



Board of Trustees
Minutes of Regular Meeting
Tuesday, June 7, 2022
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

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:

Sondra Condron
Rob Anderson

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: The Chairman had no comment at this time.

Claims Review and Approval: Trustee Smallwood stated that she reviewed the claims register and had some difficulty understanding the entries, noting that there are several entries that are the same check. LaVonne Ghanavati stated that was because of how it's sorted within the program. We may have a case like entries 10, 11 and 12 that have the same check number, but they are separate invoices from the same supplier on the same day and may also have different general ledger numbers. There may also be several different invoices from one vendor where we make one ACH payment, for example like we make to City National Bank. We either go to their website or we send them the payment from Wells Fargo. The Chairman then asked how those ACH numbers are tracked, and Ms. Ghanavati replied that the ACH in front of the confirmation number tells us it's an electronic payment, so if there was a dispute we would be able to give them their system number. That is a number that's assigned to us given to us by the vendor. The Chairman then asked how that ACH payment would reflect on our statement from Wells Fargo Bank. Ms. Ghanavati stated that it shows as an ACH withdrawal. Trustee Smallwood thanked Ms. Ghanavati for the explanation and the Trustees for their patience in having this clarified. Trustee King felt that it was clear, but now he had some confusion regarding why we are making



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payments to City National Bank, as he thought all our banking was done through Wells Fargo. Ms. Ghanavati explained that the Visa cards are still through City National Bank. We do not receive one Visa bill a month, but one bill for each employee's card. The reason for this is to help with controllability and to help prevent fraud.

Trustee Wilson asked Peter Baratti if the Simerson billing was in addition to the approved contract. Mr. Baratti stated that it is within the contractual agreement. The belt press is in place. Simerson has proceeded with quite a bit of the infrastructure work, so hopefully the project is winding down. It's been one stumbling block after another, but progress is being made and he was pleased with the progress. Trustee Wilson noted that there has not been a change order yet. Mr. Baratti replied that there has not. He also thought we may even be under the originally estimated cost for the project.

Trustee King suggested changing the Vendor on the check register to City National Bank Visa, and Ms. Ghanavati stated that the change can be made.

Motion: To approve the claims received for April, 2022 in the amount of \$556,994.10, and to approve the payroll-related expenses paid during April, 2022 in the amount of \$156,169.52.

Made by: Ray Wilson
Seconded by: Mary Schilling

Vote: Motion carried.

Ayes: King, Schilling, Smallwood, Thran, Wilson
Nays: None
Abstain: None
Absent: None

Minutes of May 3, 2022 Regular Board Meeting and May 28, 2022 Special Board Meeting:

May 3, 2022 Meeting: Trustee Smallwood reported that in her review of the minutes, she noted that before each motion the phrase "There was no public comment" was inserted, but she does not ask for public comment at this time. She brought this up with April, who said that it typically stated, "There was no further discussion." The Chairman asked for the Trustees' thoughts on striking the phrase "There was no public comment" from each item where it appears.



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The Trustees concurred. The Chairman also noted that on pages 7-8, “Ted asked about disclosures for hazardous deposits, and Barbara said that is not required anymore.” She felt that a clarification should be made that it is not required anymore for vacant lands. Trustee Thran mentioned that vacant land was not referenced during the discussion but did not have a problem with including clarifying language. Motion made and seconded, and there was no further discussion.

Motion: To approve the minutes of the May 3, 2022 Regular Board Meeting with the noted corrections.

Made by: Mike King
Seconded by: Ted Thran

Vote: Motion carried.

Ayes: King, Schilling, Smallwood, Thran, Wilson
Nays: None
Abstain: None
Absent: None

May 18, 2022 Special Board Meeting: There were no comments from the Trustees.

Motion: To approve the minutes of the May 18, 2022 Special Board Meeting.

Made by: Ray Wilson
Seconded by: Ted Thran

Vote: Motion carried.

Ayes: King, Schilling, Smallwood, Thran, Wilson
Nays: None
Abstain: None
Absent: None

Heybourne Meadows Phase IIIB: Mr. Baratti reported that MGSD has already accepted previous phases on this project and they are in perfect working order. We're just waiting on three streets which haven't been paved out and he did not know what the progress on that was going to



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be. There are only really a couple of small sections that pertained to us after it gets paved. We have pressure tested it preliminarily but that still needs a final camera. Bruce Scott stated that he thought this project is as clean as Peter has described. RCI's staff has checked it in the field and has checked the plans. He recommended acceptance and approval. The Chairman noted that Rob Anderson was present to represent the developer, and she asked if he had anything to add. Mr. Anderson replied that he did not. Motion was made and seconded, and there was no further discussion.

