MGSD
Minden Gardnerville Sanitation District

NOTICE OF REGULAR MEETING
TUESDAY, DECEMBER 1, 2020, 6:00 P.M.,
BOARD ROOM, MGSD TREATMENT PLANT,
1790 HWY. 395, MINDEN, NV

NOTE on COVID-19 RESTRICTIONS: The meeting will take place in MGSD's Board Room.

- All attendees must observe social distancing requirements by maintaining a minimum distance of 6 feet from other attendees – MGSD Staff will ensure that seats are placed in accordance with these guidelines.
- Pursuant to Governor Sisolak's Emergency Directive No. 33 there will be no more than 10 people in the Board Room at any time, including Trustees and Staff.
- Masks are also required under Governor Sisolak's Mandate for a Statewide Pause effective November 24, 2020 and Emergency Directive No. 24 (extended under Emergency Directive No. 29), and will be made available to those who do not have one, with exceptions made pursuant to Emergency Directive No. 24

AGENDA

1. **CALL TO ORDER**

2. **Public Comment** -- Discussion Only, Not For Possible Action
   - Public Comment is limited to three minutes per speaker, unless the Board Chairman allows additional time.
   - Per NRS 241.020, no action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken)

3. **Chairman's Comment** – Discussion Only, Not For Possible Action
   - Discussion includes comments and status of projects not covered under an agenda item
   - Presentation to Bob Allgeier for his service as a Trustee

   (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken)

4. **Claims Review and Approval** – For Possible Action
   Review and Approval of Bills Paid and Claims Received for November 2020

5. **Minutes Approval** – For Possible Action
   Approval of Minutes from the November 3, 2020 Regular Board Meeting

6. **And Away They Go LLC** – For Possible Action
   Request for Capacity for 12.3 edu's for the proposed McDonald's located at the northwest corner of Hwy. 395 and Hwy. 88 in Minden (APN 1320-30-615-001)

7. **Casey Neilon** – For Possible Action
   Approval of audit for FY ending June 30, 2020

8. **Attorney-Client Conference** – For Possible Action
   - Status Report of Ongoing Matters and Requests from MGSD Staff and Board of Trustees
   - Note: The Board of Trustees reserves the right to interrupt the open meeting during this time and adjourn to a closed session for the purpose of having an attorney-client discussion regarding potential or existing litigation, pursuant to NRS 241.015(3)(b)(2). No action will be taken on an item discussed during a closed session.

9. **Engineer's Report** – For Possible Action
   - Action Items may include matters needing immediate attention or resolution related to line rehabilitation, line cleaning, and progress of various projects

10. **District Manager's Report** – For Possible Action
    - Discussion includes monthly report of activities, personnel matters, and progress of various projects
    - Action Items may include matters needing immediate attention or resolution related to plant repairs, sewer line repairs, and any other matter of impact to public health and safety

11. **Administrative Report by Staff** – For Possible Action
    - Action Items may include correspondence requiring immediate action or response by the Board

12. **Board Comment** – Discussion Only, Not For Possible Action
    - Discussion may include comments and status of projects not covered under a prior agenda item (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken)

13. **Public Comment** – Discussion Only, Not For Possible Action
    - Public Comment is limited to three minutes per speaker, unless the Board Chairman allows additional time.
    - Per NRS 241.020, no action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken)

14. **ADJOURNMENT**

- The MGSD Board reserves the right to hear any agenda item out of order, to combine two or more agenda items for consideration, and remove an item from the agenda or delay a discussion relating to any item on the agenda.
- Copies of supporting material are available online at www.mgsdistrict.org or can be requested from the Minden-Gardnerville Sanitation District Office located at 1790 Hwy. 395, Minden, NV 89423, by calling April Burchett at (775) 782-3546, or by email at mgsdstaff@gmail.com
- Any agenda item represented by an attorney must give written notice to the Minden-Gardnerville Sanitation District at least fifteen days prior to the meeting.
- All persons attending the meeting are required to sign the guest register. All meetings are recorded pursuant to NRS 241.035.
- NOTICE TO PERSONS WITH DISABILITIES: Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Please call the MGSD office at (775) 782-3546 in advance of the meeting, so that arrangements may be conveniently made.
- This meeting notice is posted at the following locations: the Minden-Gardnerville Sanitation District; Douglas County Historic Courthouse Building; Gardnerville Post Office; Minden Post Office; and at https://notice.nv.gov

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PLEASE DO NOT REMOVE UNTIL 12/2/2020

MGSD
Minden Gardnerville Sanitation District

THROUGH 11/24/20

CLAIM SUMMARY FOR MONTH OF NOVEMBER 2020

CLAIMS PAID 11/1/20 - 11/30/20				
	Claims:			**G/L Number**
1	AAA Business Supplies & Interiors	$475.60	Office Supplies	64300
2	Ace Hardware	$23.41	Plant Supplies	50400
3	Ahern Rentals	$66.39	Equipment Repair & Maintenance	50600
4	Baratti, Peter	$130.00	Operators Certificate Renewal	50700
5	Bently Ranch	$1,544.20	Biosolids Disposal	50800
6	Charter Communications	$144.98	Internet Service	64400
7	First Choice Coffee Services	$365.81	Water Cooler Rental; Coffee Supply	50400
8	Flyers Energy	$488.32	Vehicle Fuels	51500
9	Frontier	$104.11	Power Cogen Monitoring Line	64400
10	Gardnerville Water Co	$60.68	Line Cleaning Bulk Water	51400
11	Grainger	$351.28	Repairs & Maintenance	50600
12	Hansford Economic Consulting	$1,320.00	Rate Study	71300
13	KG Walters	$140,763.16	Digester 2 Lid Replacement (Retainage: $12786.50)	16300-020
14	Komline-Sanderson	$3,708.32	Grav Belt Prepair	50600
15	LEAF	$319.00	Copier Lease includes copies	65300
16	Maintenance Connection	$9,190.17	Maintenance Program Training -- reissue of $7520 payment made 10/9 ck not received by vendor	50900
17	Nevada Rural Water Assoc	$349.00	Annual Membership Renewal	50700
18	Nu-Systems	$646.07	Alarm Maint & Repair	50500
19	NV Energy	$7,757.02	Plant = $7686.75 ; PS3&4 = $70.27 2019: Plant = $9732.08; PS3&4 = $126.20	50500 / 55300
20	Power and Control Solutions, Inc.	$626.00	Gas Detector Repair	50600
21	Power and Control Solutions, Inc.	$7,385.00	Pista Grit Project	16500-010
22	Progressive Business Publications	$118.56	Supervisor Newsletter	64300
23	Reno Drain Oil Service	$100.00	Used Oil Pickup	50600
24	Resource Concepts, Inc.	$4,257.50	Pass-Through = $3000.00	71200
25	Resource Concepts, Inc.	$430.00	Effluent Mgmt	55100
26	Resource Concepts, Inc.	$2,923.75	Digester Lid Repair	16300-020
27	SDP Energy	$2,500.00	Cogen Preventive Maint	50600
28	Sierra Environmental Monitoring	$340.00	Lab Testing	52400
29	Snell & Wilmer	$975.00	Pass Thru = $0	71100
30	Southwest Gas Corp	$732.55	2019: $2033.93	50500
31	Tesco Controls	$1,553.45	SCADA Service / Repair	50600
32	Thatcher Company	$4,375.58	Chemicals	50400
33	Town of Minden	$497.20	water & trash	50500
34	Utility Telecom Group, LLC	$372.80	Office Phones	64400
35	VISA Credit Card	$750.57	Test tablet for board members; office supplies; janitor supplies;	50400 / 64300 / 65100 / 65300
36	Warren Averett Technology Group	$187.50	Accounting Software Consulting	71300
37	WildFire Connections LLC	$400.00	Computer Server Maint	65300
TOTAL CLAIMS PAID		**$196,332.98**		

MGSD
Minden Gardnerville Sanitation District

THROUGH 11/24/20

CLAIM SUMMARY FOR MONTH OF NOVEMBER 2020

Note: Expenses shown with Green background are cogen-related expenses
Note: Expenses shown with Yellow background are capital expenses
Note: Expenses shown with Purple background are Digester Repair related expenses

Miscellaneous Expenses:

Electronic Fee		
Bank Analysis Fee		
Electronic Return		overpayment/ebox return
ARRA Loan Repayment		
Total Misc Expenses	$0.00	
Total Expenses	**$196,332.98**	

Miscellaneous Credits:

Total Misc Credits	$	-

MGSD
Minden Gardnerville Sanitation District

THROUGH 11/24/20

CLAIM SUMMARY FOR MONTH OF NOVEMBER 2020

SALARIES and WAGES				
Gross Wages		**$67,161.48**		
Pre-Tax Deductions				
Voya 457	$	2,720.00		
Tax Garnishment (Tax Sheltered)	$	-		
Health Insurance	$	23.08		
Total Pre-Tax Deductions	$	2,743.08		
Adjusted Gross Wages		**$64,418.40**		
Standard Deductions				
FWH	$	7,012.63		
FICA-Medicare	$	973.83		
FICA-Social Security	$	-		
HSA Contribution	$	50.00		
Health Insurance	$	513.36		
Child Support	$	-		
Total Standard Deductions	$	8,549.82		
Net Wages		**$55,868.58**		
PAYROLL TAXES				
Employee Paid Taxes	$	7,986.46		
FICA-Medicare (MGSD Portion)	$	973.83		
FICA-SS (MGSD Portion)	$	-		
Total Payroll Taxes	**$**	**8,960.29**		
BENEFITS AND OTHER PAYROLL-RELATED EXPENSES				
Colonial Life	$	38.44	Volunary Insurance; employee paid	20300
Hometown Health	$	12,006.05	Medical Insurance	50200/20300
Govt Employee Mgt Relations Brd	$	-		50200
Medicare Part B & D Reimbursements	$	690.13	Retiree Benefit	80900
Medicare Supplement Plan Reimbursements	$	395.56	Retiree Benefit	80900
Retiree Insurance Premium Reimbursements	$	(220.97)	deducted from Medicare reimb totals	80900
Mellon Bank (HSA-Medical)	$	2,241.62	HSA Contributions	50200 / 20300
MetLife (Dental & Life)	$	1,308.53	Dental/Life Insurance	50200/20300
Public Agency Compensation Trust	$	-	Workers' Comp	50200
Public Employees Retirement System	$	19,062.37		50200
VSP (Vision)	$	173.62	Vision Insurance	50200/20300
Voya Financial	$	2,720.00	457 Plan; employee paid	20300
Total Benefits and Other Expenditures	**$**	**38,415.35**		
Total Payroll-Related Expenses		**$103,244.22**		

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THROUGH 11/24/20

CLAIM SUMMARY FOR MONTH OF NOVEMBER 2020

I have reviewed the above claims and recommend approval.

_____
Peter V. Baratti, District Manager

Approved: _____
Barbara S. Smallwood, Chairman

_____
Robert L. Allgeier, Vice-Chairman

_____
Ted K. Thran, Secretary-Treasurer

_____
Michael B. King, Trustee

_____
Mary C. Schilling, Trustee

FY2020-2021 Capital Expenses Actual versus Budget YTD

Account Number	Account Title	YTD Actual	YTD Budget	Remaining Budget $	Actual Spent %	Remaining Budget %
16200-010	Mosquito Abatement	$ -	$ 20,000.00	$ 20,000.00	0.00%	100.00%
16300-020	Digester Repair	$ 515,416.81	$ 700,000.00	$ 184,583.19	73.63%	26.37%
16300-030	Belt Press Addition	$ 32,382.72	$ 1,800,000.00	$ 1,767,617.28	1.80%	98.20%
16400-010	Collection System Rehab	$ 3,107.50	$ 350,000.00	$ 346,892.50	0.89%	99.11%
16500-010	Misc. Equipment	$ 13,658.57	$ 200,000.00	$ 186,341.43	6.83%	93.17%
16600-030	Truck	$ -	$ 45,000.00	$ 45,000.00	0.00%	100.00%
22500	ARRA Reimbursement	$ 38,583.32	$ 77,167.00	$ 38,583.68	50.00%	50.00%
	TOTAL	**$ 603,148.92**	**$ 3,192,167.00**	**$ 2,589,018.08**	**18.89%**	**81.11%**

FY2020-2021 Operations Expenses Actual versus Budget YTD

Account Number	Account Title	YTD Actual	YTD Budget	Remaining Budget $	Budget Spent %	Remaining Budget %
PLANT EXPENSES						
50300	Safety	$ 4,499.08	$ 15,000.00	$ 10,500.92	29.99%	70.01%
50400	Plant Supplies	$ 32,561.31	$ 70,000.00	$ 37,438.69	46.52%	53.48%
50500	Utilities	$ 46,821.18	$ 130,000.00	$ 83,178.82	36.02%	63.98%
50600	Repairs/Maintenance	$ 81,172.38	$ 270,000.00	$ 188,827.62	30.06%	69.94%
50700	Other Plant Expenses	$ 3,175.64	$ 9,000.00	$ 5,824.36	35.28%	64.72%
50800	Sludge Removal	$ 7,829.50	$ 20,000.00	$ 12,170.50	39.15%	60.85%
50900	Education	$ 1,810.17	$ 5,000.00	$ 3,189.83	36.20%	63.80%
COLLECTION EXPENSES						
51300	Collection Supplies	$ 3,035.99	$ 4,000.00	$ 964.01	75.90%	24.10%
51400	Cleaning/TV/Repair	$ 4,837.01	$ 30,000.00	$ 25,162.99	16.12%	83.88%

