

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, MARCH 12, 2015**

PRESENT: Kenneth Staton
Jon Blackwell
Randy Tobler

Joe Davis
Lon Dalley
Bryan Mortensen

Byron Mills

Bob Behmer Sr.
Troy Benson
Missy Hardy

Lindsey Dalley
Ryan Wheeler

Susan Rose
Jeannie Poynor

Vernon Robison

Bob Behmer Jr.
Mr. & Mrs. Billy Mildice
Allie Nelson

ORDER OF BUSINESS: At 4:02 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. Board Member Training (Discussion Only)**
- 2. Public Comment (May be limited to five minutes)**

Troy Benson lives in Logandale and wants to build a home there. He was wondering if the Board would look at reducing the impact fee. 10 years ago it was quite a bit lower but the District raised it to control growth and because an arsenic treatment plant had to be built. We're sustaining that without the impact fees. Last night OPD just cut theirs in half effective immediately. He asked that the Board consider doing that so he could build his home.

Joe Davis said that there are three different charges. One is the Water Resource fee which is \$7,500, \$1,500 of the meter install fee is to install the meter and the balance is to buy equity into our system that's already been built. What Troy is talking about is reducing the balance of around \$4,000.

Chairman Staton explained that it is something the Board has talked about and he thinks it's something they could definitely look at.

Randy Tobler said that over the last 4 years the Board has talked about it. They are waiting on a contract to be signed which will hopefully happen soon. That will take care of some of the concerns the Board has had about lowering that cost.

Chairman Staton said that they would take a look at it.

- 3. Approval of the Minutes of the previous meeting held February 12, 2015 (For Possible Action)**

Ryan Wheeler said that he had a couple of things he wanted changed in the minutes before they were approved.

One was on page 5, the 3rd paragraph from the bottom of agenda item #5. The minutes say, "Ryan thinks that there needs to be a separate category in the personnel policy manual that has the requirements for step increases". What Ryan was talking about is what is required for category promotions. Meaning what needs to be done to move from one category to the next.

The next paragraph says "Randy doesn't see why it needs to be in the personnel policy manual. The general manager already has the ability to do this without Board approval".

Ryan then read the general manager's job description from the policy manual. It reads "The General Manager has authority to employ, promote, demote, reclassify, reassign, discipline, discharge and otherwise administer employment affairs for non-management personnel in such a way as he/she deems to be in the best interest of the Water District provided that all policies herein established are followed".

On motion of Ryan Wheeler and seconded by Randy Tobler, the Board voted 4-0 in favor to approve the minutes of the meeting held February 12, 2015 with the two corrections.

4. Clark County Livestock Show – Donation – Missy Hardy & Allie Nelson (For Possible Action)

Allie Nelson was at the meeting to request a donation for the CC Jr. Livestock Show. She's nine years old and this will be her first year showing a steer at the fair. Every year the Moapa Valley Water District donates \$100 to the CCJLA for the Herdsmanship award. They greatly appreciate the District's past donations and ask for the District's support for the 2015 Herdsmanship award.

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 4-0 in favor to donate \$100 to the Clark County Jr. Livestock Show.

5. 4th of July Committee 2015 Show (For Possible Action)

No one from the 4th of July Committee was present at the meeting to request a donation.

6. Discussion and possible approval to modify the Standby Rate (For Possible Action)

Jon Blackwell came into the meeting at 4:15 pm.

Joe Davis explained that it was brought to management's attention that there were some meters that were moved over to trusts after they went on the Standby rate. After speaking with legal counsel management was told that a trust is a change of ownership so per District policy they were moved over to the regular rate. Letters were sent out to those customers letting them know why their rate had changed. That prompted discussions with Mr. Behmer and other customers. The customers don't feel that anything has changed. Joe said this needs to be put to rest instead of revisiting it every month.

Ryan Wheeler said that it seems like this item is discretionary of what the legal interpretation is regarding change of ownership. He was approached by a rate payer earlier this month and his concern was kind of tied to this but not directly regarding the ownership. Ryan wasn't sure if he should bring it up.

Joe said that that customer's concerns are as valid as everyone else's. He has a question that's associated with this. If his concerns have any bearing on it then Ryan should bring it up.

Randy Tobler said that it's something that the Board's been looking at and probably should be brought up at another time. Ryan agreed with him.

