

Mr. Behmer Sr. said that he's had it for years and been paying all along and it isn't fair. If they have to go to court, they will. There is no change in ownership, no change in the taxes, there's no change with the names, not with anything.

Chairman Staton said that we're not interested in going to court.

Byron asked if the Directors wanted him to respond.

Chairman Staton told him to go ahead.

Byron explained that public comment is for the Behmers to speak their peace and then we move on but he said he would respond to Mr. Behmer. A trust is a legal entity in and of itself. For example when they put their house in the trust they had to signed a quit claim deed transferring the property from them into the trust so it is a legal transfer. If the Board wants to make an exception they can. It's not staffs responsibility to find out who really owns the trust. If the trust was in their kids name then wouldn't that still be a transfer?

Mr. Behmer Jr. said they're telling the Board that there is no additional beneficiaries or anything else involved. They're talking about the same people exactly. If the District wants to investigate it, that's fine.

Byron said that we don't need to because there's been a transfer and it was a legal transfer. If they want the Board to make an exception the Board can always amend policy and put that exception into the policy. Right now though, they are to follow the policy until it's been amended.

Randy said that he's willing to look at it but his concern would be that we have grandfathered clauses because ultimately we want a termination to it. It's not heard of that you go back and change a grandfathered clause. He thinks that this needs clarification. He explained that we have to follow the legal side and he thinks the Behmers can understand that. Maybe the Board can look at it and see if there are other things they can come up with. Again, he doesn't want to start making changes to a grandfathered clause.

Chairman Staton told the Behmers that they couldn't take any action today anyway.

Lindsey Dalley said that his understanding was that when the person who originally bought the meter died then that would be a change of ownership. It wasn't this Board that approved the grandfathered clause. It just so happens that because this issue was pushed now the current Board has to make a decision on it. His asked if there was a clean way to do that. He doesn't want Staff to have to go thru all the trusts and figure out who really owns the trust and who's the beneficiary because that's not their job. He asked legal counsel if there's a way to make it clean so it's clarified. If so, then he would be willing to look at it.

Byron said that today's not an appropriate time to have that discussion. Per the open meeting law we have to agendaize it. We can have a discussion but not a debate. If someone wants to put this on the agenda for next month then that would be a more appropriate time to have that debate rather than during public comment.

Randy asked that this be placed on next month's agenda. His explained to the Behmers that the Boards intention is not to make customers mad. He hopes they can understand what the Board was looking at. Randy couldn't make an commitments but the Board would look at it.

2. Approval of the Minutes of the previous meeting held January 8, 2015 (For Possible Action)

On motion of Jon Blackwell and seconded by Chairman Staton, the Board voted 5-0 in favor to approve the minutes of the previous meeting held January 8, 2015.

3. Approval of the minutes of the special meeting held January 14, 2015 (For Possible Action)

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 5-0 in favor to approve the minutes of the special meeting held January 14, 2015.

4. Clark County Fair Board – Donation of Water – Kevin Willard (For Possible Action)

Kevin Willard was present at the meeting to request a donation of water for the fair.

On motion of Jon Blackwell and seconded by Lindsey Dalley, the Board voted 5-0 in favor to donate water to the Clark County Fair.

5. Discussion and possible approval to modify the maintenance workers pay scale (For Possible Action)

Joe Davis explained that in the past we use to hire servicemen and we would train them. After they received their certifications they would leave here and go to work in Las Vegas. After that happened a couple of times we started hiring new field employees as maintenance workers instead. That way we didn't have as much money invested up front and employees started staying longer. Our current maintenance workers have been getting their certifications and it really helped when we had the floods in September. The maintenance workers didn't have to be supervised; they were able to make decisions without having to have someone telling them what needed to be done. Randy had sat down with them and discussed the possibility of moving them over to the serviceman's pay scale. He said that this actually goes with agenda items #5 & 6. The Directors have kind of taken the direction that we wanted to follow the cost of living and comparatives and things. Randy thought that was a broken system and he didn't want to do that. We need to live within our means. The Directors also realize that there are changes that need to be made along the way. Some of the things the Directors have dealt with are job classes and descriptions, they've adjusted some scales, and they've moved some things around, which is something that they're going to continually have to do. Randy feels like this is one of them that the Director's need to adjust. We're using the maintenance workers like serviceman. They are pretty much doing everything that the servicemen do and they are doing a great job. Randy also feels like our distribution system is large enough that we're utilizing them. As he met with Joe, staff and the maintenance workers he realized that there are a lot of things that we're struggling to get done. There's a lot of work that needs to be done and he thinks the fair thing to do is to move them over there. At the same time he wanted to clean up the job description. Joe has come up with some parameters and job requirements so it's clear and everyone knows what is required.

Chairman Staton asked if Randy wanted to do away with the maintenance workers position.

