



P.O. BOX 568
MINDEN, NEVADA

Minutes of regular meeting, Tuesday, January 3, 2006, 7:00 P.M., Board Room, Minden-Gardnerville Sanitation District, 1790 Hwy. 395, Minden, Nevada.

Board Members Present:

Jerome Etchegoyhen, Ronald Wilcks, O.P. Brown, Jr., and Leonard Anker

Board Members Absent:

Michael Henningsen

Staff Members Present:

Frank Johnson, Bruce Scott, and April Burchett

Others Present:

Robbie Oxoby

Election of MGSD Board Officers for 2006: The chairman called for nominations for MGSD Board Officers for the 2006 year. Motion by O.P. Brown, Jr. to retain Jerome Etchegoyhen as Chairman, Leonard Anker as Vice Chairman, and O.P. Brown, Jr., as Secretary-Treasurer. Seconded by Ronald Wilcks. Vote: 3 ayes; 0 nays; 1 absent. Motion carried.

Claims Review and Approval: The claims were reviewed by the Board and questions were answered by Frank Johnson, Robbie Oxoby, Bill Peterson, and April Burchett. Discussion followed regarding percentage of completion of the Solids Contact and Administration Building projects. Robbie explained that the pay request from MGM Construction is for 33% of the budget, but the building is about 24% constructed. The remainder amount is for materials that have been ordered. Discussion followed regarding the December bill from Sierra Pacific Power Company. Leonard Anker felt that the next time the power company has a hearing for rates related to irrigation, MGSD should be present to give input. Motion by O.P. Brown, Jr. to

approve the claims for December, 2005 in the amount of \$559,400.83 and to approve the claims paid during the month of December, 2005 in the amount of \$168,315.95. Seconded by Leonard Anker. Vote: 3 ayes; 0 nays; 1 absent. Motion carried.

Minutes of December 6, 2005: The minutes of December 6, 2005 were reviewed by the Board. Leonard Anker asked if a motion was needed to sign the final map for Stodick Estates South Phase 3. April Burchett and Bruce Scott explained action is taken by the Board when subdivision as-builts are submitted for acceptance. By signing a final map, MGSD simply acknowledges that there are sewer easements within the subdivision, and does not incur any fiscal responsibility or liability. Motion by O.P. Brown, Jr. to accept the minutes of December 6, 2005. Seconded by Ronald Wilcks. Vote: 3 ayes; 0 nays; 1 absent. Motion carried.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. Robbie reported the project is still 8 to 9 weeks behind schedule. The contractor has asked for an extension of time, some of which Robbie felt was justified. Some columns have been erected, and the mason is working on the walls. Robbie also stated that he is reviewing a possible change order request for the storefront windows, and it may be presented to Frank during the month of January. Frank reported that Machabee Office Environments has contacted him to report that the cost of the furniture is going increase by approximately 6% to 10%, and that the furniture order needs to be placed in the next week to ensure the original quoted price of \$60,048.88 remains valid. Payment will not be due until the furniture is delivered to MGSD. Machabee will store the furniture until the building is ready providing the time is not excessive. The Board authorized Frank to sign the order for the furniture.

Public Hearing for Capacity Rate Increase -- Frank Johnson reported that the legal noticing for public hearing is in order, and the Board may proceed with the Public Hearing for an increase in the Capacity Rate. MGSD Legal Counsel was contacted via phone for consultation. Motion by Leonard Anker to increase the capacity fee as stated in MGSD Code Chapter 6.080 from \$3,500.00 to \$3,800.00 per unit for new development after February 3rd, 2006, as NRS requires implementation 30 days after Board approval, and to increase the capacity fee for properties within the District Boundaries prior to July 1, 1978 from \$2,850.00 to \$3,150.00 per unit. Seconded by O.P. Brown, Jr. The Chairman called for public commentary. There was none. Vote: 3 ayes, 0 nays, 1 absent. Motion carried.

The Board discussed the Sierra Pacific Power Co. rate changes on the December 2005 bill with MGSD's Legal Counsel. Bill Peterson reported that the Power Company is still trying to resolve the issue and anticipates that MGSD will get some relief. Discussion followed regarding MGSD's exemption from paying a franchise fee.

Attorney-Client Conference -- Ordinance Amendment under MGSD Code Chapter 17.040 relating to Grease/Oil Control -- Frank Johnson presented a draft Grease/Oil Control policy. Bill Peterson reported that the policy is an amendment to the existing ordinance, does not change any rates, and does not require noticing for a public hearing. Frank Johnson reported that with

growth, there has been a problem with additional grease in the lines. Frank, Bill Peterson, and Bruce Scott felt the current ordinance is vague and the proposed policy will give more detail and requirements regarding grease interceptor sizing and cleaning frequency. Discussion followed regarding car washes and sand/oil separators. Motion by O.P. Brown, Jr. to amend MGSD Code Chapter 17.040 to include the proposed Grease/Oil Control Policy as drafted and to authorize MGSD Legal Counsel to update the Code. Seconded by Ronald Wilcks. Vote: 2 ayes, 0 Nays, 1 Abstain: Leonard Anker. 1 Absent: Michael Henningsen. The Chairman voted aye. Motion carried.

Attorney-Client Conference -- Proposal to Establish Hourly Rate for Vactor Truck -- Discussion only. Frank Johnson stated an amount of \$400.00 per hour for Vactor Truck use was suggested to the Board at the December 2005 meeting. The amount proposed is higher than private entities charge, in order to discourage businesses and developers from using MGSD for cleaning lines prior to acceptance and for emergency pumping of grease interceptors. Discussion followed regarding public noticing of rate increases. The Board directed MGSD staff to advertise a public hearing for the February 7, 2006 board meeting to establish an hourly rate of \$400.00 for the Vactor Truck use.

Jonathan B. & Jocelyn V. Fisher (APN 1220-04-201-006), Dudley Family Trust (APN 1220-04-201-005), Dennis & Marilyn Wills (APN 1220-04-002-002), Vowles Enterprises LLC (APN 1220-04-002-009), Carson Valley Community Food Closet (APN 1220-04-002-011), Robert Horning & Karin Allen (APN 1220-04-002-010), Sunset Park Subdivision (APN's 1220-04-210-001 through -039) -- Public Hearing for Administrative Annexation -- S.R.756 and Waterloo Lane Area -- Frank Johnson reported that the legal noticing for public hearing is in order and the Board may proceed with the annexation hearing. Motion by Leonard Anker to approve administrative annexation of the parcels in the S.R. 756 and Waterloo Lane area for Jonathan B. & Jocelyn V. Fisher (APN 1220-04-201-006), Dudley Family Trust (APN 1220-04-201-005), Dennis & Marilyn Wills (APN 1220-04-002-002), Vowles Enterprises LLC (APN 1220-04-002-009), Carson Valley Community Food Closet (APN 1220-04-002-011), Robert Horning & Karin Allen (APN 1220-04-002-010), Sunset Park Subdivision (APN's 1220-04-210-001 through -039) for a total of 30.515 acres. All rules, regulations, and requirements of MGSD are to be met. Seconded by O.P. Brown, Jr. The Chairman called for public commentary. There was none. Vote: 3 ayes; 0 nays; 1 absent. Motion carried.

Engineer's Report: Bruce Scott presented a payment request from V & C Construction in the amount of \$79,522.12, as Progress Payment #1 of the 2005 Rehabilitation Project, for Board approval. Discussion followed regarding the replacement of the top cone sections of the 2 onsite manhole barrels immediately preceding the influent pump station, which are deteriorating. Motion by Leonard Anker to authorize a one-time only payment to V & C Construction in the amount of \$79,522.12 as the first payment of the 2005 Sewer Rehabilitation Project. Seconded by O.P. Brown, Jr. Vote: 3 ayes; 0 nays; 1 absent. Motion carried.

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Bruce Scott reported that Canyon Creek Construction is making progress on the Monte Vista Sewer Tie-In. Frank Johnson said that he sent an invoice to Canyon Creek Construction in the amount of \$2,357.25 for repairs to the bar screen which was damaged, as was explained in the District Manager's report of December 2005, which does not include the \$1,000 fee for the bar screen inspection. Discussion followed regarding infiltration into the line and alternatives for short- and long-term resolution of the problem. Bruce will continue to work with the developer to resolve the issue.

District Manager's Report (see attached report): Frank Johnson discussed the items in his attached report. In addition to the report, Frank reported that due to the storms of New Year's weekend, the influent plant flow was in excess of 5.2 million gallons for several hours, which is nearly 3 times the normal operation, and the facilities were able to handle it. Pump Station #2 experienced excessive runoff, and Frank contacted NDEP to report the situation. Frank reported that the plant was staffed 24 hours a day over the weekend, and as a precaution rented a room at the Best Western Motel in the Ironwood Center in case staff members were unable to return home or reach the premises. One of the influent pumps is out of service due to the damaged VFD, and discussion followed regarding alternatives for handling excess influent. The Board directed Frank to put together an estimate for a fourth pump.

Frank Johnson reported that Park Cattle Company requested to set traps on MGSD property for coyotes. The areas have been posted so MGSD employees and the public will be aware of them. Frank met with a representative of Park Cattle Company and the Department of Wildlife to ensure MGSD would not be held liable for any injuries, and to agree to the trap permits.

Meeting adjourned at 9:00 p.m.

Approved 2-7-06
Date

By Jerome Etcheberry



**Minden Gardnerville Sanitation District
District Manager's Report
January 2006**

1. Southwest Gas will be televising our main sewer lines in several areas, in an effort to locate any possible gas line penetrations. I relayed to them that MGSD does not typically allow people into our lines without MGSD personnel being present. They agreed to compensate for man hours spent supervising the televising and will provide us with tapes of the lines which should provide us with the location of the laterals as well. In addition, we may possibly be able to save several thousand dollars on televising the lines when they are scheduled to be televised in the near future.
2. 395 Boring project- Canyon Creek has completed the major portion of the tie-in and has backfilled the area. While not all the testing has been completed to date, it is a great relief knowing they may soon be finished. The replacement of the storm drain, berm and trees, and clean up of the site is still yet to be completed.
As reported last month we sustained some damage to our equipment in the head works due to issues the contractor had with some manhole plugs which had gotten into the bar screen. I have spoken with Canyon Creek and informed them of the issue and have prepared an invoice for the cost of the parts and labor for repair and will present it to them for reimbursement.
3. With the increasing number of restaurants and other commercial establishments such as automotive repair shops, the accumulation of grease in the lines is becoming increasingly problematic. We had a recent backup of the line coming into the plant from the Ironwood Center across the street, which was traced to the restaurants in the area. While the MGSD Code addresses the issue, it may be prudent to amend the Code to include a Grease and Oil Control Policy. (See attached policy draft). The draft has been reviewed by Bill Peterson and Bruce Scott and they are both in agreement that the issue needs to be addressed.
4. At the December Board meeting, the subject of establishing fees for the use of the Vactor truck to clean lines prior to acceptance of the lines was brought up. It was established that a fee of \$400.00 would be charged if MGSD had to clean the lines in lieu of the contractor

cleaning them prior to acceptance. This fee could also be implemented to ensure compliance of the before mentioned proposed Grease and Oil Control Policy. As we do not want to get into the habit of performing these services, it would serve a means to ensure compliance. This proposed fee, however, requires a change of the MGSD Code and requires the proper noticing. While it is on the upcoming agenda, it is up for discussion only at this time, until proper noticing and public meeting procedures have been accomplished.

5. The question of how many hours of use were on the Vactor truck was asked at the last Board meeting. From September 1996 through December 2005 the hours are as follows:

In plant usage – 143.75 hrs.
Line cleaning/maintenance - 130.00 hrs.
Mutual aid to other entities (GRGID/IHGID)–18.5 hrs
Total hours: 292.25

6. SPPCO billing- As reported at the last Board Meeting, Sierra Pacific Power Company changed the billing rates and times for the non-irrigation period without notification. As a result, we incurred a bill of \$20,824 for pumping in the month of November, which was an increase of approximately 112% over November 2004. Bill Peterson is still working on the issue for us and anticipates a resolution soon. The change of the non-irrigation rate period from November 30th to October 31st will necessitate the need for additional pumping during the non-irrigation period in the future.
7. Solids Contact Project- The project is progressing with the majority of the concrete work and construction of the blower building nearing completion.
8. Administration Building Project- The walls have been torn down and are being re-constructed as needed. With the project still approximately 9 weeks behind schedule, and inclement weather upon us, it is anticipated that an extension of the completion date will be requested. Robbie Oxoby will have additional information at the meeting.

Frank Johnson
District Manager



Board of Trustees
Minutes of Regular Meeting
Tuesday, February 7, 2006
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
Bruce Scott
Bonnie Feticc
April Burchett

Others Present:

Robbie Oxoby
Richard Peters
Brenda Stein
Tyler Thew
Mark Dudley
Doug Rastello

Meeting called to order at 7:00 p.m.

Leonard Anker introduced Mark Dudley and explained that Mark is interested in becoming a trustee.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson and Bonnie Feticc. Frank Johnson explained that Sierra Pacific Power Company's monthly bill for Pump Station #2 will now be included with the bill for the plant, so MGSD will be receiving 2 monthly bills from Sierra Pacific instead of 3 bills. Motion by Leonard Anker to approve the claims for January, 2006 in the amount of \$694,517.68 and to approve the claims paid during the month of January, 2006 in the amount of \$93,331.84. Seconded by O.P. Brown, Jr. Motion carried.

Minutes of January 3, 2006 -- The minutes of January 3, 2006 were reviewed by the Board. Motion by O.P. Brown, Jr. to accept the minutes of January 3, 2006. Seconded by Ronald Wilcks. Motion carried.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. Robbie reported that the trusses were installed, but they were not placed in the correct location, and Robbie has halted construction. Robbie emphasized that in his opinion, the contractor is good, but that there appeared to be a lack of communication between the superintendent and the subcontractors regarding the complexity of this project. Robbie has met with most of the involved parties, and there is a clear understanding of what needs to be done to resolve the



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problem. The owner of MGM Construction will be onsite weekly to coordinate with the project superintendent and oversee the progression of construction. Some of the back wall needs to be removed, and the Board expressed concern about the structural integrity of the wall. Discussion followed regarding how the wall will be taken down and repaired, as well as inspection of the project. Robbie stated that he has asked for a revised schedule from the contractor, and he anticipates that both phases of the project will be completed around mid-July 2006. The Board authorized Robbie to perform as many inspections he feels is necessary in order to insure that the building turns out correctly.

Richard J. Peters -- Approval of June 2005 Audit -- Represented by Richard J. Peters. Richard Peters presented the Audit Report for June 2005. Discussion followed regarding definition and disbursement of capital contributions. Motion by Leonard Anker to approve the Audit Report prepared by Richard J. Peters, Jr. & Co. for the Minden-Gardnerville Sanitation District fiscal year ending June 30, 2005. Seconded by O.P. Brown, Jr. Motion carried.

Richard presented a new 3-year proposal for the audit beginning with the fiscal year ending June 30, 2006. Motion by Michael Henningsen to accept the 3-year contract for auditing services from Richard J. Peters, Jr. & Co., beginning with the fiscal year ending June 30, 2006, in an amount not to exceed \$9,675.00 for the first year. In subsequent years, the fee increases would be limited to the lesser of the cost of living index increase or five percent unless there are regulatory changes, which would alter the scope of the examination. Seconded by O.P. Brown, Jr. Motion carried.

Secretary's Report -- Bonnie Feticc explained to the Board that MGSD has a \$100,000.00 time certificate with Wells Fargo Bank that matures February 26, 2006. It is Richard Peter's opinion that it be cashed and put with the Money Market account. Motion by O.P. Brown, Jr. to authorize the Executive Secretary to cash the Wells Fargo time certificate in the amount of \$100,000.00 and deposit it into the Money Market account. Seconded by Leonard Anker. Motion carried.

Public Hearing to Establish Hourly Rate for Vector Truck Use -- Frank Johnson reported that the legal noticing for public hearing is in order, a Business Impact Statement was prepared indicating that there will be no negative impact to businesses, and the Board may proceed with the Public Hearing to establish an hourly rate for use of the Vector Truck. Frank explained that the proposed fee of \$400.00 is higher than fees charged by private entities to discourage the



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public from using MGSD for Vactor Truck service. Motion by O.P. Brown, Jr. to establish a rate of \$400.00 per hour for use of MGSD's Vactor Truck, the new rate to become effective March 7, 2005 pursuant to NRS requirements. MGSD Legal Counsel is directed to amend the MGSD Code to stipulate the usage fee of \$400.00 per hour for Vactor Truck use. Seconded by Ronald Wilcks. The Chairman called for public commentary. There was none. Motion carried.

EXD Engineering -- Policy for Lateral Conversion from Apartments into Condominiums -- represented by Brenda Stein. Brenda Stein presented preliminary drawings for the Silver Sage Village Apartments, which is proposed to be converted into condominiums. She stated that she is asking about the Board's policy on whether a separate lateral will be required for each unit, and project approval is not being requested at this time. Frank Johnson pointed out that this is a relatively new concept of developers converting existing apartment complexes into condominiums, with individual ownership of each unit. MGSD's current policy is to require a separate lateral for each parcel, but that running a separate lateral to each condominium unit is not always feasible. Frank presented a legal opinion memorandum from MGSD Legal Counsel regarding this type of situation, which mentions the requirement of the establishment of a homeowner's association per NRS 117.060. Discussion followed regarding the responsibilities of the homeowner's association, which include payment of the quarterly user fees as well as maintenance of the laterals. The Board directed Frank to coordinate with MGSD Legal Counsel to create a document which clarifies MGSD's policy to allow 1 lateral service connection per existing apartment building, when the units within the building are converted to condominiums or townhomes, with legal documentation within the CCC&R's that the Homeowner's Association will be responsible for the user fees and maintenance of the lateral, as well as to direct MGSD Legal Counsel to amend the MGSD Code accordingly. This policy will apply to existing apartment buildings only. Any new projects built to condominium standards would require a separate lateral for each unit within a building.

Zephyr Properties -- Ironwood Townhomes Line Acceptance and As-Built Approval -- represented by Tyler Thew and Doug Rastello. Tyler Thew requested acceptance of the sewer mains in the Ironwood Townhomes development for public maintenance. Bruce Scott presented a letter from Resource Concepts, Inc. dated January 24, 2006, with items that need to be considered by the Board, including a plan for access to the mains and assurance that the improvements were constructed according to the plans. Frank relayed to the Board that there is a concern with the ability to get the Vactor Truck to each manhole for maintenance, as there are fencing, light fixtures and landscaping blocking physical access. The Board directed Bruce Scott to coordinate with Tyler Thew to establish a designated access route to each manhole, and place



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this item on the March 7, 2006 board meeting. The Board also directed Frank Johnson to coordinate with MGSD Legal Counsel to draw up a Hold Harmless agreement that would absolve MGSD of responsibility for damage to landscaping or other improvements incurred during MGSD's maintenance of the lines should they be accepted by MGSD.

Engineer's Report -- Bruce Scott reported that Jill Sutherland of Resource Concepts, Inc., has been working with Frank Johnson regarding the Biosolids permitting. The fees related to the Biosolids permit include an application fee of \$1500.00 as well as an annual fee of \$1650.00, and Bruce felt that MGSD should pay the fees as a courtesy to the Dreyers, in order to encourage the Dreyers to keep using the Biosolids. The Board authorized payment of the fees.

