

**MINUTES  
MOAPA VALLEY WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
HELD  
THURSDAY, MARCH 9, 2017**

**PRESENT:**      Kenneth Staton  
                      Jon Blackwell  
                      Randy Tobler

                      Joe Davis  
                      Jeannie Poynor  
                      Bryan Mortensen

                      Vernon Robison, Moapa Valley Progress  
                      Brian Greig, MVWD

                      Joe Phillips, Sunrise Engineering

                      Lindsey Dalley  
                      Ryan Wheeler

                      Susan Rose  
                      Lon Dalley

                      Byron Mills  
                      Nick Shakespear, MVWD

                      Rock Kennedy

**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)**

Rock Kennedy was at the meeting to express his opinion on the District's \$31.88 minimum monthly bill. He has a vacant lot that he never uses water on. He thinks that there should be a lower rate if you're not using water.

Randy explained that when Mr. Kennedy bought the lot he should have got paperwork from the mortgage company that said if utilities were included.

Joe explained that he had spoken with Mr. Kennedy about this and explained to him that we have bonds that have to be paid, and bills that we have. The base rate is designed so we can pay those bills. He also explained to him what he can do to avoid paying that monthly fee. He also told him that we've already had other individuals come and talk to the Board about this and the Board left the policy as is. He told Mr. Kennedy that he could still speak to the Board during public comment.

Randy Tobler explained to Mr. Kennedy that he's in the same boat. He pays the monthly bill because he doesn't want to lose that water. He said that this affects quite a few customers so if we were to change it for everyone who uses no water, it would affect our bottom line so we just can't do it. Randy said that he could sit down with Mr. Kennedy and show him the budget and the map then Mr. Kennedy could see what we're talking about. One of the issues we have is that we have a line that's 26 miles long. It has trunks in it and we have 3400 meters hooked to it that pay for that line. It's a challenge trying to get enough water storage, maintain everything and if we cut the standby rate, we don't have money to maintain those facilities.

Ryan Wheeler said that with the sewer if the sewer company comes in and installs a sewer line in front of your house, and you don't connect to it, you still have to pay a fee because you're close to that service.

Randy said he will sit down with Mr. Kennedy and go over our map and budget with him. Mr. Kennedy said he would like that.

Chairman Staton told Mr. Kennedy that we couldn't do anything about it today but if after Randy sits down with him and if they come up with a good idea, it could be entertained at a future date.

**2. Approval of the Minutes of the Previous Meeting Held February 9, 2017 (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 9, 2017 meeting.

**3. Discussion and Possible Approval to Terminate the Construction Agreement with KB Homes Nevada Inc. and Refund \$178,840 for Monies Paid for 30 Meter Connections and 8 Payment in Lieu of Dedication of Water Rights (For Possible Action)**

No one should up for this item again.

This item has been tabled until next month's meeting. No action taken.

**4. Update on the Master Capital improvement Plan – Joe Phillips (For Discussion Only)**

Joe Phillips had a PowerPoint presentation of the 100% complete capital improvement plan. He said that last time he was here we had narrowed down for the most part what the improvements were probably going to be just to come into compliance with existing State codes and Clark County fire codes. He reminded the Directors that he had provided them with maps at a previous meeting that showed parts and different pieces of pipes. There was also another map that showed the fire hydrants that exist vs. what Sunrise recommends. They have moved passed that and begun to quantify where we're at today. It's basically been summarized in the slides he has in his PowerPoint presentation. Sunrise is all finished with the report so this is basically the final presentation. When we're done here tonight, he'll take it back to his office and incorporate what we want done. After they're done with that, they will get us copies of the final report.

Joe Phillips said that he met a week & a half ago with Joe Davis, Lon Dalley & Ryan Wheeler and worked on the draft of the report. Sunrise has incorporated all of the comments and changes we wanted into the final plan. He would have brought hard copies but decided he better wait until after this meeting in case any other changes needed to be done.

The first thing he went over was the Water Right Recommendations. He said that we're in good shape in regards to water rights. The following are Sunrise Engineering's recommendations:

1. Budget for annual development of water rights and water resources.
2. Maintain a proactive water rights posture through communication and involvement in state water agencies, especially for the purposes of understanding water rights law and policy and being in a position to influence future law and policy.
3. Manage water rights within current water law and policy to defend permitted and certificated rights.
4. Complete certification of the Arrow Canyon Wells water rights (Application Nos. 66043, 52520, 55450, and 58269) as long as those certifications do not exceed the District's ability to demonstrate beneficial use on a five-year basis.

Joe Davis explained how Arrow Canyon Well works and how hard it is for us to get it certificated. He also explained to the Directors about the issues with MX-Well 6.

