Board of Trustees

Minutes of Regular Meeting

Tuesday, June 2, 2020

6:00 P.M.

Board Room

Minden-Gardnerville Sanitation District

1790 Hwy. 395

Minden, Nevada

*Board Members Present*: *Staff Members Present: Others Present:*

Barbara Smallwood Peter Baratti Rob Anderson

Michael King Cliff Simpson Alan Reed

Robert Allgeier April Burchett

Ted Thran Bill Peterson

*Board Members Absent*:

Mary Schilling

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

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

***Chairman’s Comment:*** The Chairman had no comment at this time.

***Claims Review and Approval***: April noted that there are two claims on the May claims sheet showing as prepaid, and explained that they will not be shown on the FY 19/20 expenses but 1/12 of the total claim will be applied to the proper G/L number each month in FY 20/21. This will allow for more accurate reporting against the budget. **Motion by Bob Allgeier to approve the claims received for April, 2020 in the amount of $139,891.38 plus miscellaneous expenses in the amount of $1,331.92, and to approve the payroll-related expenses paid during April, 2020 in the amount of $104,314.64.** Seconded by Ted Thran. Motion carried [4 ayes (Allgeier, King, Smallwood, Thran), 0 nays, 0 abstain, 1 absent (Schilling)].

**Motion by Bob Allgeier to approve the claims received for May, 2020 in the amount of $171,578.50 plus miscellaneous expenses in the amount of $985.61, and to approve the payroll-related expenses paid during May, 2020 in the amount of $136,245.60.** Seconded by Ted Thran. Motion carried [4 ayes (Allgeier, King, Smallwood, Thran), 0 nays, 0 abstain, 1 absent (Schilling)].

***Minutes of April 7, 2020 Regular Board Meeting and May 19, 2020 Special Board Meeting***: April reported that language has been added to the discussion regarding the Salary Scale on Page 2 of the April 7th minutes to clarify that Trustee King disclosed a potential conflict but was advised by MGSD legal counsel that he could vote on the motion. **Motion by Ted Thran to approve the minutes of the April 7, 2020 Regular Board Meeting with the noted correction.** Seconded by Mike King. There was no further discussion on the motion. Motion carried [4 ayes (Allgeier, King, Smallwood, Thran), 0 nays, 0 abstain, 1 absent (Schilling)].

**Motion by Ted Thran to approve the minutes of the May 19, 2020 Special Board Meeting.**  Seconded by Mike King. Motion carried [4 ayes (Allgeier, King, Smallwood, Thran), 0 nays, 0 abstain, 1 absent (Schilling)].

***Residence 1861*** -- Barbara reported that this item is continued to the July meeting at the request of the developer.

***Townes at Monterra Phase 1*** – Represented by Rob Anderson. Peter referred to Bruce's letter regarding the slope not meeting MGSD's minimum standard. He felt this could be rectified to get the project back on track. Rob asked for acceptance with the condition that the slope issue be corrected. Peter stated that the as-builts for the rest of the phase are acceptable. Rob stated that in the worst-case scenario that line can be privately maintained. Rob asked that the remainder of the phase be accepted. Barbara and Bob pointed out that the letter from RCI states that additional items are needed. Rob stated that this section doesn't have any other sewer flows through that segment. He asked that the Board accept the phase except for the main between SSMH 4 and SSMH 3. Mike asked Peter for his comments. Peter stated that it is the portion at the end of the phase, and the rest of the phase is in good working order, but Rob and Bruce will need to work out a solution. Mike asked if there are any houses in that area, and Peter said that they haven't yet started breaking ground on this portion of the project. Mike felt that a solution could be arrived at. Barbara felt that crafting policy at a meeting is not a good idea. Ted asked Bill if the as-builts can be accepted without that particular line, and Bill said yes. Discussion followed regarding how the slope problem occurs. Rob felt they could put ½ inch of gravel at the top end of the manhole to meet the slope. Peter noted that the capacity fees were paid for those segments. Motion by Mike King to accept the sewer mains for Townes at Monterra Phase 1 as shown on the plans from R.O. Engineering, Inc., and to approve the as-built drawings subject to the letter from RCI. All rules, requirements and regulations of MGSD are to be met and all fees paid. Seconded by Ted Thran. Motion failed due to lack of votes in favor. [2 ayes (King, Thran), 2 nays (Allgeier, Smallwood), 0 abstain, 1 absent (Schilling)].

***Village at Monte Vista Phase 1*** – Represented by Rob Anderson. Peter stated that they have done all inspections, there is one more cleaning required, and recommended acceptance of this phase. **Motion by Ted Thran to accept the sewer mains for Village at Monte Vista Phase I as shown on the plans from R.O. Anderson Engineering, Inc., and to approve the as-built drawings subject to the conditions outlined in the letter from Resource Concepts, Inc., dated May 21, 2020. All rules, requirements, and regulations of MGSD are to be met and all fees paid.** Seconded by Bob Allgeier. Barbara asked if the applicant agreed with the conditions in the letter, and Rob Anderson said yes. Motion carried [4 ayes (Allgeier, King, Smallwood, Thran), 0 nays, 0 abstain, 1 absent (Schilling)].

***Nevada Northwest Phase 1*** – Represented by Rob Anderson. Rob Anderson stated that he has seen the letter from Resource Concepts, Inc., and he is in agreement with it. Peter stated that they have passed the mandrel and ball test and there just needs to do be final inspection when the manholes are brought to grade. Discussion followed regarding a clerical error in Bruce Scott’s May 21, 2020 letter referencing the incorrect project in Paragraph 3, and Rob stated that he accepts the letter with the correction to the clerical error. Barbara asked if Peter recommended conditional acceptance and Peter stated that was his recommendation. **Motion by Mike King to conditionally accept the sewer mains for Nevada Northwest Phase I as shown on the plans from R.O. Anderson Engineering, Inc., and to approve the as-built drawings subject to the conditions outlined in the letter from Resource Concepts, Inc., dated May 21, 2020. All rules, requirements, and regulations of MGSD are to be met and all fees paid.** Seconded by Barbara Smallwood. Motion carried [4 ayes (Allgeier, King, Smallwood, Thran), 0 nays, 0 abstain, 1 absent (Schilling)].

