



Board of Trustees
Minutes of Regular Meeting
Tuesday, March 2, 2010
7:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Jerome Etchegoyhen
Michael Henningsen
Ronald Wilcks
Mark Dudley
O.P. Brown, Jr.

Staff Members Present:

Frank Johnson
Sarah King
April Burchett
Bruce Scott

Others Present:

Bob Allgeier
Ray Wilson
Brenda Stein
Paul Cockrell
LaVonne Ghanavati

Board Members Absent:

None

Meeting called to order at 7:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson and Bruce Scott. **Motion by Michael Henningsen to approve the claims for February, 2010 in the amount of \$61,263.99, and to approve the claims paid during February, 2010 in the amount of \$71,451.27.** Seconded by Ronald Wilcks. Motion carried unanimously. Frank reported that MGSD is at 39.6% of the operational budget for the year.

Minutes of February 2, 2010 – The minutes of February 2, 2010 were reviewed by the Board. **Motion by O.P. Brown, Jr. to accept the minutes of February 2, 2010.** Motion seconded by Mark Dudley. Motion carried unanimously.

Public Comment— There was no public comment.

Douglas County Health Care, Inc. - Public Hearing for Annexation -- Frank Johnson reported that the notice for public hearing was published in the Record Courier, and the public hearing for annexation/contract of service is able to proceed. Bruce Scott stated that the legal description is in order and he recommends that the annexation be approved. Bruce also mentioned that this annexation will make the Carson Valley Garden Center property contiguous to the district boundary, and the new boundary map will also show the Garden Center property. **Motion by O.P. Brown, Jr. to approve the annexation from Douglas County Health Care Inc. for**



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property located at 1062 Riverview in Gardnerville (APN 1220-10-701-002). All rules, regulations and requirements of MGSD are to be met and all fees paid. Seconded by Ronald Wilcks. Motion carried unanimously.

MGSD Grease Digestion and Power Cogeneration Project -- Represented by Paul Cockrell. Mr. Brown expressed his desire to have Paul at more meetings during the project. Paul apologized and stated he would be at the Board meetings more frequently now that construction is starting. Bruce outlined the project status with respect to NDEP approvals, the completed engineering design, and the permitting for the project. Paul presented a proposal for construction services. The Chairman asked if engineering construction services were included in the stimulus money. Bruce stated that the construction services cost is in addition to the ARRA funds. Bruce explained that MGSD was approved for additional stimulus funds, but with the increased bid amount, there is enough in the stimulus funds to cover only the construction costs. Paul explained that the proposal from El Dorado Engineering includes costs incurred by HDR Engineering and Resource Concepts. Bruce explained the difficult nature of putting the project together under the stimulus guidelines and timeframes, as well as the change in scope from the grease digestion portion to including the power cogeneration portion in order to qualify for ARRA funding. Bruce also confirmed that the project will generate revenue for the District. Discussion followed regarding the construction time frame. Paul stated that pursuant to the construction contract substantial completion of the project must be within 365 days of the "Notice to Proceed" date. Mr. Allgeier expressed concern that the proposal was not a fixed price contract. Bruce discussed the option of the Board to implement liquidated damages in case of extended construction time and difficulties. **Motion by Michael Henningsen to accept the proposal for construction services as outlined in the Estimated EDEA Work Effort and Cost from El Dorado Engineering in the amount of \$273,159.00.** Seconded by Mark Dudley. After further discussion an **Amended Motion was made by Michael Henningsen to accept the proposal for construction services as outlined in the Estimated EDEA Work Effort and Cost from El Dorado Engineering in the amount not to exceed \$273,159.00. All further services by Resource Concepts and HDR Engineering related to the construction and inspection of the Grease Digestion and Power Cogeneration Project will be included in the construction services billings from El Dorado Engineering. The contract is to include all further construction and engineering services related to the project, including inspection, testing, contract administration, O&M Manual, and project start-up.** Amended motion Seconded by Mark Dudley. Motion carried unanimously.

MGSD Billing Software Presentation regarding M4 Systems Billing Software – Represented by LaVonne Ghanavati. LaVonne explained the shortcomings of the current billing software, and that MGSD is not currently able to provide information requested by banks and customers.