Motion: To approve the record drawings and accept the sewer main improvements for Heybourne Meadows Phase IIIB prepared by RO Anderson Engineering, subject to the completion of the two conditions outlined in the letter from Resource Concepts, Inc., dated June 1, 2022. All rules, regulations, and requirements are to be met and all fees paid.

Made by: Mary Schilling
Seconded by: Ted Thran

Vote: Motion carried.

Ayes: King, Schilling, Smallwood, Thran, Wilson
Nays: None
Abstain: None
Absent: None

Borda Family Living Trust 2018: Disclosure by Trustee Smallwood that her house is adjacent to the subject parcel, but she did not feel that this would have an impact on any decision she would need to make with respect to this agenda item. Bruce Scott stated that he has reviewed the application and the preliminary title report, and he recommended that the project move forward and be scheduled for public hearing. The property is contiguous to the District boundary and it meets MGSD's general requirements. He will have a letter on this at the next meeting. The Chairman noted that the application was dated a year ago, and asked Rob Anderson if anything needed to be updated. Mr. Anderson stated that he was present on behalf of the Borda Trust. The application was in order, and it did not surprise him that it has taken this long to get this far. He appreciated the Chairman's concern about making any updates. Motion made and seconded, and there was no further discussion.



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Motion: To accept the Petition for Annexation from Borda Family Living Trust for annexation of 19.08 acres located at 1118 Mill St. (APN 1320-32-801-028), set the public hearing date for annexation at the July 5, 2022 regular board meeting, and to direct staff to place the notice of public hearing in the Record Courier. 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

Warren Reed Insurance: The Chairman noted that this item is being continued to July 5, 2022 meeting at the request of Alan Reed.

Pine View Estates Contract of Service: Bill Peterson stated that we finally have come to terms with the proposed Contract for Service for Pine View Estates with one possible exception. The contract of service is basically standard except that it has provisions in there regarding the loan that's going to come later to basically fund the construction of the project, and MGSD is going to be acting as a conduit for that loan. He was not precisely sure when the loan would come, but the obligations and the requirements imposed on the District as a result of that loan are not included in this contract. They are only in the loan contract that will come later, if and when it comes later, that will spell out what the District's duties and obligations are. He was careful in this contract to say MGSD is not assuming any responsibility, any liability, any obligations whatsoever with respect to that loan or with respect to the disbursement of the loan. We are going to treat Pine View at this stage, even though they don't have their funding yet, as we would anybody else under a contract for service. It's a standard contract, and there's still a long way to go with respect to funding alone. There were some revisions that were requested by the loan agency (the State), which were put into the contract and then there were some minor cosmetic changes that were made, which are non-substantive. The substantive terms and conditions of the contract are basically the same as all MGSD's contracts of service. On the middle of Page 6 of the contract, there is a blank. He spoke with Pine View's attorney, Frank Flaherty, who asked about this term, and Mr. Peterson felt that we do not need that statement in the contract. So he



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tentatively agreed with Mr. Flaherty, subject to MGSD Board approval, that we can take that particular sentence out because it doesn't really matter when they actually complete the improvements. We don't know when that will occur anyway. There's nothing we can put in there to lend further information or as to when that might occur because of the terms of the loan and the money and what they do with that loan document. Again, this agreement has nothing to do with the loan document but the loan document is kind of an extra protection. MGSD is not going to be a voucher control and is not going to be responsible for checking invoices. MGSD's position is not to be responsible for checking their work. We're not going to be responsible of making sure that the supplies and materials are legitimately delivered. They will basically provide us with the proof of some sort of invoice. And by virtue of you doing that, they will be verifying that either the work's done and the materials are there and it's up to code, and then we'll pay it on their say so. But we're not assuming any responsibilities. That will be in the loan contract.

Trustee Thran clarified that MGSD has no obligation to monitor prevailing wage, and Mr. Peterson stated that was correct. The loan contract will clearly state that MGSD will not be responsible for any of the things mentioned above. MGSD will only be the conduit for the loan.

Trustee Smallwood stated that she appreciated the clarification that the District would accept the line only from the point of gravity flow.

Mr. Peterson stated that this is step one in the process and felt that step one is in order. He stated that the District is adequately protected and it's okay to go forward with the contract of service with the removal of the sentence regarding the date of completion on Page 6.