Bruce mentioned that the rehab project is continuing, and V & C Construction is almost done. There is still some work left by Hydrotech.

Bruce reported that he and Frank Johnson met with Mr. and Mrs. Corley regarding the sewer extension to serve the proposed Settlemeyer project near Ruhenstroth. The sewer main will need to go through the Corley Ranch to bypass the Washoe Tribe property. Mr. Corley would like to connect the ranch house, a guest house and a barn onto the sewer, but the acreage fee for annexation is prohibitive, since the Ranch is one large parcel. Bruce wanted to give the Board notice that this question may come up, and it might be worthwhile to get an opinion from MGSD Legal Counsel on whether a portion of the parcel can be served in exchange for an easement for the sewer extension. Discussion regarding comparison with Mack Ranch for the GRGID interceptor.

In answer to a question by the Board at the January 3, 2006 meeting about the construction activity on Muller Lane, Bruce reported that Sierra Pacific Power Co. is constructing a substation.

District Manager's Report (see attached report) -- Frank Johnson stated that most of the items in his report for February were discussed during the meeting. With regard to Item 3, Frank reported that he feels the situation with the additional EDU's for the Minden Market, now known as Sierra Nevada Trading Co., has been resolved. Frank discussed that there is misdirection in the MGSD Code regarding calculating the EDU's for additional hours of operation. Frank will meet with Bill Peterson to clarify the MGSD Code. K & S Properties will need to purchase 5.625 additional units for the market in order to stay open for 14 hours. Frank asked for approval from the Board to sell the additional units. Motion by Michael Henningsen to sell an additional



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5.625 units of capacity to K & S Properties for the Sierra Nevada Trading Company. All rules, regulations, and requirements of MGSD are to be met, and all fees paid. Seconded by O.P. Brown, Jr. Motion carried.

Frank Johnson reported that the Highway 395 boring project is completed, and a fence has been installed for Vactor Truck access. There is still some landscaping that needs to be re-established. Canyon Creek Construction still has not reimbursed MGSD for the bar screen damage, and the Board directed Frank to not accept the project until the invoice has been paid.

Discussion followed regarding the estimate for a new influent pump and what the estimate includes. Bruce Scott mentioned that Henry Dreyer may have a pump that would be suitable. The Board directed Frank Johnson to make inquiries with Henry Dreyer. Frank will obtain additional information and present it to the Board at the March 7, 2006 meeting, unless an immediate decision is needed.

Discussion followed regarding the status of the Solids Contact Aeration Project. Northern Sierra Construction is proceeding ahead of their schedule. The Board asked about the excess dirt, and Frank stated that NSCI will be using the dirt for backfilling.

The effluent ditch is in need of repair, and Sierra Geosynthetic Service will be out to do the repairs later in the week. MGSD is currently discharging effluent with NDPES permission into the Martin Slough until the repairs are completed.

Frank reported that he has not heard anything further from Southwest Gas regarding their request to televise the sewer mains.

Meeting adjourned at 9:45 p.m.

Approved 3-7-06
Date

By Jerome Etchegoyen



**Minden Gardnerville Sanitation District
District Manager's Report
February 2006**

1. SPPCO Billing - Sierra Pacific Power has issued a credit in the amount of \$10,485.94 for the December 2005 billing for pump station # 4. In the future it will be necessary to pump to Bently in the month of October as opposed to November and we will need to pump an anticipated additional 15-20 days during the non-irrigation season to keep the reservoirs at a manageable level. As of January 31st, we are pumping to Bently and anticipate pumping for approximately 20 days.
2. An item on this month's agenda deals with a relatively new concept of converting existing apartment buildings into condominiums. This poses the problem of who is responsible for the lateral, payment for service and if each individual unit (A.P.N.) is to be serviced by a separate lateral. (See attached memo by MGSD Legal Counsel.)
3. Minden Market – At the special meeting of September 22, 2005, Kevin Coleman of K & S Properties had concerns with the EDU calculations for his proposed market. At that time the EDU requirements were to be 48.85 EDU's due to the hours of operation being in excess of 1 shift (9 hours) per day. The rate calculations were discussed at great length and it was felt that the Board should review MGSD's Code to see how the EDU's are calculated. Several proposals, one of them being to monitor the water usage to determine sewer usage were presented. Kevin then agreed to keeping the store hours at 1 shift (9 hours) and purchase 18.25 EDU's as was reflected on the plans provided. Subsequent changes noted on the plans after the final walkthrough necessitated that he purchase an additional 1.75 EDU's. After informing Kevin that an additional 30.625 EDU's would need to be purchased to keep the store open the originally planned 14 hours, he came up with the following. He plans to operate the store 9 hours per day for several months and monitor the water usage, then come back before the Board and try to have the Code modified to allow for the rate to be determined upon water consumption. This idea, among other options, was discussed at subsequent meetings and it was decided at the December 6, 2005 meeting that the EDU rate calculations should be left as is currently outlined in the MGSD Code. (See attached excerpts from minutes of 9/22/05, 12/6/05 and letter from Net Development of January 30th, 2006.)

4. 395 Boring Project – With the exception of the final testing and replacement of the fencing and trees, the contractor has completed the tie-in into the plant. There are still some issues with infiltration into the manholes which need to be resolved. They are currently working across Hwy. 395 and proceeding North with the line.
5. At the last Board meeting, it was requested that I obtain estimates for an additional influent pump for back up situations. I contacted Craig Olson of HDR and obtained pricing for a pump which matches our existing pumps. With a price of \$45,000.00 which does not include installation/electronics, etc..., we may be better served at this time by a trailer mounted emergency pump which we can use elsewhere as well. The pump we currently have was purchased used in the early 80's and is nearing the end of its life expectancy. The cost of a new pump with pertinent hoses and equipment is approximately \$26,000.00.
6. Solids contact project – The project is progressing along fine with the major portions of the project completed. The blower building is complete with the roofing installed and currently they are in the process of installing the blowers and electrical in the building along with hand railing along the basins and digesters.
7. Admin Bldg. - Robbie Oxoby is expected to have information on the Admin. Building at the meeting.

Frank Johnson
District Manager

**net
development co**

January 30, 2006

Sent Via Fax and U.S. Mail
(775) 782-4915

Mr. Frank Johnson
District Manager
Minden Garnerville Sanitation District
P.O. Box 568
Minden, NV 89423

Re: Sierra Nevada Trading Company -- EDU Calculations

Dear Frank,

First of all thank you for the time and effort you put into calculating the fees for this project. I know it was a lot of work and it underscores the reason for this letter.

As you know, between Sierra Nevada Trading Company and Net Development we have paid for a total of 21 EDU's totaling \$76,000. This amount represents the fees for a 9 hour shift per day, as it is calculated with the current fee structure. Per your letter dated January 19, 2006, if we were to stay open for an additional 5 hours, our fees would more than double. We would be assessed an **additional** 30.625 EDU's amounting to an **additional** \$116,375 - \$6,650 (paid on 1/19/06) for a total of \$109,725 in additional fees. This amounts to an increase of over 144% in fees for an additional 56% of store operating hours. As you can see this seems way out of line and does not reflect actual usage.

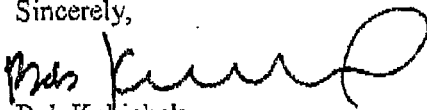
In the Special Board Meeting on Thursday September 22, 2005, in which Kevin Coleman attended, the Board acknowledged inconsistencies within the fee structure and agreed to make changes. The Board of Directors also stated that if Sierra Nevada Trading Company had a water meter it would enable them to come up with a more appropriate assessment, at which time Kevin Coleman stated that "we do have a water meter". No further action was taken. At the conclusion of this meeting you recommended that Sierra Nevada Trading Company pay for the 9hrs of operation and allow the board to make the necessary modifications to the fee schedule. Once these modifications were made Sierra Nevada Trading Company would address any additional fees at that time.

Since no changes were made by the Board of Directors and in an effort to fairly and accurately determine the correct EDU count, Sierra Nevada Trading Company will perform daily monitoring of their water meter. The water meter readings will be tabulated each morning at the same time prior to the opening of the store. This

information will be presented to the Board of Directors to justify any modifications of the current fee structure. We propose 90 days of readings to establish an accurate average use.

I believe this is a smart and fair common sense approach to this problem. Please call me with any concerns or questions regarding this matter.

Sincerely,



Bob Kulichuk

Director of Development, Net Development Company

Cc: Kevin Coleman, Net Development Company
Pam McClain, Sierra Nevada Trading Company

from Sept 22, 2005
Meeting (Special Meeting)

K&S Properties (Net Development Co.) -- Market at Minden Village (Minden Village -- 1681 Lucerne, Bldg. I) -- Represented by Kevin Coleman. Kevin verified that he is the owner of the market at Lucerne and Ironwood. Frank Johnson presented the plans, and stated that K & S Properties is requesting capacity of 48.85 EDU's. Kevin expressed concern about the number of EDU's, and that he doesn't understand how the multiple sinks are calculated. Jerome Etchegoyhen asked if it was necessary to have the number of drains shown on the plans. According to Kevin, the building code requires it. Discussion followed regarding condensate drains. Kevin stated that there are ten cases in frozen foods, adding 10 more drains. But there is no water supply, and it all drains to one floor drain. Frank explained that a condensate drain is 0.05 or 1/20 of an EDU. Frank said that part of the EDU count is the extra hours of operation. MGSD charges an extra fee per drain if the business's hours of operation are more than 9 hours. Frank also explained that according to MGSD's Code, the food preparation area in markets does not take extra hours into account, and is calculated the same as a restaurant. Frank presented a letter from MGSD legal counsel Bill Peterson, received at MGSD late on September 21, 2005, that interprets the MGSD Code as it relates to drains and multiple sinks. Discussion followed regarding comparison of fee calculations in other areas. Kevin discussed concerns to the Board about how the drains are calculated and gave examples of EDU's for various businesses within Minden Village. Leonard Anker felt that the Board should take a look at MGSD's Code to see how the EDU's are calculated. He believed that when the original MGSD board set up the code, they had no knowledge of how much sewage came out of various projects. Jerome Etchegoyhen related that he appreciated Kevin's attitude to the Board and that he is not adverse to looking at the Code, but for right now, Kevin needs to have a decision today. O.P. Brown, Jr. expressed concern that if calculations are changed for this project, then it would impact the other markets. Discussion followed regarding processing solids materials as opposed to liquids. Leonard mentioned that the capacity is the amount of solids being processed, not the gallonage from a business. Another concern Kevin had is that the Town of Minden uses MGSD's EDU count for the water fees. Michael Henningsen felt that the Code should be looked at, and that it should be fair for both MGSD and a business owner. Frank stated that there is a total of 81 drains in the market, which equates to 48.85 EDU's. Kevin put forth the option to use the existing water meter to determine usage. Leonard felt that if the owner installs water meters, the January and February readings should be used to establish usage. Discussion followed regarding how to

handle differences in usage. Motion by O.P. Brown, Jr. to approve the plans for K & S Properties Market at Minden Village, located at 1681 Lucerne, Building I and to sell 48.85 units of capacity for the Market at Minden Village. The rules, regulations and requirements of MGSD are to be met and all fees paid. Seconded by Michael Henningsen. 4 Ayes: Jerome Etchegoyhen, O.P. Brown, Jr., Michael Henningsen, and Ronald Wilcks. 1 Oppose: Leonard Anker. No Abstentions. Leonard felt that the motion doesn't allow K & S Properties a means of recovering their costs if it is determined that the fees are excessive. Frank presented the option of charging K & S Properties for 1 shift, which would help with the EDU calculations. Leonard requested that the Board discuss a change to the MGSD Code at their October 2005 meeting. Leonard suggested that K & S be charged for 1 shift and then adjust the figure when the actual capacity is determined. Michael expressed concern about making a quick decision, and would prefer some time to think it through. Motion by O.P. Brown, Jr. to amend the prior motion to approve the plans for K & S Properties Market at Minden Village located at 1681 Lucerne, Building I and to sell the number of units at the current rate for the drains shown on the plans submitted to reflect 1 shift or 9 hours of operation for the Market at Minden Village located at 1691 Lucerne, Building I. The rules, regulations and requirements of MGSD are to be met and all fees paid. Seconded by Michael Henningsen. Motion carried unanimously.

From DECEMBER⁰⁵ Board Meeting

. Discussion followed regarding noticing of the public hearing for EDU rate changes. Due to publication requirements as outlined in Nevada Revised Statutes, the public hearing cannot occur until the February 7, 2006 regular board meeting. The Board expressed concern about the public's perception of raising capacity rates at the January 2006 meeting then lowering EDU calculated rates at the February 2006 meeting. The Board concurred that EDU rate calculations should be left as is currently outlined in the MGSD Code.



Board of Trustees
Minutes of Regular Meeting
Tuesday, March 7, 2006
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
Bruce Scott
Bonnie Feticc
April Burchett

Others Present:

Mark Dudley
Robbie Oxoby
Bob Spellberg
Jim Benesch
Peter Beekhof
Bill Healy
Kent Neddenriep

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson, Robbie Oxoby, Bruce Scott and Bonnie Feticc. Motion by Michael Henningsen to approve the claims for February, 2006 in the amount of \$677,185.93 and to approve the claims paid during the month of February, 2006 in the amount of \$4,838.98. Seconded by O.P. Brown, Jr. Motion carried.

Minutes of February 7, 2006 -- The minutes of February 7, 2006 were reviewed by the Board. Motion by O.P. Brown, Jr. to accept the minutes of February 7, 2006. Seconded by Ronald Wilcks. Motion carried.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. Robbie presented a letter from MGM Construction that discussed the status of the project and the problems that have arisen during construction. Robbie reported that the revised completion date for both phases is the end of July 2006, about 4 months after the original estimated date. The trusses are scheduled to be in place later in the week. Robbie stated that he appreciated the support of the Board, and that he felt comfortable with how things are now progressing.

Gardnerville Ranchos GID -- Capacity Request-- Represented by Bob Spellberg. Bob discussed the ongoing construction in the GRGID service area, and GRGID's need to purchase 40.0 additional units of capacity. Discussion followed regarding a difference of opinion that



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arose during the month of February regarding whether MGSD properly notified GRGID of the capacity rate increase. Bob presented an opinion memo from GRGID's legal counsel regarding the noticing requirements between MGSD and GRGID for rate increases, which differed from the opinion received from MGSD's legal counsel. Discussion followed regarding the public noticing requirements stipulated by NRS and the requirements outlined in the Agreement between MGSD and GRGID. Mr. Anker stated he was hesitant to undermine MGSD's legal counsel and suggested that MGSD and GRGID split the difference in the rate. Bob replied that GRGID does not want to jeopardize an ongoing positive relationship with MGSD, and GRGID's legal counsel has drafted a memo authorizing GRGID to purchase the EDU's at MGSD's new rate. Mr. Henningsen asked if there was anything MGSD could do in the future to prevent this issue from reoccurring. Frank Johnson stated that MGSD will notify GRGID directly via telephone and/or mail when MGSD is proposing an increase in the capacity rate. Motion by O.P. Brown, Jr. to sell 40.0 units of capacity at the rate of \$3800.00 per unit to the Gardnerville Ranchos General Improvement District under the terms of the Supplement to the 1974 Agreement between GRGID and MGSD and are to be used within the Gardnerville Ranchos General Improvement District Boundary. Seconded by Michael Henningsen. Motion carried.

Jim Benesch, MicroEase -- Proposal for Accounting System Upgrade-- Represented by Jim Benesch and Bill Healy. Frank Johnson reported that pursuant to the Board's direction at the February meeting to upgrade the accounting system, Frank contacted Jim Benesch of MicroEase who installed the accounting system currently in use. Jim discussed his experience with the Great Plains software, which is marketed by Microsoft. Frank said the system can be updated in a piecemeal fashion, but he was hesitant to recommend this approach due to concerns with possible conflicts between hardware and software upgrades. Jim said the new system will be similar to the current setup, but will be faster and allow more functions. Jim introduced Bill Healy, who would oversee the hardware needs and installation. Jim presented a proposal for \$58,000.00, which included training, programming, custom programming, and hardware for two stations. The proposed system would utilize the networking system that Tesco will be installing in the new administrative building, and will include the same level of security banks use, have the capability of downloading updates over the internet, as well as allowing customers to view their accounts. Mr. Henningsen expressed concern about the custom modification and the unwillingness of computer specialists to work on modifications they were not involved with. Jim stated that MicroEase is a limited liability company with several employees, and he anticipates that any employee of MicroEase will be able to perform necessary repairs and maintenance if he is not available. The Chairman asked if the upgrade is required to be put to public bid under State Statutes, and Frank reported that he has left a message with MGSD's legal counsel for an opinion on this matter. Mr. Anker felt that he would like an opinion from



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MGSD's accountant with respect to whether the proposed hardware and software would meet MGSD's needs. The Board felt that additional time was needed to determine if this item would be subject to the public bidding process, as well as to consult with MGSD's accountant.

Zephyr Properties -- Ironwood Townhomes Line Acceptance and As-Built Approval-- Frank Johnson presented a memo from Tyler Thew at R.O. Anderson Engineering, Inc., requesting the removal of this item from the March agenda. Frank Johnson reported that he performed an onsite inspection of the sewer line locations, and he feels it would be difficult to get the Vactor truck to the manholes for line maintenance and repair due to existing fencing, landscaping, lighting, and mailbox locations. While the developer has indicated that they would absolve MGSD from any liability due to any damage incurred during emergency situations, they may not be as amicable during times of ongoing routine maintenance. Bruce Scott concurred.

Peter Beekhof -- Stone Creek Estates (formerly Crestmore Townhomes Project) -- EDU Extension Request -- Represented by Peter Beekhof and Kent Neddenriep. Peter Beekhof presented the latest site plan design for the project and discussed conflicting requirements imposed by the County and the Town of Gardnerville. Peter and Kent now estimate 6 months for the tentative map process to be completed, and an additional 6 months after tentative map approval to award a contract for construction. Discussion followed regarding the initial capacity purchase and the extensions that have been granted to date. Mr. Anker felt that the MGSD Code should be amended if the Board does not choose to closely adhere to it, and he felt that the regulation of granting only one extension should be removed from the Code. Mr. Henningsen agreed with Mr. Anker. Frank Johnson read Chapter 22.010 of the MGSD Code which states, "The Board of Directors of the Minden-Gardnerville Sanitation District retains the right to grant adjustments and exceptions to the provisions of this ordinance in order to vary or modify the strict application in cases where there are practical difficulties or unnecessary hardships." Bruce Scott pointed out that the Board is establishing with this project the types of "unnecessary hardships" that would permit the Board to grant additional extensions. Mr. Brown felt that the developer should show progress in 6 months, or the capacity be subject to cancellation. Motion by O.P. Brown, Jr. to grant a 6 month extension for the use of 73.60 units to Stone Creek, LLC for the Stone Creek Estates development (formerly Crestmore Townhomes) subject to review and termination of the allocated capacity by October 6, 2006. Seconded by Michael Henningsen. Motion carried.



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Engineer's Report -- Bruce Scott reported that Sierra Pacific Power Company is considering a rate increase, with interruptible irrigation rates subject to the highest proposed increase. He felt it would be in the Board's best interest to make comments at the hearings via letter or representation at the hearings. Mr. Anker believed that in addition to protesting the proposed 22% increase, MGSD should also request that the end of irrigation season date be moved back to the end of October. The Board directed Frank Johnson to coordinate with MGSD legal counsel to prepare a letter and possibly coordinate representation to comment on the proposed rate increase.

