



Board of Trustees
Minutes of Regular Meeting
Tuesday, July 2, 2019
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Barbara Smallwood
Michael King
Robert Allgeier
Mary Schilling
Ted Thran

Staff Members Present:

Frank Johnson
Peter Baratti
April Burchett
Cliff Simpson
Bruce Scott
Bill Peterson

Others Present:

Beverly Giannopoulos
Tom Dallaire

Board Members Absent:

None

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

Public Comment: There was no public comment.

Chairman's Comment: Barbara noted that Peter Baratti is in the District Manager seat. She welcomed Cliff Simpson as Operations Supervisor, and mentioned that Frank Johnson is now the Senior District Manager.

Claims Review and Approval: Bob Allgeier asked if the Dr. Pipeline invoice (Item 10) was for the full amount of the contract including the GRGID portion, and Bruce said it was. Bob then asked when GRGID would be billed for their portion. Bruce and Peter will coordinate on determining the amount to bill GRGID. Bruce explained that in their initial meetings with Greg Reed at GRGID, Greg was concerned about the amount and would possibly have to spread the payment over 2 billing cycles. But since the contract was much less than anticipated, Bruce thought that GRGID would not have to spread it over 2 budget years. Bruce anticipated that it would be billed before the next meeting. Bob noted that Item 20 for Olcese for the Digester Cleaning is for a portion of the total contract. Bruce stated that they are done with the cleaning other than some minor items, and RCI has asked for a final billing. The remaining balance will be available for approval at the August meeting. Bruce said there were no change orders and no extra cost. Discussion followed regarding the total cost of the project. Bruce and Pete noted that Olcese owes \$106.00 for the Town of Minden water usage and that amount will be subtracted from the final payment. Bob noted that this charge was not included in the capital expense but was included under operations expense. That amount has caused the entire budget to be \$71,000 in the hole.



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It was an item that was unanticipated, and he suggested that funds be used from the plant expansion restricted account. Bruce noted that the Olcese portion is to clean the digester so we can see what is going on, which is more of a repair and maintenance type of expense. Barbara asked about augmenting the budget, and Frank said we only need to augment for overage on capital expenses. Ted said he'll look at it more closely, but he also believed it only applied to capital expenses. Ted also noted that it's too late to do a budget augment. Barbara asked what happens starting the current year with the prior year's budget being in the negative. Bruce explained that in May we were not aware what the cost for the digester would be, so we did not know that we would be going over the budget. Frank stated that there is an item in the current capital project budget for the digester repair. Bill asked if there was a reporting requirement for the budget overage, and Ted said it will have to be reported it but doesn't have to be fixed. Discussion followed regarding whether an adjustment will need to be made on the new budget to reflect this, and Ted and Frank will do further research on this. **Motion by Mike King to approve the claims received for June, 2019 in the amount of \$178,971.84 plus miscellaneous expenses in the amount of \$1,236.73, and to approve the payroll-related expenses paid during June, 2019 in the amount of \$92,353.95.** 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].

Minutes of June 4, 2019 Regular Board Meeting: Motion by Bob Allgeier to approve the minutes of the June 4, 2019 Regular Board Meeting with no noted corrections. Seconded by Ted Thran. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Smallwood, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

MGSD Service Area Boundary: Represented by Tom Dallaire, Douglas County Community Development Director. Discussion followed regarding the service area boundary as opposed to the district boundary. Tom presented a package of maps for the Master Plan 2020 Map Update. Page 11 of the handout shows the overall MGSD service area boundary in a yellow and black line. Tom's concern is that the service area boundary bisects some parcels near the Muller Parkway alignment at MGSD's north and east boundaries. Most of the parcels impacted are owned by Bently and David Park. At some point these parcels will ask for annexation. He would like our service area boundary to align with Gardnerville Water Company's and Town of Minden's boundary lines. He noted the boundaries of all the districts in the Minden and Gardnerville area, and he is hoping to get them all to line up. Adjusting MGSD's boundary would add about 1100 acres into the service area. Tom stated that adjusting the service area boundary not necessary for the master plan, but he would like to have a community plan boundary that doesn't bisect parcels. He was wondering if the board would be willing to extend the boundary. Tom presented a map showing the boundaries of other districts and towns in the Minden and Gardnerville area and discussed modifications to the land use maps, including the Buckeye Wash proposed pond along the proposed Muller Parkway corridor. Tom also reported on the details of the County's agreement with David Park regarding the Muller Parkway right of way and relocating receiving areas from Topaz Ranch



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Estates to the Muller Parkway area. He reported on the Minden and Gardnerville Plans for Prosperity focusing on connectivity to make Minden and Gardnerville a destination area, and noted that Muller Parkway was critical for that vision. There are boundaries in other areas of Carson Valley that also need to be looked at. He discussed the areas where receiving areas are still available. He also talked about asking Indian Hills GID about having a plan for Indian Hills only, breaking it out from the North Valley plan. There will also be a plan for Open Space, so it can be tracked better. He also noted that the Board could consider removal of USFS parcels at the south area of the MGSD boundary, if it will help with MGSD's capacity planning. Barbara disclosed that she has known Tom Dallaire for a long time, both at the Town of Gardnerville and at Douglas County.

