



Board of Trustees  
Minutes of Regular Meeting  
Tuesday, July 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  
April Burchett  
LaVonne Ghanavati  
Bruce Scott  
Bill Peterson  
Cliff Simpson

Others Present:

Presley Cochran  
Frank Flaherty  
Alan Reed

Board Members Absent:

None

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

**2. Public Comment:** Bruce Scott introduced Presley Cochran from RCI, who had been assisting him with District-related items for some time. She has been managing MGSD's construction contracts, such as the belt press contract, and she makes sure that all of the requests for information and the payroll reports are taken care of. Presley is a Professional Engineer in both Nevada and California.

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

**4. Claims Review and Approval:** Trustee Wilson asked for more information about Item No. 17, 160 Driving Academy. Peter Baratti explained that a new Federal DOT regulation has been implemented requiring a minimum number of hours with a qualified trainer as part of the Commercial Driver's License process. As a result, our 2 new employees received Class A driver's licenses, as opposed to Class B, so they can pretty much drive every type of vehicle. Trustee Wilson asked if it was a single-day training or multiple days, and Peter responded that training took place over several days. The training also extended to the testing regimen as well. This training also enhances driver safety. While it is more expensive than the training we have



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had in the past, it will be a benefit to MGSD. Peter stated that with future employees he will shop trainers to see if there are more cost-effective fees. This particular vendor was recommended by the individual who handles the DOT accounts at the Sparks office.

**Motion: To approve the claims received for May, 2022 in the amount of \$225,392.66, and to approve the payroll-related expenses paid during May, 2022 in the amount of \$118,368.19.**

Made by: Ray Wilson  
Seconded by: Mary Schilling

**Vote: Motion carried.**

Ayes: King, Schilling, Smallwood, Thran, Wilson

Nays: None

Abstain: None

Absent: None

**5. Minutes of June 7, 2022 Regular Board Meeting:** The Chairman asked for additions or corrections to the minutes. Trustee Wilson stated he had a question on something stated in the June minutes, but nothing to correct. After discussion with the Chairman, it was determined that Trustee Wilson would address his question under the Attorney's Report.

**Motion: To approve the minutes of the June 7, 2022 Regular Board Meeting.**

Made by: Ted Thran  
Seconded by: Mary Schilling

**Vote: Motion carried.**

Ayes: King, Schilling, Smallwood, Thran, Wilson

Nays: None

Abstain: None

Absent: None

**6. Borda Family Living Trust 2018 Public Hearing for Annexation:** The Chairman noted that the information showing proper noticing is included in the packet, as well as a letter from Bruce Scott. Bruce reminded the Board that the annexation was approved at the May



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meeting and the Board had authorized staff to publish a notice of public hearing in the *Record Courier*. Bruce stated that he recommended approval of the annexation, as it is contiguous to the existing District boundary. The Chairman asked if there was anyone present representing the applicant, and there was no representative present. The Chairman asked for public comment, and there was no public comment.

**Motion: To approve the Annexation for Borda Family Living Trust for 19.08 acres located at 1118 Mill St. (APN 1320-32-801-028), subject to the condition outlined in the letter from Resource Concepts, Inc., dated June 16, 2022. All rules, regulations, and requirements of MGSD are to be met and all fees paid.**

Made by: Mike King

Seconded by: Ted Thran

**Vote: Motion carried.**

Ayes: King, Schilling, Smallwood, Thran, Wilson

Nays: None

Abstain: None

Absent: None

**7. Warren Reed Insurance item moved to later in the meeting (page 5)**

**8. Pine View Estates Contract of Service:** Bill Peterson reported that this item was discussed at the May agenda as a draft standard form contract with revisions to accommodate the unusual aspects of this particular transaction, including the future loan that MGSD will be administering and also some requirements relating to the finalization of the acquisition of the easement from the Washoe Tribe. The contract was approved based on that form, and he put all the protections in there to ensure that the District is not binding itself with respect to the loan terms and conditions under this contract. The loan terms and conditions will be addressed under a separate future contract, so the District is not binding itself to the loan for Pine View at this time. He did put protections in this contract that the District will not act as a voucher control of any type. MGSD will simply pay the bills as they come in without verifying that the work was actually done. One of the additional changes he made since the May meeting was to state that not only is MGSD not going to look to see whether the improvements reflected on the bills are actually done, nor will the District be responsible for sharing that information if we do know



