

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, SEPTEMBER 10, 2015**

PRESENT: Kenneth Staton
Jon Blackwell
Randy Tobler

Lindsey Dalley
Ryan Wheeler

Joe Davis
Lon Dalley
Bryan Mortensen

Susan Rose
Jeannie Poynor

Vernon Robison, Moapa Valley Progress

Dennis Whitmore, Moapa Valley Jr. Football
Brandi Fairchild, MVHS Boys Varsity Soccer

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. Public Comment (May be limited to five minutes)

None

2. Approval of the Minutes of the previous meeting held July 9, 2015 (For Possible Action)

On motion of Randy Tobler and seconded by Jon Blackwell, the Board voted 5-0 in favor to approve the minutes of the July 9, 2015 meeting.

3. Approval of the Minutes of the special meeting held August 7, 2015 (For Possible Action)

On motion of Jon Blackwell and seconded by Randy Tobler, the Board voted 5-0 in favor to approve the minutes of the special meeting held August 7, 2015.

4. Moapa Valley Jr. Football – Donation - Dennis Whitmore (For Possible Action)

Dennis Whitmore was at the meeting to request a donation for the Moapa Valley Jr. Football program. Last year they put together a program that has all the sponsors in it and all the boy's pictures. The boys pay \$150- \$170 to signup. That covers their helmet, shoulder pads, pants and the jersey. They will use the money to purchase helmets, pads, pants and jerseys for boys that can't afford the signup fee. The signup fee doesn't cover balls or equipment that they might need so donations will also go towards that.

On motion of Ryan Wheeler and seconded by Jon Blackwell, the Board voted 5-0 to donate \$100 to the Moapa Valley Jr. Football program.

On motion of Randy Tobler and seconded by Lindsey Dalley, the Board voted 5-0 to give \$50 from the advertising fund to the Moapa Valley Jr. Football program.

5. MVHS Boys Varsity Soccer- Donation- Mandy Cole (For Possible Action)

Bradi Fairchild was at the meeting to request a donation for the MV Boys Soccer team.

She explained that donations will be used to purchase uniforms for the boys which run about \$100 for each boy. They also need to purchase more balls and those cost about \$30.00 each.

On motion of Lindsey Dalley and seconded Jon Blackwell, the Board voted 5-0 in favor to donate a \$100 to the MVHS Boys Varsity Soccer team.

6. MVHS Booster Club - Donation – Richard Jones (For Possible Action)

The MVHS Booster Club asked to be placed on next month's agenda.

7. Approval to accept the proposal from Mountainland Supply in the amount of \$12,495.61 for waterworks parts (For Possible Action)

Bryan Mortensen explained that this is to purchase basic waterworks parts. We're trying to get the inventory filled back up. More often than not these parts are costing us over \$10,000. A lot of the parts will be used for replacing Vanguard leaks and for maintenance that needs to be done. This was sent out to the four companies that we use all the time and Mountainland came in the lowest at \$12,495.61. They must really want our business because the proposals we received from HD Supply and Ferguson were also really good quotes.

On motion of Lindsey Dalley and seconded Ryan Wheeler, the Board voted 5-0 in favor to accept the bid from Mountainland Supply in the amount of \$12,495.61 for waterworks parts.

8. Discussion and possible approval to amend Section 5.B. (Purchase Contracts) in the MVWD Policy manual (For Possible Action)

Joe explained that in the policy manual section 5.b. states, "The Directors shall approve all capital purchases above \$10,000 and those purchase above the \$25,000 statutory limit shall be by competitive pre-bid arrangement. The Directors shall maintain the right to refuse any and all bids".

In 2007 the Nevada Revised Statutes were changed for purchasing. They raised the limits from \$10,000 to anything above \$25,000. Pre-bid purchases went from \$25,000 to \$50,000. Parts are becoming more expensive so it's hard not to go over the \$10,000 limit.

Staff would recommend raising the limits to what the NRS are set at.

There were a few questions for Staff on how purchasing is done.

On motion of Ryan Wheeler and seconded Randy Tobler, the Board voted 5-0 in favor to amend Section 5.B. of the Moapa Valley Water District's policy manual as written.

