



Board of Trustees
Minutes of Regular Meeting
Tuesday, December 7, 2010
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
Mark Dudley
O.P. Brown, Jr.
Michael Henningsen

Staff Members Present:

Frank Johnson
Sarah King
April Burchett
Bruce Scott
Mike Rogers

Others Present:

Paul Cockrell
Rob Anderson
Richard Peters

Board Members Absent:

None

Meeting called to order at 6:00 p.m.

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 November, 2010 in the amount of \$526,028.08, and to approve the claims paid during November, 2010 in the amount of \$74,242.76.** Seconded by Ronald Wilcks. Motion carried unanimously.

Minutes of November 2, 2010 – The minutes of November 2, 2010 were reviewed by the Board. **Motion by O.P. Brown, Jr. to accept the minutes of November 2, 2010.** Motion seconded by Mark Dudley. Motion carried unanimously.

Public Comment— Ray Wilson suggested placing photos on the board room wall of retired Board members denoting names and dates of service. He also suggested an insert in the quarterly billings discussing items of note within the District. He also thanked Chairman Etchegoyhen for his years of service and he thanked Frank for providing a tour of the plant. The Board thanked Ray for his comments.

District Manager's Report - MGSD Grease Digestion and Power Cogeneration Project – Represented by Paul Cockrell. Paul gave a status update on the project. Most of the equipment is in place, including the generator, with the startup of the generator anticipated within the next month. When the grease receiving tank was shipped, the nozzles weren't provided according to plan and flexible hose lines were used to correct the problem. Paul stated he did not have any concerns about the hoses. Frank requested and received, from the manufacturer and contractor, a 5 year warranty on the tank and 7 year warranty on



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the hoses. There were no additional costs associated with the changes. MGSD will be able to take grease in a couple of weeks. The Board thanked Paul for the update.

Peri Enterprises and Barton Healthcare Application for Annexation – Frank Johnson reported that an application, annexation fee, a notarized authority to represent form, legal description, and preliminary title report have been received from Peri Enterprises and Barton Healthcare for the annexation of 95.76 acres located at Pinenut Rd. and Hwy 395. Bruce Scott presented a letter recommending acceptance of the application with conditions, and apologized for not having the letter ready for inclusion in the board packet. **Motion by O.P. Brown, Jr., to accept the application for annexation from 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, and to direct MGSD staff to notice the public hearing for annexation for the January 4, 2010 regular Board Meeting. All rules, regulations and requirements of MGSD are to be met and all fees paid.** Seconded by Ronald Wilcks. Motion carried unanimously.

Richard J. Peters, Jr. & Company– Richard presented the audit for the past fiscal year. He noted that the assets decreased by 0.9%, and the operating expenses increased by 1%. Discussion followed regarding the capital expenses, including the start of the grease digestion project, as well as construction of the new garages. Richard pointed out that a new item has been included called “Contract Payable” on page 9 of the audit, which denotes the amount received from ARRA Stimulus funding. The revenues were constant, with a small increase in user fees and a small decrease in GRGID variable and fixed income costs. Richard noted that the interest income decreased drastically. The capital contributions also decreased due to the decrease in construction activity. Other items of note included a decrease in user fees, a decrease in amounts paid to suppliers, and the cash paid to employees also decreased since there were no retiree payouts during the fiscal year. Overall, there was a \$50,000 decrease in cash. Richard felt that overall the District is doing well with projecting the budgets and staying within budget. Discussion followed regarding capital expenditures next fiscal year. Discussion followed the reporting of health care benefits on W-2 forms. **Motion by O.P. Brown, Jr., to approve the FY2009-2010 Financial Statement, dated June 30, 2010, as presented by Richard J. Peters, Jr. and Co.** Seconded by Ronald Wilcks. Motion carried unanimously.

Engineer’s Report – Bruce reported that Douglas County is increasing their sewer rates to \$58.09 per month per residence in 2011, \$70.07 in 2012, \$79.80 in 2013, and \$86.95 in 2014. This demonstrates that MGSD has managed its money very wisely, and hasn’t required a user fee increase.