FY2020-2021 Operations Expenses Actual versus Budget YTD

Account Number	Account Title	YTD Actual	YTD Budget	Remaining Budget $	Budget Spent %	Remaining Budget %
51500	Fuels	$ 3,219.87	$ 12,500.00	$ 9,280.13	25.76%	74.24%
51700	Other Collection Expense	$ 493.78	$ 1,000.00	$ 506.22	49.38%	50.62%
LAB EXPENSES						
52300	Lab Supplies	$ 103.62	$ 4,000.00	$ 3,896.38	2.59%	97.41%
52400	Testing	$ 2,696.81	$ 10,500.00	$ 7,803.19	25.68%	74.32%
52500	Permitting	$ -	$ 1,800.00	$ 1,800.00	0.00%	100.00%
52600	Repairs/Maintenance	$ 1,844.59	$ 15,000.00	$ 13,155.41	12.30%	87.70%
52700	Other Lab Expense	$ -	$ 500.00	$ 500.00	0.00%	100.00%
52800	Pretreatment Testing	$ -	$ 5,000.00	$ 5,000.00	0.00%	100.00%
RESERVOIR / EFFLUENT EXPENSES						
55100	Repairs/Maintenance	$ 30,042.28	$ 65,000.00	$ 34,957.72	46.22%	53.78%
55300	Utilities	$ 259.11	$ 30,000.00	$ 29,740.89	0.86%	99.14%

FY2020-2021 Operations Expenses Actual versus Budget YTD

Account Number	Account Title	YTD Actual	YTD Budget	Remaining Budget $	Budget Spent %	Remaining Budget %
GENERAL & ADMINISTRATIVE EXPENSES						
64300	Office Supplies	$ 3,566.91	$ 10,500.00	$ 6,933.09	33.97%	66.03%
64350	Bank Charges	$ 3,831.86	$ 9,000.00	$ 5,168.14	42.58%	57.42%
64400	Telephone	$ 5,541.98	$ 12,500.00	$ 6,958.02	44.34%	55.66%
64500	Postage	$ 3,455.80	$ 8,500.00	$ 5,044.20	40.66%	59.34%
64600	Advertising/Publication	$ -	$ 2,000.00	$ 2,000.00	0.00%	100.00%
64700	Travel & Per Diem	$ -	$ 6,000.00	$ 6,000.00	0.00%	100.00%
64800	Bad Debts	$ 1.00	$ 400.00	$ 399.00	0.25%	99.75%
64900	A/R Collection Expense	$ -	$ 1,500.00	$ 1,500.00	0.00%	100.00%
65000	Insurance/Bonding	$ 31,317.40	$ 108,500.00	$ 77,182.60	28.86%	71.14%

FY2020-2021 Operations Expenses Actual versus Budget YTD

Account Number	Account Title	YTD Actual	YTD Budget	Remaining Budget $	Budget Spent %	Remaining Budget %
65100	Other Admin Expense	$ 274.94	$ 5,000.00	$ 4,725.06	5.50%	94.50%
65200	Filing Fees/Permits	$ 2,412.64	$ 15,000.00	$ 12,587.36	16.08%	83.92%
65300	Office Equipment	$ 15,016.51	$ 25,000.00	$ 9,983.49	60.07%	39.93%
PROFESSIONAL FEES						
71100	Legal	$ 5,300.00	$ 50,000.00	$ 44,700.00	10.60%	89.40%
71200	Engineering	$ 18,862.75	$ 50,000.00	$ 31,137.25	37.73%	62.27%
71300	Accounting/Audit	$ 19,962.12	$ 20,000.00	$ 37.88	99.81%	0.19%
71400	Lobbying Services	$ -	$ -			
	TOTAL	**$ 333,946.23**	**$ 1,022,200.00**	**$ 688,253.77**	**32.67%**	**67.33%**

FY2020-2021 Payroll Actual versus Budget YTD

Account Number	Account Title	YTD Actual	YTD Budget	Remaining Budget $	Budget Spent %	Remaining Budget %
	Salaries	$ 327,381.53	$ 870,475.00	$ 543,093.47	37.61%	62.39%
	Benefits	$ 109,705.03	$ 287,682.00	$ 177,976.97	38.13%	61.87%
	Medical	$ 81,942.31	$ 192,600.00	$ 110,657.69	42.55%	57.45%
	TOTAL	**$ 519,028.87**	**$ 1,350,757.00**	**$ 831,728.13**	**38.43%**	**61.57%**

MGSD
Minden Gardnerville Sanitation District

CASH FLOW STATEMENT

FY2020-2021

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
General Account													
Balance 1st day of Month	$ 3,691,884.52	$ 3,943,344.92	$ 3,856,491.17	$ 3,803,940.53	$ 3,836,433.23								
Cash Receipts													
User Fees	$ 402,933.19	$ 46,519.88	$ 4,577.78	$ 395,945.50									$ 849,976.35
Connection Fees	$ 4,820.00	$ 6,929.00	$ 3,850.00	$ 1,100.00									$ 16,699.00
Capacity Fees	$ 92,720.00	$ 22,800.00	$ 50,525.00	$ 15,200.00									$ 181,245.00
Acreage Fees	$ 5,133.00	$ -	$ -	$ 2,794.20									$ 7,927.20
Annexation Fees	$ -	$ -	$ -	$ -									$ -
Consolidated Tax (SCCRT)	$ 11,221.62	$ 11,221.62	$ 11,221.62	$ 11,221.62									$ 44,886.48
Ad Valorem	$ 596.08	$ 27,055.53	$ 135,939.20	$ 52,462.60	$ 40,063.54								$ 256,116.95
Pass-Through Reimbursement	$ -	$ -	$ -	$ 4,707.00	$ 4,715.40								$ 9,422.40
GRGID	$ 74,133.00	$ -	$ 28,941.02	$ 74,133.00									$ 177,207.02
Health Ins Reimbursement	$ 83.47	$ 83.47	$ 83.47	$ 83.47	$ 83.47								$ 417.35
Other	$ 1,475.09	$ 1,584.76	$ 1,350.09	$ 8,180.21	$ 2,947.24								$ 15,537.39
Total Cash Receipts	$ 593,115.45	$ 116,194.26	$ 236,488.18	$ 565,827.60	$ 47,809.65	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,559,435.14
Cash Paid Out													
Capital Expenses	$ 140,847.27	$ 18,232.79	$ 127,026.86	$ 267,279.27	$ 151,071.91								$ 704,458.10
Plant Expenses	$ 52,233.88	$ 25,907.70	$ 44,976.13	$ 38,422.70	$ 34,587.20								$ 196,127.61
Collections Expenses	$ 3,156.40	$ 6,160.23	$ 1,421.58	$ 674.30	$ 549.00								$ 11,961.51
Lab Expenses	$ 120.00	$ 826.81	$ 1,060.00	$ 2,298.21	$ 340.00								$ 4,645.02
Reservoir/Effluent Expenses	$ 161.66	$ 29,239.94	$ 60.52	$ 339.00	$ 500.27								$ 30,301.39
General & Administration Exp	$ 3,855.03	$ 9,215.89	$ 11,512.29	$ 6,770.47	$ 2,544.60								$ 33,898.28
Professional Fees	$ 13,391.62	$ 13,464.65	$ 3,356.30	$ 16,978.75	$ 6,740.00								$ 53,931.32
Total Expenses	$ 213,765.86	$ 103,048.01	$ 189,413.68	$ 332,762.70	$ 196,332.98	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,035,323.23
Voided Checks / Returned Items	$ 168.80			$ 572.20									$ 741.00
Prepaid Claims for FY 21-22													$ -
Accrued Expenses	$ 27,889.19		$ 374.86										
Transfers from Other Accounts													
Transfers To Other Accounts	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 200,000.00	$ 100,000.00								$ 600,000.00
Total Balance last day of month	**$ 3,943,344.92**	**$ 3,856,491.17**	**$ 3,803,940.53**	**$ 3,836,433.23**	**$ 3,587,909.90**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

MGSD
Minden Gardnerville Sanitation District

CASH FLOW STATEMENT

FY2020-2021

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Payroll Account													
Balance 1st of Month	$ 57,736.26	$ 56,160.90	$ 72,096.71	$ 52,020.43	$ 107,187.46								
Transfer from Checking	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 200,000.00	$ 100,000.00								$ 600,000.00
Interest	$ 13.65	$ 14.43	$ 13.59	$ 15.02									$ 56.69
Voided Checks													
Payroll Expenses	$ 101,589.01	$ 84,078.62	$ 120,089.87	$ 144,847.99	$ 103,244.22								$ 553,849.71
Total Balance last day of month	**$ 56,160.90**	**$ 72,096.71**	**$ 52,020.43**	**$ 107,187.46**	**$ 103,943.24**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
LGIP POOL Account													
Balance 1st of Month	$ 6,240,374.76	$ 6,206,587.70	$ 6,210,560.39	$ 6,213,929.77	$ 6,216,835.06								
Transfer from Checking													$ -
Interest Earned	$ 4,796.26	$ 3,972.69	$ 3,369.38	$ 2,905.29									$ 15,043.62
ARRA Payment	$ 38,583.32												$ 38,583.32
Transfer to Other Accounts													$ -
Balance last day of month	**$ 6,206,587.70**	**$ 6,210,560.39**	**$ 6,213,929.77**	**$ 6,216,835.06**	**$ 6,216,835.06**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
ARRA Bond Restricted Account													
Balance 1st of Month	$ 82,652.45	$ 82,715.98	$ 82,768.92	$ 82,813.82	$ 82,852.54								
Transfer from Other Accounts													$ -
Interest Earned	$ 63.53	$ 52.94	$ 44.90	$ 38.72									$ 200.09
Transfer to Other Accounts													$ -
Balance last day of month	**$ 82,715.98**	**$ 82,768.92**	**$ 82,813.82**	**$ 82,852.54**	**$ 82,852.54**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Petty Cash													
Balance 1st of Month	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00								
Expenses	$ 80.00	$ -	$ -	$ 80.00	$ 201.00								$ 361.00
Reimbursements	$ 80.00	$ -	$ -	$ 80.00									$ 160.00
Balance last day of month	**$ 500.00**	**$ 500.00**	**$ 500.00**	**$ 500.00**	**$ 299.00**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
TOTAL CASH	**$ 10,289,309.50**	**$ 10,222,417.19**	**$ 10,153,204.55**	**$ 10,243,808.29**	**$ 9,991,839.74**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

Agenda Item 5

Minutes from November 3, 2020 Regular Board Meeting

Items in this Section Include:

- ✓ ***November 3, 2020 Minutes***

MGSD
Minden Gardnerville Sanitation District

Board of Trustees
Minutes of Regular Meeting
Tuesday, November 3, 2020
6:00 P.M.

Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:	*Staff Members Present:*	*Others Present:*
Barbara Smallwood	Peter Baratti	None
Michael King	April Burchett	
Ted Thran	Bill Peterson	
Mary Schilling	Cliff Simpson	
Robert Allgeier	Bruce Scott	

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 – The Chairman thanked everyone for attending.

Claims Review and Approval – Mike asked about the HDR invoice for the belt press project. Peter explained that they are scanning information into AutoCAD to begin working on the design specs. **Motion by Bob Allgeier to approve the claims received for October, 2020 in the amount of $331,981.48 plus miscellaneous expenses in the amount of $1,353.42, and to approve the payroll-related expenses paid during October, 2020 in the amount of $144,847.99.** Seconded by Ted Thran. There was no further discussion on the motion. Motion carried [5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent].

Minutes of October 6, 2020 Regular Board Meeting – April stated that the last word of the motion on Page 5 needs to be changed from "each" to "emergency". **Motion by Mary Schilling to approve the minutes of October 6, 2020 Regular Board Meeting with the noted correction.** Seconded by Mike King. There was no further discussion on the motion. Motion carried [5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent].

Boiler #1 Replacement Project – Peter reported that QCS, the boiler maintenance vendor, identified this as a potential safety hazard, and as this boiler is the older of the 2 boilers, he felt it was now a priority to replace boiler #1. He has tracked down vendors and figured out ways to save on costs. After meeting with R.F. MacDonald and QCS, it was determined that it would be more efficient to purchase the unit

directly from RF MacDonald. They would also install and commission it to keep it in regulatory compliance with the State and our insurance company. There is a need for a large lead time so we need to make a decision tonight. Since he and Chris Baracosa have already replaced the circulating pump a couple of years ago, a new circulation pump may not be needed. Our staff will do the demolition and help out with a few other items. Bob asked if we went out to bid on this. Peter stated he got pricing from a couple of other manufacturers and RF MacDonald was the lowest bid by far. In addition, their equipment is compatible with our current equipment and they know our system already. Bob asked if we have another boiler, and Peter stated that we have 3 boilers. Bob asked when the others needed to be replaced, and Peter said as soon as possible. One of them has been here since the plant was built. Peter emphasized that this is a safety issue. Bob asked how old this boiler is, and Peter thought it was put in sometime in the 70's since it's in one of the oldest buildings. He noted that one boiler was replaced after it exploded, and the third one was put in with the new digester. Motion by Mike King to approve Quotation QUO-107471-L9S3J8 from R.F. MacDonald Co. for a new Cleaver Brooks boiler in the amount of $64,534.47 plus freight in the amount of $9,500 and a boiler circulating pump in the amount of $2,858, and for services including Start-Up and Installation in the amount of $48,750, for a total cost of $125,642.47, with the notation that the circulating pump may not be required, and that the boiler is being replaced due to safety purposes due to a prior boiler blow-up. Seconded by Ted Thran. Discussion followed regarding making two separate motions. Motion withdrawn by Mike King and approved by Ted Thran.

Motion by Mike King to approve Quotation QUO-107471-L9S3J8 from R.F. MacDonald Co. for the purchase of a new Cleaver Brooks boiler in the amount of $64,534.47 plus freight in the amount of $9,500. Seconded by Ted Thran. There was no further discussion on the motion. Motion carried. [5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent].

Motion by Mike King to approve a boiler circulating pump in the amount of $2,858, and for services by R.F. MacDonald Co. including start-up and installation in the amount of $48,750, for a total cost of $125,642.47, with the notation that the circulating pump may not be required. Seconded by Ted Thran. Motion carried [5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent].

Attorney-Client Conference – Bill Peterson had nothing to report.