Randy said that's something that the Directors need to discuss. There are several job descriptions that aren't being utilized. He said that we really need to be updating our job descriptions every so often because things change and requirements change. For instance, we are really close to being a D4 and a T3 system. It's good for legal reasons and also good so the employees know what to expect. At the same time we have kind of defined what the minimum and maximum is as far as salaries go for each job description. He thinks it's good to have it out front so everyone knows what's expected.

Ryan Wheeler asked when a maintenance worker II will transition to a serviceman. Does the maintenance worker II top out at his step and meet certain performance measures?

Randy said that he would pass that over to Joe since he doesn't know their job.

Joe said that there are two of them that are at the top of the maintenance worker scale right now, one that is one step away from the top and one that's a little farther down. They're all doing the same work. If they meet the duty requirements then they're extremely valuable to the District. As long as they're meeting the maintenance worker II requirements, Joe anticipates moving them all over at the same time. Of course, that is up to the Board to decide. The \$22.87 that Joe is proposing to move them to is six steps into the 13 steps required to top out as servicemen. Joe explained that the policy says that as long as we're not messing with management positions, the general manager has the leeway to move people in and out and here and there but in the past we have usually taken it to the Board so everything's fair. This makes sure that the Board's fully aware of what's going on and of the whole process. We have a great group of workers. They deal with public health everyday and when they're out there we can rely on them. Right now we have two lead servicemen, two servicemen and four maintenance workers.

Randy is proposing that the maintenance workers become servicemen. They are already doing the serviceman's job. The Directors aren't doing a cost of living. They have to look at how the company's changing and where it's going. He feels like this was one of the commitments the Directors made. They said that they would look at the different job descriptions and classes and make those

adjustments. Randy thinks this is one that needs to be done. We're also not going to go out and hire any maintenance workers.

Byron asked if in the future when we hire new employees will they start out as maintenance workers.

Joe said that they would be hired as a maintenance worker and work their way thru the steps like these guys have done. It seems to work better that way.

Randy said that he thinks a benefit the District has is that they want the employees to be happy to make a wage they can live on. He thinks this gives them that ability to do so.

Ryan explained that the agenda says we are going to modify the maintenance workers pay scale. There's a lot of ambiguity in that. It sounds like they are promoting these four maintenance worker II's to servicemen with this potential board motion. They would also be leaving the maintenance worker II position intact.

Joe clarified that these guys would be made servicemen and that we will still have the maintenance worker II position for future employees that are hired.

Byron said that we aren't really modifying the maintenance workers pay scale. Byron asked if moving people through the system is done through Board action.

Joe said that technically it doesn't have to have Board action according to the policy manual. However, since we have four individuals that we are doing this to he just wanted to make sure that the Board was ok with it.

Neither Byron nor Chairman Staton had a problem with moving the three maintenance workers over to servicemen. Chairman Staton sees them working outside every day and they work hard. They do their job and it sounds like their moving up the steps by getting their certificates and things like that. He thinks they need to be rewarded for it.

Randy said that he and Joe wanted to make sure that everyone on the Board knows what's going on. He thinks that's why the Board is having this discussion.

Byron said that we can table this item indefinitely because technically we aren't going to be modifying the maintenance workers pay scale. Joe has the ability to move people around without Board approval so it does not take Board action. Byron is going to look at the policy manual to make sure that what was done tonight was done according to policy. If not, it will be on next month's agenda.

Ryan asked if Joe could walk thru this for the Director's.

Joe explained that the maintenance worker II must fulfill certain requirements which are to get their certifications for distribution and treatment and to have been employed at the District for five years. That was actually brought up by the maintenance workers themselves. They wanted to make sure that there was some longevity associated with it. After meeting those requirements they would be able to be moved over to a serviceman position and would start at \$22.87. Every six months there would be a pay increase but not until they've finished their duty sheet. The duty sheet is two pages of things they have to be able to do before they can function freely by themselves in the field. We came up with those requirements internally because there were some individuals who could have every certification in the world and still not know what they were doing. Joe, Lon and Bryan sat down and modified the requirements. They're pretty detailed. Once they have all of those requirements completed and signed off by their immediate supervisor and the lead serviceman they will start working their way thru the pay intervals. Joe added the OSHA 30 requirement to step 10. The OSHA requirement relieves the District of some of the liability. When individuals are out there making calls on their own they might not do things correctly. The federal government got involved because there were quite a few people getting killed on the job because they didn't know what they were doing so they created the OSHA 10 class which everyone in Nevada is supposed to have. OSHA 30 is designed for someone who is running a project like a serviceman. If they've taken the class then it's on them if something happens on the job site. The class takes 30 hours to complete. The employee has to pay for the class up front and if they pass the District reimburses them. The last step would be the D3 certification. Our system is within a couple of points of being classified as a D4/T3 system. State requirements are that if you are a D3 system you have to have a D2 certification in order to work in the field so the mindset is to get them

lined up so they will automatically get their D3 so when we become a D4 system they will be where they need to be. The requirements are clear and concise. There is no leeway.

