



Board of Trustees
Minutes of Regular Meeting
Tuesday, August 6, 2019
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Barbara Smallwood
Michael King
Robert Allgeier
Mary Schilling
Ted Thran

Staff Members Present:

Frank Johnson
Peter Baratti
April Burchett
Bruce Scott
Bill Peterson

Others Present:

Mary Wood
Rick Wood
Presley Cochran
Jeremy Hutchings

Board Members Absent:

None

Meeting called to order at 6:00 p.m. by Barbara Smallwood, Chairman.

Public Comment: Bruce introduced Presley Cochran from Resource Concepts, one of their engineers who has been helping out with MGSD's rehabilitation and digester projects.

Barbara noted the presence of a bear trap, and April explained that NDOW is trying to catch the bear to relocate it west of Genoa, since they are concerned that the bear may get out onto the highway. She asked everyone to be careful as they leave.

Chairman's Comment: Barbara noted that this is Frank's final meeting, as he retires at the end of August.

Claims Review and Approval: Bob asked about the Bently Ranch invoice for biosolids disposal and wondered why it is much higher now than it used to be. April explained about staffing changes at Bently and noted that invoices were being sent more regularly, whereas it was irregular before resulting in lower monthly total amounts. Bob asked if we have a contract with Bently, and Frank said we don't but that we are charged by weight. Bob asked why the Olcese billing was charged as a repair and maintenance item instead of a capital item. April explained that the accountants were consulted and they stated it should be repair and maintenance. Bob asked about the Silver State International billing, which is noted as service for the GAP Vax. Peter stated that the GAP Vax had a blown rear seal that needed to be replaced, as well as a B service, which is an end-to-end service, and it was DOT recertified. Bob asked about the hydrant meter billing for Town of Minden, and Bruce explained that it is a pass-through for the digester cleaning



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and was deducted from Olcese's final payment. **Motion by Mike King to approve the claims received for July, 2019 in the amount of \$145,818.75 plus miscellaneous expenses in the amount of \$43,367.67, and to approve the payroll-related expenses paid during July, 2019 in the amount of \$115,423.81.** Seconded by Ted Thran. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent].

Mike recommended that the annexation for Rick and Mary Wood be heard next. **Motion by Mike King to reorder the agenda items as follows: Item 8 to be heard as Item 5-1, Item 7 to be heard as Item 5-2, Item No 5 to be heard as Item 5-3.** Seconded by Bob Allgeier. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent].

Rick and Mary Wood Annexation: Bruce stated that Rick and Mary Wood were present, and referred to his letter in the packet. Bruce stated that the Wood's have applied to annex a 9 acre parcel, which is mostly in the flood plain, so it can't be developed with more than one residence per the County's standards. Bruce reported that the application is in order and recommended that it be noticed for public hearing. He also noted that it is contiguous to the District boundary so it is an annexation as opposed to a contract of service. **Motion by Bob Allgeier to accept the annexation application for Rick and Mary Wood for 9.03 acres located at 1379 Centerville Lane (APN 1220-04-101-002) subject to 2 conditions outlined in the letter from Resource Concepts, Inc., dated July 30, 2019, and to direct staff to notice the public hearing for September 3, 2019. All rules, regulations, and requirements are to be met and all fees paid.** Seconded by Ted Thran. Barbara disclosed that she is a real estate agent and has seen the property during the course of her work. There was no further discussion on the motion. Motion carried [5 ayes (Allgeier, King, Smallwood, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

Mackland Unit 4: Represented by Jeremy Hutchings. Bruce recommended that the as-builts be approved by the Board, subject to final staff approval. Jeremy asked when they should expect final staff approval, and Bruce said by the end of the week. **Motion by Ted Thran to approve the record drawings prepared by R.O. Anderson Engineering, Inc., and to accept the sewer mains in Mackland Unit 4, subject to final staff approval. All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Mary Schilling. Barbara disclosed she has known Mr. Gilbert for a long time. There was no further discussion on the motion. Motion carried [5 ayes (Allgeier, King, Smallwood, Schilling, Thran), 0 nays, 0 abstain, 0 absent].