5. Consider changing the point of diversion on the MX-6 Well right (Application No. 46932) to a location in the vicinity of the Arrow Canyon Wells to make the water more economically and permanently available for use.

Joe Phillips explained that we hold the water right to this well but we don't hold title to the property or the assets. It's a little bit of a gray area. Joe Davis has tried to follow up and see what we could do to get that transferred to the District. Step 1 on the MX-Well would be to see if we could get ownership or a long term lease. If we can do that, then we could hold that well and invest some money into it so we can get it up to 2 cfs. If for some reason we can't get ownership or a long term lease then we would abandon it since it's not a great producer anyway and then move the point of diversion somewhere else.

The next slide was their Source Capacity Recommendations: They are as follows:

1. Store and maintain an inventory of critical repair parts and pipe such that a reasonable length of the "bottleneck" pipeline could be replaced and brought back into service as quickly as possible after a failure.

2. Replace the Baldwin Springs booster pumps to be able to pump simultaneously with the Arrow Canyon wells.

Right now we have two booster pumps up there, one is faulty and the other doesn't have sufficient head to pump against the Arrow Canyon wells so it's a one or the other situation right now. The District already has pricing back and a design in place to replace those booster pumps. If we go forward with that now then we'd have the ability to run both of those sources, the springs and Arrow Canyon well at the same time so we can get all of that water into our system.

3. Rehabilitate Arrow Canyon Well No. 2 as required to restore its design quality and capacity. This improvement is currently planned for the 2018 fiscal year.

4. Install Arrow Canyon Well No. 3 with a capacity of at least 1,800 gpm.

Joe Phillips said that what Arrow Canyon well #3 would do is give us 1800 gpm so we have redundancy in capacity if the other wells were to go out.

5. Pursue ownership or long-term lease of the property and assets related to the MX-6 Well.

6. Implement the recommendations given in the 2014 Integrated Water Resources Plan [2].

7. Install a pipeline on North Pioneer Road from Liston Avenue to Waite Avenue, tying the existing pipeline on Whipple Avenue and Waite Avenue into the North Pioneer Road pipeline, to provide two additional crossings over the Muddy River.

In discussions with Joe, Lon and Ryan, they decided to list this as a future improvement. What #7 does is gives us two additional pipes that we can back feed across from the east side of the Muddy River to the top end of the west side of the Muddy River. One of the issues that they discussed as part of the project is that we have a limited ability to run water back and forth across the river and especially feed the upper west side of the system. This is meant to correct that and give us some operational capability.

Storage Capacity recommendations were next.

For total storage capacity we have way more than enough for total storage. The issues are with our storage is where the storage is and the ability to get to it.

1. Install a 500,000 gallon tank at the Arrow Canyon well site to provide maximum day demand, fire flow, and a 75% emergency reserve capacity for all connections in the Moapa Upper and Lytle Ranch pressure zones.

The purpose of that is that the upper reaches of the system right now are fed for the most part on the production of the wells. In order for there to be a constant flow those wells have to be on. There is some ability to back feed from the Moapa tanks to not quite the upper most areas. The addition of that 500,000 gallon tank would give us 75% emergency reserve capacity up there and sufficient storage to cover those upper areas.

2. Complete regular inspections on each existing storage tank and subsequently plan for refurbishment and cathodic protection improvements as required to keep the storage assets in good working order.

This is kind of a generic recommendation but an important one.

3. Install a 3,100,000 gallon storage tank on the "bottleneck" transmission line located in "the narrows" to provide a 100% emergency reserve capacity to the southern part of the District's service area.

The intent here is to have sufficient storage on this low end of the bottleneck so we can serve water to 75% of our users which are in the lower part of the valley. Obviously it's a big tank which comes with a big cost but with the different options Sunrise looked at this one seemed to be the most reasonable one to make sure we'll be able to provide water to our customers.

5. Recondition the Logandale East Tank to prolong the service life of the tank.

We just had this looked at not too long ago so this is a ways down the road. We need to keep that tank in good shape.

Next were the Treatment Capacity Recommendations.

We're in good shape on this one.

1. Budget annually for arsenic media replacement at the Baldwin Springs and Arrow Canyon treatment facilities.
2. Continue to regularly monitor fluoride levels in the system and take operational measures as necessary to limit fluoride concentrations to below 2.3 ppm.

This one is a key issue. We need to keep monitoring fluoride. Right now we have a waiver so we don't have to do anything about it but if we get up to 2.3 ppm then we will have to start looking at treatment. Joe, Lon & Bryan are on top of that.

