



BEATTY WATER AND SANITATION DISTRICT REGULAR MEETING MINUTES

AUGUST 18, 2021

Amina Anderson – Board Chair
Albert Verrilli – Vice-Chair
Jeannie Ybarra – Secretary/Treasurer

Susie Henderson – Member
Frank Jarvis – Member

ITEM #	SUBJECT
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1.	<u>CALL TO ORDER –</u>
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5:01 pm. Board member Susie Henderson is not present. Refer to sign in sheet for public and virtual attendees.

2.	<u>GENERAL PUBLIC COMMENT – Three-minute time limit per person for matters both on and off the agenda. No action will be taken by the Board.</u>
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Dee Crawford mentioned she got a copy of the bylaws (rules), but there was no section 19 and if a copy could be provided for her.

3.	<u>FOR POSSIBLE ACTION – Approval of the agenda for Beatty Water and Sanitation District Meeting August 18, 2021.</u>
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Jeannie Ybarra motions to approve the agenda, 2nd by Frank Jarvis. 4 yeas.

4.	<u>FOR POSSIBLE ACTION – Approval of the minutes for July 21, 2021.</u>
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Jeannie Ybarra motions to approve the minutes, 2nd by Frank Jarvis. 4 yeas.

5.	<u>OFFICE REPORT – General information and updates from the General Manager, Utilities Services, Inc, and Nye County. No action will be taken by the Board.</u>
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Lance Goodman – Received Amina Anderson's email and will be working on answering the list of questions for the next meeting. Cross-Connection Plan (CCP) is moving along. A few have been installed and there is a few that have been previously installed that will just be needing to get tested. There are a few as well that are commercial accounts, but meet the criteria for not needing a backflow device. The casing for Well 3 that was a deficiency on the Sanitary Survey where they found corrosion, Jeremy went down and cleaned up the corrosion which was more superficial. Once small area where he welded a patch on and all has been repainted. Everyone in the US is having shortages for the disinfection and treatment chemicals for the water. Andy and Teresa stayed ahead of it

and ordered the chemicals already. Got a quote for the backhoe that still need a few repairs. There are a few hoses that need changed out. It's roughly around \$6,400 but nothing has ever been really done to it. It is in really good shape, it's just the nature of hot weather. Jeannie asks if one of the questions is pertaining to the newspaper articles. She proceeds to explain that Augusta mine purchased water rights out in Amargosa and now want to do a point of diversion and move those water rights to the Oasis Valley Basin and are trying to do it by running ads in the newspaper without getting any objections for it. So, we need to have you guys' act on that. Frank asks how much? Marty responds with saying its 1200 acre-ft what they are asking for.

Marty Ugalde – They are stripping water from existing permits. They're going to be moving their existing permits. The Town of Beatty has time to protest if they want. It's a lot of water. These are not temporary permits. They are permits to appropriate water for the Bullfrog Mine.

6. FOR POSSIBLE ACTION – Discussion, Deliberation and Possible Decision to vote on nominating a member to the Nye County Debt Management Commission and all matters pertaining thereto.

Frank asks what it all entails. Jeannie responds with just a phone call and meet around twice a year. Frank says sure. Jeannie Ybarra motions to nominate Frank for the position, 2nd by Albert Verrilli. 4 yeas.

7. FOR POSSIBLE ACTION – Discussion, Deliberation and Approval of the financials as of July 31, 2021 and all matters pertaining thereto.

Jeannie begins with saying that we still have not gotten the journal entries to close out the previous before last fiscal year, so some of the numbers on the balance sheet have not gotten their adjustment. They will come in and do the audit usually around next month and get all the paperwork for last fiscal year. This fiscal year started over last month and there is nothing out of whack or anything. Amina asks if there are any questions. Jeannie goes back to say she would like to table the financials since there was a check recently deposited for capital improvements that went to revenue, but since then have created a separate account for capital fees and have not reclassified it. Jeannie Ybarra motions to table the financials pending reclassifications of capitals, 2nd by Albert Verrilli. 4 yeas.

8. FOR POSSIBLE ACTION – Discussion, Deliberation and Possible Decision on extending Will Serve expiration date and reformatting layout where the signature line is at the end of document and all matters pertaining thereto.

Frank asks if we can ask the staff what they want and proceeds to ask Lance Goodman what he wants? Lance says he would like to see instead of the 90 days it should be extended to a year. Especially right now there is so many issues with getting material, getting anything built, and permits, everything has really slowed down. Amina says that in the past it has been 180 days and the extension is for a year. Lance says that one of the things we had talked about was giving a heads up when it was getting close to the expiration time and a year would give enough time. Albert says that sounds reasonable and if the action item includes that? Jeannie says yes it says extending Will Serve expiration date. Lance also says the signature line would be moved down to the bottom of the document. Frank states a few corrections to make on spelling and grammar. Jeannie and Frank were about to make a motion when conversation breaks about the extensions to the Will Serves. Lance talks about how if they (the applicant) have not done anything in a year then the extension would only be granted for 3-6 months. Frank motions to approve the extension of time on the Will Serve application to 1 year and the reformat, 2nd by Jeannie. 4 yeas.