Barbara asked about the difference between the maps presented at the meeting and the maps that were included in the board packet, and Tom stated that he did not change the service area boundary on the plan in the board packet. Bob asked if the County was planning on serving that area, and Tom said they are not. Barbara felt that it was premature to ask for the service area boundary line change. She asked why the County doesn't change their line, and Tom said Chris Bently has said he doesn't plan on developing the Bently Ranch, so MGSD is the closest provider. Barbara noted that if plans come forward, the Board can decide to serve the area at that time. Mike felt that Barbara sounded logical and respected her expertise in this area. When it is time to change the boundary, he would like a better map to show exactly the area to be adjusted. Ted noted that it was an excellent presentation and he was okay with adjusting the boundary, but is happy to wait if that is what the other board members prefer. Mike asked Bruce how much it would cost. Bruce said it is simpler than an annexation. Bruce reported that initially the service area boundary was tied to the EPA grant for the GRGID interceptor. The EPA wanted MGSD to show a service area boundary, and it included land that could easily be serviced by gravity flow to MGSD. It was intended to include Ruhenstroth and part of the Pinenuts. Land was swapped to modify the service area boundary for Bently Science Park. An adjustment to the service area boundary would allow MGSD to service everything from Muller Lane south. Bruce noted it is not unprecedented to change the service area boundary. If it's adjacent to our boundary, it's worth it for the Board to look into servicing it. He recommended holding off changing the service area boundary until an annexation requires it. Bruce noted it's probably a \$2,000-\$4,000 item. Peter asked if other districts have approved changing their boundaries, and Tom reported that Town of Minden is on board so far. Tom asked about sewer connections along Muller Parkway, and Bruce said there are no plans for utilities along Muller. Tom needed to know how much it's going to cost to put in sewer since the build-grant will cover utility construction. Bill thought it was okay to expand the service area, but we can't decrease it per the terms of the grant. Bruce said when the Minden-Gardnerville area developed it was at less density than was expected so there is no issue as far as plant capacity. Bruce also emphasized that the lines need to reach the plant without the need for a lift station. The Board thanked Tom for his presentation.

MGSD Personnel Manual: Barbara reminded the Board that April provided proposed changes to the Board at the May meeting. She thanked Bill and April for incorporating legislative and federal changes.



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Bill reported that these changes bring the manual up to date and ensures that MGSD is compliant. April pointed out that the recent legislative bills are not included at this time. Ted asked about disciplinary action and said he would like to see consequences outlined. April explained discipline has always been left to the District Manager, and that it happens rarely. Ted was fine with that. Bob asked about the recently signed marijuana bill. April explained that there are exceptions in the bill that states that CDL holders can be denied employment based on an applicant testing positive on a pre-employment drug screen, since that testing falls under federal guidelines. Barbara asked if we should add “prohibited substance” to other drug references throughout the document, and April said we should. Barbara asked about the use of tobacco products in the vehicles. April said that smoking is not allowed in MGSD vehicles. April explained that training will be provided to all employees regarding the changes to the manual. Bob asked about the return of equipment upon separation, and April stated she will ask POOL/PACT for the means to ensure property is returned. Barbara asked about a time period that employees cannot drink before overtime and regular shifts, and April explained that the oncall time starts at 5:00 p.m. so nobody should have been using prohibited substances before then. Barbara asked if there was a federal standard, and April said she has not seen one. Mike stated that in aviation it’s 8 hours prior to flying, and the pilot also needs to be clear of any residual effects. April said she can ask POOL/PACT if they are aware of a time limit. Ted said the fire department might have a standard. **Motion by Bob Allgeier to approve the updates to the MGSD Personnel Policies and Procedures Manual-Employee Handbook, with an effective date of July 3, 2019, with the addition of “prohibited substances” at each location “illegal drug” is mentioned.** Seconded by Ted Thran. There was no discussion on the motion. Motion carried [5 ayes (Allgeier, King, Smallwood, Schilling, Thran), 0 nays, 0 abstain, 0 absent].

Retiree Benefits: April explained that \$900 was the initial coverage amount put into place in 2014, and while the costs have increased since 2014, the coverage amount by MGSD has not increased. The \$1050 would just cover the medical policy for Frank after he retires. The only plan she could find that fell within the \$900 limit had an \$8000 deductible. Mike disclosed that his wife, Sarah King, is an employee that will benefit from this at some point. He asked Bill Peterson that since the benefit does not only pertain to Sarah, if he could vote on this item if he chooses. Bill said Mike made the disclosure properly and he can vote on this item. **Motion by Mike King to modify Exhibit 1 of the MGSD Revocable and Unfunded Post-Retirement Medical Benefit Plan to increase the reimbursement amount for eligible employees who retire before they become eligible for Medicare from \$900 to \$1,050 per month.** 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].

