



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

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Board Members Present:

Raymond Wilson  
Barbara Smallwood  
Robert Allgeier  
Michael King  
Mark Dudley

Staff Members Present:

Frank Johnson  
April Burchett  
Brian Buffo  
William Peterson

Others Present:

Erik Nillson  
Krista Jenkins

Board Members Absent :

None

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

**Public Comment** – There was no public comment.

**Chairman's Comment** – Ray discussed the upcoming tax for high cost benefit plans, otherwise known as Cadillac plans. The tax is 40%, and is scheduled to take effect in 2018. He spoke with April about this, and she has been coordinating with MGSD's insurance carrier on this.

**Claims Review and Approval** – There was no discussion on the claims. **Motion by Mark Dudley to approve the claims received for September, 2015 in the amount of \$43,147.49 and to approve the payroll-related expenses paid during September, 2015 in the amount of \$85,792.05.** Seconded by Bob Allgeier. Motion carried.

**Minutes of September 1, 2015 Regular Board Meeting** – Mike King noted on page 3 the word contribution should be changed to "twelve-year liability". **Motion by Bob Allgeier to approve the minutes of the September 1, 2015 Regular Board Meeting as corrected.** Seconded by Mike King. Barbara asked if she should abstain since she was here for only part of the meeting. The Board felt she didn't need to abstain; she would need to abstain only if she was absent for the entire meeting. Motion carried.

**Douglas County Public Works** – Represented by Erik Nillson. Erik reported that the County has the responsibility of issuing building permits, and they also ensure that plans are approved by the various Towns and GID's. Usually there are several entities that may have an interest in a single project. The question has arisen regarding who has inspection authority over the various improvements. Erik passed out the County's Division 11 Delegation of Inspection Authority form, wherein the County agrees that the County will not inspect anything that is the responsibility of another entity. He has discussed this issue



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with Bill Peterson and Bruce Scott, and they recommended he go over it with the Board. In order for another entity to qualify to inspect in place of the County, they have to meet certain requirements, such as an engineer qualified to review plans and staff qualified to perform the inspections. If the agency can perform the inspections, the County reduces the amount of the permit fee, in order to offset the cost of inspection by County staff. He has determined that MGSD is capable of handling its own inspections. Although other GID's use the County's form, he has been told that MGSD has problems with some of the language. He requested that the Board direct Frank and Bill to work with the County to come up with acceptable language. Barbara noted that this issue was addressed during the 90's, but she felt that it would be good for everyone to work together. Bill discussed the past problems between the County and MGSD, and provided a revised form in the packet. The revised language clarifies MGSD's authority over the installation, maintenance, inspection and repair of the sewer mains, with the County maintaining authority over excavation. Erik will take the proposed language back to the Assistant District Attorney for review. Frank asked if there was a way to just sign one form once and have it apply to all projects, but Bill stated that the County handles the delegation of authority on a project-by-project basis. Barbara also felt that having one form for each project was better, in order to put the developer on notice, identifying the responsible agencies, and whose standards will be enforced. Ray thanked Erik for coming to the Board. Barbara also noted that Bruce stated in his letter that he has been working with Erik on this matter. Discussion followed regarding the cost of the building permit. Erik noted that they simply remove the fees associated with the sewer inspection. The board asked that the Assistant District Attorney coordinate with Bill Peterson.

**Douglas County Mosquito Abatement / Aquatic Environments:** Represented by Krista Jenkins. Krista met with Jennifer at the Town of Minden regarding writing a grant for the proposal provided by Aquatic Environments. During their meeting, a major concern was identified. Jennifer explained that the grant will lock in the scope of the work over a 20 to 30 year period in order to complete all phases of the plan. As a result, MGSD would not be able to do anything else, such as plant expansion or ditch improvements, until the grant period is completed. Another issue was the possibility that MGSD would be denied the grant if it was determined by a grant committee, after examining MGSD's finances, that the District could fund the plan on its own. Krista and Frank both agreed that tying up the property for the grant would not be feasible. Krista explained that they did one helicopter application this year, and with Henry Dreyer's work on the ditch, the main problem is still the Klauber Pond area. MGSD will need to work with the ranchers regarding ditch maintenance and keep the willow vegetation clean. She stated that the Army Corps of Engineers will allow the maintenance and vegetation cleanup, as long as the historic value of the property is maintained. Barbara asked how to document that, and Krista replied the historical use of the area would have to be researched in order to identify it as a historic irrigation area. Discussion followed regarding the responsibility and benefits between MGSD and the ranchers. Krista recommended a maintenance agreement with the ditch users.

Krista noted that MGSD does not pay ad valorem taxes, so MGSD is not contributing any funding towards the spraying performed on its property. Krista presented a diagram of the mosquito treatment



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area, the cost of treatment, and MGSD's portion of the cost, which would be \$2100 plus \$950 per application. Krista noted that she shares helicopter costs with other counties. After Mike King asked the name of the helicopter company, discussion followed regarding the current use of a company out of San Jose. Krista explained that a local helicopter company, Sundance, is willing to provide the service, but they need to meet the state qualifications, which are getting stricter. Mike suggested checking with El Aero in Carson City. Krista agreed that a local company would be less costly. Ray stated that he could see performing the cleanup once, but he didn't realize that regular maintenance would have to happen annually. Bob asked about the purpose of the property for MGSD, and Frank stated that it was purchased as a buffer property against future development. Discussion followed regarding the potential to lease the property to a rancher. Frank noted that there was some interest in planting a vineyard there in the past. Discussion followed regarding how many applications would be required. Krista stated that it's difficult to predict how many applications would be required, but she felt no more than 5 applications would be needed. This year 3 applications were done.