9. PRESENTATION – Presentation, Discussion, and Update from Corvus Gold acquiring permits to perform an additional ground water pump test at 2 existing wells with their North BullFrog Project in the Oasis Valley Water Basin and all matters pertaining thereto.

Mike Young is the presenter and main speaker. Starts off by saying they weren't supposed to be back until December, but plans changed. Corvus is still continuing with their baseline data collecting and in the process of permitting their North Bullfrog Project. They drilled 2 wells adjacent to their pit. Those wells have a lot more water than expected. Hydrologist is saying that they need to do a bigger test. In the process of getting permits do be able to do these larger volume tests. Originally expected to be 8-10 weeks. Discussion with NDWR (Nevada Division of Water Resources) indicated a temporary water right will be required. The process for them would be going through the state and applying for a temporary water right but it could take up to 6 months to get that

permit meaning tests wouldn't be able to be ran until 1st or 2nd quarter of next year. One of the options was to ask BWSO to lease some water and that is why they are presenting today. Blue dotted line on the map shows approximately where Oasis and Sarcobatus Basin divide. Also shown on the map are the two existing wells. The pumping rate could be up to 750 gpm and up to 20 days, which is higher than what the hydrologists is saying, but Mike says they don't want to come back and do this again. Could use up to 132 acre-ft, but is requesting 150 acre-ft, which might not all be used. Mike states that they don't want to be in the middle of their test and have to shut down. He did some research and met with Lance. Corvus is suggesting \$400/AcFt for the lease and use of the water and do one lump sum check of \$60,000. Whether all the water is used or not it will be paid for. Corvus is not asking for any help with the pump tests or infrastructure. Corvus will have to coordinate with Beatty Water to get a point of diversion change and possibly a use change. There will be no fees coming back to Beatty Water. Water would be discharged through the conditions of the Temporary Discharge Permit through NDEP. Will be doing the same as before and allowing to infiltrate into the alluvial soils within the Oasis Basin unless the permit states other conditions. Water quality data will be collected at the beginning and end of the tests. Albert asks if the water quality data, if that would be something that we would have full access to and reports? Mike says absolutely, information from already gathered water quality data has been shared with Amina. Amina asks if they really think the wells are going to be able to produce that much water in this test. Mike responds with saying that they are telling him the target is 500 gallons a minute. If they only ask for 500, should they do more. They originally told me 1000, but I thought that was too high. It is only an 8 in. well. Large screened interval and the pump is only 8 inches. Jeannie asks it's a temporary permit for how long? Mike says to give them maybe 12 months just to make sure there are no other hiccups on the other stuff. It shouldn't be any longer than that, but if it is they will come back and ask for an extension. Marty says he has two comments: the discharge permit, when it's a newly constructed well you will have to put in a sealed basin and overflow into your greenax channel and on the other thing, for the water samples we would like to get the whole gambit. (States several different items to sample for.) Mike says that they don't do radioactive nucleotides in their monitoring, but if there are specific things we want to test

for, they will do that. Marty says he will get with him and send over a list. Marty asks if someone from his team is going to do an estimate on the long-term drawdowns based on your drawdown measurements or recovery? Mike says the intent and main purpose of the test is to build a long-term water model which is the life of the mine and plus whatever we are required to do. Something in the order of 15-20 years is most likely what we will model. Marty says that is great and would be great for Beatty to have. Frank asks Lance if there are any negative implications to the District to do this? Lance says no none that he could see.

10. FOR POSSIBLE ACTION – Discussion, Deliberation and Possible Decision on letting Corvus Gold lease from the excess rights controlled by BWSD for a temporary water right permit and all matters pertaining thereto.

Jeannie Ybarra motions to accept the Corvus request of 150 acre-ft for up to 12 months with \$400/AcFt and lump sum payment of the \$60,000 and to share all information, 2nd by Frank Jarvis. 4 yeas (There will be a written legal agreement made.)

11. FOR POSSIBLE ACTION – Discussion and Deliberation and Possible Decision on ruling for the 24 pre-paid hook-ups originally paid by Ron Smith and Lillian Pernet at 400 S. First. St (Parcel 018-201-68) at the request of Steampunk Enterprises LLC and all matters pertaining thereto.

