



Board of Trustees  
Minutes of Regular Meeting  
Tuesday, May 7, 2013  
6:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Robert Allgeier  
Mark Dudley  
Michael Henningsen  
Barbara Smallwood  
Raymond Wilson

Staff Members Present:

Frank Johnson  
April Burchett  
Sarah King  
Brian Buffo  
Bruce Scott

Others Present:

Jeremy Hutchings  
Scott Morgan

Board Members Absent:

None

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*Meeting called to order at 6:00 p.m. by Michael Henningsen, Chairman*

Public Comment – No public comment.

Claims Review and Approval – The claims were reviewed by the board. **Motion by Barbara Smallwood to approve the claims received for April, 2013 in the amount of \$123,110.43, and to approve the claims paid during April, 2013 in the amount of \$87,980.09.** Seconded by Bob Allgeier. Motion carried unanimously.

Minutes of April 2, 2013 Regular Board Meeting and April 9, 2013 Special Board Meeting – The minutes of April 2, 2013 were reviewed by the Board. **Motion by Barbara Smallwood to approve the minutes of the April 2, 2013 Regular Board Meeting subject to clarification on Page 5 as to why the Pentacor Engineering as-built approval, which was tentatively scheduled for the May 7, 2013 meeting, was not agendized for the May 7, 2013 meeting.** Seconded by Ray Wilson. Motion carried unanimously. **Motion by Ray Wilson to approve minutes of the April 9, 2013 Special Board Meeting, subject to the following change: on Page 2, change wording from “the ARRA repayment will be going down yearly” to the “ARRA balance will be going down yearly.”** Seconded by Mark Dudley. Motion carried unanimously.



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**MGSD Heat Loop Project** – Frank stated the project is complete, and the contractor needs to submit the O & M manuals before the retainage can be released. Discussion followed regarding approving Change Order No. 1, which was discussed at the April 2, 2013 meeting. **Motion by Bob Allgeier to approve Change Order No. 1 in the amount \$1,917.00 for payment of Douglas County fees.** Seconded by Ray Wilson. Motion carried unanimously.

**Douglas County Parks and Recreation – Capacity Request** – Represented by Jeremy Hutchings and Scott Morgan. Bruce noted that he has received conceptual plans for the sewer design, which he is satisfied with, but tonight's item is for capacity only. He will need to work with Jeremy regarding approval of more detailed plans. Frank stated that pursuant to the recommendation of Legal Counsel, the capacity for the community and senior center is calculated similar to a lodge/meeting hall, which is 1 unit per 2000 square feet. Frank stated that currently the calculation is 38.8 units, but the plans keep evolving, so Frank is requesting approval of up to 40 units. Bruce explained that churches are calculated the same way, and it generally works out because only so many people will fit within the square footage, so the drains do not get constant use. It also helps with recordkeeping, since trying to keep track of changes to the drains would be difficult over time. Jeremy noted that he anticipates the County's permitting process will begin the end of May with construction starting at the beginning of July 2013. Discussion followed regarding project components and the proposed widening of Waterloo Lane. **Motion by Mark Dudley to allocate up to 40 units of capacity to Douglas County Parks and Recreation for the Douglas County Community and Senior Center.** Seconded by Ray Wilson. Motion carried unanimously.

**Pinenut Road & Muller Pkwy Re-Alignment As-Built Approval and Line Acceptance** – Represented by Jeremy Hutchings on behalf of Rob Anderson. Bruce explained the process of approving as-builts, noting that the as-builts are field-verified by RCI's surveyors. The as-builts were submitted timely, but Bruce misplaced them and he apologized that the plans were not reviewed. He has not yet prepared a review letter, but he recommended the as-builts be approved subject to staff review. **Motion by Bob Allgeier to approve the As-Built Drawings for the Pinenut Road and Muller Pkwy Re-Alignment, subject to the final review by Resource Concepts, Inc.** Seconded by Mark Dudley. Motion carried unanimously.