Lon said that these guys are worth their weight in gold to him and he would like them to stay here. This gives them a light at the end of the tunnel.

Ryan thinks that there needs to be a separate category in the personnel policy manual that has the requirements for step increases. This would protect Joe's risk and also protect the water district.

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

No action was taken.

6. General Manager's evaluation with a possible approval of a pay raise (For Possible Action)

Chairman Staton started by saying that he has been impressed by the job that our general manager has done. He didn't come seeking this position. In fact, he was somewhat reluctant to take the position. He's worked his way into it, he studies hard, he works hard and he has done amazing things for this water district. He has a love for the company, he has a love for the people and he has a love for his job which shows. Chairman Staton has been extremely impressed with him. For him, he's easy to work with, easy to talk to, he has skills and knowledge about water policy and water procedures that Chairman Staton had never even heard of before. He's grown more impressed with Joe all of the time. Joe has a quality and a way that you always know where he stands, you know where he's coming from and it doesn't matter if he's talking to a board member one on one or if he's talking to Southern NV Water Authority. He has a way of not letting people get the best of him and that's a great quality to have. Some of the things he has been working on and some of the ideas he's had have done a great favor to this company, to the district, to us and quite honestly he's made us look good on several occasions because of the choices and decisions he's made. He was put into this position as general manager in April 2012. His salary was set at that time as \$90,000/yr. Like Randy he understands that the Board has been trying to save money and pinch pennies but he thinks Joe deserves an increase in his salary. Joe's making \$90,000 right now and has been at that salary for almost three years. Chairman Staton would like to see him at \$100,000.

Joe said that he appreciated what Chairman Staton said. He does love the company and he's loves being here. It's a great place to work.

Byron said that he has been involved in the District for 17 years and when he first started Joe was kind of the class clown. Byron had his doubts because he remembered Joe as the class clown but after working with him, he's is incredibly impressed in his leadership skills and ability to step up and take this mantle on. He's a great general manager.

Lindsey agrees that Joe needs a raise. He has no issues with Joe. The question is more of the bigger picture. One of the things that Lindsey has learned from an uncle who was involved in a water company is that he hated the general manager evaluation because they had to air out everything. He doesn't have anything negative to say about Joe but what he's looking at is what our parameters are. It's really easy to get carried away. Lindsey would like to know what the community standards are because they are going to be setting precedence for the next general manager. Lindsey would like to see where the ranges of general managers of other \$3M companies go.

Ryan asked if they could split this into two parts. Part 1 would be the evaluation and part 2 would be the pay increase.

Lindsey's on Joe's side. The question is what is our range for the general manager? Joe would fit into that range and Lindsey thinks it would be on the upper end.

Randy said that they're looking at giving Joe a raise because of time and specific things and because we can afford it. Joe along with others has spent a lot of time going over the contracts. Joe doesn't clock out and he's done. He's available whenever Randy calls him. He's always thinking water. The contract is real close because of Joe's work. He's done a great job. Randy doesn't have anything negative to say. Joe's been great to work with. Also, Randy spoke with the lead servicemen, the maintenance workers and other people and Joe seems to have a good feel of where the employees

are and how their feeling. He came to Randy about the maintenance workers before Randy had even heard about it. That's a good manager.

Ryan has only been on the Board a couple of months so he doesn't really know if it's fair that he provide a evaluation on Joe but in the two short months that he's dealt with Joe he's been very impressed. Ryan asked Joe why he hadn't been evaluated for the last three years. He asked Joe if he had a contract.

Joe said that there's not a contract. When we decided to walk down the path that we did, everybody was kind of in a holding pattern and we tightened our belts.

Ryan asked if the raise would be retroactive.

Chairman Staton said he wasn't looking at retroactive. He just knows that it's been a long time since Joe had had a raise.

Randy said that it's probably his fault because he's just not that organized and he doesn't think that way.

Chairman Staton said it's not all on Randy. The Board has had discussions about this in the past and he has also spoken with Joe about it.

Joe said that everyone's been working on a lot of things the last three years and you just get focused on that. Joe's dealing with BLM right now so he doesn't like his job. Unfortunately, it has to be done but things just keep popping up.

Ryan asked Joe how long he plans on staying with the District so the Directors know what he's looking at. Joe said that he will definitely be here for five more years.

Jon Blackwell feels that if you can do a job whatever that job is and you excel at it, he thinks you should be paid whatever it is. The only other thing is if you tell someone what the retiring manager gets paid then they'll want to work here so you have to have it. It's not a bridge that has to be crossed today. From his work history there's a lot of people he wouldn't work for again and there's some he's worked for three times. Whatever the job is, Joe's excelling at it and it's not fun but he's getting it done.

Ryan said that the five year comment is good to because it allows the Directors to know that if they give him a salary increase to a certain dollar amount right now and they're going to be evaluating this every year, that increase potential might implode.