Amina begins with saying there is an extensive amount of information for this item. Frank started with saying this all began in 1988 where the District approved 99 units of water and 99 units of sewer. Letter said the units must be installed in 1 year or remaining units will be cancelled with note saying they have been paid. In 89 the District extended the units even though they had expired. In 92 a letter was sent to Ron Smith saying they would honor the fees paid in 88, so there's another extension after they've been expired. Then in 97 they used some of them for meters. There was also a note there was a moratorium on new water units. Believes that was the subdivision where they split them and gave one to each. The issue there is they never applied any. They took the money but there was never a unit put on all of them. We jump ahead to October 2008 where the Board had said we kept the money and felt that they didn't expire. They made a comment that we have never appropriated someone's money without a return of goods or services provided. There was also something referenced of units bought in 96 and applied in

2008. So, it's something similar, not exact. November 2008 the Board voted to honor the expired units. Put 75 units, which doesn't pertain to this, to lot #69 and 24 units to lot 01820168. The December meeting, they had some discussion about it and there were some disagreements about it and the action was withdrawn. Frank goes to talk about the difference and breakdown of the money then compared to now. He says that we did not give notice of forfeiture and anywhere else outside of Beatty Water notice is given. Said we are a public utility and we need to be equitable. We are inconsistent in our rules, the precedent has been set and have said okay multiple times. The dollar value works out close to today's value and isn't a huge loss. If they actually put in these units, they would have been a burden in our infrastructure for the last several years. I'm in favor of allowing the units to go forward. Amina moves onto Albert. Albert says he is worried about the different rates. The purchase rate then and now. This Board has to have special rate meetings, there's a different procedure for that even when the moratorium was happening. We wouldn't be going with the published standard rate. I wouldn't say some kind of compromise isn't possible on this. We just have to be careful on how we do it. Then there's the issue of setting precedents, how many other buried things around town are going to come up? Frank goes back to say these had been paid previously and allowed to be carried over. There's been a precedent set multiple times. The attorney in 2008 said the Board can choose what to do with it. Albert said yes, the Board does have the authority, it's been demonstrated. Jeannie tunes in saying the whole fact about the precedent, you can look at it in so many different ways. If you have a Board that is corrupt and they all vote a certain way and they all get thrown out, a new Board comes in, do they have to follow that same precedent? My issue is there is so much paperwork on this, but prior to 2008 everything came to a head in these two meetings. In Mr. Ringle's own words he said the property owner Kathryn and Lillian Pernet, that land has sold several times in the past and he sees it as sold without units. Now he owns it and there's units? Amina says that she would like to add on to that comment, before Ringle speaks. She says that the original agreement in which you purchased the land and you got the 33 units, it was for parcel 20111, 20169, 20170 so the parcel 20168 that belongs to Steampunk Enterprises was not included in that at all. I do believe the Board in 2008 may have had some misinformation that guided their decision making. Ed Ringle says

that what he said in the past is what he truly believed, subsequently about a month ago I sat down and found out that I was wrong. I found out the whole history of the property and that it was subdivided. I had no idea. When I learned it was subdivided... I only found out about 3 weeks ago... It was one big piece. I didn't know that. One thing that I have heard is very important, in the last meeting YOU said you never did anything to the property nothing was ever done and a piece of pipe would have been suffice. Jeannie interrupts and says that there is actually a meter on the property. That she did say there is one unit on the property. Ed Ringle goes on to introduce a letter (Exhibit A) from Beatty Water to the County stating very clearly that there is water and sewer on the property. Jeannie Ybarra makes a motion to accept supplemental information, 2nd by Frank Jarvis. Jeannie asks if they could be referring to the manhole that had to be put in by Beatty Water for the Atomic. Goes to say again that he does have a water. Ed Ringle says why are we arguing this? I'm not sure why we are even arguing this? Jeannie asks who is arguing? No one is arguing. Ed Ringle says to look at his side. The letter is written on that particular property to the County. Doesn't mention the Atomic, doesn't mention anything. That is specifically for the property that we are talking about, specifically for the 25 spots. It clearly states that yes there was a sewer and a water on that property. Not the Atomic, not the Bellagio. Jeannie asks Amina about what she found on the assessor's page. Amina says that she believes that property is listed as vacant. When the assessor does it she will have minor improvements and what not and that gives you the property value and that is still listed as vacant. Ann Marchand asks to speak. She says she had the property listed for Mrs. Pernet from 2007-2010 until I turned it over to Sandy Crawford. Just to give you guys a run down, I had come up to the Water District and gotten all the paperwork from Raimy whenever he was here because there was a lot of documentation and we really needed to pinpoint what exactly had happened. In March 1988, Ron Smith had presented an engineered map for 109 connections for parcel 1820112, that was a lot of acres but it was the big parcel before it was subdivided. In October of 1988, Ron Smith had paid \$39,600 for 99 sewer and water Capital Improvements. When Mr. Smith subdivided the property into 4 pieces, he paid for 3 additional meters in the amount of \$900. In February 1990 fees were paid in the amount of \$80,000 to extend the existing waterline to the proposed bank property. They