Engineer's Report – Bruce reported on the following:

Development in the District is slow, and there is not much going on. We have received plans for the new McDonald's at Hwy 88 and Hwy 395 at the new roundabout. We have also received plans for another development at LaCosta.

Bob asked about the status of the Bently heritage pretreatment calculations, and Bruce stated it is progressing. Bently has had to make adjustment to the numbers they're reporting, and their reports are timely and consistent. Bruce reported that it dilutes nicely in our system, but we're trying to get a simplified report process. We have a year's worth of data, so we can start establishing a system. This is setting a precedent for future users subject to pretreatment, so he's being careful to make sure we cover everything. Bob asked if Bently needs to purchase more edu's, and Bruce stated probably not, but the amount they're being billed will probably go up.

Mike asked about the status of the rehab project at the Oxoby Trailer Park. Bruce stated that they are still sorting out where the sewer is located. The sewer is not going to be simple to replace since it goes under a building. He would like to isolate the trailer park, if possible, to keep them on their own system since their system does not meet our standards.

District Manager's Report: Peter Baratti reported on the following items:

There are a lot of projects in the works, and we sold a small amount of edu's during October. He anticipated selling more because everyone is going to try to get things going before winter. Heybourne III is beyond grading, and the sewerage portion is progressing well. Maverik is moving slowly, and that property already has a lot of edu's allocated to it. Heybourne VII is starting to go vertical. Homes are being built at the Village at Monte Vista. Gardnerville Water Co. project is moving slowly as there are a lot of utility conflicts on that property, but it is getting turnkey. We have received plans for the ne McDonalds. And he received word to expect plans for a new 7-11 at the Monte Vista project.

Peter stated that in reviewing the County's proposed Master Plan, he saw that it noted that MGSD would be eventually sewering the Ruhenstroth area. We may want to consider relocating our service area boundary, which we can discuss at a later date.

We have turnkeyed the pista grit. We are waiting for one item related to the controls so that should be ready to go shortly. A PowerPoint presentation of this is being compiled for presentation to the Board.

Barbara stated that the County Master Plan reported that Pine View Estates was receiving only $30,000 in grants. Peter stated that they made a few clerical errors such as our current flow. Discussion followed regarding expanding to the Ruhenstroth area.

Discussion followed regarding the annexation status of several properties along Centerville.

Barbara asked for clarification on the Peri project and Hathoot parcels. Hathoot is on the back portion, and Peri is looking at the front portion. Peter was not sure if Hathoot is involved in the development front portion.

Peter was asked about his meeting with Keller and Assoc. Peter stated that they were an engineering consulting group who had interest in various projects that we have coming up in the future. He told them we will add them to our RFP list.

Bob asked how many edu's were sold this year and Peter stated that he didn't have the total at that time, but he can get the information. Bob asked for that by the next meeting.

Administrative Report by Staff – April presented a letter from the movie theater reporting on the status of the theater closing. They have paid their past due amount. Sarah and Peter agreed that they would be billed for the full amount through October 10th, when they closed. They will be billed for 1 edu until they open again, since the water is still on in the building. Discussion followed regarding the past-due and regular billing amounts. Barbara asked if the account was in arrears prior to the shut-down in March, and April reported that it was. Discussion followed regarding whether this sets a precedent, and April explained that in the past accounts have been administratively adjusted to 1 edu for vacant commercial buildings. Barbara noted that in the future she would prefer that accommodation not be made for past due accounts.

Board Comment – There was no Board comment.

Public Comment – There was no public comment.

Meeting adjourned 7:00 p.m.

Approved by the Board of Trustees as presented on:

_____ By_____.
Date Ted Thran, District Secretary

:/ab

Agenda Item 6

And Away They Go LLC

Items in this Section Include:

- ✓ ***Capacity Request Application***
- ✓ ***Capacity Calculation Sheet for McDonald's***

MGSD
Minden Gardnerville Sanitation District

REQUEST FOR CAPACITY AND SEWER CONNECTION PERMIT

For Commercial Properties

DATE: 10/16/2020

PROPERTY ADDRESS: NWC of Hwy 395 & Hwy 88, Minden, NV

ASSESSOR PARCEL NO.: 1320-30-615-001

PROPERTY CURRENTLY BEING SERVED BY MGSD? ☐ **Yes** ☒ **No**

*Sewer later provided to property by developer

APPLICANT: ☒ **Property Owner** ☐ **Agent** (Must Provide Authorization to Represent from Owner)

NAME: AND AWAY THEY GO LLC

ADDRESS: 1627 Hwy 395

CITY: MINDEN **STATE** N.V **ZIP** 89423

PHONE NO. 602-625-6918 **FAX NO.**

PROPERTY OWNER OF RECORD, if different from Applicant:

Pursuant to MGSD Code 7.010, all statements for sewage rates and charges shall be rendered and mailed to the property owner.

NAME:

ADDRESS:

CITY: **STATE** **ZIP**

PHONE NO. **FAX NO.**

RECEIVED

OCT 21 2020

MINDEN-GARDNERVILLE SANITATION DISTRICT

REQUEST FOR CAPACITY AND SEWER CONNECTION PERMIT FOR:
APN: 1320-30-615-001

PROPERTY OWNER CERTIFICATION:

I, the property owner of record of the above described property, hereby request allocation of capacity and/or a sewer connection permit from the MINDEN-GARDNERVILLE SANITATION DISTRICT. I certify that no property other than the above referenced property or public property will be crossed in order to have access to the sewer. If other properties must be crossed, a twenty (20) foot easement in a form suitable to the District's engineer, legal counsel and Board will be provided. In addition, I agree to maintain the private sewer (i.e., lateral) in accordance with the provisions of the District ordinances and will pay any costs incurred by the District in correcting the deficiencies in the private sewer line.

AND AWAY THEY GO LLC BY [signature] 10-19-20
Property Owner Signature MEMBER Date

Items to Be Submitted with this Application:

1. Plans prepared by an architect or engineer licensed in the State of Nevada showing:
   - Location of premises to be served;
   - Location and depth of public sewer at the proposed sewer connection;
   - Location of all drains, existing and proposed, within the premises;
   - Location and depth of public sewer at the proposed sewer connection;
   - Details for Grease Interceptor, if required
   - Appropriate MGSD Standard Details
2. If applicant is not the property owner, Authorization to Represent signed and notarized by the property owner.
3. Payment of any delinquent accounts and/or outstanding balances on any property within the District boundary and/or served by contract or service that owned by the above-named property owner.
4. Payment of Capacity and Connection Fee, to be determined by the District Manager.
5. Address to which bills are to be mailed.
6. Sufficient data that will enable the District to verify conformance with the District's standards;
7. Certification by the property owner that no property other than his or her own or public property will be crossed in order to have access to the sewer. If other properties must be crossed, a twenty (20) foot easement in a form suitable to the District's engineer, legal counsel and Board must accompany the application;
8. Certification by the property owner that the owner agrees to maintain the private sewer (i.e., lateral) in accordance with the provisions of the District ordinances and will pay any costs incurred by the District in correcting the deficiencies in the private sewer line.

MGSD
Minden Gardnerville Sanitation District

MGSD
Minden Gardnerville Sanitation District

Date 11/9/2020

Address Hwy395 & Hwy 88

Owner McDonald's USA LLC

PROJECT: McDonalds 88 & 395 Site ID 024-043

CAPACITY CALCULATION WORKSHEET

Description	No. of Fixtures	Rate Per Unit	Total EDU
Sink Drains	4	0.4	1.6
Floor Sinks/Drains	17	0.4	6.8
Mop Sink	2	0.4	0.8
Lavatory	2	0.4	0.8
Water Closet	3	0.4	1.2
Urinals	1	0.4	0.4
Dumpster Pad	1	0.3	0.3
Dishwasher	1	0.4	0.4
			0
TOTAL	**31**		**12.3**

Notes:

> 12 hours of operation

FEES

Existing Credit	0		
Capacity Fee	12.3	$3,800.00	$46,740.00
Connection Fee	12.3	$300.00	$3,690.00
TOTAL			**$50,430.00**

QUESTIONS/COMMENTS:

Agenda Item 7

Casey Neilon

Items in this Section Include:

- ✓ ***Draft Audit for Fiscal Year ending June 30, 2020***

MINDEN-GARDNERVILLE SANITATION DISTRICT

JUNE 30, 2020 AND 2019

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
JUNE 30, 2020 AND 2019

TABLE OF CONTENTS

PAGE NO.

INTRODUCTORY SECTION
Elected and Principal Officers..... i
Organization Chart..... ii

INDEPENDENT AUDITOR'S REPORT..... 1-3

MANAGEMENT'S DISCUSSION AND ANALYSIS.....4-7

FINANCIAL STATEMENTS
Statements of Net Position.....8
Statements of Revenues, Expenses, and Changes in Net Position.....9
Statements of Cash Flows.....10-11
Notes to the Financial Statements 12-25

REQUIRED SUPPLEMENTARY INFORMATION
Statement of Revenues, Expenses, and Changes in Net Position – Budget to Actual..... 26
Statement of Cash Flows – Budget to Actual..... 27
Supplementary Pension Information..... 28
Supplementary Schedule of Changes in Total OPEB Liability..... 29
Schedule of Operating Expenses and Non-Operating Revenues.....30

COMPLIANCE SECTION
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*..... 31-32

Schedule of Findings and Questioned Costs..... 33-40

Independent Auditor's Report on Compliance with Nevada Revised Statutes and Regulations Based on an Audit of Financial Statements.....41

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
MINDEN, NEVADA

District Officials For
Fiscal Year Ended June 30, 2020

Board of Trustees

Barbara Smallwood
Chairman

Robert Allgeier
Vice-Chairman

Ted Thran
Secretary and Treasurer

Michael B. King
Member

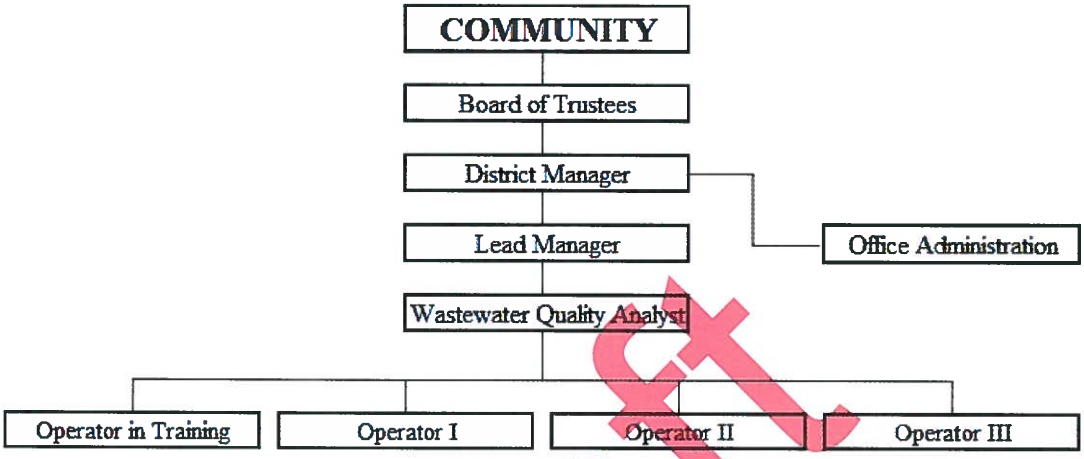
Mary Schilling
Member

Administrative Officials

Peter Baratti
District Manager

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
ORGANIZATION CHART
JUNE 30, 2020



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Casey Neilon, Inc.
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of the
Minden Gardnerville Sanitation District

Report on the Financial Statements

We have audited the accompanying financial statements of Minden Gardnerville Sanitation District (the "District") for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Minden Gardnerville Sanitation District as of June 30, 2020 and 2019, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Draft

Basis for Qualified Opinion

The District carries a material balance in their inventory which is made up of various pieces of miscellaneous parts and equipment. There are no inventory records dating back to the period under audit and no physical count was done at the balance sheet date. We were unable to obtain sufficient appropriate evidence about the carrying amount of the District's inventory. Consequently, we were unable to validate the balance of inventory and therefore do not know if any adjustments to the account are necessary.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and post-employment benefits information on pages 4-7 and 27-29 and in Note 11, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required pension and other post-employment benefits information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this required information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and schedule of operating expenses and non-operating revenues are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of operating expenses and non-operating revenues are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedule of operating expenses and non-operating revenues is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Draft

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated *DATE PENDING* on our consideration of Minden Gardnerville Sanitation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the effectiveness of Minden Gardnerville Sanitation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Minden Gardnerville Sanitation District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Nevada Administrative Code, we have also issued our report dated *DATE PENDING*, on our consideration of the Minden Gardnerville Sanitation District's compliance with certain provisions of the Nevada Revised Statutes. That report is an integral part of an audit performed in accordance with this code and should be read in conjunction with this report in considering the results of our audit.

Casey Neilon
Carson City, Nevada
Date Pending

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

This section of Minden-Gardnerville Sanitation District's annual financial report presents a discussion and analysis of the District's financial performance for the fiscal year ending June 30, 2020. We encourage readers to read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The total net assets of the Minden-Gardnerville Sanitation District decreased 1.14% during the current fiscal year from $27,598,401 to $27,284,892. Operating revenues decreased 0.27% during the current fiscal year from $2,131,907 to $2,126,208.

- During the year the District invested $43,656 in the acquisition and construction of capital assets, and $429,060 in construction in progress.

- The District's operating expenses decreased 0.30% from $3,574,535 to $3,585,209.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Minden-Gardnerville Sanitation District's basic financial statements. The District's basic financial statements are comprised of the enterprise fund financial statements and schedules, and notes to the financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District report information about the District's finances, in a manner similar to a private sector business. These statements provide both long-term and short-term information about the District's overall financial status.