District Manager's Report (see attached report) -- Frank Johnson reported that the effluent ditch was dewatered to facilitate the warranty repair of the liner, and that the rear pickup ditch was cleaned of debris. A considerable amount of groundwater was found to be flowing into the pickup ditch, and it was noted that the check valves were also leaking. Frank reported that he was working with Bruce Scott and Todd Connelly at Resource Concepts, Inc. (RCI), to resolve the problem. Discussion followed regarding alternative solutions, including realignment and relocation of the ditches. Bruce Scott said he believed the ideal solution would be to integrate any ditch relocations with the ongoing and proposed plant expansions and improvements. With the Board's authorization, Bruce stated that RCI will provide a proposal for an effluent pumping and piping master plan that would take into account the proposed plant expansions contained in HDR Engineering's master plan. Any repair work on the ditch will require topography surveys, which Bruce estimates would cost \$7,000 to \$10,000. Bruce believed the master plan would run in the range of \$20,000. Motion by O.P. Brown, Jr. to authorize RCI to provide a topographic survey and a proposal for a master plan to review the effluent pumping and piping to the ponds. Seconded by Ronald Wilcks. Motion carried.

In regards to inquiries about a new influent pump, Frank reported that he spoke with Henry Dreyer about the possibility of acquiring one of the Dreyer pumps, and Mr. Dreyer stated that he has no plans to sell any pumps. Frank will get other estimates and include it in the 2006-2007 budget.

Frank stated that Southwest Gas is televising laterals for gas line encroachments, and he feels that Southwest Gas's contractor is competent. MGSD is being reimbursed by Southwest Gas for the time MGSD staff spend onsite. Southwest Gas reported that 75 laterals have been televised to date and that 2 gas line impingements were found. Frank also reported that Southwest Gas will provide MGSD with the video and is marking the addresses for each lateral that is televised, to help MGSD with future identification of the laterals.



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Frank stated that he and Jill Sutherland of RCI met with Bruce Holmgren of NDEP regarding the Biosolids permit. NDEP is in the process of approving the permit, but NDEP may require installation of groundwater monitoring wells or containment berms around the storage area. Bruce Scott felt that monitoring wells would be a preferred method to determine if additional action, such as a containment berm, is needed. Bruce recommended that MGSD take no action until NDEP issues a determination. The Board concurred.

Frank Johnson reported that due to the delays to the administration building construction, the purchase of new lab equipment which was budgeted for 2005-2006 has been delayed. However, Lab Technician Tim Sheets is proceeding with the purchases, so the Board will see large expenses for the lab equipment and other plant equipment during April, May, and June. Frank also stated that the new equipment purchased to date has helped with MGSD's testing and certification requirements.

Meeting adjourned at 9:10 p.m.

Approved _____
Date

By Jerome Etchegoyhen



**Minden Gardnerville Sanitation District
District Manager's Report
March 2006**

1. As reported last month we diverted flow to facilitate the warranty repair of the effluent ditch liner. At that time we cleaned the rear pickup ditch of debris and noted an excessive amount of groundwater flowing into the ditch. In addition the check valves on the discharge lines for the pumps which are below grade were noted to be leaking. With the groundwater infiltration and backflow from the faulty check valves we are pumping an excessive amount of flow back to the ponds, some of which has already been pumped. I have been working with Todd Connelly of RCI to address the situation.
2. Ironwood Townhomes – On the meeting agenda is the continuance of discussion of the acceptance of the lines for the Ironwood Townhomes project. As discussed at the last meeting, there are several concerns regarding accessibility due to obstructions from fencing, lighting fixtures, fire hydrants, landscaping, sidewalks and other obstructions. I physically walked the project and am of the opinion that acceptance of the lines would be problematic. To access the lines would mean removal of fencing and lighting fixtures in some areas with other accessibility concerns present as well. It would be nearly impossible to efficiently and safely work in the area during an emergency situation. It would be my recommendation that MGSD does not accept the lines for maintenance due to the above mentioned concerns.
3. Stone Creek Estates (formerly Crestmore Townhomes) – An extension request for usage of 73.6 EDU's already allocated for the project has been presented. Apparently, issues with the County and Town of Gardnerville have once again delayed the project. Three extensions, two of which were granted to the previous owner and one to the current owner, totaling 18 months, have already been granted. If the Board determines an additional extension is warranted, it may want to make it the final extension so as not to set a precedent. The current extension is scheduled to expire on April 6, 2006. (See attached sheet).

4. As requested at the February meeting I spoke to Henry Dreyer about the possibility of purchasing one of their irrigation pumps for use around the plant and in emergency situations. At this time they are planning to keep both pumps. I will budget for a new pump in the upcoming budget.
5. Southwest Gas is now televising several of our main lines to check for gas line impingements in individual laterals. They appear to be competent in doing so and have required minimal supervision at this time. The cost of any supervision given will be reimbursed to MGSD by Southwest Gas and video of the lines will be provided as well.
6. At the Board's directive, MGSD is to pay the fees for the Dreyers' bio-solids permit. Upon meeting with Bruce Holmgren of NDEP last week, it was brought to my attention that in order for the Dreyers to continue to stockpile the bio-solids, it may be necessary to install containment berms or groundwater monitoring wells around the storage area. NDEP plans to study the area before issuance of the permit.
7. We have been holding off on purchasing the new lab equipment and other budgetary items until the completion of the new administration building. With the project behind schedule and the end of the fiscal year coming upon us, these expenses should be showing up within the next 3 months.
8. Solids contact project – According to the contractor the project is approximately 90-95% complete at this time. The contractor anticipates putting the system on line within the next 2-2 ½ weeks.
9. Admin Bldg. - Robbie Oxoby is expected to have information on the Admin. Building at the meeting.

Frank Johnson
District Manager

Initial capacity granted	January 2, 2001	
First extension	November 2, 2004	(6 months)
Second extension	April 11, 2005	(90 days)
Third Extension	July 5, 2005	(9 months)

Chapter 6, section 6.080 of the MGSD Code reads in part, as follows.

All allocated capacity must be used within two (2) years of the date of allocation. Except as limited by other provisions of this Section below, failure to use the capacity within this time will result in forfeiture of any or all purchased reserved capacity without notice. All money paid for such capacity shall also be forfeited to the District, all of which money shall then become the property of the District. Actually awarding or entering into a binding, written, bona fide construction contract with a licensed contractor for the installation of sewer service within the two-year period shall be deemed use of the capacity provided the contract requires installation of sewer facilities within a reasonable period of time (not to exceed(6) months) in which to install the facilities. For good cause shown and demonstrated, and under very extenuating circumstances which the Board, in its absolute discretion, may accept or reject for any reason or no reason whatsoever, the Board may grant one, and only one, six (6) month extension of the time in which to use the capacity, provided that such request for extension is made before the expiration of the original two (2) year period.



Board of Trustees
Minutes of Special Meeting
Thursday, March 16, 2006
7:00 P.M.

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

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
April Burchett

Others Present:

None

Meeting called to order at 12:00 p.m.

Minden Village I LLC -- Carson Valley Medical Center (Minden Village Building C, 1649 Lucerne St.) -- Plan Approval and Capacity Request -- Frank Johnson reported that the Carson Valley Medical Center is proposing an office in Building C at Minden Village, and that 5.4 units of capacity is being requested. Frank presented the building plans and mentioned that MGSD has received a letter regarding the handling of hazardous waste. Frank also stated that the property owner, Minden Village I LLC, has an outstanding balance for capacity allocated to Building I, the Sierra Nevada Trading Co. grocery store. Frank consulted with MGSD's legal counsel who reported that MGSD cannot issue new permits to an owner who has an outstanding balance. Motion by Michael Henningsen to approve the plans for Carson Valley Medical Center (property owner: Minden Village I, LLC, of which Kevin Coleman is a partner) located in Suites A and B of Building C of the Minden Village development, 1649 Lucerne St., and to sell 5.4 units of capacity to Minden Village I LLC, of which Kevin Coleman is a partner, for the Carson Valley Medical Center located in Suites A and B of Building C of the Minden Village Development, 1649 Lucerne St., subject to payment by Minden Village I LLC, of which Kevin Coleman is a partner, of the outstanding balance in the amount of \$18,040.00 owed for capacity allocated to Sierra Nevada Trading Co., Building I of the Minden Village development. The rules, regulations and requirements of MGSD are to be met and all fees paid. Seconded by Leonard Anker. Motion carried.

District Manager's Report -- Frank Johnson reported that at the Board's direction at the March 7, 2006 regular meeting regarding the proposal for the accounting system upgrade by MicroEase, he has looked into the state requirements regarding public competitive bidding. He consulted



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with MGSD Legal Counsel and examined NRS Chapter 332, which outlines the requirements for local governments and improvement districts for competitive bids. According to NRS 332.115, professional services, computer hardware, and computer software are excluded from competitive bidding. Frank also reported that he spoke with MGSD's accountant regarding the hardware and software included in the proposal, and Richard Peters is in agreement with the equipment and software proposed. Mr. Henningsen felt that the proposal received from MicroEase was reasonable. The Chairman felt that it was unnecessary for the customers to get account status information online, and Frank concurred. The Board directed Frank to consult with Jim Benesch at MicroEase to eliminate the Web Page line item of \$2,600.00. Mr. Henningsen asked if there was an annual service fee for the software. Frank said he will ask Jim Benesch about that. Frank discussed the proposed training procedure. Training will occur mostly online, to avoid the time the trainer would require to travel from Reno to Minden. Frank reported that the online training would necessitate the use of a dedicated IP address. Since Verizon is not equipped at this time to set up a dedicated IP, a T1 line will be needed to accommodate training, as well as interaction with MGSD's accountant. Frank stated that the cost for a T1 line is approximately \$250.00 per month, which includes long distance service. Frank recommended canceling MGSD's long distance service with Verizon, since MGSD's current monthly long distance bill is comparable with the T1 line monthly charge, and recommended utilizing the T1 line service for long distance. Mr. Anker questioned whether MicroEase's proposal amount of \$58,191.00 is a not-to-exceed amount. Frank explained that there may be some minor unforeseen incidental expenses regarding hardware and software installation. Motion by O.P. Brown, Jr. to accept the proposal from MicroEase in an amount not to exceed \$60,000.00 for computer hardware, software, training, and professional services related to the accounting system upgrade. Seconded by Leonard Anker. Motion carried.

Frank Johnson reported that as a result of the walk-through inspection of Dairy Queen, it was found that a floor sink, a double sink, and a hand sink, equal to 1.8 units of capacity, were overlooked by MGSD staff at the initial walk-through inspection in 1992. Frank presented the original plans, which indicated that no remodels or additional drains have been installed since 1992. Frank reported that he spoke with the property owner, who is agreeable to purchasing the additional 1.8 units, but the owner has requested that the additional capacity be purchased at the rate which was in effect 14 years ago, the time the drains were overlooked. The Chairman felt that it was MGSD's error, and that it would be fair to sell the capacity at the old rate. Discussion followed regarding setting a precedent in this matter. The Board concurred that if drains were overlooked at other restaurants during an earlier inspection, and that if evidence exists that no remodels were made since the earlier walk-through date, at the request of the current property owner, the Board will allow purchase of capacity at the prior capacity rate. Discussion followed regarding plan submittals and a final set of as-built plans. Frank said he will start requiring as-



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built plans from the developer, which will prevent this type of problem from occurring in the future. Motion by Ronald Wilcks to sell 1.8 units of capacity at the January 1992 rate of \$2850.00 per unit to Whitecross Limited Partnership for Dairy Queen located at 1750 Highway 395. The rules, regulations and requirements of MGSD are to be met and all fees paid. Seconded by O.P. Brown, Jr. Motion carried.

Meeting adjourned at 12:45 p.m., followed by a tour of the ongoing construction projects at the MGSD Plant.

Approved _____
Date

By Jerome Etchegoyhen



Board of Trustees
Minutes of Regular Meeting
Tuesday, April 4, 2006
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
Bruce Scott
Bonnie Feticc
April Burchett

Others Present:

Mark Dudley
Robbie Oxoby

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson, Robbie Oxoby, Bruce Scott and Bonnie Feticc. Motion by Leonard Anker to approve the claims for March, 2006 in the amount of \$502,403.38 and to approve the claims paid during the month of March, 2006 in the amount of \$520.55. Seconded by O.P. Brown, Jr. Motion carried.

Minutes of March 7, 2006 and March 16, 2006 -- The minutes of March 7, 2006, and March 16, 2006, were reviewed by the Board. Motion by O.P. Brown, Jr. to accept the minutes of March 7, 2006 and March 16, 2006. Seconded by Ronald Wilcks. Motion carried.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. Robbie reported that a project meeting was held earlier today with Frank, Robbie and the contractor attending, and the project is proceeding smoothly. Discussion followed regarding progress made in the past month, including duct work, steel framing and the status of the installation of the roof. Discussion followed regarding a possible deductive change order regarding the elimination of the proposed sidewalk connecting the existing entrance and new entrance sidewalks, in order to avoid public confusion about the building entrance location. Robbie reported that the credit for the sidewalk elimination is being calculated by Craig Olson at HDR Engineering. Robbie also reported that there is a potential change order regarding the addition of metal strips to the perforated decking on the roof overhangs in order to avoid insects



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penetrating and nesting in the perforations. Discussion followed regarding water retention in the decking.

Minden-Gardnerville Sanitation District -- Tentative Budget for 2006-2007 -- Frank Johnson reported that Douglas County has not submitted their property tax revenue projections to the State Taxation Office yet, so the numbers presented in the tentative budget are estimated and subject to change. Frank stated that the tentative budget is due to the State by April 17, 2006, regardless of whether Douglas County's numbers have been submitted. Frank also stated that the final budget will be heard at a Special Meeting on May 18, 2006 at noon. Discussion followed regarding possible reasons Douglas County is running late. Frank presented a table comparing the Tentative Fiscal Year 2006-2007 budget with the Proposed Fiscal Year 2005-2006 budget. The total tentative budget is \$4.3 million for 2006-2007, as opposed to \$6.7 million for 2005-2006. Discussion followed regarding the smaller amount, including completion schedules for current expansion projects. The Solids Contact Aeration Project will be completed, and Frank and Robbie Oxoby anticipate approximately \$300,000.00 of the Administration Building Expansion Project will carryover into fiscal year 2006-2007. Frank pointed out that on the fiscal year 2005-2006 budget, Line TVing, Cleaning and Repair, and Effluent Management were included under Capital Expense, but should have been included with the regular operating budget. Those two items are reflected in the regular operating budget for fiscal year 2006-2007. Discussion followed regarding the carryover of costs for the Administration Building Expansion Project, salaries, capital expense, repairs and maintenance, the master planning for Pump Station 2, and purchase of a new vehicle. The Board directed Frank to add the purchase of a second vehicle to the tentative budget. Mr. Brown stated he would prefer a truck with a utility bed. Mr. Henningsen suggested increasing the amount in the "Office Supplies" line item to cover unanticipated purchases that may be needed after moving to the new administration building. Mr. Wilcks felt that Frank did an excellent job on the table presentation and in anticipating upcoming needs. Motion by Leonard Anker to approve the Tentative Budget for Fiscal Year 2006-2007 subject to increases in the line items of "Repairs and Maintenance", "Office Supplies", and the purchase of an additional truck as discussed by the Board, and retaining the tax rate of .1224. Seconded by Ronald Wilcks. Motion carried.

Engineer's Report -- Bruce Scott reported that Resource Concepts, Inc. is working with Canyon Creek Construction to finish loose ends on the Monte Vista sewer tie-in project. Discussion followed regarding the status of the strategic growth issue to establish limitations in the number of building permits issued in a year.



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District Manager's Report (see attached report) -- Frank Johnson reported that MGSD legal counsel was unable to attend the Sierra Pacific Power Co. rate workshops and is preparing a letter to Sierra Pacific Power Co. on MGSD's behalf regarding the proposed rate increase.

In response to a question that was raised at the March 16, 2006 meeting on the accounting system, Frank stated that the program supplier does not feel an annual service fee is needed, unless upgrades to the system are warranted.

Discussion followed regarding the status of the Solids Contact Aeration project, which is ahead of schedule and substantially complete, as well as the status of payments to Northern Sierra Construction, Inc.

Discussion followed regarding the status of payment of the outstanding invoice from Minden Village I, LLC on Building I (Sierra Nevada Trading Company) at Minden Village. The outstanding balance was paid, with the understanding that Kevin Coleman will again approach the Board in the future to request an MGSD Code change to allow utilization of water meter readings for sewer user fees.

Discussion followed regarding the status of the request for public acceptance for Ironwood Townhomes. Frank spoke with Tyler Thew of R.O. Anderson Engineering, who reported that the developer probably will not continue with public acceptance. Bruce Scott suggested that a letter be obtained from the developer formally withdrawing the request for public acceptance of the sewer mains and that a document be recorded at the County Recorder's Office stating that the homeowner's association is responsible for maintenance of the sewer mains. The Board directed Frank to get a recommendation from MGSD legal counsel.

Frank Johnson reported that long time employee Russ Lindell has submitted his retirement resignation effective June 30, 2006. Russ has been employed by MGSD for 17 years. Frank discussed the future possibility of hiring an onsite staff person who specializes in wastewater instrumentation work, due to the high volume of electrical work that is needed around the plant. Frank also reported that employee Mike Rogers has obtained his Grade I certification, and that he is eligible for a 5% increase in salary. The Board directed that Mike Roger's salary be increased by 5% effective March 24, 2006.

Frank discussed the changes to the certification standards which were implemented by the State this year, making certification more difficult. Frank also mentioned that Nevada now shares reciprocity with all states, except Arizona and California, due to the conformance of the testing.



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Discussion followed regarding scheduling an open house barbeque to celebrate the completion of the Solids Contact Aeration and Administration Building Expansion projects.

Meeting adjourned at 8:20 p.m.

Approved 5/2/06
Date

By Jerome Etelugorhen



Minden Gardnerville
Sanitation District

**Minden Gardnerville Sanitation District
District Manager's Report
April 2006**

1. The tentative budget may not be available in it entirety by the meeting date as Douglas County has not yet provided the State with the final proposed tax rates for fiscal year 06-07. At the very least, I will have the budget available with the preliminary numbers.
2. The accounting computer and software system has been ordered as necessary. It does not appear at this time that a service contract will be necessary, unless upgrades are warranted.
3. Solids contact project is nearly complete with several small items still in need of completion. It appears that substantial completion will be far ahead of the required date.
4. Admin Bldg. - Robbie Oxoby is expected to have information on the Admin. Building at the meeting.
5. Long time MGSD employee Russ Lindell, has submitted his retirement resignation to be effective June 30th, 2006.

Frank Johnson
District Manager



Board of Trustees
Minutes of Regular Meeting
Tuesday, May 2, 2006
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
Bruce Scott
Bonnie Feticc
April Burchett

Others Present:

Mark Dudley
Robbie Oxoby
David Muhlestein

Board Members Absent:

O.P. Brown, Jr.

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson, Robbie Oxoby, and Bruce Scott. Mr. Anker stated that after reviewing the General Ledger Report, he feels that MGSD is in good financial shape, especially considering 1 major project is almost completed, and an additional project is in progress. Motion by Michael Henningsen to approve the claims for April, 2006 in the amount of \$498,327.73. Seconded by Ronald Wilcks. Vote: 3 ayes; 0 nays; 1 absent. Motion carried.

