

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, JUNE 14, 2018**

PRESENT: Kenneth Staton
Jon Blackwell
Randy Tobler
Lindsey Dalley
Ryan Wheeler
Joe Davis
Lon Dalley
Byron Mills
Susan Rose
Jeannie Poynor
Vernon Robison (MV Progress)

ORDER OF BUSINESS: At 4:03 p.m., Chairman Ken Staton called to order the regular meeting of the Moapa Valley Water District Board of Directors. The agenda items were addressed in the following order:

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

None

2. Approval of the Minutes of the Previous Meeting Held May 22, 2018 (For Possible Action)

On motion of Jon Blackwell and seconded by Lindsey Dalley, the Board voted 5-0 in favor to approve the minutes of the May 22, 2018 meeting.

3. Approval of the revision of the banked meter policy (For Possible Action)

Joe Davis reminded the Directors that there was some discussion on this at last month's meeting.

We have 39 uninstalled service connections. If someone wants to purchase one of those uninstalled service connections the policy states that it has to be approved by the board. Anyone that wants to move a meter from one parcel to another also has to have board of approval.

We have a customer that came in right after the agenda went out a couple of months ago and so he was not able to get on the agenda that month. A meter that is already installed must have board approval to move it from on parcel to another. That will still happen. In order to save time, Joe would like to change the policy to say "*The transferring of an uninstalled service connection from one piece of property to another must be approved by the General Manager/Assistant General Manager of the District provided all requirements of the District's Water Rights Dedication Ordinance have been met*".

Lindsey Dalley asked if this revision should include the Board of Directors.

Joe explained that if doesn't feel comfortable with the transfer he will bring it to the board for their approval.

Randy Tobler said that we are just trying to make it easier for someone to transfer a meter. This revision will speed up the process to get the approval to move the meter. That's all this revision is doing. We're not doing anything else.

On motion of Jon Blackwell and seconded by Randy Tobler, the Board voted 5-0 in favor to approve change section IV. E. (f) of the MVWD Policy Manual to "*The transferring of an uninstalled service connection from one piece of property to another must be approved by the General Manager/Assistant General Manager of the District, provided all requirements of the Districts Water Rights Dedication Ordinance have been met*".

4. WaterWorth Presentation (For Possible Action)

Jeannie, Joe & Lon sat down after the last board meeting and stripped everything out of the budget. The only thing that's left in there is the Arrow Canyon Well Drilling. We have a new baseline in there that has the worst case scenario in it. The \$3.2 million is in it. Staff has it with bonding and they also dropped it down so that if we are able to drill the well on our A/C site, the cost would be only \$1 million. Staff ran a scenario with that and left the rate increases in. There would be no bonding in the scenario they showed at board meeting.

Staff set WaterWorth up with a 4% rate increase. Joe showed the board the worst case scenario which doesn't actually drop down that much. We would spend the \$3.2 million in 2022.

Joe asked the Directors if we want take out the \$420,000 for the tank recoat. Ryan met with Joe and Lon. They talked about the scenarios. We know we don't want to lose it so we still need to have a place marker for it because it's going to have to be done at some point in time. Once we get the engineering done for the Yamashita project and the Gubler project we can figure out what those actual costs are going to be. Those will have to be added into the model.

We can have the dive company come in and inspect the tank which won't cost too much. We know the \$3.2 million probably isn't enough. Joe asked the Directors if they wanted to talk about the rate increase knowing that some of these other variables are going to change everything.

Randy said he was ready to make a motion.

5. Discussion and possible approval of an 8% rate increase effective July 1, 2018 (For Possible Action)

On motion of Randy Tobler and seconded by Ryan Wheeler, the Board voted 5-0 in favor to increase the District's monthly base rate and inclining usage block rate by 8%.

Randy said it may seem quick but we've been working with WaterWorth for quite a few months and we've looked at so many scenarios that he just can't see how we can avoid it. It's a \$3.2 million dollar expenditure. Hopefully we can save some money but regardless of what it comes in at, we've have to be able to replace our major water supply. If that goes out, the valley doesn't have water.

Chairman Staton agrees with Randy.

Lindsey said that the rate increase isn't enough to pull us out of the woods but it's enough for us to wait for something positive to happen so maybe we can back it off.

Ryan said that he appreciates staffs work on this. On last month's Water Worth presentation there was a scenario where we were bonding for that \$3.2 million dollar project. Staff did some good homework on strategizing on the potential for us to be able to pay for that without bonding. Some balls have to drop for us to see if that can happen or not and that will be seen in the future.

Randy feels like the Board and staff has tried to keep costs down but this is just one project that we just have to do.

6. Approve the Resolution to augment the FY 18 Budget (For Possible Action)

Jeannie Poynor explained that the last couple of audits we've been over budget. Jeannie has been speaking with Kelly at the Dept. of Taxation and Kelly told her how to fill out the forms. We've had a lot of increases as far as paving goes. The truck purchase also contributed to that. We're going to go ahead and do this and put it in our quarterly report to the Dept. of Taxation.