The Statements of Net Assets provide information on all of the Minden-Gardnerville Sanitation District's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population and industrial/commercial customer growth, and new or changed government legislation.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measurers the success of the District's operations over the past year and can determine whether the District has successfully recovered all its costs through its user fees and other charges.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing and financing activities. This statement provides answers to such questions as where did the cash come from, what was the cash used for, and what was the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is necessary for a full understanding of the data provided in the financial statements.

Draft

FINANCIAL ANALYSIS

The total net position decreased 1.14%, while the investment in capital assets component also decreased by 4.60% due in large part to the depreciation in the amount of $1,447,272. The District's assets and deferred inflows exceeded liabilities and deferred outflows by $27,284,892.

The largest portion of the District's net assets (68.21%) reflects its investment in capital assets (i.e., buildings, machinery and equipment). The District uses these capital assets to provide sewage treatment services to customers. Consequently, these assets are not available for future spending.

The total net position includes $6,365,629 restricted for future capital improvement projects and $82,653 restricted in a separate account for the loan contract with Nevada Department of Environmental Protection and $2,143,018 that is unrestricted and undesignated and available for use at the discretion of the District.

While the Condensed Summary of Changes in Net Position shows the change in financial position, the Condensed Summary of Revenues, Expenses and Changes in Net Position provides answers as to the nature and sources of these changes.

Total revenues decreased 0.27% with the most significant change being the Gardnerville Ranchos G.I.D. fees which decreased 14.03% to $328,800, while the sewer user capital contributions increased 17.88% to $444,529.

Following is a condensed summary schedule of the District's statements of net position:

CONDENSED SUMMARY OF STATEMENTS OF NET POSITION

	2020	2019
Current and other assets	$ 5,399,532	$ 4,215,978
Restricted assets	5,095,987	5,549,757
Capital assets	19,344,021	20,318,577
Total assets	29,052,128	30,084,312
Deferred outflows of resources	464,738	334,552
Current liabilities	306,698	249,521
Long-term liabilities	2,478,811	2,354,260
Total liabilities	2,637,188	2,603,781
Deferred inflows of resources	233,877	216,682
Net position:		
Invested in capital assets, net of related debt	18,610,939	19,508,328
Restricted	82,653	81,044
Designated	6,365,629	5,468,713
Unrestricted	2,225,671	2,540,316
Total net position	$ 27,284,892	$ 27,598,401

Draft

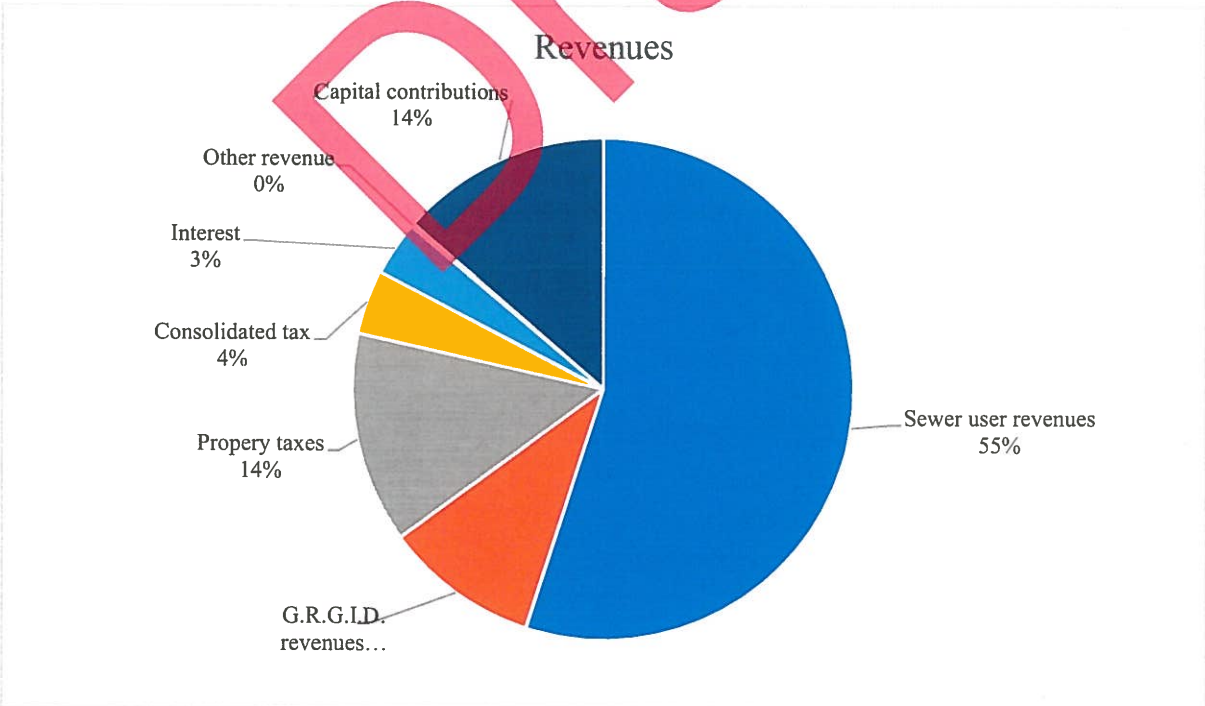
Following is a condensed summary schedule of the District's revenues, expenses, and changes in net position:

CONDENSED SUMMARY OF REVENUES EXPENSES AND CHANGES IN NET POSITION

	2020	2019	PERCENT CHANGE
Operating revenues			
Charges for services	$ 2,126,208	$ 2,131,907	-0.3%
General revenues			
Interest and other	122,536	140,497	-12.8%
Ad valorem taxes	443,768	411,165	7.9%
Consolidated taxes	134,659	134,659	0.0%
Capital contributions	444,529	377,111	17.9%
Total revenues	3,271,700	3,195,339	2.4%
Program expenses	3,585,209	3,574,535	-0.3%
Total expenses	3,585,209	3,574,535	-0.3%
Change in net position	$ (313,509)	$ (379,196)	-17.3%

Draft

The following chart presents the primary revenue sources:



BUDGETARY HIGHLIGHTS

The District adopts annual operation and maintenance and capital budgets outlining the estimated expenditures for programs or projects already authorized or to be considered by the District's Board of Trustees. Annually, unspent funds may be carried over to the succeeding fiscal year budget.

For the fiscal year ended June 30, 2020, the actual user revenues were above the budgeted revenues by 5.29%. The budgeted total operating expenses exceeded the actual operating expenses by $58,286 or 1.60%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets -- During the fiscal year, the District's major expenditures were vehicle additions.

Debt Administration -- The District repaid $77,167 of the loan from the Nevada Department of Environmental Protection payable to the Nevada State Treasurer.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The 2021 operating budget expenses total $3,872,957, an increase of 8.03% over the 2020 actual expenses.

The measurement for purposes of calculating sewer user fees is the Equivalent Dwelling Unit (EDU). The District's growth has been steadily increasing over the past ten years; however, it has leveled off the past two years.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Minden-Gardnerville Sanitation District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administration Office, 1790 Highway 395, Minden, Nevada 89423.

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Current assets:		
Cash	$ 4,975,349	$ 3,729,332
Accounts receivable- customers	74,850	121,637
Accounts receivable - Board Members	-	4,243
Taxes receivable	22,443	22,443
Interest receivable	4,860	12,487
Prepaid expenses	101,610	105,416
Inventory	213,788	213,788
Total current assets	5,392,900	4,209,346
Noncurrent assets:		
Restricted cash	5,095,987	5,549,757
Property, plant and equipment, net	19,344,021	20,318,577
Delinquent taxes receivable	4,511	4,511
Refundable deposits	2,121	2,121
Total noncurrent assets	24,446,640	25,874,966
Total assets	29,839,540	30,084,312
Deferred outflows of resources:		
Pension and OPEB related amounts	464,738	334,552
Total deferred outflows of resources	464,738	334,552
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	195,393	110,325
Customer advances	31,547	25,831
Compensated absences	2,591	36,198
Current portion of long-term debt	77,167	77,167
Total current liabilities	306,698	249,521
Noncurrent liabilities:		
Customer deposits	18,111	18,111
Compensated absences	117,879	94,480
Note payable	655,915	733,082
Net pension liability	1,486,540	1,402,570
Net OPEB liability	200,366	106,017
Total noncurrent liabilities	2,478,811	2,354,260
Total liabilities	2,785,509	2,603,781
Deferred inflows of resources:		
Pension related amounts	233,877	216,682
Total deferred inflows of resources	233,877	216,682
NET POSITION		
Invested in fixed assets, net of related debt	18,610,939	19,508,328
Restricted for note repayment	82,653	81,044
Unrestricted	8,591,300	8,009,029
Total net position	$ 27,284,892	$ 27,598,401

Draft

See accompanying notes

MINDEN-GARDNERVILLE SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
OPERATING REVENUES:		
Sewer user fees	$ 1,797,408	$ 1,749,444
Gardnerville Ranchos G.I.D fees	328,800	382,448
Other operating revenues	-	15
Total operating revenues	2,126,208	2,131,907
OPERATING EXPENSES:		
Salaries and wages	812,731	816,691
Employee benefits	508,284	373,122
Services and supplies	816,922	919,888
Depreciation	1,447,272	1,464,834
Total operating expenses	3,585,209	3,574,535
Operating loss	(1,459,001)	(1,442,628)
NON-OPERATING REVENUES:		
Interest revenues	115,778	131,997
Other revenues	585,185	554,324
Total non-operating revenues	700,963	686,321
Net loss	(758,038)	(756,307)
CAPITAL CONTRIBUTIONS	444,529	377,111
Change in net position	(313,509)	(379,196)
NET POSITION, JULY 1	27,598,401	27,977,597
NET POSITION, JUNE 30	$ 27,284,892	$ 27,598,401

Draft

See accompanying notes

MINDEN-GARDNERVILLE SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers	$ 2,178,711	$ 2,209,890
Cash paid to suppliers for goods and services	(728,048)	(1,052,001)
Cash paid to employees	(818,696)	(766,811)
Cash paid to employee benefits	(442,956)	(378,899)
Total cash flows used in operating activities	189,011	12,179
Cash flows from noncapital financing activities:		
Cash received from ad valorem taxes	443,768	413,044
Cash received from consolidated taxes	134,659	134,659
Cash received from miscellaneous income	6,758	8,500
Total cash flows from noncapital financing activities	585,185	556,203
Cash flows from capital financing activities:		
Acquisition and construction of capital assets	(43,656)	(68,702)
Construction in progress	(429,060)	(71,083)
Capital contributed - users	444,529	377,111
Repayments of loan payable	(77,167)	(77,167)
Total cash flows used in capital financing activities	(105,354)	160,159
Cash flows from investing activities:		
Interest on investments	123,405	127,994
Total cash flows used in investing activities	123,405	127,994
Net increase in cash	792,247	856,535
Cash, July 1	9,279,089	8,422,554
Cash, June 30	$ 10,071,336	$ 9,279,089

Draft

See accompanying notes

MINDEN-GARDNERVILLE SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Reconciliation of operating loss to total cash flows used in operating activities:		
Operating loss	$ (1,459,001)	$ (1,442,628)
Adjustments to reconcile operating loss to total cash flows used in operating activities:		
Depreciation	$ 1,447,272	$ 1,464,834
Decrease (increase) in accounts receivable	51,030	(106,956)
Decrease (increase) in inventory	-	26
Decrease (increase) in prepaid expenses	3,806	(6,982)
Decrease (increase) in deferred outflows	(130,186)	68,707
Increase (decrease) in accounts payable and accrued liabilities	85,068	129,434
Increase (decrease) in accrued compensated absences	(10,208)	11,669
Increase (decrease) in customer advances	5,716	(12,060)
Increase (decrease) in deferred inflows	17,195	(376)
Increase (decrease) in net pension obligation	83,970	(22,050)
Increase (decrease) in net OPEB liability	94,349	(3,947)
	200,740	57,465
Net cash provided by operating activities	$ 189,011	$ 79,671

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See accompanying notes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Minden-Gardnerville Sanitation District (the "District") is governed by an elected Board of Trustees and provides a sewer collection and treatment system for residential and commercial users located in a portion of Douglas County, Nevada.

Reporting Entity

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The District is not considered to be financially accountable for any other governmental entity since no other entities are considered to be controlled by or dependent on the board. Control or dependence is determined on the basis of budget adoption, funding and appointment of the respective governing board. The District's financial statements are presented as a Special District using Enterprise Fund accounting.

Proprietary Fund

Enterprise Fund — The enterprise fund is used to account for the operations of the sewer collection and treatment system, which is the principal reason for the District's existence. An Enterprise Fund is used to account for operations (a) which are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The only fund employed by the District is the Enterprise Fund.

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Measurement Focus, Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Expenditures are recorded when the related fund liability is incurred.

Cash and Investments

Cash balances are invested as permitted by law. Investments are recorded at fair value. Pursuant to NRS 355.110 and 365.161, the District may only invest in the following types of securities:

- Securities of the United States Treasury, United States Postal Service, or the Federal National Mortgage Association, maturing within ten years from the date of purchase.
- Negotiable certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada.
- Certain securities issued by local governments of the State of Nevada.
- Certain farm loan bonds.
- Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States, and money market mutual funds.
- Other securities expressly provided by statute, including repurchase agreements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes are levied on July 1 each year, and are due in four equal installments in August, October, January, and March. Taxes are considered delinquent if not paid within ten days of the due dates. All taxes are collected by the County Treasurer and remitted to the District.

Capital Assets and Depreciation

All capital assets are recorded in the Statements of Net Position at historic cost or estimated historical cost if actual cost is not available. The District defines capital assets as assets with a unit cost of $1,000 or more and an estimated useful life in excess of one year. Depreciation is accumulated on a straight-line basis over the estimated useful life of the asset. Useful life is estimated by management on the basis of their experience with similar assets.

