

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF BOARD MEETING
HELD
THURSDAY, OCTOBER 11, 2012**

PRESENT: Kenneth Staton
Jonathan Blackwell
Randy Tobler

Joe Davis
Bryan Mortensen
Lon Dalley

Byron Mills

Myrtle Keller, Toys for Tots
Thayne Clark, Bowen Collins

Lindsey Dalley
Scott Carson

Susan Rose
Jeannie Poynor

Bob Lyman
Mike Chandler, Bowen Collins

ORDER OF BUSINESS: At 4:00 p.m., Chairman Ken Staton called to order the regular meeting of the Moapa Valley Water District Board of Directors. The agenda items were addressed in the following order:

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

Bob Lyman attended the meeting because he had received a late notice on a property that he had recently purchased. He's never signed up for service on the property and he never received a bill for it. He called the office and was told that since there is a meter on the property and he is the property owner, he is responsible for the charge.

Joe Davis explained that when we sent the bills out, we were contacted by the Moapa Valley Federal Credit Union that they no longer owned the property so it wasn't their bill. Staff went on the County website and found out who the new owner was. The bill was put in his name and we have been waiting for him to come in and sign up for service. When he didn't and the meter was up for shutoff, we sent him a late notice hoping that he would come in and do that.

Mr. Lyman said that he wants the meter turned off. He has owned the property since July or August. He hasn't used the meter so he doesn't understand why he's being billed for it. The notice he received says he owes \$32.77.

Jeannie Poynor explained that we bill everyone at the same time every month. What happened in this case is that the Credit Union contacted us and let us know that they no longer owned the property. As a general rule we go to the County website and find out who owns the property and we send them the bill because there is \$29.79 due every month on that meter. In this case there was a late charge of \$2.98. Mr. Lyman will also receive the bill that goes out tomorrow. There will be a \$29.79 charge associated with that meter every month.

Mr. Lyman said that he doesn't want the meter because he has two wells on the property.

Jeannie said that Julie explained to Mr. Lyman what he would need to do if he wanted to have the meter removed. Jeannie explained to Mr. Lyman that if he ever wants to purchase another meter for the property, he would have to pay the going rate at that time.

Mr. Lyman doesn't have a contract for water service on this property so he doesn't feel that he should be billed for it. He doesn't know what rules or statues authorize the District to charge him for it when he's never signed anything.

Jeannie explained that he can choose not to pay the bill but when he decides to turn the water on, he will have to pay the balance before we will do it.

Mr. Lyman said that that's an applied contract which is not legal according to the antitrust law.

Joe explained that it's one of MVWD service rules.

Randy Tobler told Mr. Lyman that MVWD only has so many meters available and we have to guarantee water to all of them 24 hours a day. That ties up a resource that could be used somewhere else.

Mr. Lyman said that they own four lots and have two active meters. Their plan is to consolidate the four lots and create one large one. There are four houses there now and they are going to destroy two of them so they don't need three meters. He asked to be placed on next month's agenda.

Lindsey Dalley reminded Mr. Lyman that if he has the meter removed, it's gone. Right now a new meter costs around \$5,500.

Mr. Lyman said that he never plans on using the meter.

Chairman Staton said that this would be placed on next month's agenda & Mr. Lyman asked his representative to represent him since he would not be able to attend the meeting himself.

2. Approval of the Minutes of the previous meeting held September 13, 2012 (for possible action)

On motion of Jon Blackwell and seconded by Lindsey Dalley, the Board voted 5-0 in favor to approve the minutes of the previous meeting held September 13, 2012.

3. Toys for Tots - Donation – Myrtle Keller (for possible action)

Myrtle Keller said that she has been doing Toys for Tots for 53 years. This year they are going to have around 1,100 children that they will have to provide toys for. That includes Beaver Dam and Mesquite. They provided toys for 130 kids in Beaver Dam last year.

On motion of Lindsey Dalley and seconded by Jon Blackwell, the Board voted 5-0 in favor to donate \$100 to the Toys for Tots.

4. Manager's Reports

Office Manager – Jeannie Poynor explained that we are on our second week of using the new integrated software. It going great and Staff loves it so far. It can do so many things that the old software couldn't do. Staff is still working through some things like getting the budgets in order and learning how to track things. Jeannie was able to print some reports right out of the new system today. The budget report will do away with the other spreadsheet she was doing. Staff is still in the middle of reconciling August since they weren't able to do anything for awhile. The figures could change some but it shouldn't be much.

Jeannie also included the bank statements that show all the bank balances. Pelorus is still working on getting her one that looks like the one she's been providing to the Directors. The Statements of Cash Flows Report looks a little different but it still shows the net increase and decrease.

Water Distribution Superintendent – 1) Leaks – Lon Dalley explained that we have nine lines that feed our sample stations that have ¾" Vanguard pipe. Staff forgot about them. They remembered that when there was a leak on one of the lines a couple of weeks ago.

