



Budget Subcommittee
Minutes of Meeting
Thursday, March 29, 2022

11:00 A.M.

Board Room

Minden-Gardnerville Sanitation District

1790 Hwy. 395

Minden, Nevada

Subcommittee Members Present:

Raymond Wilson
Ted Thran
Peter Baratti
LaVonne Ghanavati

Staff Members Present:

April Burchett

Others Present:

Sondra Condron

Peter Baratti called the meeting to order at 11:00 am

Public Comment: There was no public comment.

MGSD Tentative Budget for FY 2022-2023: Peter began by stating the reason he is bring the group together is because we have an increasing needs that are costly. We don't have the ability to include them in capital expense, they will have to be included under Repairs and Maintenance. We need to decide how we want to approach them. We have put the motions in place to capture revenues to keep our necks above water. We have been given notices from several vendors that their costs are increasing. Our ability to gain revenue from customers is not keeping pace with our operations cost, so we have been utilizing capital revenues to make up the loss. We need to figure out how to fund the operations costs from customer revenues and fees.

Capital Projects:

- GRGID Interceptor: This project is already in the works. There will be a 60-40 split with GRGID.
- Belt Press expansion: The project will not be completed before the end of this fiscal year. He put \$1 million in that budget, even though we probably will not be spending all of it.
- Camera truck purchase: We have continued to limp along with the older equipment that we have. Putting people out in the street in a box trailer is a safety hazard for MGSD employees, and we have trouble with the camera equipment, nor is it integrated with any software. We would like to move it to a GIS system. If it doesn't happen in this budget cycle, he understands. Ray asked if GRGID would be able to share in the cost of the product, and Ted felt that since we would be using it 100% we would not be able to pass this through.



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Operations:

- New line items have been created to better reflect how we operate the office. These are now ongoing, and expensive items. These costs were always there, but we were placing them under other categories.

Payroll:

- COLA: The economy has been outpacing the COLA announced at the beginning of the year. We have not touched our wage scale in 10 years. Our starting wage is equivalent to McDonald's and Hobby Lobby, making it difficult to attract applicants. He would like to alter the starting wage, which would shift the scale. The County did a 2% overall shift, and a 7% COLA. He would like to keep in step with the value of the market, and is proposing a 3% shift with a 7% COLA. Discussion followed regarding local starting wages. Ted felt that \$20 per hour should be a good starting wage.

Engineering:

- We've been hammered with engineering costs. Ted noted the more projects, the higher the cost. Peter presented the preliminary list of O&M projects for the upcoming year from Arashdeep Singh at HDR Engineering and stated we need to start funding these types of projects. Ted stated we have to start addressing these issues. Discussion followed regarding which projects to include HDR's list. Ted and Ray both felt that all the projects should be included. The bottom number is going to look big, but we probably won't spend all of it.

Discussion followed regarding overall increased costs. Currently in draft form, the next fiscal year's budget shows a 22% increase over last year's budget. Ted pointed out that this is the world today. Peter stated that we used to put mosquito abatement under Capital expense, and we have moved it to Operations expense. We have not paid any money to it, so there is an additional \$5,000 that previously was shown under Capital. Peter asked for guidance as to what they want to see.

Staffing:

- Peter pointed out that April will retire in the next three years, and one of her duties is legislative tracking. The Legislature meets every 2 years, and Peter has learned that it is anticipated that there will be additional legislation regarding public works. He is proposing bringing a trainee in the upcoming fiscal year, to begin training on the critical aspects. He encouraged the committee to consider a trainee as an investment. There are a lot of nuances to her duties. Ray felt that it is a bit soon to bring in a trainee and had concerns about increasing the office staffing. April reported that since the legislature only meets every other year and they are scheduled to meet next year, she would like to have that training occur. She had concerns about training someone on legislative tracking during her final months of employment, since the tracking is critical to so many aspects of MGSD's operations and regulatory compliance, as well as to the board. She



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wants the transition to be seamless. She pointed out that this is a temporary thing to have an additional staff member. Ted felt that it was needed because of the additional work that the growth in the district is creating for staff. Other entities are having to add staff as well. LaVonne pointed out that April has tasks that don't occur each year but happens over a longer span. So to take the time to properly train someone over time is needed for completeness as well as to prevent burn out. Ted felt that in addition to planning for future projects, we need to plan for future staffing needs so we're not always behind.

Future Planning:

- Peter would like for everyone to be aware of not only what happens at the plant, but to also be aware of what is happening in the community. We will have to look at funding some additional capacity in the next 5 to 6 years. He previously thought we would have 10 years, but there is a lot of activity in the district. We need to capitalize on the opportunity to fund the future costs. Ray said not to do what the Town of Minden did, by drastically increasing staff. We now have increased regulatory training. We had to expand the training budgets to keep our operators in compliance with their operations and CDL certifications. Maintenance Connection example. It is critical to invest in our staff in order to keep injuries and equipment damage at a minimum. We added a line item for admin training.

Plant Projects:

- Peter is obtaining bids for redoing the asphalt over the entire plant, since it's falling apart with all the heavy equipment use. He's trying to keep it under \$100,000. Staff will do a portion of the project. We don't want to do some of the plant area until we replace the NPW line.
- In the next couple of years, we need to replace the carpet and remodel the admin office. He would like to put a small addition to the admin building, primarily to get HR out of the middle of the main office.

Ted left meeting at 12:10 pm

Other items of discussion:

- Ray asked where we are with the rate study. Peter explained that HDR has a draft master plan almost ready. Catherine Hansford will take their data and come up with some numbers to fund those projects. Ray emphasized we have the lowest rate in the country. Once we are ready for public hearings, we can still tell people that even with a rate increase we will still be the lowest in the country. Discussion followed regarding rate study options. Ray preferred a single rate increase, while Peter stated that increases over 5 to 10 year spans covered annual increases in the industry costs and the data would be available to support the rate increase. Sondra felt that Ray was right about people complaining about continual increases. Ray suggested comparisons with other entities in the area.



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- Ray asked Peter's opinion about what will happen in the community in the next 5 years, and Peter felt that we could see an additional 700 units. A lot of infrastructure is in, but the permits haven't been pulled yet. Discussion followed regarding plant growth.
- Discussion followed regarding Bently Ranch sale and treated effluent agreement, as well as biosolids disposal.

Public Comment: There was no public comment.

Peter Baratti adjourned the meeting at 12:55 p.m.

Minutes Presented By: April L Burchett
April L. Burchett, Sr. Executive Assistant