

Engineer Office. What happens when the State Engineers tries to account for these meters? We decided to put this on the agenda so we can get the word out that these meters exist. They are part of our requirement that we will have to service. How are we going to address those meters that are banked and what are we going to do with them? We only got two responses. Mr. Leavitt didn't get a letter because his paperwork was inline. We don't know what we're going to do yet.

Chairman Staton asked Mr. Leavitt what he would like to see done.

Mr. Leavitt would like to keep his meters banked. He doesn't want a sunset date & he doesn't want to get rid of his banked meters.

Joe appreciated Mr. Leavitt's suggestions.

Randy asked Chairman Staton if we could skip down to agenda item #6.

Chairman Staton agreed to do that.

6. Approval to revise the policy regarding banked meters (For Possible Action)

Randy said he feels Mr. Leavitt's pain. He has a meter that's banked and he also had a meter that was banked that the district made him install so now he's paying a monthly fee on. One challenge that the board has is treating everyone equally. This is one of the biggest things that he has tackled since he's been on the board. He's had quite a few people talk to him about this. The district's budget is tight. There are some things that are going on at the State Engineer's Office. We stand to lose a lot of our water. We need to clean this up. It's the number one thing Randy gets complaints about. He wants to clean this up so we treat everyone the same so there's equality there. He told Mr. Leavitt that he could sell his meters at the rate they're going for right now.

Lindsey said that he would like to see the discussion move towards a solution. He and Mr. Leavitt had a long discussion on this and he thinks we need to figure out how to treat everyone fairly. The district has issues. He understands that Mr. Leavitt has made an investment and there needs to be fair treatment there. We just need to come up with something that provides a solution.

Joe said that the biggest thing he and Mr. Leavitt talked about on the phone was that this is not an easy decision that needs to be made but the problem is the outside perception. That's why Joe has stretched this out over a few months. The outside perception is that it's always just easy for the district to take care of this. The board and staff stress over it. It wasn't a problem 9 months ago but the problem is the State Engineer jumbled everything up. That's why we're scrambling so we can have the best standing we can.

There was quite a lot discussion on the item.

Joe reminded the board that we have the two contractual subdivisions that are going to go in and he wants to create something for the 37 banked meters because technically they haven't been installed yet that would give them an option to be able to do something. He would like to be able to let Byron look at what the board wants to do. He wants it to be a very narrow box.

3. Approval of the Minutes of the previous meeting held February 21, 2019 (For Possible Action)

On motion of Lindsey Dalley and seconded by Jon Blackwell, the Board voted 5-0 in favor to approve the minutes of the February 21, 2019 meeting.

4. Legislative Update- Warren Hardy (For Discussion Only)

Joe reminded the directors that this is going to be on the agenda for the next few months in case something important comes up. Warren has been busy putting out a lot of fires.

One thing Joe wanted to talk about was SB236. It's our bill that which would give us the option to go over section lines. We're limited in what we can do at Arrow Canyon. There was a video conference in Las Vegas that Lon attended because Joe had another meeting scheduled.

Lon said that the video conference was pretty short. Pete Cocochia introduced the bill. The bill refers to what Warren, Pete and Joe put together about our Arrow Canyon Well. We want to expand so we can drill another

well. We just want to be able go over the section lines. The legislatures on that committee said that map really helped them to see what the purpose was. They opened up the meeting to see who was in support, who was neutral and who was against the bill. Lincoln County Water District was in support, Nature Conservancy & the Biological Diversity were neutral. The State Engineer was neutral. They had a few concerns which they called out. It was just common sense stuff.

Joe said there are quite a few bills that have to do with water. There are two other bills that are a huge concern to us. One was the bill that would raise the tort amount from \$100,000 to \$250,000 for people who want to sue us. The other bill would lower the limit of \$250,000 to \$100,000 for a project that you have to pay prevailing wages on.

Warren is staying on top of these bills.

5. Approve the FY 2020 Tentative Budget (For Possible Action)

Joe explained that we added \$75,000 to the budget to get some of the BLM application work done. When Joe went to Carson City he went to the state legislature and talked to Jason Cooper who is over the NDEP and Rural Development. Jason asked Joe if we were ready to move forward with Arrow Canyon project.

