



Board of Trustees
Minutes of Regular Meeting
Tuesday, June 1, 2010
6:00 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
Paul Cockrell
Dave Pivetti

Board Members Absent:

None

Meeting called to order at 6:00 p.m.

Claims Review and Approval -- The claims were reviewed by the Board and questions were answered by Frank Johnson. **Motion by Michael Henningsen to approve the claims for May, 2010 in the amount of \$260,298.36, and to approve the claims paid during May, 2010 in the amount of \$60,929.97.** Seconded by Ronald Wilcks. Motion carried unanimously.

Minutes of May 4, 2010 and May 20, 2010 – The minutes of May 4, 2010 and May 20, 2010 were reviewed by the Board. **Motion by O.P. Brown, Jr. to accept the minutes of May 4, 2010 and May 20, 2010.** Motion seconded by Mark Dudley. Motion carried unanimously.

Public Comment— There was no public comment.

Robert & Rebecca Oxoby -- Application 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.. Discussion followed regarding a potential lift station. Bruce stated that a lift station, if needed, will be privately maintained. **Motion by Ronald Wilcks to approve the annexation for Robert and Rebecca Oxoby for 1.240 acres located at 1495 Circle Dr. in Gardnerville (APN 1320-32-601-015). All rules, regulations and requirements of MGSD are to be met and all fees paid.** Seconded by O.P. Brown, Jr. Motion carried unanimously. Discussion followed regarding the updated boundary map, which will include the Douglas County Health Care and Oxoby parcels, as well as the Carson Valley Ranch Nursery parcel, the annexation of which was never completed. Discussion also followed regarding the status of proposed projects in the south area of Gardnerville.



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District Manager's Report -- Grease Digestion Project: Frank Johnson presented a change order and work change directives on the Grease Digestion Project, including a change to the type of drain, the addition of cleanouts on the drain lines, and a credit of \$816 for the overhead door, totaling about \$1600.00. Frank requested approval of the change order and work change directives, as well as authority to approve small change orders. Discussion followed regarding whether the change orders are covered by ARRA funds. Bruce did not feel that the additional money would be forthcoming. **Motion by Michael Henningsen to approve Change Order No. 1 and Work Directives No. 1 and 2 in an amount not to exceed \$1600.00.** Seconded by Mark Dudley. Motion carried unanimously. **Motion by O.P. Brown, Jr. to authorize the District Manager to approve change orders for the grease digestion project in an amount not to exceed \$10,000.00.** Seconded by Michael Henningsen. Motion carried unanimously.

Paul Cockrell presented a proposed change order to the Grease Digestion Project regarding additional sensors and variable speed drives to the controls. The engine manufacturing supply company, SDP Energy, feels that MGSD can reduce O&M costs by having remote monitoring of the equipment. Discussion followed regarding the operating cost of the equipment, which was accounted for in the economic study that was done at the project proposal phase. The Board stated they would prefer that SDP representatives appear before the Board to make a presentation. Discussion followed regarding the advantages of having the monitoring system as opposed to having MGSD monitor the system. Paul felt that it would be beneficial for SDP to monitor the system since the system would be shut down less often. The Board also discussed implementing the monitoring system at a later date. Discussion also followed regarding obtaining proposals from other companies. Paul felt that due to size of the MGSD system, it would be more effective for MGSD to agree to the proposal. Paul stated that this system is more refined than similar systems at other plants. Frank felt that he feels comfortable with Paul's original design, but if MGSD does contract out for the monitoring service, it may be best to contract with SDP. The Board questioned why the request was not included in the original bid. Paul stated that he met with SDP representatives during the design process and it was not presented at that time. Bruce Scott felt that it would be best to have SDP's representatives appear before the Board to find out the reasoning behind the changes. The Board expressed their displeasure with the proposal as presented. Frank asked about a deadline on a decision on the proposal. Paul stated that a decision can wait until the regular Board meeting in July. Bruce also suggested that a couple of board members meet with SDP representatives during June, and Frank suggested taking a trip to the plant in Mound House. **Motion by O.P. Brown, Jr. that the Board set up a meeting with SDP Energy representatives to obtain more information on the proposed change order.** Seconded by Mark Dudley. Motion carried unanimously.

