



**3. Approval of the Plan of Corrective Action for prior year Budget Augmentation (For Possible Action)**

Jeannie explained that on last year's budget we over expended. When she spoke with our budget analyst she understood that we were to do it on our quarterly report but apparently we were also supposed to have it approved by the Board. This is one of the things Chad talked about at last month's Board meeting.

On motion of Lindsey Dalley and seconded by Jon Blackwell, the Board voted 5-0 in favor to instruct staff to prepare a letter to the NV Department of Taxation addressing the corrective action taken by MVWD to correct violations noted in the FY15 audited financial statements.

**4. Approval of the updated MVWD Water Conservation Plan and Appendix D., Drought Response Water Conservation Implementation Plan (For Possible Action)**

Joe Davis explained that the State is looking at the water conservation plans that are out there that don't have some type of enforcement mechanism in them. We actually didn't have anything in our conservation plan. When we updated our plan we were still in compliance and we are still in compliance however they are looking at giving these plans more teeth so Joe created an implementation plan. If the water doesn't drop we won't have any restrictions. If the water in our wells drops 5' then we will put notifications on television, in the newspaper, on the radio and we will do bill stuffers. If the water drops down to 10' we will be in drought alert and that will trigger some conservation measures. We will have to assign people days that they can water and we'll have personnel out there watching for water wasting. The State also looks to see if we have punitive water rates. That way if someone just continues to water whenever they want to, they will be penalized for it. Joe increased the rates 200% when we're in a drought alert but that can be changed to whatever the Directors want it to be. If our wells drop 20' we will get into drought critical. That's drastic. If they're going to continue to waste water then that's when the 400% increase kicks in.

Lindsey Dalley asked who looks at this plan and decides that it's adequate or not. Joe said that it's the State Engineer's Department.

Byron Mills explained that this is what Vegas does. They actually have the water police driving around giving tickets to people who are wasting water or watering on the wrong day.

Joe feels that it makes sense to have the punitive water rates in there and to have employees watching for water wasters or people watering on the wrong day. With the meters that we have right now we can pull the data off the meter but we have to go out to the meter to get the information. With the meters that we would like to move over to & are testing right now, we can actually get the information from the computers in our office. If someone makes a complaint, we can pull the information up right then. Customers can even get an app on their phone that allows them to pull up information themselves on their own meter.

Bryon asked if we are going to have a warning system.

Joe said that's up to the Board. Right now if someone has water running down the road, we put a door hanger on their door letting them know that they have a problem. Right now we don't have anything saying they can't do that.

Lindsey thinks we should remove the word "patrol" and put "monitor" in the sentence that says "District personnel will patrol the community for water wasting".

Byron thinks it should say "District personnel will respond to reports from the community on water wasting". Byron doesn't think we should have to have our employees drive around to monitor water wasting. Everyone thought that sounded better.

On motion of Lindsey Dalley and seconded Randy Tobler, the Board voted 5-0 in favor to approve the updated MVWD Water Conservation Plan and Appendix D (Drought Response Water Conservation Implementation Plan) with the noted changes.

## 5. 10 Year Capital Improvement Plan (Discussion Only)

Joe had a PowerPoint presentation for the Directors.

Joe said that it's actually pretty scary when you look at the numbers on the bottom of the spreadsheet. A couple of the things we've been talking about over the last 18 months or so are the funding projections and asset management. The first sheet showed the vehicles and equipment we have in our inventory. It showed how old they are and the mileage they have on each them. It also showed that we purchased a utility bed and a backhoe. The numbers on the spreadsheet are not representative of what we really spent; they are the actual budget numbers. The miscellaneous fixed assets are always in the budget. It is comprised of safety, office equipment & information tech. There was also a total of what is actually left in the fund. All of our equipment shows up on the next page. It all comes out of the same budget account so we wanted to show them on both sheets. The last sheet shows them all in the same budget account. We started out the year with \$295,000 in the account and we put \$200,000 from revenues in there. That's gave us a balance of \$495,000. We spent \$190,000 last fiscal year so the balance at the end of the year was \$305,000.

Jeannie Poynor explained that these are projected numbers & we may not spend all the money that's in there.

Joe said that this puts things in perspective. We bought a backhoe and a piece of equipment and at that time Randy had asked "when do we run out of money"? We'll run out of money pretty quick if we don't up the amount of money that's being put into the account. We took every piece of equipment that we have and put it on a 10 year replacement cycle, projected it out over 10 years so each piece of equipment is being replaced every 10 years. We started the account out with \$295,000 this fiscal year, added \$200,000 and spent \$190,000 so our ending balance should be \$305,000. We will start out next year with \$305,000. If we replace every vehicle we have we would have to add \$200,000 this year and then \$100,000 up to FY23 where we would have to up it to \$150,000 until FY26. That would give us an ending balance of \$131,200.

Joe said that this is the absolute worst case scenario. This will help the State see that we could qualify for some grants or low interest loans because all of our money is designated for other things. We also have to have an engineer design the projects we would like to get funding on so that we know how much things are actually going to cost.