Depreciation of all exhaustible property, plant and equipment used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Property, Plant and Equipment

Plant — Building and Structures	50 years
Plant — Process Equipment	20 years
Plant — Supplemental Systems and Equipment	10 to 30 years
Plant — Other Improvements	3 to 30 years
Collection System	7 to 30 years
Collection System — Maintenance Equipment	10 to 30 years
Automobiles	5 years
Office Equipment	3 to 10 years

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Compensated Absences

Liabilities for compensated absences relating to services already rendered and that are not contingent on a specified event, are accounted for in the period those services are rendered, or those events take place. The District's policy provides for payment of accrued vacation time upon termination of employment up to certain maximums, and is payable upon retirement or termination.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources until then. The District has pension and OPEB related deferred outflows that qualify for reporting in this category. Pension related deferred outflows of resources are discussed in depth in Note 6, and OPEB related deferred outflows of resources are discussed in depth in Note 10.

In addition to liabilities, the Statements of Net Position include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time. The District has pension related deferred inflows that qualify for reporting in this category. Pension related deferred inflows of resources are discussed in depth in Note 6.

Net Position

Net position is classified as follows:

Net investment in capital assets: This represents the total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Unrestricted net position: Unrestricted net position represents resources that are not subject to externally imposed restrictions. These resources are used for transactions relating to educational and general operations and may be used to meet current expense for any purpose.

Operating and Non-operating Revenues and Expenses

Revenues and expenses are classified as operating if they result from providing services and producing and delivering goods. They also include other events that are not defined as capital and related financing, noncapital financing, or investing activities. Grants and contracts representing an exchange transaction are considered operating revenues.

Revenues and expenses are classified as non-operating if they result from capital and related financing, noncapital financing, or investing activities. Appropriations received to finance operating deficits are classified as noncapital financing activities; therefore, they are reported as non-operating revenues. Grants and contracts representing non-exchange receipts are treated as non-operating revenues.

Provisions for Uncollectible Taxes and User Fees

The District makes no provision for estimated uncollectible ad valorem taxes receivable and user fees receivable. Adequate legal remedies are presently available to enforce the collection of such taxes as well as user fees, and amounts which may ultimately prove uncollectible should not be material in amount.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - COMPLIANCE WITH NEVADA REVISED STATUTES AND ADMINISTRATIVE CODE

The District conformed to all statutory and legal constraints on its financial administration during the year.

NOTE 3 - CASH

The detail of total cash at June 30, 2020, was as follows:

	Non Restricted	Restricted	Total
Cash on hand	$ 500	$ -	$ 500
Cash in banks and Government Deposit pool	4,974,253	5,095,987	10,070,240
Cash held by county in fiduciary capacity	596	-	596
	$ 4,975,349	$ 5,095,987	$ 10,071,336

The detail of total cash at June 30, 2019, was as follows:

	Non Restricted	Restricted	Total
Cash on hand	$ 300	$ -	$ 300
Cash in banks and Government Deposit pool	3,726,520	5,549,757	9,276,277
Cash held by county in fiduciary capacity	2,512	-	2,512
	$ 3,729,332	$ 5,549,757	$ 9,279,089

The county invests District cash in either the state governmental deposit pool, which holds securities collateralizing the deposits, or with a brokerage firm, in which case securities collateralizing the deposits are held by a third party bank, in an agency capacity, for the county.

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NOTE 3 – CASH (Continued)

State statutes authorize the District to invest in certificates of deposit issued by commercial banks or insured savings and loan associations', bankers' acceptances, the State investment pool, U.S. Treasury obligations, obligations of other U.S. Government agencies, and repurchase agreements.

Any securities purchased by or on behalf of the District must remain in the physical possession of an appropriate officer of the District or a trust department of a designated bank (federally insured) after issuing a written acknowledgment.

To facilitate better management of the District's resources, all cash under the direct management of the Board of Trustees is combined in pooled operating and investment accounts. Cash not directly managed by the Board of Trustees is held by the Douglas County Treasurer.

The cash held by the county in a fiduciary capacity is primarily composed of $596, held in interest-bearing accounts in the District's name. The county invests District cash in either the state governmental deposit pool, which holds securities collateralizing deposits, or with a brokerage firm, in which case the securities collateralizing deposits are held by a third party bank in an agency capacity for the county.

The cash in banks and governmental deposit pool shown above includes $6,323,027 in interest bearing state governmental deposit pool accounts, into which deposits from other Nevada governmental units are combined. The state governmental deposit pool is required by state statutes to hold securities which collateralize its deposits. The State of Nevada, Local Government Investment Pool issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Office of the State Treasurer, of the State of Nevada, 101 North Carson Street, #4, Carson City, Nevada, 89701.

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Credit risk classifications of the District's cash flow is as follows:

	2020	2019
Insured or collateralized with securities held by agents of the District	$10,070,836	$9,278,789
Uncollateralized - cash on hand	500	300
	$10,071,336	$9,279,089

Cash held and administered by the Treasurer of Douglas County, Nevada is the responsibility of Douglas County. The County is required to maintain adequate insurance on all of its cash and investments and is primarily liable to all pass-through governmental entities for the administration of each entity's cash portion.

NOTE 4 - RESTRICTED CASH

On December 7, 1982, the governing body of the District passed Resolution 82-3 establishing restricted cash balances. On April 2, 2013, the governing body of the District passed a motion revising the allocation of the user fee allocations for plant expansion, line rehabilitation and odor control. Additionally, on September 6, 2016 the governing body of the District passed resolution 16-002 establishing a restricted fund for emergency repairs. The restricted emergency repairs fund was started with an initial transfer of funds from the operating account in the amount of $500,000.

NOTE 4 - RESTRICTED CASH (Continued)

Allocations are as follows:

Collections From	Plant Expansion	Line Rehabilitation	Odor Control
Acreage and annexation fees	100%	0%	0%
Connection fees	30%	70%	0%
Capacity fees	85%	15%	0%

At June 30, 2020, cash restricted for odor control was $524,450, cash restricted for plant expansion was $4,303,368, cash restricted for line rehabilitation was $1,016,919, and cash restricted for emergency repair was $520,892.

At June 30, 2019, cash restricted for odor control was $518,248, cash restricted for plant expansion was $3,856,601, cash restricted for line rehabilitation was $579,132, and cash restricted for emergency repair was $514,732.

The loan contract with the Nevada Department of Environmental Protection requires an amount equal to one year's note payments, totaling $77,167, to be placed into a separate restricted account. This is an interest bearing account and the cash restricted for the Nevada Department of Environmental Protection was $82,653 and $81,044 for the fiscal year ended June 30, 2020 and 2019, respectively.

NOTE 5 - PROPERTY TAXES

Property taxes are levied on July 1 of each year, and are due in four equal installments in July, October, January, and March. Taxes are considered delinquent if not paid within ten days of the due dates.

The District does not directly collect any taxes. All taxes are collected by the County and State and remitted to the District. Property tax revenues are recognized when they become available.

NOTE 6 - PENSION PLAN

Plan Description. The District contributed to the Public Employees' Retirement System of the State of Nevada (PERS), a cost-sharing, multiple-employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes (NRS) establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees' Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees' Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada, 89703.

General Information about the PERS Cost Sharing Pension Plan. PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system, and was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

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NOTE 6 - PENSION PLAN (Continued)

Funding Policy. As provided by NRS 286.464, the District is required to contribute all amounts due under the plan. For the fiscal years ended June 30, 2020, 2019 and 2018, the Statutory Employer/Employee matching rate was 14.50%, 14.50% and 14.50% respectively. The Employer-pay contribution (EPC) rate was 29.25, 28.00% and 28.00%, respectively.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

Benefits Provided. Benefits, as required by the NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010.

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, the multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - 286.579.

Vesting. Members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

Pension Liabilities. At June 30, 2020 and 2019, the District reported a liability of $1,486,540 and $1,402,570, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the periods ended June 30, 2020 and 2019. At June 30, 2020 and 2019, the District's proportion was 0.01090% and 0.01028%, respectively.

Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension. For the years ended June 30, 2020 and 2019, the District recognized pension expense of $166,831 and $93,453, respectively. As of June 30, 2020 and 2019, amounts totaling $166,831 and $104,946 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ended June 30, 2021 and 2020, respectively.

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NOTE 6 - PENSION PLAN (Continued)

At June 30, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 55,744	$ 42,877	$ 43,939	$ 65,103
Changes of assumptions	60,496	-	73,907	-
Net difference between projected and actual earnings on investments	-	73,950	-	6,678
Changes in proportion and differences between actual contributions and proportionate share of contributions	126,403	117,049	85,518	144,901
System contributions subsequent to the measurement date	118,075	-	104,946	-
	$ 360,718	$ 233,876	$ 308,310	$ 216,682

The net difference related between projected and actual investment earnings on pension plan investments will be recognized over five years, all other deferred outflows and inflows will be recognized over the average expected remaining service lives, which was 6.18 years for the measurement period.

Reconciliation of the net pension liability at June 30, 2020 and 2019 is as follows:

Reconciliation of Net Pension Liability	2020	2019
Beginning net pension liability	$ 1,402,570	$ 1,538,638
Pension expense	166,831	93,453
Employer contributions	(104,946)	(95,412)
Net deferred (inflows)/outflows	22,085	(134,109)
Ending Net Pension Liability	$ 1,486,540	$ 1,402,570

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, without regard to the contribution subsequent to the measurement date and changes in proportion and differences between actual contributions and proportionate share of contributions, are expected to be recognized as follows:

Year Ended June 30:	Amount
2021	$ 17,130
2022	(19,978)
2023	266
2024	(4,454)
2025	12,781
2026	3,022
Thereafter	-
	$ 8,767

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NOTE 6 - PENSION PLAN (Continued)

Pension Liability Discount Rate Sensitivity. The following presents the net pension liability of the District as of June 30, 2019, calculated using the discount rate of 7.5%, as well as what PERS' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current discount rate: Deferred outflows (inflows) of resources related to pensions will recognized as follows:

	1% Decrease 6.5%	Discount Rate 7.5%	1% Increase 8.5%
District's proportionate share of net pension liability	$ 2,301,427	$ 1,486,346	$ 808,807

Discount Rate. The discount rate used to measure the total pension liability was 7.50% and 7.50% as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2020 and 2019, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020 and 2019.

Actuarial Assumptions. The Fund's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Productivity pay increase	0.50%
Projected salary increase	Regular 4.25% to 9.15%, depending on service Rates include inflation and productivity increases
Investment rate of return	7.50%
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

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NOTE 6 - PENSION PLAN (Continued)

Mortality rates for healthy participants were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males). For disabled participants, mortality rates were based on the RP-2000 Disabled Retiree Table projected to 2014 with Scale AA, set forward three years.

Investment Policy. The PERS' policies which determine the investment portfolio target asset allocation are established by the PERS' Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the PERS.

The following was the PERS' Board adopted policy target asset allocation as of June 30, 2019:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	28%	0.75%
Private Markets	12%	6.65%

*As of June 30, 2019, PERS' long-term inflation assumption was 2.75%

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS comprehensive annual financial report that includes financial statements and required supplementary information. The report is available online at www.nvpers.org or may be obtained by writing to PERS at 693 W. Nye Lane, Carson City, NV 89703-1599.

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NOTE 7 - COMPENSATED ABSENCES

The District accrues a liability for compensated absences which meet all of the following criteria:

1. The District's obligation relating to employee's rights to receive compensation for future absences is attributable to services already rendered;
2. The obligation relates to rights that vest or accumulate;
3. Payment of the compensation is probable; and
4. The amount can be reasonably estimated.

Vacation may be accumulated by employees up to certain maximums, and is payable upon retirement or termination. Total vacation pay accrued amounted to $77,802 and $59,933 as of June 30, 2020 and 2019, respectively.

NOTE 7 - COMPENSATED ABSENCES (Continued)

Sick leave may be accumulated by employees up to a maximum of 720 hours per employee, and is payable upon retirement or termination. The employee must have ten years of service with the District to be vested. If an employee meets the ten-year vesting requirement, sick leave will be paid to the employee in the amount of thirty-five percent (35%) of the employee's accumulated sick leave. There is an additional one percent (1%) of vesting for each year of service after the ten years of service up to a maximum of fifty percent (50%). The vested accrued sick leave amounted to $42,668 and $70,745 as of June 30, 2020 and 2019, respectively.

The amount of vacation and vested sick pay which will be liquidated with expendable available financial resources (current) amounted to $2,591 and $36,198 as of June 30, 2020 and 2019, respectively.

NOTE 8 - ACCRUED LIABILITIES PAYABLE

Of the $197,316 and $146,523 reported in accounts payable and accrued liabilities reflected on the Statements of Changes in Net Position for the years ended June 30, 2020 and 2019, respectively, $0 was allocable to construction retainage payable in either reported year.

NOTE 9 - NOTE PAYABLE

The note payable in the amount of $733,082 was actually advances on a loan from the Nevada Department of Environmental Protection (NDEP). The District entered into a contract with the NDEP where the District received advances from the NDEP for amounts expended by the District for the construction of the Grease Digestion and Cogeneration Project. The date of the contract was October 27, 2009 and was amended June 29, 2010 and will be repaid over twenty years in forty equal semiannual payments in the amount of $38,583. This is an interest-free loan.

