

**MINUTES  
MOAPA VALLEY WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
HELD  
THURSDAY, NOVEMBER 4, 2010**

**PRESENT:** Ken Staton, Chairman  
Glen Hardy  
Guy Doty  
  
Brad Huza  
Joe Davis  
  
Byron Mills  
  
Scott Carson

James Robison  
John Blackwell  
  
Susan Rose  
Ken Bessey  
  
Myrtle Keller

**ORDER OF BUSINESS:** At 4:05 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. Approval of the Minutes of the previous meeting held on October 14, 2010 (Action Item)**

On motion of Glen Hardy and seconded by James Robison, the Board voted 5-0 in favor to approve the minutes of the previous meeting.

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

Ken Bessey introduced Julie Nelsen, the new receptionist. Julie told the Directors a little about herself.

**3. Marine Corps Reserve Toys for Tots – Donation – Myrtle Keller (Action Item)**

Myrtle Keller was present at the meeting again this year to request a donation for Toys for Tots. Last year they had 789 children to buy toys for and this year they need to purchase toys for more than 800.

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

**4. Discussion and possible approval of the modification of the District's "Delinquent Account" policy (Action Item)**

Mr. Huza reminded the Directors that from last month's agenda item on the Delinquent Accounts Policy, Staff was given direction to develop options to the existing delinquent accounts policy.

The present policy of the District is the assessment of a 10% late charge to delinquent accounts. This policy was established in 1990.

As previously discussed, Staff researched the "delinquent accounts" policy of other local utilities.

North Las Vegas and Virgin Valley Water District charge a 10% late penalty on current bills and 0% on all past due balances.

Las Vegas Valley Water District and Boulder City have late penalty system the same as this District and charge the late penalty on the outstanding balance. LVVWD assesses a 4% penalty on all outstanding balances and Boulder City assesses a 5% penalty

Overton Power District assesses a 10% penalty on current balances and 1.5% on past due balances.

As requested, Staff has prepared the following options to the present policy.

### **Option 1**

**Delinquent Accounts** All water bills are due and payable upon receipt; a bill will become delinquent if not paid within 15 days from the date of which the bill was mailed. A 5% per month late penalty charge will then be added to the delinquent account.

### **Option 2**

**Delinquent Accounts** All water bills are due and payable upon receipt; a bill will become delinquent if not paid within 15 days from the date of which the bill was mailed. A 10% late penalty charge will be assessed and billed on current delinquent balances and 1.5 % on past delinquent balances.

### **Option 3**

**Delinquent Accounts** All water bills are due and payable upon receipt; a bill will become delinquent if not paid within 15 days from the date of which the bill was mailed. A 10% late penalty charge will be assessed and billed on outstanding balances that are attributed to user charges. The 10% late penalty will not be assessed and billed to that portion of the outstanding balance that is attributed to previously assessed late penalty charges.

At the October 14<sup>th</sup> meeting, two other concerns were discussed.

The comment was made by Mr. Terry that the District should track the mortgage holder of the properties within the service area to insure that the mortgage holder's interest are protected through proper notification of delinquency of accounts. Staff could not locate another utility that provides this service. This service can be offered but it would take additional staff to track the ever changing landscape in the real estate market.

The issue of pending action being made retroactive was also mentioned. Staff researched the past three months billing activities and found that in August, 404 accounts were assessed a late charge, in September, 393 accounts were assessed a late charge and in October, 413 accounts were assessed a late charge. To make any policy change retroactive would involve a significant effort to insure all were treated fairly. Mr. Huza also has great concern for those individuals who have paid late charges that may be only one month away from the cutoff date. Without some justification of a specific date, the decision would be arbitrary and subject to continued discussions from other customers.

Mr. Huza explained that he favors option 3 because it closely follows spirit of the existing policy but deletes assessing a late penalty on a late penalty, which was the major discussion point at the October 14<sup>th</sup> meeting. The percentage can be modified to reflect the thoughts of the Board. Mr. Huza could not justify the increase in staff to track mortgage holders. As mentioned above, this service is not offered by any other utility that staff is familiar with. He also could not recommend making a policy change retroactive, because of the inability to clearly identify a defensible date of implementation.