originally told him a 6" waterline had to be installed and later determined only a 2½" line had to be put in. Anyways, that was an additional \$80,000 dollars that they invested in the property. So, this has been on going, you need to do this and you need to do that before we can do anything. In 1992, the moratorium was put on all hookups. I believe also one of the letters in 1991/92 stated that the Board told Jimmy Weeks at that time, because they had never given the money back, that they would hold those until those Capital Improvements were used. So... you need to look back through your minutes. In 1997 they dedicated the waterline to the District and dismissed it. In 1999, Barrick was pulling out and the moratorium was removed. Since the property was being re-parceled, Mr. Smith had to pay for those 3 water meters. Some of those were not installed since he passed away. Mrs. Pernet acquired the parcel 01820168 and was told when she purchased it that there were Capital Improvements on the property. The Water Board determined in their 2008 meeting the money was never paid back to Mr. Smith or his estate and the 3 meters were never installed. In 2009, they had Mrs. Pernet apply for a flood prevention application so the meter could be installed. So, I mean this piece of property has had a lot of history. As I've said before in 91 and 98, the Water District has never offered to give this money back. Amina says she doesn't believe that's been the practice, the letter back in 88 from Marvin Walker, the original agreement literally states, "All requested services must be installed within 1 year of the date of release. Any remaining services not installed will be cancelled unless a written request for extension of time is approved in advance from the Board of Trustees. The advanced Capital Improvement fees will not be refunded on cancelled units." Ed Ringle says we have had 8 connections here in the last 4 years, this town is small and certainly not growing. We could use the revenue. I don't understand why this public utility is fighting the development, clearly you keep referring to something that was 30 years ago. That was over and done with from the agreement made in 2008. Why do we keep going back and back and back? Jeannie responds to Ed by saying that she is actually sticking with 2008 and at that time they gave you 90 days and to put in a Will Serve. Ed says he did not know that. He redirects conversation and starts talking about the \$80,000 spent on a different property. Amina tries to talk about the 3 meters paid for and Ed continuously interrupts saying that's a different property you cannot talk about that. Frank says that to

be subdivided it had to be approved right? Ed tells Amina why she is trying to discuss what is there. Amina says he paid for 1 residential meter to be put in so he could subdivide the property. Jeannie says she's confused because when the original deal was done, it's in the minutes, there were no units attached to that property. So, I am confused how we are going back to now there is. Ed goes back to he did not know. Ann Marchand says that Raimy told Mrs. Pernet back in 2008 that she had to get this done in order to get these Capital Improvements. The meter was already paid for. What happened was it was all one big parcel and the Atomic was already there. They already had 1 meter there. Amina corrects her by saying there is 2 for the Atomic. Ann then continues with they paid for 3 additional meters. Ed asks if they think the letter is authenticate from Beatty Water? Amina says well as you can see that based at the information at hand that was the opinion you had, but as you've learned more you've changed your stance, correct? Ed said I didn't know. When I was at the meeting in 2008, I thought I was getting cheated. Albert asks to make a comment. He begins to explain that either way \$80,000 was going to have to be paid regardless for the main extension along with the Capitals afterwards. Ed Ringle tries interrupting Albert. Albert proceeds to explain that the main extension to that area has nothing to do with the Capitals being paid for what we are discussing now. Albert explains that if a customer has to extend the main line to connect to the system, they are responsible for the costs, but it does belong to the District, not the customer and goes to say that Capital fees are different. Ed Ringle says he doesn't know about that and that's something that we might have to litigate. Ed asks why we are talking about something else? That he would like to stick to the agenda and that we are specifically talking about this property and not the \$80,000. Albert comments in and tells Ringle he was the one to bring up the \$80,000. Amina chimes in and goes back to the action item on the agenda and says by his own statements he brought in documentation and in that paperwork, it was said he was only entitled to 33 of the 75 units they gave you. Amina says she does not believe the Board would have made that decision if they were aware at the time. Ed says it was 33 per lot. Amina corrects him and said it was 33 for all 3 parcels he purchased. Jeannie joins in and said he said that in the land purchase there was 33 prepaid water and sewer hookups, (statement read off) "Mr. Ringle stated that he thought he should have 99." Ed said and again that's another property so why do we

