



Board of Trustees  
Minutes of Special Meeting  
Wednesday, May 22, 2019  
9:30 A.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Barbara Smallwood  
Robert Allgeier  
Ted Thran  
Michael King  
Mary Schilling

Staff Members Present:

Frank Johnson  
April Burchett  
Peter Baratti  
Bill Peterson

Others Present:

None

Board Members Absent: None

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**Meeting called to order at 9:30 a.m. by Barbara Smallwood, Chairman.**

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

**Public Hearing for Tentative Budget for Fiscal Year 2019-2020** – Frank presented a Final Budget package, and reported that the auditors have received the information from Richard Peters. His package included graphs that showed MGSD's revenues have outpaced expenses, ARRA loan amount is going down, the current treatment cost is just under \$4.00 per 1000 gallons, as well as net assets and cash at the end of the fiscal year for the past five years. He stated that there is a projected net cash provided by (or used for) operating activities of **-\$140,395** for FY 19-20. He also noted that Ad Valorem is projected to go up, and capital net cash provided by (or used for) capital and related financing activities is projected at **-\$885,167**. Interest revenue has been increasing, and the total net cash is projected to be **-\$357,553**. There were a couple of typos on the tentative budget, but it did not change any amounts, just some numbers were in incorrect columns. Frank passed out a list of regularly-paid contract amounts. Bob wanted to make sure that sewer line costs are applied to capital and not to the operations account. Frank explained that he has included Bruce Scott's estimate of \$350,000 into the capital budget for the rehabilitation. There is also \$35,000 under the operations account for the collection system. Discussion followed regarding a quarterly update from the accountant. Barbara wondered if the Board would have a chance to look at how much is going into each general ledger account, or whether it was something the Treasurer would review. Ted reported that he preferred the Board receive a summary of the overall accounts, such as services and supplies; otherwise the Board would be micromanaging staff. Frank reported that a summary is provided to the Board monthly. Barbara asked if a trustee can then ask staff which account number any purchase was applied to, and Frank said yes. Bob asked whether the discharge permit claim that was given to board for signature prior to the meeting was for the five-year or one-year permit, and Frank and April reported that it was the one-year permit for the groundwater discharge. Bob asked if it was for the ponds. Frank said it was for the ponds and irrigation. **Motion by Mike King to adopt the Final Budget for the FY 2019-2020 with a tax rate of 0.1224.** Seconded by



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Ted Thran. Motion carried [Vote: 5 ayes (Smallwood, Allgeier, King, Thran, Schilling); 0 nay; 0 abstain; 0 absent].

**District Manager Position:** Bill presented a contract for employment, and stated that it is a straightforward contract, but the Board needs to fill in a couple of blanks. It's an annual contract which will automatically renew. The Board can terminate Mr. Baratti at any time for any reason. If termination is without cause, then a severance of 2 month's salary goes into effect. There is an initial performance review after 6 months. He also noted that the duties are the same Frank is currently performing. Bob stated that the contract was well written, and it includes those items which were discussed and approved by the Board of Trustees. Barbara directed the Board to the additions that were needed. Under Section 8b of the Contract, regarding the costs of a training seminar, it was determined that the Chairman would need to be consulted if the cost exceeded \$2,500. Barbara reported that Under Section 8c, staff has requested to add, "or as required by the State of Nevada if higher than a Grade III" at the end of the paragraph. The Board concurred. Under Section 10a, regarding District Manager approval of contracts, Mike felt the amount should be \$10,000 but asked for an addition to the paragraph that should a decision need to be made prior to the three-day noticing period under Open Meeting Law, a phone call to the Chairman or Vice Chairman would be required for approval. Bob felt that would be easy to define an amount for operational costs, but change orders are a different matter. He noted that the Board can have a special board meeting for an emergency, and Frank stated that it doesn't happen that often. Bill suggested adding a clause after the \$10,000 amount that states, "...and not to exceed \$50,000 provided such expenditures are approved by the Chairman or Vice Chairman of the Board of Trustees". Bob expressed concern about expenditures over \$50,000, but Barbara stated that called for a different action. Barbara suggested an alternative of not stating an amount and using the threshold in NRS. Bob thought the Chair or Vice Chair should make the decision whether to convene a special board meeting. Ted mentioned he had seen some contracts with 6 month's severance, but the Board chose to stay with 2 month's severance. Peter stated that he is not prepared to sign the contract at this time, as he had not been able to schedule an appointment with his legal counsel. He would be ready by the June board meeting. Mike suggested pending the review and acceptance by Mr. Baratti, that the contract be finalized at the next board meeting, or the motion could be tabled until the next board meeting. Bill stated that the contract can be approved at this time and Mr. Baratti can accept or not accept it at the next meeting.

