



Board of Trustees  
Minutes of Regular Meeting  
Tuesday, November 7, 2017  
5:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Raymond Wilson  
Barbara Smallwood  
Michael King  
Mark Dudley (portion)  
Robert Allgeier

Staff Members Present:

Frank Johnson  
April Burchett  
Bruce Scott  
Peter Baratti

Others Present:

None

Board Members Absent:

None

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*Meeting called to order at 5:10 p.m. by Raymond Wilson, Chairman.*

Public Comment: There was no public comment.

Chairman's Comment: Ray thanked April for the name badges, and he asked April to order one for Peter Baratti. Ray sent a letter to Bill Chernock of the Chamber of Commerce to thank him for trying to help us out this year. Bill responded that he enjoyed working with MGSD.

Claims Review and Approval: There were no questions regarding the claims. **Motion by Mike King to approve the claims received for October, 2017 in the amount of \$171,253.02 plus miscellaneous expenses in the amount of \$5,313.45, and to approve the payroll-related expenses paid during October, 2017 in the amount of \$90,840.20.** Seconded by Bob Allgeier. Motion carried [4 ayes, 0 nays, 0 abstain, 1 absent (Dudley)].

Minutes of October 3, 2017 Regular Board Meeting: **Motion by Mike King to approve the minutes of the October 3, 2017 Regular Board Meeting with no corrections.** Seconded by Barbara Smallwood. Motion carried [3 ayes, 0 nays, 1 abstain (Allgeier), 1 absent (Dudley)].



Minutes

November 7, 2017

Page 2

**Carson Valley Chamber of Commerce Membership:** Ray noted that if MGSD is a member of the Chamber, we would be hearing about any rumors regarding our charges, and we could promptly address them. He has been impressed with Bill Chernock and he supported joining the Chamber. Bob felt that the Chamber is a necessary organization for an up and coming business. He wondered which MGSD Board member would serve on the Chamber Board if asked. Barbara shared that concern. She did not have the time to attend the Chamber functions. She noted that they also have committees within their organization, and a representative from MGSD may be asked to serve on a committee. She felt that the Board could designate someone to go, including the staff, but anyone could attend the luncheons. Mike felt that we should be alert and sensitive to the issues, concerns, and the false information that is being circulated, but he is not in favor of doing that by joining the Chamber. He felt that MGSD should be independent of any organization. If we join one organization, we would be asked to join others. He volunteered to develop a rapport or liaison at the Chamber if the Board would like that. **Motion by Ray Wilson to approve MGSD's membership in the Carson Valley Chamber of Commerce at a cost of \$125.00 annually. Seconded by Bob Allgeier. Motion failed [1 aye (Allgeier), 1 nay (King), 2 abstain (Wilson, Smallwood), 1 absent (Dudley)].**

**MGSD Personnel Policies and Procedures Manual:** Bill reported that this has been a work in progress, and changes were needed from the existing manual. The purpose the personnel manual is to be a guideline for operating procedures and policies, with the idea to avoid random discrimination in how we apply procedures and consequences to employees as well as to set expectations of employees. There is a lot of flexibility in the manual. The emphasis is on at-will employment, and there is nothing in the policy that implies an employment contract. Also, progressive discipline was eliminated to give more discretion to the District Manager. The manual is very detailed, and touches on every issue with the employment relationship. (See attached list on Page 9 for specific corrections and clarifications by the Board.) Broader policy items discussed include: appealing employment decisions to the Board, searching of employee vehicles, personal use of cell phones, and personal use of computers.

**Employee Appeals:** Mike asked if an employee should have the ability to appeal an employment decision to the Board. Barbara and Bob felt that the Board should not have that ability since the Board does not have the right to hire and fire employees. Bill stated that it was in the prior manual, but was taken out because the Board makes policy, and does not get involved in employment decisions at this level.

(6:35 pm - Mark arrived at the meeting).

**Searching of Employee Vehicles:** Mike noted that the proposed policy discussed searching of MGSD vehicles, and asked about searching of personal vehicles with reasonable suspicion. Bill stated that we are subject to search and seizure laws and hesitated about whether MGSD would have the legal authority to perform a search of a personal vehicle. Bob felt that if we needed to perform a search, we should call the sheriff's office and have them perform it.