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whether or not those improvements are pursuant to any code or regulation or rule. We are not voucher control, we're not inspecting, we're not going to be responsible for any Code violations or ordinance or rule violations. We will ensure that the main from the point of gravity flow, which MGSD will be responsible for, is constructed to MGSD's standards.

In addition, he discovered from the Washoe Tribe recently that they are taking the view that MGSD does not have a legal easement until such time as BIA approves it. This is contrary to what had been represented to the District before. We do have a Letter of Credit in the bank to cover us for any additional costs or expenses associated with any violations or breaches or failures to perform their contract, and he thought that would be drawn down to pay for some of the expenses. He did meet with the BIA's general counsel who stated that the previous general counsel just either overlooked that or misrepresented herself because they did waive their sovereign immunity. They agreed that any disputes will be resolved by mediation and then arbitration and then subject to the jurisdiction of the Douglas County District Court. He has spoken with BIA representatives and they have a meeting scheduled for this coming Friday to go over this. It appears that everyone is in favor of granting the easement, but he was not sure what the process would be. He, Frank Flaherty and Peter Baratti will be attending that meeting.

The other change he made to the agreement since the May meeting was that the District would not be doing anything with respect to providing service until such time as our easement rights are perfected.

With the two changes he discussed, he stated that the contract is in order.

The Chairman clarified the 2 changes made. Trustee King asked how we would administer the loan money. Bill Peterson responded that "administration of the loan" means the District will make disbursements from the loan. We will be the custodian of the money. Trustee King asked if we would open a separate account and deposit the loan money. April explained that NDEP does not write MGSD a check, The money is paid out on a reimbursement basis as the invoices come in. Trustee King asked if that meant that MGSD would be giving Pine View a line of credit. He also asked if staff is keeping track of time and the hourly rate for staff time. April explained that the hourly rate is calculated for each staff member based on their salary. When the loan is approved, she will submit paperwork to NDEP showing all the attorney's fees and staff time, so MGSD can be reimbursed those expenses right away. Trustee King asked Bill Peterson if he was comfortable with this process. Bill replied that we are not agreeing to anything with respect to the administration of the loan at this time, and that those terms will be spelled out in more detail when the loan is approved. Trustee King emphasized that he is



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concerned about how the money will be handled. He didn't want MGSD's rate payers to foot the bill. Trustee Wilson stated that when Pine View first approached the District, the Board said we would help them at no cost to MGSD. Trustee King asked if the District was fully protected from waste, fraud, and abuse. If it is determined that there is fraud after MGSD pays out an invoice, would the ratepayers have to foot that bill. Bill Peterson stated that the contract protects the District from that, but it will be spelled out again in the future loan contract. Trustee Thran stated that it is his understanding that the all the bills are sent to the State in one package, the state reviews the bills, and releases the money to Pine View. Bruce Scott stated that he did not think MGSD would be the bank, and that the District would either pass the money through to Pine View or refund itself for time and expenses related to the project.

The Chairman asked for public comment. Frank Flaherty thanked the Board for their patience in helping get the problems at Pine View resolved. He had reviewed the changes to the contract and the Pine View HOA agrees to the changes.

The Chairman asked Bill Peterson if the motion prepared by staff was in order, and Bill stated it was.