3. Continue to improve and maintain the chlorination facilities for ease and economy of operation.
4. Continue to maintain good flow and water quality records at the Baldwin Springs and Arrow Canyon arsenic treatment facilities to develop a baseline record of split flow, or bypass dilution operation.
5. Investigate the feasibility of installing concrete backwash basins to eliminate the District's having to comply with NDEP's RIB permitting requirements.

Distribution System Recommendations came next. The recommendations are:

#### CRITICAL IMPROVEMENTS

Joe Phillips explained that the bulk of the recommendations are in the pipe. In their meeting they reviewed the last draft of the report and determined that the scope and scale of the fire suppression improvements which is the vast majority of the improvements that we need, are important but not critical the way they labeled them. The justification for the reason they labeled them that way is because the District was founded on the premise that it was a culinary water supply entity not a fire suppression entity. A lot of our system has small mains so the cost to bring everything into compliance with the fire suppression code is just too big. With that in mind they bumped the fire suppression down a little.

1. Install 300' of 20-inch ductile iron pipe to replace the existing 14-inch asbestos cement pipe across the Meadow Valley Wash.

The line is susceptible to flooding and an outage there would cause a critical break in supply.

2. Install 2,080' of 16-inch PVC to replace the existing 14-inch asbestos cement pipe across the Muddy River at Baldwin Springs.

This is similar to #1. Up there where the Baldwin Springs come out and the line crosses the Muddy River, there's a couple thousand feet that is ac pipe and it's right in the flow line of the Muddy River. A couple of years ago Joe had Sunrise look at it to see what it would take to put a pvc line in there & get it out of the flow line so it's more protected to make sure we don't have an issue there. Also, if that line breaks it puts chlorinated water right into the Dace habitat.

One of the questions that Staff had when Sunrise started the plan was what happens when SNWA wants to take their 3,750 gpm or the 6200 gpm. The answer to that is that the distribution system generally has the capacity to move that water. Just a few little things need to get done.

Ryan Wheeler said that they talked about this in that meeting. They talked about the potential to run another line like a 36" line or whatever is needed to be brought thru the narrows. In the model Joe has shown that the system can provide both with the existing infrastructure with a few minor tweaks which Joe Phillips is going to talk about. That's the good news out of that.

Joe Phillips said that just for a frame of reference, the 24" line with the intermediate booster pump on it will move the 6200 gpm so the 14" and the 12" would basically if you divide the flows out of those two, move our living water at a constant rate in the lower part of the system. There's not any extra capacity there, but there's enough capacity.

Randy said that's just assuming that SNWA decides to take their water. Right now it's a 10 year contract.

Joe Phillips said if SNWA doesn't ask for their water, then none of these go.

#### SNWA FLOW REQUIRED IMPROVEMENTS

1. Install a booster pump on the 12-inch "bottleneck" transmission line.

The issues are on that 12" bottleneck on that transmission line. Sunrise would recommend installing a booster pump next to the intermediate pump on the 24" line. The pressures in that 12" line gets pretty low, like 7 psi, where it goes over the high point. Just keep the water moving down that 12" line. It will flow without a booster pump but it's probably advisable to put one on there

2. Install a booster pump on the branch line to NDOT tank.

Once the SNWA water flows come on, the NDOT branch up to the NDOT tanks goes negative so we need to boost that water up. Joe Davis said that there is a booster pump on it right now but Joe Phillips said that the model shows it's not big enough under SNWA conditions but right now it's fine.

3. Install point-of-use pressure tanks at the Aquatic industrial site and the Moapa Substation.

The last one is the Aquatic Industrial site. That system up by the substation has low pressure anyway and it will even be more so when SNWA's water goes thru. He also emphasized that these recommended improvements don't solve any of the existing problems, they just make sure that there's not degradation in the level of service that we have now. If we run the same old flows under the Dace conditions this is what we would have to do to get it to work.

#### FIRE SUPPRESSION IMPROVEMENTS

Fire suppression improvements are the bulk of the recommendations that Sunrise had which are all based on that 3<sup>rd</sup> point in NAC code.

1. Install the distribution system improvements highlighted in Map 17.
2. Install the fire hydrants highlighted in Map 19.
3. Replace the existing standpipes with fire hydrants.

Basically nothing has changed on these three items since last month.

#### FUTURE IMPROVEMENTS

Joe Phillips said that future improvements are the same thing they talked about before.

1. Replace all existing small mainlines, including 2-inch, 3-inch, 4-inch and 5-inch pipelines with 8-inch lines as repairs are being made to the system over time.

Replace of the existing small mains. The recommendation there is to just do them as we're going along making repairs in the system.

2. Replace the existing 18,230' of 20-inch JM Eagle PVC pipe from the Arrow Canyon Wells to the Moapa Tanks if/when settlement or other funding becomes available.