## Minutes

November 7, 2017

Page 3

Employee Use of Cell Phones: Barbara noted that the policy states that MGSD's cell phones are to be used only for business; they are not for personal use. Frank stated that in order to avoid carrying two phones, many employees forward their MGSD cell number to their personal cell phones. He has allowed it, since it hasn't created any problems. Barbara wanted stronger separation between personal and MGSD property, and felt they should carry 2 phones. Frank explained that they are not using MGSD property for personal use; they are using personal property for business use. Mike pointed out that they are using MGSD's system, but not MGSD's equipment. Barbara reiterated that the ratepayers are paying for the phones, and doesn't want an employee to use MGSD phones for personal reasons. Frank explained that MGSD phones are not Smartphones, but we are receiving a benefit since the employees are using their personal Smartphones for business. Barbara then questioned the effectiveness of the policy, and asked why we purchase phones. Bob pointed out that MGSD does not require employees to have a personal cell phone, but a cell phone is needed when an employee is in the field. Pete stated that employees use their personal cells for business purposes including Google maps, product research, and documentation of issues in the field, so MGSD is getting a benefit, but it is the employee's choice to use their personal phone technology for business purposes. Bill stated that the way the policy is written, it satisfies Barbara's concern, since it states that an employee cannot use MGSD's phones for personal use but it does not prohibit an employee from using a personal phone for business use.

Employee Use of Computers: Barbara expressed concern about employees playing on their computers during work hours and getting on infected sites. Frank explained that our security is so tight, we have at times, difficulty receiving emails we need to receive, and we are unable to access an unsafe website. She asked about the statement under Section 11.21.3.4 that an employee's use of a personally-owned electronic device to access MGSD's files or work-related material constitutes an employee's acceptance of this policy. April explained that was in case an employee needed to access emails while out of the office. Bob had concerns about the limited personal use of computers under Section 11.2.3.3. He didn't feel that employees should be allowed to use MGSD's computers under any circumstances and didn't think the District Manager should be put in the position of granting personal use. He was concerned that employees would have the expectation to use the computers for personal use. April explained that in this technical age, a lot of personal things now happen electronically and an employee may have to respond to an email quickly. Bill Peterson added that we don't want the employee to have to leave the premises in order to respond to a personal email, and that there is no cost to the District to have an employee briefly use a computer. He also explained that the District Manager is the enforcer of the policy, and the District Manager would have the authority to deal with an abuser. Barbara asked if we can monitor usage, and Frank said we can. April also pointed out that the Ethics Law allows for an employee's reasonable use of equipment. Ray stated that if an employee isn't careful, he or she could lose their job, and April said that was the intent of the policy, allowing the District to discipline someone who abuses the use of a computer. Barbara stated it also allows MGSD to monitor the computer use, and she asked if Frank was comfortable with the policy as stated. Frank said he was. Bill said that typically employers don't prohibit personal use of computers and when these types of restrictions are put in place, it makes the workplace onerous.



Minutes

November 7, 2017

Page 4

**Motion by Barbara Smallwood to approve the MGSD Personnel Policies and Procedures Manual Employee Handbook, Revised September 2017, effective November 8, 2017, with the noted corrections and discussion updates at tonight's meeting. Seconded by Bob Allgeier. Motion approved [4 ayes, 0 nays, 1 abstain (King), 0 absent].**

**MGSD Long-Range Planning:** Bruce noted that we have a lot of capacity, but he would like more specific direction from the Board regarding where staff should put their efforts to provide the Board with the information they are looking for. Ray said they are looking at the current plant equipment, any equipment that will need to be repaired and replaced, and the cost of any replacements, especially those that will be large costs. Bruce felt that list focused on plant items, but we need to plan for long-term progressive rehabilitation on the collection system. We are not currently putting much money aside for rehab and he recommended adjusting that. He also would like to start taking a look at new technologies for sewer line repair that are less disruptive to the surface. We will also need to address the interceptor lines, which will be very expensive, but with new technology they might not need to be dug up. So he would like to start testing some of the new technology in other areas of the system to see how it works. Mike asked if we need to buy new equipment to implement the new technology, and Bruce said we would work with contractors. The technology is expensive, and different equipment is needed depending on which technology you use. Different things will work in different situations. He would like a policy from the Board regarding looking at experimenting with new technology. We need to identify critical areas and start planning on rehabilitation in these areas. With the right policy, we can address these issues incrementally now. Mike asked about a list of projects, and Bruce said the list was included in the September board packet. He also noted that we will need outside help on the larger lines, due to equipment and traffic control needs. Most of the older lines have been replaced in Minden and Gardnerville, with the oldest lines being in Mackland. But he needs a budget to work with. He would like to move a greater allocation from capacity fees into rehab. Plant capacity planning has resulted in a plant that has stayed ahead of the building curve. If the Board does a policy for the collection system, it will provide direction and continuity for future boards. Mark noted that with planning we can look at the best alternative while considering new technology. Bruce agreed that we would want the most cost-effective alternative. He also noted that MGSD staff should go to other places that have used the technology to see how it works, and when it doesn't work. Ray stated that we should put an item on a future agenda to reallocate capacity and annexation acreage fees. Bruce noted that there are lots of options and no emergencies right now, which means we should be planning now to avoid those emergencies. Mark asked if we should get the small projects done first, and Bruce responded that there are some smaller projects than can be done before the interceptors. He stated that each individual project won't cost much money, but it will add up over the long term. If he has more specific direction from the Board, he can come back with some projected costs to determine how the allocation will need to be adjusted. The Board can also plan on what to do with existing cash reserves as well as identify future



