



Board of Trustees
Minutes of Regular Meeting
Tuesday, August 4, 2015
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Barbara Smallwood
Robert Allgeier
Michael King

Staff Members Present:

Frank Johnson
April Burchett
Brian Buffo
Sarah King
Bruce Scott

Others Present:

Board Members Absent :

Mark Dudley

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

Public Comment – There was no public comment.

Chairman's Comment –Ray asked Frank about the procedure manual and Frank stated that legal counsel is working on it. Ray also wanted to know if the new Will Serve letter would be tailored around different scenarios and if it would have an expiration date. Ray informed the Board that after the July meeting he spoke to Bill regarding Bill's caution at that meeting saying that the County could take over MGSD which was contradictory to what Bill had told the Board a couple of years ago. The County can only take over MGSD if the Board is proved to be incompetent, or if the District is insolvent and even then the people have to vote on it. Bruce stated that MGSD was formed under different rules compared to the other GIDs and so is more protected. Ray also mentioned the articles in the newspaper regarding the County needing additional capacity.

Claims Review and Approval –Bob had a question if any of the claims were for an item replaced from inventory and if so when it was done. Frank stated that the claim for Komline-Sanders was a part replaced in July for the belt press. Barbara questioned the items paid by the Visa card and wanted to know if each one went under its own GL number and was told that was so. Ray asked about the Taurus repair. There were questions about why NV Energy and Southwest Gas were a little higher and Frank explained that when there is a power outage and the plant goes on the back-up generator the Co Gen is shut down as a safety feature, and therefore does not produce energy. There were a couple more questions about liens, refunds, and the polymer expense. **Motion by Mike to approve the claims received for July, 2015 in the amount of \$53,793.85 and to approve the payroll-related expenses**



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paid during July, 2015 in the amount of \$122,974.09. Seconded by Barbara. There was no further discussion on the motion. Motion carried.

Minutes of July 7, 2015 Regular Board Meeting –Mike pointed out to page 4 of the minutes referring to the Resolution where it states “**IT IS UNANIMOUSLY RESOLVED,**” and pointed out that it was not unanimous and should be changed. Barbara explained that it could not be changed and the whole resolution would have to be redone. Discussion followed and April stated that she would check with Bill. Barbara suggested the minutes should not be approved until the next meeting when Counsel would be present and Ray thought the minutes could be continued for the next meeting. However, Mike referred to SB70 which was just signed into law, which states that the minutes should be approved within 45 days of the meeting or at the next meeting whichever occurs later. Bob felt that the minutes should be approved since there was a resolution and was voted in with a majority. April suggested that the minutes could be approved with the stipulation that there would be a check with counsel. **Motion by Mike to approve the minutes of the July 7, 2015 Regular Board Meeting with the stipulation to contact attorney Bill Peterson to resolve the wording of the resolution if necessary.** Seconded by Bob. Motion carried.

Douglas County Mosquito Abatement / Aquatic Environments: This item was continued to the next Board meeting, September 1, 2015. Bob however had a question referring to the map which showed a total of 28 acres to be treated and wanted to know how many acres MGSD owns. Frank thought it was 157 acres. Ray wondered how important it was to Frank and Brian to have this treated. Frank stated he thought it was important for MGSD but more so for the neighborhood. Barbara questioned removing the willows and what it would do to the view but it was decided to wait for Krista Jenkins’ presentation at the next meeting.

MGSD Finances and Revenues: Bob referred to the excellent graph that displayed the income sources. He wanted to inform the Board what the different income sources are and what they can be used for. The user fees are based on the EDU’s that are being used by the people in the District and those that are used by GRGID. Bob explained that the payment that GRGID makes to MGSD for each EDU includes an amount for tax. Besides this user fee, GRGID also pays MGSD additional money which is calculated by using a special formula. Bob then covered the restricted cash account. MGSD has only one single account. The operating account is used for plant operations and MGSD has always had enough income in the operating account compared to the cost of operations. The total cash not restricted is \$714,648.00. The restricted cash account comes from capacity and connection and acreage fees and will change from year to year. 200 EDUs additional each year would mean an additional 30,000 gallons of flow. Based on this there is ample capacity. However, the amount of new EDUs is not at this number, and so this will have a substantial impact on the restricted fund. The cash flow from non- capital funding is derived from the Ad Valorem and SCCRT tax. Property taxes have been assessed higher this year and this money