Lindsey had made some calls so he had some information to share with the other Directors. He spoke with a previous Board member, James Robison, to see if James remembered what the intent of Board was when they passed the grandfathered clause. This Board is not beholden to past Board's decisions and Lindsey is ready to break with tradition if he can justify it. He had asked James what their intent was in regards to the grandfather clause, transfer of ownership and what it meant. The long and short of it is they were in the same predicament as this Board is in. They had a group of people that had meters in the ground that were off and locked and had been off & locked for quite a while. They wanted to be fair to them so they came up with the Standby policy. The intent was that those meters would eventually disappear off the list. James said that a family trust can exist into perpetuity because trustees can be changed or rotated out. Lindsey didn't realize that. It was not the original intent for the meters to stay on the standby rate in perpetuity and Lindsey agrees with that.

Mr. Behmer Jr. said that the trust was created in 1997 and all the property was transferred into the trust at that time.

Jeannie explained that according to the County records the property was transferred in 2008 to the trust. The policy was created in 2006. Also, the meter that Mr. Behmer Sr. is talking about has never been on the Standby Rate; it's always been on the regular rate (\$29.79). We did send a letter to Mr. Behmer last October on the property that he had to repossess.

There was much discussion on exempting trusts from the change of ownership status.

Joe said that he does not support modifying the current policy to allow exempting trusts from change in ownership status.

On motion of Lindsey Dalley and seconded by Jon Blackwell, the Board voted 5-0 in favor to NOT modify the current Standby policy to allow exempting trusts from change in ownership status.

7. Approval of the sale thru competitive bid of a 1998 Chevrolet Cheyenne 1500 extended cab truck (For Possible Action)

Joe explained that we opened the bids yesterday at 4 pm. Three bids were received. The highest bid was \$1,351 from Bruce Perkins. The other two bids were \$751 & \$656. Staff would recommend selling the truck to Bruce Perkins for \$1,351.

On motion of Chairman Staton and seconded by Lindsey Dalley, the Board voted 5-0 in favor to accept the bid from Bruce Perkins on vehicle 1981 in the amount of \$1,351.

8. Approval to accept the bid from Holbrook Asphalt Co. in the amount of \$25,327.40 for the asphalt seal coating of the Valley Heights Subdivision. (For Possible Action)

Lon Dalley said that this all part of the Vanguard repairs. There are 96 meters in Valley Heights and there are at least half that amount of patches that need to be repaired. We want to leave it looking whole so in order to do that we will do a seal coat over all of the asphalt in the subdivision. We sent out a request for proposals to different companies and received three responses back.

The following are the three bids we received:

Holbrook Asphalt Company for "Premium Mastic Grade Seal-Coat Application"	\$25,327.40
J & J Enterprises for "OverKote Mineral Filled Asphalt Emulsion"	\$26,579.00
Straight Stripe Painting, Inc. for "Nu-Rock High Performance Seal"	\$28,347.94

Holbrook Asphalt Company came in with the lowest bid at \$25,327.40. Lon doesn't know enough about seal coating to differentiate between them. He assumes they're all the same thing but with different manufacturers. We're not filling the cracks in the asphalt because we didn't cause that; it's was caused by time. We haven't used Holbrook before but Lon asked around and they sound legitimate.

Joe explained that we've done lots of asphalt work but we've never done a seal coating before so we don't know much about it. Even though we know the kind of work J & J does, he thinks we should give Holbrook and Straight Stripe the opportunity to bid and possibly let them do some work for us. Then we can find out for ourselves what kind of work they do. After Lon did some research on the bidders, he and Joe felt comfortable with all three of them. The money to do the seal coat comes out of the Vanguard money.

On motion of Ryan Wheeler and seconded by Jon Blackwell, the Board voted 5-0 in favor to accept the bid from Holbrook Asphalt Company in the amount of \$25,327.40 for the asphalt seal coating of the Valley Heights Subdivision.

9. Approval to accept the quote from Ferguson Waterworks in the amount of \$25,900.65 for parts on the Catherine Avenue small main upgrade (For Possible Action)

Joe said that one of our small main projects is Catherine Street. We're in the process of receiving our last permit for it so we need to order all the materials. We went out for competitive bid and received four bids back. One of them was going to supply JM Pipe. They did call later and say that the bid was not for JM Pipe but that's what the bid said so they were non-compliant.