Minutes

November 7, 2017

Page 5

revenue sources. Mike asked about the next steps, and Bruce said they have a list, but he needs staff to identify other problem areas they have encountered in order to prioritize the projects.

***Meeting adjourned at 7:35 pm for a break. Meeting called to order by Chairman Ray Wilson at 7:40 pm.***

**MGSD Long Range Planning (continued):** Bob reported that he reviewed the agreement with Bently for pond storage. It was written in 2002 and runs for 70 years. Bruce pointed out that Bently takes water from other entities but their agreements are subject to MGSD's agreement. Bob discussed tax exempt properties in the District. The County Assessor estimates that there is approximately \$200 million worth of assessed values in the District that are exempt from Ad Valorem taxes. Bob recommended that we look at 5-year increments for forecasting. He noted that there are 2 large investments in the District, the collection system and the plant. The sewer lines are paid for by developers but MGSD must maintain them. He estimated it would cost \$70 million to replace all 72 miles of lines. He also estimated it would cost about \$50 million to replace the plant equipment. Barbara noted that in the Town of Gardnerville, there is about \$15 million of assessed values that are tax exempt, and that the affordable housing projects being contemplated are also anticipated to be tax exempt. Mike asked if there was anything that could be done about tax exempt properties, and Bob said there wasn't. Bruce asked about moving MGSD away from ad valorem taxes as a revenue source for planning and to look at other sources. He noted that the County had reduced MGSD's tax rate in the past, and Bob said they would need MGSD's approval to do that now. Bob discussed the plant flow and determined that there is enough capacity in the plant for 53 years. Discussion followed regarding the number of Edu's sold over the past few years and the difference in the development process. Instead of buying Edu's for a whole phase at one time, developers are now only buying 3 or 4 units at a time. He also stated that the County has not heard of any large commercial developments planned at this time. Mike thought development was up. Barbara stated that development is occurring in the Ranchos, Indian Hills and Dayton. She had a discussion with Dennis McDuffee where he complained that he can't develop a low-income project in Minden and Gardnerville because the fees are too high. Barbara told him that the ratepayers should not have to subsidize low income projects. Bob presented ad valorem amounts since FY 02-03. He noted that the highest amount was in FY 09-10, and the numbers have not completely recovered since then. Estimating what the ad valorem rate of increase is going to be in 20 years is very difficult, but it was recommended to him by the County Assessor to estimate 2% to 2.5% per year. Mike stated that we need to look at the numbers, identify existing and potential revenue sources, and figure a target amount of money that will be needed, then figure out funding sources so future boards won't be set up for failure. Bob said that was correct, but it may not require anything dramatic right away. He referred to the HDR Master Plan and noted that while plant expansion has slowed, plant maintenance has not. Bob then referred to the Douglas County Master Plan's Draft Housing Element and reported that MGSD handles the sewage for about 45% of the people in Douglas County. Bob suggested that the first 2 rehabilitation projects proposed by RCI, which are repairs at the Old Towne Center and on Spruce Street, should be approved after the first of the year, and will cost about \$80,000. There is currently \$166,000 in the rehabilitation restricted account. Bruce said that they



Minutes

November 7, 2017

Page 6

will update the cost estimates for those projects, and make sure that MGSD staff feels that they are still the priority. Mike asked how much Bob recommended be moved to the rehabilitation restricted fund, and Bob said nothing at this time. Bob recommended that the Board meet on long-range planning every two months, and that Barbara be the Board's representative to look at the projections for Edu's in the coming years.

Ray asked April to work with him to schedule one or two items to consider for long range planning for the January meeting.

**Attorney-Client Conference** – Bill Peterson reported on the following:

Bill presented a draft letter to the DA's office regarding jurisdiction issues. The Board directed Bill to send the final letter to the DA.