**KDH Builders/The Ranch at Gardnerville Phase 2 Improvement Plan Review** – Represented by Jeremy Hutchings on behalf of Rob Anderson. Bruce stated that the plans were straightforward, most of the improvements have been constructed, and there did not appear to be any unusual issues. Jeremy stated that Rob Anderson reviewed RCI's letter, and had no problems with the conditions. Bruce noted that there will be additional staff work due to cleaning and inspection of the existing lines. **Motion by Bob Allgeier to approve the Improvement Plans for The Ranch at Gardnerville Phase IIA and IIB**



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**prepared by R.O. Anderson Engineering, Inc., subject to 5 conditions outlined in the letter from Resource Concepts, Inc., dated April 29, 2013. Seconded by Ray Wilson. Motion carried.**

**MGSD Salary Scale Review** – Frank noted that the proposed salary scale, showing the approved 5% increase and a 10<sup>th</sup> step, is in the packet. With regard to Step 10, Frank stated his intent was to spread out the pay a bit to make a slightly longer time period before an employee tops out. Frank has retained the half steps in order to provide an incentive for the staff to get additional certifications, limited to one additional non-required certification per year. Discussion followed regarding employees still on the half steps and when the half-step scale was implemented. Discussion followed regarding the intent of the half steps as pay increases or as one-time bonuses awarded at the discretion of the District Manager. Frank explained the process of training courses and testing for Operations certification. Brian Buffo discussed State-required certifications and additional certifications granted by the State. Ray felt that if a staff member passed a certification test, then MGSD should reimburse the employee the cost of the test and education materials. Frank noted MGSD pays for the cost of the education course, but not the cost of the test. Barbara felt that MGSD needs a written policy in place that outlines what training and testing MGSD pays for. Discussion followed regarding how the steps work with maintenance or collections certificates, as well as new operator certifications, and the process and length of time for operations certification. Bob asked if Frank has prior knowledge that an employee is taking a test for additional certification, and Frank replied that he has to sign an application form. Frank noted that he would like to limit the additional certification to one per year. Discussion followed regarding awarding bonuses for additional efforts not related to obtaining certifications. Bob stated that he felt it would simplify things to have an A and B salary schedule to accommodate the half steps and those who get additional certification. Frank felt that the employees would be confused with 2 separate schedules. **Motion by Bob Allgeier to approve a salary schedule with 10 steps as recommended by the District Manager to be effective Fiscal Year 2013-2014.** Seconded by Barbara Smallwood. Motion carried unanimously. Bob recommended that the District Manager draft a policy to reimburse employees for the cost of education and testing. Motion by Barbara to award a half-step increase on the salary scale to employees who complete additional non-required certification and to direct the District Manager to prepare draft language to reimburse employees for the cost of education and testing. Frank suggested this motion be held for the special meeting on May 17, 2013, after he provides additional items to the Board. Barbara concurred and withdrew the motion.

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

**Tractor Supply:** Bruce stated that initial plans have been submitted for the proposed Tractor Supply store near Maverik on Hwy. 88. It appears that Tractor Supply will be using the additional capacity not used by Maverik, but a letter from Maverik will be required agreeing to Tractor Supply's use of the additional capacity.



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CVI Events Area: The construction of the events area is proceeding.

Inspection: Bruce is working with Douglas County staff on inspection and testing standards. He noted that the supremacy issues are settling down, except for the final approval to have the GID's continue to perform testing and inspections for their own infrastructure items. Ray asked if Bruce anticipates any problems with the County staff on the Community Center project regarding construction standards. Bruce replied that MGSD currently has a good working relationship with the County's inspectors, so he does not anticipate any problems, but MGSD staff will coordinate with the engineer and county to make sure MGSD requirements are met.

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

Capacity: 4 units of capacity were sold during the month of April. He also noted that although they are utilizing existing capacity, Tractor Supply will need to pay connection fees. The COD Casino capacity has been previously allocated, and it appears that they will possibly be in soon to pay for it. MGSD has also received plans for the proposed gas station at the Walmart on Hwy 395.

Personnel: Russ Lindell has now retired and Frank will start advertising for an entry-level position. He anticipates a new employee would start after the beginning of the new fiscal year.