Chairman Staton explained that the way it has been done in the past the general manager had an evaluation every year. He wasn't saying that the wage is guaranteed to increase every year but there should be an evaluation every year.

Ryan asked if per NRS that the general manager is supposed to be evaluated annually.

Byron said that we don't have to but per our policies anyone can be evaluated at any time. For Joe's sake it is recommended that he has at least an annual evaluation.

Chairman Staton had already told the other Directors his feelings and where he thinks Joe should be. He asked them what their feelings were about it.

Randy said that he's already spoken with Joe about it. Randy doesn't use comparatives because salaries only go one direction and that's up. He has people down at his store that he just can't pay them what they're worth. He has some great cashiers and great workers and he hasn't been able to pay them because of the constraints that are there. The option that the government gives is to raise taxes and rates. He's not going to do that. What do we want to pay a general manager? What's his minimum and maximum so he knows when he gets hired that that's his possibility? The only way he can go above and beyond is if the company performs then he gets a performance bonus. That's Randy's thoughts. The top he would like to see is \$99,000.

Lindsey reminded the Directors that that's not total compensation; that's just base salary.

Randy said everyone got a 10% raise this year.

Lindsey would like to do some sort of base salary range so the general manager knows that he'll get compensated if his management skills lift the company up and the company does better than the last couple of years.

Randy said that this isn't about Joe but it's about setting a range for the general manager. At some point you have to say no. No one's willing to do that all the time but we're in a mess. That's Randy's feeling.

Lindsey said that he was willing to do \$99,000.

Byron said that Lindsey was asking what the parameters should be and Byron thought it would be a good idea for the Directors own personal information to know what we've done in the past. Joe was a dramatic decrease in what we've paid in the past towards general managers. When Brad left he was making a \$128,600/yr. He wasn't saying that the Directors should bump him up to that but he wanted to let them know that. We can go out and get comparables if we want to.

Chairman Staton said that Jeannie had provided some comparables to him but he didn't bring them. When he looked at that list Joe was on the bottom 1/3 of it.

Lindsey said that in his business you have to tie salaries to performance if you don't it comes back to bite you sooner or later. While their discussing the base he wants to make sure that Joe doesn't think that's all he's going to make. He wants to see Joe make \$130,000 but he wants it done because he's increased the value of the company to justify the \$130,000. Then he wouldn't have a problem with it.

Randy said that on the flip side you can pay them \$130,000 like they did in the past and you can have seven rate increases in five years too. You're not only increasing his base pay but you're also increasing PERS. Everyone else in the country does it and that's why we had a 3% increase in PERS. That's his concern. He has to say no. He thinks it's a fair salary. Does Joe deserve more when you compare him to others? Yes, but it's a broken system you're using to compare.

Ryan asked about the 10% increase everyone received.

Byron explained that that was a performance bonus last year.

Randy said that you have to be careful when you say that because they do get raises. They get PERS which had a 3% increase. They will eventually realize that raise. Is it instant? No but it cost the District money. It's part of their salary. Insurance also goes up. In the private world you look at this; in the government we just want to sort it out. He can't do that.

Ryan said that Randy wants to put a classification on what the range of dollar amount is for a general manager. To Ryan that's not what we're looking at. It needs to be generalized as that.

Byron said that today we are only looking at what his pay will be.

Ryan didn't know that they would be talking about the salary range today so he didn't do the necessary homework that he would like to do to do that. Being in the industry that he's been in he knows the salaries that are out there as far as general managers go. He knows that what Joe makes is pretty comparable to what Kevin Brown is making at VVWD. He thinks it's somewhere between \$90,000 and \$100,000. If you start looking at other places like St. George and Vegas where they are looking at building \$2,000,000 to \$10,000,000 pipelines, you get a different perspective. Ryan said that bumping him up from \$90,000 to \$100,000 is an 11% increase which is pretty high. Also, if he works here five more years what are the Directors going to do the next five years?

Chairman Staton said that 10% is a healthy raise but they haven't given him a raise since April 2012. That's three years.

Lindsey said that's why he doesn't have a problem making that jump because they haven't been doing any step increases because we have philosophically changed the work of the District to control our employee expenses because that's one of our major costs. Raises should be earned not granted. Joe works hard and there's no question about his abilities and loyalty and so forth but the raise has to come from somewhere and it comes from our rate payers. The value has to be there so the raise is justified. It's not a time issue so as his management improves things then that money is available and

he gets a performance bonus which is the raise. Philosophically we keep talking about the raise but the raise is a performance bonus because he's earned that by dollars and cents.

Ryan explained that in the private sector that makes sense but in the public sector there's caps and there's a define range like Randy's talking about. The Director of NDOT has a range. He knows that whether he performs to the best of his ability or the worst of his ability he's going to get that amount so we're talking about two different things here. Should we give Joe a raise? That's up for discussion but we also need to set a range. Not today but they need to come back with a range to give Joe and future general managers an idea of what the Boards comfortable with the general manager making.

Lindsey said that that was his understanding of what this agenda item was.