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

**Pond Repairs** – The pond rehab work is done, and he felt that Armac did a really good job. The additional work that was approved at last month's meeting was done as well. Staff will finish up the rock work when they get the chance. Bruce said MGSD would get 70% of the base amount from FEMA, but everything is suspended with the hurricanes and fires. Bob brought up that we need to bill GRGID. Frank will meet with Bob Spellberg and the new GRGID manager on Thursday, and he will discuss it with them.

**Digester 3 Repair** – The Digester Repair project is just about done. There was a final walkthrough today. We are still waiting for the pressure relief valve, which is expected to ship on the 29<sup>th</sup>. Bob asked if the valve will handle fluids and Frank and Bruce said that it would.

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

**EDU Allocations:** 0.8 edu's were allocated in October.

**Digester 3:** Reno Rendering, Bonanza Septic and Summit Plumbing have been inquiring when we will be able to accept grease. He and Bruce are scheduled to meet with Reno Rendering to discuss the issue.

**Effluent Reservoir Repair:** Frank has before and after drone photos of the project. The Board asked him to show them at the December meeting.





## Minutes

November 7, 2017

Page 7

Personnel: Frank reported that a new operator was hired. In addition, another employee had an issue that will not allow him to keep his CDL license, which did not allow for continued employment, so we hired the next best candidate from the original opening to replace him.

Projects within District: Maverik is planning an expansion. There will be an additional fueling station. They also want a septic dump, but we cannot accept raw septic. CVI has a septic pump, but it gets pumped and taken to Lockwood. Ray asked how many units are proposed at Dennis McDuffee's multi-family project behind the gun shop on south Hwy. 395, and Frank said 20-25.

Vehicle: Frank reported that the Ford Taurus is dead. He went to Carson Car Center in Carson and they have good deals. He can get a 2016 or 2017 used vehicle for under \$20,000. He also suggested that we consider leasing a vehicle. Ray said the problem with a lease we put money down, and we have to get a new lease. Mike felt that a lease is not the right thing for MGSD. If you exceed the mileage limit, then we have to pay. If we didn't exceed it, then we don't get any credit for it. Mike expressed a preference to purchase an American car. Ray said to look for the best deal for the taxpayers. The Board directed Frank to purchase a used American vehicle for less than \$22,000.

Computer Server: The new computer server went in today. The security cameras are working, and the panic button is in.

Gas Line Natural Gas Line Replacement Project Within the MGSD Property: The gas line project is completed.

Staff has worked very hard this year, and Frank invited staff to his wife's birthday party in appreciation. He estimated that the staff has saved the district the cost of 2 employees in the work that has been done. He also noted that the Bobcat is in the shop, and it's starting to cost us money so we will need to look at replacing it in the next couple of years.

Meadow Lane Lateral Repair: The repair is complete. Our line didn't need any attention at this time, and the two property owners worked it out between them.

Special Meeting: RO Anderson Engineering requested a special meeting for Heybourne Meadows Phase IID. Bruce can do late next week. Mike can make it on the 16<sup>th</sup> at 11:30 am. Ray and Bob will call April if they can meet on the 16<sup>th</sup>. Bruce recommended revising the submittal deadline for as-builts.

Administrative Report by Staff – April Burchett reported on the following:

One of the past-due accounts was paid in full on November 3, reducing the total to 19 past due accounts for an amount of \$8,377.90.



Minutes  
November 7, 2017  
Page 8

Staff ethics training is scheduled for Nov. 14<sup>th</sup>.

Ray discussed preparing a foreclosure policy with Bill. The Board directed April to work with Bill to see which properties need to be foreclosed on.

**Board Comment** – Barbara reported on the gray water sludge discussed at the September and October meetings. She received an email from NDEP, and they were not aware of any statute that requires MGSD to take it.

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

***Meeting adjourned 9:25 p.m.***

Approved by the Board of Trustees with the noted corrections on:

Dec. 5, 2017  
Date

By \_\_\_\_\_  
Barbara S. Smallwood, District Secretary

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Minutes  
November 7, 2017  
Page 9

## LIST OF CORRECTIONS FOR PERSONNEL MANUAL

Page 1, Item 12 “to make such reasonable rules and regulations not in conflict with any collective bargaining agreement...” Barbara asked why this was included since we don’t have collective bargaining agreements, and Bill stated it was because the manual covers hypothetical situations.

Page 2, Section 1.5 “MGSD is not responsible in the event mail is not received.” Bob asked how we prove we sent it. Mike noted that the previous paragraph states we mail by certified mail, return receipt requested. Mike asked if every effort should be made to speak to the employee in person with a witness. April stated that hand delivering a notice is preferred, and all notices are hand delivered with an acknowledgement form.

