



Board of Trustees  
Minutes of Regular Meeting  
Tuesday, April 5, 2022  
6:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Barbara Smallwood  
Ted Thran  
Mike King  
Ray Wilson  
Mary Schilling

Staff Members Present:

Peter Baratti  
Cliff Simpson  
LaVonne Ghanavati  
Bruce Scott  
April Burchett  
Bill Peterson

Others Present:

Chris Shorten  
Doug Smith  
Jeremy Hutchings  
Sondra Condron

Board Members Absent:

None

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***Meeting called to order at 5:30 p.m. by Barbara Smallwood, Chairman.***

**Public Comment:** Chris Shorten introduced himself and announced he is running for Board Trustee.

**Chairman's Comment:** Barbara reported that Bob Allgeier passed away peacefully at Carson Tahoe Hospital, and a Celebration of Life is being planned. She wished Mary well in her future endeavors and thanked Ted and Mike for signing up to run for re-election.

**Salary Scale:** Peter Baratti reported that the same COLA factor has been utilized for the past 2 years. The current COLA is now up to almost 8%, and he reported that the COLA numbers are moving very quickly. In addition to a COLA, he is proposing an adjustment to the scale itself which hasn't happened in 10 years. He wants to increase the starting salary so we are not competing with Walmart, Hobby Lobby, and McDonald's. The entities we are competing with are starting at nearly \$20 per hour, which seems staggering. Other agencies are also confronting the same situation and making similar adjustments in order to stay competitive. Barbara confirmed that the wage scale shown includes both the 3% adjustment and a 7% COLA. Peter stated that this will also help us retain current employees. MGSD has fantastic employees, and we don't want to be a training ground to lose them to other agencies. It costs a lot to train people. Barbara stated that we have always valued our employees and give them benefits and

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training. Mike asked if MGSD pays 100% of PERS contribution and asked for the current rate. Peter replied that the current rate is 29.75%, and a large number of agencies that pay 100% of the contributions. Mike stated he is not comfortable with this salary, since the current economic conditions are hard and everyone is struggling. He felt we need to be stingy with rate increases, and he did not agree with an across-the-board salary increase, which also increases PERS. Barbara asked Mike for clarification of what Mike is looking for, and Mike stated that he is opposed to the 3% scale shift but is okay with a 6%-7% COLA. Barbara noted we didn't make any adjustments before because we were trying to be fiscally conservative, but even though we have treated our employees well doesn't mean we have kept up with everything. Ray Wilson stated he wasn't aware at the time of the budget subcommittee meeting that the County was doing a 2% COLA and an additional 9% COLA. He noted that MGSD's employees received a cost of living every year, even though the County's employees did not get a COLA. He wondered how it would look to the rate payers if we give employees more of a raise than the County or the Town of Minden. Ted stated confirmed that the effective date of the new pay scale would be for the new fiscal year, and Peter confirmed that this will be effective next fiscal year. Ted noted that it's hard to lose employees to other entities after you've spent so much time and money into training. Barbara noted it's a fine line to figure out what's best for the organization. Ted noted that other companies will be looking for our CDL's. Mike asked if we have a retention problem. Peter said we don't at this time, we have one employee who is planning on retiring in a couple of months, and we will need to replace an operator. His worry is that we have now invested a lot money in our two new employees, and he would not like to lose them to someone else. April noted that Hobby Lobby announced their starting wage is \$18.50 per hour, while ours is \$18.57. We don't want to be in the same applicant pool as Hobby Lobby and Walmart. We want to be in the same pool as Indian Hills, Carson City, or Douglas County. Mike emphasized the PERS retirement benefit that MGSD offers over a place like Hobby Lobby. Mike stated the manager can start a new employee at a higher step on the scale. **Motion by Ted Thran to approve the proposed MGSD salary scale for FY 22-23 with the scale adjustment of 3% and a COLA adjustment of 7%.** Seconded by Mary Schilling. No further discussion. Motion carried [4 ayes (Schilling, Smallwood, Thran, Wilson), 1 nay (King), 0 abstain, 0 absent]. The Chairman asked for public comment. Chris Shorten asked about the PERS structure, and confirmed that PERS is 100% paid by MGSD. He noted that PERS increases the contribution amounts quite often, and it eats up a pay raise. He also noted that there is a cost to training, and if you have turnover, you have to factor in that cost. He stated that younger people see jobs as jobs, they don't see careers, so you have to look at what can be done to incentivize a younger employee.



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Barbara noted that we only need to call for public comment at the beginning and end of the meeting, but we also like to do it throughout the meeting.