keep going back to that. Amina says that there isn't any documentation that any units were sold with said parcel. Ed goes back to saying that we are not talking about the 99 or the 33, we are 'specifically' talking about this. Please stay on this. Jeannie says right you have one meter there. Ed goes back to repeat himself multiple times. Jeannie again says you have one meter there. Ed says the improvements are there for 25 units. Amina says its one residential meter. Ed said that at the time if that wasn't enough this Board should have sent a letter and would like to see and have that letter produced by the next meeting saying she needed a bigger meter. Amina says that Mrs. Pernet did not put in the meter, Mr. Smith did to be able to subdivide the property. Frank says if we were to approve these 24 units to lot #68 and put a time frame of 1 year and by due process send a letter at the end of the year to make sure there's a very good chance he might not do anything with it, but then we can actually take them by providing notice. We haven't actually lost anything. Amina says a letter was sent to the original owner who applied for the units and who paid the Capital fess. Franks says exactly but then they chose to extend it, then extend it again, then extend it again. Amina says in her opinion you buy the land as is, the price value goes into it. Ed comments in and says he's allowed to speak and is a biased person here, that he is trying to develop and is the only developer here and trying to build the economy here and all he seems to get from the Water Board, at least from you two ladies (Amina and Jeannie), is hostility and keep hoarding things that are not your main. It does not make a difference what was said in 1988, it was superseded by something else, so we don't need to keep going back to 88. Jeannie says she's not going back and she's sticking to 08. Ed said specifically he would like to know if he is going to get the 24 rights because according the "letter" what you wanted was done. I don't know why you are sitting on this rare development, there have been only 8 connections in the last few years. What is the issue here? What is the real issue here? Jeannie goes to say she already said she does not have a problem with upgrading the meter into a larger meter but there is still no sewer in her opinion. Ed says YOU have an opinion this person has the FACTS. Amina says again in a letter he wrote to Ann Marchand he stated he had ALL 99 units to his parcels. Ed said back then he believed that. Is he the only one who has ever made a mistake? He says that he never knew this paper existed and that Mr. Smith paid for the sewer line. Ed says if the Water Board feels the money is best spend

litigating with me, and I have no doubt that I will win the case, why are we going here? What is the problem? What is the REAL problem? What is the problem? The real problem? Why are you so obstinate against development in the town? Amina says I wouldn't say we are against it; I would say it needs to be done appropriately. I would say we don't need to subsidize developers because that in terms... Ed Ringle interrupts and says we don't have any developers. No developers in the last 40 years since I have been here. 40 years... none. Amina says okay. The cost of development should be the burden of the developer. She does not feel that the District should waive fees or allow other things because at the end of the day all of our expenses get broken down between our base rate customers payers, so what that means that everybody in this town will pay higher rates because we subsidized a development. That would not be fair. Ed begins to talk about who is has talked to around this town and about not having good quality schools and teachers and not being able to have that without a good quality town. Teresa Sullivan asks to make a comment. She says this whole thing is very convoluted that to get to the real truth that happened 20/30 years ago, is impossible. It's not going to happen. The reality is the Water District is a public utility, it's held to its higher standard then the general public. I think it falls on the District to clean it up and because there is no clean history here that says exactly what happened and what should happen, I heard Franks proposal and that makes sense to me. Let's move forward and do something. As a taxpayer I'm okay with it, I don't feel cheated by it. We are going to fight this for how long? Conversation breaks out between the public. Albert asks to make a comment before Frank makes a motion. Albert says we have argued this before when Ed was on the Board. We, the Water Board, are not an economic development organization or entity. We are here to safe guard the investment, the water quality we have, and to proceed in an orderly fair manner in distributing what kind of growth is possible. It all takes water and you need a standard of that. You can't favor one thing over another. It's not our job to be a developer or an economic development. It is very crucial to have water, to have resources here of course. That's why we take so many steps in trying to get grants and lines replaced, keep the Wellhead Protection Programs going, so this is a tremendous resource that we have; the Oasis Valley is of tremendous value that's because the Water Board has been on top of that and filed the right kind of classification. Anybody who has

*paid Capitals in this town, and everybody in this room probably has, their investment in the Water District, in the infrastructure will be diluted. Unless Capitals are paid at the going rate. Dee Crawford asks if she can ask about his (Albert) development? Albert asks her what she would like to know and Dee responds with saying she would like to know how much Capital Improvements he changed and for how many units. Amina says that is not comparable. Albert proceeds to say that Boulder Ridge was built by Daisy Gold. The water lines, the meters and everything was installed and everything was paid. Frank says that he thinks we are getting off subject. Albert says he does too but it keeps being brought up over and over again like he got some kind of deal. Jeannie says it's actually on the agenda item. Albert proceeds to say he's heard Ed come to the Water Board and say he wants Albert's deal like I've done something bulls***. Albert apologizes for his language and once again says the area was built 40 years ago by Daisy Gold. He said he added 16 Capitals to his spot and had the meters installed. Not 16 meters, some were applied to the same meter, but I paid for Capitals and the meters and the installation. There was no special Albert deal. I really resent that. Frank asks when did he pay for them? 1996? When were they installed? The last 11 were in 2008. Albert says he does not know for sure. Frank says there's a time difference there and that's why the question comes up. Frank says the question would be what rate did you pay for them? Why did you buy them 11/12 years ahead? Albert says he bought them because he wanted to move ahead right away and... Frank interrupts and says there was 11 years in between. Teresa Sullivan tries to get a word in as well as Ed Ringle. Frank speaks up and says this doesn't matter but that is what we are bringing up and I don't think it's relevant and I would like to get back to what we are talking about. Jeannie said I don't know. If there was an agreement in 08 and then we are going to completely throw that out then what good is having any Board meeting and making any decisions. Frank asks what agreement? Jeannie responds with the agreement that they went ahead and gave him the units with the understanding that he had 90 days to put in a Will Serve and develop. Frank asks if there was due process provided? Was there anything sent? Because it looked like someone walked out of the meeting before it was finished. Jeannie said well, if they ever came in to put in a Will Serve and seen all the paperwork, they would have seen that is says it right on the Will Serve. Frank said OR we should have sent them a letter*