Trustee Wilson clarified that Pine View's responsibility for the maintenance of the lift stations would also be explicitly spelled out. Mr. Peterson said that was correct.

Trustee Wilson noted that when the representatives from Pine View appeared before the Board, they said it smelled bad out there. He asked about the situation out there. Mr. Scott stated that it's a bureaucratically confused situation and the board of directors of the Homeowners' Association has had turnover and internal fighting. They're very, very appreciative of MGSD's efforts to help them in their efforts to get things resolved.

Mr. Peterson also noted that if we suspect that there's something being deposited into the mains that we don't want or that is otherwise obstructing with our operations, we're free to terminate or



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stop the flow and we're also free to go onto their property and do whatever we need to do in order to be sure that we remain whole and they don't damage our system.

Motion made and seconded, and there was no further discussion.

Motion: To approve the terms contained within the Draft Contract for Providing Sewer Service between Pine View Estates Homeowners Association and MGSD, subject to removal of the sentence on page 6 related to the construction date, set the public hearing date for contract of service at the July 5, 2022 regular board meeting, and to direct staff to place the notice of public hearing in the Record Courier. All rules, regulations, and requirements of MGSD are to be met and all fees paid.

Made by: Ted Thran

Seconded by: Mary Schilling

Vote: Motion carried.

Ayes: King, Schilling, Smallwood, Thran, Wilson

Nays: None

Abstain: None

Absent: None

Attorney-Client Conference: Bill Peterson reported on the following:

Washoe Tribe Easement: He has had negotiations with the Washoe Tribe because the sewer main goes through their property. MGSD has an agreement with the Tribe and we have their deposit money in the bank. But we don't have the signed deed granting the easement for the land over which our facilities have already been placed. We've been trying to get that for years now. As it turns out, it looks like the problem lies with either the old general counsel or the new general counsel who are not in agreement as to whether this has to be approved by the Bureau of Indian Affairs. He was told that if it's non-trust land, you don't need BIA approval, and if it's trust land you do. He checked the agreement and they represented to us that they had the full authority to sign this agreement to their jurisdiction here and then gave us the money. But the new general counsel says that wasn't right and the BIA has to approve it. They met with the BIA this morning, and he has a meeting with their general counsel next Tuesday to see if we can't finalize this and get our easements. And they also have to agree with Pine View. They have got a separate agreement with Pine View and they're going to ask for money from Pine View for the



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area where that line goes over the tribal property. So that also is a piece that has to be in place before this whole thing goes forward. He hoped it would be resolved by the July meeting.

GRGID Interceptor CMAR: He had reviewed the Q & D contract. There are special requirements in the statute that have to be in those contracts, and they're all there. He thought that it's a good contract that protects all of the District's interests. Mr. Scott discussed the problem with their suppliers holding the costs to the estimates and Q&D was in the process of reviewing and revising their numbers to reflect the current supplier costs. So he wanted to get it finalized with Q & D. He anticipated that they would get it finalized with their suppliers this week or next week. He requested that the contract be executed right away subject to the board's approval. He emphasized that the price be locked in because availability and costs have gone up. He also will be coordinating with MGSD and GRGID just to make sure that everybody's on the same page because we really want to get to the point where they're on a schedule to begin construction. Mr. Peterson reported that they've got their bonds, they've got their sureties, payment bond, completion bond and qualified sureties. He wanted to guarantee the owner of the LLC, which is Q & D itself. But they wrote it such that the guarantee comes from themselves. So it should be for the parent, not from the LLC. That's the only thing. Otherwise a great contract. So as far as getting it signed, he felt the Board should wait until the July meeting. Chairman Smallwood mentioned that at the May 18th Special meeting, the Board discussed having Barbara sign the agreement when RCI gets the numbers. Mr. Scott agreed and asked for a special meeting if the Board felt that they needed a motion for the Chairman to sign the agreement. Mr. Baratti felt it was imperative that the agreement be signed as soon as possible to get the project rolling. Trustee Wilson felt that the Chairman should sign the agreement as long as the numbers do not substantially change. If they do change by a large amount, then a special meeting would need to be in order. The Board concurred to have the Chairman sign the agreement if the cost is close the agreed amount of \$2.8 million.

