

Lindsey came into the meeting at 4:07 pm.

On motion of Jon Blackwell and seconded by Chairman Staton, the Board voted 4-0 in favor to donate \$100 to Friends of Metro for Shop with a Cop. Randy Tobler abstained.

5. Presentation and approval of the FY13 audit – Hinton Burdick Hall & Sprinkler (for possible action)

Chad Atkinson of Hinton Burdick was at the meeting to present the audit.

Chad explained that they had no problems getting the information they needed from MVWD Staff and that Staff was very helpful. He reminded the Directors that the financial statement responsibility remains with the District and its management. He was at the meeting to present the audit and to give an opinion on it.

MVWD has a new financial statement this year which was prepared by Pelorus. The only thing that Hinton Burdick contributed was the independent auditor's letters that are in various places in the financial statements.

The Independent Auditor's Report is on page 1 of the financial statements. It contains a unmodified opinion which is a clean opinion on the financial statements. On page 31 & 33 are a couple of other reports. They contain the report on compliance and internal control. Chad was happy to report that there were no findings this year and that the findings from the previous years have been resolved.

Chad moved on to the financial highlights. Operating Revenues for the District dipped slightly in FY12-13. This was tied to the SNWA contract revenues decreasing. The water user fees which is the water sold were down a little bit (\$10,000) which was due to a decrease in consumption. There is still a healthy margin between operating revenues and operating expenses which is a very positive thing for the District. Operating expenses decreased a little bit from FY12-13. Depreciation and Salaries/Wages were also down a little bit.

Chad had a spreadsheet of the cash for the last five years. The unrestricted cash is hovering around 5.6M. It increased by 432,000 from the previous year. Chad and Jeannie worked together to specify the designated cash. Designated cash is money that the Board has set aside for specific purposes. The designated cash was on page 11. Money has been set aside for the State Revolving Loan Fund. There is \$54,000 in that account. Another account is the Arsenic Replacement Fund. It had \$376,000 in it and the Equipment Replacement Fund had \$180,000 in it at the end of June 2013. The restricted cash is \$265,203 and is for debt reserves. He also said that the cash trend looks great; there are no issues there.

Chad pointed out a couple of notes. In the long term debt note on page 22, the bond refunding that was done was for the economic benefit of the District. There was a note that disclosed the economic benefit. The refunding will reduce the amount of the payments by \$163,933. The economic gain is \$138,053. Note 4E is the contingency that is still outstanding. Chad understands that it is still being work on.

On motion of Chairman Staton and seconded by Randy Tobler, the Board voted 5-0 in favor to approve the FY13 audit.

6. Discussion and possible approval of the NVWARN Mutual Aid Agreement (for possible action)

Joe Davis explained that after 9/11 a lot of entities started to work cooperatively with each other in order to help each other in emergency situations. The Federal Government, Nevada and a lot of other States saw a benefit to it so a program was started. Nevada's program is called NvWarn. It's a water/wastewater agency response network. Members of NvWarn can receive help from other entities when needed. This help can be donations of materials, labor, equipment, etc. and we can get reimbursed from the entity receiving the help and/or the Federal Government.

We've helped other entities in the past and by signing this agreement the District may be able to receive some compensation for what we do. This agreement does not require us to help. If we do send employees to help, they will take care of their lodging, food, etc. The mutual agreement lays out some rules that everyone has to follow. Joe thinks that it's a great program.

Byron Mills has reviewed the agreement. In reviewing it he looked for any obligations we might have, potential costs and liability. There are no obligations. It is very clear in the agreement that the discretion is completely up to the assisting company. No one can make the District donate anything. If we do choose to donate we can get reimbursed. They've set a rate schedule for reimbursement. As far as liability goes, only the requesting agency can be liable not the assisting agency so Byron has no problem with the agreement at all.

On motion of Lindsey Dalley and seconded by Jon Blackwell, the Board voted 5-0 in favor to join the Nevada Water/Wastewater Agency Response Network and instructed staff to sign the Mutual Aid Agreement.