Attorney-Client Conference: Bob asked about the status of the audit and whether Bill had any further discussion with Richard Peters. Bill reported that Richard was under the mistaken impression that he only had to keep financial information for 3 years, when it is actually 5 years. It will increase the cost to the District, since it will change how the auditors proceed. Bill has not spoken to Richard. Mike asked if



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this will cause a significant delay, and Frank reported that Casey Neilon will be at MGSD the week after next to finish gathering the information. Frank also noted that the State is willing to work with us on this. Bill stated that the larger expense is going to be that they have to go to another auditing firm since they can't audit their own work.

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

Digester Repair: Frank and Bruce had a conference call with Craig Olson, and there may be a number of structural issues with the runners that the lids run up and down on. Craig is analyzing the original plans, and he is trying to assist in the assessment, and anticipates attending next month's meeting with alternatives. Digester 2 has a floating lid allowing for gas storage and helps with the co-gen system. The other possibility would be for Craig to look at construction of a gas storage facility and put a fixed lid on the digester. Frank noted we need the gas storage even without the co-gen, so we can use the methane for heat.

Plan Reviews: There are many ongoing projects. One set of plans submitted by RO Anderson Engineering was found to contain unnoted changes, and a letter has been written to Rob Anderson regarding this. But it means that Bruce will need to go back and do more complete reviews.

Hwy 395 Televising: Bruce asked Dr. Pipeline for an estimate to televise the lines in Hwy. 395. They estimated a cost of \$20,000 to \$25,000, and Bruce feels that is well worth considering. It will allow us to better prioritize line cleaning moving forward. At that price, it does not have to go to an outside formal bid. Bob asked that this be placed as an agenda item for the August meeting. Bruce said he can bring 3 estimates next month for a decision. Discussion followed regarding the process for solicitation and awarding projects under \$50,000.

GRGID Interceptor: Bruce reported that there are areas that staff needs to look at for rehabilitation in the GRGID interceptor line, especially at the river siphon. There is potential corrosion and scaling in that area but there appears to be no leaking right now. He wants to review it with Dr. Pipeline.

Pine View Estates: Pine View Estates is moving forward. The legal Counsel for Pine View is working on obtaining easements. The funding is in place, and the next step will be a cultural evaluation, since NDOT does not own the property.

Townes at Monterra: Barbara stated that at the County Commission meeting Bob Pohlman asked about the bonding for improvements at the Townes at Monterra. Bruce said he did not know about bonding, and that they paid cash to MGSD. Barbara clarified that MGSD staff will be inspecting the sewer line. Bruce said their sewer line has not yet been approved. Barbara noted they are building homes, and Bruce



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said they are building Unit A, and they will need to build the line to MGSD's satisfaction through Units A and B for approval for Unit A, but there will need to be retesting and inspection for Unit B approval.

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

Capacity: 16.4 edu's were sold in June

Frank reported that the Evolution car wash and Human Bean are moving forward.

Frank is working with Pete on training.

Peter reported that staff is working on drainage improvements at the rear of the plant, so there is equipment back there.

Peter also reported that Lochan KC received his Grade I Operator's certificate. The other newer operator Andy Wagner has achieved Grade I and CDL. Ed Breeden will be reporting to work in early to mid-August.

Peter stated that he is attempting to schedule a final camera inspection for Mackland Unit 4. The Heybourne 4 and 5 sewer is in and has been inspected but not tested. Progress seems to have halted on the project.

Mike asked that the handicap stall in the parking lot be properly marked and signage added. Peter has put in a call to get a bid for crack sealing of the plant which would include restriping.

Mike asked if we heard back from Alan Reed regarding the POOL/PACT grant program, and Frank said that he did. Unfortunately MGSD can't apply for the door security lock since it's after the fact, and we also can't prove the financial need. Alan also told him that transmission line coverage is for pipes within a 1000' of the plant.

Bob asked how many EDU's we sold over the last year. Frank estimated 83 units.

Administrative Report by Staff: April reported that there are several accounts that are ready for lien filing, and Sarah has sent certified letters to those customers.

April reviewed the 2019 legislative summary, and highlighted various changes to the open meeting law and business impact statements. She expressed particular concern regarding new requirements under the public records law.



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Board Comment: Bob delineated the repair and maintenance account of the operations expenses, and reviewed that it includes the digester repair at \$97,000, and noted that the flare rebuild, weed control, and the SDP charges are also a major amount. SDP charges are the largest items under repair and maintenance, and those charges will continue as long as the co-gen system is in operation. The co-gen repair is also included, as is vehicle repair. Bob wanted the board to understand all the kinds of charges that are included in that ledger account item.

Public Comment: Beverly Giannopoulos congratulated Frank on his retirement, and she stated she has appreciated his service over the years and how well he has done with the district. He has generally stayed within the budget, and the fees have not been raised. She welcomed Peter and Cliff in their new positions. The plant has been efficient with all the growth that has occurred in the district. Frank thanked Beverly for her comment, and he noted that running the plant is a collective effort.

Meeting adjourned 8:15 p.m.

Approved by the Board of Trustees as presented on:

8/6/19 _____

Date

By Ted Thran _____

Ted Thran, District Secretary

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