Service Area Boundary Change: He reviewed the service boundaries and how to change those. He went back into the archives to find a letter from Region IX of the EPA about that, which was issued when the Williams project was brought to MGSD in the 1990's. The letter said service boundaries are nothing but planning tools and unless there's a material change in the service boundary that was presented to the EPA, the District is free to make planning adjustments, either enlarging the service territory or contracting the service territory. But they said in terms of enlarging the service territory, there may be a problem, because then you're using so-called federal money to increase development which might have a material impact on the environment. That might require another EIS. But his speculation was they wouldn't do that because the federal money was expended so long ago. It would be a hard case for them to tie that federal



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money to a plant or to a service territory expansion. But in terms of contraction, apparently there is no problem unless we're taking out of the approved service territory particular land tin need of pollution abatement that was addressed to get the grant, which was probably an area in one of the Towns. Mr. Scott stated that would be Carson Valley Estates subdivision.

Chairman Smallwood asked about the underlying right-of-way for the Pine View easements. She heard that there may be problems with that. Mr. Scott stated that he thought that the question of the underlying fee owner's property with respect to Tribal property would be settled with the agreement between Pine View and the Tribe. Pine View is also looking at the underlying fee owner's requirements for the other easements as part of the design process.

Engineer's Report: Bruce Scott reported that things are happening at a relatively even rate. Other than discussing any questions during the District Manager's report, he did not have anything to add.

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

There was a little trickle of EDU's coming through the door. No will serves were issued for this month, and there was one public records request.

Firehouse Subs project: He had an array of meetings and three pre-app meetings, including the three parcels on 88 and 395 for Firehouse Subs and two other restaurants with some other storefronts they're looking to put in there. There was some discussion about some traffic plans, but it seems like it's probably going to go forward.

State Revolving Loan applications: He had a meeting with one of the representatives from NDEP regarding submitting projects for potential funding through the State Revolving Loan Fund. The GRGID lining project is too far along in the process for them to fund, but applications for some of the plant projects that HDR has identified, including the grav belt building, have been submitted. We also had to resubmit the application for Pine View Estates. Several applications were submitted at the recommendation of the NDEP representatives since we potentially qualify for some sort of funding. It could be pretty cheap money at 1.52%.

Virginia Ranch Estates: In addition to the Firehouse Subs pre-app meeting, there was a pre-app meeting for the Virginia Ranch project, which is quite a large-scale project. Once again there was a lot of talk of roadways and alignments and there really wasn't much for us until we see hard plans.



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Courthouse St: He met with Linda MacGregor regarding her property across from Gardnerville Park on Courthouse Street behind the Overland. There are several houses in that area, and one of the other property owners called us for a permit to do a lateral repair. But it was later found that his lateral crosses two properties behind him and then attaches to our main. It's probably the oldest part of the system there, and there was only one easement in place for one of the units that are in this area. Ms. MacGregor asked if we could participate in doing a little bit of research to see who else may potentially cross that property and then contact the other property owners and come together with a solution and provide one easement that encompasses all the properties. The people who currently have lines across her property that do not have an easement basically do sort of a joint effort to help clean that area and to continue to provide service to those other properties, so there's no detracting of value to any of those properties because of a stray sort of utility going across one's property. He told her we will look into it. We have some ability to go out there and spend a little bit of man hours doing some research. He also spoke with Mr. Scott on this topic. We could bring it back to RCI when we find out what's actually there, and then we can have a discussion and hopefully come up with a pretty simple all-inclusive plan to provide that service for everybody, as well as to preserve her property. This would provide an actual recorded easement for the little housing area. Trustee Smallwood stated that the situation is very interesting, with that situation going back to 1921. She questioned what the ratepayers should be having to pay to straighten it out. It sounded sticky. Mr. Baratti agreed, stating it's pretty a slippery slope. He made it clear to the Ms. MacGregor that there is no culpability on MGSD's part, and our office staff had no idea of the situation when the other property owner called and said he needed a lateral repair permit. This is standard protocol and we were unaware of the problem until we went out there and spent an afternoon with a line camera. It's a verification process, but he let her know we will do what we can to work with her and hopefully come up with a solution. Mr. Scott stated that he saw MGSD's responsibility as defining the situation, making it clear so you get rid of the finger pointing, and hopefully get some solid information as to what laterals are serving what properties. There will have to be some sorting out on their part to which we would have to approve their proposed solution.

Martin's Creek Townhomes: Mr. Baratti reported that there was also a pre-app meeting for Martin's Creek Townhomes, which is a postage stamp development behind Gardnerville Elementary School. They're still figuring out how many units that the County is going to allow them to put in. The developer wants 51 units and the code says you can have 19.