Minutes of April 4, 2006 -- The minutes of April 4, 2006, were reviewed by the Board. Discussion followed regarding recordation of a letter withdrawing request for public acceptance of the mains at the Ironwood Townhomes development, discussed at the April 4, 2006 meeting under the District Manager's Report. Frank explained that MGSD has not yet received a letter from the developer requesting withdrawal of public acceptance. Bruce Scott stated that permission from the developer is not needed to record a notice. Bruce suggested that MGSD legal counsel be consulted with regard to recommended language. The Board directed Bruce and Frank to develop draft language to provide to MGSD's legal counsel for incorporation into a recordable document. Discussion followed regarding the Ironwood Townhomes Homeowner's Association's reluctance to amend the CC&R's (see attached District Manager's Report). MGSD's legal counsel was consulted, who suggested that the Homeowner's Association be billed the quarterly user fees, and to place a lien on each parcel if at any time payment is not received by the Homeowner's Association as required by MGSD Code provisions. Motion by Leonard



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Anker to accept the minutes of April 4, 2006. Seconded by Michael Henningsen. Vote: 3 ayes; 0 nays; 1 absent. Motion carried.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby and David Muhlestein. Robbie introduced David Muhlestein, owner of MGM Construction. Robbie reviewed construction progress over the past month. Mr. Anker expressed disappointment in the quality of the construction. Discussion followed regarding masonry problems that have occurred during construction, and MGM's plans to rectify the problems. David reported that an independent mason will be onsite to inspect the masonry work and make recommendations. Robbie reported that the block at the northeast corner of the new building is not plumb and will be rebuilt, and that it is more of a cosmetic rather than a structural issue. David discussed the problems the mason encountered with the block and mortar. David felt that the building expansion portion of the project (Phase 1) will be completed the latter part of June 2006. Discussion followed regarding payment to MGM Construction. Mr. Anker expressed concern that MGSD is paying the contractor ahead of the construction. Robbie explained that he is working with MGM Construction to ensure that MGSD is paying for work that has been completed. Robbie presented Change Order No. 1, in the amount of \$7,495.33 for 5 items. 1) \$1,380.00 to provide solid bottom block. The lintel blocks required weren't made with the specified type of brick, so the brick had to be cut onsite. 2) \$9,226.18 for the covering of the roof deck perforations as discussed at the April 4, 2006 meeting. 3) \$3,359.15 for the addition of a more stable wood nailer around the perimeter of the roof, at the recommendation of the roof consultant. 4) A credit in the amount of \$6,470.00 for the elimination of the wood nailer on the top of the roof and a reduction in the cost of roof insulation. 5) Weather related time extensions equal to 12 days. Motion by Leonard Anker to approve Change Order No. 1 to the Administration Building Expansion Project, which contains 5 items in the net amount of \$7,495.33. Seconded by Ronald Wilcks. Vote: 3 ayes; 0 nays; 1 absent.

Engineer's Report -- Bruce Scott reported that about \$7,000 for manhole sealing is being held in the rehabilitation project.

Bruce also reported that NDOT will be moving forward on the roundabout at State Route 88 and County Road. Bruce stated that the construction will be monitored by Resource Concepts, Inc. to insure manholes are lowered and brought back to grade properly. Discussion followed regarding making sure the lines are kept clean.



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District Manager's Report (see attached report) – Frank Johnson reported that there is groundwater infiltration at the manhole on the influent line, and presented a photograph of the infiltration. Bruce Scott felt that the manhole needs to be looked at to determine where the leak is occurring and then decide the most cost-effective solution. Discussion followed regarding possible solutions. The Board directed Resource Concepts, Inc. to consult with a grouting-type contractor to get an estimate for repairs.

Frank reported that he attended a meeting of the Wastewater Certification Board at which proposed and possible future changes to the Wastewater Certification requirements were discussed, including future certification for collection systems, which could possibly require companies such as Hydrotech to require certification, as well as optional Maintenance certification for equipment maintenance.

With regard to the 2006-2007 Tentative Budget, Frank stated that Douglas County still has not provided their final numbers to the State. Frank reported that, pursuant to the Board's direction at the April 4, 2006 meeting, revisions were made to the Tentative Budget on the line items of maintenance, office supplies, and an additional truck. The Chairman reported that Mr. Brown has requested to accompany Frank to get the new truck. Frank also reported that he received a call from the State that the tentative budget was improperly prepared, and has appears to have been improperly prepared for the past several years. The Secretary reported that the public hearing for the final budget for 2006-2007 is May 18, 2006 at noon.

Frank reported that erosion occurred in the Muller Lane fields irrigation ditch. The ditch was cleaned, the willows dug out, the ditch was rip rapped with cobbles, and leftover liner material was placed into the ditch in an attempt to help cut down on the willow problem. Discussion followed regarding spraying of the willows by Douglas County in the past. Frank reported that they grow back in spite of the spraying.

Frank stated that a Personnel Committee usually meets during the month of May for employee reviews, and that typically 2 Board members are selected to meet with the District Manager. Last year, Mr. Henningsen and Mr. Wilcks met with Frank. The Board directed Mr. Henningsen and Mr. Wilcks to meet with Frank before the June 6, 2006 Board Meeting.

Frank reported that the Solids Contact project is almost complete, and that Craig Olsen is formulating a punchlist of outstanding items. Discussion followed regarding the O&M Manual provided by HDR Engineering. Frank stated that he found errors in the most recent manual, which have not been corrected yet. Frank feels that the Solids Contact Aeration Basin project



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should not be considered final until a corrected and updated manual is received. The Board concurred.

Meeting adjourned at 9:15 p.m.

Approved 6/6/06
Date

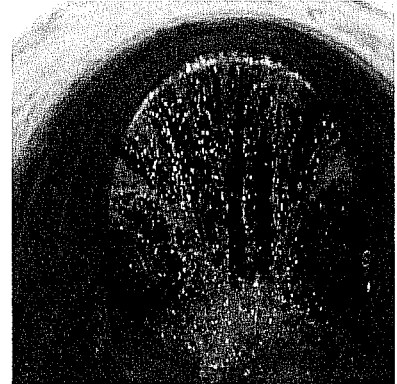
By Jerome Etcheberry



Minden Gardnerville
Sanitation District

**Minden Gardnerville Sanitation District
District Manager's Report
May 2006**

1. Influent line leakage: We recently had liners installed in the three main manholes coming into the plant due to corrosion concerns from hydrogen sulfide gasses within the manholes. Upon installation of the liner in one of the manholes, significant leakage was noted in a section of the line. I have been working with RCI for a resolution.



Looking at line horizontally

2. Tree removal: It has been determined that the large tree at the front of the administration building needs to be removed due to safety concerns, among other reasons. Removal of the tree will help facilitate the construction of the required handicap ramp into the new building.
3. Certification Board meeting: I attended the recent meeting of the Wastewater Certification Board. Recent changes and requirements of the program have necessitated the need for possible additional certifications of personnel in the future.
4. 2006-2007 -Tentative budget: (see attached revised budget). While at this time the final numbers for Douglas County still have not been presented, the Department of Taxation has approved the tentative budget.

At the Boards direction, I made the appropriate changes in regards to the plant maintenance budget and office equipment/supplies for the new administration building as well as an additional truck for the plant. I was then informed by the Dept. of Taxation that the budget had been improperly prepared for the last several years and that they had not previously caught the discrepancies. I then re-prepared the budget, thus getting tentative approval.

5. Muller Lane Fields Irrigation Ditch: The irrigation ditch for the Muller Lane fields has been severely eroding around the gates throughout the past several years. To help alleviate further erosion, we recently rented a backhoe and cleaned out the ditch and rip rapped the areas around the gates with cobbles. We also have been experiencing intrusion from willows in an area of the ditch as well. We had some left over material from the effluent ditch relining project, and after digging out the willows, lined the area with the material in an attempt to keep the willows from returning. Hopefully the material and lack of sunlight in the area will prevent the willows from growing back.
6. Personnel session: It is once again time for the yearly personnel session. It has typically been Board policy to appoint two board members to form a committee with the District Manager to review employee evaluations and make recommendations to the board at the personnel session at the June meeting.
7. Admin Bldg: - Robbie Oxoby is expected to have information on the Admin. Building at the meeting.
8. Solids Contact project: The chlorine contact basin has been placed into service with the solids contact basin anticipated to be placed into service within the next week.

Frank Johnson
District Manager



Board of Trustees
Minutes of Special Meeting
Thursday, May 18, 2006
12:20 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
April Burchett

Others Present:

Mark Dudley
Richard Peters

Meeting called to order at 12:20 p.m.

Public Hearing for Amended Budget Fiscal Year 2005-2006 -- Richard Peters of Richard J. Peters, Jr. & Co. was present to discuss the proposed amended 2005-2006 budget. He reported that an increase of \$91,000 in the Services and Supplies item, shown on Page 6 of the budget, was needed due to utility and repair costs being higher than anticipated. Discussion followed regarding shortfalls and overages in the budget at year-end and estimates of income from acreage, annexation and capacity fees. Motion by Leonard Anker to adopt the amended budget for the fiscal year 2005-2006 as modified. Seconded by O.P. Brown, Jr. The Chairman asked for public comment. There was none. Motion carried.

Public Hearing for Tentative Budget Fiscal Year 2006-2007 -- Richard. Peters and Frank Johnson discussed the tentative budget for 2006-2007. Frank mentioned that pursuant to the Board's direction, changes were made to the item of Services and Supplies, shown on Page 6 of the proposed final budget, including an increase of \$10,000 for office equipment and supplies and an increase of \$25,000 for plant maintenance and repair. In addition, an additional \$40,000 was added to capital expenses for an additional truck purchase. Frank reported that Douglas County submitted their final numbers, which worked in MGSD's favor by approximately \$11,000. The Total Revenues decreased from \$412,556 on the tentative budget to \$372,466 on the proposed final budget, and Total Expenses increased from \$2.817 million to \$2.852 million. Motion by O.P. Brown, Jr. to adopt the final budget for the fiscal year 2006-2007 with a tax rate of .1224. Seconded by Ronald Wilcks. The Chairman called for public comment. There was none. Motion carried.

Gardnerville Ranchos GID -- Capacity Request -- Frank Johnson reported that GRGID is requesting the purchase of 20 units of capacity, and a check for the capacity fees has been received from GRGID. Motion by O.P. Brown, Jr. to sell 20.0 units of capacity to the



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Gardnerville Ranchos General Improvement District under the terms of the Supplement to the 1974 Agreement between GRGID and MGSD and are to be used within the Gardnerville Ranchos General Improvement District Boundary. Seconded by Ronald Wilcks. Motion carried

District Manager's Report -- Frank Johnson reported that 4 new large pine trees were installed to replace trees taken down for the Monte Vista Tie-In project.

Discussion followed regarding removal of the tree at the front of the building. Due to concerns of the proximity of the roots to utility lines, Frank stated that he is requesting bids from tree contractors. The Board authorized Frank to approve the low bid.

Frank reported that he has contacted 2 telephone companies, Pacific States and Conway Communications, to request bids for installation of the phone system in the new administration building. The bids will be subject to Board approval. Mr. Wilcks stated the key item to review in the bids is the cost of the maintenance contract and what kind of service is provided.

Frank stated that he spoke with Sierra Pacific Power Co. regarding the Muller Lane substation. Sierra Pacific needs to replace some poles, and requested shutting off power to pump station 4 briefly during the day. After assurance that power would be restored immediately if needed, Frank approved the request.

Discussion followed regarding scheduling the personnel committee meeting. Mr. Wilcks and Mr. Henningsen set the meeting for May 25, 2006 at 2:00 p.m.

Discussion followed regarding the barbeque for the Solids Contact project completion. Frank reported that the contractor is planning on having the barbeque after completion of the punchlist items. Mr. Anker felt it would be prudent to invite the GRGID Board Members and the County Commissioners.

Meeting adjourned at 1:10 p.m.

Approved 6/6/06
Date

By Jerome Etcheagaray



Board of Trustees
Minutes of Regular Meeting
Tuesday, June 6, 2006
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
Leonard Anker
Michael Henningsen
O.P. Brown, Jr.

Staff Members Present:

Frank Johnson
Bruce Scott
Bonnie Feticc
April Burchett

Others Present:

Mark Dudley
Robbie Oxoby
Rob Williams
Craig Olson
Brenda Stein
Tyler Thew

Board Members Absent:

None

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson, Robbie Oxoby, Bonnie Feticc and Bruce Scott. Discussion followed regarding the claims from Hydrotech and MGM Construction and the percentage of completion of the Line Cleaning and Administration Building Expansion projects. Motion by Michael Henningsen to approve the claims for May, 2006 in the amount of \$351,772.33 and to approve the claims paid during May, 2006 in the amount of \$13,447.37. Seconded by O.P. Brown, Jr. Motion carried.

Minutes of May 2, 2006 and May 18, 2006 -- The minutes of May 2, 2006, and May 18, 2006, were reviewed by the Board. Motion by O.P. Brown, Jr. to accept the minutes of May 2, 2006, and May 18, 2006. Seconded by Ronald Wilcks. Motion carried.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. Robbie reported that the roof has been installed on the Administration Building Expansion, the roof trim is nearly completed, and the new mason will be onsite during the month of June 2006 to repair the masonry. Robbie also reported that the electrical, mechanical and plumbing work have gone well, and that the inspection service provided by Resource Concepts, Inc. has been



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beneficial. Discussion followed regarding refacing the masonry block to remove kiln burns, the status of the glass manufacturing, and problems with materials being constructed according to the architectural drawings. Frank stated that he received a bid from Kodiak Roofing in the amount of \$14,032.00 for the re-roofing of the existing building. Discussion followed regarding the bid and alternatives. Robbie expressed his preference for using the same subcontractor for both the expansion and existing roof work to insure continuity in materials and connecting the two roofs. Motion by O.P. Brown to authorize Oxoby Architecture to include the bid from Kodiak Roofing in an amount not to exceed \$16,000.00, for repair of the roof on the existing administration building, as a Change Order under the Administration Building Expansion Project. Seconded by Ronald Wilcks. Motion carried.

Frank reported that bids have been received for the upgraded phone system (further discussion occurs under the District Manager's Report), and that both communication companies expressed concern regarding the cooling of the closet proposed to house the telephone and computer equipment, which is currently used as a closet in the lab area. Discussion followed regarding alternative locations for the equipment. Frank explained that due to the proximity of the SCADA system and the existing phone cable, it would be prudent to use the closet for the new phone system equipment. Robbie reported that there will be additional work by the mechanical engineer to design the cooling system for the future phone equipment closet.

HDR Engineering -- Status and Summary of Solids Contact Aeration Project -- Represented by Rob Williams and Craig Olson. Craig Olson reported that the Solids Contact Aeration project is almost completed. The Board expressed pleasure at the outcome of the project and with Northern Sierra Construction, Inc. Craig reported that there were no change orders on this project, due to the fact that any deductions items were equal to the additional items. Craig discussed the punchlist of items remaining to be completed. The Board inquired about the status of the O & M Manuals. Craig reported that HDR will put together a cost estimate for the updated O & M Manual, containing the items required by the State. Discussion followed regarding inspection services for the Administration Building Expansion project. Craig reported that there is money remaining under the Solids Contact Aeration Project for Resource Concepts to continue inspection services for the Administration Building Expansion project. The Board directed HDR Engineering to continue billing Resource Concepts, Inc.'s inspection of the Administration Building Expansion through the Solids Contact Aeration project. After completion of the Solids Contact Aeration project, Rob Williams felt that the next logical step for plant expansion would be construction of the 3rd digester and related building and equipment, which is estimated at this time to cost approximately \$4 million. Discussion followed regarding the length of time to design the project and develop an engineer's estimate. Motion by Leonard



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Anker to direct HDR Engineering to prepare a design report for construction of a third anaerobic digester, digester control building and trickling filter feed pumping station and modification of the original digester. Seconded by O.P. Brown, Jr. Motion carried. Mr. Anker expressed a preference for a separate odor control system. Discussion followed regarding a separate odor control system at the headworks, which will take some of the load off the existing system. Discussion followed regarding scheduling the project completion bar-be-que. Craig stated he will coordinate with Northern Sierra Construction, Inc. to schedule the bar-be-que during the first part of July 2006.

Pebble Creek Apartments (1454 Hussman; Property Owner: Hussman Avenue LLC) -- Line Acceptance and As-Built Approval -- Represented by Tyler Thew. Frank Johnson reported that as-builts were received by R.O. Anderson Engineering, and Bruce Scott presented a letter from Resource Concepts, Inc. outlining six conditions to be met prior to line acceptance. The Board reviewed the drawings and questions were answered by Tyler Thew. Bruce stated that Resource Concepts has field-verified the slopes. Tyler concurs with the conditions in Resource Concepts' letter. Motion by O.P. Brown, Jr. to accept the sewer lines at the Pebble Creek Apartments located at 1454 Hussman upon completion of the three conditions outlined in Resource Concepts, Inc.'s letter dated May 31, 2006, and to authorize MGSD staff to approve the project after the conditions have been met. All rules, regulations, and requirements of MGSD are to be met and all fees paid. Seconded by Ronald Wilcks. Motion carried.

Gilman Manor (1202, 1204 & 1206 Gilman Ave.; Property Owner: PMB #1 LLC) -- Plan Approval and Capacity Request -- Represented by Brenda Stein. Frank Johnson presented improvement plans for a proposed multi-family development on Gilman Avenue, and Bruce Scott presented a letter from Resource Concepts, Inc. outlining 16 conditions for approval. Brenda stated that the existing duplex and two houses will be demolished and eight duplex buildings will be constructed. Brenda concurred with the conditions outlined in Resource Concepts' letter. Discussion followed regarding separate laterals to each unit within the building, and Brenda stated that the plans show separate laterals to each building. Motion by Michael Henningsen to approve the improvement plans for the Gilman Manor development located at 1202, 1204, and 1206 Gilman Ave. (Property Owner: PMB #1 LLC) subject to the sixteen conditions outlined in Resource Concepts, Inc.'s letter dated May 31, 2006, and to sell 12.0 units of capacity, to be combined with 4.0 existing units for a total of 16.0 units of capacity, to PMB #1 LLC for the Gilman Manor development located at 1202, 1204, and 1206 Gilman Ave. All rules, regulations, and requirements of MGSD are to be met and all fees paid. Seconded by Leonard Anker. Motion carried.



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Engineer's Report -- Bruce presented a spreadsheet of items found during the review of the video tapes provided by Hydrotech from the Line Cleaning and TV project, and said that Resource Concepts, Inc. will present suggestions for rehabilitation work later in the year.

Bruce mentioned his pleasure with the Board's authorization to HDR Engineering to prepare the design for the next phase of the plant expansion.

Bruce announced that the Town of Minden is having its 100th anniversary on Sunday, July 2nd, 2006. There will be a public celebration in the Town Park, and the MGSD Board of Trustees and staff are invited. Frank mentioned that MGSD received an invitation from the Town.

Mike Henningsen asked about the construction currently occurring on Buckeye Road, and if the sewer main is impacted. Bruce explained that the construction is related to the Monterra Subdivision, and the sewer main is completed on Buckeye Road, and the main on Heybourne Road will tie into the Buckeye main.

