

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, FEBRUARY 11, 2010**

PRESENT:	James Robison Robert Jones Kenneth Staton	Guy Doty Glen Hardy
	Brad Huza	Susan Rose
	Joe Davis Bryan Mortensen	Ken Bessey
	Byron Mills Ryan Wheeler, Forsgren & Associates	Scott Carson Vernon Robison

ORDER OF BUSINESS: At 4:03 p.m., Chairman James Robison 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 January 14, 2010 (Action Item)

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

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

Tony Ricco was present at the meeting to get some information on the District's policy regarding removal of water meters on delinquent accounts.

Mr. Huza explained to Mr. Ricco that the District's Delinquent Account Policy and the removal of water meters came about because the District's auditors were questioning the excessive accounts receivable which was giving the District a false financial statement. Some of these accounts have had no activity on them for years, some were carrying balances in excess of \$40,000 and we knew the balances would never be paid. Mr. Huza explained that the District does not have the right to lien properties. The first Delinquent Account Policy required District staff to send a certified letter to the owner of record on accounts which were at least 12 months delinquent. If no response was received from the owner, the District considered it to be abandonment of service, the meter was pulled and the bad debt written off. Because of the length of time it takes to get paperwork through on bank repos, the policy has now been changed to accounts that are at least 24 months delinquent.

3. W. Mack Lyon Middle School Locomotion – Donation – Irene Barlow (Action Item)

No one was present at the meeting to request a donation for the W. Mack Lyon Middle School Locomotion.

4. Consideration and possible approval to modify TTW Holdings, LLC construction agreement to allow them to temporarily suspend the required financial assurances (Action Item)

Mr. Huza explained that Ray Turley, president of TTW Holding, LLC is requesting the Moapa Valley Water District to modify the developer's agreement between TTW and MVWD. The modification would temporarily release the developer from maintaining financial assurances for the water infrastructure until construction actually starts.

The developer has already recorded the map, has secured sufficient water for the development and has purchase the connections.

In consideration of the state of the development industry, it could be a year or longer before construction begins. The maintenance of the financial assurances could be a financial burden.

Staff would recommend that the agreement be modified to allow the Developer to temporarily suspend the required financial assurances until such time that the Developer commences construction or the ownership of the development changes.

After much discussion, no action was taken. The Directors instructed staff to notify developers that they don't have to post their financial assurances until they are ready to pull permits with Clark County.

5. Accept the bid and award the purchase of waterworks materials from Ferguson Waterworks in the amount of \$115, 618.81 for the FY10 Small Water Main Replacement Program (Action Item)

Mr. Huza reminded the Directors that the FY 2010 budget included monies for small main replacement within the existing distribution system. Operational staff identified two areas of major concern. The first area is Thomas Street from Jones to Conley and the second area is Lawson Street, from Barlow to Casaby and then west approximately 1200 feet.

Staff solicited bids for the materials to construct these projects. On February 2nd, Staff received five bids for materials. The results are as follows:

Ferguson Waterworks, St. George, UT	\$115,618.81
Mountain Land Supply, St. George, UT	\$117,748.93
Dana Kepner Co., Las Vegas, NV	\$118,617.15
HD Supply, Las Vegas, NV	\$126,548.59
Scholzen Products, Hurricane, UT	"Non Responsive"

Staff has reviewed the bids and has determined that Ferguson Waterworks is the lowest responsible bidder and would recommend that the waterworks be purchased from Ferguson.

On motion of Guy Doty and seconded by Ken Staton, the Board voted 5-0 in favor to accept the bid and award the purchase of waterworks materials from Ferguson Waterworks, St. George, UT in the amount of \$115,618.81 for the FY 2010 Small Water Main Replacement Project.

