



Board of Trustees  
Minutes of Regular Meeting  
Tuesday, April 5, 2011  
6:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

O.P. Brown, Jr.  
Ronald Wilcks  
Mark Dudley  
Michael Henningsen  
Raymond Wilson

Staff Members Present:

Frank Johnson  
April Burchett  
Bruce Scott  
Sarah King

Others Present:

Craig Olson  
Joe Maez  
Adele Basham

Board Members Absent:

None

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*Meeting called to order at 6:05 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 March, 2011 in the amount of \$136,192.64, and to approve the claims paid during March, 2011 in the amount of \$93,527.45.** Seconded by Ron Wilcks. Motion carried unanimously.

**Minutes of March 1, 2011** – The minutes of March 1, 2011 were reviewed by the Board. **Motion by Ron Wilcks to accept the minutes of March 1, 2011.** Motion seconded by Mark Dudley. Motion carried unanimously.

**Public Comment** – Frank introduced NDEP personnel, Joe Maez and Adele Basham who had come to present MGSD with a plaque from US-EPA for the co-generation project. Adele explained that she had nominated MGSD's Co-Gen Project as it was the first of its kind in Nevada, and helped NDEP meet the green criteria since the grease is being recycled instead of being disposed into the landfill. The plaque was presented to Frank and the Board thanked the NDEP. Frank stated that the project was worth the effort and thanked Joe and Adele. There was no other public comment

**MGSD Grease Digestion and Power Cogeneration Project** – Frank stated that Paul Cockrell could not be present at the meeting. He explained to the Board that the Co-Gen Project was up and running and currently approximately 2/3 of the power at the plant was being generated from it. He also stated that he and Bruce are working to finalize the grease contract with Reno Rendering. Bruce Scott talked about optimizing the delivery requirements. Discussion took place about different options to manage the



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delivery and tipping fees. Frank explained that we were not going to be billing until the contract was finalized and until any issues with the grease receiving system could be worked out. Mr. Brown had a question about the warranty and it was explained that MGSD had a one year warranty as it typical with most projects and equipment. Frank also mentioned that the remote monitoring was working out successfully. Ron Wilcks wanted to know if Summit Plumbing was also dumping grease and was informed that they had been doing so and MGSD would in all probability in the future have a third company also doing this. Bruce Scott stated that the companies would have an initial contract for a couple of years and then once the bugs were ironed out MGSD could go to a more competitive contract.

**HDR Engineering – Master Plan Update and O&M Manual** – Represented by Craig Olson. At the meeting on March 1, 2011 there was a request from the Board to have Craig Olson explain about the O&M manual for the Co-Gen project, and the El Dorado Engineering proposal to complete it. Craig explained what had been decided a couple of years ago when the Digester Project was completed. NDEP requires O & M manuals which are to be filed with the State. Since the Board had not allocated funds for an O&M manual for that project, it had been decided to wait until the Co-Gen project was completed to do an O&M manual all at one time instead of having two separate manuals completed. Mark Dudley wanted to know if a price had been decided at that time. Craig explained that to his recollection only a tentative cost was given from El Dorado Engineering. Bud Brown wanted to know what the O&M manual would cost and was told that the cost that had been received from El Dorado would be approximately \$41,000.00. Craig also explained that he had not looked at it in great detail. Ray Wilson wondered if the price wasn't too exorbitant and Frank explained that it was because it covered other areas of the plant which had to be rewritten. Frank stated that it covered the step by step process of operation and that MGSD needed a few copies and one had to be given to NDEP. **Motion by Ray Wilson to approve the contract request by El Dorado Engineering for the O&M Manual Update for the Anaerobic Digester project and the Grease Receiving project in an amount not to exceed \$41000.00.** Motion seconded by Mark Dudley. Motion carried unanimously.

Frank asked Craig about the Master Plan Update that was being put together by HDR Engineering. Craig stated that it was going along well and they were working with the information that Frank had given them. The last Master Plan had been done in 1994.

**MGSD Board of Trustees – Board Member Photographs** –Ray Wilson presented a variety of frames with their prices and explained how the matting would work. The most expensive frame was \$200.00 with the matting and UV protection; the next one was \$180.00 and the last one was \$150.00. Ray spoke about options for different frames for the retired Board Members. The cost of the pictures would be \$40.00 each and this included the touch ups. It was in the opinion of Mr. Wilson the Board should have professional photographs. He also mentioned that the name plate would cost \$10.00 each for the \$200.00 frame. Mr. Brown and Mr. Henningsen also stated that they felt the pictures should be in casual attire if



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desired. Mr. Dudley mentioned that there had been a lot of people on the Board in the past and wondered if they should have all the pictures put up. Mr. Brown suggested calling Jerome Etchegoyhen, the previous Chairman and Bonnie Feticc, the retired secretary of long standing, to have their pictures taken also so they could be posted on the wall. **Motion by Mike Henningsen to proceed with the pictures as presented by Ray Wilson.** Motion seconded by Ron Wilcks. Motion carried unanimously.

