



Board of Trustees
Minutes of Regular Meeting
Tuesday, January 4, 2011
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

O.P. Brown, Jr.
Ronald Wilcks
Mark Dudley
Michael Henningsen
Raymond Wilson

Staff Members Present:

Frank Johnson
April Burchett
Bruce Scott
Mike Rogers

Others Present:

Dave Pivetti

Board Members Absent:

None

Meeting called to order at 6:00 p.m. by O.P. Brown, Jr., as Vice Chairman.

Election of Board Officers – Vice Chairman Brown opened the floor to nominations for Board officers. Mr. Wilson suggested rotating the chairman position each year. Discussion followed regarding the having the most senior board member serve as chairman, and the procedure if a Board member does not wish to serve as chairman. Mr. Wilson felt that the chairmanship would then move to the trustee with the next highest seniority. **Motion by Ronald Wilcks to nominate O.P. Brown, Jr., for Chairman and Michael Henningsen as Vice Chairman.** Seconded by Raymond Wilson. Motion carried unanimously. **Motion by Raymond Wilson to nominate for Ronald Wilcks as Secretary-Treasurer.** Seconded by Michael Henningsen. Motion carried unanimously. **Motion by Raymond Wilson to rotate the chairman position each year, effective after the Mr. Brown's term expires, on the basis of seniority, and if someone does not wish to serve as chairman, then the next person in the line of seniority would serve.** Mr. Henningsen asked Frank his opinion regarding continuity. Frank felt rotating chairman would not cause any problems for him. Motion seconded by Michael Henningsen. Motion carried unanimously.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson and Bruce Scott. **Motion by Michael Henningsen to approve the claims for December, 2010 in the amount of \$175,135.19, and to approve the claims paid during January, 2010 in the amount of \$66,016.81** Seconded by Ronald Wilcks. Motion carried unanimously.

Minutes of December 7, 2010 – The minutes of December 7, 2010 were reviewed by the Board. **Motion by Mark Dudley to accept the minutes of December 7, 2010.** Motion seconded by Michael Henningsen. Motion carried, with Mr. Wilson abstaining.



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Public Comment -- Mr. Wilson expressed his pleasure at being on the board, and his sadness that Mr. Etchegoyhen is now absent due to term limits. The Chairman wished Mr. Wilson luck during his service on the board.

MGSD Grease Digestion and Power Cogeneration Project – Represented by Dave Pivetti. Frank mentioned that the project is being further delayed due to additional electrical components now being required by SDP and NV Energy. Frank refused to approve the change orders until the Board was made aware of the issues. Dave mentioned that in spite of the delays, the contract will still be met. Tesco has now completed their programming and MGSD can now take grease. The first load of grease is anticipated to be delivered this week by Reno Rendering. MGSD will take grease at no charge until any operational issues are worked out of the system. Bruce stated grease can be taken and processed without compromising the power portion of the project. Dave reported that the generator is now installed. The control wires are now about 3 weeks away from completion. NV Energy came out to approve the project, and they had concerns regarding the current transformer cabinet. The design was to combine the current transformer cabinet with an existing cabinet, but NV Energy is now requiring a separate cabinet. The reverse power relay will also need a separate cabinet. Dave explained that NV Energy has undergone staff changes, and a new engineer who wasn't familiar with the project did the inspection. They are also requiring a dedicated telephone line hooked to their equipment. The electrical engineer estimated a cost of \$6,000.00 to meet NV Energy's requirements. It will need to be approved for ARRA stimulus money. Other change orders that were needed included heat tracing and insulation on the piping of the gas conditioning skid, estimated to cost \$8600.00. Frank authorized proceeding with this change due to the freezing weather conditions. Mr. Dudley expressed concern about change orders for items that should have been included in a bid. He felt that Frank had to authorize the piping insulation, and that Frank proceeded appropriately. The next proposed change order is for the addition of auxiliary contacts for shutdown-startup procedure on the generator by SDP. The way the system is designed now, a dangerous situation could occur if the shutdown-startup is not followed accurately. The estimated cost for this change is \$7000.00. Mr. Henningsen and Mr. Dudley were upset that the manufacturer did not include this in the original cost. Mr. Henningsen suggested splitting the cost with the manufacturer. Discussion followed regarding why this was not addressed earlier. Frank stated that these are necessary safety components and we are being held hostage on it. The Board felt that it should be the manufacturer's responsibility to have thought this through. Dave felt it is a shared blame between SDP for not bringing it to anyone's attention and El Dorado Engineering for not anticipating the problem and that El Dorado Engineering would, if necessary, share in the cost. The Chairman felt that poor engineering has been in place from the beginning. Dave stated that the change orders have totaled less than 1% of the project cost. Mr. Henningsen reiterated splitting the cost. He stated that safety is not scope-creep; it should have been done during the design. Discussion followed regarding change orders in wastewater projects. Dave said he will bring the final change orders back to the board at the February meeting for approval. Mr.