Chairman Staton said that the agenda item was what pay they were going to set Joe at. He would like this to be a united vote and he knows where Randy stands on this so he's going to make a motion that they raise his salary to \$99,000.

On motion of Chairman Staton and seconded by Jon Blackwell, the Board voted 4-1 in favor to raise the general manager's salary to \$99,000. Ryan Wheeler opposed the motion.

The reason Ryan opposed the motion is because there's some ambiguity. He supports Joe and he's glad he's getting this but they don't have the parameters laid out of what the bottom and the top should be and that is just an organizational perspective. He wanted Joe to know that he supports him 100% but he feels that for them to act in this manner he would prefer to know what his limitations are. That's the only reason that he's opposing.

Lindsey asked Ryan if he thought they were jumping the gun not on the raise but because they don't have the parameters set.

Ryan said yes. He thinks that what Randy said needs to be put on paper somewhere.

Joe thanked the Directors for the raise. He really appreciated it.

7. **Manager's Report**

Office Manager – 1) Jeannie Poynor explained that things have been super busy in the office. **2)** Julie Nelsen is back. She started on February 2nd. **3)** We've gone through the mid-year inventory, counted everything and got everything squared away with that. That's usually a two week process but it takes Jeannie a full month by the time she gets reports printed. **4)** Staff has begun working on the budget for next month's board meeting. **5)** Jeannie reminded the Directors that we had signed up for Fiserv. Washington Federal called and they're going to go thru the steps so they can get setup with electronic bill pay. **6)** Randy had asked Jeannie to check into making Scott our insurance representative but she has not had a chance to check into that. She should be able to get the done before the next board meeting. **7)** Jeannie went over the new reports that Randy had her makeup. The first one was the debt service report. It shows where we are with debt and where we're going. We do have the \$4.3M bond that is up for refunding. We can do that in June of 2015. We've been contacted by Andy Artusa and he said that the State will be bonding in September so that's something we will be working on. The report shows overall debt. We're at our highest right now. The blue line is our revenue bonds, the red line is our GO bonds and the green is our total. This will change when we do the refunding. The second report is the report on wages, salaries and benefits. This includes the maintenance workers changing over to servicemen at \$25.03 instead of the \$22.86 so that will be a little less. Insurance is all of the board. We've gone from having a 22% increase to having a 24% decrease. PERS has gone up. It's going up to 28% from 25.75% and it increases every two years. At least it has every since she's been here. Randy also asked for the class and compensation schedule minimum and maximum. We don't use all of these job titles but they are in the policy manual. Jeannie had a report on the designated and the restricted funds. Jeannie explained that we've come across a few things like the AB198 loan that we were calling designated funds when it is actually restricted funds so that's going to be changed over. We are required to put in a certain amount each year. We can use that money as long as we notify them in writing that we're going to use some of it. The USDA bond money is also restricted. Designated funds are money that the Board has designated for equipment replacement and things like that.

Water Distribution Superintendent – 1) Hwy 168 Project - Lon Dalley said that this would be the last time we would see this project on his report. The paving's done. The only thing he has left to do on this project is close out the open permits. **2) Catherine Lane Project** – We have the letter from NDEP giving us their ok to do the project. Lon has started on the dust permit and the County

encroachment permit and of course the NDOT r-o-w permit to tap off the mainline. He'll get those three permits pulled and then we'll be good to go **3) County Blanket Permit** – We finished up the work they asked us to do. We did the compaction test, the asphalt work and we re-concreted the valve cans according to their specs. Lon sent a letter to Jason Kephart and he is supposed to come out and inspect them and sign them off. The letter warranted the patches for two years which was part of the MOU we signed. **4) Miscellaneous** - Lon did Bryan's production chart with Bryan's help. They removed some of the previous years because it was pretty full. Things are staying pretty normal production wise. Lon tested Rhee Brinkerhoff's backflow device. He assisted Joe with the BLM RMP which is a nightmare. He attended meetings with Lindsey and Joe and has also been working with the CC Fire District in order to make sure that we're in compliance with the County's fire codes. The guy went thru our buildings and head houses and now we have a list of things we need to do in order to get in compliance.

Water Production Superintendent – Bryan Mortensen informed the Directors that we didn't have any meter installs last month and we didn't have any meter register change outs. We have an argument going back and forth with Master Meter. We trying to convince them that we can still get registers warranted under the agreement that they gave to us and allowed us to sign. Jeannie may have got that worked out.

Customer service requests were pretty light last month. We had a few meter leaks and a couple of other things around Overton.

The backwash basins the State made us put in at Baldwin Springs are done. They've cured and we started backfilling those this week. Once that's done and put back together we will perform our first ever media change out. He'll have some pictures at next month's meeting.

Staff repaired the main breaker on the Clortec unit. It's been a great unit but it's getting old.