Maturities for the next five years are as follows:

Year Ended June 30		Amount
2021	$	77,167
2022		77,167
2023		77,167
2024		77,167
2025		77,167
Thereafter		347,247
	$	733,082

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

A summary of changes in property, plant and equipment is as follows as of June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Plant, building, structures, and equipment	$ 46,878,948	$ -	$ -	$ 46,878,948
Collection system and collection system equipment	5,031,122	-	-	5,031,122
Office equipment	230,977	-	-	230,977
Automobiles and trucks	289,939	43,656	-	333,595
	52,430,986	43,656	-	52,474,642
Less: accumulated depreciation	(33,003,613)	-	(1,447,272)	(34,450,885)
	19,427,373	43,656	(1,447,272)	18,023,757
Construction in progress	101,389	429,060	-	530,449
Land	789,815	-	-	789,815
Net property, plant, and equipment	$ 20,318,577	$ 472,716	$(1,447,272)	$ 19,344,021

A summary of changes in property, plant and equipment is as follows as of June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Plant, building, structures, and equipment	$ 46,878,948	$ -	$ -	$ 46,878,948
Collection system and collection system equipment	4,970,145	60,977	-	5,031,122
Office equipment	223,252	7,725	-	230,977
Automobiles and trucks	289,939	-	-	289,939
	52,362,284	68,702	-	52,430,983
Less: accumulated depreciation	(31,358,779)	-	(1,464,834)	(33,003,613)
	20,823,505	68,702	(1,464,834)	19,427,373
Construction in progress	30,306	71,083	-	101,389
Land	789,815	-	-	789,815
Net property, plant, and equipment	$ 21,643,626	$ 139,785	$(1,464,834)	$ 20,318,577

Draft

It is the District's policy to purchase rather than lease property, plant and equipment. There were no material lease agreements in effect as of June 30, 2020 and 2019.

NOTE 11 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description: The District offers post-employment health benefits to its retirees under a pay-as-you-go basis. The District uses what is termed a "reimbursement method" for its OPEB plan. Retirees receive up to $900 per month. The $900 per month reimbursement is made up to age 65.

Actuarial Methods and Assumptions: The District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liabilities used to calculate the net OPEB liability was determined by actuarial valuations as of June 30, 2020.

Discount Rate: Projections have been made using a discount rate of 2.21% and 3.50% for the fiscal years ended June 30, 2020 and 2019, respectively. Where there are no plan assets, a rate based on 20-year Municipal General Obligation bonds (3.50%) is used.

There is no legal requirement to prefund these other post-employment benefit liabilities. Nor does GASB Statement No. 75 require actual prefunding; however, its accounting requirements will serve to highlight the substantial unfunded liabilities associated with these benefits.

Discount Sensitivity: The following presents the District's Net OPEB Liability calculated at the valuation discount rate of 2.21%, as well as at discount rates one percent higher (3.21%) and one percent lower (1.21%):

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Net OPEB Liability	$ 219,792	$ 200,366	$ 184,118

Trend Sensitivity: For postretirement medical plans, in particular, the calculated actuarial values are highly sensitive to the assumed rate of health care cost trend. This is due to the compounding effect of the annual trend rates assumed for medical costs, as opposed to pension valuations where benefit levels typically remain fixed.

The following table presents the effect the valuation results of a 1% increase or decrease in the assumed rates of health care cost trend in each year:

	1% Decrease in Healthcare Costs Trend Rate	Base Trend Rate	1% Increase in Healthcare Costs Trend Rate
Net OPEB Liability	$ 180,410	$ 200,366	$ 224,925

Actuarial Assumptions: Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and the plan members to that point. Projections of benefits for financial reported purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and the plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

Draft

NOTE 11 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

At June 30, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 70,873	$ -	$ 8,772	$ -
Changes of assumptions	33,147	-	17,471	-
Net difference between projected and actual earnings on investments	-	-	-	-
	$ 104,021	$ -	$ 26,243	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, are expected to be recognized as follows:

Year Ended June 30:	Amount
2021	$ 18,193
2022	18,193
2023	18,193
2024	18,193
2025	17,060
2026	14,188
Thereafter	-
	$ 104,020

Draft

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated the activities and transactions subsequent to June 30, 2020 to determine the need for any adjustments to and disclosure within the financial statements for the year ended June 30, 2020. Management has evaluated subsequent events through *DATE PENDING* which is the date the financial statements were available for issue.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people and working remotely where necessary. At this stage, the impact on our operations has not been significant. Based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

MINDEN-GARDNERVILLE SANITATION DISTRICT
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Final Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES			
Sewer user fees	$ 1,769,370	$ 1,797,408	$ 28,038
Gardnerville Ranchos G.I.D fees	250,000	328,800	78,800
Other operating revenues	-	-	-
Total operating revenues	**2,019,370**	**2,126,208**	**106,838**
OPERATING EXPENSES			
Salaries and wages	871,338	812,731	58,607
Employee benefits	461,227	508,284	(47,057)
Services and supplies	827,200	816,922	10,278
Depreciation	1,483,730	1,447,272	36,458
Total expenses	**3,643,495**	**3,585,209**	**58,286**
Operating loss	**(1,624,125)**	**(1,459,001)**	**165,124**
NON-OPERATING REVENUES			
Interest revenues	100,000	115,778	15,778
Other revenues	978,009	585,185	(392,824)
Total non-operating revenues	**1,078,009**	**700,963**	**(377,046)**
NET INCOME (LOSS)	**$ (546,116)**	**$ (758,038)**	**$ (211,922)**

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
SUPPLEMENTARY INFORMATION
STATEMENT OF CASH FLOWS - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Final Budget	Actual	Favorable (Unfavorable) Variance
Cash flows from operating activities:			
Cash received from customers	$ 2,019,370	$ 2,178,711	$ 159,341
Cash paid to suppliers for goods and services	(827,200)	(728,048)	99,152
Cash paid to employees	(871,338)	(818,696)	52,642
Cash paid to employee benefits	(461,227)	(442,956)	18,271
Total cash flows from operating activities	(140,395)	189,011	329,406
Cash flows from noncapital financing activities:			
Cash received from ad valorem taxes	433,350	443,768	10,418
Cash received from consolidated taxes	134,659	134,659	-
Cash received from miscellaneous income	-	6,758	6,758
Total cash flows from noncapital financing activities	568,009	585,185	17,176
Cash flows from capital financing activities:			
Acquisition and construction of capital assets	(1,218,000)	(43,656)	1,174,344
Construction in progress	-	(429,060)	(429,060)
Capital contributed- users	410,000	444,529	34,529
Repayments of loan payable	(77,167)	(77,167)	-
Total cash flows from capital financing activities	(885,167)	(105,354)	779,813
Cash flows from investing activities:			
Interest on investments	100,000	123,405	23,405
Total cash flows from investing activities	100,000	123,405	23,405
Net increase(decrease) in cash	(357,553)	792,247	1,149,800
Cash, July 1	8,679,930	9,279,089	599,159
Cash, June 30	$ 8,322,377	$ 10,071,336	$ 1,748,959

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
SUPPLEMENTARY INFORMATION
Supplementary Pension Information
For the Year Ended June 30, 2020

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
LAST TEN YEARS*

	Measurement Dates					
	2019	**2018**	**2017**	**2016**	**2015**	**2014**
Proportion of the net pension liability (asset)	0.01090%	0.01028%	0.01157%	0.01160%	0.01075%	0.01230%
Proportionate share of the net pension liability	$ 1,486,540	$ 1,402,570	$ 1,538,638	$ 1,560,688	$ 1,231,576	$ 1,066,120
Covered employee payroll	$ 749,611	$ 681,493	$ 741,079	$ 702,354	$ 640,498	$ 601,721
Proportionate share of the net pension liability	198.31%	205.81%	207.62%	222.21%	192.28%	177.18%
Plan fiduciary net position as a percentage of the total pension liability	76.46%	75.20%	74.40%	72.20%	75.10%	76.30%

SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS

	2020	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contributions	$ 236,150	$ 209,891	$ 190,818	$ 207,502	$ 196,659	$ 165,889
Contributions in relation to those contractually required	236,150	209,891	190,818	207,502	196,659	165,889
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 807,350	$ 749,611	$ 681,493	$ 741,079	$ 702,354	$ 640,498
Contributions as a percentage of covered	29.25%	28.00%	28.00%	25.90%	28.00%	25.90%

*Only five years of information is available due to reporting changes related to the implementation of GASB 68 effective fiscal year 2015.

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
SUPPLEMENTARY INFORMATION
Schedule of Changes in Total OPEB Liability
For the Year Ended June 30, 2020

	Fiscal Year Ending June 30,		
	2020	**2019**	**2018**
Total OPEB Liability			
Service cost	$ 4,335	$ 4,503	$ 4,372
Interest cost	3,693	2,814	2,970
Changes of benefit terms	-	8,073	-
Differences between expected and actual experiences	75,506	9,444	-
Changes of assumptions	20,465	18,809	-
Gross benefit payments	(9,650)	(11,684)	(11,289)
Net change in total OPEB liability	94,349	31,959	(3,947)
Total OPEB liability - beginning	106,017	74,058	78,005
Total OPEB liability - ending	$ 200,366	$ 106,017	$ 74,058
Plan Fiduciary Net Position			
Contributions: Employer	$ 9,650	$ 11,684	$ 11,289
Contributions: Member	-	-	-
Net investment income	-	-	-
Gross benefit payments	(9,650)	(11,684)	(11,289)
Administrative expenses	-	-	-
Other	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending	$ -	$ -	$ -
Net OPEB liability - ending	$ 200,366	$ 106,017	$ 74,058
Net position as a percentage of OPEB liability	0%	0%	0%
Covered employee payroll	$ 767,229	$ 660,192	not provided
Net OPEB liability as a percentage of payroll	26.1%	16.1%	not provided

* Only three years of information is available due to reporting changes related to the implementation of GASB 75 effective fiscal year 2018.

Notes to Schedule:

Plan Changes: None

Assumption Changes: The valuation reflects a change of assumption in that the discount rate used from 3.50% to 2.21%

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES AND NON-OPERATING REVENUES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
OPERATING EXPENSES		
Salaries and wages		
Salaries - plant and collection system	$ 675,794	$ 686,203
Salaries - administration	136,937	130,488
Total salaries and wages	**812,731**	**816,691**
Employee benefits		
Employee benefits - plant and collection system	422,643	313,506
Employee benefits - administration	85,641	59,616
Total employee benefits	**508,284**	**373,122**
Services and supplies		
Insurance	94,083	85,898
Utilities	166,086	165,755
Supplies	71,390	67,923
Repairs and maintenance	230,046	353,818
Other plant and collection expenses	7,599	10,190
Automobile and truck	8,710	9,217
Trustee's fees	30,000	30,000
Office supplies and expenses	32,119	23,700
Bank charges	12,346	10,540
Postage	7,403	5,807
Telephone	16,172	12,360
Advertising and publication	869	1,772
Travel	3,537	1,385
Other administration expense	6,897	6,423
Filling fees and permits	13,014	13,686
Sludge removal	19,416	19,512
Safety expense	13,950	4,263
Laboratory testing	17,761	15,262
Legal	12,956	26,494
Engineering	(12,639)	20,866
Accounting and audit	65,208	35,017
Total services and supplies	**816,923**	**919,888**
Total operating expenses other than depreciation	**$ 2,137,938**	**$ 2,109,701**
NON-OPERATING REVENUES		
Consolidated tax	$ 134,659	$ 134,659
Ad valorem tax revenue	443,768	411,165
Miscellaneous income	122,536	140,497
Total non-operating revenue	**$ 700,963**	**$ 686,321**

Draft

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of the
Minden Gardnerville Sanitation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Minden Gardnerville Sanitation District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated *DATE PENDING*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Minden Gardnerville Sanitation District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Minden Gardnerville Sanitation District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies, and therefore, material weaknesses or significant deficiencies may exists that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings as item 2019-01 that we consider to be a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Minden Gardnerville Sanitation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Draft

Minden-Gardnerville Sanitation District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Casey Neilon

Casey Neilon
Carson City, Nevada
DATE PENDING

Draft

MINDEN-GARDNERVILLE SANITATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

STATUS OF PRIOR YEAR FINDINGS

FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2019-01 **Inventory**

Criteria: Performing an annual inventory count, identifying the cost of the items in inventory and reconciling the inventory cost to the accounting records is an important part of preventing and detecting fraud, errors and irregularities.

Effect: Inaccurate inventory values could cause financial statements to reflect inappropriate amounts, including obsolete, undervalued or overvalued inventory; in addition, fraud, errors or irregularities could go undetected.

Condition: During our audit we were provided with an incomplete current inventory listing that reported both items and values, nor were we provided with any evidence that the inventory was counted, and that the inventory listing was appropriately used and reconciled. Since the period under audit had already passed, there was no way to verify amounts reported on the financial statements, and therefore a qualified opinion was issued.

Cause: Inability to track inventory in the accounting system. No procedures in place to count, value and reconcile inventory.

Recommendation: Management should perform an annual inventory count to establish an accurate listing of inventory which reflects items and values.

Views of responsible officials and planned corrective actions:

An inventory policy is in the process of being implemented to properly account for inventory throughout the year. An annual inventory will be taken at June 30 to ensure inventory numbers are correct and the cost of inventory at year-end is properly accounted for.

Current Year Status

While the District has made great strides in improving financial accounting and reporting, the implementation of an inventory tracking system was not able to be accomplished. We continue to recommend that management implement an inventory tracking system and to perform an annual inventory count.

Draft

2019-02 **Preparation of Year-End Accruals**

Criteria: The preparation of recording of year-end accruals is an important step in ensuring that the financial records and financial statements are complete, accurate and free from material misstatement.

Effect: Transactions could be present that are being recorded in the incorrect accounting period or being omitted entirely.

Condition: During our discussions with staff and through the performance of audit procedures we became aware that only certain year-end accruals were being recorded for items such as compensated absences, accrued payroll and accounts payable. Additionally, it was identified that too much reliance was being placed on the auditor to correctly identify and record items.

These items were corrected in the financial statements via a prior period adjustment.

Cause: Lack of training and procedures

Recommendation: Management should consider hiring a CPA to assist in the calculation and recording of accruals at fiscal year-end until the accounting staff are appropriately trained.

Views of responsible officials and planned corrective actions:

The District added a CPA to the Board of Trustees to review financial information at each monthly board meeting. In addition, the District contracted with an accounting support service via their accounting software that is assisting them in utilizing their software to its full potential, including recording of accruals.