There is JM Eagle PVC pipe from the Arrow Canyon wells down to the Moapa tank. It's the faulty pipe that tends to be brittle and has a lot of breaks on it. It's a maintenance issue and may become worse. We need to keep our eyes on it and if we get funding or settlement money, we can change it out.

Joe Davis said that as of right now we can't get any settlement money because we don't qualify for the time frame but that might change in the future.

Byron doubts we will get any of that money because they would have to re-litigate to include us since we weren't in the original portion when they looked at who was damaged at that time.

3. Install two additional Muddy River pipeline crossings on Whipple Avenue and Waite Avenue to North Pioneer Road, and connect the North Pioneer Road pipeline northward to the 24-inch and 12-inch transmission lines.

#### OTHER IMPROVEMENTS

1. Implement an ongoing meter replacement program that would replace all meters in a 10-15 year recurring cycle.

Joe Phillips said that the issue here is that the meters tend to lose resolution after time so we would have a potential to lose out on revenue.

2. Implement an ongoing valve replacement and valve exercising program.

He would recommend doing the same thing as #1. The professional say that if you exercise the valves the life gets better.

3. Regularly fund and maintain PRV/ACV/PSV system components.

These things are key to our system. They need to be maintained in order for the system to work right.

4. Regularly fund and keep operational the SCADA system.

SCADA is a man hours saving tool. We need to keep it operational.

Joe Phillips explained that a CIP needs to be updated every five years. If we see any growth patterns in the future, we need to have the plan looked at. If nothing changes, we don't need to do it.

Joe, Lon and Ryan asked Joe Phillips to put together his top 10 projects. He was more than happy to do that. When they determined that the fire suppression improvements were important but none critical, in Joe's mind and the basis for him coming up with this list is the best opportunity we have to keep our system whole is making sure that we can get water to the top part of the lower valley. If we can't get water to the lower valley then we have a whole host of problems downstream. His top 10 project list is based on getting water resources to the top of the lower valley.

Joe then went over the list he put together.

#### Joe Phillips' Top Ten Projects

Project Description	Risks Motivating Implementation	Opinion of Cost
Build repair material inventory for "bottleneck" pipelines	Without an inventory of repair materials, outages on the "bottleneck" pipeline may be unacceptably extended	\$75,000
Rehabilitate Arrow Canyon Well No. 2. site is diminished	Without full capacity of Well No. 2, full capacity of the Arrow Canyon site is diminished	\$75,000
Install 20-inch Meadow Valley Wash pipeline crossing.	Without the improvement, the District's primary feed line is at great risk to flood damage	\$79,000

Replace Baldwin Springs booster pumps	Without Baldwin Springs, the District relies primarily on the Arrow Canyon site for its water source	\$150,000
Install 16-inch Baldwin Springs transmission line replacement.	Without the improvement, the District's primary feed line is at great risk to flood damage	\$406,000
Install a 0.5 million gallon storage tank at Arrow Canyon	Without operational and emergency reserve storage, the upper zones rely entirely on the sources for their supply	\$1,200,000
Install a 3.1 million gallon storage tank in "The Narrows"	Without reserve capacity, the District can expect rapid storage drainage during "bottleneck" breaks.	\$2,750,000
Install 16-inch pipeline with appurtenances	Without the improvement, the District's ability to feed water to the upper west side is limited	\$1,414,000
Acquire ownership or long-term lease of MX-6 Well	Without certain holding of the assets, the District lacks information that might help wisely invest capital	\$200,000
Install Arrow Canyon Well No. 3	Without a Well No. 3, redundancy at the Arrow Canyon site is less than 100% capacity.	\$800,000
<b>Total</b>		<b>\$7,149,000</b>

#### Engineer's Opinions of Cost

Horizon/Category/Risk	Project Costs
Current/Critical/1	\$785,000
Current/Critical/2	\$1,400,000
10-Year/Critical/1	\$800,000
Current/Operational/1	\$3,807,000
10-Year/Operational/1	\$1,000,000
Future/Operational/1	\$1,000,000
Future/Identified/1	\$3,220,000
Future/Identified/2	\$110,000
Future/Identified/3	\$6,154,000
Current/Fire Flows/1	\$1,433,000
Current/Fire Flows/2	\$2,460,000
Current/Fire Flows/3	\$10,787,000
10-Year/Fire Flows/1	\$1,284,000
Future/As Needed/1	\$25,183,000
<b>Grand Total</b>	<b>\$59,423,000</b>

**6. Discussion and possible approval of the Bowen Collins & Associates Engineering Contract for Arrow Canyon Well #3 not to exceed \$43,225 (For Possible Action)**

Joe Davis reminded the Directors that we've had Wallace, Morris, & Kline and Fairchild Consulting working on the environmental and the survey work for the BLM application for the Arrow Canyon #3 siding. We coupled that with siding for the Arrow Canyon tank since they're in the same area. The last step that needs to be done is we need to have engineered drawings done for the BLM in order to submit our application. We've contacted Bowen, Collins & Associates to do the drawings because they've already done work up in that area.