saying your units are expiring. Conversation breaks out in the public audience and Board. Frank says to be fair a letter should have been sent out. Why did you go and give me my check back? You didn't go and cash it. Jeannie said Well, because we couldn't approve your Will Serve so it didn't go further than that. Frank said so he is out 40 grand because he didn't come and fill out some paperwork? Jeannie responds with saying well he didn't pay anything, Ron Smith did. Frank says it doesn't matter, somebody did. Amina says the cost is not comparable to the cost now. Frank goes into some detail again and breaks down what we are going to be losing in money. Frank refers back to what Teresa Sullivan said about its all too confusing, but we have the ability to make it right. He said it might not make us happy, but we can do it right this time, put a time frame on it, send notice and if he doesn't do what he is saying then take it. I'm all in favor for it and I bet he won't do anything with it. What do we have to lose? We've had the money for 33 years. Ann Marchand says he has a suggestion. To send the mail certified and put it in a file because if you don't have any documentation saying that you have 90 days, you have nothing. Frank said there is a way we can fix it, it's not hard. There's no wear and tear on the system because they didn't put anything in. So, I get it and I agree with Albert we shouldn't be developers and are not an economic development, you have to pay to upkeep the system. Absolutely. They already paid it and that's what I'm going with. Jeannie said right but there's nothing on the Pernet property. Frank said you are going off of something Ed said. Jeannie said not only that but the assessor's office, that land was never developed. Frank said and the assessor's office would have to go look for that meter. We know there is a meter put on it. Jeannie said yes and that's why I said they can upgrade that meter to support the 25 units. That's doable. He would just have to pay for the upgrade and the bigger meter and then you can have the 25 units on that property. Teresa Sullivan asks without paying the Capitals? Jeannie says he would just have to upgrade what's there. There is still the issue on sewer because as of right now there is nothing there. Jeannie says to make a motion because they had been talking about it for forever. Frank says yes, it's time to move on. Frank Jarvis would like to motion for Lot #01820168 that we accept the previously paid Capital credits of water and sewer that go to that lot and to extend them out and make them available for 1 year and will expire 1

year from today's date and will send notice before they expire, 2nd by Jeannie Ybarra. Amina asks if there is any further discussion? 1 yea, Frank Jarvis: 3 nays. Ed Ringle says he has a question and asks if he pays what they had just said and upgrade the meter then everything is fine? Jeannie said for the water yes, in my opinion. Ed said he does not have a problem with that. Jeannie tells him that was what was told to Jim last time. You would have to pay for the line upgrade but you're looking at around \$5,000 for the bigger meter. Ed said if he would have known that he would have not wasted his time. Jeannie said it was told in the last meeting. Albert said the meter has to have a certain amount of units. Lance Goodman said an inch and a half would do it, but he would recommend a 2 since it's the same price. Ann Marchand said that is what Ramy told Mrs. Pernet when she bought the property. Discussion begins once again about the comparable rates of the Capitals. Ed says you keep talking about being confused and I'm confused listening to it. Jeannie says she's under the impression there is a meter already there and you can upgrade the meter. You would have to come in apply for a Will Serve and talk to Lance. Ed asks if he has to come back to the Board. Amina says yes, the Will Serve will have to come back before the Board. Ed says right but there isn't going to be any confusion on upgrading the water and sewer. Jeannie said, well you're lumping water and sewer together. Do we know if there is a sewer on that? Lance said he would have to camera it and find out. Jon DeLee chimes in and says we have a letter that says there is sewer and water on that property. Lance said he realizes that but he has been over there multiple times and cannot find a sewer clean out anywhere and that is why we need to camera it. If there is a sewer it is probably going to be a 4" and will need to be upgraded to a 6 to support all the units. Ed said we have no problems getting an engineered plan and upgrading the sewer lines and water lines, never have. The only issue still, I don't want to leave confused. If we upgrade everything and everything looks good to Lance, everything will be fine with this Board? Amina says it will still have to come back with a Will Serve since it is a line extension. Ed said, Well I just want to make sure we can get the water. No one builds then comes to get the water. Jeannie said you would think, but there have been instances where they do; like those tiny houses for example. Ed said what he is still trying to get is the water is paid for, the sewer is paid for, the lines are upgraded, we put in the infrastructure that Lance wants, everything is