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LaVonne has found a product ~~out of the United Kingdom~~ that will allow MGSD to have various structured billings. LaVonne is estimating \$12,369.00 for the components of the recurring billing software. Microsoft appears to be offering a 20% discount for the Microsoft portion of the product, which is approximately \$10,000.00 if the purchase is made before June 25, 2010. Discussion followed regarding inclusion of training and setup fees by CATS under the FY2010-2011 budget. The Board directed LaVonne to look further into the discount to see if MGSD will qualify. **Motion by O.P. Brown, Jr. to approve purchase of the M4 billing software and related Great Plains components not to exceed \$12,369.00 for billing software program upgrades.** Seconded by Michael Henningsen. Motion carried unanimously.

Engineer's Report – Grease Digestion Project-Grease Interceptor Pumping: Bruce presented a letter from Carlo Luri of Bently Agrowdynamics regarding their concerns about the potential business impacts to their yellow grease pumping program within the District. Frank explained that the letter was not submitted to MGSD until Monday, so it was not able to be included in the Board packets. Bruce explained that the yellow grease is taken by Bently for biofuels and that MGSD has never contemplated taking the yellow grease. He explained that some discussions have taken place to negotiate contracts with vendors such as Reno Rendering, and Bently is concerned that an exclusive contract would be negotiated by MGSD for brown grease pumping which would allow that vendor to underbid on the yellow grease pumping. Bruce suggested that MGSD not enter into an exclusive agreement with a pumping vendor. Paul Cockrell also mentioned the alternative of bidding out the pumping to one vendor only. Bruce thought that we may get to that place but that we are not there at this time. He felt that it would be best to consult with legal counsel to see if there is any language that can be implemented in a pumping contract to protect Bently's yellow grease pumping. The Board felt it was necessary to protect Bently's interests. The Board directed Bruce and Frank to work with legal counsel and Bently representatives to work out a solution. The Board stressed that a meeting be set up immediately with Bently Agrowdynamics. Frank stated he will call Mr. Luri tomorrow and let him know the Board's response and set up a meeting before the next regular Board meeting. Mr. Henningsen asked Paul about additional costs to sell power to the grid. Paul stated that it is anticipated that all of the power will be used at the plant and will not be available to sell to the power company. Paul explained that there will be a small payment to the power company each month. Paul stated that HDR Engineering has coordinated with NV Energy staff and their requirements have been implemented in the design.

Douglas County Sewer Improvement District (DCSID) Discharge Request: Bruce mentioned that DCSID has approached MGSD to pump effluent in our reservoirs temporarily in order to repair their effluent line. Frank and RCI staff met with DCSID to discuss alternatives and felt that this was the best alternative. DCSID has emailed a temporary discharge permit to Frank and Bruce outlining the restrictions. NDEP is requiring a letter from MGSD stating that MGSD has



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approved the discharge. Bruce felt that as long as they stay out of our pipes it would not present a problem to MGSD. The Board agreed to the discharge and storage as long as it meets MGSD's standards and directed Frank to issue a letter.

District Manager's Report (see attached report) – Frank reported that on Monday March 8th NDEP staff and ARRA coordinators will be onsite to tour the grease digestion project.

2010-2011 Tax Rates: Frank reported that the allowable tax rate for the upcoming fiscal year is 0.2578. He wrote a letter to the State Department of Taxation stating that MGSD will consider a tax rate increase to 0.1350. Frank reiterated that the new tax rate is only applicable to new construction and that it is difficult to determine the fiscal impact for this increase. He spoke with Penny Hampton at the Department of Taxation who stated that there is a \$3.64 cap on the tax rate increase for all entities, and that Douglas County has already asked to increase the tax rate to the limit. The Board directed Frank to keep on top of tax increases proposed by other entities.

Vacation: Frank requested that an absence from the May 4, 2010 regular board meeting due to his approved vacation. He stated that he could be available by phone if needed. The Board asked that Mike Rogers attend the meeting in Frank's place. Frank stated that he will also be absent from the final budget hearing, but Richard Peters will be here to answer any questions the Board may have. The Board approved Frank's absences for both the regular Board meeting on May 4th and the Final Budget hearing on May 20th.

Meeting adjourned at 8:35 p.m.

Approved _____
Date

By _____.