Page 1, Items 3 and 11: Mike asked about the difference between working hours and starting and quitting times. Frank explained about the working hours of the plant and the various shifts within those hours.

Section 1.6.4 Negative Information: Mike noted that this section references the Safety Officer. He asked Pete about the Safety Officer and Safety Meetings. Pete stated that Tim Sheets is the Safety Officer, with Pete and Anthony LaRocca as the backups. Safety meetings are conducted monthly with staff from both Towns.

Section 1.7.3 Disposal of Personal Records: Barbara asked how long we keep these files. April stated the rules for this recently changed and she will look this up.

Page 7: Barbara asked if there was a typo in the first two sentences, “MGSD will accept resume and application submittals...Resumes and applications submitted to MGSD...” She thought both sentences should either state *resume* or *resumes*. April stated the sentences are correct as shown.

Page 8, Section 2.6: Barbara noted the last part of the first sentence with regard to email, “All written communications to applicants shall be hand-delivered or sent by US Mail to the address shown on the application for employment, and/or sent via email as shown on the application.” April said sometimes resumes are submitted by email, but anyone who is considered for interview must fill out an application.

Page 11: “The District Manager will notify all successful applicants that they have not been selected either verbally or in writing. The District Manager will document any verbal notification.” Barbara felt that all notification should be in writing, and April said it is. Barbara asked that the references to verbal notification be struck.



Minutes

November 7, 2017

Page 10

Page 12, Section 2.12.2: Barbara noted that this section discusses physical examination and appeal of such examination under the application process. Frank explained that the physical examination will be required after the job offer is made, so they are considered an employee at that time.

Page 15, Section 2.18.1 Rehiring Retired Employees: Barbara asked why this referenced NRS and did not more specifically state the requirements. April explained that the requirements are outlined by PERS, and those requirements are complex. They are left out in order to save paper and to avoid additional confusion. She did not recommend any board approve the rehiring of retired employees under the current regulations.

Page 16, Section 3.2: Barbara did not like that we close the office for lunch. April explained that typically the office is not closed. That item is in the policy in case vacation or sick leave necessitates closing. Even in those situations, every effort is made to keep the office open, or close it for only a short time.

Bob asked about lunch time for office staff. He asked that the one-hour lunch be referenced.

Mike asked about a variable work agreement, which the State utilizes, and asked if we want to incorporate it in the manual. Bill did not think it was worth doing.

Section 13.149.5: Barbara noted that this section refers to Section 11.8, and that needed to be changed to 11.6. April agreed.

Page 31, Section 4.8.2.3: Mike had concern about an employee who unwillingly must serve as a witness. Requested striking "or to serve as a witness for a party who has filed an action against the District." Bill concurred.

Page 33, Section 4.11.1 Emergency Volunteer Service: Mike expressed concern about a volunteer showing up to work without rest, and asked if there should be something in the policy requiring a rest period. Frank felt that policy as written gave him the authority to require an employee to take a rest.

Page 37, Section 5.4.3: Barbara asked why dependent life insurance may be available, and April explained that it depended upon the company providing the coverage. The current provider allows for dependent coverage, but the prior provider did not.

Page 40, Section 6.1: Barbara asked about "Nothing about this policy or process may be construed to change the at-will nature of employment with the District." Bill said it again reminds employees that employment is at-will and it gives the District Manager discretion in evaluating employees. She asked if this was the same in Section 8.2 Layoffs, and Bill said it was.



Minutes  
November 7, 2017  
Page 11

Page 46: Barbara noted that Section 10.1 refers to Section 10.5, and asked that it be corrected to 10.6.

Page 46, Section 10.3 Driver's License: Barbara stated that the policy requires a valid Nevada or California driver's license and wondered why we allow California licenses. Frank responded that employees may live in California and work at MGSD.

Page 47, Section 10.4 Driving Standards: Barbara asked about the established MGSD driving standards. Bill recommended striking *established MGSD* from the sentence.

Page 57, Section 11.6.2.5: Barbara asked for clarification about "...an incident that occurred while the employee was on duty or which may impact the employee's ability to do his/her job". She requested that it be clarified to state *while the employee was on duty or off duty*. April and Bill concurred.

Page 65, Section 11.7 Safety Policy: Barbara noted that MGSD supplies employees with a wide variety of safety equipment.

Page 70, Section 11.17.1.3: Barbara asked about when MGSD would transport friends or family, and April explained that was in case we are transporting non-staff to a District function or worksite.