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Minutes of July 2, 2019 Regular Board Meeting: Motion by Bob Allgeier to approve the minutes of the July 2, 2019 Regular Board Meeting. Seconded by Mary Schilling. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Smallwood, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

MGSD Digester 2 Lid Repair: Craig Olson made a presentation of the damage to the digester lid. He reminded that Board that Digester 2 is the digester that holds the gas, which is critical for the operation of the boilers and the co-gen system. Craig reminded the Board that the lid came off its runners and a crane was hired to raise the lid. In addition Olcese was hired to clean the digester, and they did a nice job. After assessment of the cleaned-out digester, there is no structural damage to the concrete. The lid rests on corbels, and he showed the 5 wheels which are the tracking mechanism for the lid. Some of the wheels have physically broken off. Mike asked if the wheels are inside the digester, and Peter said that they sheared off the outside of the structure. Peter noted that the wheels have been repaired repeatedly over the years, but they have never been damaged to this extent. Craig stated that there is some corrosion on the cover that has happened along the seams, and Peter noted there is some deterioration. Craig reported that the gas pressure is only about a half psi, but the surface area is huge. Craig reported that the mechanism that drives the lid up and down is damaged, and there are pinholes in the seams.

Craig said he spoke with the manufacturer, who believed that although the structure and lid is 30 years old, with a more frequent cleaning cycle (every 5 years) it could last for 50 years. But the manufacturer recommended replacing the lid. Bob asked if all the digesters should be cleaned every 5 years. Peter said there should be at minimum a cleaning every 10 years. Bob asked about inspecting them every year. Craig said it would need to be cleaned before it can be inspected, and Peter said it also takes about 3 months to get the digester running properly again. Mike said it also costs about \$125,000 to clean them so that should also be taken into consideration.

Craig passed out a scope and budget from a different manufacturer for cover alternatives. The lids from Olympus Technologies are less floating than what is currently there, and Peter said the way these work would eliminate the twisting motion that our current lid utilizes. The estimated cost of the lid itself is \$245,000, plus \$38,500 for assembly. In addition we would need to hire a contractor, and there would be engineering fees. He estimated the total cost of the project would be approximately \$750,000 including engineering fees. Craig stated that we could repair what we have, but it can't be warranted and it would cost almost the same amount and we would be in the same situation in a couple of years at the future cost. Bob asked how long the project would take. Craig said it would take about 3 months to put together a bid package, another month for the bid process, and 6 months before having a contractor on board. After that the lid would have to be manufactured, so it would be about a year before the digester would be back online. Mike asked about the time frame of the warranty would be, and if we can put the warranty requirement in the bid. Craig said by state law, every project comes with a 1-year warranty. Peter noted that the coating is also critical. Discussion followed regarding the coating process.



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Barbara noted that we're 30 years into this structure, and expressed concern about putting a \$750,000 lid on a 30-year-old structure. She asked if there are other alternatives. Craig noted that there are large balloon structure covers, and we can also put in a welded gas holding tank which would be big sphere to maintain the proper pressure. He also noted that putting in a gas holding tank would cost more money since it would be a new structure. Barbara wanted more review on where we are with other plant improvement projects, and Mike agreed. He felt that it's a lot of money and the Board needs to be well informed of the alternatives before they can make a good decision. As long as they can't do coating in the winter, it would make sense to take a step back and consider the alternatives. Craig said that it is a good point. He is really worried about the balloon alternative, with the plant's location so close to the highway. Bruce asked about the condition of the structure itself and whether there are things that could be done during the lid retrofit that would improve the condition of the structure. Craig said that the concrete is not subject to freeze-thaw cycles, so the concrete looks good. Mike asked if we have enough capacity, and would this digester get to the point where it wouldn't meet our gas requirements. Peter said we have had conversations with the manufacturer to enlarge the skirt to allow for more gas storage. Mike also is concerned about the quality of the concrete.

Mike asked for a recommendation. Craig said investigating other gas storage options is a good idea. Enlarging the skirt would be a good option. Peter said we lose a lot of gas right now, and with additional gas storage we can have more consistent use of the resource. Craig also said with more growth there will be more gas, to answer Mike's earlier question. Bruce felt that the additional gas storage in the existing structure would be more cost effective than putting in a new structure. He also stated that the digester needs to be repaired because that digester is important to the plant processing. Bob wondered, if the gas generated from Digester 3 can handle 50% more gas than we are permitted for, would we have 50% more gas to handle. Craig did not think so, because the FOG (fats, oils, and grease) is fixed; in other words it doesn't come solely from residential use. Barbara clarified that FOG generates more gas than wastewater. Ted asked how other plants will be using gas in the future. Craig said some of the larger plants are making their gas to the quality standards of PG&E, and some are using it to fuel trucks. The ideal is to have as little gas flaring off as possible. Mike would like more information on all the different options and the cost for each alternative. Peter said we should look at alternatives, but agreed that we have to fix what we have. He noted that more gas storage is also important. Mike is also bothered by the warranty. It's a lot of money, and he wants a longer guarantee. Craig said the coating is what typically goes bad, and there is an extended warranty available from the coating contractor. Craig said another alternative would be a fixed cover on the existing tank, replacing the floating cover that currently allows for expanded gas storage, and he's not sure if we can do that, or replace what's there in kind which doesn't solve gas storage issue. Craig will continue to look at alternatives. The Board thanked Craig for the information.