Mountain Sage Development: Another development he is looking at is Mountain Sage development, off of Monte Vista on a property that skirts the Dreyer Ranch. The County seems



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to have given them the idea of putting our utility into a street instead of in a dirt road easement behind the houses, which would be nice because it would give us clear accessibility to the mains.

Bently Ranch Land Acquisition: Mr. Baratti reported that he and Ms. Ghanavati had a meeting with Wells Fargo representatives regarding funding for the Bently Ranch land acquisition. They would only be able to base any sort of funding off of our current values. They couldn't base a loan amount on revenue projections. Ms. Ghanavati asked them about terms, and those are short term loans, about 15 years, unlike NDEP terms which range up to 40 years. They are interested, and they would be willing participants. But it was a relatively limited conversation, and without more detailed information we can't do much more.

He and Mr. Scott also had a discussion at the state level with Jason Cooper at NDEP who is in charge of the State Revolving Loan Fund program for both Clean Water and Drinking Water. Jason is currently wrapped up in finding projects that qualify for Revolving Loan funding over the next 2 to 4 years because that's the window of time the federal government has given to utilize the monies for infrastructure projects. Jason was really intrigued by the concept that we would establish a place that's certain to keep applying effluent in perpetuity that would serve regional agencies. He was also very interested in the solids handling and solid waste management and disposal, or reused conservation, and he has encouraged us to continue to look into the possibilities. We will need to list out what agencies are involved now, how many acres, how many acre feet of solid waste and the potential for other solid waste generators. Peter was contacted by a representative from Mammoth, and California has serious issues with regard to landfills. Mr. Baratti felt that the next step is to ask for some hard financial information from Bently in order to move forward. Mr. Baratti stated he had received the videos from the real estate agent. He requested permission from the Board to put a call in to the real estate agent to let him know that we are working through pursuing this and we are going to be asking for that information.

Trustee Wilson asked if the property has sold yet, and Mr. Baratti replied that he did not think so since the video just came out yesterday. Trustee Wilson then asked how many acres MGSD would need for effluent land application. Mr. Scott stated we would need over 1,000 acres.

Trustee King thanked Mr. Baratti and Mr. Scott for the quality work they have done. He stated that ultimately the bottom line is money and the source of funding for \$100 million. He had a hard time visualizing how we're going to get from here to being able to actually make a purchase at any time. He was concerned about pursuing such a large purchase at the same time as asking for a rate increase. He referred to what Chairman Smallwood and Bob Allgeier went through



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years ago trying to get the property for the County. He thought that was a beautiful idea and this may also prove to be. Mr. Scott stated that there's a lot of work we have to focus on before we even know if we can be serious, and he wondered if the broker realizes how much of a vested interest MGSD has in the property if somebody comes along and buys it. We have some pretty strong agreements to enforce our ability to continue to use that land forever. Mr. Scott and Mr. Peterson discussed the terms of the effluent reuse contract between MGSD and Bently. Mr. Peterson pointed out that the value of the property is significantly decreased because we have an easement over it. Mr. Scott felt that pursuing would not be a huge investment of effort on MGSD's part to see if we can put the pieces together where it looked like it might be within reach in a way that made sense to this board.

Mr. Peterson reminded the Board that as a general improvement district, MGSD has eminent domain power. Mr. Scott stated that we could condemn a smaller piece if we wanted to, and that could be a strategy for the solid waste issue because we don't have an easement that covers that. And the solid waste issue also impacts six or seven entities in the area that rely on that for solid waste management and handling. Mr. Peterson noted that all the agencies then have eminent domain power. Trustee Thran expressed concern regarding utilizing eminent domain, while Trustee Smallwood liked having the option. She supported having staff continue to look into funding options. Trustee King stated he felt the same way as Trustee Smallwood and noted we could use the eminent domain option as a tool if we need to negotiate with a buyer.

Mr. Baratti pointed out that our contract with Bently states that MGSD has to agree to the buyer, so agreed there is leverage involved. His point was that if we don't ask and we don't put the information together, we're not going to know. And then someone else is going to come along and 10 years from now we end up regretting that we didn't at least pursue it. For us to do what we do in perpetuity we have to secure something. We have to have the ability to do land application and biossolids disposal or else we will have other things that we're going to be required to do, which would involve a tertiary style treatment and probably use the river corridor as a secondary conveyance system or something along those lines. These are large expenses as well.

Hathoot Development: Trustee Smallwood asked if we have received the fees from Chuck Hathoot, and April responded that we have. Discussion followed regarding the development design, and Trustee Smallwood and Mr. Baratti both felt that it could be better designed.