okay? Amina says a motion and vote has already been made. Ann Marchand says you can rescind your motion. Jeannie said my only concern is, if we go and agree to this and it comes to another vote, we are basically setting it up for the 75 units that we are going to be talking about next and everybody else that comes in. Ann Marchand joins the conversation and says she hates to say it but we are setting ourselves up because Albert was allowed to do it. Albert paid his Capital Improvements and in 2008 when this meeting happened, Albert came in and paid for his water meters. Am I right Albert? Albert says I paid the Capitals. Teresa Sullivan says then you put in the meters 11 years later? Ann Marchand said this is what Mrs. Pernet did. She went in and Capitals were already paid and the meter was put in and ... Jeannie said according to her (Mrs. Pernet), she didn't do anything. Ann Marchand responds with saying oh yes, she did. She complied with everything Raimy said so that could stay with the property. Jeannie said that from the minutes from the meeting, she was on the phone, she had no clue. There was even a statement made where she used your name, then you made a statement saying that you did not tell her that, that you did not give any advice on that. That's on the front of the minutes. Ann Marchand said that was regarding what Keith said. Jeannie responds with saying right, but she was asking for 5 units, she had no idea what the units were. Then Boyd said if they are going to divide the units evenly then she should be entitled to 24 units because there was one already on the property. Ann Marchand said so they put a meter on the property. Jeannie said yes so they could divide the property. Teresa Sullivan comments in saying that in simple form people have been allowed to buy the Capitals and put in the meters many years later. Beyond the 90 days. That has happened, right? Amina says yes, I would say it has happened where they had paid the fees, but it has stayed with the same person. Point being this has been sold to different people. Teresa Sullivan says it might or might not be the same but point being it has happened. You might have a legal issue with it, however, if you clean it up now, from this point forward you have everything in writing, you forfeit money, you send a letter, you clean it up and have documentation. You're in middle of a mess right now. Ed said did I hear this correctly you paid money to the Water Board? You go against me and came and paid your own? (Referring to Albert). Albert said he doesn't remember the year, but remembers writing a check for ... Ed interrupts and repeats multiple times did you pay yes or no? Argument and discussion

breaks-out. Amina takes back the meeting saying they are going off topic. Ed disregards what is said and continues with his comments. Frank says Ed ... Ed... Ed! Amina said we had a motion it did not pass; we can readdress it with a Will Serve with the upgrade costs to the lines. Lance says yes, I can get a rough estimate of everything. Amina tells Ed that would be his path forward is to get with Lance, Will Serve, plans, and whatever line extensions and upgrades need to be made and paid for. Amina starts reading off item 12 and Ann Marchand interrupts saying if the Board is saying he still has the 24 capital improvements because there is no sense in paying the engineering fees if you guys are going to come back and say he doesn't have those 24 capital improvements. Frank says that was what the no vote said. Jeannie says a 2" meter can definitely support 25 units, there's already one 3/4" residential meter there. He would have to pay to upgrade everything. Frank asks if the Board is allowing the 24 units to remain for water? Jeannie says if he upgrades to support the units then yes, that's where she stands. Frank said then we are splitting the difference and he would have to pay all 25 sewer Capitals. If there is a sewer extension and there is a line that travels to the property ... Amina says he would have to pay for the upgrades to the line. Frank said SO, we will accept the 24 units of water if he upgrades the meter and the 24 units of sewer if there is a line, if there is NO sewer going to the property then he has to pay all the fees to the District to do what they have to do. Is that acceptable? Jeannie says that's fair to me. Frank asks Ed if that would be something he is interested in? You're a gambling man, right? Ed hesitantly says he would like to sit down next time and talk about it. Frank says no let's do this right now and the public tells Ed that the Board is negotiating right now. Ed said he is not willing to commit to no 24 sewer. Frank brings up the possibility of it having sewer. Ed said to table it and he would rather take his chances in court. Albert was a little confused and goes into detail about how the billing works and that Ed should be aware of how that works as well. Frank tells Albert that this is more of us trying to make a compromise to one lot. The Board was actually willing to compromise. Jeannie says just like everything else he would only be billed for what he uses and only to the max units he has. Amina asks so at this time table this item? Frank asks Ed you don't want to try this? Ed said no he wants time to think about it. I don't want to make a decision after this, I don't feel it's fair. Frank said to Ed, you don't feel it's fair to get all of them for basically nothing? Or

you gamble and if sewer's not there, you have to pay that. Ed said you know it's like this... Frank interrupts and tells him it is a yes or no. I won't make a motion if you don't want it. Ed said no, he does not want it. Frank said okay, then we are done.

