



Board of Trustees  
Minutes of Regular Meeting  
Tuesday, June 4, 2019  
6:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Barbara Smallwood  
Michael King  
Robert Allgeier  
Mary Schilling  
Ted Thran

Staff Members Present:

Frank Johnson  
April Burchett  
Bill Peterson  
Peter Baratti  
Bruce Scott

Others Present:

Alan Reed  
Taylor Reed

Board Members Absent:

None

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**Meeting called to order at 6:00 p.m. by Barbara Smallwood, Chairman.**

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

**Chairman's Comment:** Barbara stated that she left a message with Tom Dallaire regarding the MGSD Service Area boundary change, but she has not had a response from him.

**Claims Review and Approval:** Mike asked Bruce about the rehabilitation billing, and Bruce explained that a portion was for the preliminary design, and some was for the completion of the work with Dr. Pipeline on the GRGID interceptor. Barbara asked about Items 18 and 37 for weed control chemicals, wondering why there is more than one supplier. Frank explained that there are different chemicals which are only available from different sources. Barbara requested that a column be added to the Claim Summary sheet showing the G/L account number for each expenditure. Frank noted that staff tried to run the Co-gen on natural gas but found that it would not be feasible, so the Southwest Gas bill was a bit higher last month. Bob asked if we are operating the Co-gen system, and Frank stated that it's down now until the digester is repaired. Frank reported that the cleaning on the digester is still in progress, after which it will need to be assessed for damage and repair. **Motion by Bob Allgeier to approve the claims received for May, 2019 in the amount of \$364,143.76 plus miscellaneous expenses in the amount of \$1,231.23, and to approve the payroll-related expenses paid during May, 2019 in the amount of \$121,751.72.** Seconded by Ted Thran. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Schilling, Smallwood, Thran), 0 nays, 0 abstain, 0 absent].



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**Minutes of May 7, 2019 Regular Board Meeting and May 22, 2019 Special Board Meeting:**

**Motion by Mike King to approve the minutes of the May 7, 2019 Regular Board Meeting with no noted corrections.** Seconded by Mary Schilling. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Smallwood, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

**Motion by Ted Thran to approve the minutes of the May 22, 2019 Special Board Meeting with no corrections.** Seconded by Bob Allgeier. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, Smallwood, King, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

**Carter Hill Homes:** Frank noted that although the agenda states allocation of 46 Edu's, the developer has already purchased 5 so only 41 Edu's will need to be allocated. **Motion by Mike King to allocate 41 units of capacity to Carter Hill Homes for the Townes at Monterra project located near Baler St. in Minden (APN 1320-29-601-002). All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Ted Thran. Motion carried [5 ayes (Allgeier, Smallwood, King, Schilling, Thran), 0 nays, 0 abstain, 0 absent]. Bruce stated that improvement plans have been submitted for review.

**Esplanade at The Ranch:** Bruce explained that he has reviewed the portion of the main that originally did not meet District standards. RCI and MGSD staff has inspected the mains on 3 separate occasions, and Bruce recommended approval of acceptance of the sewer mains. They are working with the developer to obtain a complete set of as-builts. He also needs to follow up with Bill Peterson regarding the original filing of the non-acceptance of mains. **Motion by Bob Allgeier to approve and accept the sewer mains in The Esplanade at The Ranch project subject to the staff approval of the record drawings. All rules, regulations, and requirements of MGSD are to be met and all fees paid.** Seconded by Mary Schilling. Motion carried [5 ayes (Allgeier, Smallwood, King, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

**District Manager Position:** Bill stated that the contract is ready for execution by the Board. Mike asked Frank his thoughts regarding having 2 managers over 2 months. Frank had hoped that by giving a long notice period that this would be finalized sooner. He reported that we are now in a time crunch regarding training. Peter has had no training on the budget, but he thought that Ted would be able work with Pete on the budget next year. He also needs clarification on what his job duties will be over the next 2 months. Barbara apologized for how this came about, and stated that the Board fully appreciates Frank and what he has done. Mike asked that the agreement be signed first, and then the Board can work out the duties for Frank and Peter until Frank's retirement date. **Motion by Bob Allgeier to authorize the Chairman to sign the Employment Contract between MGSD and Peter Baratti to serve as District Manager effective July 1, 2019 at a salary of \$105,000.** Seconded by Mary Schilling. Discussion followed regarding having Frank be in charge with Peter shadowing him until the end of August. Mike thought it



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would be best to start Peter at the District Manager salary beginning July 1st, and asked that the motion be revised to include that Peter is in training until August 30<sup>th</sup>. Bruce offered RCI's assistance during in the transition. Barbara asked if Peter had anything to add, and Peter said no. Motion carried [5 ayes (Allgeier, Smallwood, King, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

In regards to the clarification of duties, Bob suggested that MGSD should have only one District Manager, so starting on July 1 he felt that Peter would have the responsibility to create and sign contracts, and that Frank would continue to work for the Board with the title of District Manager Advisor with the responsibility of advising Peter Baratti in the District Manager duties as well as advising Cliff Simpson in the Operations Supervisor duties. He would report to the Board, but he would not be able to sign contracts or checks. Frank felt that he would not necessarily know what the Operations Supervisor duties and procedures are. Ted felt that we would have 2 District Managers over 2 months, and that Pete would shadow Frank. Pete concurred. Pete felt that Cliff and the crew are seasoned and will be able to operate the plant effectively beginning July 1st. Barbara felt that we have discussed cross-training, and Frank's responsibility is to get Peter trained as District Manager. Mike felt that it doesn't make sense to have Peter be thrown in to the position without the necessary training. He thought Frank would be manager until he leaves at the end of August, at which time Peter would be District Manager. Bill stated that we can have 2 District Manager's and felt the Board was looking for a solution to a problem that didn't exist. The contract does give the Board the right to adjust the District Manager's responsibilities. Bill suggested that Frank be appointed as Sr. District Manager effective July 1, with the contract remaining as is.