After much discussion, on motion of James Robison and seconded by Guy Doty, the Board voted 5-0 in favor to modify the existing "Delinquent Accounts" policy by adopting Option 3 shown above, as written effective November 5, 2010. All payments go to the penalty first. Any money left over after paying the penalty will go toward the outstanding user fees.

## **5. Approval of the modification to the District's "Standby" policy (Action Item)**

Mr. Huza explained that Staff has discovered another discrepancy between policy and practice in the area of standby duty compensation.

The policy 4.2.4 (a) states that individuals on standby duty shall be compensated 2.5 hours overtime pay per day for individuals who are on standby on regular days off. For holidays, the individual shall be compensated 4 hours overtime. Overtime will be paid providing a forty hour week has been met.

Individuals are now compensated 1 hour overtime per day for Monday through Friday, 2 hours per day of overtime pay for weekend duty and 4 hours of overtime pay for holidays.

Any individual wishing to take standby duty must be experienced and qualified. Even though the policy states that all full time line personnel are subject to standby duty, standby duty has been handled on a volunteer basis.

Staff checked with other local / regional utilities on what their standby policy was. The following is a summary of that investigation.

- Overton Power District does not compensate for Monday through Friday. OPD compensates 2 hours of overtime for Saturday, Sunday and holidays.
- Henderson compensates 1 hour per day for weekdays and 2 hours for Saturday, Sunday and holidays.
- Virgin Valley Water District compensates standby personnel 1 hour per day for weekdays, weekend and holidays.

In review of the existing policy, the present day practice and the local/regional practice for standby compensation, Staff proposed the following language change to section 4.2.4 (a) of the personnel manual:

(a) Pay for standby duty is as follows:

- Monday through Friday, excluding holidays, shall receive 1 hour of overtime\* pay plus any hours actually worked.
- Saturday, Sunday and Holidays shall receive 2 hours of overtime\* pay plus any hours actually worked.

\*Overtime would be paid provided a forty (40) hour work week had been met.

On motion of Glen Hardy and seconded by Guy Doty, the Board voted 5-0 in favor to approve the recommended changes to the personnel policy pertaining to compensation for standby duty as presented above.

## **6. Approval of the modification of the District's "Substance Abuse" policy (Action Item)**

Mr. Huza explained that the US Department of Transportation (DOT) has recently published its final rule regarding Procedures for Transportation Workplace Drug and Alcohol Testing Programs (49 CFR, Part 40). This publication modified the Substance Abuse Policy previously adopted by the District. The final rule adoption has prompted the following changes to the District's policy.

1. Modify the limits of cocaine from 150 ng/ml to 100 ng/ml
2. Modify the Sympathomimetic Amines (amphetamines) from 500 ng/ml to 250 ng/ml
3. Add to the list of controlled substances 6-acetylmorphine with a report limit of 10 ng/ml
4. Add to the list of controlled substances MDMA (Ecstasy) with a report limit of 250 ng/ml.

The modifications change the testing panel from 5 to 7 drugs and have lowered the limits on two of the parameters.

Mr. Huza recommended modifying the existing policy to reflect the above mentioned changes.

On motion of James Robison and seconded by John Blackwell, the Board voted 5-0 in favor to approve the modifications to section 11.6.5 of the "Substance Abuse Policy" to reflect the above recommended changes 1 through 4.

## **7. Approval of the District's Need Assessment (Action Item)**

Mr. Huza explained that as a result of the discussions on the outline of the "Needs Assessment" presented at the October 14<sup>th</sup> meeting, he has prepared the final draft of the "Needs Assessment - 2010" for the District. The goal of this project is to identify the major needs of the District in the short term and long term, with the intention of incorporating the identified needs in the upcoming five and ten year capital budgets.

