



Board of Trustees
Minutes of Regular Meeting
Tuesday, April 1, 2014
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Raymond Wilson
Robert Allgeier
Michael Henningsen
Mark Dudley
Barbara Smallwood

Staff Members Present:

Frank Johnson
April Burchett
Sarah King
Bruce Scott
Brian Buffo
Bill Peterson

Others Present:

Michael King
Krista Jenkins

Board Members Absent:

None

Meeting called to order at 6:00 p.m. by Raymond Wilson, Chairman

Public Comment: - Ray asked if there was any public comment and Michael King stated he had a comment. However, when the Board realized that it related to item 7 on the agenda, he was asked to discuss it when the item arose.

Claims Review and Approval – The claims were reviewed by the Board and questions were answered by Frank Johnson and April. There was a question about the payment to Town of Minden for water rights and Bruce explained that the Town and MGSD had an agreement where MGSD has surface water rights for a nominal fee. **Motion by Barbara Smallwood to approve the claims received for March, 2014 in the amount of \$52,044.12 and to approve the claims paid during March, 2014 in the amount of \$89,980.21.** Seconded by Mike Henningsen. Motion carried.

Minutes of March 4, 2014 Regular Board Meeting – The minutes of March 4, 2014 were reviewed by the Board. **Motion by Mike Henningsen to approve the minutes of the March 4, 2014 Regular Board Meeting.** Seconded by Bob Allgeier. Motion carried with Barbara abstaining as she was not present at the previous Board meeting.

Douglas County Mosquito Abatement District -- Represented by Krista Jenkins. Frank referred to the Tiger mosquito issue brought up by Ray at the previous Board meeting. Krista explained about the



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mosquito which is very aggressive which has been detected in a few states including Hawaii and on the West coast of California. No virus has been detected as of yet in CA. For it to be a virus a person needs to come into the country with it and then get bit by a mosquito and then it would get transferred. Discussion followed about the type of bite and where the mosquito is now prevalent and the consequences of being bitten. Krista spoke about different types of mosquito viruses like west Nile, dengue fever etc. Ray referred to the summer of 2013 when the mosquitoes were really prevalent in the evening in the MGSD parking lot and wondered what could be done to prevent this in the future. Krista explained that new regulations limit where she can drop retardant chemicals and the criteria for doing so. Discussion was had on all the different options, and cost estimates were provided. Bruce explained to the Board that it would be good to consider the spraying as it is a protection for the employees who spend a lot of time outdoors. Discussion followed about what amount should be set aside for this project in order to make a motion. **Motion by Mike Henningsen to undertake the spraying of MGSD property and to not exceed \$3000 for mosquito abatement for the first application per the discussion of the evening.** Seconded by Mark Dudley.

Discussion: Mark asked Krista if she could give an accounting after the application as to the status of the mosquitoes and Krista stated that she would be monitoring and tracking the bug situation and would then do an application and then there would be a post tracking. Frank will keep in contact with Krista.

Motion carried.

County Road Sewer Rehabilitation Project – Bid Award – Bruce stated that a number of bids had been received and RCI recommended that V&C Construction Company, Inc. be awarded the contract for the construction. He also stated that the cost would be spread over two fiscal years. **Motion by Bob Allgeier to award the bid for the County Road Sewer Rehabilitation Project to V&C Construction in the amount of \$482,027.50.** Seconded by Mark Dudley. Motion carried.

Designation of Board of Trustees Compensation –Ray called on Mike King. Mike explained that he was a retired State of Nevada employee and received a PERS retirement pension. He mentioned that he had called PERS and had spoken to Walter Zeron who is the Manager of Employee Services Division. Since the Board had voted to have PERS contributions made for the Trustees Mr. Zeron referred to NRS 287-297 and stated that if Mike King was elected and PERS contributions were made for him it would jeopardize his PERS retirement. Mr. Zeron also stated that so far it was not a problem that MGSD had not been paying into PERS for the Trustees. Mike also explained to the Board that there was a downside to all who pay into Social Security and then have a PERS contribution which is the Windfall Act. Mike had a suggestion that the Board could change their monthly compensation from salary to compensation for meetings attended and if a meeting is missed make up the time. This would negate having to make a PERS contribution. April referred to the memo and stated that she had originally pushed for the PERS



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contributions as she felt that at some point PERS might come down on MGSD. But she agreed that “if it was not broken then it need not be fixed.” MGSD legal counsel Bill Peterson agreed with her and also stated that this has been an issue for at least ten years. Discussion followed about the consequences of not making a PERS contribution and maybe switching the monthly compensation from salary to meeting fees. Discussion was had about the wording on the paycheck stubs and W2 forms. It was decided to have Bill draft something in writing about what was being suggested so that MGSD would be supported by Counsel. Bill agreed that this was prudent. **Motion by Bob Allgeier to continue this item to the May monthly Board meeting.** Seconded by Mike Henningsen. Motion carried.