Co-Gen System: Bob explained the current operations cost of the cogen system. The original cost of the project was a total of \$1.6 million, which was a capital cost. Frank estimated that the utility savings is approximately \$130,000. The distribution of the current annual operational cost between MGSD and GRGID is based on the actual flow coming into the plant, and an adjustment is made at the end of the year based on the flow of MGSD, which is currently at 59%, and the flow of GRGID at 41%. The SDP Contract is \$33,072 annually, which he noted is less than having a staff member perform this job, and estimated annual maintenance would be about 1½% to 2% of the project cost, approximately \$20,000. He stated the actual total net savings is estimated to be about \$76,000. Based on the GRGID agreement, MGSD would see a net loss of \$31,779 while GRGID would receive a net savings of \$31,540. So MGSD is seeing a loss each year for the project. Mike felt that MGSD is a service provider, and owns the infrastructure to provide sewer service, including the Ranchos. MGSD has the capital, which includes all plant improvements, so it is not GRGID's responsibility to provide the capital. The prior Board did not make the decision to build the Co-gen project based on whether GRGID or MGSD got a better deal. Mike felt that the cost or savings to GRGID was irrelevant in the basis of the Board's decision regarding the feasibility of the project, and the decision was based on the efficiency and cost savings to MGSD to process waste. Bob stated he wanted the Board to be aware of the cost to MGSD for future financial decisions, and not to take any action on it. Discussion followed regarding cost recovery of the heat loop project. Bruce pointed out that the money received from GRGID is a bonus, and having them involved in



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the capital improvements would mean having them involved in the capital decisions. Bruce noted that in 20 years the loan will be paid, so that expense will be eliminated. Bruce agreed that the Board needs to take these costs into consideration when future budgeting decisions and improvements are considered. Bruce also stated that the Co-gen project will be worthwhile, but it's happening at a different rate than initially anticipated. Mike pointed out that the Board knew that the payback would not be exceptional, but with the cost of bio-solids disposal going up, the excitement about alternative forms of energy, and the offer of an interest-free loan, it seemed a worthwhile project. Bruce noted that most of MGSD's improvement projects create capacity that can be sold, but this project does not. Bruce also stated that an amount cannot be calculated with regard to the good public relations the project has created with State staff, who are really excited about this project. Frank is working on a new Fixed Price Full Service contract with SDP to include both service and maintenance with parts included which Bill Peterson is in the process of reviewing. It will cost about \$800 per month more, but MGSD will be receiving additional coverage as opposed to the current contract..

**Secretary's Report** – April gave a legislative update, and noted that the GRGID annexation fees have all been paid. Bruce stated that relations between GRGID and MGSD have improved greatly over the past 15 years.

**Public Comment** –There was no public comment.

**Board Comment** – Ray thanked the secretaries for the report. He emphasized the importance of monitoring the bills during the legislative sessions. Ray also thanked Bob for bringing the costs of the co-gen unit to the Board's attention.

Barbara reported that she was contacted by a realtor and a commissioner regarding MGSD's development fees, and she referred them to Frank. Frank stated he is compiling comparisons between MGSD and other local sewer providers.

Discussion followed regarding subdivision approval and will serve letters and capacity allocations. Bruce explained that the plant can handle much more than the permit allows, so the permitted amount can be increased without much cost to the District. The plant improvements have been planned to accommodate anything the County can approve. If the County approved a large project that requires a great amount of capacity, MGSD has the ability to collect the money up front to pay for the needed improvements. Frank asked the Board members to refer people to him if they have questions. Barbara received a compliment from Scott Morgan about how Frank explained the basis of the capacity calculations to him on the proposed Community Center.



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Frank reminded the Board that there is a special meeting on May 17, and there will also be a plant tour on that date. The staff has worked hard to spruce up the plant. Lunch will also be provided. Bob stated he anticipates 2 guests will be joining them.

*Meeting adjourned at 8:20 pm*

Approved \_\_\_\_\_ Date \_\_\_\_\_ By \_\_\_\_\_ District Secretary \_\_\_\_\_.

/ab