Staff is still doing flood cleanup and will be doing it for a long time. Crews are working on it when they have a free day. There was a meter box in Warm Springs by Davis Nursery that had to be replaced. Water came down through there and took it out. There was a 24" line opened up at the Tortoise Substation. We have several leaks on the mesa down by the Reservation that need to be repaired and there is also an 8" line over by the SNWA field station that we need to coordinate with them so we can get down in there. The pipe is exposed there.

We had a service line that we repaired that was not part of the Vanguard project but it got put in there anyway. The crews are moving along in Country Lane pretty good. Trophy Lane was finished today.

We had a few leaks.

We sent Victor and Burton to backflow training class as backup for Lon and Bryan. It was a 40 hr class that took five days to complete. It was pretty intense but Victor passed the test.

Staff has been assisting with the inventory count. We did better this year than in previous years.

We had our fire extinguishers serviced. That's done annually by a local company.

We still cross training.

General Manager – 1) Linda Helda – Joe received another call from Linda Helda. She's the person who lives down the hill from the reservoir. She has a 1½" meter and two homes on her lot. She had asked Joe earlier about buying a meter but doesn't want to have to pay the water dedication ordinance fee. Joe had told her that we were talking about revisiting that and she was wondering where we were with that. Joe told her that he would bring it back up to the Directors.

2) Security – We've ordered the video system. It's in but we have to get the rest of the conduit installed so we can get the video surveillance put in at Baldwin and Arrow Canyon. They're 26 miles away so it takes awhile to get there. The majority of the cameras are inside the buildings. It was actually brought out in our vulnerability assessment that we're required by the government to have something like this. That was back in 2006. This will help us meet that requirement. **3) Bond Refunding** – We've started the paperwork in order to facilitate it. It will come to the Board for them to vote on if we actually decide to move forward with it. We anticipate being able to save \$253,837 over the life of it. **4) Water Resource Plan** – Joe asked if any of the Directors had a chance to go thru the Water Resource Plan. Chairman Staton said that he did to some extent. Joe said that he had Glorietta do some editing in order to remove some of the stuff that we didn't want to have out there. As we move forward thru the BLM process this is actually something that we will have to give to them in order to force our hand on the fact that they should have had us in the beginning of the process. Joe said we would be discussing this later on in the meeting during Directors Preference. Ryan mentioned something that he got from it. The District is currently permitted for 14,700 af of water. 11,500 af is potable since the balance is irrigation water. For a comparison we're pumping about 3,000 af annually and we've done that for the last 20 years which is 25% of our available capacity. We have a lot of potential growth. That's 3 times where we are today. VVWD pumps about 6500 af a yr. They have around 20,000 people; we have 7,000. Also the last five years we had almost zero hookups. Meter fees were not really collected so do we need to charge what we're charging? There are also a couple