**Motion: To approve the Contract for Providing Sewer Service between Pine View Estates Homeowners Association and MGSD, with the additions outlined in the email from Bill Peterson dated July 5, 2022. All rules, regulations, and requirements are to be met and all fees paid.**

Made by: Mike King

Seconded by: Ray Wilson

**Vote: Motion carried.**

Ayes: King, Schilling, Smallwood, Thran, Wilson

Nays: None

Abstain: None

Absent: None

**7. Warren Reed Insurance – MGSD Plant Insurance Policy:** Alan Reed discussed the carriers that are involved in this year's plans. Every year the Pool shops around, and one company from last year was eliminated and replaced by other companies. This ensures stability



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within the Pool. He explained that MGSD is under a “Coverage Quilt”, and there are several layers involved in the quilt. At the very bottom layer is MGSD with our deductible. The next layer is the Nevada Public Agency’s self-insured retention, which is \$200,000 after the initial deductible. Then the next layer is another company called Public Risk Mutual, which is wholly owned by all of the entities that participate in the Nevada Public Agency Insurance Pool, and they provide the next \$300,000. All of these different boxes are various syndicates within Lloyd’s of London and each syndicate takes a different percentage of the overall coverage allotment. The pool had their accreditation with the Association of Governmental Risk and Insurance Pools approved for another 3 years. There are now 133 members in the Nevada Public Agency Insurance Pool, an increase of 2 from last year.

In the policy packet on Page 3, he noted that the situation in Ukraine is unique. War makes insurance companies nervous, and when insurance companies get nervous, they limit, restrict, and reduce their coverage offerings. This has a resounding effect on the worldwide marketplace. The situation in Ukraine will produce about \$20 billion in insured losses. And businesses and people in Ukraine all buy their insurance from the same companies we do, such as Lloyd’s of London and Travellers. So what happens there impacts all of us. In addition to wars, insurance coverage is impacted by wildfires, which are happening worldwide, as well as cyber security issues. As a result of all these, property insurance nationwide is expected to increase between 5% to 15%.

Another thing impacting the Pool is in the area of liability. Verdicts are increasing dramatically, and this especially applies to areas of employment issues, such as wrongful termination, sexual harassment, or violation of civil rights. In liability, carriers are looking at 5% to 20% increases.

With respect to cyber insurance, in the US there were 420 million cyber attacks last year and the average cyber loss is now about \$9,050,000. Cyber coverage is increasing between 70% and 90% from last year to this year, also impacting premiums.

Alan also mentioned the risk grant offered by the Pool, which MGSD took advantage of last year for the gate improvements. He encouraged staff to continue looking into ways to utilize the grants that are offered through the Pool. Alan also mentioned the Employee Assistance Program offered by the Pool through a company called Kepro. The philosophy of the Pool is that a healthy employee is probably going to be a more focused employee. The Pool also offers learning courses that are available its members.



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As far as MGSD's numbers are concerned, after negotiating with the various insurance carriers, the assessments changed by 10.8%. The Workers' Compensation premiums through PACT are increasing by 8%. MGSD's loss experience is pretty good, so that works in the District's favor.

Alan reviewed the coverages outlined in the insurance packet. Bill Peterson asked if the District should be looking at purchasing additional coverage. Alan Reed stated that each year the Pool gets more stable and stronger, and the financial viability goes up. The Pool is careful about who is allowed to join, so he felt that MGSD's coverage was adequate.

**Motion: To approve the Insurance Renewal policy presented by Warren Reed Insurance.**

Made by: Ray Wilson  
Seconded by: Mary Schilling

**Vote: Motion carried.**

Ayes: King, Schilling, Smallwood, Thran, Wilson

Nays: None

Abstain: None

Absent: None

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

Trustee Wilson noted that in last month's minutes, Bill discussed the agreement with Bently. Ray asked if Bill felt it was an iron-clad agreement, and Bill stated it is. Ray asked if we have a permanent easement for land application, and Bill stated that not only is the easement permanent, we have the ability to approve a prospective buyer with reasonable grounds. Bruce clarified the agreement with Bently is for land application, and the biosolids disposal is a separate operation which we do not have an agreement for.