9. Discussion and possible approval of the Uniformed Debt Service option presented for the Moapa Valley Water District General Obligation (LT) Water Refunding Bonds (For Possible Action)

Joe tried to condense all of the information that Andy Artusa with NV State Bank Public Finance presented at the special meeting so only the pertinent information was in the memo.

Andy gave us two options to choose from. Andy suggested we go with the Level Debit Service option. With this option we would pay less up front but more at the end of the loan. The other option was the Uniform Debt Service. With this one we would pay more at the beginning of the loan and less at the end of the loan. Our bond debt is going to drop off at the end of 2021 so Staff recommended going with the Uniform Debt Service option. Also with the Uniform Debt Service option we will save about \$300,000.

On motion of Lindsey Dalley and seconded Jon Blackwell, the Board voted 5-0 in favor to approve the Uniformed Debit Service option presented for the Moapa Valley Water District General Obligation (LT) Water Refunding Bonds.

10. Manager's Report

Office Manager – Jeannie Poyner put in her report a couple of different reports that the Directors hadn't seen for a few months. The overall budget report shows where we're at for the 1st month of the fiscal year. She's not quite sure what direction the Board wants to go and what they want to see. She also included the bank accounts Randy wanted to see. The report shows the beginning and ending balances for July. It also shows what's designated, what's restricted, six month operating, debt service and growth and non-growth capital.

The next page was Staffs layout of how they would like to proceed with the bank accounts and the different funds. Some accounts will have to be created to keep everything separate so that if something were to happen to management, everyone would know what's going on. The balances are as

of July 1st so the totals aren't correct. The media replacement fund and the equipment replacement fund have more money in them than they should and others have less. Money still has to be moved to where we want it and then we can start funding the growth and non-growth, and also the media and equipment replacement fund. Jeannie explained that AB198 requires us to put money in a restricted account. We can use the money for other things but we have to get their approval to withdraw the money. There are three restricted accounts. They are the 1995 USDA account, the 2010 USDA account and the AB198 account. The AB198 account currently has \$617,476 in it. Jeannie would like to reduce that to \$225,000 which would cover the AB198 requirements. The media replacement and the equipment funds are messed up so she's trying to get those straightened out. The media replacement is a Red Oak requirement. After going thru our 10 year outlook, Jeannie thinks she has what's supposed to be in there.

Joe said that part of these numbers are generated off the last conversation the Board had about vehicle replacement and capital improvements. We want to do a 10 year outlook. The vehicle one is done. The problem with the one for capital improvements is the numbers are really high. It cost more to coat a tank than it cost to build it. Joe wants real numbers to put in the report. Jeannie took his numbers and came up with this report. We can move money around to make it work. It doesn't mean that we're doing it but at least it's a starting point on paper. We want to have these bank accounts that were created and now we can bring in the vehicle replacement, the capital improvements and everything else. The Board can then say if that's what they want to do.

Randy asked if the restricted funds have to be in separate accounts or can they all be in one restricted account.

Jeannie said that we could probably have just one. The 1995 USDA restricted account was set up at the credit union. She doesn't know why they did that but Staff decided that would be the account for the 1995 USDA restricted money because it has the exact amount it needs in it. Jeannie likes them separated because it's easier to explain to someone & it's easier to track

Joe said that it's also good because if we have another flood come thru and we try to get some financial help with the repairs, we can show them that the money we have is restricted and can't be used for that.

Jeannie would like to transfer \$392,476 out of AB198 restricted funds and put it in the non-growth fund to cover capital expenses but it's really up to the Board. The Board has talked about putting \$200,000 to capital improvements. Basically we have two funds. A growth fund and a non-growth fund. We use the money in the non-growth fund to do capital improvements. The $\frac{1}{4}\%$ sales tax is put in the account. That account has a \$20,000 balance. Jeannie would recommend putting the \$200,000 we're getting from SNWA in that account. She hasn't seen any money spent from the growth fund since we haven't done any growth related projects. The Board might choose to put \$100,000 in there and \$100,000 in the non-growth fund but again, it's totally up to the Board.

