



Board of Trustees  
Minutes of Special Meeting  
Thursday, April 9, 2015  
12:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Raymond Wilson  
Robert Allgeier  
Barbara Smallwood  
Mark Dudley  
Michael King

Staff Members Present:

Frank Johnson  
Sarah King  
April Burchett

Others Present:

Board Members Absent:

None

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***Special meeting called to order at 12:00 p.m. by Raymond Wilson, Chairman.***

Ray wanted to use the Robert Rules of Order so that everyone waits for their turn to speak.

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

**Employee Salary Scale for FY 2015-2016** –Frank presented the 10 step scale with the yellow denoting the certification program. He explained that the increase of 1.7% is based on Social Security COLA. The difference in increases between 1.3% and 1.7% with benefits, is a total of \$3400 or \$315 per employee, Ray asked where Frank got the 1.7%. Frank explained the different sites, one of them being the Social Security site. Ray questioned this, as his pension went up by only 1%. Frank explained that this is what had been done the previous year. Frank explained the certification level salary system and the anniversary dates which changes with the new certification and some employees are more motivated than others to get certifications. COLA would go into effect on July 1<sup>st</sup>. Ray asked if ever a half step was given for non-performance and Frank responded that this had never happened. Ray then asked Bob where he had acquired his numbers of COLA being 1.3%. Bob explained that it was based on the Government figures from January to January. He did not feel that Social Security reflected the cost of living figure. It varies from month to month. Ray asked that in future to have a fixed site to go by. He felt that going by Social Security is not a good idea as sometimes they do not have a cost of living raise. However he felt this year to go by the 1.7% since Frank had already got his numbers. Barbara asked for an explanation between COLA and the step increase and how the increase for certification worked. Frank also explained about employees being topped out on the scale and not going further. Barbara felt that the employees were the most important asset, and though she never got a cost of living raise, the variance

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between 1.3% and 1.7% is small and she is okay with it. Mark was okay with 1.7% but wondered what number would be used next time. Ray explained that the Board should be consistent and use the same agency cost of living number each year. Frank wondered if the PERS increase would be a good number to go by but Bob did not agree with that. He felt the employees should get a COLA increase and deserve it. Some years in the past there had been no COLA increase. Frank explained that from 2009 to 2013 there was no COLA raise for the employees due to the economy. It was decided to settle on some method within the next year before the next annual tentative budget hearing so as to be consistent. **Motion by Mark Dudley to approve the employee salary scale for FY 2015-2016 as presented, with a 1.7% cost of living increase, effective July 1, 2015.** Seconded by Barbara Smallwood. Motion carried. Mike King abstained because administrative assistant Sarah King is his spouse.

April reminded the Board about the decision to decide Frank's increase at this meeting. Frank explained that he had added a line with 1.7% increase for himself. Frank also explained that Marshall, the part time employee, would get a 0.50 cent/hr. raise. **Motion by Barbara to approve Frank Johnson's salary for 2015-2016 to increase to \$97,740.00.** Seconded by Bob Allgeier. Motion carried. Michael King abstained as Frank Johnson is Sarah King, his spouses, supervisor.

**MGSD Budget-Review and Approval of Tentative Budget for FY 2015-2016** –Frank handed out the official document and a simpler format to explain the numbers. Barbara asked if the final budget date could be changed as she would not be able to attend on May 22<sup>nd</sup>. She was informed that the date was set by state statute and Frank would not be there on the 21<sup>st</sup>. Frank explained each page item by item. Services and supplies did not get increased, which is 40% of the budget. Salaries would go up based on certification, and benefits went up mostly because of the increase in PERS and the contribution for the Board. Medical went down because of the retirees. There are no large capital projects. Ray asked about the mini excavator and equipment. Frank explained that the excavator was priced with a trailer and other pertinent equipment. Ray thought it was a good idea to get it soon and have the staff trained on it. Bob questioned why MGSD needed an excavator when one was not needed before. Frank explained that in the past MGSD had rented one as required or borrowed from Town of Minden. Since there was now available staff to operate the machinery it seemed cost effective to have one. Barbara did not mind this item being included in the budget but needed a technical analysis to know how it is better to own than to rent. Ray addressed this as he had been on the Town of Minden Board also. They had found between renting and also owning, that owning paid off in the long run as the equipment is readily available. Frank also added that in the past a whole day's work was spent in order to rent equipment for a little job. Discussion followed.