Attorney-Client Conference—Frank reminded the Board of the previous meeting where Bruce had recommended having an Opening Meeting Law presentation to the Board. Bill agreed that this was a good idea as some of the other Boards have had issues. Since Nevada is a quorum state it is governed by the Open Meeting Law. Bill stated that MGSD was fortunate since April had so much knowledge about open meeting laws, NRS’ and other legalities. Barbara referred to the Town of Gardnerville Manager’s review and the manner in which it was noticed. She wondered if MGSD had met all the criteria and if the Open Meeting Law was different for different entities. Bill stated that it was the equally the same for all and agreed that Frank should be noticed about the Annual Review.

The open meeting law covers who is covered by the law and specifies whether a meeting is a meeting or not. At a lunch or a seminar there may be a quorum but that is a gathering not a meeting. Topics may be discussed but no decision may be made. Meetings with counsel are very broad but it is limited to litigation and is a non-meeting. This does not need to be agendized. Non litigation matters can be met for, but no action may be taken. The other item is the “Notice” and whether it is sufficient or not, and if it provides fair notice so that the person affected knows what is being discussed and so can get some protection. Bill also spoke about the provision of back up materials. These can be seen by the public on request. It does not have to be included in the notice or minutes but it has to be made available in the public records by law for about 5 years. Bob referred to Frank’s review and asked if the public could review it. April explained that the reviews have always been verbal with nothing written. Ray referred to the previous review where it was verbal. Ray wondered that since the review was not agendized properly if the item should be postponed to the next meeting. Bill stated that it was a judgment call as a person could make a complaint. However this was a small risk and to go ahead.

Bill also stated that the Open Meeting Law covered the Public Comment item. It has to be right in the beginning and anything could be talked about. It can only be controlled by time and the manner of the presentation but not the content.

Barbara spoke about a concern that she had about Mr. King being on the Board and about nepotism as there is an employee with a relationship to him. Ray stated that the election was uncontested and he had not been aware who Mike King was when asked. Bob spoke about at least one vote being cast and was



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informed that there would be no ballot as no one is being contested, and April had received confirmation to that effect from the Douglas County Clerk. At this point Mike King asked if he may speak. He referred to the previous meeting, at which Barbara was not present, where he had explained that he would be running for the Board and that his wife had only one supervisor who was Frank and that April was the senior Administration Assistant and so there was a lot of insulation. He stated that should he serve on the Board he would recuse himself when an item dealt with the employees. Mark asked how often salaries got discussed and was informed that it was only once a year. Ray mentioned the Town of Minden Board where one of Rob Anderson's employees is a Trustee, who abstains whenever an item deals with Rob Anderson's Engineering Firm. Bill stated that this should not be a problem as other Boards have this same issue and Mike King could deal with some employee matters.

The Chairman adjourned for a break for 5 minutes at 8:45.

Meeting reconvened at 8:50.

Bill informed the Board that he working on the Pre-treatment Ordinance and the letter to Southwest Gas for encroaching in the MGSD's area. He is also working on the possible changes to the Health plan. Ray informed him that this item had not been discussed and asked if the employee manual could be changed to show that new employees would not be covered the same as grandfathered employees. Bill explained that there were legal prohibitions from doing that for employees who are doing the same job. Discussion followed about protecting the current employees. Bill also stated that the Health plan for MGSD was good through November 2014 and after that employers with less than fifty employees will have individual policies and the NV League of Cities would be dissolved. Currently there is not a quote of fees from November 2014 to July 2015

Frank spoke about an alternative method of billing for Bill. Currently Bill charges \$250.00 per hour which is a very competitive rate. Bill could change this to a monthly rate except for litigation. Ray asked Bill to come up with a proposal for monthly attendance.

District Manager Annual Review – Ray referred to Bill's memo regarding this item and the review sheets. Ray also mentioned that Barbara had proposed that in the future Frank should let the Board know what his goals are and why he stays at MGSD. Ray asked the Board how they felt with including this for future reviews and it could be discussed at a future meeting. Mike agreed that this would help clarify Frank's role and his goals and objectives. Frank informed the Board that he could give them his goal right at this meeting and that it was to keep the District running as efficiently as it has been.

The Board discussed each point on the review questionnaire and they gave their evaluation on each item. April noted down the answers.



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Ray was very complementary to Frank about the look of the Plant and this was supported by Bob. Barbara reiterated these comments.

Barbara spoke about Frank's future goals. Bob brought up the requirement of a formalized inventory system. Frank informed Bob that Brian was working on it and it was a work in progress. Ray agreed with Barbara and Bob and spoke about Frank's great job in doing the budgets. Mike spoke about getting the grease supply and tipping fees. Mark did not feel there was any significant weakness.

Frank stated that he appreciated the compliments. He explained that he came in 1995 from Truckee as an operator. The mentality of the plant was different and no one wanted the job of District Manager when it was offered to him. It was offered to Frank, and he surrounded himself with good people who run this plant efficiently.