**10. Engineer's Report:** Bruce Scott reported that the CMR contract is underway for the GRGID Interceptor project. There is a long lead time on petroleum product deliveries. Q&D has ordered the supplies they need, and we will be moving forward with construction as soon as the materials are available.





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Bruce also reported that RCI is preparing Proof of Beneficial Use for MGSD's secondary water right permit. This is for the water used in irrigated areas near Muller Lane and behind the plant. He noted that Bently, Park, and Galeppi also have secondary water rights under MGSD's primary right.

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

He noted a meeting regarding GIS mapping with ESRI/EOS to begin the process of putting our mapping into a GIS system. He is coordinating with Gardnerville Water Company to share the cost of this work. This was just an introductory meeting and he has not explored it in depth yet.

The work at the pump station is finishing up, and the belt press project is moving forward pretty well. Simerson needs to do a little fabrication with the distribution valve, and Scott from Power and Control Solutions is keeping abreast of everything. Komline Sanderson is trying to coordinate a meeting for the startup.

The new pump installation for the wet well is moving along. We purchased a new pump and will be sending out the other one for a rebuild, which will give us a backup for that system.

Our SCADA system has been shored up. We had some problems with the router on our system being too old, but after quite a bit of effort between AT&T and Tesco, the system is now up-to-date.

The Chairman asked about the status of the repair of the line at the Village at Monte Vista. Peter reported that the developer is looking into a solution that will round the pipe using a mandrel that vibrates and shore it back up. Peter said he has heard that these work, but he has never used one. So if this solution doesn't result in meeting our standard, they will have to dig up the pipe.

Peter also reported on an improperly constructed lateral on a property on Deseret. He had the contractor return immediately and fix the problem, which they did.

Trustee Thran asked if the ESRI/EOS system was the same as the County uses, and discussion followed regarding the benefits of GIS based mapping.





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*Additional District Manager Report Presentation is shown after the Board Comments (page 10).*

**12. Controller's Report:** Ms. Ghanavati reported on the following:

The number of liens that have been filed are 18, 1 of which is a commercial account. There are 13 accounts on the watch list.

Staff has been trying to obtain customer emails in order to facilitate the transition to the NODUS PayFabric online system. This will reduce the number of statements mailed, as well as the number of checks that are received and processed by staff. At this time, the number of paperless requests is around 1000, an increase of 80%. The first statements were emailed and as of 5:00 today, 94 customers have paid.

We have added 13 new contracts, which are new structures that are being occupied.

Trustee Wilson thanked LaVonne for the report and noted that he is interested in knowing this so we can keep on top of it.

**13. Administrative Report by Staff:** Ms. Burchett reported on the more detailed minutes, which are a result of the new recording and transcription program. She noted that there are some microphone problems, which would probably be mitigated if only one person spoke at a time and spoke more clearly. She also reported that due to the microphone issues, she is unable to do a straight transcript into the minutes like the County does, but she has the ability to copy and paste more detailed discussions from the program into the minutes. She thanked the Board for approving the software upgrade.

April also reminded the candidates that their contribution and expenses reports were due July 15<sup>th</sup> to the Secretary of State's Office.

Chairman Smallwood requested that agenda items be included in the minutes, and April said she would include them.



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**14. Board Comment:** Trustee King reported that Sierra Pacific is having a rate increase, so we should also expect our power rates to go up.

**11. District Manager's Report (continued):** He has had a request from one of the operators to purchase a pickup truck that MGSD rarely uses. April printed out the statute regarding how we can dispose of personal property. We can donate it, put it out for public auction, or dispose of it in any manner which has been executed by a prior District Manager. The Trustees requested that in the interest of public transparency, a policy be put in place designating the manner and values of items to be disposed of. The Board requested staff research policies of other agencies and bring it back to the Board for review and approval.

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

**16. Meeting adjourned 7:40 p.m.**

Approved by the Board of Trustees as presented on:

9/6/2022 \_\_\_\_\_ By Ted Thran \_\_\_\_\_  
Date Ted Thran, District Secretary

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