



Board of Trustees
Minutes of Regular Meeting
Tuesday, August 7, 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
Raymond Wilson

Staff Members Present:

Frank Johnson
Sarah King
Bruce Scott
Brian Buffo

Others Present:

Bob Allgeier
Dave Pavetti
John Scott
Marleane Scott

Board Members Absent:

Mark Dudley

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

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson. **Motion by Ray Wilson to approve the claims for July, 2012 in the amount of \$27,389.84, and to approve the claims paid during July, 2012 in the amount of \$106,798.34.** Seconded by Ron Wilcks. Motion carried unanimously.

Minutes of July 3, 2012 Regular Board Meeting – The minutes of July 3, 2012 were reviewed by the Board. **Motion by Ron Wilcks to accept the minutes of July 3, 2012.** Motion seconded by Ray Wilson. Motion carried unanimously.

Public Comment – No public comment.

El Dorado Engineering – MGSD Heat Loop Project Design – Represented by Dave Pavetti. Dave informed the Board that the Heat Loop Project was ready to go out to bid and this required Board approval. Ray brought up the fact that it was initially thought the project could be done at a reasonable rate in house and wondered what this project would cost. Dave stated the engineers estimate to be about \$132,000.00. Ray also had questions about the balance on the contract and wanted to know if the bids came in too high and MGSD did not want to go through with the project if there would be anymore engineering costs. Dave explained in that case the balance would be minimal. Mike asked Frank if he felt MGSD should go forward with the project and Frank explained that the storage building needed to be heated as the new truck, which cost \$350,000, was stored in the building. Frank also stated that a lot of MGSD's heating cost for the winter was for heating the belt press building and instead of wasting the



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methane resulting from the Co-Gen it could be put to good use. Bud had questions about why this project was taking so long to go forward and Dave explained that originally the project was going to be broken down into smaller projects to keep costs down but NRS stated that this could not be done. Frank also spoke about modifications that have been made that have saved money. Bruce informed the Board that MGSD has the energy and using the excess gas would offset the energy costs and in the long term save money. Ray asked if a couple of heaters for the building would save a lot more money and did not feel the cost adjustment was worth it and was informed by Dave that the project would pay for itself.

Bob Allgeier had a question as to whether this was a capital project or a maintenance project. He felt that based on the agreement with GRGID the benefit would be diminished if it was a capital project. He thought as a maintenance project GRGID would also pay for the cost. Frank explained that this would be a capital project and GRGID pays for capital projects also through capacity fees. Bob felt that GRGID was getting the benefit from the grease Co-Gen project because it was also a capital project. Frank referred to a previous Board Meeting when Bill Petersen, MGSD's legal counsel was present, when Bill had stated that if GRGID paid for capital projects then they would own a part of the project and MGSD wanted to avoid that. Ron wondered why the project was taking as long as it was and Dave explained that it had to be redesigned and the documents had to be prepared. At this point, Bruce recommended that the project should go forward. **Motion by Mike Henningsen to let Eldorado Engineering proceed with the bid process for the Heat Loop Project.** Motion seconded by Ron Wilcks. Motion carried unanimously.

John Scott – Request for Capacity Refund – Represented by John and Marleane Scott. Frank explained to the Board that this item had been continued from the June 2012 meeting. Marlene Scott introduced them to the Board and spoke about wanting to build a building for her business. She stated that they had found it was not going to be cost effective. John explained to the Board that he had spoken to Leonard Anker with a "Gentleman's handshake" and was told not to worry about his capacity purchase but in the meantime he passed away. Marleane was of the impression that if MGSD bought back the capacity then it could be resold in the future for a higher amount. Frank explained to the Scotts and the Board that once you purchase capacity you have two years to use it or forfeit it. Currently there are in excess of 200 EDU's that are not being used. He felt that if we started precedence, and if everyone wanted refunds, then it would cost MGSD nearly \$800,000 in refunds, and that the plant has been built up with the capacity fees that have already been spent. Mike stated that had this request been within a year it could have been considered but this purchase had been made 12 ½ years ago and money value changes daily. He felt that the money has been used a hundred times over and it is no longer there to give back. Marleane had questions about a new owner having to buy capacity again in the future. Frank explained that the capacity goes with the property and it would be a benefit for the Scotts as they would include it in the selling price. Ray stated he understood the Scotts dilemma as he had been in a similar position but based on MGSD's Code, this purchase should have been forfeited after two years of the purchase and suggested leaving the capacity on the property to be available in the future. This was also Frank's