The adoption of such a document is not intended to bind or commit future Boards. The Needs Assessment should be considered as a guidance document for the future planning of the District. Mr. Huza feels it would be a good idea to reviewed it each year at budget time.

The Board is not required or committed to take a formal action on the adoption of this document but a formal adoption would add to the legitimacy of the assessment.

A copy of the Needs Assessment 2010 was available for the Director's review.

On motion of Glen Hardy and seconded by James Robison, the Board voted 5-0 in favor to adopt the attached Needs Assessment – 2010 as a guidance document.

#### **8. Approve the purchase of a Ford Fusion from St. George Ford for \$17,340 (Action Item)**

Mr. Huza explained that the employees working in administration have been using the 1999 Ford Explorer for their everyday duties both in district and out of district travels. The unit has approximately 95,000 miles and over the past year the power train has been experiencing issues. This vehicle is scheduled for replacement in FY 2011.

Staff solicited bids for a new 2 wheel drive automobile and three bids were received. One bid was not considered because of non compliance with the specification. St George Ford bid \$17,340, Chapman Dodge bid \$21,873 and Friendly Ford bid \$17,489. Staff contacted State Purchasing and found the comparable unit to be \$18,749. The lowest responsible bidder is St. George Ford in St. George Utah. The estimated date of delivery is 75 days after award of the bid.

Staff is anticipating that the Explorer and perhaps other vehicles will be offered for sale via sealed bids in the spring of 2011.

The budgeted amount for this vehicle is \$18,000.

Mr. Huza recommended that the St. George Ford bid of \$17,340 for the Ford Fusion be accepted.

On motion of Guy Doty and seconded by Glen Hardy, the Board voted 5-0 in favor to accept the bid from St. George Ford in the amount of \$17,340 for the administration vehicle and authorize the purchase of the same.

#### **9. Red Oak Rate Study Review (Action Item)**

Mr. Huza reminded the Directors that the District contracted with Red Oak Consultants (ROC) to prepare a "Rate and Fee" study in FY 06. In FY 09, ROC conducted a rate analysis to compare existing and planned rates, proposed expenditures and anticipated revenues. The analysis placed a basement on the operating fund end balance at \$1,500,000 and implemented two sinking funds to reduce the wide fluctuations in rate increases. This resulted in a recommended rate increase of 3% for FY 09 and 10, 7% for FY 11, 12, 13 and 14 and the remaining four years at 3%. These projected rate increases were based upon labor costs increasing by 4%, power by 5%, equipment and supplies by 7%, capital improvements by 4% and interest on cash reserves earning 1.5%. In FY 09, the District passed a 4% revenue enhancement package and in FY 10 the revenue enhancement package was 3%.

Mr. Huza explained that there continues to be a notable decrease in the volume of water the large commercial customers are using. This decrease started in the last half of FY 2009, continued through FY 10 and appears to be continuing into fiscal year 2011. This trend may be a product of the economic times the region is presently experiencing.

The District has been fortunate that the actual expenditures for the past years have been less than budgeted. Staff is working hard to see that positive trend continue. This reduction in expenditures has been able to somewhat mitigate the drop in water sales revenues. Unfortunately, labor, utility and fuel costs continue to increase. In conversations with OPD#5, the planned increase for power in the upcoming year will be very small.

Taking into consideration that decrease in water sales, the stabilization of the ¼ cent tax revenue, and the recent historical comparison of budgeted vs. actual expenditures, Staff does not feel the ROC recommendation of 7% is needed. Staff feels that a 3% increase in FY 11 would be sufficient to maintain the level of customer service while being able to fund the established sinking funds.

What does this mean to the residential customer? Mr. Huza explained that in 2010, the average residential usage was approximately 17,000 gallons per month. A residential customer using 17,000 gallons per month in FY 2010 would have a monthly bill of \$66.26. If the recommended 3% rate increase is enacted, the monthly bill for the 17,000 gallon usage will be \$68.24 or \$1.98 / month.

A copy of the proposed user fee schedule using the 3% increase was available for the Director's review.

