

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
FRIDAY, DECEMBER 4, 2015**

PRESENT:	Kenneth Staton Jon Blackwell (Absent) Randy Tobler	Lindsey Dalley Ryan Wheeler
	Joe Davis Lon Dalley Jeannie Poynor	Susan Rose Bryan Mortensen
	Vernon Robison, MV Progress Chad Atkinson, Hinton, Burdick, Hall	Mary Kay Washburn, MV OHV Roundup Joe Phillips, Sunrise Engineering

ORDER OF BUSINESS: At 3:00 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 November 12, 2015 (For Possible Action)

On motion of Randy Tobler and seconded by Ryan Wheeler, the Board voted 3-0 in favor to approve the minutes of the November 12, 2015 meeting.

3. Moapa Valley OHV Roundup - Donation – Mary Kay Washburn (For Possible Action)

Mary Kay Washburn was at the meeting to request a donation for the Moapa Valley 2016 OHV Roundup which will be held on March 25th, 26th and 27th. The first one was held on November 13th, 14th and 15th. They plan on holding the roundup every six months. She had copies of the brochure they made for the roundup. They are trying to provide information to the people riding OHV's. They are hoping to generate business for the businesses in Overton. They received a matching grant and any donations they receive will help to defray any costs that they may have.

Lindsey Dalley came into the meeting at 3:05 p.m.

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 4-0 in favor to donate \$100 to the Moapa Valley OHV Roundup.

4. Presentation and Approval of the FY15 Audit (For Possible Action)

Chad Atkinson was at the meeting to present the FY15 audit. He thanked the Directors for letting him do the presentation today.

He first talked about a new accounting standard call Gasby 68. There's a retirement plan for the Nevada PERS that has a liability level for employees that belong to PERS. It's been outstanding for years because it's a defined benefit plan that goes out to the future and it's an ongoing obligation. That's been outstanding at the State level for many years. Now they've decided with the accounting standards to divide that amongst the various organizations in the State and have us report it in our financial statements. Chad explained that as we go thru our financial statements we will see that there's been a big liability recorded and that's basically what it is. The overall substance of what we do day to day hasn't changed a lot. It's mostly just a reporting change. It's a moving number because it depends on when you die and when they project you're going to die. This is something that came down from the GAO (Government Accounting Office) and is industry wide.

The Independent Auditor's report is on page 1 of the financial statements. It's an unmodified or clean opinion on the financial statements as it has been in years past. On page 37 is the Report on Compliance and Internal Control over Financial Reporting. There were no internal control related findings this year. He said that the District's management did a great job. On page 39 is the Independent Auditor's Report on State Compliance Report. There was one finding noted there. Chad said he would call it a minor finding. Repairs to the water system were needed in response to the flooding that occurred. Nevertheless, the District's budget was not appropriately augmented to adjust for these unanticipated expenditures. Chad recommended the District follow State guidelines and appropriately augment the budget when expenditures are expected to exceed previous budget appropriations.

The District is in a good position as far as its equity goes to ride out some of these unexpected things that come up. Chad had a graph that showed the District's net position trend for the last five years. Some of the things we did last fiscal year was purchase a security system for \$25,000, put in an evaporating pond at Baldwin Springs for \$48,000, did Arrow Canyon wellhead rehabilitation for \$87,000 and did some various line upgrades for \$217,000. That's the reason our assets increased.

Chad said that the overall cash position of the District is still excellent. We had \$6M in fiscal year 2014 and at the end of fiscal year 2015 we had \$5.4M. The main reason for the reduction was the purchase of capital assets and the transfer of money between restricted and unrestricted funds.

Chad said that one of the things the Board could look at is our long term capital improvement plan to see what cash things we have in there and our short term operating needs. They generally say we need two - four months set aside to cover our operations so if we have our long term capital plan covered and short term needs covered and have excess beyond that then we're in really good shape.

On motion of Randy Tobler and seconded Ryan Wheeler, the Board voted 4-0 in favor to approve the FY15 audit.

