.** Seconded by Mark Dudley. There was no further discussion on the motion. Motion carried unanimously.

Ray thought the minutes were very thorough on the special meeting and a good reminder of what had taken place. Bob spoke about the open meeting law and what he found most interesting was that Scott Doyle who had worked for Douglas County drafted the open meeting laws and most of the provisions are still the same though some more provisions have been added. He felt that the open meeting law should be presented to the Board on an annual basis. Ray spoke about being surprised that if only three members were present at a meeting and they did not have a unanimous vote then the **meeting item** would have to be tabled. Discussion followed and Bill Peterson stated that he would check into that. However Bruce mentioned about being in a meeting at a State Board when this happened, and the Deputy Attorney General stated that it needed a majority of the full board. It was not this way in the past but has been changed. **Motion by Barbara to approve the minutes of the January 15, 2015 Special Board Meeting.** Seconded by Bob Allgeier. There was no further discussion on the motion. Motion carried unanimously.



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Washoe Tribe of Nevada and California—Represented by Lynelle Hartway at Bill Peterson’s request. Bill stated that MGSD’s ordinance allows for one 60 day extension. Lynelle explained that the Tribal Council had not had a chance to meet. Bob asked if all the fees had been paid by the Tribe for our Attorney services and April informed him that the Tribe billing was current. Michael asked for clarification as to when the 60 day extension would start and Lynelle said it would be from today which is February 3, 2015. Barbara asked if the Council had scheduled a meeting and Lynelle stated that the Council had plans to schedule special meetings if it was not handled at the regular February meeting. The Tribe probably does not need the 60 day extension but she felt it prudent to be on the safe side. Mark asked how many extensions could be had and was told only one. **Motion by Mark Dudley to approve a 60-day extension of time as requested by the Washoe Tribe of Nevada and California to return the signed annexation agreement approved at the December 2, 2014 Board meeting and ratified at the January 6, 2015 Board meeting, and payment of related acreage fees, as authorized under MGSD Policy No. 9.100. The signed agreement and acreage fee must be received by MGSD no later than April 3, 2015. No further extensions will be granted.** Seconded by Michael King. Motion carried.

Richard J. Peters, Jr. and Co. Annual Financial Audit – Represented by Richard Peters. Bob felt that a motion should be made in order to discuss the audit with Richard. **Motion by Bob Allgeier to approve the audit dated June 30, 2014 as presented by Richard Peters.** Seconded by Barbara. Ray asked for a vote but was informed that it was just a straight motion so as to be able to discuss the audit as presented before a vote could be made.

Discussion: Referring to page 6 of the audit, Bob had a question about the Supreme Court decision of 1989 and wondered if Richard had a chart of the EDU data for 1990. Richard was not sure but thought he might have 25 or 30 years’ worth of MGSD’s data. Bob wanted to know if there was a 2000 EDU addition to the chart in 1990 and asked Richard to check into that. Mark questioned why Bob wanted this information. Bob stated that he was not ready to discuss this with the Board but was interested because that was the time an agreement was made, and he wanted to know the if the EDU count was added to the chart, and since MGSD goes by the chart he felt the EDU’s currently being processed is **should be** 2000 higher than shown. He then referred to pages 8 and 9. He was aware that an inventory system was put into place to keep track of what is withdrawn and he felt that it was wonderful that there was, finally after all these years, a formal inventory system. He questioned page 10 and page 23 where the figures did not match. Richard informed him that he should look at page 24. Bob then referred to page 22 and 24 and wondered why the Ad Valorem tax revenue is different on the two pages. Richard explained that on page 24 the numbers are on an accrual basis of accounting and coincide with page 21. The numbers on page 22 are the specific cash received by MGSD. Bob questioned page 16 referring to the cash held by County in a fiduciary capacity and thought that the number was incorrect. He asked if a period was missing. Richard explained that the number was correct and was the amount of taxes collected by the County in June and submitted to MGSD in July. Barbara mentioned that the Commissioners are going to be meeting on Thursday to choose a new Clerk/Treasurer and she felt it was important for MGSD to see who was appointed. Bill questioned page 10 where the operating income is on a downward spiral and wondered if



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it was an issue with the State. Richard explained that the decrease is mainly because of the depreciation. Bill also asked about the capital contribution number and was told that it is capacity, connection, acreage, and annexation fees. Richard stated that the only portion that bothers the State is on page 21 which is variance favorable (un-favorable), if that is negative. They do not care about the internal budget but only if these numbers are negative. When he had called them up about 15 years ago about this and asked if there were any sanctions he was told there were none.

Motion carried unanimously. Ray asked if Richard could have the audit to the Board a little earlier next time.

Attorney-Client Conference: Ray explained that he and Bob had met with Bill and felt that if Bob was correct, then GRGID is not being charged for all their EDU's. He did not want to violate any open meeting laws and wanted the rest of the Board to know about this meeting. Bill stated that he would check into the agreement and see if the charges are done in conformity to what was agreed to. He would have it for the next Board meeting. Ray thanked Bill for coming in early.