Randy thinks this is exactly what he wants. He doesn't understand why we have the growth fund. He asked if we even need it. If not, let's get rid of it and move the \$975,758 around.

Jeannie said that anytime we sell a meter, the capacity fees go into it.

Joe explained that whenever we sell a meter there's an impact charge. By law we have to spend that money within five years. If we don't we have to give that money back with interest. There are certain things you can spend the money on. We can use the money for bond payments. We installed the 24" line and we bonded for it. That allows us to grow. When people buy a meter they are impacting the system so the impact fee can go towards bond payments.

Joe said that the Red Oak Study which adopted by the previous Board has all these caveats that created the growth and non-growth accounts. Because it was adopted by the Board, we do it. In reality there isn't a direction of where they go. The Red Oak Study was designed during the boom when we were going to have all this stuff that we would need to do. The growth we got the money from is paying our bond debt. We're following the NRS. We can also buy water rights with it but then what do you do with them? How do we then get it into our system & how do you get it thru the Narrows in order to use it?

Jeannie explained that the \$975,758 could be put somewhere else. It could be put in the general fund to make bond payments.

Ryan thinks that the growth and the non-growth accounts can be combined. He would like to put that money to capital improvements or infrastructure unless the auditors have a problem with that.

Lindsey wants to make sure that there is money in the Water Rights Dedication Fund. If we don't budget for that when the opportunity comes, we won't have the money for it. Those opportunities can come tomorrow or five years from now.

Ryan said that part of that depends on the Boards and Staffs direction of what's a priority. They need to look at all aspects at that time. That's just like the study that Glorietta Geoscience just did for us. They outlayed our water resources, our users and the gaps. So what's important? If our users are pushing up to 70% of our water availability then that's our priority. Based on previous discussion at Board meeting our priorities can change monthly.

Randy wants to keep the equipment fund, media replacement, infrastructure, capital improvements and water resources. Jeannie has gone over these and we have a difference of these accounts plus we have \$975K in the growth fund, \$200K that we just got from SNWA and we have money left over from last year's budget. He would like to get a sum of that money and the first thing we need to focus on is capital improvements. Ryan has a list for two to five years out so we should throw as much money as we think we need into that, keep \$100k in water resources and if we don't use it we just keep adding to it every year. Staff needs to think about what are our current costs on media replacement, and equipment and break those down monthly so we know what to put in those accounts.

Jeannie said she already has that.

Randy doesn't really want to see the restricted money. He only wants to see what funds we can do something with.

Joe explained that we can reinvest some of that restricted money into our system. There's \$500K in there right now. If it cost us \$1M to put in a new metering system we could actually use some of that money.

Lindsey asked if there was a way to get a ball park figure on how much we're in the rears on purchasing water shares if we purchased \$100K a year. Where would we be at if we would have been required to spend that money?

Jeannie reminded the Directors that the money we placed in the budget is just that. It's a budget. You can re-budget again the next year.

Randy at this point would just like to know how much money is available right now and what infrastructure we want to work on.

Jeannie said that the total dollar amount that was available thru the end of July would be on the "Fund Descriptions and Staff Recommendations" page. The Red Oak Rate Study says that the 1/4¢ sales tax would be used for equipment and vehicle replacement. We can't spend it on that. The good news is that we haven't spent that money because all of the 1/4¢ sales tax has gone to capital improvements. In past Board meetings Randy has asked for a financial dashboard. Jeannie took a stab at it and gave it to the Directors to review. She wanted to make sure the report what she had created was what they were looking for. The Board seemed good with it.