Discussion followed regarding the feasibility of MGSD paying for the work to be provided by Aquatic Environments. Krista felt it would be worthwhile if the property was maintained each year. She pointed out that additional work would be needed, such as Corps of Engineers approval. Discussion followed regarding pros and cons of piping the ditch. Bob felt that of the options presented, the lesser of the evils was to come to a financial agreement with the Abatement District to mitigate the cost of spraying MGSD's property. Ray agreed that this was his preference, with budgeting for 4 applications a year. Mike agreed with Ray, but would like more information before making a decision. Ray asked Krista to determine a worst-case cost, so it can be considered by the Board to be added into next year's budget. Discussion followed regarding reported cases of West Nile virus. The Board thanked Krista for her presentation.

**Board Benefits:** Bill reported that he met with a benefits attorney about an equivalent to a PERS contribution for a Board member who already received PERS benefits. The benefits attorney recommended setting up a 457(b) plan contribution. The plan has a contribution limit of \$18,000, and MGSD would pick the vesting period. Bill stated that a plan document would have to be prepared, outlining how much MGSD would contribute, when the contributions will be made, and setting the vesting period. The contribution can also be made retroactive. He requested direction from the Board regarding whether the Board wants a retroactive contribution, the amount of the contribution, and the vesting period. Barbara asked about what happens after the vesting period is met. She expressed concern about the equivalency of a 457 plan, since the benefit could be taken as a lump sum once the vesting requirement is met, but that PERS does not offer a lump sum payout. Bill thought that PERS did offer a lump sum payout under certain circumstances. He asked April to look into it. Discussion followed regarding not being able to do a separate contribution for Mark. Bob recommended that Bill draft up a plan for the next meeting which the Board could review. Bob asked that the payoff terms be specifically outlined to ~~eliminate a payout if a Board member decides to retire from the Board but then is re-elected at a later time.~~ state: if a board member becomes vested in the 457 Plan and elects to retire after his or her



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second term, and elects to take a lump sum payout from the 457 Plan, and if that board member later chooses to run for re-election to another term he or she cannot then participate in the 457 Plan.

**Attorney-Client Conference:** Bill Peterson reported on the following:

**ARRA Loan Repayment Offer:** Bill sent a follow up letter to the State, but he hadn't received a response.

**GREGID Cost Sharing:** Bill sent a follow-up letter to Mike Rowe, using the calculations provided by Bob Allgeier. He hasn't received a response, and Frank has not discussed the matter with Bob Spellberg. Discussion followed regarding the next step if a response is not received, and Bill recommended meeting with Mike Rowe and Bob Spellberg to discuss their specific concerns. Bill thought a Board member from each agency should also attend that meeting.

**Saletti's:** Frank reported that Faith Saletti met with him to get the grease interceptor standards. She felt that CVI should pay for it, and the Board responded that was between Saletti's and CVI. Discussion followed regarding when a grease interceptor is required.

**Southwest Gas:** Bill sent a letter to Southwest Gas about the line proximity problem on Pinenut. The letter basically states they either have to respond, otherwise they accept the responsibility. He felt the letter would protect MGSD's interest.

**Engineer's Report:** Bruce Scott was out of town.

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

No capacity was sold in September.

**Pine View Estates:** Bruce and Frank met with USDA representatives, who inquired if the County or MGSD would have funds available to help mitigate the costs. Bruce and Frank told them that there is no precedent for this. The USDA would like a letter of commitment stating that MGSD has the capacity available at this time to serve the subdivision. He asked for the Board's permission to provide the letter, and the Board agreed with this.

**Banking Change:** Frank and April explained that an upgrade will be required for the accounting program, to allow new tax tables to be uploaded. After discussing the upgrade and changing the bank information with the IT contractors, it was determined that it is more cost effective to perform both the upgrade and the bank change at the same time. April reported that Sarah asked Lynne at Wells Fargo if we should open accounts now and maintain a small balance to offset or eliminate fees, but Lynne responded that the accounts should not be opened until there is money going in and out, and to wait until the change is made in the accounting program. April stated that the timing of the upgrade was still being coordinated, but



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hoped it would be done around the end of November or beginning of December. The Board asked if any hardware upgrades would be needed, and April reported that it looked like a software upgrade only.

MGSD Website: Frank reported that he received an estimate from SDBX Studio of \$850 to convert the website to a mobile friendly format. There will also be additional costs to change the online payment form on the website, but that cost cannot be determined until accounts are opened at Wells Fargo and their requirements are determined.

SCADA System Upgrade: Tesco is ordering the equipment, and will begin the upgrade when everything arrives. Bob asked if the work will need to be delayed until spring, and Frank stated that they won't have to wait, since not much excavation will be required. It will take a few weeks to complete once they begin.

Barbara asked if MGSD has a phone policy for employee cell phones. Frank explained that employees are only allowed to use MGSD cell phones for District-related business. No personal calls are permitted. All staff members are made aware of this policy.

Administrative Report by Staff – There was no report from staff.

Board Comment – There was no **public board** comment.

Public Comment – There was no public comment.

***Meeting adjourned at 7:45 pm.***

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

\_\_\_\_\_  
November 3, 2015  
Date

By \_\_\_\_\_  
Barbara S. Smallwood, District Secretary

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