Paul reported on the status of the Grease Digestion project. The gas line has been installed and progress is being made on the project. The Board requested a chart showing the status of project completion. Dave Pivetti and Paul agreed to provide a chart to the Board.



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Engineer's Report -- **NDOT Overlay Project**: Frank Johnson reported that he and Bruce Scott met with the Douglas County Engineer to tour the Martin Slough and Klauber Pond area. Bruce stated that the modifications to the Martin Slough culvert do not appear to have a significant impact to the Klauber Dam. The flow through the culvert will increase, but the peak flow will not. Bruce has requested a letter that there will be no negative impacts to MGSD as a result of the improvements to the Martin Slough culvert. Bruce said that the Board will need to provide a construction easement of about 75 feet into MGSD property. The County wants to make sure that MGSD is okay with the improvements. Bruce is requesting that the Board authorize Frank to give the Board's approval to Douglas County. **Motion by O.P. Brown to authorize the District Manager to coordinate with Douglas County on the Martin Slough culvert improvements.** Seconded by Michael Henningsen. Motion carried unanimously.

Corley Ranch Proposed Development: Bruce reported that Corley Ranch representatives will be requesting a capacity to serve sewer by MGSD. Bruce stated that MGSD has provided these kinds of letters in the past. The letter will state that if the developer can construct improvements to our existing main, and if required capacity is purchased, then MGSD has the capability of serving sewer. Bruce also pointed out that the proposed project is within MGSD's service area boundary. Bruce stated that he is willing to provide the letter. The Board directed him to do so.

Grease Digestion Project: Bruce reported that he and Frank met with Reno Rendering, and an agreement is in the works. There will also be a second contract for Summit Plumbing. Additional capacity will be available for anyone else who may want to use the grease facilities. It is anticipated that a less structured agreement will be in place for the first 2 years, and then the agreement language would be revised after the system has been running to address any needs that are identified after the system is online. Bruce also reported that he and Frank met with Bently representatives, to alleviate their concerns. Bruce thinks that the Bently's concerns are being mitigated. MGSD legal counsel will draw up the legal agreement for Reno Rendering's review. It is anticipated that the project will be running in January, and the agreements should be approved long before the project is online.

Warren Reed Insurance – MGSD Package Plant Policy for FY2010-2011 – Represented by Alan Reed. Alan reported that the plant insurance premium will increase in FY2010-2011 by approximately \$300, and that the property values increased about 8%. For the entire POOL, the rates increase about 8% across the Board. Alan discussed the efforts by the POOL to stabilize the rates. Discussion followed regarding the types of claims filed in the past two years. Alan noted that the bulk of the claims are employment relation claims, including wrongful termination, as well as embezzlement and property loss claims. The Board thanked Alan for the summary.

District Manager's Annual Review – 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.



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April also referred to the Job Description that was included in the package. April explained to the Board that the Board needed to evaluate Frank's performance and decide if they wanted to give him a raise. April explained that Frank is an appointed employee and so for this reason the Board has to review his job performance unlike the rest of the employees who are hired. Mike wanted to know when the last raise had taken place and was informed that it was two years ago. Bud Brown also reminded the Board about the bonus that was awarded to Frank at the end of 2009. Mark felt that Frank has done an exceptional job, however with the bad economy felt that it was not a good time to give raises. Bud referred to how hard it had been to fill the position originally and agreed that Frank is doing a good job and a raise should be given and had there been any problems with the employees then the Board would have heard about it. April explained at that point that being such a small organization there was no confidentiality and suggested talking to Bill Petersen about having some kind of confidential anonymous questionnaire available that the employees could fill in for the Board's perusal before the next evaluation. Mike Henningsen and Ron Wilcks both thought this would be a good idea. Jerome felt that the whole package including benefits that Frank was getting was fine. Jerome also mentioned that he would like to wait until the project was completed before considering any raise. April informed the Board that Frank had implemented improvements with the various checks and balances after he became District Manager. After discussion Mike suggested that since Frank had not received any kind of raise in two years maybe it would be a good idea to give him one. **Motion by Michael Henningsen to give Frank a raise in his salary of 3% effective the next fiscal year starting July 1, 2010.** Seconded by O.P. Brown. Motion carried unanimously.

Meeting adjourned at 8:20 p.m.

Approved _____ By _____
Date