



Board of Trustees
Minutes of Regular Meeting
Tuesday, March 7, 2017
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Barbara Smallwood
Mark Dudley
Robert Allgeier
Michael King

Staff Members Present:

Frank Johnson
April Burchett
Brian Buffo
Bruce Scott
William Peterson

Others Present:

Raymond Bush, KG Walters

Board Members Absent:

None

Meeting called to order at 6:00 p.m. by Ray Wilson, Chairman.

Public Comment: There was no public comment.

Chairman's Comment: On the 22nd of last month Bob and Ray appeared in front of the Good Governance Group, and all the members had received a copy of the letter at the request of Bob Pohlman. He also attended the IHGID meeting the next night where Douglas County Commissioner Barry Penzel gave his presentation. Frank and Brian were at that meeting as well. Commissioner Penzel said he wasn't trying to force anything, just to get people thinking. But the County will need to do something or they're going to be in trouble due to finances. One of the IHGID board members pointed out the County had stopped growth.

Ray asked if everyone had seen the March 1st Record Courier op-ed about Douglas County not being easy to navigate. Ray read the last paragraph of the op-ed outlining the various districts in the County. The op-ed stated that areas of the County outside the districts would benefit from a consolidation, but the current members of the various districts would lose out. Bruce stated that it sounds good to consolidate, but it's hard to name anything that the County does well right now. Maybe if they showed they could fix the roads, they would instill more confidence in people.

Ray had a discussion with Alan Reed about the digester claim, and Alan said he is also frustrated. The claim was filed under equipment failure, but the inspector said it was a freezing failure, so the claim had to be resubmitted. It is currently in the hands of the lawyers in London. Mike asked if we have a copy of the report that their engineer wrote. Bill noted there is an exclusion in the insurance policy for freezing, and he hasn't received a report either.



Minutes
March 7, 2017
Page 2

Claims Review and Approval: Mark asked about Item 17. Frank stated it was a flow meter that had been replaced. Ray asked about the NV Energy invoice, Frank noted that \$8,000 of the total is for pump station # 4. **Motion by Barbara Smallwood to approve the claims received for February, 2017 in the amount of \$57,947.29, plus miscellaneous expenses in the amount of \$730.85, and to approve the payroll-related expenses paid during February, 2017 in the amount of \$90,859.70.** Seconded by Mark Dudley. Motion carried (5 ayes, 0 nays, 0 abstain, 0 absent).

Minutes of February 7, 2017 Regular Board Meeting: **Motion by Mark Dudley to approve the minutes of the February 7, 2017 Regular Board Meeting.** Seconded by Barbara Smallwood. Motion carried (5 ayes, 0 nays, 0 abstain, 0 absent).

Bob asked Frank about clarification on some of the items on Page 3 of the February 7th minutes. You have a timer that times the charge for the material that goes into the Digester. It was indicated in the minutes that the timer failed. Bob asked if the timer failed. Frank was not aware that the timer failed. Bob asked if we put flow into the Digester on the weekend, and Frank said the grease is pumped in on a regular schedule, and the primary flow is done on a regular schedule, but he needs to double check the schedule to see exactly when or if it was fed that weekend. Bob stated the total feed between everything going into that is 5,500 to 6,000 per day. Frank stated the operation of the digester was changed from the design when the grease digester was operated. In other words, how we feed and operate the digester was changed to handle the grease, but the design of the digester was not changed. All 3 digesters are tied in together. The only thing changed was that the methane line was upsized to handle the additional gas. Bob asked if that was discussed with HDR. Frank said he spoke with Eldorado Engineering, but not HDR. The digester is operating as designed; it's just handling more gas. Frank said just the feed rate changed.

Digester 3 Repair: Raymond Bush with KG Walters Construction was available for questions. He explained how he put the price together. If he knew ahead of time that it would be over the estimate, he would have let us know at the Pre-Bid meeting, but he didn't know until all the pieces came together. Raymond explained each step and the cost associated with the repair. Discussion followed regarding saving the existing rebar. Mike said they all have sticker shock and wondered if it was possible to do a time and materials bid with a not-to-exceed sum. Raymond said he liked the time and materials part, but the not-to-exceed part was more difficult. He felt the bid was competitive. He noted that he was troubled by the height and size of the lid. Bob asked about the length of construction, and Raymond stated that the contract limit was 120 days, and he anticipated using all of it. Mike asked when they would start, Raymond said they are finishing the project at the Carson City plant, and they're starting to slow down. Ray asked about a thief hole and an alarm. Frank and Bruce noted that the MGSD plan includes a thief