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is used to pay for expenses that are not operating expenses and not dealing with plant capacity. It is used to purchase the mini excavator, trucks etc. Discussion followed and it was decided to meet with Richard to get an explanation of how Richard calculates restricted funds. Bob referred to the past when the Board had made the decision not to take the ARRA funding out of the restricted cash account as it had nothing to do with plant capacity. The tax money is not specifically designated for any operational purpose and should be used for miscellaneous expenses and the unused portion banked. Ray stated that since the restricted funds are being used for plant expansion, money should be added to it, and wondered how much was being added to the fund each year. Discussion followed about the cost of capacity and connection fee for each EDU. The financial statement will be ready in December; the last one showed that there was an unrestricted amount of 1.7 million cash available. Lastly Bob spoke about the interest which is pretty poor and the rates would not be going up anywhere in the near future. Bob referred to the Master Plan and pointed out that certain modifications needed to be done to the plant at 2,000,000 gallons a day, which should be in about ten years. Currently it is 1.7 million. There would be costs for this. Bob asked Bruce if another master plan would be needed to be done when 2,000,000 gallons were reached. Bruce agreed with Bob. Frank stated that he would look into the fund allocations. Bob felt that it should be checked into since MGSD was asking GRGID for additional money and if there was an audit of the books Bob did not want to have any issues. Discussion followed about not having received anything back from the State regarding the letter sent about the ARRA loan repayment.

Attorney-Client Conference: Bill was unable to attend the meeting.

Engineer's Report: Bruce Scott reported on the following: The Washoe tribe is working with engineers for plan revisions. Ray wanted to know how many EDUs would be purchased and was informed that some had already been bought but since the Casino was not yet being built, not too many. The Tribe would be extending the 12" main. An 8" line would serve the store and Bruce suggested not accepting that line so that it could be a private line maintained by the Tribe. At a cost to the Tribe, Bruce worked with Butch Peri to get a sewer easement so that the main could be put in a better location. The easement needs to be finalized.

The Park master plan amendment has now been withdrawn and the fees have been returned by the County.

Bruce had received a call from the County asking if the District would entertain the alternative of treating the effluent if there was a place to tie into the system. It would be a short term resolution while the County worked on an alternative plan. The Chichester interceptor has some capacity in the line. Ray wanted to know if the County effluent would have particulates that would contaminate MGSD's plant. Bruce stated that the pretreatment ordinance would be in place and everyone in the District would have to



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meet it. There would be a sampling location for the effluent. Bruce thought there could be an agreement like the one with GRGID; however GRGID built their own interceptor.

Bruce told the Board that a few years ago there was a survey question out at the ponds. When the ponds were purchased it met a certain metes and bounds description. When the Carson Valley Land Company sold the adjacent property, it was sold with a different survey and so there is a little sliver of land on two sides of the ponds that does not belong to MGSD and MGSD has no interest in it. A few years ago, Park was asked if they would like to have it, and since they had no interest in it, the County designated it as no man's land. The DA's office has suggested putting it up for auction and then if no one wants it, see if either MGSD or Park wants it. This piece of land has no value to MGSD.

Ray asked if anything was happening at Pine View and Bruce said he had not heard anything.

Bruce will not be present for the October meeting.

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

Capacity: No capacity was sold in July.

SCADA System: The bids for the installation of the fiber lines has been received and given to Tesco who is working on finalizing the cost.

GRGID: Bill Peterson would have information for the next meeting

Gate Closure: The gate has been installed and is operational.

Fund Sources: Covered by Bob

Saletti's: A video was shown of the grease in the line from Saletti's. MGSD is cleaning the line every 60 days and billing them. Saletti's has been unresponsive to the request for compliance and feel that Carson Valley Inn who sold them the property should have done it. It was decided to have Bill write them a letter. Ray suggested Frank write them a letter letting them know that they would be responsible for attorney costs. Discussion followed about other entities having this problem in the past and having to put in grease interceptors. Mike asked the cost for a grease trap and was told it would be at minimum \$10,000, which based on the cleaning costs would eventually pay for itself.

Reservoir and Collection System Coverage: Frank spoke with Alan Reed and Alan stated he and Bill would be getting together regarding coverage for the reservoir and the collection systems.



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Bob asked if the bond coverage for the Treasurer had been cancelled and was informed that it had been done but the premium refund had not been received.

Lien Fees: Bob recommended making an adjustment in anticipation of where the costs will be in the future. Frank mentioned staff time involved in filing liens.

Smart Cover flow meters: The meters have been installed and the bugs are being worked out. Frank will show a demonstration at the next meeting.

Inventory sheet: He explained the sheet, pointed out the itemization and showed the addition of freight.

Administrative Report by Staff – April referred to the legislative summary. Questions were asked and answered.

Board Comment – Barbara had comments but is going to cover it at the next Board meeting. She did want to know if Frank had met with Mark Neuffer about the increased cost for service since he was not in the District. Frank stated he had done so. Bruce thought the Mark could be annexed if he was contiguous. Discussion followed about contract of service.

Mike spoke about the tour of the ponds with Brian and stated that he was really impressed and it was very educational.

Public Comment – There was no public comment.

Meeting adjourned at 7:35 pm.

Approved by the Board of Trustees as presented on:

September 1, 2015
Date

By _____
Barbara S. Smallwood, District Secretary

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