**Tentative Budget for FY 2022-2023:** Peter Baratti presented a PowerPoint presentation of the tentative budget (see attached). Items in red are new line items reflecting current administrative practices. The handout replaces the expenses that was included in the packet. Peter explained that some of the capital expenses are a continuation from this year. We will also try to purchase equipment ourselves to do the installation ourselves for many of the projects listed to keep the costs down. He emphasized that the capital projects listed are a fragment of some of the items we need to start moving forward on. The percentages of proposed budget items in relation to the overall budget has not changed. The numbers are shown without depreciation, but we will need to fund depreciation. We have not signed the contract for the GRGID interceptor rehab. GRGID will be participating in a portion of the cost. Mike asked if the amount shown for the collection system rehab is MGSD's portion. Bruce stated it is. Mike asked about the rest of the rehab projects brought forth by RCI several years ago, and Bruce stated those projects are not included. Bruce reported that RCI will be doing the design on some of the projects during the upcoming fiscal year in order to take advantage of NDOT's work on Hwy. 395. Mike asked if this is funded, and Bruce said engineering will be, but construction won't be until the next fiscal cycle. Bruce explained that the GRGID line has taken priority over many of the other items, since GRGID will pay for a portion. The design for the smaller projects are ready for any NDOT construction. Ray asked if we are going to look at grant money for any of these projects. Peter stated he spoke with NDEP and we may qualify for some money through the State Revolving Loan Fund. We may have a low interest loan or possible a principle forgiveness loan.

Discussion followed regarding the proposed revenues and expenditures, and Peter noted that revenues are less than expenditures. The treatment cost per thousand gallons is \$4.40. We're seeing more solids and less liquids resulting in more solids. Our depreciation has decreased because we are reinvesting in our capital projects. Ted confirmed that the net asset amount is historic and not fair market. Peter said historic, and Ted noted that at fair market we would have \$10 million to fund \$50 million. Net cash is still in the negative. We had a great year for capital revenue, otherwise the numbers would be worse. Barbara asked if the capacity shown are all paid for, and Peter said it is. Peter reported that there the predicted increase in ad valorem is \$50,000 and the SCCRT revenue is static. Barbara is concerned that Douglas is a non-guaranteed county. Ted stated that he is also concerned. April researched it, and it looks like we will still get that money, and that non-enterprise funds will not see an impact although it is difficult to figure out how the money is disbursed. Peter stated that the net cash if we do all the projects will be a deficit of \$2.857 million. We only received \$29,000 in interest, although he is



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budgeting \$100,000. The depreciation is 32% but noted that last year's was 36%. On the State's budget sheets he asked the State for direction on Page 9 and that page has been populated with the contracts.

Barbara thanked Peter and the budget committee for all their work on this. The Chairman asked for public comment, and there was no public comment. **Motion by Ray Wilson to approve the tentative budget for FY 22-23 with a tax rate of 0.1224%.** Seconded by Mike King. Motion carried [5 ayes (King, Schilling, Smallwood, Thran, Wilson), 0 nays, 0 abstain, 0 absent].

**Motion by Ray Wilson to set May 18, 2022 at 11:30 am as the public hearing for review and approval of the Final Budget for FY 22-23.** Seconded by Ted Thran. Motion carried [5 ayes (King, Schilling, Smallwood, Thran, Wilson), 0 nays, 0 abstain, 0 absent].

**Claims Review and Approval:** There were no questions or comments by Board. The Chairman called for public comment, and there was no public comment. **Motion by Mike King to approve the claims received for February, 2022 in the amount of \$187,552.49, and to approve the payroll-related expenses paid during February, 2022 in the amount of \$79,231.79.** Seconded by Ray Wilson. Motion carried [5 ayes (King, Schilling, Smallwood, Thran, Wilson), 0 nays, 0 abstain, 0 absent].

**Minutes of March 1, 2022 Regular Board Meeting:** **Motion by Mary Schilling to approve the minutes of the March 1, 2022 Regular Board Meeting.** Seconded by Ted Thran. The Chairman called for public comment, and there was no public comment. Motion carried [5 ayes (King, Schilling, Smallwood, Thran, Wilson), 0 nays, 0 abstain, 0 absent].

**Carson Valley Medical Center Capacity Request:** Represented by Doug Smith. Peter stated this request is for the expansion of the Carson Valley Medical Center at the south end of Gardnerville. It will likely be less units than is being requested as he has not yet finished the calculation of the demolished areas, which will result in a credit in edu's. Barbara asked if the applicant is aware of the process and requirements. Mr. Smith stated MGSD staff has been great to work with. Ray asked for the overall capacity of the plant, and Peter reported that we are at 1.6 million gallons per day (gpd) and we are permitted for 3.5 gpd, so we are well within our permit. The Chairman called for public comment, and there was no public comment. **Motion by Mike King to allocate up to 50 edu's of capacity to the Carson Valley Medical Center**



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**for the proposed expansion project located at 1107 Hwy. 395 in Gardnerville (APN 1220-10-610-010). All rules, regulations, and requirements are to be met and all fees paid.**

Seconded by Ray Wilson. There was no further discussion on the motion. Motion carried [5 ayes (King, Schilling, Smallwood, Thran, Wilson), 0 nays, 0 abstain, 0 absent].