7. **Manager's Report**

Office Manager – Jeannie Poynor explained that the budget reports are for the 1st quarter of this fiscal year. The budget looks good. Revenues are at about 33% for 25% of the year. We are getting into the months when our water usage goes down.

Our medical insurance was up for renewal so we had to make a decision on whether we were going to renew early or if we were going to push it off until January. Jeannie, Joe, and Scott Carson set down with our insurance representatives. It looks like our rates are going to go up. They had originally said 29% which puts us at about where we should be. We had a 26% decrease a couple of years ago. They talked about going with a different plan which would increase the co-pays on prescriptions but would only give us a 20% increase in our rates. There was quite a lot of discussion on what is going to happen with medical insurance now that Obama Care is in effect. The general consensus was to put off going with Obama Care as long as possible.

Water Distribution Superintendent – 1) Leaks - Lon Dalley explained that we had two leaks last month. There was a 1" leak at 1680 N. MV Blvd which was an elbow that came off the resetter. The other leak was a 14" leak on the Blvd. near the Ag Farm. The PVC had split wide open. That call came in at 11:30 pm. **2) Customer Complaints**– Brian Greig got called out on a customer that didn't have any water. There was no water at the house so Brian checked the meter and the meter was off. The guy had fixed a leak and forgot to turn the meter back on. There was also a complaint of no water along MV Blvd. & Cottonwood where we had a 14" leak. We received a call from AM/PM regarding black water. It ended up being clogged filters on their soda machines. We checked everything on our side to make sure we weren't causing any problems. **4) Bowman Rd. Project** –This project has been started. We've tapped the 12" line and stubbed out a little bit. Our go-to guy at the County has retired so the people who took his place have been harder to work with. Joe decided we need to tow the line so we don't make them mad and then they make it hard on us. They called the other day and said the encroachment permit is done and we already have the dust permit so we will start hitting it hard the week of December 2nd. **5) Upcoming Projects** - We have the wet stamp on the Hwy 168 project. Now we need to send the paperwork to the State to get their approval. **6) Miscellaneous** – We are working on getting our blanket permit with Clark County Public Works so we can work in their right-of-ways.

Water Production Superintendent – Bryan Mortensen said that we've used about the same amount of water that we used last year.

The building that the production crew is building up at Arrow Canyon is about 95% done. The stucco is being done right now. It will probably take about a week to get that done. Bryan will bring some pictures to Board meeting when it's done.

Last month we started the Master Meter switch out. Joe worked with Master Meter after Bryan didn't have any luck with them. They are going to send us a pallet of meters a month. We received pallet #2 a couple of days ago. It will take about a year and a half to go through our whole system and change out the registers. It doesn't fix the problem but it gives us another 5-7 years battery life until we can save enough money to do something else. Joe, Bryan and Lon have been meeting with other meter companies to see what else is out there.

Staff upgraded two meters. When they run across meters that are leaking bad they go ahead and change them out.

There were 30 requests for data logs; nine worked. There was one request for high/low pressure, one water quality complaint, eight meter leaks and four miscellaneous requests.

General Manager – Lasco Fire Line – Joe explained that when Lasco was built the pressure was low in that area so they had to build a storage tank for fire suppression. Throughout the years there has always been a dispute about how much has been going thru that line so Staff put a meter on it to see exactly what is going thru it. We've tracked it for the last year and found that every three months water is used and it's not a small amount of water either. It's been anywhere between 50,000 gallons to a million gallons. It would be easy for a plumber to tie into the fire line because it's in the building. They could put drinking fountains and others things on it. There has always been usage on that line but Lasco says that it's just evaporation. Since there was no way to know how much