6. Discussion and possible approval to modify Section V. Business Practices, B. of the Moapa Valley Water District Policy Manual (Action Item)

To follow up on last month's discussion on the competitive bid process and the possibility of providing a "local preference" in the selection of competitive construction bids, the items which there appeared to be consensus were:

- A local contractor is a contractor that has his corporate headquarters within the service area as defined by statute.
- The amount of monetary preference should be capped or a sliding scale should be implemented.
- The “local preference” will only apply to contracts when District funds are solely used. In the event that State or Federal funds are used in the project either directly or indirectly, the “local preference” will not apply.

Staff would offer the following language to be added to Section V. “Business Practices”, B.:

“The Moapa Valley Water District recognizes the importance of supporting the local community through its business practices. As a means to support the local community, the Directors will consider giving up to a five percent preference, with a maximum amount of \$10,000 per bid for local qualified contractors on competitively bid construction projects. A local qualified contractor, is defined as a construction company that is in good standing with the Moapa Valley Water District, the corporate office of the company is physically located within the service area, as defined by statute, of the Moapa Valley Water District, the Contractor shall possess the proper Nevada licenses, the Contractor shall have successfully completed similar type work. A “construction company in good standing” shall be defined as the company shall have a good safety history with OSHA , have completed projects on time and shall not have brought litigation or threaten litigation against the Moapa Valley Water District in the five year period preceding the bid opening. The “local preference” shall not apply to competitive bid projects that use, either directly or indirectly, State or Federal Funds”.

On motion of James Robison and seconded by Bob Jones, the Board voted 5-0 in favor to modify Section V. Business Practices, B. of the Moapa Valley Water District Policy Manual by adding the above language and changing the last sentence to read, “The “local preference” shall not apply to competitive bid projects that use, either directly or indirectly, State or Federal Funds which required the grantee to accept the lowest responsible bid “.

Guy Doty left the meeting at 4:55 pm.

7. Review of the Tentative Budget for FY2010 (Discussion Only)

Staff has started the preparation of the “Tentative Budget” for FY 2011. The initial phase had Staff reviewing the budget for FY 2010 with respect to past and planned revenues and expenditures. Staff also discussed the needs and wants of the District in the upcoming year. Staff reviewed last year’s “Five Year Capital Improvement Plan” and the 10 year equipment replacement plan and felt that the plans were still valid.

The largest challenges in the upcoming budget process will be the implementation of the 340 A project and the accurate prediction of the revenue sources.

Stemming from the Staff discussions, the following is a summary of items that will be used in the preparation of the upcoming tentative budget:

- Revenue enhancement package of 7% per the Red Oak Evaluation dated December 23, 2008
- Employee benefit package for the FY 2011 shall include a 4% increase
- Equipment purchases will include the replacement of the John Deere SE 310 backhoe and the Ford Explorer
- Continue funding for small water main replacement and standpipe replacement
- Conduct a “Needs Assessment” for the District that will focus on adequate space for operational staff and administrative needs

A copy of last year’s five year capital improvement budget was available for the Directors review.

Staff asked for input on the following items:

- The five year capital improvement budget
- Overall District operations and acceptable levels of service
- Staff identified capital items

The general consensus of the Board was that Staff is headed in the right direction on the budget.

8. Arsenic Treatment Project Closeout (Discussion Only)

Mr. Huza informed the Directors that the final stage of the project closeout occurred on February 4, 2010 with the payoff of the interim finance and the bond sale.

The following are the overall project costs:

Expenses

Engineering and Construction Management	\$ 767,750
Wiser Construction Original Bid	\$4,646,997
Additive Change Orders	\$ 25,000
Deductive Change Orders	\$ (53,000)
Wiser Construction Final Payout	
\$4,618,222	
Other Project Costs (SCADA Improvements, Bond Counsel Costs, Interim Finance Costs)	\$ 282,688

Total
\$5,668,660

Revenue

State Revolving Fund	\$1,500,000
AB 198 Grant	\$2,133,900
Tribal Contribution	\$ 236,000
USDA Loan	\$1,798,760
Total	\$5,668,660

From a Staff perspective the project was a success. Although the project was not completed on time, the milestones for startup were met. This allowed the District to maintain its system in compliance with the arsenic standard.

The overall project costs did not experience any significant over runs and ended well within industry standards.

