

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF BOARD MEETING
HELD
THURSDAY, FEBRUARY 14, 2013**

PRESENT: Kenneth Staton
Jonathan Blackwell
Randy Tobler

Joe Davis
Lon Dalley

Byron Mills

Vernon Robison, MV Progress
Brian Seely

Lindsey Dalley
Scott Carson

Susan Rose
Jeannie Poynor

Erinn Thompson
Ethan Seely

ORDER OF BUSINESS: At 4:03 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)

None

2. Approval of the Minutes of the previous meeting held January 10, 2013 (for possible action)

On motion of Ken Staton and seconded by Jon Blackwell, the Board voted 5-0 in favor to approve the minutes of the previous meeting held January 10, 2013.

3. Request for a donation for an Eagle Scout Project to build a Frisbee Golf Course at the Overton Park – Ethan Seely (for possible action)

Ethan Seely is doing an Eagle Scout project at the Overton Park. He is putting in a Frisbee golf course. The County has given him approval to build the course at the Overton Park and told him that he can take as much room as he wants. The County will be donating the cement so it will be a permanent course. The budget for the course is about \$3500. The baskets are around \$250 each and there are going to be nine holes.

Chairman Staton explained that per our policy the District can only donate \$100 per organization. However, the District could give some money from the advertising fund if there was going to be some kind of advertising done.

Ethan explained that at the beginning of the course there will be a plaque that has the layout of the course and it will also have the names of everyone that donates at least \$250.

On motion of Jon Blackwell and seconded by Lindsey Dalley, the Board voted 5-0 in favor to donate \$100 and give \$150 from the advertising fund to Ethan Seely for a Frisbee Golf course at the Overton Park.

4. Moapa Valley High School Swim Team – Donation – Erinn Thompson (for possible action)

Erinn Thompson has been the coach for the MV High School Swim Team for the last eight years. The swim teams goes to Mesquite Monday-Friday every week to use the heated swimming pool there. It costs the school district \$12,000 a year to rent the pool. Mesquite pays \$4,000, Moapa pays \$4,000 and the school district pays \$4,000. The kids are doing fund raisers, and they've collected donations from other companies. Every year they've been able to raise the money and they are getting close to reaching the \$4,000. So far they've collected around \$2,600. Erinn usually has between 20-25 kids on the team and a few usually go to regionals.

On motion of Chairman Staton and seconded Jon Blackwell, the Board voted 5-0 in favor to donate \$100 to the Moapa Valley High School Swim Team.

5. Approval to relocate the meter currently located at 860 W. Bryner to 920 W. Bryner for Judith Russell (for possible action)

Eileen Russell contacted Joe to see if she could move her meter from her current residence to another parcel her and her sister own. She originally wanted to purchase another meter but when she found out that she would also have to pay \$7,500 for the Water Resource Fee she said she couldn't afford it. Moving the meter leaves that house without water. If someone purchases that property they will have to purchase a meter and pay the Water Resource Fee. This is the first time we've had someone ask to move a meter from a parcel that already has a home on it. Joe thinks we need to require her to submit proof of a clear title to us before we'll do anything.

Byron Mills thinks that it's a good idea for them to prove to us that the title is clear. If we don't require that and it's been foreclosed on, we could be involved in a theft.

Scott Carson thinks that we need to change our policy so that we require people to show proof that they have clear title to be able to move a meter. We also need to revise the policy regarding lots that are exempt from the Water Resource Fee in cases like this.

On motion of Randy Tobler and seconded Jon Blackwell, the Board voted 5-0 in favor to approve the request from Mr. & Mrs. Andy Russell to move the water service from parcel #070-11-701-019 to parcel #070-11-701-018 provided they have clear title and pay all the applicable fee. Also, parcel #070-11-701-019 is no longer exempt from the Water Rights Dedication Ordinance.

6. Approval to modify the District's Cross Connection Control Program regarding delinquent assembly tests (for possible action)

Joe explained that back in December 1998 the District submitted its federally mandated Cross Connection Control Program to the Nevada State Health Division. This program states that if there is a potential for cross connection or a hazard to our system, we have to eliminate those hazards. We submitted the plan and we went out and retrofitted all the commercial businesses where we thought there might be a cross connection. We did a site survey of every property first and looked at the level of hazard and then decided if it had to have a backflow device or not. There are 199 devices in our system and 30 site surveys that are supposed to be done every year. Site surveys are done on customers that didn't have a problem originally but have to be checked every year to make sure they still don't have a problem. When we first started the program, all of our guys were certified backflow specialist so they went out and installed the devices and tested them. That has since changed. Our guys no longer test the devices we just administer the program. We send out the notices to the property owner and they have to hire a certified backflow tester to test their device. This is done annually. The results are then sent to us and we put it in the computer and make sure that the device really did pass the test so that we stay in compliance with federal law. What we are experiencing more and more often is that when the customer receives the annual notice to have their devices tested, they are putting the test off as long as they can. This puts us in violation of federal law. Ultimately what happens is that we receive either a fine or jail time. For some reason Joe doesn't want to pay a fine or go to jail. We still have two backflow testers that are able to do site surveys and tests if necessary. Joe thinks that we need to put in the annual letter that if the test isn't done by the due date, we will send out one of our testers to do the test and we will bill them for it on their next water bill. That will keep us in compliance with the Fed's.