The average of the total review points came in at 3.575.

Motion by Bob Allgeier to approve a cost of living increase/salary increase of 1½% for District Manager Frank Johnson effective July 1, 2014, pursuant to the findings of this annual review. Seconded by Barbara Smallwood.

Mike had a question on the motion as he felt the cost of living and salary were two different items. However the motion stood. Motion carried.

Ray asked the Board if they would like to award Frank a Bonus or a salary increase for the great job he was doing. Bob explained that he had already been given a cost of living increase which is a salary increase. Mike stated that the cost of living and merit increase are two different things. So Ray asked the Board if they would like to do a Bonus or an increase. Mike felt that it should be an increase versus a bonus which is only one time. Mark asked if this evaluation would be coming out every year and Ray explained that this was going to be done in the future. Barbara said she did not understand the step increase system and so would leave the decision to the rest. Bob again reiterated that the plant and the staff is the same size and the Co Gen is an issue Frank is working on and so the cost of living increase is justified and that was all he should get. Bill Petersen interjected that a lot of organizations compare salaries with the market in the area and see if it is high market or below market and adjust the salary scale based on that. Ray reminded the Board of the loss of an employee to a higher salary and better benefits and suggested doing either a bonus or a salary increase.

Frank stated that he is more than satisfied with what he has received. Mike asked when Frank had received his last raise and was informed that it was July 2013.

Motion by Mike Henningsen to award a bonus of \$1500.00 to District Manager Frank Johnson effected July 1, 2014, pursuant to the findings of this annual review. Seconded by Mark Dudley.



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There were two ayes (Mike Henningsen and Mark Dudley) and two nays (Bob Allgeier and Barbara Smallwood). The Chairman Ray Wilson voted aye to break the tie. Motion carried.

Employee Salary Scale for FY 2014-2015 – Frank asked why it was requested to have the salary scale approved every year and Bob stated that it said so in the Employee Manual. April brought out the manual and read out the item that only the Cost of Living is to be reviewed every year. **Motion by Bob Allgeier to approve the employee salary scale for FY 2014-2015 as presented, with 1½ % cost of living increase, effective July 1, 2014.** Seconded by Mike Henningsen. Motion carried.

Determination of Date for Tentative Budget Hearing – Frank stated that he did not have all the final numbers and would have them by next week and the meeting had to be held by the 15th of April. Bill mentioned that he had spoken to Nate, the representative for NV League of Cities about the medical benefits and it was recommended using 15% increase as the number as of November 2014. After discussion the meeting was scheduled for April 10th at 4pm. Mike Henningsen will not be present for the meeting.

Engineer's Report

Ray thanked Bruce for sending his monthly report.

Bruce informed the Board that there is a plan for a proposed service station at the Smith's super market behind Taco Bell with 6 pumps. Smith's line is a private line and so they would have their own lateral. It would be a little kiosk with air-conditioning and a drain; very small with minimal capacity.

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

EDU Allocations: 3.0 EDU's of capacity were sold during March.

Grease Receiving: Frank and Bruce met with Reno Rendering. Different options were discussion like installing another tank. There is a cost to Reno Rendering as the grease interceptors are pumped in the night but they are not able to bring it over to MGSD as it is not open for business. If there were another tank or a trailer on site it could all be dumped and the trailer could be swapped. However the trailer would freeze in the winter. Frank had contacted Carlo from Bently about accommodating MGSD and he had responded that it could be looked at. Bruce felt there was more work to be done on this item. Frank pointed out the chart of the savings for the Co-gen that was included in the Board package.



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Employee Benefits: Bob asked the Chairman to have this item rescheduled for the May meeting in case there are any changes and it would still be in time for the final budget. The MGSD Personnel Policy and Procedures Manual is currently being changed and updated.

Mosquito abatement: Already covered earlier on.

County Road Sewer Line Rehab: Covered earlier on

FY 2014-2015 Budget: This had also been covered earlier on.

Frank informed the Board about his Las Vegas trip for a Pre-treatment Class and that he learned a lot. There are a lot of legalities involved and he did learn that it was best to get it right so as to not have the EPA involved. Nevada is the only state that does not have a recognized pre-treatment program.

Secretary’s Report – There was no Secretary’s Report.

Public Comment – Mike King informed that Board that he had almost died of malaria contracted in New Guinea and was glad that the Board was taking the Tiger mosquito issue seriously. He mentioned other solutions like fish. Frank spoke about MGSD considering the installation of bat houses.

Board Comment – Ray spoke about the sign-ups for the election and how Mark Dudley was one of the first to show up. He mentioned the newspaper article and the way the names were mentioned which was confusing. He spoke about his experience as an off-beat candidate running for the MGSD Board before his first term.

Meeting adjourned at 10:50 pm.

Approved _____
Date

By _____
District Secretary

: /smk