of other things he wants to talk to Joe about. He will email them to Joe and Ken. He thinks the water resource plan is a great document that just needs a few tweaks. **5) NVRWA** – At the last Board meeting there was a question on how much time it would take if Joe was elected to the NVRWA Board. They have four meetings a year. One is by phone; two are held in Reno (one of those is held during the annual conference) and one will be held somewhere down here. He found out that they cover the lodging but they hinted that the utility the Board member works for usually covers the travel costs. Joe said that it would be a great opportunity for us to help dictate a lot of the State policies that are going on. There are two senate bills that are out there right now that were introduced that NVRWA will have a lot of influence on. Ryan thinks it would be great. He asked Joe when he would get notification. Joe explained that he and Dan Bevan are going to the conference which will be March 17th, 18th and 19th. The 19th is the day that they will be voting on the Board members. Chairman Staton thinks it's a great opportunity and hopes Joe gets elected. **6) Water Week** – Every year AWWA has water week in May. We put ads in the paper last year. One of the ads was black and white and it didn't show up very well; it should have been in color. It's designed for kids and has water facts, information on conservation, puzzles and things like that. There is a State requirement that we preach conservation. This helps fill that requirement. The ads will be run in May. He just wanted everyone to be aware of it. Ryan had one thing to say which stems from when he was campaigning. He suggested to the other Directors that with standard ads that are put in the paper on a yearly basis they should allow the general manager to go ahead and run those but non-standard ads should have Board approval. He would like that to be an action item at an upcoming meeting agenda. **7) Vanguard Repairs** – All of patching has been done in Valley Heights. We're getting quotes to seal the roads in there. It will probably be between \$25,000 & \$28,000. We sent it out and we're starting to get the bids back in. We will have to research the companies that submitted bids to make sure it's all good. We'll have it on next month's agenda. Right now we've spent \$25,864 of the Vanguard budget. We're getting the high dollar areas out of the way first. When we're done there we'll move over to Greenfield Estates. We sitting good with the money we have and the repairs we need to do. **8) Arrow Canyon Well #1 Repairs** – At the time Joe wrote the memo they were actually done swabbing and videoing the well. It cleaned it up some. Bryan, Lon and Joe sat down and looked at the 1999 video of the last time it was swabbed and the well had a lot of corrosion in it. Basically it cleaned it up as well as it could. We are going to look at having to do something because it is going to fail at some point in time. Joe's not willing to dump acid down it at this time. If we had a backup that was suitable then it might be worth trying but since it's carbon steel all of the recommendations Joe's got say to stay away from it. The well's been dropped in; it's sitting there ready to go we're just waiting on one dismantling joint. When the well was originally built the building was built around it. The problem with that is everything is just rigid. When we tried to pull the well out it was extremely difficult to get it out. They should have put a dismantling joint in there. The joint should be here the latter part of next week. When it gets here we'll get it installed and then we can make sure that it's pumping the way it was before the work. We are going to have to drill another well sometime in the near future. **9) Truck Bid** - We have a 1998 Chevy extended cab that we want to get rid of since we purchased a new meter reader vehicle last year. We are going to put an ad in the paper for bids on that truck. That should be on next month's agenda. The last time that we did this we didn't put a minimum bid on it. Nick Shakespear pulled up the bluebook on it and it is worth \$1500. Joe wouldn't recommend putting a minimum bid on it. He asked the Directors if that was ok with them. Chairman Staton said that he was fine with that. **10) Warm Springs Meter Potentials** – Joe had a gentleman call him who wants to purchase a meter for a property in Warm Springs. The property is on a plateau behind Jim Hayworth's place. Right now we don't have a tank up there in order to supply the pressure that's needed. We're using pressure sustaining valves. The problem is when Arrow Canyon is down Baldwin won't meet the same pressure zone that's in there so the existing homes that are there had to have booster pumps installed. Right now we are meeting minimum requirements but the problem is there can be times when those valves aren't working and then we wouldn't be meeting the minimum requirements so the Board is going to have to decide if we are going to sell meters up there. There's a potential for a problem like we had with the Brady's. Right now Joe is telling the gentleman no because it's too iffy but he will also tell him that the Board is going to be looking at it. **11) BLM RMP** – We have partnered with Nye County and Ponderosa Dairies. The three of us are working with Glorieta Geoscience who has commented on the RMP process. You have to comment on it in order to protest it. BLM basically wants to shut down the entire valley so that we won't be able to do anything like getting easements, drilling wells, etc. They're really trying to shut us out. Byron said that they were supposed to come to us before they created this report and let us, OPD and others have input but they left us out. Everyone is outraged by how this is going. It's going to be a battle. Joe had a letter that he and Lindsey drafted. Joe found a document that actually gives us some traction in order to fight them. Since we have the document we figured we would contact a lawyer that specializes in federal land issues. She had a document that we plagiarized from. We want to deliver this to BLM to put them on notice before the comment period is over because it will give us some standing with it. The attorney said she would like to see it come from the Board.

Joe had three copies at the meeting for the Directors to look at. Randy asked if we are sharing this with the other utilities. Joe said we are. He has spoken with OPD, Nye County, and VVWD. He asked them to send letters also and that's all he can do. We're spearheading it since we're a little ahead of the game because Joe found a document where they actually admitted in 2006 that we were a cooperating agency. Now all of the sudden they are trying to tell us we aren't a cooperating agency. The lady that signed it in 2006 is actually the State Director now and she's the one telling us we're not. We need to get the letter delivered so Joe wanted the Directors to read the letter to make sure they're good with it. It needs to be signed by the Chairman of the Board. Joe had Glorietta go thru it and reedit it. In order to make the criteria you have to have a document and a land use plan and this is our land use plan. This is the sledgehammer that lets them know that they should have talked to us six years ago. We'll hand deliver those to them. If they don't give us some concessions on it then we will have good legal standing to make them do something. They're basically going against federal NEPA law. They're claiming that they met with everyone that was a cooperating agency and they didn't. Our land use plan is the water resource plan. It talks about us needing certain areas where we are going to put siding tanks, the water we have in Meadow Valley Wash, our existing applications plus we're going to have lots more. It basically explains to them that we need to have these resources. They need to justify why we can't do this.

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

None

9. Director's Preference

- Review Monthly Expenditures

- Discussion on small mains project plan (Discussion Only)

