

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF BOARD MEETING
HELD
THURSDAY, FEBRUARY 9, 2012**

PRESENT: Kenneth Staton
Jonathan Blackwell
Randy Tobler

Joe Davis
Bryan Mortensen
Lon Dalley

Byron Mills

Vernon Robison, MV Progress

Lindsey Dalley
Scott Carson

Susan Rose
Jeannie Poynor

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)

None

2. Approval of the Minutes of the Previous Meeting held January 12, 2012 (for possible action)

On motion of Jon Blackwell and seconded by Randy Tobler, the Board voted 5-0 in favor to approve the minutes of the previous meeting.

3. Approval of the Minutes of the Special Meeting held January 19, 2012 (for possible action)

On motion of Scott Carson and seconded by Lindsey Dalley, the Board voted 5-0 in favor to approve the minutes of the special meeting.

4. Approval of the sale through competitive bid of one (1) 1997 GMC truck and one (1) 1999 Ford Explorer from the District's fleet (for possible action)

Joe Davis explained that both of these vehicles have been replaced with new vehicles. The Explorer was replaced last year with the Ford Fusion. The 1997 GMC truck didn't hold up very well for what it was being used for. Staff took the last service truck and turned it into a flatbed. Everything was taken off of this GMC truck and put on the diesel so now it's just a cab and chaises. The Ford Explorer is a decent vehicle that has over 100,000 miles on it. Joe took both vehicles down to Town and Country Auto and had them do appraisals on them.

In the past staff has always brought this to the Board to get their input on it and see what they would like for a starting bid. Jeff Jones said that with the GMC being only a cab and chaises it would be hard to get a starting price on it. He said that the wholesale is \$4,900 low and \$7,200 high but that would be if it had a bed on it. If Jeff took them to auction the starting price on both vehicles would probably be between \$1,500 and \$2,000. He thinks we would be lucky to get \$3,000 on the GMC and he would start the price out at \$3,000 on the Explorer.

Joe said the wholesale retail value on the Ford Explorer is \$3,376 low and \$5,551 high. The interior of the vehicle is still really nice. The outside doesn't have any dents or dings in it. He felt that the starting bid on the Explorer should be \$3,000 and he's thinking about \$2,000 for the GMC cab and chaises. We can either sell them ourselves or have Jeff take them to auction for us.

Jon Blackwell said that often on a cab and chaises people put a bed on them before they go to auction. Joe explained that he would like to sell them both "As Is".

Joe asked the Directors if on the GMC they would like to set the starting bid at \$2,000 or if they wanted to accept the highest bid whatever it is. He said that they would still be able to approve the sale at the next Board meeting.

Randy Tobler asked if they even had to see it and Joe explained that they don't but that's what always been done in the past so he's just following protocol.

Byron Mills said that they could approve the sale as long as it sales for the minimum bid or more. If we do that, it won't delay whoever is trying to buy it until the next Board meeting.

On motion of Randy Tobler and seconded by Lindsey Dalley, the Board voted 5-0 in favor to have staff advertise the sale of one (1) 1997 GMC cab and chaises and one (1) 1999 Ford Explorer for sealed competitive bid and authorized staff to set the minimum bid amount.

5. Approval of the revised "Drug Abuse Policy" (for possible action)

Joe explained that there is a federal law that the District has to follow when it comes to drug testing employees who have CDL driver's licenses. The policy the District currently has was written by the previous general manager and it's not a very good one. The last company we dealt with for our drug testing wasn't correct in what they were telling us. Joe thinks they weren't happy because we didn't buy their drug policy. Their customer service wasn't the best either so staff went out and found another company to help keep us in compliance. This new company is a lot better than the previous one. They have supplied staff with this drug policy which basically comes right from the Motor Carrier Division.

The District's regular drug policy is just fine. It's "Addendum A" that deals with CDL license's that needs to be changed. This revised policy has been defended in court.

Staff would recommend replacing the current "Substance Abuse Policy Addendum A" with the one entitled "Moapa Valley Water District Motor Carrier Part 382 Alcohol and Controlled Substances Testing Program".