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recommendation. Discussion followed. Ron supported Frank's suggestion. Marleane felt that if it would go with the property they would be satisfied with that. Bruce added that in this case it was alright because there are not too many units. Prices have gone up very little and felt this way was a fair solution but thought that Bill Petersen should clarify policy. **Motion by Mike Henningsen to deny the capacity refund request by John Scott for 3.0 EDU's. The purchased capacity will remain on the property located at 1476 Hwy. 395 in Gardnerville.** Motion seconded by Ray Wilson. Motion carried unanimously.

Engineer's Report – Bruce reported on the following projects:

A verbal understanding has been reached with Southwest Gas field people to relocate the gas line that was installed within our easement at Mueller Parkway/Hwy 395, if the need arises in the future. In order to protect MGSD, Bill Petersen will be putting together a draft agreement to have a deed recorded to go with the property as a record for the future. Bruce hoped that the people higher up in Southwest Gas would go with this.

Pretreatment Ordinance: Bruce explained that he was working on this and explained to the Board that the EPA in San Francisco wants Nevada small treatment facilities like us to put a pretreatment program in place. This was precipitated by the Bently process when they were working on circuit boards and heavy metals were coming into the plant facilities. A pretreatment standard needs to be in place so a new person coming into the district would know what to expect for metals like cadmium etc. With too much of this type of metal and others, MGSD could potentially have issues with meeting effluent discharge requirements.

A few manholes have been raised on Hwy 395 and the rest will be raised in the next 10 days to two weeks and MGSD will be working with NDOT and the contractor. Ray questioned if any MGSD personnel would be present and was assured that there would be someone present at all times.

Monthly meeting are taking place between the GID's and Douglas County who are still working on some of the standard details which has been an ongoing process.

There is a statement for the Board to approve and the Chairman to sign as Maverik is doing a lot line adjustment. They have bought the whole property and are giving MGSD easements for the sewer. This is not an action item but requires a signature. Permits would be pulled in the next few weeks.

Bud had a question about the reservoir work and Bruce felt it would be resumed as soon as other projects were done by the contractor and even possibly by the next Board meeting.

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



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EDU Allocations: 2.925 EDU's were purchased during the month of July.

Frank pointed out that Maverik would only be using 15 units of capacity even though more had been previously purchased. COD casino project has started up again and would need about 35 units of capacity. Plans have been submitted for a casino only and no restaurant at this time.

Heat loop Project: Covered by Dave Pavetti.

Manhole Rehab: The utilities around the new Muller Parkway/395 intersection had been installed before MGSD could repair the manhole that had been discussed at the July meeting. Frank explained that next Tuesday a poly type liner will be installed in the manhole. This is a viable cost effective method which MGSD has used in the past with good results.

Reno Rendering: Currently there is enough grease but Frank is working on having something contractual so MGSD does not lose the grease source if another plant starts up in Reno and also avoid having to pay for receiving the grease. Ray had questions on what is available from other sources and was informed that it was about a third of what is needed and an extra storage tank would be ideal.

Ray had questions on the master plan the collection system needs plans for future growth. Bruce explained he was supposed to have the numbers but has not had a chance to get it done.

Secretary's Report – No secretary's report.

Public Comment – There was no public comment.

Board Comment – There was no board comment.

Meeting adjourned at 6:58 pm.

Approved _____ By _____
Date