The following are the three bids we received:

Ferguson Waterworks	\$25,900.65
Scholzen Products	\$27,043.26
HD Supply Waterworks	\$30,779.93

Staff recommends accepting the quote from Ferguson Waterworks in the amount of \$25,900.65.

On motion of Jon Blackwell and seconded by Lindsey Dalley, the Board voted 5-0 in favor to accept the quote from Ferguson Waterworks in the amount of \$25,900.65 for parts on the Catherine Avenue small main upgrade.

10. Review of the tentative budget for FY 2016 (Discussion only)

Joe explained that this item gives the Directors a chance to look at what Staff proposes to do with the budget next fiscal year and to make any changes they might want to make. Those changes will be made and the revised budget will be on next month's agenda.

Jeannie said that Staff decided to combine a lot of the sub category's to make it easier to see what the total amount spent in each one is. For example: There was a fuel category for every division but now they've been combined into one fuel category which makes it much easier to see what's going on.

Ryan had a few questions about the budget which Jeannie answered for him.

Randy said that he likes the simplified budget.

Ryan had a few more questions about the Capital Improvement Plan. Joe, Lon & Bryan answered those questions.

There was quite a lot of discussion on the line item for water resource development.

Randy asked Byron if it would be ok if he and Ryan talk about the budget and ran it by Chairman Staton. Byron didn't have a problem with that.

11. Manager's Report

Office Manager – 1) Inventory Scanning Equipment – We purchased inventory scanning equipment and software. We're still working on getting it up and running. **2) Scott Carson** is our new insurance broker. **3) Budget** – Budget numbers for current operating is quite a bit less than the prior operating expenses because of the 340A money. We haven't received any 340A money this year. Expenses are up because of the flood, engineering and legal. Joe explained that payments will be made when the contract modifications are taken care of. **4) Today was Jennifer's last day.** Julie's doing well. She picked up right where she left off. We're glad to have her back.

Water Distribution Superintendent – 1) Catherine Lane Project – Things are coming together on that. We have the letter from NDEP, the County permits are ready to be picked up and the NDOT paperwork was submitted on Monday. Hopefully it won't take very long to be approved. Once we get that we're good to go. We won't need the NDOT permit until the very end. Lon plans on being done in June. **2) County Blanket Permit** – It was picked up today. **3) Water Production**– Water Production is down a little from last year but it's in the ball park. He doesn't see it changing until things pick up. **4) Misc** – We relocated the backflow device inside Lasco's building. It was suppose to be right after the meter per NAC's. The Overton Tank bypass was installed for the Overton Tank renovation. Lon been assisting Bryan with the plumbing at Arrow Canyon and making sure that everything's put together there.

Water Production Superintendent – 1) New Meter Installs - Bryan informed the Directors that we had -1 in meter installs because we pulled Tom & Karen Brady's meter. **2) Meter Change-outs**- 92 meter change-outs were done. We will keep going along with that until we decide where we're going in the future with the meter technology. We have about 15 – 20 meters each month that will not radio read anymore. **3) Customer Service Requests** – We're a little below average, nothing real crazy. **4) Security** - The security project is moving right along. The cameras came in and they should be installed tomorrow. The company will hook them up next Wednesday. **5) Overton Tank** – We have the Overton Tank on solar power now. We were borrowing power from Mr. Anderson and it was unreliable. It's nice to be able to see it on SCADA and have it report back to us consistently. **6) Flood Cleanup** - We're continuing with flood cleanup. We still have a lot left but we're chipping away at it. **7) Vanguard** – Last month in Country Lane we saw cut everything. The guys got thru the first leg in about two weeks but on Trophy Elk they're actually having to hand dig everything. There are utility lines running everywhere so it's slowed down to about one or two a day. Bryan thinks that as they round the corner things are going to pick back up. **8) Leaks** – There weren't any major leaks last month. **9) Locksmiths** - We had Red Rock Lock and Key come out and Bryan thinks they need to be thrown in jail after what they did to us. They charged us a lot of money for nothing. We're still trying to fix that. They were in one of our PRV vaults and they stepped

right on our control lines which ripped them right off the PRV. That opens up high pressure instantly. Hopefully that will be done in the next week or so. Byron's going to be getting an email from Bryan soon because we need to send them a nasty gram. **10) Cross-Training** - For Bryan it's been very good and interesting. He's still learning lots and he appreciates the opportunity to work with the guys out in the field.