**MGSD Service Area Expansion to Include Property at 1100 Sawmill Rd (Continued from March 1, 2022 regular board meeting):**

Peter discussed the project proposal, which is 84 acres on Sawmill Rd on the other side of the Allerman Canal. The property is out of the district boundary, and we have no mechanism to force them to annex to MGSD. April spoke to Bill Peterson today to provide information to the County to allow the applicant to move forward with the septic system as proposed. Bruce Scott stated he has no objection to a septic system onsite. Ultimately, there will be other projects on the other side of the Allerman that will require municipal sewer, but we can look at it on a case-by-case basis. He and Bill can set up criteria on this that would not set a precedent. The County would like us to serve anything that would create an excessive amount of effluent. We don't want to set the Allerman as a physical barrier. Jeremy Hutchings from Douglas County stated he agreed with Bruce's thoughts. Bill would like a little time to look into this. It needs a little analysis, and there is an old court case, and that needs to be looked at. We are a public body and we can't treat anyone arbitrarily and discriminatorily. The service area boundary was set due to gravity flow. We probably can expand it, but we need to be sure of it. Barbara stated she is concerned about the precedent, and the original grant was about gravity flow, and the broader spectrum with the development on that side of the Canal. She wondered what the County's future plans are, and whether they want us to serve that area. She also noted that the project will take RV and septic sludge, and we don't take septic sludge. There are other projects that are coming forward in the District regarding RV sludge. Bruce stated that when the service boundary was established there were also potential sewer flows for planning, but those flows have been less than estimated. There is capacity for MGSD to serve those areas. Bill also noted that the plant was much smaller at that time. Barbara noted that we are at half the capacity, and Peter stated that the design of the plant will allow us additional capacity up to 5 million gpd. Jeremy felt that it makes more sense for MGSD to serve this area since the County's infrastructure isn't as close. Peter felt that at some point infrastructure will need to be provided in this area but this project will not require it. Ray asked if we can allow the septic now but require them to connect to sewer if another project necessitates a main extension. Jeremy stated that if there is sewer on their frontage, then MGSD can require connection at that time. Ted asked what would happen if the septic spills into the Allerman. Jeremy said the owner would have to do some treatment onsite. **Motion by Ted Thran to deny the expansion of the service area boundary for service to 1100 Sawmill Rd.,**



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**(APN 1220-11-001-075) and to direct the District Manager to work with legal counsel prepare a letter to Douglas County stating the District's unwillingness to expand the District's service area boundary for service to 1100 Sawmill Rd.** Seconded by Ray Wilson. No Public Comment. No further discussion. Motion carried [5 ayes (King, Schilling, Smallwood, Thran, Wilson), 0 nays, 0 abstain, 0 absent].

**Attorney-Client Conference:** Bill Peterson reported that he is working with Pine View Estates' legal counsel on a draft document, but it is not ready to present to the board. He was supposed to have a meeting with the Tribe's legal counsel, but that hasn't happened yet. It appears their issue is whether the property is Trust land which requires different approvals. They haven't met yet, but with the [annexation](#) agreement we won't have to go to tribal court for a resolution ([see Annexation Agreement between The Washoe Tribe of Nevada and California and the Minden-Gardnerville Sanitation District, recorded 3/24/15 as Doc. No. 2015-859118](#)).

He also reported that he is looking into the Bently agreements. We are fully in control, and they cannot transfer agreements without our consent. The agreement states we would have to agree to a potential buyer. Bruce and Bill noted that the agreements are solid for MGSD's benefit. We can start charging for effluent in 2032.

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

The proposed CMAR contract of \$2.686 million has been sent to Bill for review. Peter has also had some contact with GRGID about this. Bill stated that GRGID will not be a party to the contract but they are responsible for a portion of the cost.

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

Quite a few meetings occurred with the staff who are handling the Bently Ranch operations, but no he has had no conversations with the Distillery staff. Their staff indicated that there was no further information than what has been reported on.

Belt Press: The machine is in place, and we are now working on the piping. We have had some holdups with equipment, but we're getting closer to getting this completed.

Two of our newest employees have been sent to CDL school and they are now licensed for Class A. We may have need for a Class A in the future, so having the Class A will give us more opportunity to expand what we are capable of doing.



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The new manhole on SR 756 that is being installed due to a new subdivision in GRGID's service area is being built to our specification and MGSD staff is onsite to protect our infrastructure.

Other projects are moving forward. Additional units were permitted today in Heybourne Meadows. He expects a ramp up in flows in future and we'll need to look at expanding our permit sooner than was originally thought.

Staff has begun working on the pista grit channel.

**Controller's Report:** LaVonne reported that there are 20 liens on file for approximately \$12,500 and 15 accounts on the watch list.

**Administrative Report by Staff:** April reminded those running for board that their first campaign finance report is due to the Secretary of State's office by April 15<sup>th</sup>.

**Board Comment:** Ray congratulated Peter and staff on the budget presentation. Barbara reported that she spoke with Eric Nielsen at Town of Gardnerville, and they are expecting development to explode.

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

**Meeting adjourned 7:55 p.m.**

Approved by the Board of Trustees with the noted corrections on:

5/3/2022 \_\_\_\_\_ By Ted Thran \_\_\_\_\_  
Date Ted Thran, District Secretary

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