There were three 1" leaks – one on Don Benjamin Circle, one on Marshall Farm Court and one on Rabee Court in Sundance Village. The first two were Vanguard pipe. There was one 3" leak on Pioneer/Gubler, one 6" leak on Hidden Valley Rd/RR Crossing and three 8" leaks. The 8" leaks were located at Hidden Valley & NV Energy, Hidden Valley Rd and the River Crossing, & the US Bureau of Reclamation. One wasn't actually a leak. The Bureau of Reclamation was putting in fish barriers when they hit our line. They didn't call USA Call Before you Dig so they pulled out about 40' of our pipe. They have been billed for the repairs.

2) Customer Complaints – Staff installed the Lytle Ranch PRV and then on September 11th we had the big rains. The next day the guys went up to setup the solar tower and a homeowner showed up and complained that they changed the lay of the land. When the floods came it caused the water to flood their property and filled their septic tank with water. Lon said that it is obvious that there are a few washes that lead right to their property. The wife was very unhappy and said that she was going to go to the Moapa Town Board. Lon took pictures and Staff put the dirt back the way it was. If you pull up the County's Assessor's webpage and look at the areal map from last year, you can see the wash that flows through their property. It's the natural flow of the water.

We also had a complaint about the leak at our sample station. The leak happened over the weekend. When there's a leak over the weekend, Staff does the minimum they can to get things up and running and go back and finish up during the week to save on overtime. When they're done they always leave things better than it was before they started the work. The customer was complaining that the road needed to be fixed.

Max Maserang's leak was in the resetter. It was downstream of the meter but still in the resetter so he was issued a credit. **3) Gann Avenue Project** - Staff is done laying the pipe and they are pressure testing and chlorinating the pipe now. Once the bac-ts come back clean they'll start getting ready to move the meters over. **4) Lytle Ranch Project** - This project is done. Staff is working out some bugs. **6) Cottonwood Avenue Project** - Staff is still working on the permitting. Joe, Daniel and Burton have sat down and gone through the plans. When Burton's done drawing them up, they'll be submitted to the State. Joe thinks that the project will start in about five weeks.

Water Production Superintendent - Bryan Mortensen explained that production is about the same. There was a little spike in August. Otherwise it looks pretty much like the previous years.

The production crew cleaned up the flood damage at Baldwin Springs. They also built a little dike there. Hopefully today they will be able to see how it works.

Lon's crews have been using Mason since Brian Greig has been out. It's worked out pretty good. Management has been able to rotate the guys through so they are able to get some cross training done. Mason will be assisting Scott with meter maintenance this next week.

Coyote Springs shut down because of turbidity. They didn't tell us they were going to clean out their backwash recovery basin so the turbidity meter we installed up there caught it. It shut off because of a high alarm so it's doing what it was suppose to do

Production has about 20 more air vacs to do for the sanitary survey. They should all be done soon. These are SNWA's air vacs but we are doing it and billing them for it.

Bryan talked Master Meter into giving us 24 free registers. We have them so when the office has a meter that can't be data logged, Staff can use them for the customer's that are complaining the loudest. Staff will go out, set the new register, and ask them to give us a week to do a datalog so we can show them when the leak is happening. Master Meter agreed to give us 24 registers every month until they figure out the problem.

The Octave Meters that we ordered were some of the first ones off the line and they are having some issues with the radio that transmits. For whatever reason they can't just replace the radio, they have to replace the whole meter. They are going to replace all eight of the Octave Meters we already have in our system for free. We will have to cover the replacement costs but their giving us eight new meters. It won't cost us too much since Staff just have to pop the old ones out and put the new one's in.

Bryan has been assisting Jeannie with the software conversion. Probably in December, January or February we will be rolling out things like work orders, time sheets and stuff like that to the guys. Requisitions are now paperless which is really nice.

The data logs are invaluable for customer service and for troubleshooting stuff. There have been several cases where us knowing exactly when the water went through the meter and how much water went through has helped us to fix a problem or has covered us.

For customer service requests last month, there were 42 requests for datalogs, two requests regarding high/low psi, six leaks at the meter, and seven misc requests.

General Manager - 1) Vanguard Lawsuit - Staff went back through and figured out that there were 420 meters that were installed between 2000 & 2005. Out of the 420 meters, we've replaced 96 so far. Those 96 repairs have costs us around \$76,000 which is a little under \$1,000 for each one. It's probably going to cost us around \$420,000 to repair all of them so Joe asked if the Director's thought it was worth pursuing. Byron Mills said that he would like to talk a little more about it during the closed door session. **2) Bond Refunding** - The State of Nevada is issuing some bond refunds and we have \$1.2M that would qualify for that. The term would be July 1, 2013 to July 1, 2022. It would save us around \$107,000 which would be about \$8,000 a year. That includes all the fees. It costs us a lot less and the process is also a lot easier since the State is doing it. Joe called and talked to Randy and they decided to go ahead with it. It's not something that's set in stone so we have until December to decide if we want to move forward with it. Joe would like to have Zion's Bank come to next month's Board meeting and explain the pro's and con's to the Director's. They could also talk about some of the scenarios they've come up with for the rest of our money. **3) MVHS** - Joe was contact by Shane Hickman about a program that the MVHS is looking at. They have already talked to OPD and MV Telephone about it. What the program would do is people would sign up to round up their bill to the next dollar. The extra money would go to the High School for the sports programs. The school thinks that it would help them to not have to have so many fund raisers. The first three years all the money would go to the sports programs but the fourth year the principal has the option to give the money to another program. Then it starts all over again. Joe thinks it's a good program as long as it doesn't create an accounting nightmare. With the new billing software it can be done. The school still has