Current Year Status

Management hired a consultant to assist them with fully implementing the available modules in their accounting system. This has allowed the accounting staff to utilize the bank reconciliation module and the accounts payable module Further, the accounting staff calculated and recorded the accruals for payroll and compensated absences.

Draft

CURRENT YEAR FINDINGS

None

Casey Neilon, Inc.
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH NEVADA REVISED STATUTES AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS

To the Board of the
Minden Gardnerville Sanitation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Minden Gardnerville Sanitation District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated *DATE PENDING.*

Compliance with Nevada Revised Statutes and regulations applicable to Minden-Gardnerville Sanitation District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether Minden-Gardnerville Sanitation District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of Nevada Revised Statutes (N.R.S.) and the Nevada Administrative Code, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit And, accordingly, we do not express such an opinion.

N.R.S. 354.624 and 354.6241 require that we provide a statement of assurance that:

- The District's enterprise fund is being used in accordance with the provisions of Chapter 354,
- The fund is being administered in accordance with accounting principles generally accepted in the United States of America,
- The reserve funds are limited to an amount that is reasonable and necessary to carry out the purposes of the District,
- The sources of revenues available for the District, the statutory and regulatory requirements of the District, and the net position of the District have been properly recorded.

We applied procedures to test the District's compliance with these requirements applicable to the District's enterprise fund. The results of our tests disclosed no instances of noncompliance.

Purpose of this Report

This report is intended solely for the information and use of management, the Board of Trustees, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this communication is not suitable for any other purpose.

Casey Neilon

Casey Neilon
Carson City, Nevada
DATE PENDING

Draft

Agenda Item 9

Engineer's Report

Items in this Section Include:

- ✓ ***Letter from Bruce Scott dated November 23, 2020***

Resource Concepts Inc

November 23, 2020

Via email: aburchett@mgsdistrict.org

Ms. Barbara Smallwood, Chairman
and Members of the Board of Trustees
Minden Gardnerville Sanitation District
P.O. Box 568
Minden, Nevada 89423

Subject: Activities during the month of November 2020

Dear Chairman Smallwood and Members of the Board:

The month of November has continued to have development activity on a relatively low level, but sustained basis. We are actively reviewing plans for the proposed Mc Donald's at the new round about just off of Highway 88 at 395, the Great Life Church on Route 756, Thoroughbred Crossing multi-family residential project off of 395 in Gardnerville, and the most recent unit proposed for La Costa at Monte Vista in Minden. We keep hearing rumors about Virginia Ranch coming back and that will be a fairly substantial project review when it comes in. Additional developments in the Heybourne Meadows area are also in progress and relatively small projects are in planning or discussion within some of the commercial areas.

The digester project is continuing with challenges from cold weather and high winds. The project is moving ahead well. We can discuss details with Peter and Cliff at the board meeting. We are moving forward with the proposed design plans and specifications for the rehabilitation of the GRID sewer. I would like to discuss at the meeting the delineation of prequalified bidders for this work. It does take specialty experience to reline the interceptor, as well as the manholes, and also experience in the bypassing of flows during the construction process. My proposal will be to prequalify selected bidders based on their capabilities and experience, references, and appropriate licensing. There is no one in Northern Nevada who has this level of experience or capability that we are aware of, and so it appears we will have to reach out for qualified contractors to provide bids for this work. We have had contact with a number of firms and do not believe there will be a problem in finding suitable bidders.

I will look forward to seeing you at the meeting. If you have any questions or there is any information you would like to discuss ahead of that, please let me know.

Sincerely,

Bruce R. Scott, P.E.
District Engineer

BRS/sb

cc: Bill Peterson, Esq.
Presley Cochran, EI

Agenda Item 10

District Manager's Report

Items in this Section Include:

- ✓ ***December 2020 District Manager Report***
- ✓ ***Gate Proposal from Artistic Fence Co.***
- ✓ ***Gate Proposal from Florence Fence Inc.***

MGSD
Minden Gardnerville Sanitation District

Minden Gardnerville Sanitation District
District Manager's Report
December 2020

All MGSD Staff members are adhering to COVID-19 requirements pursuant to Governor Sisolak's Directives 06, 021, 026, 030, 035 as well as COVID-19 Phase One Reopening Guidelines

CAPACITY ALLOCATIONS/PURCHASES:

- None

WILL SERVES LETTERS ISSUED:

- New McDonald's

Public Records Requests: 1 for utility mapping outside MGSD Service Area

MEETINGS ATTENDED AND SCHEDULED:

11/4 Meet with Florence Fence on gate project

11/5 Viewed County Commissioners meeting

11/10 Meeting with Craig Olson on master plan updates as well as phone conference with Komline Sanderson on the belt filter project

11/12 Team meeting with KG Walters on Digester Lid project

11/18 Chamber of Commerce luncheon

11/25 Progress meeting with KG Walters on Digester Lid project

VENDORS AND CONTRACTS:

STAFF/OFFICE ITEMS:

- Peter training from Nevada Rural Water Assoc.
- Transitioning Andrew Marshall into an expanded field inspection role

PROJECTS IN THE DISTRICT:

- Heybourne Meadows III A & B – completed but not tested
- Dotty's – checking on progress; will need to purchase additional edu's
- Addressed questions on capacity for Manhard Engineering on 18" Chichester transmission main
- Responded to McDonald's project review request
- Field research on LaCosta at Monte Vista project
- Heybourne Meadows V, VI, VII – houses are being constructed
- The Village at Monte Vista – houses are being constructed
- The Downs at Monte Vista – plans are being reviewed
- Thoroughbred Crossing – plans are being reviewed

LINE REHABILITATION AND PLANT IMPROVEMENT PROJECTS:

- Gate automation bids – Florence Fence and Artistic Fencing bids are attached. I am in the process of filling out Risk Management Grant application through POOL/PACT
- I have reached out to Champion Chevrolet and Michael Hohl Motors for quotes on a 1-ton work truck
- Heavy focus on Maintenance Connection program and improving our implementation
- Tesco is scheduled to replace components for their router and remote connectivity on the SCADA
- Completed grease transfer pump rebuild end to end.
- Looking into Digester #3 mixing pump and Digester #1 mechanical seal failure.

GENERAL ENGINEERING/ACCOUNTING/LEGAL ISSUES:

1. Reviewed draft audit from Casey Neilon

Respectfully submitted,
Peter V. Baratti, District Manager

PROPOSAL

ARTISTIC FENCE CO., INC.
Cont. License #7798A

☐ 480 Morrill Avenue
Reno, Nevada 89512
(775) 786-6002
FAX (775) 786-7992

☒ 5740 US Highway 50 East
Carson City, NV 89701-1413
(775) 882-4665
FAX (775) 882-7847

☐ 720 E. Fairgrounds
Winnemucca, NV 89445
(775) 623-6676
FAX (775) 623-9566

Submitted to Minden Gardnerville Sanitation Dist. Phone No. 762.3546

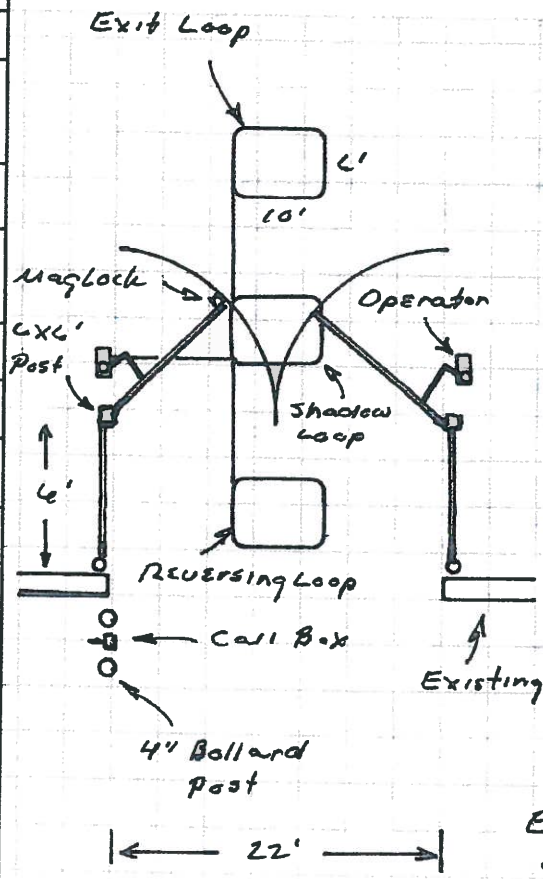
For Property at 1790 Hwy 395 Minden

WE PROPOSE TO: peter@mgsdistrict.org

☐ INSTALL AT YOUR PROPERTY A FENCE
☐ MATERIALS ONLY F.O.B. OUR YARD
☒ OR DO THE FOLLOWING DESCRIBED WORK:

STEEL	
Length	Height
Walk Gate	Drive Gate
Wire Ga.	
Terminal Posts	
Line Posts	
Top Rail	

WOOD	
Power Available	
Boards Inside	
Boards Outside	
Boards Alternate	



Furnish and install,
1-6x22' Modern style double swing iron gate 2" Frame 3/4" picket
2-6x6x10' .250 square steel post
2-Pair Lift Master Power Hinge
2-Lift Master CSW24-U swing operator
1-Lift Master MG 1300 Maglock
1-Aiphone JO5-1AW intercom system
10-Lift Master 811LM transmitter
3-6x10' traffic loops in asphalt
3-Lift Master Loop Detector
2-7x6' Matching fence panels
All material to be powder coated-Black.
Includes all fabrication and labor.
Excludes any trenching, conduit, or wiring to provide power or signal voltage to operators or devices.

PAYMENT IN FULL DUE UPON COMPLETION
PERMIT NOT INCLUDED UNLESS OTHERWISE INDICATED

WE PROPOSE to furnish and install fencing materials (or materials only) in accordance with the conditions and terms as listed. The fence line and grade are to be located by the property owner. **CUSTOMER ASSUMES FULL RESPONSIBILITY FOR LOCATION OF FENCE** and agrees to, at customer's sole expense, defend and hold Artistic Fence Co., Inc. harmless respecting claims of encroachment, claims of damage to underground facilities, and/or any other claims brought on account of the work herein above described, including sprinkler systems. Price of installation is based on the entire job being done at one time. If on account of changes made by purchaser the crew has to make more than one trip, the extra charge covering such expense will be made. Quotation subject to change after 30 days.

Agreed Price
Installed $ 19,439.00
Materials Only _____

By Ken Dietrich
Date 11/8/20

Accepted By _____
Subject to additional conditions on reverse side.
Date _____

PROPOSAL

ARTISTIC FENCE CO., INC.
Cont. License #7798A

☐ 480 Morrill Avenue
Reno, Nevada 89512
(775) 786-6002
FAX (775) 786-7992

☒ 5740 US Highway 50 East
Carson City, NV 89701-1413
(775) 882-4665
FAX (775) 882-7847

☐ 720 E. Fairgrounds
Winnemucca, NV 89445
(775) 623-6676
FAX (775) 623-9566

Submitted to Minden Gardnerville Sanitation Dist. Phone No. 782-3540

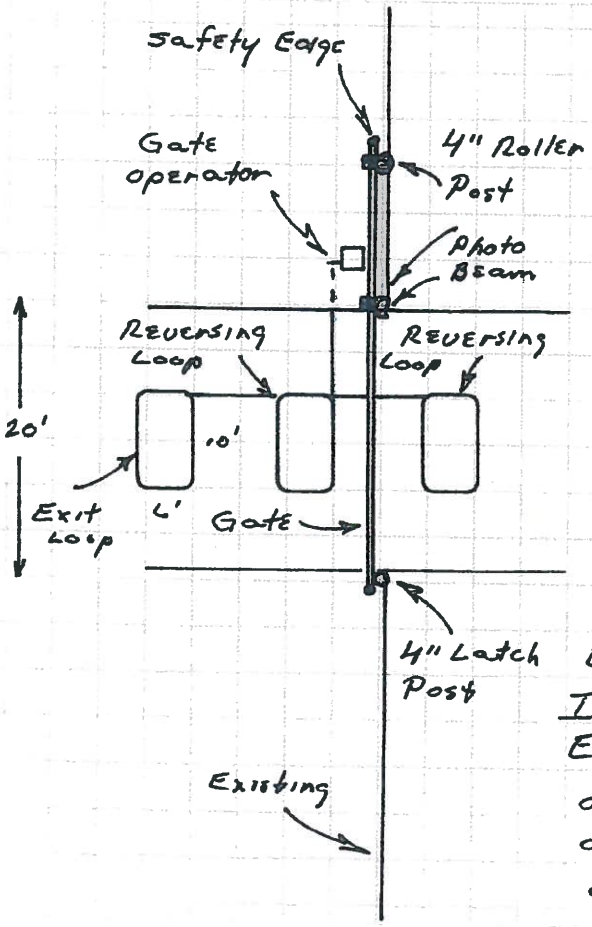
For Property at 1790 Hwy 395 Minden

WE PROPOSE TO: peter@mgsdistrict.org

☐ INSTALL AT YOUR PROPERTY A FENCE
☐ MATERIALS ONLY F.O.B. OUR YARD
☒ OR DO THE FOLLOWING DESCRIBED WORK:

STEEL	
Length	Height
Walk Gate	Drive Gate
Wire Ga.	
Terminal Posts	
Line Posts	
Top Rail	

WOOD	
Power Available	
Boards Inside	
Boards Outside	
Boards Alternate	



Furnish and install;
1-6x20+3 Chain Link cantilever gate 2 3/8 frame 9ga. fabric
3-4"x10'6" sch 40 roller post in 36" concrete
4-2 3/8x4" FS8600 cantilever roller
1-LiftMaster CSL24u operator
1-LiftMaster MPEL Mounting plate
1-LiftMaster Photo beam
1-LiftMaster 5' Safety Edge
3-6x10' traffic loop in asphalt
2-Lift Master Loop Detector
1-Knox 3502 Fire Switch
Existing gates to be removed.
Includes fabrication and labor.
Excludes all trenching, conduit and wiring to provide power and signal voltage to operator or controlling devices

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Agreed Price
Installed $ 13,674.00
Materials Only _____

By Ken Dietrich
Date 11/8/20

Accepted By _____
Subject to additional conditions on reverse side.
Date _____

USA Job

20 % restocking fee

Quality Fence Products & Services
Florence Fence, INC
2597 Nowlin Road Minden, NV 89423
(775) 267-3705* 1- 800-913-4177* FAX (775) 882-8117
www.FlorenceFenceInc.com

We Offer High Quality Fence Materials Made in the U A

Proposal Submitted: Peter Baratti

MB2011016

Name: MGSD
Address: P.O. Box 568 City: Minden State: NV Zip: 89423
Phone: 775-782-3456 or C# 775-250-1041 F# 775-782-4915 e# peter@mgsdistrict.org

Job Location: 1790 HWY 395 Minden NV.