The cost to get to the 60% stage will be \$43,225. Staff recommended signing the agreement. This application might not be approved for years unless Marilyn Kirkpatrick is able to do something for us.

On motion of Lindsey Dalley and seconded by Ryan Wheeler, the Board voted 5-0 in favor to approve the Bowen, Collins & Associates contract for Arrow Canyon Well #3 not to exceed \$43,225.

**7. Review the FY18 Tentative Budget (For Possible Action)**

Joe said that if we move forward with the Arrow Canyon well #1 process there might be some incidentals that will need to be done so Joe asked the Directors if staff could add \$40,000 to that budget item.

Joe had a discussion with the State Engineer when he and Lon were at the NV Water Resources Conference. We might have some options that we can do with Arrow Canyon to clean it up. There's still a lot of risk that's involved with it but there might be some options where we can salvage it. The problem is that if you go in and try to do it and we don't have good luck, we're out of luck. But if we drill Arrow Canyon #3 and then we don't get as good as Arrow Canyon #1 we can still try and do these options. A/C wells #1 & #2 are so close that if we try to go in and do anything with #1 we'll have to take #2 out of production because whatever we're going to put in there to try and clean #1, will effect #2.

The State Engineer reminded Joe that all domestic wells have to be cased to the bottom. There was an exemption given to MX-5 so it's not cased all the way to the bottom because it so crooked. Since that well was allowed to be put into our system without a casing going to the bottom, if we lost the casing on Arrow Canyon well #1, we might still be able to keep the production in it. Maybe it won't be as bad as we think. Joe explained some of the options we might have.

Joe just wanted to put an extra \$40,000 in the budget just in case we need it. If we decide that we need to move forward with the BLM process, then we will have the money slated to do that.

Joe asked if the Board was still interested in doing a few other projects. He reminded them that the tentative budget has to be submitted by April 15<sup>th</sup>.

The Directors were ok with putting an extra \$40,000 in the budget for Arrow Canyon.

Ryan said that he thinks that the crossing in Meadow Valley Wash is a priority.

Joe explained that the problem with Meadow Valley Wash is that ac pipe was used. He doesn't know how that happened since the requirements were that any time you cross a river you are supposed to use ductile pipe. We had the flood and it took out half of that pipeline so we replaced it with pvc. In the bottom of the wash we have a stainless steel line that's not restrained. If we go in there and replace it, we will use the right kind of pipe, restrain it and upsize it from a 14" line to a 20' line. The 20" would tie back into the 14" and we would never have to go back in there.

The general consensus was that Meadow Valley Wash would be a good project to do in FY18.

Joe asked how much they wanted to put in the budget. Joe reminded the Directors that the ending budget will be a negative balance. We will be spending money out of savings. We didn't do it last year but we need to do it this year. If Joe was going to make a recommendation he would recommend putting \$300,000 for small mains. That would be for Meadow Valley wash and the other small mains could be decided later on so we can get the best bang for our buck.

Ryan said that after we get the final report maybe we could out \$100,000 towards meter replacement. Staff can decide what projects they want to do with rest of the money.



Joe explained that all of our meters were changed out at pretty much the same time so now they're all going bad at the same time.

The Board decided to put \$300,000 in the budget for small mains.

## 8. Discussion and possible approval of the of a policy regarding meter upgrades (For Possible Action)

Lon Dalley gave the Directors a little background information on this agenda item. Staff has been contacted by customers regarding upsizing/downsizing existing meters. There is no clear direction in policy as how to go about this. Staff believes it has been handled differently among managers, and current staff feels there should be policy to direct current and future staff. Lon wants direction on what we're going to do with this. Lon spoke with Byron about this and the following language is what Staff would recommend be adopted into policy. This will be placed into section "E: Request for Individual Service", of the MVWD Policy Manual.

Upsizing/Downsizing of an existing meter:

Upsizing of an existing meter to a larger size shall comply with the current "Meter Installation Fee Schedule". The "Upsizing Fee" of a meter shall consist of the cost difference between the existing meter size and the desired larger meter size, along with the cost of time, equipment, materials, and any applicable Right-of-Way Encroachment/Inspection Fees.