some things to work through. OPD has expressed an interest in it but they don't want to create waves right now. Joe just wanted to let the Directors know about it.

5. Director's Preference

- 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 Jon Blackwell, the Board voted 4-0 in favor to refer the monthly expenditures to the auditors. Randy Tobler abstained.

- Litigation

Chairman Staton called a closed-door session at 5:00 pm. This was seconded by Lindsey Dalley.

Chairman Staton reconvened the open-door session at 6:00 pm. This was seconded by Randy Tobler.

6. Personnel

- General Manager's Six Month Review (Action Item)

Chairman Staton thinks that Joe has done a terrific job in the position he's been in. He feels like Joe has really saved the District. He's done the job, looked out for the District and the effort he gives has been a tremendous help. Joe has given Chairman Staton peace of mind. He's very comfortable having Joe Davis in the general manager position. He thinks Joe's next review should be a year from now. He has nothing but good to say about Joe and the job he's done.

Jon Blackwell agreed with Chairman Staton.

Lindsey Dalley also agreed with Chairman Staton. What he likes is knowing that we have loyalty with Joe because of where he comes from not because of his salary.

Scott Carson said that just last night a customer in Logandale told him how wonderful they think our new manager is and that they think he's done a great job. They had a problem in the past and Joe was able to fix it in just a few minutes.

Chairman Staton thinks a lot of fences have been mended since Joe took over.

Lindsey appreciates what Joe has done with the water agreements. He knows that Joe has spent a lot of time going through them.

Scott likes that Joe follows through with everything and he likes the open communication.

Randy Tobler appreciates him balancing everything the Directors ask him to do. Randy's been really happy with that.

Byron agreed with Randy.

Lindsey also likes Joe's proactive nature. Joe goes ahead and does things without waiting for the Board to ask him to do it.

Joe informed the Directors that Lon has been moved permanently to the Distribution Superintendent position and that he is doing a fantastic job. Joe sat down with him last week to try to bring him up to speed on some of the meetings and some of the reporting that we have to do. Joe has taken Bryan to a lot of the meetings because it's very beneficial to always have two people there. A meeting has been scheduled next week with Grant Cooper from the LDS Church on the Church Lease. Since Joe will be gone hunting, Bryan and Lon are going to be meeting with him. Joe feels that it's good to have more than one person involved in the meetings. That's how we got in trouble before.

It's also been good to have attorneys help us go through the agreements to see where we are at and what's coming down the pipe. We understand where we're at. That's just some of the proactive things we are doing. We need to have a united front. It's good to have a hydrologist look at stuff instead of assuming we know what we're talking about. It's good to also have our Directors getting educated on what's going on.

Scott asked Joe if he plans on staying for at least another couple of years. Joe said that with the retirement he has he could stay another seven years. He's not going to leave the Valley; his grandkids are here so he doesn't see himself leaving anytime soon.

Byron said that's it's obvious that Staff wants him here and that we now have a team.

Bryan concurred with everything the Board said but no one on the Board mentioned that a lot of what Joe did made it possible for us to not raise rates and not cut services because of it. That's really rare right now. Most water utilities are raising rates and cutting services. It's the norm. We're not raising rates and we're still doing ok. We're not worrying about meeting our obligations and Bryan feels that a lot of it has to do with Joe's leadership. He wanted to personally say that he's grateful that he can come to work and disagree with Joe and Joe will listen to him. Bryan really appreciates that. Joe lets him express himself and his thoughts and he doesn't have to worry about retribution, threats or anything like that.

Chairman Staton said that he wished that the Board could give Joe a raise but they just couldn't do it right now.

Lindsey would still like Joe to get together with management at NV Power.

Joe said that until natural gas prices get back up over \$3.00, NV Power won't be using any water. Scott explained that that's what the guy at NV Power said when they were there the last time. Natural gas is supposed to stay low until 2016. Lindsey just wants Joe to keep that door open.

Chairman Staton said that Joe's evaluation is positive and the Board is pleased to have him right where he's at and they want him to stay as long as he wants to stay.

7. Approval of the November 8, 2012 Board Meeting

The general consensus was to hold the next Board meeting on November 8, 2012.

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

None

9. Adjournment

The meeting adjourned at 6:20 pm.