**Motion by Mike King that effective July 1, 2019 Frank Johnson's position will change to Senior District Manager with the same duties and responsibilities as he has now, that effective July 1, 2019 Peter Baratti will be appointed District Manager with the duties and responsibilities as set forth in his employment contract, subject to the adjustment that until August 31, 2019 Peter will report to Frank Johnson who, as Senior District Manager, will have the ultimate authority to make District-related decisions, and sign and approve contracts.** Seconded by Ted Thran. Motion carried [5 ayes (Allgeier, Smallwood, King, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

**Warren Reed Insurance:** Alan presented the plant insurance policy for FY 19-20. He pointed out the buildings and equipment coverage and reported that there is liability coverage of \$10 million per event. In addition, the policy includes blanket bond for board members. The premium is \$94,082.55, which is a 9.6% increase in cost. He explained that there has been over a 124% cost increase since 2002 and that the property coverage has gone up about 400%. In addition, MGSD's payroll in that time frame has increased 110%. The same companies that have provided coverage for the past 2 or 3 years are continuing to provide coverage. Alan explained the services that are provided by NPAIP, including personnel policy development, contractual review, and property inspections. Alan also mentioned the grant program available through the POOL. Barbara pointed out that Alan received recognition by POOL/PACT and thanked Alan for being there for us. Mike pointed out that a security system was installed on the front door and asked if we can retroactively apply for the grant. Alan said he will check on that. Alan also discussed the Employee Assistance Program. Bob asked if we were penalized as a



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result of the digester claim, and Alan said that he had not looked into that specifically. He noted that 4% of renewal rate is due to exposure growth, and about 5% is a rate increase, which does include an Individual Rate Premium Modifier that might have a blip for claims experience. Bill asked if there are any perils exclusions and Alan said all policies have peril exclusions. Bill asked what transmission facilities are, and Alan said he would look into it. Bill also pointed out on the facilities schedule that there is a value on the replacement cost, but sometimes we don't know the replacement cost. Alan stated that this is not a limit, but it is there to calculate the premium. He noted that the appraisers assign a value every 4 years by using a model. Bill asked if the exclusion still applied to the reservoir, and Alan said it does. Bruce pointed out we have a river undercrossing on the GRGID line which could have serious consequences if there is a problem, but we have installed a shut off valve to help mitigate this. Frank pointed out that the new Case skid steer loader needs to be added to the policy as well. Alan said he will need the make, model, and serial number. **Motion by Ted Thran to accept the insurance package from NPAIP for Fiscal Year 19-20, as presented by Warren Reed Insurance for an amount of \$94,082.55.** Seconded by Bob. Motion carried [5 ayes (Allgeier, Smallwood, King, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

**MGSD Service Area Boundary:** Barbara noted that she had left Tom Dallaire a message. Frank stated that Tom would like to be on the July agenda.

**Attorney-Client Conference:** Bill Peterson had nothing to report.

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

Dr. Pipeline is completed, and the videos are being reviewed. Bruce was very pleased with the work they did. They will be an entity we can look at for further cleaning and televising on lines we can't do. He wants to take a good look at the crossing at the river.

The digester cleaning is getting there. Olcese has had some setup problems, but they are beginning to get on track. They have the material level down, but they need to get a polymer pump to complete the cleaning.

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

**Capacity:** 11.2 Edu's were sold in May

**Personnel:** Frank reported that one new employee is starting on the 10<sup>th</sup> and we are waiting to hear from another applicant for acceptance of the job offer.

**Projects:** Frank reported that he attended preconstruction meetings for the new Minden Carwash and for the Human Bean behind Sonic on Lucerne. Bob asked how many units would be needed for the carwash,



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and Frank explained that a lot of the water is recycled, so only about 3 or 4 units. Barbara asked about the architecture of the project, and Bruce said they worked hard to meet Minden's requirements regarding architecture and landscaping. Bruce and Frank stated that their lines will be tested and cleaned to meet District standards.

Mike asked if the employee who is starting has certification, and Frank reported that this employee is entry level. The applicant we are waiting to hear from has Grade II certification.

**Administrative Report by Staff:** April explained that applying to the Better Business Bureau did not pan out, but we can obtain health coverage through the Carson Valley Chamber of Commerce. She asked if the Board would be amenable for membership to the Chamber, and the Board concurred.

Discussion followed regarding legislative report. April reported that she is still waiting for the Governor to sign or veto a few more bills, one related to open meeting law and one for the public records law. She anticipated having a report at the July meeting.

**Board Comment:** No board comment.

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

***Meeting adjourned 8:00 p.m.***

Approved by the Board of Trustees as presented on:

\_\_\_\_\_ By \_\_\_\_\_  
Date Ted Thran, District Secretary

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