Discussion followed regarding the Monte Vista sewer tie-in. Tyler Thew reported that a portion of the line is being reconstructed, due to it not being constructed according to the engineering plans. Tyler stated that revised plans have been submitted to Resource Concepts for review. Frank stated that the plans have not been accepted by MGSD yet.

District Manager's Report (see attached report) -- Frank reported that Southwest Gas has completed TVing the lines in Minden and Gardnerville. Seven impingements, where gas lines were located within the sewer laterals, were found, as well as five laterals which had been damaged by the installation of gas lines. In addition, Southwest Gas will provide MGSD with a disk showing the area they inspected, and will include locations of several laterals that MGSD did not have records on. In addition, an invoice was sent to Southwest Gas for MGSD's man hours.

Frank reported that a letter was received from the Public Utility Commission that MGSD is responsible for laterals, even if the lines aren't marked. In the future, contractors may be required to put a tracer line on the laterals for line locations. Frank will coordinate with Bruce on the new requirements, as well as having Hydrotech record the footage on the laterals during the future cleaning and TVing projects.



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Frank stated that the cottonwood tree at the Northeast corner of the existing administration building has been removed, and the wood is available for anyone who would like it.

Discussion followed regarding the replacement of the trees along the Highway 395 frontage, as provided in the contract for the Monte Vista sewer tie-in project. The trees which were previously located at the project area, ranging in size from 16 feet to 18 feet, were relocated to another area of the plant. The only trees available were about 13 feet in height, considerably shorter than the previous trees and the other existing trees in the vicinity. Frank stated he called Genoa Lane Trees, who confirmed that taller trees are not currently available. Discussion followed regarding whether one or two additional trees would be adequate to make up for the discrepancy in sizes, since the project contract stated "comparable trees". Tyler Thew pointed out the replacement trees were the largest trees that were available. The Board directed Frank to work with Tyler to have two evergreens ordered and held until Administration Building Expansion is completed.

Frank reminded the Board that Russ Lindell's last day is June 30, 2006, and asked the Board their preference regarding a retirement party and a departing gift. The Board directed staff to order a plaque and to set up a catered party. In addition, Mr. Lindell is to be awarded a bonus of \$500.00.

Frank reported that he received two bids for the phone system, from Pacific States and Conway Communications. Frank stated that he preferred Pacific States, which had the lower bid, and he received a positive reference from Bruce Scott. The bid amounts were \$12,972.00 from Pacific States and \$26,584.01 from Conway Communications. The Pacific States system will be expandable if upgrades are needed, and a one-year parts and labor warranty is included. After the first year, full parts and labor maintenance is \$781.00 per year. The Board directed Frank to sign the contract with Pacific States.

Frank reported on a customer request for repair at the Heritage Square Condominiums located at Gilman Ave. and Douglas Ave. The ground around the manhole in a customer's back yard had depressed, leaving a hole around the manhole. V & C Construction was able to repair the problem at an expense of \$450.00 as part of the rehabilitation project. Frank stated that he also advised the customer to relocate a roof drain downspout, to keep the drainage from the area. The customer is very happy with the repair work.

Frank reported that an MGSD employee's car was backed into by another vehicle, causing approximately \$1800.00 in damages, and the responsible party has not come forward. Robbie Oxoby acknowledged that he could have been at fault, and has paid half the cost of repair. The



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Board directed Frank to check with Alan Reed to see if MGSD's policy covers this type of claim, and then to return to the Board with a report.

Meeting adjourned at 9:20 p.m., followed by a Closed Meeting for a Personnel Session pursuant to NRS 241.030.

Personnel Session

Frank presented to the Board the recommendations which had previously been discussed with the personnel committee. The Board directed that the employees would receive a 3.4% cost of living adjustment, and where warranted, the appropriate step raises as set forth on the MGSD salary scale. Any applicable cost of living adjustments (COLA) will be given at the beginning of each fiscal year. All applicable step increases will be given on an employee's anniversary date of hire or on the anniversary date of the employee's most recent certification, whichever applies. Discussion followed about the possibility of bonuses being paid to employees who come up with innovative ideas. All recommendations for bonuses would be at the discretion of the District Manager and the Board of Directors.

Discussion of an ongoing employee performance issue and the steps taken to resolve the issue.

Meeting adjourned at 10:40 P.M.

Approved 7/6/06
Date

By Jerome Etcheberry



**Minden Gardnerville Sanitation District
District Manager's Report
June 2006**

**Minden Gardnerville
Sanitation District**

1. Southwest Gas televising project: Southwest Gas has completed the televising of the main lines in several of the older areas of the District. As a result, they located 7 impingements of the laterals and 5 laterals which had been damaged by the installation of gas lines. An MGSD crew was on hand to ensure proper repair of the lines. In addition, we received locations of several laterals of which we had no records.
2. Tree removal: The large cottonwood tree at the front of the administration building has been removed. When Canyon Creek Construction tied into the main line into the plant starting last summer, four pine trees in the 16' – 18' range had to be relocated to the back of the plant. The intent was to replace them with trees of the same height when the job was completed. Unfortunately, trees in that range are not available at this time. They planted 13' -16' trees in their place, and are proposing to give us an extra tree in lieu of the larger trees. I spoke with Genoa trees and they informed me that the larger trees are in fact not available at this time. It may be feasible to request possibly two trees and they could be planted in the area where the cottonwood was recently removed.
3. The personnel committee has met and will present their recommendations at the upcoming Board meeting.
4. Russ Lindell retirement: As reported at the April meeting, MGSD employee Russ Lindell is retiring, effective June 30th, 2006. If the District wishes to recognize the retirement, we can make the arrangements as necessary.
5. Admin Bldg: - Robbie Oxoby is expected to have information on the Admin. Building at the meeting.
6. Solids Contact project: Rob Williams from HDR engineering is scheduled to discuss the recently completed Solids contact project.

Frank Johnson
District Manager



Board of Trustees
Minutes of Regular Meeting
Thursday, July 6, 2006
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
Michael Henningsen
O.P. Brown, Jr.
Leonard Anker

Staff Members Present:

Frank Johnson
Bruce Scott
Bonnie Fettic
April Burchett

Others Present:

Mark Dudley
Larry Vincent
Mike Grashuis
Robert Adamson

Board Members Absent:

None

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson, Bonnie Fettic and Bruce Scott. Leonard Anker expressed concern regarding the payment request for MGM Construction, since it appeared that little progress had been made in the past month. The Board directed that the check be held until the progress is clarified by Robbie Oxoby. Motion by Leonard Anker to approve the claims for June, 2006 in the amount of \$152,420.75, less the payment to MGM Construction in the amount of \$55,368.00, to approve the claims paid during June, 2006 in the amount of \$21,396.93, and to approve the claims for July, 2006 in the amount of \$128,145.09. Seconded by O.P. Brown, Jr. Motion carried.

Minutes of June 6, 2006 -- The minutes of June 6, 2006, were reviewed by the Board. The Chairman asked about the letters received from the Public Utilities Commission regarding the possible responsibility of MGSD for sewer lateral locations. Frank Johnson and Bruce Scott discussed several concerns and issues about how the system would work, but that nothing is definite yet. Bruce recommended that MGSD wait until further action is taken by the Public Utilities Commission. Motion by O.P. Brown, Jr. to accept the minutes of June 6, 2006. Seconded by Ronald Wilcks. Vote: 3 ayes; 1 abstention by Leonard Anker. Motion carried.



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Bently Pressurized Bearing Company -- North Bently Parkway Sewer Main Extension Improvement Plan Review

-- Represented by Larry Vincent of Bently Pressurized Bearing Company. Bruce Scott presented a set of improvement plans prepared by Nichols Engineering, and reviewed a proposed sewer main extension along proposed Vector Drive and North Bently Parkway and will tie into the existing sewer main on Buckeye Road. Bruce also presented a revised letter from Resource Concepts, Inc. dated June 29, 2006, outlining 14 conditions including placing an "S" on the curbs to identify the lateral locations and the requirement for as-built drawings. Mr. Vincent pointed out the plans are consistent with the original Bently Science Park subdivision map. The Chairman asked if any chemicals would be present at any new businesses in the development that would flow into the sewer mains. Mr. Vincent said he will check on that. Frank Johnson asked if the automatic flush valve on Orbit Way would be impacted, and Bruce said it would not. Motion by O.P. Brown, Jr. to approve the Improvement Plans for the North Bently Parkway Sewer Main Extension project subject to 14 conditions contained in the revised letter from Resource Concepts, Inc., dated June 29, 2006. All rules, regulations, and requirements of MGSD are to be met and all fees paid. Seconded by Michael Henningsen. Motion carried. Mr. Henningsen reported that General Electric will be 100% lead-free in the next 2 to 3 years, due to a European and North American mandate for lead-free circuit boards.

Northern Sierra Construction, Inc. -- Solids Contact Aeration Project -- Project Completion and Scheduling of Open House

-- Represented by Mike Grashuis and Robert Adamson. Frank Johnson mentioned that he walked the project with Craig Olson earlier in the day, and Craig had nothing but praise for Northern Sierra Construction, Inc (NSCI). The Board also expressed their pleasure with NSCI. Mr. Anker stated that in twelve years on the Board, this was the first project that he has seen that was completed without a change order. Discussion followed regarding scheduling of the project completion barbeque, and agreed on July 21st at 2:00 p.m. The Board directed MGSD staff to work with NSCI staff to organize the activities.

Robbie Oxoby -- Status of Administration Building Project -- Frank Johnson reported that due to a death in the family, Robbie Oxoby is unable to attend the meeting. Frank stated that the plumbing and mechanical have been worked on, and the phone system installation is expected to start the following week. Discussion followed regarding various reasons for the project delay, and Frank reported that the contract with MGM Construction stipulated 240 calendar days to complete the project. To date, construction is at 351 days, which is nearly 4 months overdue at this time. Discussion followed regarding balancing the architect's aesthetic preferences with expediting the construction progress, as well as the paint on the trusses. Mr. Brown felt that two



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Board members should meet with Robbie Oxoby informally to discuss the delays and any other concerns. It was decided that the Board Chairman and Mr. Wilcks will meet with Robbie Oxoby.

Engineer's Report -- Bruce presented an aerial photo and drawing for the Pump Station #2 Effluent System Rehabilitation. Bruce explained the current pumping system and 3 alternatives to rehabilitate the line: 1. replace the existing alignment, 2. place a line on the Old Klauber Ranch dirt road north to Muller Lane, and 3. place a line on a direct route to the east of the pond area northwesterly to Muller Lane and down the north side of Muller Lane to the ponds. All three alternatives call for rebuilding Pump Station 2, and the upgrade of Pump Station 1. Bruce said that RCI doesn't have detailed costs put together yet, and he is looking for the Board's preference of the various alternatives. He anticipates a cost of around \$1 million to \$1.5 million. Discussion followed regarding the advantages and disadvantages of each alternative, as well as the oversize line commitment from Nevada Northwest in exchange for the easement that was granted to them. The Board directed Bruce to come back with a pre-design and proposal for the 3rd alternative and the upgrades to Pump Stations 1 and 2. Frank Johnson asked that flooding issues be taken into consideration for sizing, and Bruce said he will look at sizing for more than peak flow. Mr. Anker suggested another alignment with a roadway and a structure to allow water to flow through. Bruce said he will look into Mr. Anker's suggestion.

Bruce discussed the information gathered from the televising. He will present preliminary costs for a winter rehabilitation project at a later meeting. Bruce also mentioned that the tapes are being converted into DVD's to create a library. Frank Johnson stated that a plan is in place to televise the lines in regional order, as opposed to a line here and there scattered throughout the district, and after the initial televising each line is expected to be televised about every 5 years.

Bruce mentioned that V & C Construction has completed the Rehabilitation project, and he is recommending release of the retainage, in the amount of \$7,337.16, plus interest. Motion by O.P. Brown, Jr. to release the retainage for V & C Construction for the 2006 Rehabilitation project in the amount of \$7,337.16 plus \$43.97 in interest, for a total of \$7,381.13. Seconded by Leonard Anker. Motion carried.

Alan Reed -- MGSD Property Insurance Package -- Alan Reed was not present. Frank Johnson stated he found a few errors in the report supplied by Alan, and he and Alan have discussed them. Frank will speak to Alan again to clarify that all the digesters are covered under the policy.



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July 6, 2006
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District Manager's Report (see attached report) -- Frank Johnson reported that the Notice of Non-Acceptance of the Sewer Mains in the Ironwood Townhomes development has been recorded.

Frank presented plans for a proposed Port of Subs restaurant to be located in the old Wendy's building at 1734 Hwy 395 and that 3.3 units of capacity are needed. Frank explained that a grease interceptor is in place. The Board directed that the request for capacity be placed on the August agenda.

Frank stated that Craig Olson expects to be at the August meeting with costs for the next phase of the plant expansion.

Secretary's Report -- Bonnie Fetic reported that MGSD funds are down \$1.8 million since January 2006, for a total of \$7.098 million left after payment of the June claims. Mr. Anker felt that the expenses on the proposed budget are higher than the cost of inflation. Discussion followed regarding the expansion projects, odor control, maintenance projects, expansion of staff, and the Chairman felt that the increase in payments are appropriate to balance conservative practices in the past.

Meeting adjourned at 9:00 p.m.

Approved 8/1/06
Date

By Jerome Etcheberry



Minden Gardnerville
Sanitation District

**Minden Gardnerville Sanitation District
District Manager's Report
July 2006**

1. Pump Station # 2: The planning for the replacement of Effluent Pump Station is under way and I have been in meetings with Todd Connelly of RCI to facilitate the design, and anticipate the Bruce will have information available for the meeting.
2. Ironwood Townhomes: - The notice of non acceptance of sewer mains for the Ironwood Townhome project has been recorded. The homeowners association is to be responsible for the lines within the project with the exception of a portion of the line on the eastern most side of the project as the line is already being maintained by MGSD.
3. Solids Contact Project: While the Solids Contact project has been completed, we are having some startup problems with the washer compactor. We have been working with the contractor and supplier to resolve the issues. In addition, we have held \$60,000 in the retention fund until the issue is resolved.
4. Admin Bldg: - Robbie Oxoby is expected to have information on the Admin. Building at the meeting.

Frank Johnson
District Manager



Board of Trustees
Minutes of Regular Meeting
Tuesday, August 1, 2006

7:00 P.M.

Board Room

Minden-Gardnerville Sanitation District

1790 Hwy. 395

Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
Michael Henningsen
O.P. Brown, Jr.
Leonard Anker

Staff Members Present:

Frank Johnson
Bruce Scott
Bonnie Fetic
April Burchett

Others Present:

Mark Dudley
Rob Williams
Craig Olson
Robbie Oxoby
Alan Reed
Janice Shafer
Tyler Thew
Kent Neddenriep

Board Members Absent:

None

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson, Bonnie Fetic, Craig Olson and Bruce Scott. The Board expressed concern about the bill from Sierra Pacific Power Co., and Mr. Anker felt that the District's legal counsel should present MGSD's concerns at the next power rate increase hearing before the Public Utilities Commission. Motion by Michael Henningsen to approve the claims for July, 2006 in the amount of \$158,746.58, and to approve the claims paid during July, 2006 in the amount of \$6,015.70. Seconded by Ronald Wilcks. Motion carried.

Minutes of July 6, 2006 -- The minutes of July 6, 2006, were reviewed by the Board. Motion by O.P. Brown, Jr. to accept the minutes of July 6, 2006. Seconded by Leonard Anker. Motion carried.

HDR Engineering - Proposed Plant Expansion -- Represented by Rob Williams and Craig Olson. Rob Williams presented a drawing showing the proposed digester expansion project, and reviewed the extent of the proposed improvements, including a new digester, digester control building, and pumping station. Discussion followed regarding alternatives to increase capacity after the completion of all the proposed expansion projects. Craig and Rob estimated a cost of \$3.5 million for the proposed improvements. Rob stated that he has submitted a \$29,000.00 contract to Frank Johnson for HDR Engineering to develop a report to determine and describe



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the criteria of the improvements. Discussion followed regarding HDR's fees, future improvements, the current pumping station situation and the need for another pumping station, and the process and timing of rehabilitation of the existing anaerobic digesters. Mr. Anker discussed the things he'd like to see included with the improvements: a fourth influent pump in the wet well, another odor control facility or alternative, and a backup belt press. Frank also mentioned his desire for an emergency retention basin, in case all the pumps are inactive, and Rob discussed bypassing the VFD in case it is damaged. Discussion followed regarding the priority of each project. Rob stated the cost of each item can be broken down in their report. The Board directed Frank to let HDR know if there are any other items he thinks of, and directed Rob to include those other items in HDR's report. Motion by Leonard Anker to authorize the Board Chairman to sign the Agreement between the Minden-Gardnerville Sanitation District and HDR Engineering, Inc. for professional engineering services in the amount of \$29,000.00 for the design of an anaerobic digester, anaerobic digester control building, trickling filter feed pumping station, rehabilitation of two existing anaerobic digesters, and miscellaneous other improvements, including influent pump, gravity belt thickener, belt press, and odor control options. Seconded by O.P. Brown, Jr. Motion carried. Rob and Craig stated the report will be complete in 2 to 3 months.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. The Chairman reported on a meeting between himself, Mr. Wilcks, Robbie Oxoby, Frank Johnson and the contractor held the previous week. At the meeting, the Contractor stated that Phase I of the building expansion would be completed by September 1, 2006. Mr. Wilcks also mentioned that problems were discussed with the contractor. The Chairman and Mr. Wilcks again expressed concern about the lack of progress on the building. Robbie Oxoby felt that the meeting was helpful, and expressed his belief that the quality of the construction should not be compromised to expedite completion of the building. Robbie reported that the new schedule dates are September 15, 2006 for completion of Phase 1, and November 15, 2006 for completion of Phase 2. Mr. Brown asked about the delay on the windows. Robbie discussed the problem with the steel frames, and the problems with the construction of the trusses. Robbie reported that the modifications to the trusses have been completed, and the windows are ready to be ordered. The interior work is on hold until the glass is installed. Bruce Scott asked if there is anything the Board can do help the contractor move the project along. Discussion followed regarding the alternatives to address the project delays including the construction schedule, pulling the bond, liquidated damages, and problems with scheduling the subcontractors. Craig Olson suggested a weekly meeting for construction progress, to include the contractor and all subcontractors, as well as Frank Johnson and two Board members. Robbie stated he would try that.



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Alan Reed -- MGSD Property Insurance Package -- Represented by Alan Reed. Alan apologized to the Board for his absence at the July 6, 2006 meeting. Alan discussed the insurance package presented at the July 6, 2006 meeting and the background of the Nevada Public Agency Insurance Pool. MGSD has nearly \$21 million in coverage for the buildings and in the next year the plant will probably be evaluated by Maximus, the inspection company that evaluates the property schedule to make sure the replacement costs are correct. Discussion followed regarding the itemized coverages and deductibles. Alan reported that the premium is approximately \$58,000, a 6.6% increase over the previous year's premium due to the re-evaluation of replacement costs from claims related to Hurricane Katrina and the increase in the value of the plant. Alan also reported that the blower building and the aeration building were added after the new premium was developed. The pool has added the structures without increasing the premium. The Board thanked Alan for his presentation.

