



Randy Tobler said that it's a great program. It's really neat to see the interaction between the kids and officers.

On motion of Scott Carson and seconded by Jon Blackwell, the Board voted 4-0 in favor to donate \$100 to shop with a cop. Randy Tobler abstained.

**6. Presentation and approval of the FY14 audit – Hinton Burdick Hall & Spinkler (For Possible Action)**

Chad Atkinson was on speaker phone to go over the audit with the Directors. Jeannie also had a PowerPoint presentation for the Directors.

Chad said that the audit report this year was is on page 1 of the financial statements. The independent auditors report is an unmodified opinion or a clean opinion on the financial statements. That's the highest assurance that the auditors can provide. There are no issues or problems there. They also have a report on compliance and internal control. In the Internal Control Report (page 31) they didn't have any internal control findings in FY14 to report. He believes there weren't any new finding in FY13 either. He complemented Jeannie and her staff for maintaining good control for the District.

In the Independent Auditor's Report on State Legal Compliance (page 33) there were no compliance finding in FY14. There wasn't anything under the Findings and Recommendations either.

Chad went next to page 12 in the Financial Statements. He talked about the changes from last year to this year. There was a decrease in the SNWA contract revenue. It went from \$569,021 in FY13 to 284,813 in FY14. There was also a slight decrease in the Hydrant Water Sales. That went down \$22,000 from last year. Those were the main two changes on page 12.

Next he mentioned that total operating expenses went up \$84,000. He felt that was a moderate increase considering the size of the District.

Non-operating Income for Expense went up a little bit. There was overall increase of \$356,677 and that's primarily from the Viega legal settlement which the District received approximately \$300,000 from. The overall change in net position was \$676,343 which is pretty consistent with the prior year.

Next he explained that Net Position is basically whatever resources the District has on hand. Net Position was on page 11. Net Investment in Capital Assets are all of the capital assets of the District less any debt that was used to acquire those assets. That went up just a little bit to \$12,459,853. There were some additions in FY14 of approximately \$251,000. That included some line upgrades that were done for about \$100,000, a chemical building was built for \$38,000, and water shares were purchased for \$65,000. Those were the main changes. Depreciation was \$723,569. There were also repayments on long term debt of \$515,000 so at the same time the assets are depreciating the District is also repaying its long term debt.

Unrestricted Funds are resources the District has available for appropriation for projects and for budget purposes. It went from \$7,000,000 up to \$7,400,000 this last fiscal year.

The designated amount has been set aside for arsenic media replacement and other projects that have been specified. That went up from \$610,000 to 792,000.

Restricted Funds stays around \$200,000 and \$250,000. That's money that has been set aside for reserves on the District's long term debt.

Unrestricted Cash went up from \$5,500,000 to \$6,000,000. The cash position of the District is excellent. The designated cash is made up of the following: the SRLF which has \$87,000 in it, arsenic replacement has \$496,000 in it, and equipment replacement has \$208,000 in it.

Chad said that the District is in good financial health.

The last thing he wanted to talk about was the SNWA contingency which is still outstanding. As auditors, they would like to see that matter resolved so they can know how to move forward with it.

On motion of Randy Tobler and seconded by Scott Carson, the Board voted 5-0 in favor to approve the FY14 audit.

**7. Move to approve invoice #320 & #324 from Westpoint Rock Products in the amount of \$49,006.72 (For Possible Action)**

Joe Davis explained that these invoices are part of the flood repairs that were done. The rock was used in various locations in our distribution system to replace what was washed out during the flood. There was an astronomical amount of rock that was hauled in but it paid off. When the second flood came thru none of the lines that were repaired were damaged. The guys did a great job. They moved a lot of material in a short amount of time. This rock has been purchased and installed but the invoices need to be approved by the Board because it's over the \$10,000 limit. If repairs needed to be done in Moapa, Staff purchased the materials up there. If the repairs were down here in the lower valley we purchased it from suppliers down here. That cut down on trucking time.

On motion of Randy Tobler and seconded by Lindsey Dalley, the Board voted 5-0 in favor to approve invoices #320 & 324 from Westpoint Rock Products in the amount of \$49,006.72.