Assistant General Manager – 1) Water Production - Lon Dalley said that water production is about where we were last year. **2) FY15/16 Capital Improvement Projects –**

- **Isola@Omer/Henrie** – We've hit a road block. The south half of Isola is not a dedicated easement and that's where our waterline is projected to go. Bulloch Brothers Engineering has corresponded with the BLM to begin the process of what needs to be done for installation of pipe along south side of Isola. In response, BLM sent an easement application to Bulloch Brothers. We anticipate it will be a few years before we are ready to start construction on this project. Lindsey asked what the risk are to the public if we can't get that easement. Joe said its lack of fire protection. Lindsey thinks that point needs to be driven home to Janice, our county commissioners and BLM. BLM is putting those people at risk by delaying this. Ryan asked if we could go in and say this is an emergency situation. Joe said that the problem is that we are on the other side of the road. Our line was installed when it was a dirt road. They have actually paved on top of our waterline. Unless we want to repave the entire length of Isola the only place it can be put is on the south side. That's the problem.
- **Gubler@Yamashita/St. Joseph** - Bulloch Brothers are beginning the surveying process needed for this project. This project connects our 12" from our 14" backbone. It runs from the East Logandale tank down to the East Bench. We experienced an issue last year when we had a major leak on the 14" line. The whole East Bench was out of water. Our remedy for that is to loop in right there on Gubler between Yamashita and St. Joseph.
- **Muffy Street PRV** – We are working with Bruce Perkins for an easement for the 8" line and the PRV. We have begun to order infrastructure for the project That should be an easy project to do once we get the easement. Joe met with Bruce Perkins last Monday to discuss the easements on his property. This will be a simple project because it's on private property.

3) Standpipe Replacement – Crews have so far replaced two standpipes with fire hydrants. Locations of hydrants are Ash/Ron and Warm Springs Rd. Staff is beginning the permitting process for a third hydrant installation at MV Blvd/Anasazi. The last will also require a BLM permit. **4) Overton Tank Rehab** – Sunrise Engineering has completed a Project Specs/Bidding Booklet and has submitted it to NDEP for approval and permitting. The Engineers cost estimate is higher than budgeted. The engineers estimate was \$400K to recoat a tank that cost \$266K to build. We only budgeted \$200K for the project. Ryan asked what a 1.5MG tank costs. Joe got some estimates for a 500K tank and it was around

\$700K. Ryan would like to know what a 1.5MG tank costs. If it costs \$2.4M then he's ok with spending \$400K. Joe said that Forsgren is looking at that right now. **5) Baldwin Springs Upgrade** – Bowen and Collins came down and went over what was needed. They submitted a "scope of work" using the numbers we submitted to them in regards to the head it's pumping against. They are supposed to be getting back to us with their recommendations. Joe explained that they originally designed the system but Brad gave them the wrong head so the pumps were designed wrong. They won't pump against our pressure sustaining valve. Bowen and Collins already have the design and the flow model that's associated with it so they can upgrade to the 100 horsepower. We're looking at about \$40K to purchase the equipment and install it. We will get a new pump, motor and a VFD. Joe thought it would be prudent to have an engineering firm design it to make sure it's going to meet the requirements we need. We budgeted for that. It would have been nice if it would have come in at \$9K to pull the old pump out and put a new one in but unfortunately it came in at \$40K. Lon explained that we're just making sure everything is right before we spend any money on it. **6) Arrow Canyon Chlorinator** – District Staff is researching and comparing current chlorinators at Arrow Canyon and the best options to move forward with. We've had good luck with the chlorinator that is up there now. It's been relatively maintenance free but we're starting to have problems with it. We would like something similar so we can use the same parts. The one that's at Arrow Canyon will be moved over to Baldwin. Ryan thinks as we move forward with the asset management plan, that at some point it would be good to have an engineering firm double check some of our estimates. Joe said that's what we're doing right now. We have our numbers and our estimates and original costs. The engineering firms are giving him what today's costs are. The other thing Ryan thinks we need to start looking at is what projects we want to do in 2016 so that we can actually get the engineers rolling on those. That way we're not looking at starting in mid 2016. Joe said that we have plans submitted to NDEP but the permit is only good for one year. Joe asked NDEP what happens if we get a permit and we need to extend it. They said that as long as we are showing some type of movement on the ground then they will extend it for another year.