Port of Subs (1734 Hwy 395, Suite 2; Property Owner: Lexar Properties) -- Plan Approval and Capacity Request -- Frank Johnson presented plans for the Port of Subs restaurant located at 1734 Highway 395, adjacent to Starbucks in the old Wendy's building, and reported that the owner is requesting 3.3 units of capacity. Motion by O.P. Brown, Jr. to approve the plans for Port of Subs and to sell 3.3 units of capacity to Lexar Properties for the Port of Subs restaurant located at 1734 Highway 395 (APN 1320-30-301-002). All rules, regulations, and requirements of MGSD are to be met and all fees paid. Seconded by Ronald Wilcks. Motion carried.

Walgreen's (1342 Hwy 395; Property Owner: Bencor/Waterloo L.P.) -- Plan Approval and Capacity Request -- Frank Johnson presented plans for the Walgreen's store located at 1342 Highway 395, at the corner of Highway 395 and Waterloo, and that MGSD has received letters for the disposal of photo and pharmaceutical processing waste. The owner is requesting 10.844 units of capacity. Motion by Leonard Anker to approve the plans for Walgreen's and to sell 10.844 units of capacity to Bencor/Waterloo L.P. for the Walgreen's store located at 1342 Highway 395 (APN 1220-04-501-018). All rules, regulations, and requirements of MGSD are to be met and all fees paid. Seconded by O.P. Brown, Jr. Motion carried



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Cedar Creek Subdivision (Dresslerville Rd.) -- Offsite Sewer Line Acceptance and As-Built Approval -- Represented by Janice Shafer. Bruce Scott presented the record drawings prepared by Palmer Engineering. He reported that Resource Concepts, Inc. performed a field survey and approved the record drawings. He presented a letter from Resource Concepts, Inc. dated July 26, 2006, recommending approval of the drawings with 7 conditions. Bruce explained that the subdivision is in the GRGID service area, but MGSD is responsible for the offsite line from the subdivision to the GRGID interceptor. Janice Shafer presented a letter from Lumos and Associates to the GRGID Board dated August 1, 2006, recommending GRGID acceptance of the onsite sewer lines. Motion by Leonard Anker to approve the record drawings and to accept the offsite sewer line serving the Cedar Creek Subdivision located on Dresslerville Road upon completion of the 7 conditions outlined in Resource Concepts, Inc.'s letter dated July 26, 2006. All rules, regulations and requirements of MGSD are to be met and all fees paid. Seconded by Ronald Wilcks. Motion carried.

Engineer's Report -- Frank Johnson reported that he and Mr. Anker met with Rob Anderson on July 31, 2006 regarding the record drawings for the Monte Vista Avenue sewer tie-in. R.O. Anderson Engineering has requested a special meeting to approve the record drawings and accept the line. Kent Neddenriep and Tyler Thew were present to request verbal authorization from the Board for temporary certificates of occupancy for 4 model homes within the LaCosta Subdivision, until acceptance of the sewer main could be considered at a special meeting. Tyler stated that construction of the lines is expected to be completed by August 2, 2006. Kent mentioned that only one of the homes will be occupied by an office with the rest being model homes at this time. Frank suggested that the plugs be left in the line, and it can be pumped as needed. Frank also mentioned that the some of the line has been televised, but due to line breaks and open manholes during construction, the entire line needs to be televised again. Frank also pointed out the waterline is still under construction, and it is near the sewer line, so additional testing of lines will be required after all other utilities are installed. Kent agreed to these terms. Motion by O.P. Brown, Jr. to authorize staff to notice a Special Meeting on Tuesday, August 8 at noon for Nevada Northwest, LLC regarding acceptance of the record drawings for the Monte Vista Avenue sewer main. Seconded by Ronald Wilcks. Motion carried. Bruce mentioned that he will recommend that the Board hold a portion of the bond relating to the completion of the waterline construction. Kent and Tyler agreed to this recommendation. Motion by Leonard Anker to authorize the District Manager to provide a letter to Douglas County allowing temporary Certificates of Occupancy for 4 model homes within the LaCosta Subdivision, located at 1769 LaCita Way (APN 1320-30-511-022), 1771 LaCita Way (APN 1320-30-511-023), 1773 LaCita Way (APN 1320-30-511-024), and 1775 LaCita Way (APN 1320-30-511-025), with the



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condition that the plugs in the main remain in place until acceptance of the Monte Vista Avenue sewer main. Seconded by O.P. Brown, Jr. Motion carried.

Bruce Scott reported that a proposed Map of Division of Land into Large Parcels by Park Cattle Co. for parcels located north of Muller Lane has been submitted to Douglas County. This map would create parcels 40 acres in size or greater. Kent Neddenriep reported that R.O. Anderson Engineering is the engineer on the project, and that this is the first step for future development. Discussion followed regarding potential sewer service and zoning. Bruce and Kent mentioned that since the parcels will be at least 40 acres in size, sewer service will not be required as a result of the proposed division.

Bruce Scott reiterated his opinion that weekly meetings with the contractor and the subcontractors would be prudent to expedite the completion of the Administration Building Expansion project. The Board directed Frank Johnson to set up a meeting in the next week.

District Manager's Report (see attached report) -- Frank Johnson presented a personnel policy manual, which Frank developed and the District's Attorney approved. This manual was mandated by the Nevada Insurance Agency Pool. Frank will formally present it at the September 5, 2006 meeting for review and approval by the Board.

The Chairman expressed concern about delaying smaller commercial projects for a month in order for the Board to approve EDU allocations that are more than 2 EDU's, and suggested that the District Manager should be authorized to approve capacity for a greater amount. Discussion followed regarding the Board's decision in 1997 to authorize the District Superintendent to sell 2 units of capacity without Board approval. Motion by Leonard Anker to authorize the District Manager to grant up to 5.0 units of capacity without Board approval, with the condition that the District Manager report to the Board the sale of units to projects requiring more than 2.0 EDU's. Seconded by O.P. Brown, Jr. Motion carried.

Frank Johnson reported that the Carson Water Subconservancy District has invited the Board to a meeting on September 11, 2006 at 9:00 a.m. at the CVIC Hall to discuss the subconservancy.



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Frank Johnson reported that the Non-Acceptance of Sewer Mains for Public Maintenance document for Ironwood Townhomes was recorded, and the property owners were sent copies of the recorded document. MGSD staff is now receiving calls from the property owners for further explanation, since the developer did not disclose the sewer main issue to the buyers. Document copies have been sent to owners who have requested backup information.

Meeting adjourned at 9:35 p.m.

Approved 9/5/06
Date

By Jerome Etcheberry



**Minden Gardnerville Sanitation District
District Manager's Report
August 2006**

1. The Nevada Public Agency Insurance Pool: April and I recently met with the consultant/training manager of the insurance pool, of which MGSD is a member. In order to comply with the requirements of coverage they mandated that MGSD provide a separate personnel policy, update all personnel records and provide illegal harassment training. The personnel manual has been completed and approved by the pool and is currently being reviewed by MGSD legal counsel. The harassment training is to be provided by the Cooperative for Human Resources Management (CHRM), which is part of the insurance pool. This is not unique to MGSD, as all entities with the pool are mandated to implement these requirements. It is expected that Alan Reed will have more information on the pool at the board meeting.
2. Solids Contact Aeration Project Budget: I met with Craig Olson of HDR and discussed the amounts left in the budget for the project and how they are expected to be used. – (See attached e-mail from Craig Olson.)
3. Digester Cleaning: The main digester has not been cleaned since it was constructed approximately 16 years ago. Subsequently we are experiencing performance problems consisting of improper digestion, foaming and inadequate gas production. As a result we have experienced a 58% reduction of gas production from the digesters and an 80% increase in the use of natural gas over the same time period last year. While it will have to be cleaned for the next expansion which will include a new digester and control building, it would be prudent to clean it now to improve performance, to help alleviate any surprises during the next expansion and to prevent possible change orders due to the lack of knowing the condition of the digester during the design phase. I anticipate having more information such as costs available at the meeting.
4. Effluent Pumping: We recently pumped during the month of June and July 133 MG (408 Ac/ft) of effluent to Bently. With the warmer conditions of late, hopefully Parks and Byington will be in need of

effluent soon. The breakdown of effluent disposal through July is as follows:

• Bently	326.96 MG	1003.45 AC/FT
• Parks	15.45 MG	47.41 AC/FT
• Byington	0 MG	0 AC/FT

5. Monte Vista Line: Canyon Creek has encountered some more problems with the line they recently laid on the east side of Hwy 395, including a rolled gasket which has allowed infiltration and a swale in the line which was holding water. In light of the problems the project has encountered, it may be prudent to have them televise the line after repairs at their expense, before MGSD accepts the line
6. EDU allocations: Currently, I am allowed to allocate up to 2 units of capacity without Board authorization. According to past minutes this has been in effect since May of 1996. While not often, there have been times that additional units in excess of two were required and the applicant had to wait in excess of 30 days to obtain board approval of the units, as was the case at last month's meeting. I was asked by the Board Chairman to broach this subject at the meeting, to possibly obtain authorization to allocate additional units without prior approval, and to alleviate any delays in the applicants permitting process.
7. Admin Bldg: Robbie Oxoby is expected to have information on the Admin. Building at the meeting.
8. MGM payment: At the July meeting the Board withheld the progress payment to MGM Construction until they were ensured of the progress. After a meeting between Robbie Oxoby, Dave Muhlestein of MGM, Ron Wilcks, Jerome Etchegoyhen and myself, I polled the members of the Board by telephone, and it was agreed that the payment could be released, with 4 members agreeing and one dissenting.

Frank Johnson
District Manager

Frank Johnson

From: Olson, Craig (Folsom) [Craig.Olson@hdrinc.com]
Sent: Thursday, July 20, 2006 3:13 PM
To: frankjohnson@mgstdistrict.org
Cc: Williams, Rob
Subject: Solids Contact Aeration Project Budget

Frank,

As a follow-up to our discussion last week, we have approximately \$ 70,000.00 left in our construction services budget for the subject project. Of this amount HDR will need approximately \$ 25,000.00 to complete the O&M manual and the as-built drawings. RCI continues to charge to the Solids Contact Aeration project budget for inspection services on the Administration Building project. The agreement to charge to our project's budget was reached at a previous MGSD Board meeting and I am not fully aware of the actual terms of this agreement. At this time we feel there is adequate budget remaining to complete our required tasks, but this will have to be monitored based on the progress of the Administration Building project.

If you have any questions please give me a call to discuss.

Craig

7/24/2006



Board of Trustees
Minutes of Special Meeting
Tuesday, August 8, 2006
12:30 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker

Staff Members Present:

Frank Johnson
April Burchett
Bruce Scott

Others Present:

Rob Anderson
Tyler Thew

Board Members Absent:

Michael Henningsen

Available by Telephone Conference:

Bill Peterson

Meeting called to order at 12:30 p.m.

Nevada Northwest LLC -- Monte Vista Avenue As-Built Approval and Sewer Main Acceptance -- Represented by Tyler Thew and Rob Anderson. Record Drawings for the Monte Vista Avenue sewer line project were presented to the Board. Bruce Scott presented a letter from Resource Concepts, Inc. dated August 8, 2006, outlining 5 conditions for approval. Bruce highlighted Condition 2 in the letter asking for confirmation of the easements and adding the easements to the drawing. Bruce also asked that \$16,333.50 of the bond, the portion related to the remainder of the waterline construction, not be released, since the water main is in close proximity to the sewer line. Motion by Leonard Anker to approve the record drawings for Monte Vista Avenue prepared by R.O. Anderson Engineering, Inc. stamped July 27, 2006, consisting of Sheets C01 through C27, and to accept the sewer line after completion of 5 conditions outlined in Resource Concepts, Inc.'s letter dated August 8, 2006. The bond is to be released, except for \$16,333.50 until completion of the construction of the water main. All rules, requirements and regulations of MGSD are to be met and all fees paid. Seconded by O.P. Brown, Jr. Motion carried.

A telephone conference call with the District's legal counsel followed regarding the easement granted to Nevada Northwest LLC by the Board on April 1, 2003 for a right-hand turn lane on Muller Lane at Highway 395. Bill Peterson recommended deeding the ground to remove MGSD from any position of liability. Discussion followed regarding developing a right-of-way grant deed. Rob Anderson and Bruce Scott both agreed that a right-of-way grant deed would satisfy



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Nevada Northwest's requirements and absolve MGSD of responsibility. The Board directed the District's Attorney to prepare a right-of-way grant deed.

District Manager's Report -- Frank Johnson presented a memorandum issued by Bill Peterson regarding the pollution coverage in HDR Engineering's contract for the digester expansion project. Bill felt that the contract is in order, but wanted to point out to the Board what would happen in case of a spill. The District would be obligated to defend HDR Engineering if HDR is named in a suit but is not alleged to have committed any wrongdoing. Bill stated that the indemnity MGSD provides does not indemnify HDR if they are accused of wrongdoing.

Frank Johnson stated that Park Cattle Co. began receiving effluent on August 7, 2006. Discussion followed regarding the amount of storage available from MGSD's and Bently's reservoirs and incentives for Park and Byington to take water.

Frank Johnson reported that he, the Chairman, and Mr. Wilcks met with Robbie Oxoby, Dave Muhlestein of MGM Construction, and several of the subcontractors on the administration building expansion project just prior to this special meeting. He felt that some issues were resolved and that the communication between all the contractors was a benefit to expediting the completion of the project. Mr. Wilcks reported that this meeting should have been held earlier in the project, since there appeared to be a lack of communication between the various contractors. Mr. Wilcks and the Chairman stressed the importance of the building completion and the Board's dissatisfaction at the project delays. Frank felt that Robbie Oxoby seemed concerned that if building completion is stressed, then the quality will be sacrificed. Discussion followed regarding scheduling future meetings with the contractor and the subcontractors. The Board directed that the next meeting be scheduled for August 22, 2006, and ask that it be attended by the architect, the contractor and any subcontractors scheduled to work that week or the following week. Frank reported that the contractor implied a completion date of September 15, 2006 for Phase 1.

Meeting adjourned at 1:15 p.m.

Approved 9/3/06
Date

By Jerome Etcheberry



Board of Trustees
Minutes of Special Meeting
Tuesday, September 5, 2006
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
Bonnie Feticc
Bruce Scott

Others Present:

Mark Dudley
Mark Gonzales
Rob Anderson
Robbie Oxoby

Board Members Absent:

None

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson, Bonnie Feticc, and Bruce Scott. Motion by Leonard Anker to approve the claims for August, 2006 in the amount of \$234,989.08, with the exception of the claim presented by Oxoby Architecture in the amount of \$24,650.00 and the claim presented by MGM Construction in the amount of \$55,026.00, and to approve the claims paid during August, 2006 in the amount of \$3,902.02. Seconded by Ronald Wilcks. Motion carried.

Minutes of August 1, 2006 and August 8, 2006 -- The minutes of August 1, 2006, and August 8, 2006, were reviewed by the Board. Motion by O.P. Brown, Jr. to accept the minutes of August 1, 2006, and August 8, 2006. Seconded by Michael Henningsen. Motion carried.

Gardnerville Town Water Company - Application for Annexation of 6.36 acres located on Mathias Parkway -- Represented by Mark Gonzales. Frank Johnson reported that an application, annexation fee, a notarized authority to represent form, legal description, and preliminary title report have been received from the Gardnerville Town Water Company for the annexation of 6.36 acres located on Mathias Parkway. Mark Gonzales discussed the proposed annexation and future development plans for the property. Mark also mentioned that annexation will be heard by the Town of Gardnerville at their October 3, 2006 meeting. Bruce Scott presented a letter from Resource Concepts, Inc., dated August 30, 2006 recommending a public hearing for annexation and outlining 2 conditions for annexation approval. Motion by O.P. Brown, Jr. to accept the annexation application from the Gardnerville Town Water Company for 6.36 acres located on Mathias Parkway near Virginia Ranch Road (APN 1220-10-501-003)



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and to notice the public hearing for annexation for October 3, 2006, subject to 2 conditions outlined in the letter from Resource Concepts, Inc. dated August 30, 2006. The rules, regulations, and requirements of MGSD are to be met and all fees paid. Seconded by Ronald Wilcks. Motion carried.

The Ranch at Gardnerville, LLC -- Application for Annexation of 200.28 acres (previously known as the Anker Park development) located North of Chichester Estates, East of Minden and Gardnerville, and South of Buckeye Road -- Represented by Rob Anderson. Frank Johnson reported that an application, a notarized authority to represent form, annexation fee, legal description, and preliminary title report have been received from The Ranch at Gardnerville, LLC for the annexation of 200.28 acres previously known as the Anker Park development. Leonard Anker recused himself from discussion and action on the project due to a potential conflict of interest as a prior owner of a portion of the subject property. Bruce Scott presented a letter from Resource Concepts, Inc. dated August 30, 2006 recommending a public hearing for annexation and outlining 3 conditions of approval, and explained that part of the project will be annexed to the Town of Minden and a portion will be annexed to the Town of Gardnerville. The Town of Minden annexation hearing is scheduled for September 6, 2006. Motion by Michael Henningsen to accept the annexation application from The Ranch at Gardnerville, LLC for 200.28 acres (previously known as Anker Park) located north of Chichester Estates, east of Minden and Gardnerville, and south of Buckeye Road (APN's 1320-29-000-008, 1320-29-000-014, and 1320-33-001-005) and to notice the public hearing for annexation for October 3, 2006, subject to 3 conditions outlined in the letter from Resource Concepts, Inc. dated August 30, 2006. The rules, regulations, and requirements of MGSD are to be met and all fees paid. Seconded by O.P. Brown, Jr. Vote: 3 ayes, 0 nays, 1 abstention.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. Robbie reported that bi-weekly meetings have been held on Tuesday mornings with the contractor, the Chairman and Mr. Wilcks. Discussion followed regarding progress and further delays on the project. Robbie stated he anticipates Phase 1 will be completed by approximately November 15, 2006. Robbie also stated that he is concerned with the contractor's plan to complete the roof on the existing building after the mechanical work is completed in Phase 2, which would delay the roofing work until November. The Board concurred. Discussion followed regarding the effectiveness of the bi-weekly meetings, a revised schedule, delays in the current schedule, and the complexity of the project. The Board stressed the need to get the building enclosed as soon as possible before winter weather sets in, and directed Robbie to schedule weekly meetings on Tuesday mornings to include Frank Johnson, Robbie Oxoby, the contractor, the Chairman and Mr. Wilcks. Discussion followed regarding the pay requests from Oxoby Architecture and MGM Construction. Robbie stated he approved the amount in the claim from MGM Construction. The Board approved payment of the claim from MGM Construction in the amount of \$55,026.00. Robbie explained that due to the project delays, the expenses for inspection have exceeded the amount estimated for the completion of the project, and he is requesting payment of the remainder of the architectural fees pursuant to his letter dated August 30, 2006, previously provided to each Board member. Discussion



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followed regarding the architect's contract terms and fees above the contract amount for additional inspections, liquidated damages, and existing and potential change orders. Robbie retracted his letter of August 30, 2006 and reiterated his desire to follow the original contract terms that Oxoby Architecture will be paid based on the percentage of project completion, but also asked the Board to consider paying Oxoby Architecture additional costs incurred each month above the contract amount. Robbie proposed tracking additional costs and presenting them to the Board on a monthly basis for consideration. The Board agreed with this proposal.