Frank continued with his presentation going through each item and answered questions from the Board. The capital expenses are less for this fiscal year. Frank then pointed out to the informational graphs and explained them. He referred to Bob's question at a previous meeting about GRGID refunds. After checking with both the State and Richard, the accountant, he said out that the refunds are offset by the revenues and are a direct reflection of each other, so it is not a separate line item in the budget. Bob felt it



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was still a cost to the District and should be accounted for as it is accounted for in the final audit. Frank suggested Bob ask Richard about this at the final budget hearing. Ray confirmed that Frank was projecting at the end of the fiscal year the cash would be at \$5,800,000.00. Total overall budget is \$411,000 less than the previous year. The operating budget is \$50,000 more. Bob suggested that since Bill Peterson, legal counsel is showing up on a regular basis for the meetings that the figure be upped to \$30,000. Ray reminded Bob that it used to be at \$50,000 before he decreased it. Frank reminded the Board about the schedule that Bill had presented that would have saved money. Ray preferred going up to \$50,000 but Bob suggested \$30,000 since it created a problem in the budget. Barbara was fine with \$30,000 for legal. Frank explained Barbara's previous concerns on page 7, with the indebtedness column and explained that the line for net cash can be negative as we've got contributed capital that makes up any differences. Bob had a question on page 6 under operating revenue, sewer user fees, and wanted to know if the increase for GRGID was included as he had come up with a different figure. Frank stated that it was.

Ray congratulated Frank as the whole budget process was very easy to understand. Mike agreed that it was a great presentation but asked if page numbers could be included in the future. Michael also wondered if anyone had a problem if he signed that budget since his spouse is an employee and was assured it was alright. He apologized for losing his temper at the previous meeting. Ray thanked him.

**Motion by Bob Allgeier to approve the MGSD tentative budget with a revision for legal services for Fiscal Year 2015-2016 with a tax rate of 0.1224%.** Seconded by Mark Dudley. Motion carried unanimously.

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

**Board Comment** – Bob passed out a sheet and then referred to the previous meeting on April 7<sup>th</sup> where the Chairman spoke to the Board about the future critical issues. There was also a handout from RCI about the collection system master plan which he thought was a forward looking document. He wanted to take a look at some of the problems facing the District in the coming years as he thought the prior Boards had not taken a long range view except for the Waste Water Master Plan prepared in April 2012. That Plan was based on a certain volume capacity to be handled by the Plant. Bob once again spoke about the cost benefits that GRGID is getting without the cost and spoke about the 1989 Supreme Court decision that involved a major lawsuit between GRGID and MGSD. A meeting took place between Bob, Ray, Frank, and Bill Peterson. Bill stated that MGSD can legitimately ask GRGID to share in the capital costs improvements as they are getting a benefit from it. Bill was to talk about the increase in the rate structure with GRGID legal counsel. Bob explained to the Board the sheet that he had passed out and told the Board he had questioned how MGSD was handling the GRGID EDU's that had been given to them in the agreement. Bob felt that the EDU's being processed are 2000 higher than shown. He then explained his handout. . Bob spoke about not having seen the 1975 GRGID agreement (April made copies of this



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document and handed it to the Board). Under the formula, GRGID only pays \$10.21 per EDU with no tax. So GRGID is getting a substantial savings. MGSD's users are paying \$14. Bob spoke about having to do ongoing maintenance to the Plant. It is very important that Frank and Bruce have a Board Bible which would contain critical documents so that future Boards can see them. Ray thanked Bob for this information as he had never been aware of all this history. He agreed on the bible for future boards. He would like the cash flow to go up for the sake of the rate payers and employees. Discussion followed. Bruce talked about depreciable life and true life. He suggested working with HDR to work on the requested document, the as they are knowledgeable in the plant design.

Ray thanked April for the handouts at the previous meeting. He suggested sending these out to the customers to help keep their costs down. Frank thought it would be good to incorporate this with the pre-treatment ordinance.

Ray read an article about the Cadillac Plan in the Affordable Care Act and wanted the Board to know about it.

Bob asked about the retirees and how they were doing with their health insurance as of July 1, and was told it was all working out.

***Meeting adjourned at 2:00 p.m.***

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

By \_\_\_\_\_  
District Secretary

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