The project was a collaborative effort from its inception, with the partnering of multiple funding agencies. During construction the Engineer, Contractor and staff worked closely to finish the project on time and within budget limits. For the most part, that objective was accomplished.

Mr. Huza expressed thanks and appreciation to the following individuals:

Adelle Basham and Michelle Stamates from NDEP

Kay Van Netter and Staff from USDA - Rural Development

Thayne Clark, P.E. and Jim Johnson, Bowen Collins and Associates

Adam Lewis and Staff from Wiser Construction

George Pringle, from Bureau of Indian Affairs

Kendra Follett, Esq from Swendseid and Stern

9. Manager's Report

Senior Accountant – Ken Bessey explained that a lot of customers are using credit cards to pay their bills and quite a few are paying online. He informed the Directors that there are no areas of concern on the budget. It's where it should be right now.

Water Production Superintendent – Bryan Mortensen explained that his crew is continuing to work with Trace Detect on the arsenic analyzers.

Last month warranty work was done on the chlorinator at Baldwin and prep work was done at Jones Springs to prepare for meter replacement.

Bryan attended a flow meter demonstration at the Gubler Discharge Facility. Also, weekly and monthly preventative maintenance was performed on production assets and equipment.

Water Distribution Superintendent – Joe Davis informed the Directors that two meters were removed on the Moapa Indian Reservation and one meter was installed on Perkins Ave. The meter on Perkins was removed from the system last summer. No fire hydrants were installed last month.

Distribution crews continue to work on the meter upgrade program. A small problem was encountered when pushing the new line going to Books, Etc. The bore machine struck something buried under the north bound travel lane causing it to stop working. All the sidewalks on the west side of Main Street have been poured.

There were five leaks in the distribution system ranging from a 1" lateral leak to a 12" main break. All leaks were fixed with minimal customer interruptions.

Last month there were three customer service requests concerning pressure and three concerning leaks.

General Manager – 1) Dechlorination Facility - EFI, contractor of the building, has completed the installation of the correct flow meters during the last week of January. The dechlorination building has been classified as substantially complete and final payment less startup costs has been paid.

Start up should occur in late February / early March if SNWA obtains the required permit. The full operations schedule has been modified from April 2010 to June 2010 by SNWA.

2) Intermediate Booster Station - The intermediate booster station project has commenced. The project includes the installation of the larger booster pump and a new pressure reducing valve station at the Mining PRV site. To date, the removal of existing pumps, piping and motors in the intermediate booster station has been completed. The Contractor has also potholed existing mains in preparation for the hot taps on the 24" transmission main. From an overall perspective, the work is moving forward on schedule.

3) Small Water Main Replacement Project - Staff submitted plans to NDEP for review and approval this past month. Approval of the plans is anticipated by February 15th. Construction is scheduled to start in mid February.

4) Exploratory Drilling – Meadow Valley Wash - Mr. Lewis, owner of private lands in the Meadow Valley Wash Area has recently indicated that he would consider granting an easement on that property. The hydrogeologist has reviewed the proposed site and feels that the site would be acceptable. Staff has employed a surveying firm to do a physical survey of the area and prepare a legal description of the site. Once the site has been staked, the representative of the owner will review and make the final determination for granting of the easement. Staff anticipates the decision to be made by the March board meeting.

10. Ratify payment of January Expenditures

On motion of James Robison and seconded by Ken Staton, the Board voted 4-0 in favor to ratify payment of the January expenditures.

11. Director's Preference

Chairman Robison called a closed-door session at 5:35 pm. This was seconded by Ken Staton.

Chairman Robison reconvened an open-door session at 5:45 pm. This was seconded by Bob Jones.

12. Personnel-Closed Door Session

13. Approval of the March 11, 2010 Board meeting

On motion of Glen Hardy and seconded by Ken Staton, the Board voted 4-0 in favor to hold the next Board meeting on March 11, 2010 at 4 pm.

14. Adjournment

The meeting adjourned at 5:50 p.m.