Downsizing of an existing meter to a smaller size shall consist of the cost of time, equipment, materials, and any applicable Right-of-Way Encroachment/Inspection Fees. The Customer will not receive a refund of the cost difference between the existing meter size and the meter downsizing to.

On motion of Randy Tobler and seconded by Jon Blackwell, the Board voted 5-0 in favor to approve the recommended language of "Upsizing/Downsizing of an Existing Meter" into Policy.

## 9. Manager's Reports

**Office Manager** – Jeannie Poynor reminded the Directors that they had asked to see how much we are behind in funding accounts. Jeannie had a memo that shows where we're at since we stopped following the capital improvement plan and funding accounts. There were quite a few questions on this.

Ryan reminded everyone that we have \$100,000 in the budget to buy water shares. He suggested that since we should be getting the four water shares back from KB Homes, why don't we use that money for something else this year. The general consensus was to use that money elsewhere this year.

Revenues are up a little over \$3,000 from this time last year.

The budget thru the end of January is at about 58.33% of the year expended. Revenues are at about 68%. Expenses are down quite a bit. Last year for expenses, we were at 52.92%. This year we're at 42.68%.

**Assistant General Manager - 1) Production** – Lon Dalley explained that Arrow Canyon Well #1 hasn't been used so no water went thru it. We pumped 36,616,000 in February from Warm Springs. 13,906,000 was pumped out of Arrow Canyon #2 and 22,710,000 was pumped out of Baldwin. These are estimated totals from SCADA but they're very close. **2) Arrow Canyon Well Level** – Lon said that the well level varies depending on what the pump is doing, if it's on or if it's off, and how much its pumping, That fluctuates so it's not very consistent so it doesn't give us a good baseline. Joe had a really good idea. When we pull these measurements, we'll have a consistent amount that we're pumping when we'll run the well. We will have the same gpm every time we take the measurement. That will help it to be more consistent. That way if there's an affect we will see it now. We're still working on how we're going to do it.

**3) NWRA** - Joe and Lon attended the NV Water Resources Association's annual conference. It's really good for meeting, networking and rubbing shoulders with people like Jay Lazarus, Greg Morrison, Rick Felling, Jason King and other individuals. Joe was also able to talk with the State Engineer and his right hand

man for a little bit. **4) West Overton Tank** - It's been a year since the tank was recoated. We had the one year warranty inspection which came back last month & the tank looked great. There were just a few touchup spots. The tank guys got here on a Tuesday and by 10 am Wednesday morning they were done with what they needed to do. We pulled samples and we're all good. **5) County Road Improvement Projects** – If anyone asks, the County is doing some road improvements around the valley and also

starting on Henry Road. We had a little incident on Rice Rd with our 3" line being so shallow. They were running scrapers across it. Lon thinks their done for the most part. They're just putting dirt back where it goes. Henry Rd. might be a different story. They're going to actually lower some of our waterlines.

**General Manager - 1) Legislature Commission's Subcommittee to Study Water** - With all of the water bills that are out there, there are probably 3-4 that have some direct correlation to the District. Some will benefit us. AB50 allows for fines. Their argument behind it is that the fines have always been able to be made. Joe's argument to them is if it's always been that way why do they need to change it? In everyone else's mind, it gives them a way that they can levy fines for instances that might be a little discretionary so it's a revenue source for them. The bill states that not only can they collect fines but it goes into a special account that only they can spend. Any time you give someone the opportunity to generate fines to go into their own coffers, it gives them an opportunity to fine you for anything. There are a lot of people that oppose it. A lot of bills are being discussed this week. Joe, Lon and Lindsey will be going to go to the Governor's office next Tuesday since they will be in Reno for the NV Rural Water Conference.