**8. Approve the Wallace Morris Kline Survey invoice for survey work for \$17,600 (For Possible Action)**

Joe reminded the Directors that we had some survey work done throughout our distribution system. The company we used was Wallace Morris Kline. They have already done the work so Joe was asking for approval of this invoice also.

On motion of Lindsey Dalley and seconded by Jon Blackwell, the Board voted 5-0 in favor to pay Wallace Morris Kline Surveying \$17,600 for survey work performed for the District.

**9. Approve the formation report for the Cottonwood Reimbursement Area #006-013 (For Possible Action)**

Joe had a large map of the reimbursement area for the Directors to look at. The District upgraded Cottonwood all the way from MV Blvd to the railroad tracks. In the past, anytime we had areas with large parcels in it we would put in a 12" line instead of an 8" line. A 12" line will be able to handle any kind of develop in those areas. We then create reimbursement areas for those areas where we did the upgrades. Anyone that benefits from the upgrades will have to pay a portion of the District's costs to upgrade that line. There are a total of 253 acres in this area that could potentially benefit from the upgrade. The cost per acre will be \$730.66 and the reimbursement area would be in effect for 15 years.

Scott Carson explained that in the past there has been an escalator that has been tied to the construction cost index which goes up every year. He doesn't think we need to do that. The District has always purchased the materials and done the labor. The \$730.66 is what the owner will pay not more as time goes by.

Joe explained that it also takes time for Staff to go in and figure out what the escalator should be. It can go up or down every year. It also pits neighbor against neighbor. The District put \$180,000 into the project and this reimbursement area allows us to recoup those costs.

On motion of Scott Carson and seconded by Jon Blackwell, the Board voted 5-0 in favor to approve the formation of Reimbursement Area #006-013 in accordance with the provided Staff report with an implementation date of November 1, 2014 and an expiration date of November 1, 2029.

**10. Discussion and possible approval to buy back the meter located at APN #030-08-201-001 for \$5463.44 (For Possible Action)**

Joe reminded the Directors that this was discussed at the September Board meeting. The meter is located on a piece of property in the Warm Springs area which doesn't meet the minimum State requirements for pressure. We could install a pressure tank and a booster pump to supply them with water but it still gets into the logistics of running Arrow Canyon constantly. Joe spoke with the Brady's after the September meeting and told them that we weren't interest in buying the meter back for the amount they were asking for. They then asked if we would be willing to purchase it for the going rate. Joe told them he'd put it on the agenda and see if the Board was willing to do that. The meter should

never have been installed. There are just too many special caveats that are associated with it so he would recommend buying it back.

On motion of Lindsey Dalley and seconded by Jon Blackwell, the Board voted 5-0 in favor to pay Tom & Karen Brady \$5,463.44 for the service connection located on APN #030-08-201-001.

#### 11. **Manager's Reports**

**Office Manager – 1) Server** - Jeannie explained that Itech Las Vegas and Pelorus were working closely yesterday to do a Pelorus upgrade. Pelorus took our data yesterday morning and upgraded it all. They then turned it over to Itech who moved the data from the old server to the new one with Pelorus's help. That was all completed yesterday. **2) Fiserv** – Fiserv is the company that does the electronic payments for America First Credit Union. They said that they've been really busy but they're working on it and should be calling us in the next few days. **3) Health Plan of NV** - We received the renewal from Health Plan of NV. It will start December 1, 2014 and go thru November 30, 2015. Our increase was about 7%. Some of the copays have gone up and some of the out of pocket expenses have gone up but it's still a fairly good plan.

**Budget vs. Actual** – Jeannie found an error on the overall budget report that she corrected. Resource Development and Protection was missing a line item. It says it's at 99.25% of the budget but it's actually at 138%. That line item is for permits and licenses and also for engineering. That correction will show on next month's reports.