Remove and haul 22' of iron gate.
Install (2) lm csw24U pad pours swing gate operators.
Install (2) lm500 arm unit for chain link gate.
Install (2) aeromax wireless key pads with gooseneck.
Install (2) base units for the aeromax.
Install (4) safety loops with detectors for 22' opening. Saw cut.
Install (1) free exit loop with detectors for 22' opening. Saw cut.
Install (2) push button with gooseneck.
Install (2) set of phot eyes.
Install (2) fire knox box.
Install 8' of 7' modern fence iron with: black powder coated,1 ½" x 1 ½" top and bottom rails, ¾" pickets and 2 ½" x 2 ½" post in concrete.
Install 7' x 22' double drive gate with: black powder coated, 2" x 2" frame and ¾" pickets.
Install (2) 6" x 6" black posts in concrete.
Install (2) 18" x 18" x 2' deep concrete pads.
Install 2" flat bar to existing chain link gates to automated.
Supply (15) 3 button remotes.

RECEIVED
NOV 13 2020
MINDEN-GARDNERVILLE
SANITATION DISTRICT

MGSD will need to run power to gate operator. Florence Fence Inc. dose not install power.

Permit not included unless otherwise indicated.

Deposit $ 40000.00 for materials

Sign and return with deposit.

Install $ 30000.00 due on completion of work.

TOTAL JOB COST: $ 70000.00

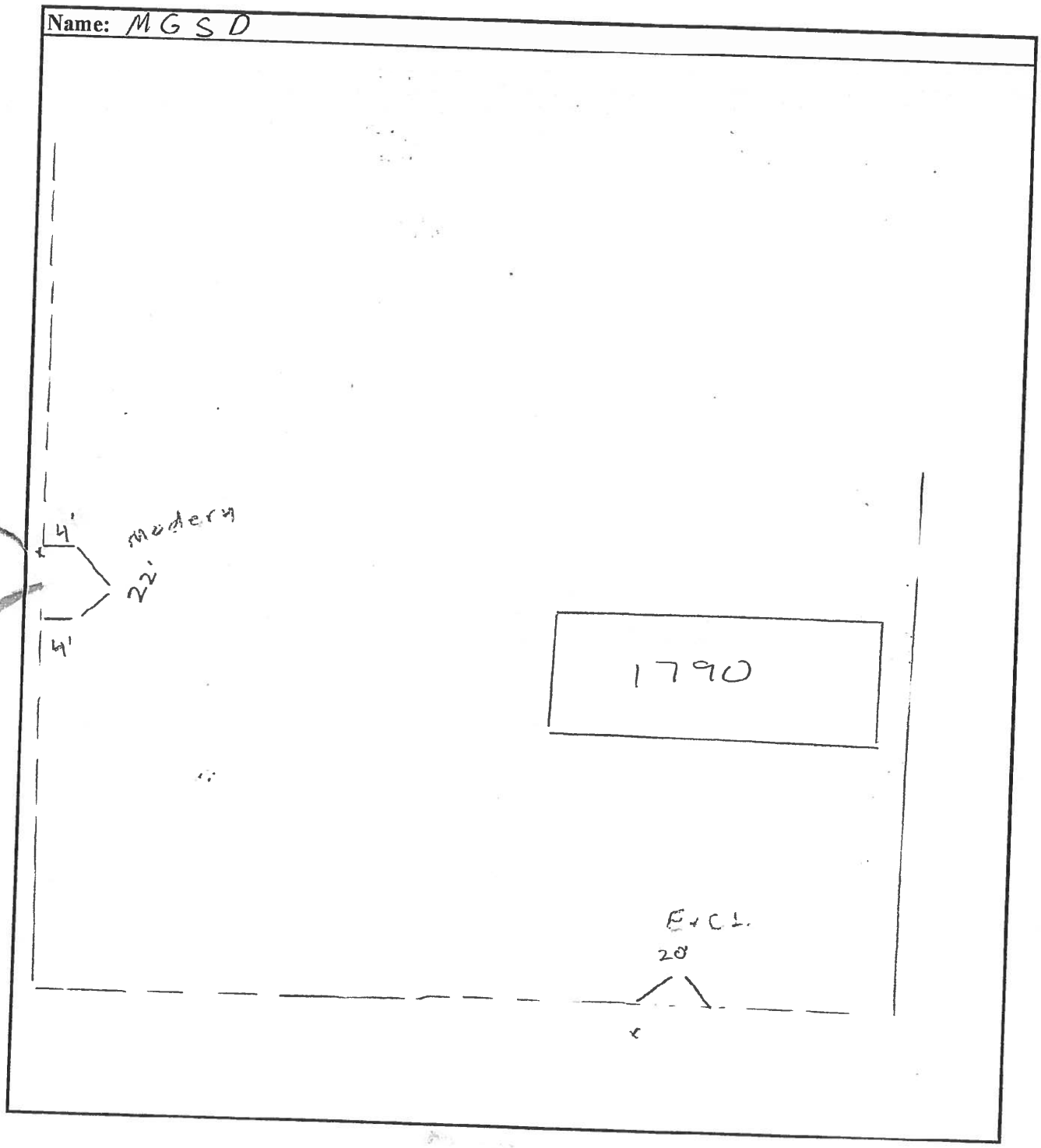
Bids are only good for 7 days.

Estimate written by: Mike Barredo
Date: 11-10-20

Accepted by: _____.
Date: _____

FLORENCE FENCE INC.
2597 Nowlin Rd. Minden. NV 89423
(775) 882-2244 or (775) 267-9918 Fax: (775) 882-8117
NV Lic. # 31586B~CA Lic. #559646
www.florencefenceinc.com

Name: MGSD



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USA Job

20 % restocking fee

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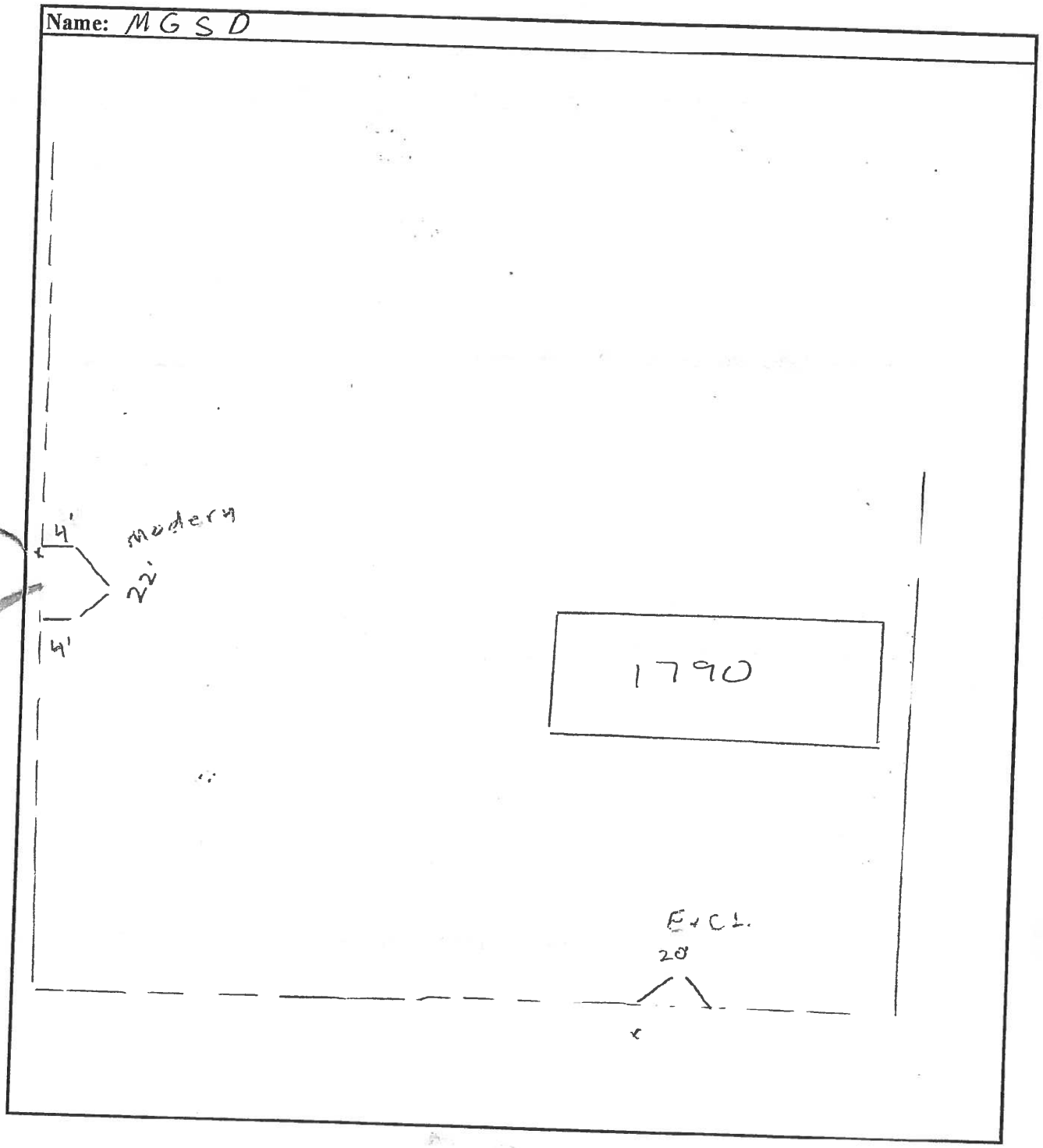

Estimate written by: Mike Barredo Received & Accepted by: _____

Agenda Item 11

Administrative Report by Staff

Items in this Section Include:

- ✓ ***Past Due Accounts Summary***
- ✓ ***Article "Carson City facilities need $17 million in immediate maintenance" (Nevada Appeal, November 13, 2020)***

PAST DUE ACCOUNTS SUMMARY

11/24/20

Number of Accounts Past Due/Liens on File:	14 (12 Residential, 2 Commercial)
Total Amount Owing:	$14,466.50

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3 liens were filed and 0 liens were released in November.

1 account received judgement from Small Claims Court on 10/3/17: $2814.53 (customer has been making at least $50 payments on a monthly basis).

1 account has had water turned off, so billing has been suspended. We tried filing for Small Claims, but constable was unable to serve ($1585.53); all mail is returned – it appears owner is deceased.

1 account the owner is out of the country and we are unable to serve for small claims court; report received that owner is back in the country; notice of small claims filing sent, but no response; filed for small claims but was unable to serve again; water is currently off ($1066.79)

2 commercial accounts ($1599.73) and ($4497.78)

Partial payment made on 1 residential account ($480.67). A promise-to-pay by customer's daughter on 9/28/20 was made on 1 other residential account (customer reported to be in the hospital), but payment not yet received ($415.11). Another promise-to-pay was made to begin payments in 2021 (customer reported that he had problem with USPS forwarding mail - $530.67).

All other accounts have liens pending.

YOUR AD HERE »

Carson City facilities need $17 million in immediate maintenance

News | November 13, 2020

Anne Knowles
aknowles@nevadaappeal.com

A study of Carson City-owned facilities found $17 million in needed immediate maintenance and improvements and a total of $59 million over 10 years to maintain them in good condition.

Of 149 buildings and structures, 65 are in very poor or poor condition, including three that are beyond repair. Another 33 are in fair condition and 51 are in good condition, according to the report by Faithful + Gould.

The report commissioned by Public Works is part of the city's effort to better manage its assets after years of deferring maintenance during the last recession.

Dean Leonard, Faithful + Gould, told the Board of Supervisors at its Nov. 5 meeting that the study could be used to determine how much to invest each year and its impact. He presented four spending scenarios with various amounts invested annually and the result on building conditions going forward.

"Five-and-a-half to $6 million a year is ideal to take care of everything," said Leonard.

Supervisor Brad Bonkowski said the study was a tool for making decisions.

"This is very comprehensive data and it's up to staff and us to shape that data," he said. "I suspect we're probably pretty close to $5.5 to $6 million now so maybe we just need to use the data to come with a long-term plan."

Part of that plan will be to set priorities.

"I think the first step in the process is not to assume all these dollars are equally critical," said Supervisor Stacey Giomi.

The surveyed facilities were primarily part of the city's parks and recreation venues, including the Aquatic Facility, Fuji Fairgrounds and Lone Mountain Cemetery, and its Public Works structures, including more than a dozen wells.

The three facilities in very poor condition and in need of demolition, according to the consultant, are a storage building at Fuji Park, and the Field 1 dugout and Field 3 announcers building at Governors Field.

Among the facilities in poor condition are the Brunswick Reservoir control structure, the Fuji Fairground exhibit hall, the snack bar at the Pete Livermore Sports Complex, the Sheriff's Office dispatch, Fire Station 53, and 11 of the 17 wells evaluated.
The structures in good or top condition included the Nevada Humane Society Carson City Animal Shelter, the pool building, the BMX main building at Pete Livermore, and Fire Station 52 and 54.

The buildings needing the most funding are the jail, Community Center, and courthouse on Musser Street, but all are in fair condition.