Bill had contacted Allison and Mackenzie about the letter received from them regarding the amendment of their contract to remove 180 acres subject to MGSD's contract to deposit effluent. They would like to remove 180 acres. Bruce felt he needed to look into it and also look into the Galeppi contract to see if there was the same provision to see if it can all be dumped there. MGSD has the right to dump it all but the agreement is to give half each and if either one cannot take it we can dump it. Bruce felt that they could comfortably take it all as they had a lot of land. Bill stated he would have it all taken care of before the next meeting. Discussion followed. Bruce explained that Bently has the right to take all the water that Park and Galeppi did not want. So there are a few layers of protection. Bruce felt that it should be routine. Frank explained that they have a lot more acreage that could use the effluent. Bill stated that they had not identified the 180 acres and Barbara asked if they needed to identify it and Bruce felt MGSD should know.

Barbara stated there have been articles in the newspaper about the enlargement of the ponds where MGSD has been mentioned and she felt the information is not correct and wondered if it should be corrected. Frank explained to Barbara that he looked at it and stated that it is our effluent in the ponds but once it leaves Hwy 395 it becomes Bently's. Bruce stated that DCSID is going to regroup and not push it like they have been so far.

Engineer's Report: Bruce Scott apologized for the report being late. He reported that the Ranch of Gardnerville phases 2C thru 2E are just about finalized. The as-built drawings have been received and only the payment needs to be made. Phases 4A and 4B have not yet come to Board for capacity. Revised plans are needed and have not yet been received.



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There is a rumor that the Sonic building permit has been issued. There was a problem with the 8” main which Frank would be covering in his report.

The ability to televise is helpful as in the case of Sharkey’s where there was a parking lot over the sewer lines and the lines had not been identified. This also helped with the Sonic problem as we were able to get a before and after picture of the sewer.

He is working with staff to update the standard details for the County and Town. The County Road project is making progress and the good weather helped.

Ray asked about the open pit that the Ranch of Gardnerville was designing and was told the Town of Minden had not approved it. There are no modified plans.

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

EDU’s: 6 EDU’s were sold during the month of January. Should get about 9 or 10 in the future for Sonic.

GRGID Tax Assessment Schedule: April is currently working on the tax assessment. Since MGSD does not receive tax revenues from GRGID they are assessed an additional fee along with the monthly user fee. The agreement allows having the fees adjusted periodically and it has not been done in a while. Frank felt that it could be done every five years. Bob asked why the total value from the County could not be used and April explained that the agreement states that it is assessed only on improved properties.

Personnel: There is an employee who is leaving MGSD at the end of the week. He is the newest and has been employed for 18 months. It is to his benefit to leave. There are a couple of prospects for hire and MGSD would begin to look for candidates in the next two weeks. Brian stated that MGSD had spent 18 months training the employee just to lose him. Mike asked if salary was an issue and Frank explained that MGSD was competitive. Ray wanted Frank to tell the employees about the fringe benefits and the whole package. Barbara wanted to know if he was going to another district and was informed that he was not.

Saletti’s: A letter had been received from Saletti’s and they had no problem with MGSD cleaning the main line where they connect to, and would pay the \$400 an hour.

Sonic Restaurant: The main line in front of the proposed Sonic was found to be blocked and on televising it was found to have collapsed due to an improper repair in the past. MGSD rented the equipment rather than contract the job out. He felt that it would be worth having equipment, like a back hoe, to take care of small issues and not call a contractor. It would be beneficial to budget for it. Ray stated he had no problem with that and to get some bids.



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Bob asked when the new truck would arrive. Frank thought about mid-February.

Secretary's Report – Sarah informed the Board that at Bob's request she had looked into other investment opportunities for MGSD. Both she and Richard had checked into Banker's Acceptances, per Bob, and found that they are not readily available and considered archaic. "A Banker's Acceptance is a short term negotiable agreement and acts like other money market investments. The investor buys a bank draft at a discounted price and gets the full value upon maturity. The difference between the discount and face value determines the yield. They are traded through large banks and securities dealers. They provide a modest profit with yields just above T-bills (which is 0.05%). Average yields are published In the Wall Street Journal." The rate currently is 0.15% for 30 days. The Government Pool, where MGSD has money, has this in their portfolio but it is not used. However the Wealth Management Division of City National Bank suggested laddered CD's in increments of 3,6,9 and 12 months. The lists would be scrubbed and they would be insured with best rates with a secure bank with no fees and so MGSD would get the yield. She gave different rates and mentioned that the Broker would manage the portfolio. On the checking account which is analyzed the earning credit is low. The money market account is not tied to the analysis account and is earning 0.03% and may be invested. An Investment Banker could come by to the next Board meeting if the Board so desired and present the package. Bob did not think the interest rates would be going up any time soon and thought MGSD should look at this if someone is willing to come out. Barbara had a question about the FDIC insurance which she thought maybe gotten rid of. Sarah explained that MGSD's money is fully insured as it is public funds.

Public Comment –There was no public comment.

Board Comment – Bob wanted to advise the Board that he met with Sarah after the middle of the month special board meeting. He had wanted to review the balances and the cash account. He reviewed all the documents and was pleased to advise the Board that they balanced to the penny. Ray was glad that he had done that and Barbara thanked him for doing it.

Meeting adjourned at 7:20 pm.

Approved _____
Date

By _____
District Secretary

:/smk