**Motion by Ted Thran to approve the Employment Contract between Minden-Gardnerville Sanitation District and Peter V. Baratti, with the following corrections:**

- Adding an amount of \$2,500 under Section 8.b
- Adding "or as required by the State of Nevada if higher than a Grade III" under Section 8.c
- Adding an amount of \$10,000 under Section 10.a
- Add "and not to exceed \$50,000 provided such expenditures are approved by the Chairman or Vice Chairman of the Board of Trustees" under Item 10.a.



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**and to authorize the Chairman to sign the contract as an offer to Mr. Baratti, pending acceptance by Mr. Baratti at the June 4<sup>th</sup> Regular Board meeting.** Seconded by Bob Allgeier.

Bob asked that Peter's legal counsel attend the June 4<sup>th</sup> meeting, so the contract can be resolved at that time. Barbara expressed concern that this would not be approved prior to the effective date of July 1. Mike shared that concern, but he felt that it could be resolved at the June 4<sup>th</sup> meeting. Peter stated he doesn't see anything that is weighted either way, but he would like to have an attorney review it. Motion carried [Vote: 5 ayes (Smallwood, Allgeier, King, Thran, Schilling); 0 nay; 0 abstain; 0 absent].

**Staff Report:** April passed out draft changes to the Personnel Policies and Procedures manual, and stated she would schedule approval of the amended manual for the July 2<sup>nd</sup> regular board meeting.

April reported that all board photos have been completed but requested replacing the overall wall frame into five individual frames to save the expense of re-framing. The Board concurred.

April stated that she is looking into the health insurance renewal and is discouraged at the premiums. In looking at alternatives, she found that the Better Business Bureau of Northern Nevada has an insurance pool with Hometown Health plans that are much less costly than MGSD contracting with Hometown Health on its own. She has submitted application information to the Better Business Bureau for review, and anticipated having additional information to the Board at the June meeting.

Frank reported that Dr. Pipeline has cleaned the GRGID line, and staff is reviewing the videos.

Frank also reported that Olcese Construction is making progress on the digester cleaning. Bob asked if there was as much to clean as was expected, and Frank said there was a lot of water. Discussion followed regarding how long this cleaning will last, and Frank thought it would be good for another 10 years.

Frank stated that audit is proceeding; now that Richard Peters has provided the information to Casey Neilon.

Frank reported that interviews have been completed for five applicants for the vacant positions, and staff is in the process of determining the best candidates.

**Board Comment:** Barbara met with the new Community Development Director, Tom Dallaire, who asked her about the District boundaries. She expressed concern about the impact to MGSD to change the boundary, but she trusts Mr. Johnson and Mr. Scott to work that out. Bill discussed the difference between the service area and the district area boundaries, and due to MGSD's original grant, the service area boundary can't just be changed by the County. Barbara asked for permission from the Board to contact Tom Dallaire to discuss this with him, and the Board directed her to do so.



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

***Meeting adjourned 10:45 a.m.***

Approved by the Board of Trustees as presented on:

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

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