Reservoirs: A geotechnical engineer and contractor reviewed the damage to the reservoir, and the repair work is close to being started. Asphalt grindings will be provided by Douglas County at a discounted



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rate. A letter has been sent to the State Engineer's office to let them know to the repair plans, and state dam safety staff has asked to be onsite to review the repairs. Bruce outlined the repair, including reshaping the dykes and resurfacing the tops. The anticipated cost is approximately \$100,000. Discussion followed regarding the completion of the effluent transport line in the project.

NDOT: Bruce reported that NDOT is getting ready to go to bid on the overlay project from First St. in Minden north to Carson City. RCI is reviewing the plans to ensure that the manholes are identified correctly. Bruce recommended that the lines are televised and cleaned prior to commencement of NDOT's overlay. He would like to have a contractor ready to TV just prior to the commencement in March or April. Bruce thought that it would cost about \$10,000 to \$15,000 to televise the line. Bruce recommended close communication with NDOT's engineer before and during the construction process. Frank presented a manhole/valve cover agreement letter which was presented to him by NDOT, which needs his signature. **Motion by O.P. Brown, Jr., to authorize the District Manager to sign the letter to allow NDOT's contractor to raise and lower manholes and bill MGSD for the cost in accordance with the estimated costs provided by NDOT.** Seconded by Michael Henningsen. Motion carried unanimously.

District Manager's Report – Frank reported that 6.8 EDU's were sold in November.

Grease project: Frank reported that Tesco will be out this week work on their portion of the project.

Grease Interceptors: MGSD requires each restaurant to have its own grease interceptor. There are a few restaurants that share grease interceptors. Frank has received requests to allow two restaurants to share one grease interceptor. Frank felt it would be feasible to allow that if they are adequately sized, are pumped more frequently, written agreements are in place regarding parceling of a building, and responsibility for maintenance is placed on the property owner rather than the restaurant owner. Bruce recommended approval of changing the code. The board authorized coordination with legal counsel to revise the MGSD Code to allow grease interceptor sharing.

Televising lines before acceptance: Frank would like to require televising mains prior to acceptance, to ensure the lines are cleaned by the contractor. The cost would be passed to the contractor. MGSD can set up a fee schedule and do the televising. Discussion followed regarding problems with the lines in the Monterra Subdivision, which have not been accepted by MGSD, and noticing to the developer that the lines will need to be cleaned prior to acceptance by MGSD.

Safety Committee: Frank reported that several entities in the county, including MGSD, have formed a joint safety committee, which will meet once a month and combine training. Frank mentioned to the entities that if equipment needs to be loaned out, then board approval should be required.



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Trees: Mark Dudley met with Frank regarding the proposed trees at the Ironwood entrance. Mark was concerned that the proposed trees would get too big and encroach in the drive area. He and Frank felt it would be better to plant shrubs and eliminate some of the trees. It is anticipated that the cost would be less than \$5,000. The board directed that Frank and Mark work together to obtain landscaping.

Primary Clarifier #3 Rehabilitation: Frank passed out a sample of the material that was used to repair the clarifier. In the next couple of weeks, the project should be completed.

A customer called and emailed photos of a local plumbing company illegally dumping into our sewer system in the Service Dr. area. Legal counsel issued a letter, and the plumbing company apologized profusely and has assured us it will not happen again.

Discussion followed regarding equipment maintenance. Frank mentioned that consideration be given during the upcoming 2011-2012 capital budget for possible replacement of the Vactor truck.

Secretary's Report – April reported that the billing software is being converted to the new program. She also mentioned that MGSD Code currently states that finance charges are calculated at 10% for the first month of delinquency with 1½% each month thereafter, but in reality, late fees are calculated at a rate of 11½% per quarter. Legal counsel has advised that the finance charges are not defensible in court. It is recommended that the finance charges be changed to 1½ % per month, which equals about 18% annually. She requested to schedule a code change for the January meeting to change the finance charge. The board authorized April to work with legal counsel to change the code language.

Meeting adjourned at 7:55 p.m.

Approved _____ Date _____ By _____.