**2) Unaccounted Water** - Joe said that it's really difficult for him to send the Directors anything because the Board packets always go out right when we're reading. Basically we produced 38M gallons of water and we sold 26M gallons so we're missing 29% but there are no rice patties anywhere. It's an ongoing process. We're making our way down thru the valley. The part that makes it extremely difficult is that we're so long. Right now we have on the 24" line an insertion meter at the intermediate booster station and we have a meter at the mining prv. The mining prv is brand new so it should be more accurate. One month it dictates exactly what we're selling in the lower valley. The next couple of months it will be off 10M or 15M gallons off and then it goes back to tracking correctly. We can't figure out what's going on. We've reinstated the intermediate booster one. It's not always as accurate as the one at the mining prv but we decided to read it every day like we do the others. That way we can compare it to the others. So far they all match. It's just mind boggling. The source reading must be pretty accurate because they're running in conjunction with what's going into the psv's and the Moapa tanks. **3) DeNora On-Site Generation-** All of the drawings have been submitted. It will actually be here on June 25<sup>th</sup>. Paying for it is going to cross into the next fiscal year. **4) NV Water Resource Association Conference** - As Lon said Jason King, the State Engineer, came over to Joe and talked with him for awhile. Joe was explaining to Rick Felling who is Jason King's right hand man, his frustrations with what to do with the Arrow Canyon well #1 and BLM permit process. Rick reminded Joe that MX-5 isn't cased to the bottom. That started Joe's mind thinking so he went and talked to a RossCoMoss guy and there are options that are there but the problem is that when you talk to a well driller or a screen guy, they'll tell you as soon as you tell them that it's carbon steel, that if you got 10 years out of that, you've got your money out of it so drill another well. It has far exceeded its life expectancy. If we would have drilled it with stainless steel, and this will be the bridge we'll cross if we drill another well, Joe will recommend stainless steel. It will be double the cost depending on what size a hole we drill and we should get 75 years out of it. It's well worth the investment. If we would have done that with the Arrow Canyon well, we wouldn't be having this conversation. There are some options out there. They have our data from when they cleaned the well. They also have a man on staff that used to drill wells. They're going to look at it and give us some recommendations. We will definitely get some 2<sup>nd</sup> opinions. **5) BLM Permit Requirements** - Anything you do with BLM is costly. If you read the first part of the law, we are exempt from fees but the very last caveat that they put in the law is that if more than 50% of your revenues comes from rate payers, you don't qualify for this. When we did the MX-6 pipeline and the Moapa 1M gallon tank, we filled out an application. Now it's up for renewal and they're asking for r-o-w documents, and GIS information. Every BLM permit that we have that comes up for renewal is going to be costly and require time and effort. **6) System Upgrade Partnerships** - We have some individuals that are looking at building some businesses are on existing lines. They don't meet fire flow requirements in order for them to do their project. We have lines slated in the capital improvement plan that need to be replaced at some time. If an individual comes in and wants to partner with us in order to move that up the list in order to do it, and they are willing to pay 50% of the cost, there will be a reimbursement area that will be generated. If other people come in and want to connect to that line, they will have to reimburse the person who upgraded the line. Joes asked if there was any direction from the Board as they're looking at it. There was some discussion on this and the general consensus was if there is a situation like this, they will talk about it then.

Ryan said that we just need to make sure that we're careful with this because we don't want to set precedence.

Joe explained that on the Rock Kennedy situation, the Board didn't tell him anything different then what he had told Mr. Kennedy. Joe reminded the Directors that in the past they had said that they wanted to see things on a case by case basis. We haven't been telling people that they can be on the agenda but that they can come and present their case to the Board during public comment. The Directors will then decide at the Board meeting if they want it on the next month's agenda. That's was fine with the Directors.

**10. Public Comment**

None

**11. Personnel (Closed-Door Session)**

**-Employee Negotiations on benefits and pay scale (For Possible Action)**

On motion of Chairman Staton and seconded by Jon Blackwell the Board voted 5-0 to call a closed-door session at 6:18 pm.

On motion of Chairman Staton and seconded by Jon Blackwell the Board voted 5-0 to reconvene the open-door session at 6:19 pm.

Randy Tobler said that he wanted to go over some assumptions he's assuming that everyone's on. It's an assumption because he's assuming it. This is the second time Randy has been involved in employee negotiations. The Board decided when they first got put in that they weren't going to do Cost of Living increases because it was constantly going up. When he and the three employees started meeting the negotiating team never brought up C.O.L.A.'s which Randy really appreciated. After talking with Joe about budget issues and talking with Staff, they have bought into that and that is unique. You don't see that in State agencies or other utilities. You just don't. Their employees just expect it. Our employees understand the Boards constraints and we kind of compromised and looked at pay scales and other benefits. Randy said that he really appreciates Joe, Staff and all the employees because they are so willing to be creative.

The first thing Randy wanted to talk about was a pay scale issue. One that was looked at in the past is the Lead Serviceman position. The big driving force for Randy on this was if you look at what our Servicemen get and what the Lead Servicemen get, there's not much difference between them. This falls into the category for three individuals; the Office Manager and the two Lead Servicemen. Randy feels like we have a lot invested in the Lead Servicemen and he thinks that pay scale should be moved up. Staff suggested \$2/hr but Randy would like to see \$3/hr. He said that there's a big gap in our district and other utilities in most categories. As far as costs, for a \$2/hr increase it would be \$5300 per employee, per year. That includes Pers. It would be about \$7800 per employee at \$3/hr.