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Henningsen would like an explanation as to why these changes are now needed. The Board authorized Frank to resolve the issues up to the estimated amount. Frank will also work with Dave to compromise on the relay issue.

Peri Enterprises and Barton Healthcare Public Hearing for Annexation – Frank reported that the notice for annexation was published in the Record Courier and the public hearing for contract of service is able to proceed. Bruce Scott pointed out the area to be annexed on the boundary map. Bruce stated his letter recommending acceptance of the application with conditions is still valid. Condition 1 has been met. **Motion by Michael Henningsen to approve the annexation of 6 parcels totaling 95.76 acres for Peri Enterprises and Barton Healthcare for property located at Hwy. 395 and Pinenut Rd. (APN 1220-10-601-004, 1220-10-701—011, 1220-11-002-001, -017, -018, and -019), subject to the letter from Resource Concepts, Inc. dated December 6, 2010. All rules, regulations and requirements of MGSD are to be met and all fees paid.** Seconded by Raymond Wilson. Motion carried unanimously. Discussion followed regarding proposed development on the property. Mr. Anderson stated the improvement plans for the Pinenut roadway realignment are out to bid, but there are no plans for development at this time. Bruce stated that revised plans have been received and approved, but he still needs to get an approval letter to Rob. Discussion followed regarding the status of the Douglas County Healthcare project across Hwy 395 from this project. Bruce stated that the project has been on hold due to issues with FEMA. Discussion followed regarding the Ranch at Gardnerville LLC. They are requesting permits for 2 lots. Mr. Anderson was advised that the capacity was allocated, but expired due to nonpayment. Frank can administratively approve less than 5 units. Additional units will have to be approved by the board.

Engineer's Report – Bruce stated that he and Frank met with Bill Peterson yesterday. Bill has put together an agreement with Reno Rendering. There will be a second contract with Summit Plumbing for grease after any issues or concerns are worked out. Discussion followed regarding only contracting with Reno Rendering, as well as scheduling the drop-offs. Bruce stated that we do not want to create a monopoly on the brown grease, which could have adverse concerns for others. The agreements will be 2-year agreements. There may also be other firms that want to bring grease here.

Pretreatment Ordinance: It is possible that the EPA will determine that GE will be a non-discharge permit due to some metals. He doesn't have a problem with that, and he will continue to work with GE.

Shared Grease Interceptors: Bill will work on the ordinance language for this.

Ponds: Discussion followed regarding the status of the completion of the discharge piping on the pond. Bruce described the pipe going over the top of the dyke and its placement in relation to the high water



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level. It is possible that we can obtain asphalt grindings for the top of the reservoir embankments. The chairman asked if some of the grindings can be placed on the drive area referred to as Lindell Ln.

8th St. Realignment: The Town of Minden has been contacted by CVI to change the entrance to 8th St. He does not know any details, but any plans that impact sewer will be brought to MGSD for approval. They have also purchased the Itildo building across 8th St.

Seeman Ranch: Douglas County has purchased a portion of the old Seeman Ranch adjacent to the Judicial Building on 6th St. The County is anticipating a BLA to create one large parcel, but the Seeman Ranch has not been annexed, so a portion of the property would be in the district and a portion would not be. Discussion followed regarding recent problems with the County with respect to the District's standards and jurisdiction. Bruce has had some discussion with the new commissioners and he felt that he got some positive response from them. Discussion followed regarding the potential of County takeover of the GID's. It would not appear to be politically feasible for the County to take over the existing Districts, according to Bruce. Bill Peterson is putting together a legal opinion regarding County's position with respect to the GID's. Mike Henningsen stated that Gardnerville Water Company has been getting the same treatment.

NDOT Project: Bruce reported that MGSD will need to get a contractor to clean and televise the lines in the highway right-of-way prior to construction. The Board requested that Frank and Mike are directly involved during the preconstruction and construction process.

District Manager's Report – Frank reported that he got a call from Walmart representatives today regarding grease interceptor requirements.

Frank reported that he has been requested by Willow Bill to give tours of the grease facility and to go to the schools to give presentations on the grease digestion and the plant processing. The Board thought it was a good idea. Willow Bill has also asked if we can store some of the reindeer. Frank said that is some space in the storage sheds that we aren't using and he felt we could accommodate him. The Board agreed as long as we weren't using the space. Mr. Dudley expressed concern about liability with him on the plant. Frank will convey that concern to Willow Bill.

Frank has conducted a couple of staff meetings to discuss any concerns the employees may have, and how to reach resolutions.

Secretary's Report: April reported that the quarterly invoices are anticipated to be sent out next week. The Board asked about the number of outstanding accounts. April stated that there are only 2 that are



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long overdue, but 1 of them is in foreclosure. We put liens on the past due properties, so we will collect on them eventually.

Meeting adjourned at 7:55 p.m.

Approved _____ By _____
Date