Lindsey Dalley asked how it differs from the current policy. Joe explained that the District's current policy is cut and dry. If you mess up, you're gone. That has been challenged four different times in court and each time they have lost. If an employee has a problem, the District is supposed to get them the help they need and then move forward with it. This revised policy is word for word what is supplied by the Motor Carrier Division and it brings the District in line with what everyone else is doing.

The new company also gives staff training every year so that management knows what the laws are and what to look for. The District is in a consortium so we are in a pool with a lot of other small companies which saves the District some money and keeps us legal.

On motion of Randy Tobler and seconded by Jon Blackwell, the Board voted 5-0 in favor to replace the current section of 11.11 Substance Abuse Policy Addendum A with the proposed Moapa Valley Water District Motor Carrier Part 382.

6. Manager's Reports

Office Manager- Jeannie Poynor reminded the Directors that at the last Board meeting they had asked her to call FDIC and find out how it works. She did call them and was told that the District is 100% insured on all of its non-interest bearing accounts through 2012. At that time it could change. She explained that all of our interest bearing accounts are collateralized. Jeannie was told that if something happens with Bank of America, a new bank will take over the day after they close. If another bank doesn't take them over, FDIC will get all of B of A's records and cut the District a check within a few days.

Staff has met with Bank of Nevada and will be meeting with Wells Fargo soon. As soon as that happens she will put all of the information together and present it to the Board.

Jeannie has also checked into the credit cards fees for merchant services. She has received some quotes but she's looking at another company that also does automated billing. She should have it ready to be presented to the Board at the meeting next month.

She included in the board packets two month's budget reports. She also added the Net Cash and Cash Equivalents report which will show what we're up and what we're down every month. Joe said that Jeannie is also making another section that will have an explanation when we do have a huge drop of what caused it.

Randy had a couple of questions for Jeannie. He has had a few customers ask him about billing. He would like to see how we compare to other utility companies when it comes to how many days after the bill goes late that the meter is shutoff and locked for non-payment. He also asked her to find out if they send out late notices.

Customers have also been telling him that OPD is different than we are when it comes to processing payments. Supposedly they get payments quicker than we do. He has had customers tell him that when they make a payment through their bank to OPD they get credit right away. Joe explained that if they go online to their bank and make a payment it could take anywhere from 4 -9 days. Jeannie said that she will call OPD and see if they do something different than us.

Randy also asked about realtors who want to show a property that the bank is paying the bill on and if it was possible for us to put the \$25 charge on the account. Joe explained that we charge \$25 to turn the meter on for 72 hours so an inspection and any repairs/cleanup can be done. It's easy enough to do that but we have realtors that come in and ask us eight or nine times a month to turn the water on and off. He explained that the realtor can come in and open up an account so the water can stay on. Joe said that there isn't a problem with adding the \$25 application fee to the account.

Water Production Superintendent – Bryan Mortensen was happy to report to the Directors that in 2011 production was running a little low but by the end of the year it was back up to the 2010 levels.

It hasn't been quite a year yet since management made a change in the production division. Production is now covering both meter services and production. His guys are getting more comfortable with meters, production and 340A stuff.

Production staff is going to put an analyser just before where the 340A water goes into our system. It measures the cloudiness of the water and refracts light through it. This will allow us to hold SNWA to what filtered affluent water should be. If there's ever a problem again, we'll know right away and be able to shut it down before it gets into our system. Staff is now taking iron samples since that was what was getting into our system. SNWA is paying for the iron samples as well as the arsenic samples that we have to take also.

Meter services installed another Octave meter up at the fairgrounds. It's able to catch all the water going through it so the customers aren't too happy about it. Staff is going to continue on with this project. The meters are paying for themselves within months. The Directors might hear from some of the customers because their bills have gone up but these customers have been getting free water for a long time. Now they're actually paying for all of the water they use.

Customer service data logs were down this month. Bryan noticed that Jeannie and her staff have been fielding a lot of questions and concerns from customers about the new bills. Most of people are happy with them but there have been a few complaints. The office staff has been doing a great job.