The 2<sup>nd</sup> issue is the clothing allowance. Currently the employees get \$125/yr for clothing allowance. One of the driving forces here is that if they get a good pair of boots that's gone. The guys are in water all the time and they just don't hold up. Randy would like to move that to \$300/yr. That would cost the district about \$5100/yr. This includes office staff.

The 3<sup>rd</sup> issue Randy said would be internships. He thinks it would help with moral and also help to get some things done out in the field. With an internship we wouldn't have to pay benefits, and we can work them up to 120 days for 8 hours a day. That's up to management. There's a lot of things that are weighing on a lot of the people out in the field that aren't getting done such as valves and making sure that those are turned. There's a whole list of things that need to be done. Randy would leave that up to Joe's discretion. If Joe see's that it would be beneficial then he could hire someone for out in the field and someone in the office if someone's needed there. We could also hire an intern to do cleanup and yard work which would free up other employees to get more important things done.

4<sup>th</sup> Standby time – Randy wasn't really aware of how this all worked so he said that he would probably slaughter it explaining it. The Servicemen and the Lead Servicemen are on call when the office is closed. They alternate. One week out of the month one of them will be on call for the week. The following month it's a weekend. Currently they're being compensated because they have to respond within 30 minutes. And they have to stay in the valley the whole time. Randy thinks that since the system has gotten older they are being called out quite a bit more. It's a struggle when you have to stay in the valley and you're family has to go somewhere and you can't participate in it. He thinks the compensation could be better in that area. Alternatives would be to have a crew run 24/7 which we can't afford. He thinks there are better plans to look at. He thinks their idea is workable. What they've talked about is that on a weekday it would be double what their getting now. It would be the same thing on weekend and on holidays. If you look at a full year we would be doubling what we're paying them now. It would cost the District an additional \$39,195/yr.

There were quite a few comments on standby time.

Joe thinks that it's a lot of money for someone to be on standby. Also, how do you compensate Jeannie when she has to answer the phones when there's a leak? How do we compensate Lon when he has to answer Joe's phone calls when he's off the clock?

On motion of Ryan Wheeler and seconded by Lindsey Dalley, the Board voted 5-0 in favor to increase the whole pay scale for 100 up \$3.00 an hour.

On motion of Randy Tobler and seconded by Jon Blackwell, the Board voted 5-0 in favor to increase the clothing allowance to \$300 a year per employee.

Randy asked that they don't make a motion yet. He would like every Director to say what they want to do on the standby time. If they can't support this, then let's try to find a medium.

Ken thinks that they need to work on it a little more.

Lindsey and Ryan think this item needs to be tabled.

Ken told Brian Greig and Nick Shakespear that they are going to work on this. There are a couple of other things that they are still working on as well.

## **11. Director's Preference**

### **- Review Monthly Expenditures**

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

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

### **- Water Rights Discussion (Closed-Door Session)**

Randy asked Joe if he was able to find out anything on how other utilities handle rentals.

Joe said that OPD is the only place that the balance follows the bill. Joe said that if a husband & wife sign up for an account jointly, then leave that bill and move into another place, it doesn't matter who signs up for service they track people and try to collect from that person. If you are a husband and you're on an account and then you leave that account and sign up for a new account with your wife, and you've never been on a joint account before then the bill stays with the meter.

Randy asked Byron what we can legally do. Randy said landlords carry a lot of risk and that's what they get themselves into. He realizes that but this is a constant problem. He's had several people talk to him about this. There are people in this town that abuse it because they know the system. The wife will sign up for water, not pay it, and stick the landlord with the bill. They then buy or rent another house and have the husband sign up for service. The bill doesn't get transferred over. The challenge he sees now is that with the people across the street it's not apples and apples, it's apples and oranges. They signed up as a joint account first and then they signed up for another place as a joint account so they transferred that balance. What Randy was asking is if they're married, can't we assume that debt because it happens in other areas of finances.

Byron said that we're not dealing with a divorce or community property here even though we're a community property state. Just like a credit card, you're signing a contract. With a contract you only hold the person responsible that signed the contract, not anyone else. If you're the only one on your mortgage and you get foreclosed on and you have a joint account or a joint tax return, they can go after your portion of those. In both of those situations, they'll freeze the account or the tax return. The innocent spouse gets to object and say that they didn't sign the contract and they can then only take up to half of the money.

There was a lot of discussion on what we could do to stop some of these renters from bailing on the bill.

The Board asked if Staff could write up a policy for the Board to look at next month.

**12. Approval of the April 13, 2017 Board Meeting (May be limited to five minutes)**

The general consensus was to hold the April Board meeting on Thursday, April 6<sup>th</sup> at 4 pm.

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

None

**14. Adjournment**

The meeting adjourned at 7:27 pm.