MGSD -- Adoption of Personnel Policy Manual -- Frank Johnson had presented a final draft manual to the Board for review at the August 1, 2006 meeting, pursuant to requirements from the State Government Pool. Frank reported that the policies outlined in the manual were based on current MGSD practices, policies from other wastewater treatment facilities in the area, as well as State and Federal mandates. Frank also mentioned that the manual has been reviewed and approved by MGSD Legal Counsel. Discussion followed regarding the inclusion of a section on "standby" duty in anticipation of possible future implementation, the cost to place an employee on standby duty, the terms of standby duty, current emergency and alarm callback situations and procedures, standby policies at other entities, disciplinary procedures and actions, overtime policy, and compensatory time. Motion by Leonard Anker to adopt the MGSD Personnel Policy and Procedures Manual Employee Handbook to be effective September 5, 2006. Seconded by Michael Henningsen. Motion carried.

Engineer's Report -- Bruce Scott reported that the Carson Water Subconservancy District is meeting on September 11, 2006 at the CVIC Hall to discuss water resources within the Carson Valley. Frank Johnson reported that he is also planning on attending the meeting.

Mr. Anker asked about the status of the Pump Station #2 project. Bruce felt that it was possible that the project would be ready to go out to bid around mid October, 2006.

Discussion followed regarding the collection system, including infiltration measurements, information gathered from televising projects, calculating flows during times of high and low water tables, lateral infiltration issues, and diagnostic capabilities.

Frank Johnson reported that there is a conflict between the State Department of Health and MGSD regarding MGSD's policy on grease interceptors. Frank explained that in the past Douglas County referred commercial developers to State Health for determination of grease interceptor installation, with MGSD determining the size and location of the grease interceptor. Since MGSD has adopted a grease interceptor ordinance, State Health review of grease interceptors is no longer needed for commercial projects within the District. Frank reported that State Health staff is still making determinations regarding requirements within the District. Frank asked for Board direction to resolve the conflict. Frank and



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Bruce Scott suggested a meeting with State Health staff. The Board concurred with setting up a meeting with State Health staff.

District Manager's Report (see attached report) -- Frank Johnson discussed Items 2 through 7 of his report, which were not covered earlier in the agenda. The Board directed Frank to obtain cost estimates for the fence replacement discussed in Item 5. Frank reported that he attended a management class in Reno during the prior week, and suggested that the plant foreman also attend the class in November. The Board agreed.

Mr. Anker requested a review of the Board compensation be placed on the October 3, 2006 agenda. He suggested an increase of \$100.00 per month to be effective January 1, 2011.

Secretary's Report -- Bonnie Fetic reported that a request has been received from HDR Engineering regarding Northern Sierra Construction's retainage account. Craig Olson has certified that \$40,000.00 be released from the retainage account, reducing it from \$60,000.00 to \$20,000.00. The Board approved releasing the \$40,000.00 and directed that the Board Chairman and Mr. Brown sign the release.

Meeting adjourned at 9:30 p.m.

Approved _____
Date

By Jerome Stenography



**Minden Gardnerville Sanitation District
District Manager's Report
September 2006**

**Minden Gardnerville
Sanitation District**

1. Personnel manual: At the August Board meeting I handed out the Personnel Manual for review. It has been placed on the agenda for discussion and approval.
2. Effluent Disposal: We were able gravity discharge approximately 65 MG or 199 Ac. ft. of effluent to Park Cattle Co. during the month of August.
3. EDU allocations: 19.344 units of capacity were allocated last month.(See attached sheet)
4. EDU forfeiture: 30 units of capacity were allocated to The Cottages, which is located behind the swim center, on 11-1-2005. (*The MGSD Codes states in part that all allocations will have to be paid for within nine (9) months of the date of the allocation. Any allocation not paid for within the nine (9) month period will be forfeited.*) A letter was sent to the engineer of record, R.O. Anderson, on July 18th, informing them of the requirements and no response was received, therefore the allocated EDU's were forfeited.
5. Fencing: The contractor is required to replace the fencing behind the new administration building with the current plans showing the fence to be placed approximately 10' behind the building. It may be beneficial to move the fence further back for easier access behind the building should it be necessary. We have an area of fencing that was moved to facilitate the ditch repair last fall that needs replacing. The intent was to have it replaced when the other fencing is replaced. I would like to propose that the fence be moved further back to an as-of-yet undetermined distance to give more access in the area. In addition an access gate would be beneficial as we have new storm drains in the area that need to be maintained.
6. Digester gas flow: At last month's meeting it was reported that the gas production in the digesters was down. We flushed the gas line and were able to obtain gas flow once again. While this appears to help in

the short term, the problem will still need to be addressed during the next expansion.

7. Portable Pump: A new portable emergency pump was budgeted for in the new budget. I would like to put it out to bid soon. I am scheduled to meet with a representative from Gorman Rupp to obtain all the information on September 19th.
8. Admin Bldg: Robbie Oxoby is expected to have information on the Admin. Building at the meeting.

Frank Johnson
District Manager



**MONTHLY REPORT OF
REQUESTS FOR CAPACITY
August 2006**

Date	Project Name	Address	EDU's Sold	Existing EDU's	Approved By	Comments
8/2/2006	Walgreen's	1342 Hwy 395	10.844	0.00	Board	
8/4/2006	Port of Subs	1734 Hwy 395	3.3	0.00	Board	old Wendy's
8/8/2006	Taco John's	1670 Hwy 395	4.6	4.20	Frank	old China Village
8/24/2006	Cornerstone Christian Fellowship	1415 Industrial Way	0.6	3.00	Frank	JC Center
TOTAL EDU's SOLD			19.344			



Board of Trustees
Minutes of Special Meeting
Tuesday, October 3, 2006
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
Bonnie Feticc
April Burchett
Bruce Scott

Others Present:

Mark Dudley
Peter Beekhof
Rob Anderson
Robbie Oxoby

Board Members Absent:

None

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson and Bonnie Feticc. **Motion by Ronald Wilcks to approve the claims for September, 2006 in the amount of \$291,229.77, and to approve the claims paid during September, 2006 in the amount of \$850.39.** Seconded by O.P. Brown, Jr. Motion carried.

Minutes of September 5, 2006 -- The minutes of September 5, 2006, were reviewed by the Board. **Motion by O.P. Brown, Jr. to accept the minutes of September 5, 2006.** Seconded by Ronald Wilcks. Motion carried.

Gardnerville Town Water Company - Public Hearing for Annexation of 6.36 acres located on Mathias Parkway -- Frank Johnson informed the Board that the notice for public hearing was published in the Record Courier, and the public hearing for annexation could proceed. **Motion by O.P. Brown, Jr. to approve the annexation for the Gardnerville Town Water Company for 6.36 acres located on Mathias Parkway near Virginia Ranch Road (APN 1220-10-501-003), subject to 2 conditions outlined in the letter from Resource Concepts, Inc. dated August 30, 2006. The rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Leonard Anker. There was no public comment. Motion carried.

The Ranch at Gardnerville, LLC -- Public Hearing for Annexation of 200.28 acres (previously known as the Anker Park development) located North of Chichester Estates, East of Minden and Gardnerville, and South of Buckeye Road -- Represented by Rob Anderson. Frank Johnson reported that the notice for public hearing was published in the Record Courier, and the public hearing for annexation could proceed. Leonard Anker recused himself from discussion and action on the project due to a potential conflict of interest as a prior owner of a portion of the subject property. **Motion by Ronald Wilcks to**



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approve the annexation for The Ranch at Gardnerville, LLC for 200.28 acres (previously known as Anker Park) located north of Chichester Estates, east of Minden and Gardnerville, and south of Buckeye Road (APN's 1320-29-000-008, 1320-29-000-014, and 1320-33-001-005), subject to 3 conditions outlined in the letter from Resource Concepts, Inc. dated August 30, 2006. The rules, regulations, and requirements of MGSD are to be met and all fees paid. Seconded by O.P. Brown, Jr.. Vote: 3 ayes, 0 nays, 1 abstention. There was no public comment. Discussion followed regarding difficulties with annexation to both the Town of Minden and the Gardnerville Town Water Company. The Board did not foresee any conflict with Condition 1 of Resource Concepts' letter if an agreement was reached whereby the project annexed either to the Town of Minden or to Gardnerville Town Water Company.

District Manager's Report --- Frank Johnson and Bruce Scott discussed the meeting held by the Carson Water Subconservancy District on September 11, 2006 and water right issues within the Carson Valley.

Stone Creek, LLC (formerly Crestmore Townhomes Project) -- Request for Extension of Time for Previously Allocated Capacity -- Represented by Peter Beekhof and Rob Anderson. Rob Anderson explained the status of the project's submittal to Douglas County and that the County submittal has been delayed due to a misunderstanding with an adjacent owner regarding a joint use area. The development is scheduled to be submitted to Douglas County within 15 days. Rob requested a one-year extension, since he felt it would be approximately 8 months before the project would be developed, and the developer would be amenable to return to the Board in 6 months with a status report. **Motion by Leonard Anker that an extension be granted to Stone Creek, LLC for 73.6 EDU's for a period of approximately 12 months to expire October 2, 2007, subject to a status report at the April 3, 2007 regular Board meeting.** Seconded by O.P. Brown, Jr. Motion carried.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. Robbie reported that the weekly meetings with the contractor, architect, Board members, and Frank Johnson have been effective. Robbie presented a summary of items contained in Change Orders 1, 2, and 3, which were previously reviewed and approved by the Board. Robbie reported that he has received an estimate for renovations on the new server room, at a cost of \$12,000.00 on a time and materials basis, which will be included in an upcoming change order. Discussion followed regarding replacement of the windows on the existing building. Frank reported that several of the window frames have rusted and the windows leak. Frank felt that it would be prudent to replace the windows at this time, and get windows that match the windows in the new building, to help tie the two buildings together. The contractor has given Frank a verbal estimate of \$8,000.00 to \$10,000.00. Discussion followed regarding alternatives to encourage the public to use the new office entrance, as opposed to the current entrance, which will not be used for public access. Robbie stated that the existing door must remain for emergency exiting, and mentioned that outside hardware can be eliminated from the door, the sidewalk can be removed, but the stoop must remain. **Motion by O.P. Brown, Jr. to obtain a written quote from the contractor for the replacement of the existing windows and to direct the Board Chairman and Mr. Wilcks to approve the estimate not to exceed \$11,000.00, and to authorize a change order for the window replacement.**



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Seconded by Michael Henningsen. Motion carried. Robbie reported that Phase 1 is estimated to be completed by October 19, 2006. Robbie presented plans for signage and dedication plaques for the new administration building. Frank also presented a proposal to allow the dedication plaques to be placed on the outside of the building as opposed to inside the building as shown on Robbie's plans. The Board will consider the options and make a decision at a later date.

MGSD -- Portable Emergency Pump -- Specifications and Advertisement for Bids -- Frank Johnson reported that he has researched the specifications of the portable pump that was approved by the Board in the Fiscal Year 2006-2007 budget. Frank reported that the cost of the pump has increased from \$26,000.00 to \$34,077.00. The Board directed Frank to look into some other sources for a pump and report back to the Board at the November meeting.

MGSD -- Board of Trustees Increase in Compensation -- Mr. Anker discussed a proposed increase to the Board members' compensation, the legal issues regarding the effective date of an increase in compensation, and the past policies of the Board of Trustees regarding compensation increases. Discussion followed regarding compensation for the Town of Minden and Gardnerville Boards and the Gardnerville Town Water Company Board members. **Motion by Leonard Anker to increase the compensation to MGSD Board of Trustees to \$450.00 per month, and compensation for the Chairman to \$550.00 per month effective January 1, 2011.** Seconded by O.P. Brown, Jr. Motion carried.

Engineer's Report -- Bruce Scott reported that the Nevada Division of Environmental Protection has asked to look at Park Cattle Company's reuse area and effluent irrigation from MGSD and Douglas County Sewer Improvement District. The Board directed Bruce to talk to Dan Nalder or Felipe Regalado at Park Cattle Company prior to meeting with the State. Bruce reported that the Byington's improvements are complete and Resource Concepts staff have met with Galeppi Ranch staff to review procedures for effluent irrigation.

Bruce also reported that Douglas County passed an ordinance regarding the fees for Town and General Improvement District building and improvement permits. Bruce explained that MGSD has always paid County fees for new building shells at the plant, but not for sewer line maintenance and rehabilitation. The County will now collect 25% of the usual County permit costs for new plant buildings, as well as for rehabilitation and maintenance projects. Bruce stated that he is meeting with Douglas County staff to discuss this, and he will inform the Board of the outcome.

Bruce also reported that the televising project tapes have been reviewed, and Resource Concepts is preparing a priority list for rehabilitation projects. Discussion followed regarding alternatives for rehabilitation on the sewer main at the old County Road right-of-way at Highway 395. Bruce stated that he would prefer to place all the rehabilitation items out to bid, and then have the Board decide which specific items they would like to proceed with after bids are received. Bruce stated that he anticipates a cost of \$350,000.00 to \$450,000.00. **Motion by O.P. Brown, Jr. to direct Resource Concepts, Inc. to**



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October 3, 2006
Page 4

draw up specifications on the rehabilitation work and place the project to bid as deemed necessary.
Seconded by Michael Henningsen. Motion carried.

District Manager's Report (see attached report) -- Frank Johnson discussed Items 3 through 5 of his report, which were not covered earlier in the agenda. Discussion followed regarding the State contracts for 2007 vehicle purchases. The Board directed Frank to contact Jones West Ford to see if any 2006 models are still available.

Frank reported that Mimi Market has purchased the 0.925 EDU's shown on the monthly capacity report as "pending".

Frank presented some basic alternative schemes for landscaping the front of the new administration building. Discussion followed regarding installation of landscape improvements, timing of installation, and the costs for lawn maintenance as opposed to other landscape alternatives. The Board directed Frank to coordinate with Mark Dudley to develop an estimate, plant list and scheduling of improvements. Discussion followed regarding fencing behind the building.

Frank reported that he gave the Lion's Club a plant tour on September 27, 2006.

Secretary's Report -- Bonnie presented a pay request from HDR Engineering to release the remainder of the retainage account for Northern Sierra Construction, Inc. She needs two signatures to close the account. The amount requested is \$20,000.00, and there is approximately \$26,000.00 in the account.

Meeting adjourned at 9:50 p.m.

Approved 10/3/06
Date

By Jerome Etchegoyhen



Minden Gardnerville
Sanitation District

Minden Gardnerville Sanitation District
District Manager's Report
October 2006

1. Stone Creek LLC: (formally Crestmore Townhomes) The owner of the project has requested an additional extension for usage of 73.6 EDU's which were initially allocated on January 2, 2001. While 4 previous extensions have been granted, due to circumstances beyond his control, the developer is requesting an extension of what amounts to an additional 9 months to use the allocation. (See letter in meeting packet).
2. Portable Pump: I met with the Gorman Rupp representative regarding the portable emergency pump. As is indicative of the times, the price of the pump has increased approximately 21% to \$ 34,077.00, which includes shipping and instructional training. I have only been able to get one representative to respond to my requests for new pricing at this time.
3. Truck purchase: We are still waiting for state purchasing to finalize the '07 contracts with vendors, which will allow us to utilize the state purchasing system for (2) two new trucks which were budgeted for the '06-'07 fiscal year.
4. EDU allocations: As of 9/27, 4.1 units of capacity were allocated last month, with an additional 1.925 EDU's pending. (See attached sheet)
5. Effluent Disposal: We discharged approximately 35 MG or 107 AF to Park and 41.8 MG or 128 AF to Byington during the month of September.
6. Admin Bldg: Robbie Oxoby is expected to have information on the Admin. Building at the meeting. He has presented (2) two proposals for signage on the front of the building. Other options can be considered as well. Robbie would like to coordinate the landscaping of the project. In our weekly meetings with MGM and Robbie it was determined that we may pursue the landscaping ourselves. I intend to have some conceptual ideas available at the board meeting.

We have removed the willows behind the building and will coordinate the replacement of the fencing with the contractor. It may be beneficial to utilize the area behind the building with parking in the future.

Frank Johnson
District Manager



**MONTHLY REPORT OF
REQUESTS FOR CAPACITY
September 2006**

Date	Project Name	Address	EDU's Sold	Existing EDU's	Pending EDU Sales	Approved By	Comments
9/5/2006	Bob Olinger (Hansen's Café)	1679 Hwy 395	3.2	8.60		Frank	
9/12/2006	Carson Valley Medical Center - Bistro	1107 Hwy 395	0.9	73.90		Frank	
	1685 Minden LLC (Mimi Market)	1685 Hwy 395		1.00	0.925		
	Cornerstone Marketplace Building A	Hwy 395			1.000		
TOTAL EDU's SOLD			4.1				



Board of Trustees
Minutes of Special Meeting
Tuesday, November 7, 2006

7:00 P.M.

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

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
Bonnie Feticc
April Burchett
Bruce Scott

Others Present:

Mark Dudley
Ken Krater
Craig Olson
Robbie Oxoby

Board Members Absent:

None

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson, Bruce Scott, Craig Olson, and Bonnie Feticc. **Motion by Michael Henningsen to approve the claims for October, 2006 in the amount of \$255,589.50, and to approve the claims paid during October, 2006 in the amount of \$56,794.74.** Seconded by Leonard Anker. Motion carried.

Minutes of October 3, 2006 -- The minutes of October 3, 2006, were reviewed by the Board. **Motion by O.P. Brown, Jr. to accept the minutes of October 3, 2006.** Seconded by Ronald Wilcks. Motion carried.

HDR Engineering -- Proposed Plant Expansion Pre-Design Report-- represented by Craig Olson. Craig presented a draft pre-design report for the proposed plant expansion, authorized by the Board at the August 1, 2006 regular board meeting, as well as a cost breakdown of the proposed improvements. Craig discussed the prioritization, details, and costs of the proposed improvements, including in order of priority: a digester and digester control building; a trickling filter pumping station; influent pump; an odor control biofilter; and gravity belt thickener and gravity belt building expansion. Craig asked the Board to review the draft pre-design report, and to discuss it further at the December 5, 2006 meeting. Craig mentioned that a second belt filter press was discussed by the Board at the August 1, 2006 building, and after reviewing that item in greater detail, HDR felt it is not needed due to the reliability of the current equipment. Frank mentioned that replacement bearings and belts for the existing belt press are kept onsite, but he proposed stocking rollers and other parts as well. The Board directed Frank to check into the costs for replacement rollers and the timing for receiving replacement rollers. Leonard Anker stated he preferred that HDR work on the design in 2007 to be ready for bid in early 2008. Discussion followed



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regarding the priority of a second digester since the existing digester needs to be cleaned in the next year. Michael Henningsen asked Craig about plant preparedness during times of high precipitation, and Craig mentioned that the limiting factor is the trickling filter pumping station. The Board directed that discussion on this item be continued at the December 5, 2006 regular meeting.

