

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, MARCH 12, 2009**

PRESENT: James Robison
Robert Jones
Kenneth Staton

Brad Huza
Joe Davis
Bryan Mortensen

Thayne Clark, Bowen Collins & Associates

Guy Doty
Glen Hardy

Susan Rose
Ken Bessey

Vernon Robison, MV Progress

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 February 12, 2009 (Action Item)

On motion of Ken Staton and seconded by Guy Doty, the Board voted 4-0 in favor to approve the minutes of the previous meeting.

3. LDS Church - Donation of Water – James Robison (Action Item)

This item was taken care of prior to the meeting. No action was taken.

4. Approval of the “Contract Modification #1” to the Bowen, Collins and Associates contract by increasing the amount by \$43,000. (Action Item)

Mr. Huza explained that Bowen, Collins and Associates is requesting additional professional services fees for additional time and expenses for project management purposes, and for a facilities survey of elevations of key water production facilities. The survey was deemed necessary to finalize the design of the project. This work task was not included in the original design.

The requested amount for the completion of the project is \$43,000 of which \$11,000 was for the facilities survey and the \$32,000 was for the additional construction management services. This change order represents a 6% increase in the original \$724,450 contract.

A copy of “Contract Modification #1” was available for the Directors review.

Staff has reviewed the request and feels that due to time over runs on the project the additional fees are justified and would recommend approval.

Glen Hardy came into the meeting at this time.

There were a few questions for Thayne Clark and Mr. Huza regarding the contract modifications.

On motion of Bob Jones and seconded by Ken Staton, the Board voted 5-0 in favor to approve “Contract Modification #1” to the Bowen, Collins and Associates contract by increasing the amount by \$43,000.

5. Approval of the Bowen, Collins and Associates proposal for design of the intermediate booster station and instruct Staff to negotiate a contract with BCA that will be based upon an hourly rate with a cost not to exceed \$60,000. (Action Item)

Bowen, Collins and Associates (BCA) prepared the initial pipeline capacity study for the existing 24” main in May 2008. The study concluded that the 24” main could not convey the planned 340 A flow plus the lower service area demands. The study concluded an upgrade of the intermediate booster station was the most practical means to achieve the flow.

BCA prepared a scope of work with an associated cost to accomplish that scope. A copy of that "Scope of Work" was available for the Directors review.

The estimated costs to achieve the evaluation and design phase of the project is \$60,000.

The engineering and construction costs are funded from the 340 A project funds and will be recouped from all users of the upgraded facilities including SNWA.

Staff recommends approval of the BCA proposed "Scope of Work".

On motion of Guy Doty and seconded by Bob Jones, the Board voted 5-0 in favor to approve the Bowen, Collins and Associates proposal for design of the intermediate booster station and instructed Staff to negotiate a contract with BCA that will be based upon an hourly rate with a cost not to exceed 60,000.

Thayne thanked the Directors for allowing them to continue to work for the District.

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

Chairman Robison asked Susan to bring all of the district employees into the board room.

Chairman Robison announced that Brad Huza won the Nevada Rural Water Association System Manager of the Year. He won the award because he was successful in completing and starting up the arsenic treatment plant and he's meticulous in projects he has worked on in the past and on current projects. He has also been proactive in training staff on the arsenic treatment plant and other training.

The Nevada Rural Water Association also chooses a System Distribution Superintendent of the Year and this year the award goes to Joe Davis. He was awarded because he's enthusiastic about receiving the training he needs and he makes sure that his staff is also trained. He has also setup a great preventive maintenance program.

A representative from Nevada Rural Water Association should be at the April meeting to present a plaque and a \$100 check to each of them.

Cake was served.

6. Approval of the implementation of the acceptance of credit cards as a means of payment with a \$2.00 convenience fee or no convenience fee. (Action Item)

Mr. Huza informed the Directors that Staff receives numerous requests to accept credit cards as a method of payment. In the interest of enhancing the District's customer service, Staff contacted Bank of America and requested a quotation for providing this particular service. It was found that the cost for equipment was relatively inexpensive to purchase. The cost is approximately \$600.00 with a monthly fee ranging from \$37.51 per month to \$9.95 per month.

The costs of administering the program could range in the \$1000's per year.

Staff anticipates over fifty transactions per week. With the expected number of annual transactions at 3,000 and the average unit cost of \$1.70 per transaction (based upon the average bill of \$76.00), the cost of Bank of America's fees will be approximately \$5,000 per year.

There are two issues for the Board to consider:

Should accepting credit cards be implemented?

If implemented, should the District charge a "convenience fee"??

If a convenience fee is implemented, the amount recommended is \$2.00 / transaction.

In checking with the other local utilities, no other utility was found charging a convenience fee.

Visa, Mastercard and Discover cards will be accepted.

From Staff's perspective, it is recommended that the acceptance of credit cards be implemented. The charge of a "convenience fee" would cover the new anticipated charges but the overall impacts on the budget would be minimal.

On motion of Bob Jones and seconded by Guy Doty, the Board voted 5-0 in favor to instruct Staff to implement the acceptance of credit cards as a means of payment with no convenience fee.

7. Review of the Tentative Budget for FY 2010 (Discussion Only)

Staff is in the process of completing the tentative budget for fiscal year 2010 (July 1, 2009 thru June 30, 2010).

It is anticipated that the water sales revenues will increase slightly. With the 4% increase in the revenue package, the revenue increases will not be as robust as in past years.