was really going thru the line, we installed an 8" meter on it. Scott Carson asked if we are going to bill them for it. Joe said that the first thing we need do is figure out what the base rate will be for an 8" meter since we don't have any other 8" meters in our system. We also need to figure out what the impact fee would be on an 8" meter. Joe is going to get all of the information together and send them a letter explaining to them what's going on. He will also let them know what they owe us for the water that they've used. He's going to tell them that if anymore water goes through the meter they are going to be billed over \$100,000 for the meter. This issue has been going on since 1993. We've sent them letter after letter and they always say that there is no way water is going thru the line. When we've caught them, they say that the CC Fire Department requires them to make sure that the fire system works so they have to test it and that requires running water thru the line. They put a recirculation system on the line so it's supposed to recirculate the water instead of dumping it on the ground. Lindsey Dalley thought it would be better for Joe to go up there and talk to them before he sends out a letter. **District Policies** - Joe said that we have had a couple of customers that have requested to be put on the agenda because they don't like the answers they are getting from Staff. When it's something that has been on the agenda several times and the answer is always the same, Joe thinks that we should have them come in and speak during "Public Comment". That way the Directors can decide if they want to have it on the next month's agenda. Byron Mills asked if the purpose would be to make an exception or to amend the policy. Randy thinks it should be put on the agenda so that the customer feels like the Board is willing to hear what they have to say. The general consensus was that if a customer request to be placed on the agenda, Staff will go ahead and put them on it. **Water Rights** - Joe explained that the State Engineer has been looking at water rights and making sure that people are using their water. Joe retained Stanka Consulting, who is a certified water rights surveyor with the State of Nevada, to go thru our water rights to make sure that they are actually being used for the purpose that they were intended for. They will also make sure that all of our water rights are in good standing. It will go hand in hand with what Glorietta Geoscience is doing for us. Glorietta is in New Mexico and they aren't actually certified thru the State of Nevada. Stanka is in Carson City right down the street from the State Engineers office. They'll let us know how we should file on our certificated water and how we should proceed from there. **Overton Tank Site** – We used to have to cut across Larry Adams property to get to the Overton Tank so a few years ago the Board decided to purchase a little sliver of land from him. The problem is according to the County the property still belongs to Larry Adams. We never went thru the mapping process with the County. It has to go thru the Town Board and the County Commissioners so it's probably going to cost around \$10,000. Joe is working with two companies to get it done. **Network Support** – The company that was doing our network support for our computers and phones has gone out of business so we don't have network support right now. Joe asked the MV Telephone Company to come over and look at our system to see if it was something they would be interested in. They did come over and look at it but never got back to us. We are going to be sending out an RFP on it. We will also put it in the paper and on our website. **New Lead Law** – The new lead law requires fire hydrants to be low lead now. As of January 1st, 2014 we can't put any fire hydrants in the ground that have too much lead in them. Luckily we don't have very many fire hydrants in the shop.

8. Director's Preference

Byron said that the Nevada Attorney General won the JM Pipe liability case. The second phase of the case is to determine damages (how much JM will have to pay). That's where the work for MVWD will begin. JM Pipe has offered to send people here to help determine how much of their pipe was purchased, how much was put in the ground, what breaks we've had and how much it will cost to replace all of the pipe. A date hasn't been set for that trial yet. Byron said that it could take years to get this phase done.

- Review Monthly Expenditures

Randy Tobler disclosed that he has an interest in a small business that is on the monthly expenditures list.

On motion of Jon Blackwell and seconded Chairman Staton, the Board voted 4-0 in favor to refer the monthly expenditures to the auditors. Randy Tobler abstained.

- Litigation
- Discussion on SNWA's proposed contract modifications

Chairman Staton called a closed-door session at 5:45 pm. This was seconded by Jon Blackwell.

Chairman Staton reconvened the open-door session at 6:50 pm. This was seconded by Jon Blackwell.

9. Personnel – Closed Door Session

- **Approval of the December 6, 2013 Christmas Social (for possible action)**
- **Employee Christmas Bonus (for possible action)**

On motion of Chairman Staton and seconded Randy Tobler, the Board voted 5-0 in favor to give the employees a \$400 Christmas bonus at the Christmas Social being held on December 6th at the Inside Scoop.

10. Approval of the December 6, 2013 Board Meeting

The general consensus was to hold the next Board meeting on December 6, 2013 at 4 pm.

11. Public Comment (May be limited to five minutes)

None

12. Adjournment

The meeting adjourned at 6:55 pm.