**Water Distribution Superintendent – 1) Hwy 168 Project** – Everything has been completed, we just have to do the touch up work. We have to repave the driveways to the Pulsipher Apts. Bryan met with the NDOT inspector this afternoon and received his blessing. We are going to lay type II on the North shoulder of the highway where we laid the main line and anywhere else that needs it.

**2) Catherine Lane Project** - We received the stamped plans from the engineer. They've been submitted to NDEP and this week we received their approval. We still have to go thru the County and NDOT permitting process. NDOT shouldn't be a big deal. We have to get the County Blanket permit cleared up before we do Catherine Lane. As long as we have an outstanding permit they won't give us another one. Some of the compaction tests were done today but we have six more to do. They should be done tomorrow. **3) Miscellaneous** – Lon did a few site surveys and a backflow test. He's also putting together a hit list for the vanguard repairs and has been assisting Joe on coordinating certain projects and attending meetings with him.

**Water Production Superintendent** – After the flooding we used some extra water because of the leaks we had but we're went back down to where we usually are in October. At least we're not dropping any lower.

We still have a lot of people asking where their meters are and we're still having various leaks. The guys are also still working on flood repairs so there wasn't a lot of time for meter services.

The 2<sup>nd</sup> flood that came thru had a lot of lightening in it so we have damage at some of our facilities. Everything has been repaired and is up and running.

There were some sanitary surveys that had to be done at the 340A facilities.

The guys started working again on the areas with Vanguard pipe this week. That will be on the schedule from now on.

There were quite a few leaks last month that weren't necessarily caused by the flood. We tend to have more leaks when the weather changes.

Nick Shakespear and Mica Leatham passed the T-2 operator certification exam. Mason Stratton passed the CDL Class A exam/driving test.

We're still doing a lot of cross training.

When things settle down from the flood Bryan's report won't be so long.

**General Manager – 1) Conservation Rebates** – A customer had asked Staff if the District would be willing to offer rebates on pool covers and other water conservation items. We explained to them that we don't have the resources for that but we would talk to the Directors about it. In Las Vegas SNWA gives rebates for pool covers. **2) Share Payments** – We've also had a couple customers ask if they would be able to make monthly payments for the water shares they're leasing from us. The Directors asked how much Staff time it would take to do that. Jeannie said that it shouldn't be hard to do. We would just setup a service on their bill. Joe said that Staff will look into what it would take to do that. Randy said he thinks there should be a monthly surcharge for the option. **3) Meter Reading Truck** – The truck is supposed to be delivered on December 20<sup>th</sup>. When we receive it, the 1998 extended cab will be disposed of thru the bidding process. **4) 2014 Water Resource Plan** - The plan is done. Joe has sent it off to Glorietta to review and they requested copies of some Leslie and Associates reports that were referenced in the original report. Glorietta is just checking the numbers. Joe hopes to have a PowerPoint presentation on it at next month's meeting. **5) NDOT 6" Line** – The line has been repaired and established. 3200' of 6" main was installed and cost a little over \$40,000. The Tribe will receive money for their repairs but no one else will receive anything. We have already