The expected revenues from the other sources are also expected to be less in the upcoming year. The ¼ cent sales tax sharing program is anticipated to be approximately the same as this fiscal year. The decline from earlier years is a result of reduced spending.

Staff has also revised its projections for new service connections to 30 for the upcoming fiscal year. This should be an achievable estimate.

As the operational fund receives its funding from water revenues, the level of service our customers receive will not be diminished as a result of the downturn in the amount of connection requests.

The five year capital improvement plan is separated into two areas. Growth Capital will fund the 340 A project and other water resource development type projects.

The Non – Growth will fund the standard system upgrade programs, equipment replacement, and other sinking fund activities. It should be noted that the air conditioner replacement has been included in this year's budget as well as next fiscal year. These units are in constant need of repair and are not very energy efficient.

A copy of the revenue and operating expense estimates and the five year capital improvement plan were available for the Directors review.

The complete tentative budget will be on the April agenda for adoption.

This agenda item was a discussion item only so no action was taken.

8. Manager's Report

Senior Accountant – Monthly Budget Report- Ken Bessey reviewed the monthly budget report with the Directors. He explained that revenues are still ahead of budget. Expenses are lower than expected. The budget for treatment and production is starting to be used. The arsenic budget is a little over because the money that was budgeted for last year is being used this year. Otherwise all other budget items are where they should be.

Water Production Superintendent – Bryan Mortensen provided each Director with a chart showing the monthly diversions for the last two years. Total diversions for February 2009 were 51,823,000 gallons with a daily average of 1,850,821 gallons. January 2009 diversions were 52,294,000 gallons with a daily average of 1,686,900 gallons. Diversions for February 2008 were 53,718,000 with a daily average of 1,918,500 gallons. Diversions are right on track for this time of year.

Arsenic levels will start to change this next month. Blending should start soon at Arrow Canyon. Bryan explained that the effluent and combined effluent levels will start to rise as he tries to keep the arsenic level as close to 10 ppb as possible to maximize the life of the vessels.

Staff had analyzer and SCADA training this last month and Arrow Canyon pump #2 was exercised. The Production crews did grounds maintenance at the head houses and had one customer service request last month. The request was pressure related and was taken care of before staff was able to get out to check on it. Production crews are now doing a 60 meter a month inspection. This will make it possible for all meters to be read yearly to check the manual reading against the automatic reading. Only one meter has been off so far.

Water Distribution Superintendent - Joe Davis informed the Directors that district crews began flushing water lines in the Overton area this week. He explained that this is a common practice in the water industry to help establish fire flows in the system while cleaning sediment out that may have accumulated over the years. Crews will be able to get a lot of hydrant and valve maintenance done while doing the flushing. Next month Joe will have a report for the Directors on how much water was used when the flushing was done and any problems that were found.

Brian Greig attended a traffic control training in Las Vegas. He received a traffic control technician certificate from the American Traffic Safety Services Association. Another employee will also be sent to the training. This will help keep the District up to current standards.

There were no major leaks or system problems this last month.

General Manager- 1) Arsenic Treatment Project - The arsenic treatment project is entering into the final stages of construction. The major accomplishments for the past 30 day period include:

- Work continues on the Baldwin Springs site, with the mechanical plumbing at the 95% level, the electrical work at the 95% level and the completion of the exterior concrete work. The booster pumps arrived on February 23rd and installation began immediately.
- Staff anticipates that the seven day functional test will begin around March 20th or 21st. Upon completion of the 7 day test, start up training will begin. Staff anticipates the "Substantially Complete" certificate to be issued by mid March, with the project being declared complete by early April.

Staff would like to schedule a grand opening of the facility in April and would like to propose April 16th as one possible date. This corresponds with the scheduled date for the USDA and NDEP monthly progress meeting. The general consensus of the Board was to have the grand opening on April 16th. **2) Dechlorination Facility** - The project is finally out for bid. The upcoming key dates for this project are:

Pre Bid Meeting	March 17, 2009
Bid Opening	March 26, 2009
Board Consideration	April Meeting (2 nd or 9 th)

Mr. Huza anticipates construction to commence in late April with completion in early fall. Staff is presently requesting proposals from construction management firms to provide staking, inspections and shop drawing review. Staff anticipates having a recommendation before the Board at the April meeting.

3) Secondary Water Phase I Update - As a follow up to last month's discussions on the secondary water Phase I, Staff met with representatives of the SNWA on the potential leasing of shares from MVWD. SNWA Staff was interested but would like to present a proposal to the District in the upcoming weeks. It is apparent that the proposal will not be available and accepted in time to meet this summer's irrigation schedule. Staff went ahead and contacted other interested individuals on the priority list. As of the writing of this report, staff has been successful in obliging the majority of customers who requested and could physically take water. **4) Third Annual Service Awards Picnic** - Staff is inquiring as to the scheduling of the annual awards picnic. If you recall, the service awards picnic is held to honor those employees that have achieved 5 years, 10 years, 15 years, etc. of service with the District. It also provides an excellent time for all of the District's family members to participate in a District function. The general consensus was to hold the picnic on May 2nd.

9. Ratify payment of February Expenditures

On motion of Glen Hardy and seconded by Guy Doty, the Board voted 5-0 in favor to ratify payment of the February expenditures.

10. Director's Preference

11. Personnel – Closed Door Session

12. Approval of the April 9, 2009 Board meeting

On motion of James Robison and seconded by Ken Staton, the Board voted 5-0 in favor to hold the next Board meeting on April 2, 2009 at 4 pm.

13. Adjournment

The meeting adjourned at 5:05 p.m.