General Manager – 1) Vanguard Repairs – Joe explained that as of March 1st we've spent a total of \$42,784.44 on Vanguard repairs. All of the areas we're working on right now are the areas that are the most expensive areas. They're all going to require flowable fill, asphalt, and sealing so the numbers are going to be real high as we work on them. The \$42,784.44 does not include the \$26,000 for the seal coating in Valley Heights. It will probably be a 1/3 of that when we do Country Lane. Vanguard repairs are going slow. **2) Arrow Canyon** – Lane got all the rehab work done on A/C. The pumps have been installed and it runs great. They took some base line numbers off of it so they'll generate a separate sheet. Anytime we have any work or testing done on it we'll always have a base line that's associated with it so we'll be able to tell if the electrical starts having a problem or we start to have vibrations. It was nice to use a professional company and we did get a good price from them. **3) BLM Resource Management Plan/Environmental Impact Statement** – The Resource Management Plan was submitted. It will be interesting to see how things play out with it. Elise did a fantastic job putting things into perspective. Jay used all the dry terminology for the comments which meets the criteria that everyone else submitted under. Karen Budd-Falen wanted to make sure that things were stated in certain ways which gives us an opportunity since we are coming into the game late (we should have been involved in this process six years ago) to take legal ramifications if they don't take us seriously. The best part about that is OPD and VVWD are on the same page as us. If we do get into a push shove kind of thing we will be splitting the legal cost with them. Joe feels bad for Lee Kirk with BLM. He has been fantastic to work with. **5) Engineering Requests for Qualifications** – In the past we have used certain engineering firms that have done great work for us and they will probably continue to do work for us. The problem is that we need to have a pool of prequalified engineering firms that we can call to do work for us. Since they are prequalified we will already know what they can supply and what the charges will be. The District has never done this before. Virgin Valley just went thru this process so Joe called Kevin Brown the general manager at VVWD and we're going to follow the process they had since our districts are almost identical. We'll send out request for qualifications, we will grade them and then we'll bring it to the Board for approval. **6) Budget**– We already talked about this but we need to make sure that we submit it to the State by April 15th. **7) Personnel Manual** – We've had a lot of discussions on job descriptions and things. Pool Pact has been telling us for years that job descriptions do not belong in our policy manual. They recommend putting it in a document that employees are allowed to look at. Byron suggested we do an employee handout instead. POOL Pact sent us a sample and we are going to go thru it and use whatever applies to us then it will be brought to the Board also.

12. Public Comment

None

13. Director's Preference

Ryan said that he would like to look at the impact fees soon but the contract needs to be signed first so we know how much water we have.

Lindsey said that this Board has been very concerned about cutting costs and keeping water rates stable. They've done a great job with that. Staff has done a great job on it also. In an era of rising cost, we've bucked the trend and tightened our belts all the way around. As the Board looks at the future trend, we don't know where medical costs are going but we do know it's going up. PERS has been in the press a lot. That's going up. Those are two variable expenses that the Board and Staff have no control over. That's frustrating to him. He wants to look at the base rate because our base rate generally covers debt. The point he's struggling with is the way to deal with those two expenses that continue to spiral. He thinks that our rate payers need to know that we're struggling with it and that we have no control over it.

Randy thinks they need to think about how we are going to communicate that to the rate payers. Till they see a number it really doesn't mean much to them. He doesn't know if there's way to extract the regulations that the State and Federal government puts on us. We could actually have a broken down cost of it. Maybe that's something the Board could look at.

Lindsey thinks they could break those costs down and put them on the bill so the customer can see what those costs are to them. We should be proactive so our rate payers know what's going on, that way people will know that we're not trying to hide something if we have to raise rates.

Ryan thinks that the time to educate the users is when we cross that bridge. If we start putting things on their monthly bills he thinks it will raise more questions.

Bryon said that most people don't want to see that on their bill. When their bill goes up, that's when they want to know why.

Randy said they want to be proactive. If they don't, people show up at Board meeting.

- **Review Monthly Expenditures (For Information Only)**

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

- **Litigation (Closed-Door Session)**

- **Discussion on SNWA's proposed contract modifications (Closed-Door Session)**

-

14. Personnel (Closed Door Session)

15. Approval of the April 9, 2015 Board Meeting

The general consensus was to hold the next Board meeting on April 14, 2015.

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

None

17. Adjournment

The meeting adjourned at 6:25 p.m.