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MGSD Restricted Funds: Barbara referred to a handout from Bob Allgeier regarding renaming the plant improvement restricted fund. Bob explained that we have just run through a large charge to the Operations budget, and in the last 2 years we have changed our budgeting and financial situations to include several different items. He also noted that \$1 million has been set aside for emergency purposes. He reported that with an average of the sale of 200 edu's per year, we have about 35 years of capacity left in the plant before we need to expand the plant. It would take something very unusual to upset that forecast. It would take approximately 6000 edu's to meet our plant capacity, so plant expansion is not going to happen in the next 10 or 20 years. He suggested that the board take the plant expansion account and add major equipment maintenance/repair, plant equipment modification and rebuilding. He noted that the State may require additional equipment at any time. He felt that projects costing in excess of \$25,000 be budgeted as a capital cost. Ted asked if Bill Peterson was okay with it, and Bill noted that it is a voluntary fund, and it can be changed at any time by resolution. **Motion by Bob Allgeier to change the title for the Plant Expansion restricted account to the following: plant expansion; major equipment maintenance/repair, plant equipment modification and rebuilding. Projects costing in excess of \$25,000 would be charged as a capital cost.** Seconded by Mike King. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Smallwood, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

MGSD Parking Lot and Plant Area Crack Sealing and Slurry: Peter presented a contract proposal from Nevada Paving. He reported that we need some touch up and striping in the parking lots and various areas of the plant. He reached out to three separate companies, and only one came in to give a bid price. He had them divide the bid into two parts, one for crack sealing and slurrying of the parking area and the public areas, and one for the entire plant. He would like to fund the crack sealing for next year's budget. The whole plant option would be about \$20,000, which would include crack sealing the whole plant, as well as slurry and striping of the parking lot. Bob asked how long this would last, and Peter said this is just a maintenance item. Every couple of years we should crack seal and stripe. To redo the entire plant would cost about half a million dollars, and we would need to assess the condition of the roadways. Barbara asked about the post and the sign for a handicapped space. Frank and April explained that we can't meet the County requirements for parking spaces and meet the width standards of a handicap space. Bruce recommended we make the space for a legal handicap spot and lose the additional space to meet the County requirements. Barbara asked if that would change the bid, and noted we would have to add the cost of the sign. Peter said it shouldn't change the bid since we just provide them with a new plan. The Board preferred that the parking lot be in compliance for the handicap space. Barbara asked about coordinating with the Towns for this type of work. Peter said we have worked with Town of Minden in the past. Ted asked if we checked with Douglas County, and Peter said he did not. **Motion by Mike King to approve the Contract Proposal from Nevada Paving for crack filling and slurry, and including seal coating and line striping in the amount of \$10,168.00, and to include line striping for one handicap parking space.** Seconded by Bob Allgeier. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Smallwood, Schilling, Thran), 0 nays, 0 abstain, 0 absent].



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MGSD Line Televising: Bruce reported that they had a preliminary informal cost estimate for televising the line in Hwy. 395. He wanted to get feedback from other firms to do this work, but other places are too busy. He feels we have a good price from DR. Pipeline for about \$20,000, and he recommended that we enter into an agreement with DR. Pipeline as the lowest responsive bidder, at a cost not to exceed \$25,000. We didn't go out to bid, but we did make phone calls. **Motion by Bob Allgeier to approve the estimate from DR. Pipeline as the lowest responsive contractor at this time for the televising project of Hwy. 395 in an amount not to exceed \$25,000.** Seconded by Ted Thran and Mary Schilling. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Smallwood, Schilling, Thran), 0 nays, 0 abstain, 0 absent]. Bob asked how long the pipeline is, and Bruce stated about 4600 feet.

Attorney-Client Conference: Bill Peterson asked about the status of the audit. Frank reported that the State will have another meeting on August 27th, and we just need to report on the project. Discussion followed regarding hiring another auditor. Frank said he'll check with Casey Neilon and see if we need to hire an auditor and schedule a special meeting. Ted suggested waiting to see what Nicky at Casey Neilon needs us to do. He clarified that they are not looking for another auditor, but they are looking for another accountant to prepare the accrual balances.