***Warren Reed Insurance*** – Represented by Alan Reed. Alan noted that there has been an increase in cyber claims throughout the POOL over the past year. Many people are afraid to report a cyber hijack and it is important to notify him immediately if we are hacked, so he can report it to the cyber security team to deal with the situation in its infancy. There is a stand-alone cyber liability coverage of $3 million per event in the policy, and there has been expansion of coverage to include some environmental issues. NPAIP also provides grants for security and equipment upgrades. The Employee Assistance Program has moved to KEPRO, which has resulted in a reduction in cost of 38%. The renewal rate is $130 lower this year than last year. The agents were told to expect a 14% rate increase, but it was lower than anticipated due to changing syndicates in the London market, and the lower appraisal rates in the western quadrant of the state. MGSD has 14 vehicles insured as well. The premiums have not gone up as fast as the coverage. Staff does a good job to keep up with training to keep claims at a minimum. Bill asked about more detail on the building replacement cost of $29.5 million and whether it’s delimited coverage, or whether it's used to calculate the premium. Alan said it is used to calculate the premium. Alan stated that each building is covered at full replacement value, but vehicles are different where depreciation comes in to play. He felt that the values that are shown for MGSD are good amounts. Peter pointed out the letter in front of Alan's presentation in the packet, and explained we have scheduled a cyber security assessment of MGSD's system. Our IT will also be present that day. **Motion by Bob Allgeier to accept the insurance package from NPAIP for Fiscal Year 20-21, as presented by Warren Reed Insurance in an amount of $93,952.** Seconded by Ted Thran. Motion carried [4 ayes (Allgeier, King, Smallwood, Thran), 0 nays, 0 abstain, 1 absent (Schilling)].

***MGSD Firewall Protection*** -- After discussion it was agreed to continue this item until after the cyber security analysis was completed. Ted asked if they were going to look at the SCADA security, and Peter said that is a critical item. Barbara would like to know if there should be automatic sign-ins or if you should sign out each time. Peter noted that we sign out each time now, and we are covering that in our GP training.

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

***Engineer’s Report:*** Bruce Scott was not at the meeting. Barbara referred to Bruce's letter included in the packet.

***District Manager’s Report***: Peter Baratti reported on the following items:

We have seen movement on numerous projects in the District. In house, we are starting on the Digester project, and the lid should be down this week. The CAT auxiliary plant power generator has been here since the building was built, and we are seeing coolant in the oil. That is estimated to be repaired in 8 hours. We will need to be attentive to power outages during the repair process, and he has a plan in place to keep the sewage moving while repairs are being completed. We have started moving on the pond rehab project. Also we are currently working with the boiler company regarding their recommendation for the boiler replacement, and he will provide that letter to the board. They are trying to obtain cost estimates, but he anticipated that MGSD staff would do the demo and the boiler company will do the installation. The pista grit unit should be here mid-June and the trickling filter pump should be arriving mid-June. We will be beginning the line cleaning project. The COVID-19 issues have been discussed with the collections staff, so we would like to get moving on the line cleaning. Peter referred to the timeline prepared by Craig Olson on the belt press project included in the board packet, so we can expect to see some movement on this.

Bob asked about the progress on Pine View Estates. Peter stated he spoke with the surveyor on the project yesterday. The survey is being done by drone, and they are in the final process in procuring the easements. We should see movement in the next year. Barbara asked about the legal paperwork, and clarified that those charges will be pass-throughs. April stated that the application has been filed with the State and it is being held on the priority list until we are ready to move forward on the project.

Barbara asked if Shoetree Brewery will need a pretreatment permit. Peter has been coordinating with RCI. We will be asking for a sample of what they're doing in Carson City, as this will only be a small scale brewery to avoid having a distributor moving the alcohol. Barbara was concerned about the dilution issues given their proximity to the plant. Peter noted that the problem is when they do their cleanup because it washes things down the drain. RCI will move forward on working on the requirements.

Barbara asked if the special rate for Mackland applied to the entire SFR zoning, and Peter and April said it does.

***Administrative Report by Staff:***  April reported on the following:

On the Past Due Accounts summary, the liens have been filed on the 5 accounts that were flagged.

Training with LaVonne Ghanavati has been continuing for the Great Plains accounting software. We are going to begin implementing two modules we already own but were never set up – Inventory and Human Resources. We won’t have the inventory in place before June 30, but it is our goal for FY 20/21 to have all inventory on Great Plains. It will result in better tracking of items and values. The Human Resources module is a tracking tool that does not contribute to any reporting, but it will help April keep track of certificate expirations and when training is needed. In addition, April is exploring the price for the purchase of the Advanced Payroll Module. This module will automatically calculate overtime rates, which April is currently doing by hand. She expressed concern that the calculation for overtime rates is complicated and that the calculations might be incorrect. The Advanced Payroll Module will be accurate and time saving. Barbara asked if the training has been helpful, and April and Peter both said they have found it to be very helpful. LaVonne has been a tremendous help in addressing the findings in the audit, and staff is hoping to be able to satisfy all the findings.

***Board Comment:*** There were no comments at this time

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

***Meeting adjourned 7:35 p.m.***

Approved by the Board of Trustees on:

 By .

Date Ted Thran, District Secretary

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