Randy reminded the directors that money has been set aside for some of these expenditures.

Lindsey asked about the paving increases. He wasn't looking for a specific amount but how much are we talking about?

Joe said that we've paid \$84,000 so far this year. It used to run between \$40,000 and \$50,000 so it's almost doubled.

Lindsey asked if that's because of increase in material costs.

Joe said no.

Lindsey just wanted to make that point.

On motion of Randy Tobler and seconded by Lindsey Dalley, the Board voted 5-0 in favor to approve the resolution to augment the FY 18 budget as presented.

7. **Manager's Reports**

Office Manager – Jeannie Poynor had the financial dashboard, the budget report and the revenues put in their packets. We are doing well on expenditures. They're at about 82% which is where we should be but we will have some invoices to pay at the end of the year. We sold some meters so that's good news. In the budget our cash is suppose to go down \$596,000. Jeannie doesn't have a good idea of where that's going to come in at but we will be drawing down our cash because of additional purchases. She keeps running the figures everyday but she doesn't have a good number right now. The revenue report goes thru April.

Assistant General Manager – 1) Production - Lon Dalley explained that production is where it's usually at. We pumped 36,024,000 gallons out of Arrow Canyon #1, 25,791,074 out of Arrow Canyon #2 and 29,417,000 out of Baldwin for a total of 91,232,074 gallons. A/C #2 isn't running right now because of a problem with the VFD. **2) Arrow Canyon Well #1 Well Level** –Everything's consistent with the well levels. **3) Meter Installs** – DR Horton came in and purchased 11 meters and since then we've sold two to individuals. That's makes seventeen meters installed this year.

General Manager – Joe has some stuff that he wants to talk about in closed-door on potential litigation. **1) Southern NV Lands bill** – Vernon has been writing about this in the paper. Because of Marilyn Kirkpatrick and Dean Heller we were able to be in the land bill for future facilities. SNWA also was in the land bill for that. We indentified where we would like to be able to put tanks, treatment facilities, and things like that. We don't know if it's going to gain enough traction to be able to move forward but we do have the full support of Clark County on that. Marilyn really helped us out with this.

Lindsey said that this just didn't happen because Joe picked up the phone and called Marilyn. This sort of stuff started 3 or 4 years ago working on other issues with Marilyn, the County, and Heller's office. We're just now to the point where we've been showing stuff in the pipeline for over four years and staff has been very proactive in making political contacts and nourishing them and working with them and we're starting to see stuff coming out of it. It's not over but it's important to realize that it could save rate payers a lot of money because we're playing above the level here. Anything that happens with water, Marilyn picks up the phone and calls Joe. It's real valuable for the community.

2) RMP Process – The RMP process has garnered steam again. The cooperating agencies sat down and had a meeting. The draft is going to be coming out soon. They showed us some of the things that are going to be in there. We have till Monday afternoon to submit final comments for the draft that was put together. We did have one little area that was brought to our attention and that was the ACEC that's going to be in Logandale. It used to be disposal lands. It will encompass our east Logandale tank, the pipeline and transmission lines that come out of it and also the future Logandale tank site. We have permits for those but it hasn't been installed. The major 20" transmission line that feeds all of dump estates will also be inside that. That wasn't inside the lands bill. It didn't show up in there but it's been part of the lands bill. That was negotiated. Marilyn had some language drafted just to make sure that we're covered if there's any other gray areas associated with it. If it does come to fruition all of the district's right-of-ways that we have in there will have to be honored with the stuff that we have. If we have any issues, Clark County will use all of their resources to make sure that we have it because they know that it's critical infrastructure for the district and we have to be able to get to in to maintain it and repair it so they're going to make sure that verbiage stays whole so we have some legal standing to make sure we can get in there. If that ACEC does come in we will have a leg to stand on. That happened over a course of eight hours. The BLM's RMP process is coming quick and they have a very condensed timeframe. It will be out, done and finished by June 2019. When the document is put together, it will go out for public review. We've got from 2014 until now. There are a ton of comments in there. Joe doesn't know how much of the stuff will shake out until the document its self is put together. There's a lot of stuff coming our way.

8. **Public Comment**

None

9. **Director's Preference**

- Review Monthly Expenditures
- Litigation (Closed-Door Session)

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

On motion of Chairman Staton and seconded by Jon Blackwell the Board voted 5-0 to call a closed-door session at 4:45 pm.

On motion of Chairman Staton and seconded by Randy Tobler the Board voted 5-0 to reconvene the open-door session at 5:05 pm.

10. Personnel

11. Approval of the July 12, 2018 Board Meeting

The general consensus was to hold the next Board meeting on July 12, 2018 at 4 pm.

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

None

13. Adjournment

The meeting adjourned at 5:07 pm.