Joe told Jason that we are still trying to get our applications approved thru BLM. Jason said that he would give us money if we could get those applications approved.

Joe also spoke with Michelle Stamatias. She said if we did a PER, they would pay for 85% of it so Joe sat down with Jason and he told Joe that we need to look at the project as a whole. He said that there is a good chance if we partner with USDA that there might be some matching funds out there. We might be able to get a 60/40 grant. Michelle told Joe that we should do our BLM stuff with a PER and a NEPA. Joe had Joe Phillips update our probable costs. Joe Phillips sent Joe an email summarizing that we are going to update our probable costs down to incorporate what those two were talking about. Joe Phillips had in his email a 50/50 split. Joe said he would forward that email to the directors. We should be spending a lot less than that \$75,000 we put in the budget. If we move forward with a PER we should only have to pay 15%.

Joe explained the situation to Marilyn and she let Joe know that she would get a hold of Senator Masto if they needed a push. Joe told her we're not asking for any favors right now because we're working our way through this but there might come a time when we're going to have to work our way through something really fast and it would be nice to have the permit in hand. There may come a time though when we might need her help.

Joe Phillips will be able here for the April 9th for board meeting.

Jeannie explained that she hasn't done the official figures. She'll will wait until the actual budget goes to the state and we're good for the final budget.

She went through all the numbers again. Our cash flows are not great. In fact, they're bad. We are down \$683,000. She made sure that all of the calculations were good. We did include a 4% rate increase which we calculated into revenues. All the state forms were in the budget packet along with all of the capital improvements.

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Joe said that we do need to set the date for the public hearing on the final budget. Joe is suggesting that we hold that meeting on May 23rd.

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 5-0 in favor to approve the the tentative budget as presented and to establish a public hearing on the budget at 4:00 pm on May 23, 2019 at the Moapa Valley Water District, 601 N. Moapa Valley Blvd, Overton, NV 89040.

7. Regulatory Services Costs (For Discussion Only)

Joe said that through a lot of the meetings that we've had, Lindsey has brought this up a couple of times. Lindsey would like the public to know what it cost the district to deal with the state engineer, hydrology, attorney fees, etc. A lot of places show on their bills a breakdown of what it cost them to run their business.

Lindsey said that there's a lot of expenses that the water district has to cover that have little to do with actually pumping water, maintaining the system, getting water to homes so the consumer can use it that we have no control over. Joe made one point that Lindsey agrees with and that's that the consumer needs to know what that is. If it's lined out as a line item they could see this is what it's costing for all these regulatory compliant things that we have no control over. So what do we do about this? One of the 1st items might be the BLM permitting process, environmental studies, NDOT paving, arsenic removal and other things like that.

There are unfunded mandates that we are forced to incur as a result of regulatory agencies. It has nothing to do with how well or efficient we run the water system. That's becoming more of a reality. What those issues are he thinks is something that the board and staff need's to discuss. The reason these costs need to be separate line items is because we're grappling with all these expenses we can't control that are forced on us and if we include them in the base rate then people are going to start using less water. Meanwhile our regulatory expenses don't go down whether they use water or don't. It's a hard cost for us so we need to make it a hard cost as a pass through. Another idea that Lindsey had is that if these regulatory costs go down, then the customer's bill will go down. If we do decide to do this, he thinks it should be a running average over the past few years. It will give the customer an idea of the struggles we are having. If those regulatory costs go away because it's based on actual costs, then it disappears. We probably need staff look at those costs and see what those costs are and bring it back to the board to consider how they would be calculated. Then we can make a decision if we want to put something like that on the bill or not.

Randy said that whatever we put on the bill, it needs to be very general. It's needs to be pretty easy for the customer to understand. One thing that Randy keeps being asked is why our base rate \$37. Then they start telling how much the base rate is at other utilities. One thing people don't understand is that they're spreading their costs and all their mandates over more households then we are. This would allow us to shift some of that cost to government things. Some people might view that differently. Randy likes the idea.