Byron likes the idea of sending out the notice with a list of testers and adding us to that list. We can let the customer know in the notice that if the test isn't done by the due date, we will assume that they want us to do the test and bill them for it. We are the enforcer and if the customer doesn't have the test done and something happens we will be responsible.

The Directors asked Staff to bring back what it costs to manage the Backflow Program because they want to know what the customer is getting out of that fee. They also want Staff to find out how much backflow testers are charging to do backflow tests.

Lindsey and Randy would like it stated in the letter why we're requiring them to do the backflow test.

There was a lot of discussion on the \$5.25 monthly charge and the amount we should charge if we do the test.

Joe explained that no action has to be taken today. Staff can do some research on what the monthly charge covers and also how much other companies are charging to do backflow tests. Staff will also call Bruce Whitney and talk to him about it. This will give the Directors a chance to think about the monthly charge

No action was taken.

7. Approval of the Plan of Correction of Violations for FY12 Audited Financial Statements (for possible action)

At the January Board meeting when Chad Atkinson went over the audit he talked about the two deficiencies that were noted in the audit. One of the deficiencies was that we are suppose to submit a letter to the State stating what the deficiencies were and how we are going to correct them. The letter will say:

Plan of Correction of Violations for FY12 Audited Financial Statements
Material Weaknesses:
08-02 Year-End Adjustments
08-04 Financial Statement Preparation

The District has purchased new integrated software which will allow for more streamlined record keeping. The new software company provides support which will help make sure all of the year-end adjustments are made and they also assist us with the preparation of our financial statements.

On motion of Lindsey Dalley and seconded Randy Tobler, the Board voted 5-0 in favor to instruct Staff to prepare and send a letter to the Nevada Department of Taxation addressing the corrective action taken by Moapa Valley Water District to correct the material weaknesses addressed in the FY12 budget.

8. Manager's Report

Office Manager – Jeannie Poynor went over the budget reports with the Directors. She explained that the budget is for the first half of this fiscal year. She talked to Pelorus about the percentages on the bottom of the report and they are what was budgeted as opposed to what the year to date is. We're supposed to be at \$163,685 but right now we're at \$863,439.

Everything is going well in the office.

Water Distribution Superintendent – Leaks - Lon Dalley explained that we had a few leaks just like every month. There were no major leaks. **Customer Complaints** – There were a few complaints for low pressure which is usually caused by the water softener or a pressure regulator in the garage. There was also a complaint about high pressure on Omer. The customer said that we were blowing their water lines. Staff went out and met with the Craig Wolfley because the customer had the flu and didn't want to give it to them. The pressure is no different at her home then anyone else's in that area. Lon said that the customer's pipe is old and thin and that is why the lines are blowing out. The customer called Bruce Whitney and had him put in a PRV to reduce the pressure. There were also a few customer's whose waterlines froze but there is nothing that we can do about that. There was a standpipe that froze up by Randy's old home. We removed the standpipe since the fire department won't hookup to them anyway. **Gann Project** – Everything is done on the project except the paving. **Cottonwood Project** – We have received all of the permits we need to start the project. We will start on the Blvd next week doing a 12" tap on the 14" line. We will have to hire that out since the largest tap we can do is 10". It will cost us about \$2,700 for the tap. After the tap's done we will extend out 60' and start down Cottonwood Ave. **2013/2014 Projects** – Joe and Lon have sat down and tried to make a priority list of the upcoming projects they want to get done. For Small Main Replacement, one project will be Hwy 168 from the US Post Office to Lawson, another will be from MV Blvd west on Bowman Rd. and also MV Blvd to the end of Catherine Lane. Besides replacing the small lines we are also installing fire hydrants.

Water Production Superintendent – Bryan Mortensen said that the company putting in the power line is using water up at MX-6 again. That will boost revenues.

Joe asked Bryan to automate the blending process up at Arrow Canyon and he and his guys were able to throw it together pretty quickly. Everything that goes into the vessel comes out without any arsenic in it. If we just let it go straight thru the treatment plant it waste a lot of media. We've been able to blend it so that it's around 8 or 9 ppb. When we get really comfortable with it we will kick it up to 9 1/2. All they had to do was install some hardware that didn't cost very much and they are now able to control it with the SCADA computer and their phones. When the MX-6 well kicks on it will automatically adjust the blend to compensate for it. When we turn Baldwin back on it will probably be another eight months before we will need to change out the media.

