



Board of Trustees
Minutes of Regular Meeting
Tuesday, August 6, 2013
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Robert Allgeier
Michael Henningsen
Mark Dudley
Raymond Wilson

Staff Members Present:

Frank Johnson
April Burchett
Sarah King
Brian Buffo

Others Present:

Kent Neddenriep
Ned Bacon

Board Members Absent:

Barbara Smallwood

Meeting called to order at 6:00 p.m. by Michael Henningsen, Chairman

Public Comment – Ray thanked April for making the print larger on the documents in the Board packet and the extra pocket in the packet.

Claims Review and Approval – The claims were reviewed by the Board and questions were answered by Frank Johnson. **Motion by Bob Allgeier to approve the claims received for July, 2013 in the amount of \$58,560.36, and to approve the claims paid during July, 2013 in the amount of \$98,936.03.** Seconded by Mark Dudley. Motion carried unanimously.

Minutes of July 2, 2013 Regular Board Meeting – The minutes of July 2, 2013 were reviewed by the Board. The Board commented that the minutes were very thorough. **Motion by Ray Wilson to approve the minutes of the July 2, 2013 Regular Board Meeting.** Seconded by Bob Allgeier. Motion carried unanimously.

Milton E. Bacon Jr., 1992 Trust Application for Annexation – Represented by Kent Neddenriep and Ned Bacon. Frank explained that this item was about the failed septic system for which an application for the annexation and fees had been received. Ned Bacon informed the Board that the person living in the house fell into the septic tank which was just a steel drum in the ground with a lid. The drum has currently sunk down and Summit Plumbing informed Ned that trying to pump the tank could cause the whole tank to collapse. He explained that Kent is the engineer for the project. Bruce informed the Board that everything was in order to move forward as it was a health necessity. The annexation would be the whole parcel but only have one residential unit. Ray asked if it could be approved tonight but was informed that the annexation process was a two-step process. Bruce recommended going forward with the authorization and since it was an emergency situation get it done as soon as the permit was received from the County. He also explained that there would be an ordinance at the next meeting, any public



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comments following the publication of the legal notice would be heard and then a motion would be made to complete the annexation and at a later date the boundary map would be updated. Bob asked if Ned was aware that annexation fee was based on acreage. He said he was but this was an emergency and it was more cost effective to go this way. **Motion by Ray Wilson to accept the application for annexation from Milton E. Bacon Jr., 1992 Trust for 6.52± acres located at 1661 County Rd. (APN 1320-30-802-010) and to direct staff to publish the notice for public hearing for the September 3, 2013 regular board meeting.** Seconded by Mark Dudley. Motion carried unanimously.

Kent had a question about temporary service before the next meeting and wondered if they could request 1 unit of capacity and connection. Bruce recommended not waiting a month since Frank could authorize up to five EDU's. Kent stated that as soon as the plans are approved by the County they would be in with payment for the fees. Discussion followed about locations of the line, its size, future options and who would be doing the work.

MGSD Co-Gen System Economic Evaluation –Bob stated that he would like to speak to the Board about this item. He told the Board that he had put together a composite cost for the Digester and Co-gen system after reading all the Board documents involved in the project since 2008. He explained the numbers to the Board in great detail. The total cost of the project ended up being a little over 2 million. Bob wanted the Board to know that the system was operating very well and doing what it was supposed to do. With the system in place the energy costs dropped to under \$100,000 in 2012 which was the first full year. Bob stated that Frank had originally figured a net savings of \$130,000 a year which was conservative as the actual savings was \$150,000. He then spoke about the recovery of the capital cost and how MGSD was going to do it. He told the Board that for the first time in the history of MGSD there was going to be a project capital loss and based on the numbers there was going to be a net loss over twenty years of over 1 million dollars. On reading the Bond documents he had found out that the system would not be sold until the Bond is paid off and MGSD was also required to operate the system until the Bond is paid off. In the original proposal from Eldorado there was a substantial write up of the tipping fees which would offset the cost. However this had not taken place. Bob then reminded the Board of their permission to meet with NDEP and see if MGSD could buy the note back at 50 cents on the dollar. Bruce and he did meet with NDEP but were informed that this could not be done because it was State money given by the Federal Government. He asked that a copy of the spreadsheet be sent to NDEP. Bob felt that MGSD was misled about the whole project but also felt that MGSD was remiss in not mentioning to NDEP the court mandated contract with GRGID. Bob suggested that if the Board was in agreement to have MGSD's attorney present at the next Board meeting to see if some of the costs could be recovered from Eldorado Engineering. Questions were asked about what the cost of a lawsuit would be versus money recovered. Mike suggested having Richard Peters, MGSD's accountant review the numbers and see if it was worth doing anything before getting the attorney involved. He also explained that when the project was approved the cost of utilities was very high and the availability of unlimited amounts of grease seemed to make it worthwhile. Mike also mentioned that all past projects ended up having extra costs and went



