



Board of Trustees
Minutes of Regular Meeting
Tuesday, January 3, 2012
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

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

Staff Members Present:

Frank Johnson
April Burchett
Sarah King
Bruce Scott
Bill Peterson

Others Present:

Nick Koropchak
Paul Cockrell
Richard J. Peters Jr.

Board Members Absent:

None

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

Election of Board Officers –Vice Chairman Brown opened the floor to nominations for Board officers. **Motion by Ronald Wilcks to leave the officers as they are currently, which is O.P. Brown, Jr., as Chairman, Michael Henningsen as Vice Chairman and Ronald Wilcks as Secretary-Treasurer.** Seconded by Raymond Wilson. Motion carried unanimously.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson. **Motion by Ray Wilson to approve the claims for December, 2011 in the amount of \$62,479.81, and to approve the claims paid during December, 2011 in the amount of \$88,770.62.** Seconded by Ronald Wilcks. Motion carried unanimously.

Bill Peterson legal counsel for MGSD spoke about MGSD's Effluent Reservoir Interruptible Power Service and explained that MGSD had requested an item be struck from NV Energy's contract for interruptible service requiring that equipment be placed on the pumps at pump station # 4, to allow NV Energy to turn off the power. Bill stated that he had been contacted by NV Energy that the equipment must be in place in order for MGSD to receive the lower rate. Bruce stated that power is not needed to continue with the irrigation during the times of curtailment. The Board directed Bill to co-ordinate with Bruce and Frank to ensure that the equipment is installed. The equipment is to be installed at NV Energy's cost.



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Minutes of December 6, 2011 – The minutes of December 6, 2011 were reviewed by the Board. **Motion by Ron Wilcks to accept the minutes of December 6, 2011.** Motion seconded by Ray Wilson. Motion carried unanimously.

Public Comment – There was no public comment.

Carson Valley Reforestation and Beautification Foundation – Represented by Nick Koropchak. Nick informed the Board that weather permitting the planting of the trees will start February 1, 2012. Nick asked about the analysis of the effluent water and its acidity level and Frank explained that it met NDEP requirements and the water was at a neutral pH. Nick presented to the Board a letter that was sent to the Environmental Protection Agency about the various donations and status of the project. Frank brought up the subject on how the water would be delivered and discussion took place about the method that would be used for the delivery. Nick thanked the Board for their help in getting this project to take place. **Motion by Ray Wilson to authorize the use of 1.0 AFA of effluent water from Permit No. 69907-S04 by the Carson Valley Reforestation and Beautification Foundation for irrigation of trees along Hwy. 395 between Genoa Lane and Muller Lane.** Seconded by Mike Henningsen. Motion carried unanimously.

The Ranch at Gardnerville Subdivision Unit 1 – As-Built Approval and Line Acceptance

Bruce explained that the permits for the model homes for the Ranch at Gardnerville have been issued, and the lines were televised at that time, but had not been formally accepted. He stated that this was a request for the as-built approval and line acceptance and suggested that the Board approve this request **Motion by Mike Henningsen to approve the Record Drawings for The Ranch at Gardnerville Unit 1 and to accept the sewer mains for maintenance by MGSD. All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Mark Dudley. Motion carried unanimously.

The Ranch at Gardnerville – Chichester Interceptor Easement Abandonment

Bruce explained to the Board that in 2007-08, the interceptor line in the Ranch at Gardnerville had been relocated for the Chichester easement and MGSD had yet to approve the abandonment for the easement of portions of the interceptor line. He informed the Board their approval was needed for this abandonment. Bill agreed that the Board needed to approve this abandonment. It was agreed to have it as an agenda item with the easement document to be presented to the Board for approval.

Richard J. Peters, Jr. & Co. – June 2011 Audit – Richard presented the audit for the past fiscal year. He noted that the assets decreased by 2.3% and the operating expenses increased by 8.1% and pointed out the accounts receivable were way down in 2010 because of the construction process. He pointed out the long term debt which was the interest free ARRA loan. He also pointed out the decrease in user fees but



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stated that it was an immaterial adjustment as there was a slight increase in some units. Ray had a question about GRGID fees and why they were varying and Frank explained that this because of the fixed and variable costs and how they are calculated. Richard spoke about the monies allocated for odor control and felt that the balance in the odor control budget should maybe have a one time pull out. He felt that too much money was sitting in that account. Bruce explained MGSD had been earmarking money for the last 15 years for odor control, and while each project typically has an odor control component within it, no monies have been taken from the earmarked funds specifically for odor control. Bruce stated that maybe the allocation could be changed as it has never changed since it was originally allocated. Bill felt that he thought that the money could be moved to another area and had thought it had already been done after the last audit. Bud Brown suggested that Bill look into changing the allocation for the next meeting. Richard also pointed out the schedule for the ARRA funds which had to be set up separately as it was grant funds. Bill asked about the operating expenses which showed in the negative on page 5 and Richard explained that it was because of a drop in the Ad Valorem funds. **Motion by Mike Henningsen to approve the FY2010-2011 Financial Statement, dated June 30, 2011 as presented by Richard J. Peters, Jr. and Co.** Seconded by Mark Dudley. Motion carried unanimously.

MGSD Heat Loop Project – Represented by Paul Cockrell. Paul spoke about extending the underground heating system to include a couple of other buildings since there was excess waste heat from the grease digestion co gen project. He stated that the original thought was to simplify the project and break it down into smaller projects and give it to different contractors instead of bidding it out. But based on Nevada law any amount over \$100,000 needed to be bid out which would mean higher costs. Discussion followed about how to go about this project without going to bid. Bill explained that there is a statue about prohibition of splitting up a project, but 318 districts, which MGSD falls under, are exempted from this prohibition. It was discussed that if it was not illegal then maybe the District should proceed in this manner. Bill stated that he would like to prepare a legal document so as to cover the District in this project and also stated that there would still be some limitations and that it would need to be noticed. Discussion followed about needing to do this project as the new GapVac truck needed to be in a heated environment and besides the heat was being wasted. Bud asked about the O & M manual and Frank stated that had received and was in the process of reviewing it.