Minutes
March 7, 2017
Page 3

hole. After the original bid came out, Frank, Brian and Bruce went to Carson City to see what they're doing with their digesters. They have radar sensors, but they don't work well if there is foam in there. They also had a sight glass. Bruce thought we would add some type of high level alarm that Tesco could do, which would involve a sensor and telemetry to set off an alarm. Bruce noted that the gas in there is corrosive, and there is also liquid so it makes it difficult to do a standard alarm. Bob has done some research and has found a switch that looks like it would solve the corrosion issue. Bruce passed out a photo of the sight glass. Ray asked if it was a complete bid. Raymond thought it was pretty straightforward. Mike asked if he had any recommendations that weren't included in the bid. Raymond thought the sensor is a good idea. Barbara noted that we need to make a decision and Mark wondered if we need to wait for a decision from the insurance company. Ray would like to get it done, he would accept the bid, but he didn't know if the insurance company would want additional bids. Mike asked if there was a time limit on the price. Bruce stated he thought 30 days. Bruce read the second paragraph of Craig's letter, and noted that TNT's bid was not lower than KG Walter's. He recommended accepting KG Walter's bid and noted that re-bidding the project does not give you the same results. Bill thought the insurance company doesn't have a basis to complain about the number of bids, since we went through the bid process. So it is a reasonable cost. You could put in the contract to make the bid acceptance subject to a decision from the insurance company, before the notice to proceed is issued. Mark would like to move forward, since it will need to be fixed anyway. Bruce said we had a bona fide offering to the public. Mark and Bruce noted that KG Walters built most of the plant and are comfortable with it. Bob thought Frank should talk to Alan tomorrow, and explain the cost of the bid and the addition to the total cost of the repair. He should be aware that the contractor is willing to hold the bid for 30 days, and if there is no answer from the insurance company in that time, we would have to send out for re-bid which could come higher. The Notice to Proceed would be contingent on a response from the insurance company. **Motion by Barbara Smallwood to accept the bid from KG Walters Construction in the amount of \$800,500 for the Anaerobic Digester project, subject to an acceptable contract.** Seconded by Mike King. All present voted aye. Bill will write the contract, and do the time limit as noted in the specs. Discussion followed regarding changing the terms of contract for the issuance of the notice to proceed. Bruce said we can do a notice of award to get them going, and then do a notice to proceed, which starts the clock.

Mark asked if there are other insurance pools besides NPAIP where we could get better service. Ray agreed. Mark expressed frustration with the amount of time this has taken.

Attorney-Client Conference: Bill reported on the following:

He has established a time frame for the mediation with GRGID. Judge Gamble will be the mediator and the meeting will occur sometime during the 2nd week of June. Judge Gamble will want a brief and the contracts. We can have no more than 2 members there in order to not violate the Open Meeting Law.



Minutes
March 7, 2017
Page 4

The cost for the mediator will be about \$2400 to be split by both parties. He anticipated that it would probably be an all-day process.

Bill went to the legislature to testify, but the bill our amendment was attached to was determined by the Legislative Counsel Bureau to not be germane to the original bill. He is going to attach it to a different bill regarding Chapter 309. Senator Settelmeyer thought we would be successful eventually. Discussion followed regarding whether other entities should pay for Bill's costs, but Barbara explained that the other districts are also having their attorneys doing work as well, so that would offset anything they would owe to MGSD for attorney fees.

Engineer's Report: Bruce Scott reported on the following:

Bruce apologized for not having a monthly report.

Last week NDOT sent some revised plans and they want to impact an MGSD manhole in the highway. It's the last manhole before everything comes in the plant, so the plans will need to be closely scrutinized. Bruce wasn't sure if the manhole is there under an encroachment permit, so he's not sure who is responsible for the cost. If it was there before the encroachment permit, it would be NDOT's cost. He will look into it further.

Bruce and Gary Luce of RCI went to the ponds last Friday with Brian Buffo to assess any damage from the recent flooding, and he noted that there is some accelerated erosion as a result of the weather. In addition, the access road suffered some damage. He would like to prepare a long-term plan for maintenance and stabilization over a number of years to break up the cost. He estimated \$50,000 to repair the access road, but we would also need to look at the erosion on the south side of the reservoir. Our emergency action plan for the reservoir is coming up for renewal and the State Division of Dam Safety will be coming out to do their regular inspection, and they will have concerns. Discussion followed regarding the extent of the damage, as well as what needed to be repaired immediately and what could be dealt with later, and options for the repair. Discussion then followed regarding the cost of an annual maintenance plan. Bob thought we should get through the Digester 3 repair before we make a decision. Barbara asked if we can look at getting some money as a part of disaster relief. April noted that there was a meeting on that tonight, but will get contact info to Frank. The Board directed April to look into finding out if this would qualify for disaster relief. Bruce will put together some alternatives and costs. In the meantime he will get with Frank and Brian to see what can be handled in-house.



Minutes
March 7, 2017
Page 5

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

There were no allocations last month.

RAS Line repair: Frank reported that all the material is onsite, but it has been wet so staff hasn't been able to start. We will do this before they start on the Digester and he anticipated that it would take 8 to 10 days.

Frank thought that the reason Commissioner Penzel didn't have any information at the IHGID meeting was because he perhaps wasn't aware that was the reason he was there.

He spoke to the solar panel people, and they asked for additional information on our power costs, but Frank told them that due to the sensitive nature of the request, it would be best to come before the Board.

Barbara asked about Bently project with respect to the pretreatment permit. Bruce said we have the framework for a draft permit for them. Discussion followed regarding a proposed donut shop, which Frank had not heard about. Barbara stated that she would like to take a plant tour with the new commissioners. Frank said when the ground dries up more he will schedule a tour. Bob said the County said there isn't anything large going on in Minden/Gardnerville area. Barbara asked about the project across the street. Frank said there are criteria in our code that addresses the project. Bruce said the sewer is straightforward on that project but they will need significant capacity.

Administrative Report by Staff:

Past Due Accounts – April reported that 1 outstanding bill was paid in full on Friday afternoon, so the total amount is now 17 accounts at \$7431.35.

Discussion followed regarding the draft Rate Workshop Agenda. The Board requested that “an comparison to other area sewer providers” be deleted from the agenda before posting.

Board Comment: Mike shared his personal experience with the new Homeland Security procedures.

Public Comment: There was no public comment.

Meeting adjourned 7:50 p.m.



Minutes
March 7, 2017
Page 6

Approved by the Board of Trustees as presented on:

_____ By _____
Date Barbara S. Smallwood, District Secretary

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