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above the bid amount with change requests. It was agreed to have a meeting with Richard, Mike, Frank and Bob to be set up before the next meeting.

Engineer' Report – Bruce Scott reported on the following items:

MGSD is continuing to look at the alternatives with regard to the issues on the County Road sewer line. It should be brought before the Board for a proposed rehab program from 2nd St. down County Rd. to 10th St. since it is an old line with significant problems similar to the Kingslane area mentioned in the last meeting.

At the next meeting there would be a short presentation for the collection system master plan which includes analysis of the collection area service area boundary looking at zones and receiving areas, projecting future flows and looking at capacity issues in the future. It would not be a final report but a summary. It is a month away from a good draft report.

Emergency action plan for the ponds: Joe Cacioppo from RCI has been putting together the emergency action plan requested by the Division of Water Resources. This is required through FEMA.

Annexation was covered.

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

EDU Allocations: 41.61 units of capacity were sold during the month of July to the Douglas County Community Center. There should be a few minor projects coming up soon as well.

Co gen system was covered.

Reallocation of Operating Funds: The overall budget was 17% under but the internal GL numbers were requested to be balanced. Bob referred to the insert in the package showing the GL numbers and amounts. Frank stated that there was an overage on engineering for the pretreatment and also the reservoir issues increased costs. Overage also occurred as the issues overlapped fiscal years. He stated that he had spoken to Penny at the Dept. of Taxation and she had informed him that she did not want to see these numbers and it was for internal use only. She did mention that if the internal numbers are changed, the Board needed to be informed.

Personnel: A new employee was hired but sent home the same day. This happened as he was not forthcoming on his application/interview - there was an omission of facts. Six strong candidates had been interviewed and the person hired had prior experience in pipeline installation, equipment etc. Legal counsel recommended to sever ties immediately but also stated that a new interview was not required and



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the second most qualified was hired who would start in two weeks. Ray mentioned his experience with Douglas County when a person was called in for a random drug test and when he tested positive he was terminated. Ray wondered if there was drug testing at MGSD. Frank replied that it could be done but was not at the current time.

Annexation Had been already covered.

Asphalt Sealing: Frank mentioned that normally MGSD has the asphalt sealed when Town of Minden got theirs done. There are a few cracks but since there was approximately 80,000 sq. feet to be done he suggested waiting for another year and including the cost in the next year's budget. Discussion followed about how much needed to be done. Bruce stated that the sealing was on the Town of Minden's agenda for the meeting to be held the next day.

Security System Grant: Ray had asked about checking on a grant for a security system. Frank had spoken to Alan Reed who suggested checking the Pool Pact website and this would be done in the near future.

Secretary's Report – There was no secretary's report.

Public Comment –There was no public comment.

Board Comment – Ray pointed out that the dead tree along Ironwood Dr was finally removed. Frank mentioned that there was one on the homeowner's side of Westwood. Ray also wanted to thank Bob for having done all the accounting and appreciated the time taken to do it. Bob read an article mentioning that the population in the towns had gone down. Discussion followed about the gas station at Wal-Mart and the tractor supply store and the EDUs being acquired. Bob also mentioned lowering the balance of the ARRA Bond reserve amount in the future. April stated that it may not be possible as MGSD was required to put aside a specified amount by the [State] Treasurer.

Meeting adjourned at 7:47 pm

Approved _____
Date

By _____
District Secretary

: /smk