put out around \$140,000 in repairs so far. The one good thing is that NDOT/BLM will be paying for the repairs to their line. Joe spoke with Irene Nevis from Emergency Management and she is still getting everyone's information together. There is suppose to be a meeting on Monday to find out from FEMA what caused them to only give money to the Tribe. There's an appeal process so hopefully we'll hear after that meeting whether we can appeal or not. All of the major infrastructure has been repaired. If we had received reimbursement for those repairs we were going to do some more stuff above and beyond that in order to finish off the projects. As things stand right now, we're going to back off and let things stay where they're at. At least we're whole right now. **6) Multi-District Work Group** – Joe & Lon attended a multi-district work group meeting. Caliente, Pioche, Panaca, Virgin Valley and MVWD participated. Alamo hasn't attended but they have been invited. The group meets quarterly to go over different problems we've encountered, material problems, combining orders on large projects to save money and other issues. Lon and Joe did a PowerPoint presentation on the flooding we had. They were all impressed with how much damage we had and how quickly we got it repaired without having to bring in outside resources. Lon and Joe also talked about how we have good relationships with the contractors in the valley and how that really helped us out doing the flooding. **7) JM Lawsuit** – We submitted the paperwork that they needed. Byron was supposed to have a conference call with them in October regarding the dates in the lawsuit. Byron explained that the call was reschedule for November 14<sup>th</sup>. **8) Christmas Social** – The Christmas Social will be on December 5<sup>th</sup> at 6 pm in Mesquite at Falcon Ridge. **9) Arrow Canyon** – We've been talking about getting work done at Arrow Canyon. Scott and Joe have been working on it for six months. We're in the process of negotiations with SNWA to shut down Coyote Springs. Joe thinks it would benefit the District immensely if we could get the majority of the rehab work done at Arrow Canyon while that resource is on. If we have a failure anywhere in our system we would be able to utilize that water coming out of Coyote Springs while it's on. Joe has hired Lane Christianson to work on Arrow Canyon. They gave us a bid of \$10,600. They've done work for us in the past and they just got done pulling Virgin Valley's wells. They are going to pull Arrow Canyon #1 and do a complete analysis on the bowls. They will also give us a video log of the well. Last time the well was rehabbed was 10 years ago. That's quite a long time to go without having any rehab work done. Basically, we're going to have the well pulled and get it video'd. Once we get that video log, they'll give us an analysis of what type of cleaning we're going to have to do and if we have any failures. 10 years ago we had cracks in the casing that had to be repaired. We had several things on our agenda that we've wanted to get done at Arrow Canyon and Baldwin Springs. We went out for bid and received competitive bids for Baldwin Springs basins. That will be on next month's agenda. We're in the process of checking the bonds for the company with the lowest bid. We will also have the rehab work on Arrow Canyon on next month's agenda. Joe wants to get these done before Scott leaves since he has been instrumental in moving these projects forward. The Baldwin project is going to be about \$32,000 which is \$3,000 less than what we had budget for it. If the bowls have to be repaired it's going to take about a month to get them back but it's a lot cheaper to have them repaired than buying new ones. We'll just have to see what we find out after we get the video log back.

## 12. Director's Preference

Randy reminded the Directors that last month he brought up the surplus in the budget. He said that it wasn't something that had to be discussed today but he threw out some of the ideas he had. He estimates that there is about a \$650,000 surplus. He would like to take \$100,000 and put it in the equipment portion. He would like to take \$500,000 and put it in an infrastructure account and designate it as an infrastructure account. He wants to make sure that infrastructure is solid. The other \$50,000 could be talked about later. We still want to refinance the big bond and that would be a huge savings there. Lindsey asked Randy how he came up with those numbers. Randy said that he looked at the plan the Joe has in place and when he looked at equipment, he thought it seemed a little low. We've been looking ahead and it would be great to pay for some of those things with cash. We are looking at purchasing a truck and a backhoe in the next few years. The other thing Randy was looking at was the arsenic account. It looks really high so he would like to get a realistic cost of what it would cost to replace it. We have one media change out in storage. He would like to transfer that money to infrastructure so we can see what we really have.

Jeannie said that the money in the arsenic media account is not only for media but also to replace the building or any equipment that needs to be repaired.

Chairman Staton wanted to tell Scott thank you. Elections come and go and people change places and new people come. He explained that as we sat here tonight we can hear some of his expertise and hear where he's helped us and where he's been beneficial on this Board. None of us could ever say that he hasn't helped or benefited or done something positive the District.

- **Review Monthly Expenditures (For Information Only)**

**Chairman Staton called a closed-door session at 5:50 pm. This was seconded by Jon Blackwell.**

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

**Chairman Staton reconvened the open-door session at 6:15 pm. This was seconded by Randy Tobler.**

On motion of Chairman Ken Staton and seconded by Randy Tobler, the Board voted 5-0 in favor to give every employee a \$2,200 performance bonus.

**13. Personnel – Closed Door Session**

**14. Approval of the December 5, 2014 Board Meeting**

The general consensus was to hold the next Board meeting on December 5, 2014 at 4 pm.

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

**14. Adjournment**

The meeting adjourned at 6:35 pm.