**MGSD Budget – Review and Approval of Tentative Budget for FY 2011-2012**-- Frank Johnson presented the tentative budget for fiscal year 2011-2012 to the Board and reported that he had met with Richard Peters regarding the tentative budget. Frank stated that the proposed operating budget is \$1,776,484.00, an increase of 1.9% from FY2010-2011, and that the proposed capital budget is decreased from FY2010-2011 by 59%. Regarding staff salaries, Frank did not include a COLA for the next fiscal year, but did include step increases of 2½%, as opposed to 5% granted in the past. Frank pointed out that the salary budget is increasing mostly due to additional staffing. He also mentioned that the Health Insurance was going up and those with family coverage were going to have to pay additional out-of-pocket for coverage this year. Discussion followed and questions were raised and answered. Frank also mentioned that Tim Sheets has been topped out on his salary range for the past several years, and consequently has not had a raise as COLA had not been given to the employees for the last few years. Frank felt that an amendment should be made so that Tim Sheets could get an increase in salary for the upcoming fiscal year. Questions were asked how this could be handled and a onetime bonus was suggested as this would not affect the whole pay scale. Ray brought up the total compensation plan and if each employee was aware of what they got. Frank stated that each employee receives information on their total compensation each year. He stated that due to the circumstances of the budget situation, he would not accept or take any kind of salary raise or bonus for himself this year.

Frank pointed out that the project Ad Valorem revenues has gone down. He also stated that the proposed capital budget items included replacement of the Vactor truck, the proposed hot water loop, upgrades to MGSD's website, and a TV monitor for the board room. Discussion followed about the benefits of replacing the Vactor Truck and the downside of not doing it. Questions were also asked by Mark about the Hot Water Heating Loop and the anticipated cost of doing the job. Frank informed the Board that we had finished with the Accounting System upgrade; however, we would need to upgrade the MGSD website due to problems with the current host and security issues. A TV monitor was suggested for the Board Room as currently there are a lot of meetings taking place in that room with no place to display a video presentation. It was decided that a 50" monitor was a good size. Capital Budget would be \$428,000.00. **Motion by Mike Henningsen to approve the tentative budget with a 2 ½ % pay raise for the employees and 2 ½ % onetime bonus for Tim Sheets for fiscal year 2011-2012.** Motion seconded by Ron Wilcks. Motion carried unanimously.

The final hearing for the budget was set for May 19, 2011 at 12:00pm.



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**Engineer's Report** – Bruce Scott reported on the status of various projects: He stated that Carson Valley Inn is getting ready to pull building permits to remove 8<sup>th</sup> St. They would be granting an easement to the sewer district and the other utilities. Bruce informed the Board that he would send CVI a letter saying that MGSD would be ok with a blanket easement. He also informed the Board that we would not be maintaining their private line.

Bruce covered the meeting with the representatives of the other GID's and their attorneys. He stated that a letter had been sent to Mike Olson, the Chair of the Board of Douglas County requesting an informal non-public meeting with the Douglas County Commissioners and the District Attorney to talk about the future of the county and get some feedback and answers. The letter asked a response to be given to Frank but as yet, MGSD had not received a response from Douglas County. Bruce stated that the next step would be to have our attorneys send a letter to the District Attorney. Bruce also mentioned that there were some bills before the legislature that may impact MGSD and the other Districts. Discussion followed.

**District Manager's Report** – Frank reported that a total of 12.73 EDU's were allocated and paid for in the month of March. Of the 12.73 EDU's, 9.42 were allocated to the Raley's remodel project. He also stated that the rest of his report had already been covered in the earlier part of the meeting.

**Human Resources – Annual Performance Evaluation for the District Manager** - April Burchett referred to the summary of total income including the bonus and benefits for the District Manager, Frank Johnson that was included in the Board package as well as to the Job Description that was included. April explained to the Board that at last year's performance review the Board had requested an evaluation form be provided, and the form, which was approved by legal counsel, has also been included in the board packet, if the Board wished to use it. Mr. Brown wanted to know if the Board could meet to discuss the review and was informed by April that the review had to be open but there was no set standard that they needed to follow. Ray Wilson suggested holding off doing the review for another month as the budget hearing had taken a long time. Discussion followed about the evaluation form, for Frank, given to each employee that had not been filled out. Frank stated that he had talked to the employees about the form and had been informed that they did not want to fill it out as currently there were no issues. Bud Brown also wanted to know if the Board could review all the employee evaluations. It was decided that the annual performance of the District Manager would be done at the next Board Meeting that would be held in May.

***Meeting adjourned at 8:45 pm***



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Approved \_\_\_\_\_  
Date

By \_\_\_\_\_.