Interim General Manager – Joe Davis had a couple of things that he wanted to talk about that weren't included in his manager's report that went out in the Director's packets. A modified report was in their Board book.

One of the things Joe wanted to talk about was a fax that staff received from a Mary Lou Tinman regarding bill due dates. Her complaint is that the due dates conflict with her Social Security checks which she receives on the 3rd of each month. Payment due dates are the 4th Friday of each month so she has to pay a late fee. Joe explained that Route 2 which is the route Ms. Tinman was in, had extra time to pay the first month we changed the billing cycle so if she would have paid at the beginning of that month instead of waiting she would have been ahead of the game. When we changed everyone to the new billing cycle it made Overton's due date a week later and Moapa's a week earlier. There was notice in the paper, on our website and on the old bills stating that the billing cycles were going to be changing.

Lon Dalley has taken over a lot of the Water Distribution Superintendent's duties. He's doing a good job. The position has a lot of mental stress so he's having a lot of fun with that. Lon and Brian are taking care of everything in the field which allows Joe to spend more time working on

the general manager's stuff. Lon will have a report for the Directors next month on some of the things that Distribution has been doing.

On the Blvd. Widening project, the curb, electrical, and storm drain have all been completed. The contractor is getting the subgrade down right now. They are planning on paving next Wednesday. It has to be over 70 degrees for them to finish the open grade. The majority of the project will be done; we will just have to wait for the temperature to rise. The project is moving along really well.

Staff has spent quite a lot of time on the FY2013 budget. It's about 80% complete. Staff still has to get the numbers put on the NV Dept. of Taxation's forms. That way everything should be consistent with what the Directors have seen in the past. Staff's goal is to have everything to the Director's two to three weeks before the March meeting so they will have time to review everything before that meeting. Hopefully, the Directors will let Staff know at that meeting if there's anything they would like to change. The tentative budget has to be approved at the April meeting. Staff is anticipating a 6% decline in revenues which has been figured into the budget. Staff has trimmed everything that they could and think that they have a good game plan.

Staff, Byron Mills, Lindsey Dalley and Scott Carson met with representatives from SNWA to discuss the Church lease water. As anticipated, MVWD is on the hook for our portion of the surcharge on the water that leaves the valley. SNWA has a few ideas about modifying the agreements so that SNWA can exchange and use the Jones Spring water that is being pumped in Coyote Springs so that they can take credit for what makes it to the lake. SNWA was talking about having a five year agreement with us that would allow them to do that. Joe did bring up a couple of concerns he had with that. SNWA's legal counsel was going on vacation for three weeks so Joe told them that everyone could talk about it when they get back. SNWA will draw up a draft agreement which they will get to us and then a meeting will be scheduled so everyone can sit down and talk about it. Joe said that he and Bryan could discuss with the Directors later some of the ideas they have come up with.

On the lost and unaccounted for water, in calendar year 2011 the District produced 870 million gallons of water. In 2010, we produced 1 billion gallons which is an 11% decline. However, we actually sold 808 million gallons in 2011 compared to 852 million in 2010 so we are actually only down 5% on what we sold. A lot of that is attributed to the new meters that we have. These meters are picking up the revenue that was being lost before. Our total lost and unaccounted for water for all of last year was 7% and January is still at 7%. Bryan Mortensen explained that one of the reasons that we changed the billing cycle was to address the lost and unaccounted water. It's hard to figure out where the water is going when routes are overlapping. The new hydrant meter policy is also helping to reduce the lost and unaccounted for water.

7. Director's Preference

- Review Monthly Expenditures

Randy Tobler disclosed that he has an interest in a family business here in the valley.

On motion of Chairman Staton and seconded by Jon Blackwell, the Board voted 4-0 in favor to refer the monthly expenditures to the auditors. Randy Tobler abstained.

Scott Carson wants Staff to go out for bid on the employee health insurance since it is up for renewal this year.

- Litigation

No update.

8. Personnel- Closed Door Session

9. Approval of the March 8, 2012 Board Meeting

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

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

None

10. Adjournment

The meeting adjourned at 5:25 pm.