5. Award the bid for the Overton Tank recoat (For Possible Action)

Joe Davis explained that we received four bids for the Overton tank recoat. The bid opening was on November 24th. It was extremely hard to get the bids reviewed before the packets went out so the memo only had the totals for each bid on it.

The following bids were received:

Paso Robles Tank, Inc.	\$461,500.00
Simpson Sandblasting & Special Coatings, Inc.	\$385,518.00
MMI Tank and Industrial Services, Inc.	\$562,000.00

One bid was received at 4:02 pm which disqualified them.

Joe Phillips who works for Sunrise Engineering has reviewed the bids and check references. He was at the meeting to answer any questions the Directors might have about the project.

Joe also explained that we budgeted \$200,000 to do the recoating. Simpson Sandblasting & Special Coating was the lowest bidder at \$385,518. In order to offset that overage Staff is going to take the \$150,000 from the Isola project and apply it to this project since we won't be able to do that project this year. We will also take the \$55,000 budgeted for the chlorine unit that needs to be replaced at Arrow Canyon and put it on this project. All of the chlorine units Staff has been looking at are over \$90,000 and that's just for the unit. It doesn't include the installation. Joe thinks since disinfection is now a requirement, they have raised the prices. We're re-evaluating it thru a cost analysis to see what other options we have so we won't be purchasing the unit this fiscal year. We were planning on moving the Arrow Canyon chlorinator over to Baldwin Springs because it's 10 years old and it's starting to have some issues. Next year we will decide what we want to do.

Joe Phillips explained that there are a lot of different paints out there to recoat tanks but MVWD's Staff really like the Terminac coatings since they've had good luck with it in the past. The Overton West tank has that type of coating on it and it hasn't been recoated for 20 years. Joe Phillips said that nothing about Simpson scares him. They have a long history. The bid price doesn't scare him either. If it did he would recommend rebidding the project. There was one problem with the bids and that was that Simpson did not include one of the forms we asked for in the bid packet. The contractor work experience form was not

Included. The bid documents allow us to waive minor informalities and those kind of things. In his opinion that was ok in this case. He called them the next day and they submitted it right away. Everything checked out just fine on it.

Joe Davis said that this project would normally take two months but we are going to try to get it done in one.

Ryan thinks we need to make sure when we're working on our 10 year capital improvement plan that we have an engineer look at those projects to make sure that we have an accurate cost.

On motion of Ryan Wheeler and seconded Lindsey Dalley, the Board voted 4-0 in favor to award the Overton tank recoat project to Simpson Sandblasting & Special Coatings, Inc. in the amount not to exceed \$385,518.

6. Approval to purchase 4.5 preferred shares from Eldon Mohler for \$100,000 (For Discussion Only)

Joe made the offer of \$100,000 to Mr. Mohler but Mr. Mohler thought it was too low. After Mr. Mohler spoke with his family they decided to accept the offer. Joe told him we would also pay the transfer fee for each of those shares.

On motion of Lindsey Dalley and seconded Randy Tobler, the Board voted 4-0 in favor to purchase 4.5 Muddy Valley Irrigation shares from Eldon Mohler in the amount of \$100,000 and instructed staff to pay the MVIC transfer fee of \$200 per share.

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

None

8. Director's Preference

On motion of Chairman Staton and seconded by Lindsey Dalley the Board voted 4-0 to call a closed-door session at 4:10 pm.

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

On motion of Chairman Staton and seconded by Randy Tobler the Board voted 4-0 to reconvene the open-door session at 4:30 pm.

9. Personnel (Closed Door Session)
- Employee Christmas Bonus

On motion of Chairman Staton and seconded by Randy Tobler, the Board voted 4-0 in favor to give every employee a \$400 Christmas bonus.

10. Approval of the January 14, 2016 Board Meeting

The general consensus was to hold the next Board meeting on January 14, 2016 at 4 pm..

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

None

12. Adjournment

The meeting adjourned at 4:32 p.m.