MGSD Fees – Frank spoke about the user fees that had been discussed in the previous two Board Meetings. He explained that MGSD had consistently kept its sewer user fees at the minimum with only four increases since 1966. He showed a comparison to similar entities in the local area and how low the MGSD rate was in comparison. Frank referred to a couple of graphs that he had prepared showing the difference in various amounts of rate increase and the overall difference in annual revenue. Frank suggested that any increases in fees be implemented over a three year period. Richard stated that he did not find a problem with the increase and wanted to know if the increase was to catch up to the consumer price index or if we were planning for the future years. Richard also thought the periodic increase over a



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three year period was not a bad way to go. Mike felt that a fee increase would offset the decrease in Ad Valorem and SCCRT revenues. Frank explained that his graphs, in fact reflect the loss of AdValorem and SCCRT revenues. Frank referred to his timeline and said that it could be implemented by the second quarter. Bill explained the process and the amount of time involved for each step. Discussion followed about how to present this to the public. Ray felt that we should be able to justify to the public as to why the rates were being raised and discussion took place about not waiting till a disaster happened and wiped out the reserves.

Plan review: Frank spoke the plan review fees and explained that they would be discretionary and based on his re-review of the plans and the amount of time it would take each time and also for the amount of time the plans sit in his office without any response from the client. Bruce explained that Frank's reviews are internal but the outside review costs are passed thru and to make sure the resolution covers that without confusing the public. Mark spoke about a fee packet that should be presented to the public when they showed up with plans to be reviewed. Bill suggested the Board could decide the amount and agendaize that as part of the resolution. **Motion by Mike Henningsen to authorize MGSD Staff to place a resolution on the regular board meeting agenda for February 7, 2012, proposing to increase user fee rates by \$2.00 a month and adopt a Plan Review Fee.** Seconded by Mark Dudley. Ray Wilson wanted to be on record that he was only supporting this motion as it included the Plan review fee. Motion carried unanimously.

Human Resources – Frank stated that Brian Buffo was being trained for the position of lead operator that was vacated last month. He explained that at the last meeting he had not felt that there was a qualified person for the job. He felt that Brian was doing a good job. Frank explained that out of all the applicants of about 30 that had been received we have not received any qualified persons. A couple of people are certified in other states but there is no reciprocity with Nevada. He felt it would be easier to fill the position of Operator in the event that Brian moved to the position of Lead Operator. Frank also mentioned that Russ Lindell, the part time employee would likely be leaving in March of 2013 and his position would also need to be filled with a permanent employee. Frank stated the deadline for the current vacancy was 1/13/12. He explained that the vacancy needs to be filled as soon as possible. April stated that morale was much higher now than it has ever been.

Engineer's Report – Bruce Scott discussed the following projects:

The draft for the master plan from HDR was done and Bruce stated that he was hopeful that the final plan should be on the agenda for the next meeting.

He brought to the Board's attention one serious issue which is the localized seepage in the north pond. He stated that it was not an emergency but a serious issue that needs to be addressed as soon as possible.



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Soft spots were noticed a month or so ago and boring and surveys were done and it appears that there are isolated areas of sandy lenses where it appears the water is moving latterly. The geotechnical review proposes that a narrow trench be dug about 75 – 100 feet in length and put in a cement grout or a bentonite slurry to prevent the water from penetrating. The water in the piezometers has gone down but further investigation is needed so that there are no issues in the dykes and Bruce feels it is an isolated situation. He stated that currently all alternatives have been discussed after meeting with state engineers and a plan of action has been requested. Frank explained that it was being inspected on a daily basis and markers have been placed that are checked up on every week. Bruce stated that he would like the board approval and get the state engineers approval to go forward if everything falls into place. There is no cost estimate as the construction method has not been decided on. The Board approved going forward with the job.

Frank spoke about the effluent that goes to Park and Byington and the extra that was sent to them at our request when we were trying to lower the reservoirs for inspection and repairs. He requested that MGSD not bill them for the extra effluent as they were doing MGSD a favor. The Board approved.

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

EDU Allocations: 5 EDU's were allocated during the month of December and MGSD was still waiting on Walmart.

McDonald's Grease Interceptor: At the October 2007 meeting representatives of McDonalds requested getting an extension in meeting MGSD's grease interceptor requirements and were granted an extension until March 2012. With approval from legal counsel a letter would be sent to McDonald's to inform them of the expiration of the extension and that the property must be brought up to compliance with MGSD's Grease/Oil Control Policy..

Frank also spoke of accounting of all the interceptors in the district and informing the property owners of the MGSD Grease/Oil Control Policies.

There were questions about the old Vac truck and Frank explained it was still being used and also spoke about the tires on the new truck and splitting the cost with the seller. Frank informed the Board that he will be leaving on Friday on his vacation.

Secretary's Report – April spoke about the party that the Board had suggested and stated that the Country Club was closed in January and suggested a lunch for February. Bud suggested that April set it up.

Public Comment – There was no public comment.



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Board Comment – Ray asked Bill about the letter sent to the DA and was told that he had not got a response. Bill suggested a copy be sent out to the other GID attorneys. Bruce explained that the County seems to have backed off a bit and the issues with the DA’s office do not seem to be so intense.

Meeting adjourned at 8:45 pm.

Approved _____ By _____
Date