Rate Study: Trustee King asked about the status of the rate study. Mr. Baratti responded that we are waiting for the current CIP to be finished. It is in draft form and has been internally reviewed



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and corrections have been given to HDR. It's going to be released back to staff and to Catherine Hansford before it's finalized. Then it will go to the Board for their stamp of approval. Trustee King asked about the time frame, and Mr. Baratti anticipated it would be available at the July meeting, depending on Craig Olson's schedule. He stated that we are moving forward with that and he thought it will be on target with Catherine Hansford for what we had originally forecast, having everything sewn up in the next six months, including workshops and hearings. The target date for any rate changes is still January 2023.

Additional District Manager Report Presentation is shown after the Administrative Report by Staff.

Controller's Report: Ms. Ghanavati stated she had nothing to report.

Trustee Wilson asked her to present a monthly report of the number of accounts in arrears, as well as the total amount owing by those accounts in arrears. Ms. Ghanavati stated that she would have that report available.

Administrative Report by Staff: Ms. Burchett reported on the passing of Lois Sorenson, noting that Ms. Sorenson worked at MGSD for many years and that she will be missed.

Ms. Burchett reminded the Board that back in February there was an item on the agenda clarifying the funding for the belt press project, specifically which restricted account the funding would come from. The Board directed her to do further research regarding the purpose of each restricted account and asked for the findings by the June meeting. Unfortunately, the research did not clarify the purpose of the restricted accounts. Two funds were set up by Resolution in 1982, for rehabilitation and for plant expansion, but the purpose of each account is not reflected in the meeting minutes at the time. The allocations for the restricted accounts were changed and two additional restricted accounts were added in the mid 1990s, again with no clarification about their purposes. The last resolution we did to allocate the money into the restricted funds muddled the waters in such a way that we are not clear what is supposed to be allocated into them. She and Ms. Ghanavati recommended that a new resolution be done that outlines the purpose of each fund, the name of each fund, and then how much money is going to be allocated into it. But she recommended doing it in conjunction with the rate study in case Catherine Hansford has any suggestions, rather than doing it now. Trustee Smallwood felt that it was something we should pursue with the rate study. The Board concurred.



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Trustee King asked if staff was still pursuing MGSD email addresses for the Board members. Ms. Ghanavati responded we are still working on it but setting up a new email account is apparently more complicated than she originally thought. Trustee King asked about tablets for the Trustees as well, and Ms. Burchett responded that was still the plan. Discussion followed regarding keeping personal and District-related correspondence separate, and Mr. Peterson pointed out that most elected officials don't realize that their personal phones and devices are subject to Public Records Law if they are conducting official business on personal devices.

District Manager's Report (continued): Mr. Baratti reported that there have been some issues with the Co-Gen system. He spoke with a representative from SDP who made a couple attempts to repair it. They're suggesting is a mini rebuild. That particular motor has about 44,000 hours on it, which is the equivalent to approximately two million miles on the motor. There is another option we spoke about several years ago about buying a backup motor, which we did not do. The estimate for this is \$128,000, without any negotiation or us trying to buy direct. This mini rebuild, which should get us quite a few years out of that particular motor, roughly totals about \$35,000. SDP is relatively confident that this will get us by for quite a bit of time. He is looking for a directive from the Board on this. We definitely see a reduction in our power bill while it runs. We also at some point are going to be forced to do something with the gas besides utilize it for our boilers, Most other places that have gas such as this don't even allow flaring it anymore. The gas has to be recaptured and put back into some sort of system, and at some point we will be forced to do something else besides flare into the atmosphere. From an ecological standpoint, we're doing the right thing. Right now we're not making any money from it. We're coming out flush and in some cases even negative, but this is where we're at. It's tough news. Trustee Smallwood clarified that the annual payment is around \$76,000 and outlined the two options, one at \$128,000 and one at \$35,000. Mr. Baratti pointed out that the system benefits us in our overall process. Mr. Scott felt this would be a good project to discuss with the State for funding since it was originally funded through public money. Mr. Thran felt this was a good resource for MGSD's future and worth repairing. Trustee Wilson reminded the Board that Trustee Allgeier did not support the co-gen system. He would like to have an agenda item on the co-gen system to discuss its cost to the District and whether it benefits us in any way.

Board Comment: There were no comments from the Trustees.

Public Comment: There was no public comment.



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Meeting adjourned 7:50 p.m.

Approved by the Board of Trustees as presented on:

7/5/2022 By *Ted Thran*.
Date Ted Thran, District Secretary

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