Mr. Huza recommended the adoption of the user fee schedule that utilizes the 3% increase. He also recommends an implementation date of January 1, 2011. This will allow ample time to publish the public notice.

On motion of Guy Doty and seconded by Glen Hardy, the Board voted 5-0 in favor to adopt the recommended 3% revenue enhancement proposal as detailed above with an implementation date of January 1, 2011.

## 10. Manager's Report

**Senior Accountant** – Ken Bessey explained that things are going well in the office. Water usage is down now that winter is here. Expenses are where they should be. He also explained that Julie is learning quickly and Jennifer is doing a good job in her new position as well.

**Water Production Superintendent** – Bryan Mortensen was updated the Directors on some of the things that the water production crew did last month.

- 1) Inspected and reprogrammed all magnetic flow meters at production facilities
- 2) Reviewed all water production reports for accuracy and errors
- 3) Performed weekly and monthly preventative maintenance performed on production assets and equipment
- 4) Had start-up and testing at the dechlorination facility
- 5) Tested SCADA and auto functionality at all 340A project sites
- 6) Installed sample line for residual, pH and temperature at Moapa FVC
- 7) Had the walk-thru and training on treatment plant at Coyote Springs
- 8) Completed initial inspection of the 340A 24" transmission line

**Water Distribution Superintendent** – Joe Davis informed the Directors that no meters or hydrants were installed last month. Crews continue to move meters on Thomas.

Crews with the help of a metering services company will begin inspecting all 3" and larger meters in the distribution system. They will be inventorying meters for correct metering applications.

Crews discovered an 8" line that was leaking near NV Energy. It was repaired. There were also two 1" leaks in the system. These were service laterals and they were also repaired.

There were three customer service requests. One request was for a data log, one for a leak downstream of the meter and one for a sunken valve box.

**General Manager – 1) Moapa Valley Blvd. Improvement Project** - Staff received three proposals from engineering firms to design the improvements on Moapa Valley Blvd. The proposals received were from Forsgren Associates, Leslie and Associates and Integrity Engineering. Staff anticipates on completing the review of the proposals and selecting the most qualified firm within the next two weeks. If negotiations go well, the approval of a contract for professional services could be on the December meeting agenda. **2) 340 – A - Coyote Springs Groundwater Importation Project** - The Moapa Valley Water District facilities are ready to accept the 340 A groundwater. Staff was notified on October 26<sup>th</sup> that SNWA and the US Solicitor's office are working with concerned stakeholders to attempt to alleviate concerns of the planned pumping. SNWA has elected to suspend the start up of the facilities until this process is completed. The process is estimated to take between 30 days and 60 days. SNWA indicated the District would be given sufficient notice before start up would occur.

## **11. Ratify payment of October Expenditures**

On motion of James Robison and seconded by Guy Doty, the Board voted 5-0 in favor to ratify payment of the October expenditures.

## **12. Director's Preference**

### **- Litigation Update**

Byron Mills explained that the District has been sued by Wisner and that we have filed our answer. He informed the Directors that it could take 3-5 years to be settled if it has to go through the court system. Hopefully all parties can come to an agreement before that happens.

Mr. Huza explained that he has filed a complaint against Bowen and Collins with the NV State Engineering Board.

## **13. Personnel-Closed Door Session**

- General Manager's Annual Review**
- Employee Christmas Bonus**

**Chairman Staton called a closed-door session at 5:25 pm. This was seconded by James Robison.**

**Chairman Staton reconvened an open-door session at 6:05 pm. This was seconded by James Robison.**

**General Manager's Annual Review** - On motion of Ken Staton and seconded by James Robison, the Board voted 5-0 in favor to give Mr. Huza a 4% raise effective January 1, 2011.

**Employee Christmas Bonus** - No action was taken on the employee Christmas bonus. This item was tabled until next month.

## **14. Approval of the December 3, 2010 Board meeting**

The General consensus was to hold the next meeting on December 3, 2010.

## **15. Adjournment**

The meeting adjourned at 6:10 p.m.