Walton's Inc. -- Application for Annexation of 2.28 acres located at 1349 Centerville (APN 1220-04-201-001)-- Represented by Ken Krater. Frank Johnson reported that an application, annexation fee, a notarized authority to represent form, legal description, and preliminary title report have been received from Walton's Inc. for the annexation of 2.28 acres located at 1349 Centerville in Gardnerville. Ken Krater discussed the proposed annexation and future development plans for the property. Bruce Scott presented a letter from Resource Concepts, Inc., dated October 26, 2006 recommending a public hearing for annexation and outlining 3 conditions for annexation approval. Bruce also stated that the acreage contained in the legal description is 2.37 acres, and should be noticed as such. Mr. Krater concurred. **Motion by Ronald Wilcks to accept the annexation application from Walton's Inc. for 2.37 acres located at 1349 Centerville (APN 1220-04-201-001) and to notice the public hearing for annexation for December 5, 2006, subject to 3 conditions outlined in the letter from Resource Concepts, Inc. dated October 26, 2006. The rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by O.P. Brown, Jr. Motion carried.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. Robbie reported that the contractor is optimistic to have everything done in Phase 1 by the end of next week, and the building should be ready for occupation after Thanksgiving. Discussion followed regarding the bid for the window replacement on the existing building. The bid came in at around \$14,000, and Jerome stated that the bid was not approved by him and Ron as authorized by the Board at the October 5 meeting. **Motion by O.P. Brown, Jr. to approve the bid from MGM Construction and Capital Glass in the amount of \$14,490.00 for replacement of the glazing and spandrel glass in the existing administration building.** Seconded by Michael Henningsen. Motion carried. Discussion followed regarding the expedition of the glazing and spandrel glass replacement and alternatives to having MGM Construction as the contractor. The Board directed Robbie to check with the contractor regarding the timing of the replacement of the windows. If it can be handled immediately then the motion will stand. If not, then the Board would like the window replacement to be handled after winter. Discussion followed regarding a change order for sealing the tiled floors in the amount of approximately \$2,000.00. Discussion followed regarding the items included in the claim from MGM Construction and the amount remaining on the project.

Engineer's Report -- Bruce Scott reported that a revision to the sewer main serving Walgreen's was reviewed and approved. Discussion followed regarding future sewer service on the west side of Highway



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395 south to Riverview. Bruce also mentioned that easements for the Monte Vista development were reviewed and approved during the month of October 2006.

Bruce reported that in the past annexation maps have been coordinated with the Towns of Minden and Gardnerville and the Gardnerville Town Water Company. Due to the lengthy review process of the Towns' maps and the Public Utilities Commission review of the Gardnerville Water Company maps, Bruce felt it would be more expedient to prepare and record new MGSD boundary maps separately.

Frank Johnson reported that, pursuant to the agreement between MGSD and GRGID, GRGID has requested approval from the Board for GRGID to allocate 1.0 EDU, already purchased by GRGID, to serve the Washoe Tribe. The Board directed a letter be written to GRGID to allow 1 more unit to serve the Dresslerville Colony. In addition, Frank reported that the Washoe Tribe has inquired about sewer service from MGSD for a separate property. Frank presented a memo from MGSD legal counsel stating that Tribal lands must be served if within the service area boundary and they are subject to the same fees and requirements as other people being served by the District.

District Manager's Report (see attached report) -- Frank Johnson discussed Items 1, 3, and 4 of his report, which were not covered earlier in the agenda.

Frank reported that he contacted a second company (Pac Machine) for a portable pump. The second bid is about \$24,805.00, or approximately \$6,000 less than the previous bid of \$31,000.00. The Board authorized Frank to approve the lower bid.

Frank reviewed the October capacity report with the Board, and mentioned that he approved 5.1 units to Carson Valley Medical Center, which was 0.1 EDU's over the amount the Board authorized him to administratively approve. The Board felt this was acceptable. Frank reported that the 1.0 units shown as in the report as "pending" for the Cornerstone Marketplace is now going to be transferred from an adjacent parcel.

Frank presented a pond discharge table, which outlined the discharge for the year for Byington, Park, and Bently. Discussion followed regarding the amount of water pumped by Byington, Park, and Bently, and the change in the contract effective in 2008.

Frank reported that employee Chris Baracosa has passed his Grade I certification test, and that he is eligible for a 5% increase in salary. The Board directed that Chris Baracosa's salary be increased by 5% effective pending receipt of certificate.

Frank stated that he has obtained a bid from Nu-Systems for the upgrade and reconfiguration of the security system, at \$2,800.00 and \$1,400.00, respectively. The Board authorized Frank to coordinate with Nu-Systems for the security system improvements.



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The Chairman asked the Board their preference regarding a retirement party for Leonard Anker. The Board directed the Chairman to coordinate with MGSD staff to set up a luncheon.

Mark Dudley and Frank presented two proposed landscaping plans and corresponding bids prepared by A & C Construction. Discussion followed regarding replacement of the existing sod to match new sod, potential delays for plant delivery, and the timing of improvements. The Board expressed preference for sod removal and replacement. The Board authorized the bid from A & C Construction Inc. in the amount of \$6,854.40 for sod removal and replacement, and the bid from A & C Construction Inc. in the amount of \$9,474.00 for new landscaping improvements. The Board directed that the improvements proceed based on the timing of the window improvements.

Meeting adjourned at 9:30 p.m.

Approved _____
Date

By _____.



**Minden Gardnerville Sanitation District
District Manager's Report
November 2007**

**Minden Gardnerville
Sanitation District**

1. EDU Allocations: 1.0 units of capacity were allocated last month, with 1.2 EDU's pending. (See attached sheet)
2. NDOT Compensation: NDOT has rejected the claim for the extra cleaning of the lines due to the debris that was removed from the Hwy. 88/County Road roundabout project. They put responsibility on Granite Construction, who in turn put the responsibility upon another sub contractor. I am still working with MGSD legal counsel to resolve the issue.
3. Effluent Disposal: We discharged 45.13 MG of effluent to Byington during the month of October. We did not need to pump to Bently at the end of the season due to Park and Byington requiring more effluent than in previous years.
4. Bio-Solids: I am still working with RCI and NDEP to secure our Bio-solids permit as necessary. I have in the interim, looked into other temporary avenues, should the Dreyers decide to not grant additional extensions to us.
5. Grease Interceptors: Per the Board's instruction, I have reviewed the MGSD Grease/Oil Control Policy. I will have a presentation available at the upcoming meeting.
6. Pump Station 2: We have scheduled the bid opening for the pumps for the project on Wednesday, November 14. Due to the lead time on the equipment we need to schedule a special meeting to award the bid the following week. In addition, we anticipate the remainder of the project to go out to bid the following week as well.
7. Additional Personnel: As discussed briefly at the August meeting, I would like to explore the possibility of hiring additional personnel in the near future. In the past we have advertised for "certified operators" in hopes of obtaining experienced personnel, but have always had to opt for hiring inexperienced personnel.

Frank Johnson
District Manager



Board of Trustees
Minutes of Regular Meeting
Tuesday, December 5, 2006
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Ronald Wilcks
O.P. Brown, Jr.
Leonard Anker
Michael Henningsen

Staff Members Present:

Frank Johnson
Bonnie Feticc
April Burchett
Bruce Scott

Others Present:

Mark Dudley
Rob Williams
Craig Olson
Robbie Oxoby
Tyler Thew
Richard Peters
Kent Neddenriep

Board Members Absent:

None

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson, Bruce Scott, Craig Olson, and Bonnie Feticc. **Motion by Leonard Anker to approve the claims for November, 2006 in the amount of \$196,578.14, and to approve the claims paid during November, 2006 in the amount of \$2,200.12.** Seconded by O.P. Brown, Jr. Motion carried.

Minutes of November 7, 2006 -- The minutes of November 7, 2006, were reviewed by the Board. **Motion by O.P. Brown, Jr. to accept the minutes of November 7, 2006.** Seconded by Ronald Wilcks. Motion carried.

HDR Engineering -- Proposed Plant Expansion Pre-Design Report-- represented by Craig Olson and Rob Williams. Craig gave an overview of the items discussed at the November 7, 2006 meeting. Discussion followed regarding the various improvement options presented by HDR, and which options to direct HDR to proceed with. Mr. Anker felt the report provided by HDR at the November meeting was well done. The Board discussed including the Digester, Trickling Filter, and Influent Pump options, in the amount of \$3.1 million, in the next expansion project. Mr. Wilcks expressed concern about financing the project with MGSD's current funds. Mr. Anker asked Craig and Rob their opinions regarding the prioritization of the various options. Rob stated that they can make technical recommendations, but the Board will need to determine



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how much they are willing to spend. Discussion followed regarding pending developments and the slowdown in the construction industry, buildout capacity, and improvements and capacity at the North Valley Treatment Plant. Rob felt that the proposed Gravity Belt Thickener building should possibly be placed higher on the priority list, since MGSD currently does not have much storage capability. Frank responded that he and Craig determined that MGSD has about 4 to 5 days of storage capacity. Frank stated that he is more concerned about onsite storage of replacement parts for existing equipment, such as the rollers the Board directed Frank to look into at the November 7, 2006 meeting. Frank reported that he contacted suppliers regarding replacement parts and developed a list of parts to have onsite. Frank stated he was verbally quoted approximately \$15,000 for the gravity belt, and \$38,000 for the belt press parts. Rob felt that if the Board authorized onsite storage of spare parts, then the Gravity Belt Thickener building could be delayed until a later expansion project. Rob advised the Board to have MGSD purchase the pump under the Influent Pump option, and the installation would be covered under the expansion contract. Mr. Anker asked about the cost for HDR to design each project, which Craig approximated to be \$210,000 to \$240,000. Discussion followed regarding the age of the current variable frequency drives, the technology for new variable frequency drives, and the priority of the Biofilter project. **Motion by Leonard Anker to authorize HDR Engineering to prepare a contract for the design of the plant improvement project to include the Digester and Digester Control Building, Trickling Filter Pumping Station, Influent Pump Installation, and the Gravity Belt Thickener Building Expansion to be presented at the January 2, 2007 meeting.** Seconded by O.P. Brown, Jr. Motion carried. Discussion followed regarding the timing of the design and bid. The Board agreed to have the project ready for bid in November 2007 and for the construction to proceed in March 2008.

Craig and Rob presented a jacket to Leonard as a retirement present.

Walton's Inc. -- Public Hearing for Annexation of 2.37 acres located at 1349 Centerville (APN 1220-04-201-001)-- Frank Johnson reported that the notice for public hearing was published in the Record Courier, and the public hearing for annexation could proceed. **Motion by O.P. Brown, Jr. to accept the annexation application from Walton's Inc. for 2.37 acres located at 1349 Centerville (APN 1220-04-201-001), subject to 3 conditions outlined in the letter from Resource Concepts, Inc. dated October 26, 2006. The rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Ronald Wilcks. There was no public comment. Motion carried.



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Stodick Estates Phases 2 and 3 -- As-Built Approval and Line Acceptance -- Represented by Tyler Thew. Bruce Scott presented a letter with 8 conditions, and mentioned that revised sheets were submitted by R.O. Anderson Engineering, which he has not yet reviewed. Tyler stated that he has no objection to the conditions outlined in Resource Concepts' letter. Bruce stated he will coordinate with Kent Neddenriep and Frank Johnson for final approval of the as-builts. **Motion by O.P. Brown, Jr., to approve the record drawings and to accept the sewer lines within Stodick Estates Phases 2 and 3 upon completion of the 8 conditions outlined in Resource Concepts, Inc.'s letter dated November 29, 2006. All rules, regulations and requirements of MGSD are to be met and all fees paid.** Seconded by Ronald Wilcks. Motion carried.

Monterra Subdivision Phase 1 -- As-Built Approval and Line Acceptance -- Represented by Tyler Thew. Bruce presented the record drawings for Monterra Subdivision Phase 1, as well as a letter prepared by Resource Concepts, Inc. containing 20 conditions for approval. Tyler stated that there are 2 lines that do not meet the District's requirements, as outlined in RCI's letter. Bruce reported that he and Tyler have discussed the two items, and that he concurs with Tyler's response to Condition 11 of the letter, which reflects a rounding issue on the sewer slope between Manholes 5 and 4. Bruce stated he asked Tyler for calculations on the slope discrepancy between Manholes 12 and 13, described in Condition 13 of RCI's letter. Bruce reported that all other conditions outlined in RCI's letter dated November 29, 2006 are applicable. Discussion followed regarding the process for subdivision as-built approvals, which would include conditional acceptance before streets are paved and final acceptance after all conditions are met. Tyler's concern was making sure the slopes are accepted prior to paving, so that paving won't need to be removed to correct problems with the sewer mains. Discussion followed regarding how sewer slopes are corrected after paving is completed. **Motion by O.P. Brown, Jr., to authorize Frank Johnson to approve the record drawings and to accept the sewer lines within Monterra Subdivision Phase 1 upon completion of the 20 conditions outlined in Resource Concepts, Inc.'s letter dated November 29, 2006. All rules, regulations and requirements of MGSD are to be met and all fees paid.** Seconded by Michael Henningsen. Motion carried.

Richard J. Peters -- Approval of June 2006 Audit -- Represented by Richard J. Peters, CPA. Richard presented the Audit for the fiscal year ending June 30, 2006. Discussion followed regarding the increase in employee benefits, the operations cost of the plant, the supplemental revenues, the impact of construction on the cash amount, the increase in utility costs, and the increase in repairs and maintenance. Richard reported that there were no violations of law, and he had no recommendations to the Board. Mr. Henningsen inquired about a recommendation



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for a minimum amount of funds to keep in the bank, in order to allow for plant improvement projects. Richard recommended keeping about \$2 million in the cash account. **Motion by O.P. Brown, Jr. to approve the Audit Report prepared by Richard J. Peters, Jr. & Co. for the Minden-Gardnerville Sanitation District fiscal year ending June 30, 2006.** Seconded by Ronald Wilcks. Motion carried.

Robbie Oxoby -- Status of Administration Building Project -- Represented by Robbie Oxoby. Robbie reported that the punchlist is anticipated to be completed by December 13, 2005, and the building will then be available for occupation. The contractor projected 7 to 8 weeks to complete Phase 2 improvements. Robbie stated that the walk-through for the outside of the building has not yet been completed, in order to get the inside of the building ready for move-in. Robbie reported that there is approximately \$17,000.00 to \$18,000.00 of preauthorized work to be included in Change Order No. 4. Frank mentioned that the new windows on the existing building have been installed, and the frames are ready for painting. Discussion followed regarding the marker board, projection screen, signage, and dedication plaque. The Board felt it would be prudent to have MGSD order these items, allowing for a \$7,000 credit. Robbie stated that he will not be available for the January 2, 2007 meeting.

Engineer's Report -- Bruce Scott presented a memorandum and drawing outlining proposed sewer rehabilitation alternatives, and asked the Board to include the base bid and Alternative A, which designates rehabilitation on Wildrose, which is scheduled for repaving in Summer 2007. Frank Johnson also recommended including Alternative A. Bruce mentioned that all the alternatives can be included as alternative additives to the primary bid. **Motion to O.P. Brown, Jr., to authorize Resource Concepts, Inc. to advertise for bidding the 2007 rehabilitation project, including the base project and Alternative A as the primary bid and including Additive Alternate B and Additive Alternate C.** Seconded by Ronald Wilcks. Motion carried.

District Manager's Report (see attached report) -- Frank Johnson reported that the new MGSD District Boundary map recorded, and that the annexation process has been completed for the following 11 parcels. The contracts for each annexation have been signed and the map recorded on November 22nd, leaving the adoption an ordinance for each parcel by the Board.

- Motion by Leonard Anker to adopt Ordinance #162 for the annexation of 1.0 acre located at 1058 Frieda Lane owned by Ray VanWinkle, Jr. and Toni VanWinkle. Seconded by Michael Henningsen. Motion carried.



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- Motion by O.P. Brown, Jr. to adopt Ordinance #163 for the annexation of 85,131 square feet located at 1342 Highway 395 for the Walgreen's project owned by Bencor/Waterloo L.P. (formerly Roy and Madalena Farrow and Adrienne and Max Iann). Seconded by Ronald Wilcks. Motion carried.
- Motion by Ronald Wilcks to adopt Ordinance #164 for the annexation of 38.84 acres located north of Toler Lane and east of Stodick Park owned by H & S Construction. Seconded by O.P. Brown, Jr. Motion carried.
- Motion by Michael Henningsen to adopt Ordinance #165 for the annexation of 225.98 acres located south of Toler Lane and easterly of the Carson Valley Industrial Park, the Southgate Service Park, and Jewel Commercial Park, for the Virginia Ranch Estates project, owned by Sierra Nevada SW Enterprises. Seconded by Leonard Anker. Motion carried.
- Motion by O.P. Brown, Jr. to adopt Ordinance #166 for the annexation of 3.65 acres located at 1296 Centerville owned by Dennis and Marilyn Wills. Seconded by Ronald Wilcks. Motion carried.
- Motion by Leonard Anker to adopt Ordinance #167 for 2.70 acres located at 1245 Waterloo owned by Vowles Enterprises LLC. Seconded by Ronald Wilcks. Motion carried.
- Motion by O.P. Brown, Jr. to adopt Ordinance #168 for 13.675 acres located on Waterloo owned by Sunset Park Subdivision. Seconded by Michael Henningsen. Motion carried.
- Motion by Michael Henningsen to adopt Ordinance #169 for 1.44 acres located at 1283 Centerville owned by Karin Allen and Robert Horning. Seconded by Ronald Wilcks. Motion carried.
- Motion by Ronald Wilcks to adopt Ordinance #170 for 2.40 acres located at 1355 Easton owned by Jonathan B. and Jocelyn Fisher. Seconded by O.P. Brown, Jr. Motion carried.
- Motion by Michael Henningsen to adopt Ordinance #171 for 0.75 acres located at 1255 Waterloo owned by Carson Valley Community Food Closet. Seconded by Leonard Anker. Motion carried.



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- Motion by O.P. Brown, Jr. to adopt Ordinance #172 for 5.64 acres located at 1350 Easton owned by Mark R. Dudley and Beverly A. Dudley, Trustees of the Dudley Family Trust. Seconded by Ronald Wilcks. Motion carried. Vote: 3 ayes, 0 nays, 1 abstention: Leonard Anker.

Frank discussed the items in the District Manager's report not covered earlier in the meeting (see attached report).

Frank discussed putting in a new counter in the lab. The Board directed Frank to obtain cost estimates.

Frank reported that employee Ken Johnson submitted his resignation effective November 30, 2006. Discussion followed regarding hiring recently retired Russ Lindell on a part-time basis. The Board directed Frank to rehire Russ Lindell.

Frank reported that Rob Anderson has requested a special meeting for the Anker Park sewer realignment. The Board directed MGSD staff to consult with Bruce Scott for a special hearing date, and try to obtain a quorum at that time.

Meeting adjourned at 10:15 p.m.

Approved _____
Date

By Jerome Etcheberry



Minden Gardnerville Sanitation District
District Manager's Report
December 2006

Minden Gardnerville
Sanitation District

1. Retirement Party: The retirement luncheon for outgoing trustee Leonard Anker is scheduled for Wednesday, December 13, at 12:00 noon, at the Overland.
2. Swearing –In Ceremony: Nevada Revised Statutes requires the elected officials to be sworn-in on the first Monday of January following the general election. (See attached letter). As the January meeting is scheduled after the first Monday, the swearing –in ceremony is scheduled to take place at the above mentioned retirement luncheon. April has scheduled Judge Gamble to attend to the ceremony.
3. Annexations: There are 11 Annexation Ordinances to be adopted. This will be addressed under the District Managers report at the meeting. (See attached sheet).
4. EDU allocations: .15 units of capacity were allocated last month, with 0 EDU's pending. (See attached sheet)
5. Effluent Disposal: No effluent was discharged from the ponds during the month of November.
6. Lab remodel: During the renovation of the existing, some work is to be performed in the lab. I would like to consider some additional work which is not currently scheduled.
7. Personnel: MGSD employee Ken Johnson submitted his resignation on November 30th, effective immediately.
8. Admin Bldg: Robbie Oxoby is expected to have information on the Admin. Building at the meeting.

Frank Johnson
District Manager