General Manager – 1) Kiley Bradshaw – Kiley passed his Distribution 4 certification test. It's a very difficult test and the highest level of certification you can receive. We have some other employees that are getting ready to test for it also. They're not required to have it but it's a benefit to the District. We're very close to being reclassified and this allows us to have individuals on Staff that are qualified. Right now Joe, Bryan Mortensen and Kiley have their D4 certification. Lon was also going to take the test but the State is refocusing on backflow certification. There are a lot of companies out there that don't have backflow specialist on Staff. The specialist is supposed to be able to identify any backflow issues in the field and document it so that if there are any backflow incidents we're covered. Lon's been focusing on getting his certification for the backflow specialist. We now have two backflow specialists on Staff and three testers so we're ready for the new stuff they're focusing on. **2) SNWA Contract Amendments** – We received the first \$200K from SNWA. They're still in the process of mothballing the Coyote Springs treatment facility. Our portion is done. We drained the line and there are some operational aspects of how we're going to maintain it. They still need to have fire protection in that area so there will still have to be some water left in the tanks. Bryan's been working on an SOP so the guys will know what they need to do. That way we'll be keeping our part of the bargain for the next 10 years. **3) MV Service Providers Meeting** – There was a meeting on August 25th with MVWD, OPD, PIC, MVIC, MV Telephone, and Janice Ridondo. Janice is extremely knowledgeable on things that are out there. They talked about some of their concerns. A lot of the biggest concerns were the fact that they're still continuing on with the Resource Management Plan but they never followed NEPA to begin with. They were supposed to get our input and our resource plan. They should have modeled the plan around them. We weren't considered and they spent seven years developing a plan and then they went out for public comment. How much influence are we going to have in the public comment portion of it? That's why we're all meeting together to make sure that as a group our needs are being met. Joe has had conversations with Karin Bud-Fallen who is very knowledgeable. Joe went back thru the notes and she actually was doing work for the District as far back as 1993. She has some very specific things that we need to make sure that we're doing for the process. Unfortunately we can't stop the process until they finalize the document. When it's finalized and they put it out there, then we have recourse to do something because they haven't met the NEPA requirements. This is where Marilyn Kirkpatrick's office comes in. She has good contacts with BLM as did Tom Collins. BLM was very reluctant to meet with us until Tom Collins got involved. He made them sit down with us. That's when the whole cooperative agency portion started to develop. We're still working thru the process. We were supposed to have a meeting scheduled on Monday. Marilyn told them we weren't going to meet because she has other obligations that day and she hasn't had an opportunity to fully absorb the concerns we have so far. That meeting has been rescheduled for two weeks from now. **4) Mesquite Regional Business** – We were contacted by a George Gault. He wanted to come to Board meeting and talk to the Directors during public comment but he is meeting with Marilyn Kirkpatrick right now. He wants to come to next month's meeting instead. He is working on a project that has been specifically designed for our valley. We meet

every requirement that they have so that's the only proposal they submitted. It's called "Project Pollock" and it's basically being driven from the Governor's office of Economic Development. They are a data processing place. They would need 1M gpd. To put things into perspective, the 1M gpd is roughly \$700K per year in water sales. We have the land, we have the natural gas, we have everything that they need so that's why they only presented a proposal with us in mind. 1m gpd in water is astronomical for us. We used to sell to NV Power 113M gallons a year which was \$400K into our budget each year. The last three years they've been averaging 13m a year which is under \$50K. George hope to have an answer by February. **5) Tribal Land Bill** - It's still out there. There are some discussions on wanting to take and advance it to the House and the Senate. There are some areas where we need to redistribute some of our pumping from Arrow Canyon. There are sites that might be encompassed in that bill. Both Crescent Hardy's and Dean Heller's offices have contacted us. It's a good idea. It's Harry Reeds idea so it has a lot of support. We want to make sure that we don't get boxed into something that limits our abilities. Congressman Hardy and Senator Heller want to keep us whole if they can.

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

None

13. Director's Preference

- 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.

On motion of Chairman Staton and seconded by Lindsey Dalley the Board voted 5-0 to call a closed-door session at 6:03 pm.

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

On motion of Chairman Staton and seconded by Jon Blackwell the Board voted 5-0 to reconvene the open-door session at 6:53 pm.

14. Personnel (Closed Door Session)

15. Approval of the October 8, 2015 Board Meeting

The general consensus was to hold the October meeting on the 15th.

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

None

17. Adjournment

The meeting adjourned at 6:55 p.m.