Ryan asked Lindsey if he just wants to add that clarity or to add another fee on top of it.

Lindsey thinks we need to add another fee on top of the base fee. He thinks that as we're looking at this engineering spike, or whatever it might be, he thinks the board need to be more specific on what's in there and what's not in there.

Chairman Staton asked that this be on May's agenda.

8. Manager's Reports

Office Manager

Assistant General Manager

General Manager

Office Manager – 1) Financials/Budget - Jeannie Poynor had the financial dashboard, the budget report and the revenues put in their packets. Cash flows we're down in January because we made our large bond payments. Budget looks ok. We're at about 58% of the year.

Assistant General Manager – 1) Production - Lon Dalley explained that production is still pretty consistent. February was a wet month. In February we pumped 26,633,116 gallons out of Arrow Canyon #2 & 5,117,000 out of Baldwin for a total of 31,750,116 gallons. **2) Arrow Canyon Well #1 Well Level** – Arrow Canyon Well #1 level was normal. **3) Meter Installs** – We installed one residential meter in February. We also installed a banked meter. That makes a total of five through February. **4) Marshall's Corner** - On Marshall's corner we had a leak on a line that went across the highway to feed the Marshall's house and Hymas' house. To fix the leak crews decided to do a push to separate those meters. Then we had a difficult time finding the tap that fed John's meter and the other meter. The crew went back this week, regrouped and found the tap. That work should be completed by now. It took two weeks to complete the project.

General Manager – 1) NVRWA Conference – Joe and Nick went to the NVRWA conference in Reno. Nick attended all of the regulatory meeting that Joe had to go to. He interacted with Max Sosa who's over the certifications renewals at NDEP. With all of the regulatory agencies that were there, Joe interacted with NDEP and the head of NDEP who deals with all of the regulations we deal with. Joe and Nick also went to the legislature and interacted with them. They were received everywhere they went. The biggest thing is when a regulatory comes up to you and tells you that you have always had nice facilities. They have toured our system and they've given tours of our treatment facilities. They've think we're running a tight ship and they

want to give us money. We have a good reputation with the federal regulatory up there. Joe and Nick met with My-hinh. She realized that it was too difficult to get that pump from one manufacturer. She did admit to us that the regulation was published two years too soon because there wasn't anything in place to allow for things to go so she was appreciative of our push on that. The fact is, it was our push with Joe Phillips help, that we were able to make the regulation what it is right now. It was all beneficial for Nick. He's a great asset for us. **4) Sunrise Engineering** – Moving forward with the permitting portion of the BLM project, Joe feels a lot better about it if we're able to get some funding. The upfront costs are a little higher but when you look at it as a whole number, we will actually be spending a lot less. Being able to accomplish more with less is a good thing. **6)** – Management met with Micheline. There is a meeting tomorrow on the LWRFS. When that meeting's over, Jay will be here to talk with the SNWA, the State Engineer's office and MVWD staff to talk about the LWRFS and what we can do to secure more resources.

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

None

**10. Director's Preference
- Review Monthly Expenditures**

Lindsey Dalley had phone call from Jim Hardy. He has 4 acres on Waite Street. He talked to Lon and Lon told him that there is a reimbursement area on Waite Street which means he would have to pay a reimbursement on all four lots at \$1700/a lot. He is only going to put one house on the property so he doesn't want to pay for four reimbursements.

Lon explained that it's a reimbursement area. We went in and upgraded the line on Waite. Some of the parcels that weren't able to be serviced in the past can now get service. We created a reimbursement area to recoup the costs. We actually had a grant so we only paid \$200,000 for the project. When someone wants to have water to their property and we have a reimbursement area, it's broke down by parcels and the cost is divided by the number of acreage.

There was quite a lot of discussion on this item also.

11. Personnel (Closed-Door Session)

12. Approval of the April 11, 2019 Board Meeting

The general consensus was to hold the next Board meeting on **April 9, 2019** at 4 p.m.

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

None

14. Adjournment

The meeting adjourned at 7:05 pm.