There was quite a bit of discussion on the 10 year capital improvement plan but the general consensus was that the 10 year capital improvement plan is good.

## 7. Manager's Reports

**Office Manager** – Jeannie reminded the Directors that she's done the financial dashboard for a few months now & she asked them if they liked it or if they wanted anything changed on it. Lindsey likes it and Randy would like to see the designated funds broke out. Jeannie said she can break it out so it shows the fixed asset account so it's not just designated and restricted funds. She said she could make any changes the Directors wanted so the report would be more beneficial to them. Randy said it would be nice to have the designated broke out by infrastructure, fixed assets, restricted, arsenic media, water resources and six month operating. Jeannie said that she will also include a budget from now on. She said that we're not over budget which is good and revenues are up.

**Assistant General Manager – 1) Production** - Lon said that groundwater production is right there where it's been the last few years. **2) FY15/16 Capital Improvement Projects** –

- Muffy Street has been completed. We do have some loose ends to tie up. Right now it's operational.
- Gubler Ave. @ Yamashita/St. Joseph Project – We have the permits from NDEP but we don't have the County permit yet. We just got the traffic control plans back. That's another thing the County required us to do. Lon's going to submit it Monday. We'll still go ahead and drop in the 14" valves and the tee.
- Isola @Omer/Henrie- No change on that project except that the BLM application has been filed.

**3) East Overton Tank Rehab** - We have a pre-construction meeting on January 25<sup>th</sup> and they will actually begin work that day. The project is supposed to be done in a month. If not, they will be penalized.

**4) Baldwin Springs** - There will be a mandatory pre-bid walk-thru on January 26<sup>th</sup>. The bids will be opened on February 3<sup>rd</sup>. We will award the bid at the February meeting. **5) Arrow Canyon Chlorinator** - We received some estimates for it. They are a lot higher than anticipated. This is just like the Overton

Tank issue. We paid \$55,000 for the chlorinator that's in there now and that included the installation. Now a chlorinator cost \$90,000 and that doesn't include the installation. We've decided to bump that project to next year's budget. Joe said that we can get tablet systems that are cheaper. Their about \$15,000 up front but they are more expensive to run.

**General Manager- 1) Overton Tank Recoat-** We've started draining the Overton Tank. They've stripped off everything that needed to be stripped off of the tank. The company will be here on the 25<sup>th</sup>. Because of the holidays, they went ahead and ordered in all the materials. They'll start working on the tank on the 25<sup>th</sup> and they'll have 30 days to complete the project. Joe explained that there has always been an above ground irrigation ditch that runs down to Simplot. The Overton tank has historically overflowed and drained into a wash, runs down thru a couple of properties and drops in the ditch and goes to Simplot. It's always been that way. Well, the irrigation company put the ditch underground so we didn't have place to put the water when we drained the tank. Joe called Scott Millington (MVIC) and he came down and helped Joe figure out what we could do. We rented some lay flat pipe which is running from the tank and tied into Scott's ditch right now. We're working on a permanent solution so that when the tank overflows we will have somewhere for the water to go. Scott has been fantastic to work with. **2) Baldwin Springs Pump Replacement** – We're advertising for bids right now. There will be a mandatory pre-construction meeting on January 25<sup>th</sup> and the bid opening will be on February 3<sup>rd</sup>. **3) Drinking Water State Revolving Fund Priority List** – The State has low interest loans and grants but to even be put on the list you have to have engineer's drawings done. As we go thru this capital improvement plan, there are some things that we know are going to take 3-4 years to get the process done so we need to start working on getting the engineering done now so we can get on the list. That's really our only option. We don't have a million dollars to do the projects. **4) Donations** – We had a boy scout come in requesting a donation to help build a shed for Cappalappa. Joe asked the Directors if that was something we would want to donate to. In the past it was mentioned that maybe they should have a tax exempt certificate in order to get a donation. Randy said that he was the one that suggested they have a tax id number. After some discussion it was decided that we wouldn't donate to scouting projects & the donation needs to benefit the whole valley not a select group.

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

None

**9. Director's Preference**

Ryan Wheeler said that he would like to help Mr. Skaggs but he thinks Joe and Byron should talk about the issue and come up with an opinion. This time it's only \$2,000 but next time it could be \$50,000

Byron said that this isn't really a legal issue. It's really up to the Directors. We've already done it once. Do we want to keep that door open?

Ryan doesn't have a problem with us dressing up the driveway but he's just not sure about a monetary payment

Randy asked Byron if we could ask the insurance company why they won't pay. Byron said we can ask them. He will look at the contract and see what's covered.

**- Review Monthly Expenditures**

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

On motion of Chairman Staton and seconded by Jon Blackwell the Board voted 5-0 to call a closed-door session at 6:05 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 7:55 pm.

**10. Personnel (Closed Door Session)**

**11. Approval of the February 11, 2016 Board Meeting**

The general consensus was to hold the next Board meeting on February 11, 2016 at 3 pm.

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

None

**13. Adjournment**

The meeting adjourned at 7:58 p.m.