Ryan had a discussion with Joe on how this works. He would like to make it a little better for the Directors to understand what that encompasses in its entirety. When he says in its entirety he means the projects we do once a year for Overton, Logandale & Moapa. He would also like to develop the plan further so they know the total amount of small mains in our system which is a big task and the projected costs for those small main upgrades so that the Board will see what our long term capital outlay is in costs for each small main project. Is it going to take 6 years or 25 years to make all these small main upgrades? He sent Joe an email with a few ideas. He would like Joe to meet with his staff and come up with a proposal with what that plan should entail and come back with a discussion item so the Directors can provide further direction. He knows Joe's occupied right now with all these other items and he doesn't think this takes a lot of precedence but it could be developed over a time that Joe sees fit. He asked if the other Directors thought it was worthy for Joe to pursue that. Lindsey asked if the purpose of this is to get a handle on potential future costs and then weave that into whether it's well costs or tank costs and then prioritize it? Ryan said that's exactly what he's talking about. His assignment is capital improvements. As we look to spend whatever we're going to spend in capital improvements one of his main things is to make sure that as we do so that were spending it on the weakest link. Another idea in putting that all together is that if you have a plan like that you could go out for grants to do all our small mains and see if they could meet us 50/50 or 60/40 to help limit some of our costs. Those are a few options. He's not necessarily saying that all of our money needs to be spent on small main upgrades. It would be nice to see the whole picture like how many small mains are out there and what the total expenditures would be. Chairman Staton isn't sure that we would be able to see the whole picture. We need to be somewhat flexible. Something could come up in six months from now that we weren't even looking at. Joe thinks that what Ryan is getting at is that we have 930,000' of pipe in our system. Out of that, 646,000' of that is size 2" to 12". 50% of that is anywhere from 2" to 6". We have transmission mains which are 14" or larger so 50% of our distribution system is undersized. When the system was originally started all of our mains were 2", 3" or 4". We did do a lot of 6" main line extensions but the problem is a 6" line will not give you fire suppression. We have a lot of work ahead of us. What Ryan's talking about is that if this is a 30 year process there could be some grants out there that could help us get this done. Everything in Overton is asbestos pipe. One of the things we looked at last year after talking with USDA was to do the project in house but you had to have a really good work plan in order for them to approve that. Right now we get around 3500' done a year at best and there's 300,000' to do. That will take awhile to complete. We have a list of the areas that have a lot of leaks and those are the ones we work on first. The list usually has around 15 items on it. If some of those areas have more leaks they get moved up the list. It's a never ending list. It wouldn't take that much effort to get us to a point where we could get a good look at it and see

what we want to do. It's something that definitely needs to be done. Joe said that he's going to have Lon and Bryan start working on this so it shouldn't take that long.

- Discussion on section 1.A paragraph 4 of the MVWD policy manual & section 3.1 of the general manager's job description in the personnel policy manual (Discussion Only)

As Ryan was reading the personnel manual and the water board policy manual he came across this item that is in direct conflict. He wanted to see if the other Directors agreed that it is in direct conflict and if so, maybe it could be brought as a discussion item at another meeting. He read section 1. A paragraph 4 of the policy manual which says "It shall be the policy of the members of the Board of Directors to refrain, as individuals, from discussing management problems with the personnel of the Moapa Valley Water District, except in cases where the Board deems it necessary to confer with personnel at regular or special meetings. Board members reserve the right to initiate any discussion with any employee at any time regarding water district business". To him that statement seemed a little contradictory and he thinks the only clarification that would be needed would be that they are supposed to refrain from speaking to individuals about management problems but can talk about District business with them. As a new Board member he doesn't understand but has an idea what management problems are and what water district business is but the line of that isn't black and white. He suggested that they let Joe come up with the solution and have him run it by Byron for further clarification.

Lindsey explained that that had real significance with the previous manager because he used that as a tactic to stifle any sort of information from employees so the Directors were living in a bubble outside of the reality of what was really happening. He wants to make sure that whatever changes are made that that is factored in. If he wants to talk to the Staff he can. That keeps Joe honest because he knows that he can't bottle it up; that something's going to happen. That way the Directors can go and find out what's going on.

Ryan agrees 100% but he wants to be a Director not a general manager. He doesn't want Staff to come to him and say they think things should be run a different way. He thinks we need clarification on those two terms for management problems and water district business. He really thinks to some degree that the flow of business should go thru the general manager. They don't need to know all of the management issues that Joe's dealing with.

Byron said that it sounds like what Ryan's saying is he doesn't have a problem with the Board going to the employees and asking questions but what he doesn't want is employees that have a complaint bypassing the normal procedure of going to their supervisor and going instead to a Board of Director with their complaint. That's something Byron agrees with.

Ryan then read the general manager's job description which says "The General Manager is employed by the Board. The flow of authority for the management of the Water District shall pass through the General Manager, and he/she shall be the liaison between the Board of Directors and the employees". He's not trying to say that the Directors can't talk to Staff. He thinks there's a lot of value in Randy going and talking to the maintenance II workers and us trying to seek further understanding. There just needs to be a clarification between management and district business. Chairman Staton said that he sees what Ryan's saying.

- Review Monthly Expenditures

Jon Blackwell called a closed-door session at 6:45 pm. This was seconded by Chairman Staton.

- **Litigation**
- **Discussion on SNWA's proposed contract modifications**

Jon Blackwell reconvened the open-door session at 7:06 pm. This was seconded by Chairman Staton.

10. Personnel-Closed Door Session

11. Approval of the March 12, 2015 Board Meeting

The general consensus was to hold the next Board meeting on March 12, 2015.

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

None

13. Adjournment

The meeting adjourned at 7:08 p.m.