Production replaced a leaky 8" valve up at Arrow Canyon.

The backflow device at the dechlor facility broke again. It's a special unit that is the only one that will fit in there because it's in a very small space. We'll keep the wafers on the shelf since they last about a year and a half.

Staff tried an experiment and it worked out good. We use to radio read the routes four times a month. We'd take one truck out and read a ¼ of the meters. When we got the new software, we decided to condense into two routes and then into one. We had two trucks reading to get the one route done. We figured some stuff out and as they started putting the large Octave meters in, we got to a point where we could actually radio read the whole route in one day with one truck. As the large meters get replaced with radio read meters we will eventually be able to read everything in one drive by. Right now a second person goes out and grabs the large meters. It's just one of the ways the guys are trying to save time and money. Down the road it will save us a truck or make a truck available for someone else to use.

The eight Octave meters that we received had a problem with the epoxy and the way they were drilled. All of the replacement meters finally showed up in December. We started in Carefree Living and did the one at Robbins Nest yesterday and we will be doing the Middle School on Tuesday.

There weren't a lot of data logs last month. There were sixteen requested and only six were able to be done. There were a couple of high/low pressure calls, one water quality issue that ended up being on the customer's side of the meter, and a few leaks.

Bryan doesn't have any information on when Master Meter is going to replace the registers for the meters that aren't data logging.

General Manager – FY14 Budget – Joe handed out a copy of the draft FY14 budget that Staff put together. He asked the Directors to take it home and go through it. It will be on next month's agenda so if they have anything they would like changed or removed, we can talk about it next month. We will have to have the tentative budget filed with the Department of Taxation by April 15th. The 3rd Thursday of May or the following Friday the final budget has to be approved. **Bond Refunding** - We received a notice from Andy Artusa from Zion's Bank informing us that on January 29th the State of Nevada sold bonds, on behalf of the Moapa Valley Water District to refund, for savings, all outstanding maturities of the District's outstanding 2002D bonds. The sale was very successful and the District realized significant savings. The true interest cost on the new bonds is 1.62%. The total savings through fiscal year 2023 totaled \$163,993.48. The average savings over the term of the bond is approximately \$20,000 per year. In fiscal year 2014 alone, we will save \$28,601.81. If interest rates are still down in 2015 we will hopefully be able to refund our big bond. **USDA** - Joe met with Shane Hastings from the US Department of Agriculture Rural Development and Dan Tarnowski from NV Rural Water Association. They have money for projects and they wanted to know if we had any infrastructure projects that we would want to do. It would be a 55%/45% split on the costs. They also have some money that might qualify for free money. It's the exact same situation we were in two years ago when we were doing the 24" line at Arrow Canyon. He offered to come down and talk to the Board if there was any interest but Joe told him that at this time we are still trying to get everything in order with the test pump going on so he didn't see us moving forward with anything at this time. **340A** – Joe and Bryan went in and met with Ron Zegers on the test pump that's going on. On December 29th the test pump was declared complete. SNWA would like to do a contract modification. Within 60-90 days they want to put the Coyote Springs project on hiatus for three to five years. Joe explained to Ron and Jeff that we still have the Twin Springs Agreement that is out there that we haven't been able to get finalized. We've been working on it for the last two years. Joe told Ron he would come back to the Board and let them know that it's something they want to do. After talking with one of the Directors, he was reminded that we have the Twin Springs easement that we need to get taken care of first. Joe sent an email over to Ron Zegers and let him know that we need to get the Twin Springs easement taken care of first and that we're not going to worry about the other thing until it's taken care of. They are supposed to be getting back to us so we can move forward with that. In that meeting they also talked about the payment that we are supposed to receive from them for the capital improvements. They are supposed to be coming out on Tuesday to do the audit so we can get that taken care of. They should have to pay us about \$99,000 a year for the next 25 years. Joe and Bryan also met with Bob Marshall to go over the wheeling fees. That was another subject that was brought up when they

were at SNWA. SNWA realizes that it needs to be brought to a closure so that they can start making that payment. We just need to figure out how it's supposed to be calculated. Joe wanted to sit down with Bob Marshall since he was the one who was originally involved in the negotiations. They came up with some pretty good ideas on what the intent was and they feel comfortable and secure in how they were doing the estimation. Bryan is working up a couple of things that need to be sent to Bob. Those two things need to be done also before any contract modifications will be done.

9. 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

10. Personnel – Closed Door Session

11. Approval of the March 14, 2013 Board Meeting

On motion of Chairman Staton and seconded Jon Blackwell, the Board voted 5-0 in favor to hold the next Board meeting on March 7, 2013. Byron will be in Ely but could be available by phone if needed.

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

None

13. Adjournment

The meeting adjourned at 5:30 pm.