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

GRGID Interceptor Cleaning and Televising: He will work with Peter to get GRGID billed for their portion of the interceptor cleaning. This has not yet been accomplished and will be done by next meeting. He will also let Greg Reed know that they are reviewing the line under the river. He is also trying to pin down a corrosion expert to determine if the integrity of the pipe. He will have more information on that at the next meeting.

Developments in the District: Bruce stated that developments are moving slowly. The Townes at Monterra is moving along.

Barbara asked about McDonald's being in the sewer line with Roto-Rooter this afternoon and asked if anyone reported a problem to us. Peter said we did not hear of anything.

Minden Gateway Center: Barbara asked about a parcel split at the car wash. Bruce said there will be more lot line relocations and creations and we will look at lines and easements when each project is brought forward.



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Barbara asked if MGSD would be notified if a ditch is realigned. Bruce said it would depend, but potentially no. The County is generally aware of where MGSD's interceptors are located, which is our main concern, and the interceptors aren't currently near any ditches.

Pine View Estates: Bob asked about the width of the easement for Pine View, and Bruce stated it would be 20 feet. The problem is that NDOT doesn't own the underlying land, so they have an easement. Discussion followed regarding trying to get the easement for the remainder of the tribe land at the casino.

District Manager's Report: Peter Baratti reported on the following items:

Capacity: 12.3 EDU's were allocated in July.

Vehicle Purchase: Peter is looking at purchasing a 2020 Silverado to replace the 2000 Chevrolet in the fleet. He has reached out to vendors on the state purchasing website. Bob asked about the estimates, and Peter stated about \$27,000 from Champion Chevrolet and \$28,000 from Michael Hohl. The Michael Hohl bid includes all-terrain tires. Bob asked how many miles are on the current pickup, and Peter said about 100,000 but it needs a lot of repairs. Peter noted that these are stop-and-go miles which put more wear and tear on the vehicle.

The Village at Monte Vista: Peter reported that The Village at Monte Vista Phase 1 is in full swing. They will be tying into the Ironwood main next week.

Developments in the District: Peter and Frank attended a precon meeting for the Townes at Monterra. The sewer lines in Heybourne Meadows 4 and 5 are in the ground but haven't been tested yet, since we're waiting for the other utilities to go in. He recently inspected the infrastructure for the Evolution Car Wash. Bruce asked about plugging the existing laterals at the car wash, and Peter said they are going to do that but it hasn't happened yet. Human Bean hasn't done anything underground yet.

Employee Training: Two operators are in Las Vegas for the Tristate conference. Cliff and Peter completed 2 days of disaster management training in Carson City.

Barbara asked where Dotty's is going in, and Peter stated on Charlotte Way close to the medical center.

Barbara asked if McDonald's will have to buy capacity at their new location, and Frank said yes.

Administrative Report by Staff: April reported that 10 liens were filed this month. One customer paid most of her bill, but she requested that her lien fee be reversed. In the past, the Board's position is that staff cannot reverse lien and court fees, since they are fees that MGSD has to pay to other agencies. April



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asked what the view of the current Board is. Barbara stated that when staff came to the board to change the lien fee, it was due to the increased recording fees. April also clarified that it's 7 months before we file a lien. The Board agreed that the lien fee needs to not be waived, since MGSD has paid those fees. A second customer is disputing the finance charges on his billing. He was late several quarters ago, and he paid the quarterly fees, but not the late fees. Frank spoke with him, and since the customer was very upset, Frank felt it was best for the Board to handle this type of customer. The Board directed April to not reverse the finance charges.

April reported on a HR trend regarding parental leave. Typically, parental leave has been handled under FMLA but there are a large number of smaller employers, like MGSD, whose employees do not qualify for FMLA. Congress is starting to address this, and April anticipates seeing some bills in the next couple of legislative sessions regarding this topic.

Barbara also referenced the thank you letter from Bud Brown's family for the flowers. April pointed out that Bud had made the pointer, the mouse trap, the easels, and the gavel.

Board Comment: Barbara noted that when Mr. Dallaire was here, Bruce spoke about the importance of the gravity feed lines, so we should keep that consideration moving forward. Ted felt that Tom did a good job representing MGSD's position at the County Commissioner's meeting.

Public Comment: There was no public comment.

Meeting adjourned 8:35 p.m.

Approved by the Board of Trustees with the noted corrections on:

_____ 9/3/19 _____
Date By Ted Thran
Ted Thran, District Secretary

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