12. BOARD MEMBER REPORTS/COMMENTS – General information and updates from board members. Announcements or topics / issues proposed for future workshops and agendas. No action will be taken by the Board.

Jeannie suggested for future agenda possibly adding another signer to the account, since there has to have two signatures in case one of the signers is not around. Albert said in a calmer meeting he would like to address how the billing works and units since he wasn't sure if he was understanding it all right. Jeannie reassured him that his understanding is correct, that what they were talking about was more of just a compromise to be able to do something. Ann Marchand interrupts the Board comments and discussion and goes back to talking about item 12. Conversation begins again about item 11. DeLee yells over the conversation and asks if we are in public comment yet.

13. FOR POSSIBLE ACTION – Schedule next Board of Trustees meeting date and time.

Scheduled for September 22, 2021 @ 5:00 pm.

14. GENERAL PUBLIC COMMENT – Three-minute time limit per person for matters both on and off the agenda. No action will be taken by the Board.

Jon DeLee very excitedly says he is going to jump in here and says and as a rate payer, you as the Board members have a fiscal responsibility to, all the rate payers here, who is going to pay attorney fees? Jeannie and Albert tell him we would use Pool Pact; that we have insurance for that. DeLee says and if you are found outrageously wrong? Who's going to pay that? You have already decided and already heard that the record is incomplete, that there is a lack of documentation. It is going to be very hard for this Board to prove their case. We are going to feed a bunch of attorneys a bunch of money and it is going to negatively impact this Water District. Jeannie responds with telling him it already did go to an attorney and Pete Knight firmly said that we had to do nothing because it was all expired. The Board at the time had 3 options to consider and they gave it to him. If he has to come to an attorney, we have Pool Pact. Ed Ringle says he has a comment. He said he asked everyone here and they all say that I'm not being treated fairly. So, when you go home, all 3 of you, please don't think that you are fair and please

don't think you gave me any kind of opportunity at all. Ed directs comment to Albert and tells him he cannot believe that he went against him and that he is in the same situation as Smith. He has not turned any meters on in 30 years. Albert calmly corrects him and tells him that is not true. Teresa Gomez tells Ed Ringle, that his comment is a lie. Ed tells her that it not a lie. Ed starts taking about Albert having his meters on vacation. Albert tells him all is meters have been turned on before, they are all installed and he pays his bills. They were installed by the District. Ed raising his voice says "apologizes" if he misspoke again, but he was under the impression that Albert has never turned on his meters and they are put in vacation or something. Teresa Gomez asks him if he is talking about a vacation disconnect in order to clarify things for him. Ed says he does not know. Ed said his last statement is so the letter is wrong? It means nothing? Jeannie tells him Lance said he is going to go out and verify everything. Ed said so it's wrong? Jeannie tells him that we do not know. Ed yells why do you need to verify!? It is from this Board. Jeannie tells him, that (the letter) is not from this Board. Conversation breaks out. Amina tells him that there are notes saying the meters were going to be installed at a later date. One out of the 3 meters were installed and the other two were never put in. We do not know if they wrote this saying that there was sewer just so the division could happen. We need to verify to go forward to know what we have. Ed said so you would not accept another letter like this to another government agency you would not accept it as "factual" but you would need to go "verify" it? Jeannie responds to saying to Ed that as something as convoluted as this situation, absolutely because ... DeLee and Ed interrupt. Amina says there is a 3-minute time limit. Teresa Sullivan says might as well let him comment. Jon DeLee says you guys are blind if you don't think we are going to have a problem from a judge if we have a letter saying there is sewer and he goes out and finds that there is not. Albert said as it was pointed out there's a lot of things we cannot search and there's a lot of things that are vague. This is something we can actually go out and verify and it is perfectly legitimate to go verify the physical truth. Ed asks why? You only verify what you chose to verify because you have a reason to. Tells Albert he should excuse himself from any vote on his items. He tells Albert that they never got along and because of that he should have excused himself from voting a long time ago. He resents the fact that he voted against him and he does not have a right to vote... there is some

laughter and Ed Ringle exits. Amina asks if there is any other public comment. Teresa Sullivan says she has one but it will be quick and if we could possibly meet in a bigger room, like the community center. Mike Young comments in and says he would like to thank the Board; he knows it's a volunteer position and WOW. The Board goes through a lot and appreciates the support they have with Corvus.

15. ADJOURNMENT –

Motion by Jeannie Ybarra to adjourn at 6:52 pm, 2nd by Frank Jarvis. 4 yeas.

Name: _____ Date: September 16, 2021

Signature Approval of the Minutes

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2. _____

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