

**MINUTES  
MOAPA VALLEY WATER DISTRICT  
BOARD OF BOARD MEETING  
HELD  
THURSDAY, MARCH 7, 2013**

**PRESENT:** Kenneth Staton  
Jonathan Blackwell  
Randy Tobler

Joe Davis  
Lon Dalley

Vernon Robison, MV Progress

Maylee Eide, CC Jr. Livestock Association  
Emily Benites, CC Jr. Livestock Association

Travis Pack

Lindsey Dalley  
Scott Carson

Susan Rose  
Jeannie Poynor

Don Adams, CC Fair Board

Missy Hardy, CC Jr. Livestock Association

**ORDER OF BUSINESS:** At 4:01 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 February 14, 2013 (for possible action)**

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 4-0 in favor to approve the minutes of the previous meeting held March 7, 2013.

**3. Clark County Fair Board – Donation – Kevin Willard (for possible action)**

Don Adams was present at the meeting to request a donation of water for the 2013 Clark County Fair. The water will be used for dust control.

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 4-0 in favor to donate water to the Clark County Fair Board for dust control

**4. Clark County Jr. Livestock Show – Donation – Jolynn Wade (for possible action)**

Maylee Eide thanked the Directors for their past support of the Junior Livestock Association and asked for the Districts support this year for the Herdsmanship Award.

On motion of Lindsey Dalley and seconded Randy Tobler, the Board voted 4-0 in favor to donate \$100 to the Clark County Jr. Livestock Show.

**5. Discussion and possible approval of Amendment #4 to Overton Breaks Construction Agreement #007-06 – Bill Dyer (for possible action)**

Bill Dyer was present at the meeting to request a 4<sup>th</sup> Amendment to the Overton Breaks Construction Agreement. He explained that they have recorded the final map but with the slow economy they don't expect to be breaking ground anytime soon.

Joe Davis explained that the extension would be for 26 months. This developer is the only one that has follow all of our rules and since granting the extension won't have any significant impacts on the District, Joe would support an extension to the contract under the terms and conditions outlined in the draft Amendment #4.

On motion of Randy Tobler and seconded by Lindsey Dalley, the Board voted 4-0 in favor to approve the request for a contract time extension to Construction Agreement 007-06 as conditioned in the attached draft amendment and directed Staff to execute Amendment #4 as written.

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

Joe reminded the Directors that at the last Board meeting there had been some discussion on the problems we were having with getting some of the units tested. The Directors had asked Staff what the \$5.25 monthly backflow charge was used for and also asked them to find out what other entities are charging a month for backflow devices. Joe explained that the \$5.25 covers the computer program, 200 hrs of Staff time, letters, test forms, & postage. It also covers Staff training and certifications. Staff called around to see what backflow companies are charging to test the units. A few charge \$50 because they don't have a lot of overhead but in order to come out here and they would have to have four units to test to make it worth their while. Other companies charge around a \$100 and they have travel time on top of that. It would probably be an extra \$100 to come out here. As for the amount charged to administer the program, the City of Henderson is the only one who doesn't charge a fee, everyone else has a daily fee that comes out to a little more than what we charge.

In the 2<sup>nd</sup> notice we send out we tell the customer that if the unit is not tested by the due date, the water will be shut off until it's been done. We've never shut off the water and it's not something we really want to do.

Scott Carson asked what our liability is and Joe explained that if some kind of contamination gets back into our system, we will be liable. It doesn't matter who did the test, we will still be liable.

What Lindsey remembered from last month was that this is a government mandated program and that it doesn't just pertain to businesses only. Homeowners could be required to install backflow devices also especially if they have a well.

Randy Tobler went to the State of NV's website to see what exactly backflow prevention is and there 605 pages on backflow. It talked about specific buildings and what's required. It also talked about the certain components that are in each backflow preventer. There are a ton of things that need to be done and it concerns Randy if we are ultimately liable when someone else does the testing and then there's a problem. We could be named as a second or they could come after us even if someone else does the test.

Joe said that's the bad part. If the customer gets someone else to do the testing and a month later it fails, the tester is going to say that it passes when it was tested so the liability still lies with us because we're going to be the one that has the problem. It wouldn't matter if we did the testing or an outside company did the testing, if the unit fails we would still be responsible.

Lindsey asked if the District also goes out and inspects the facilities.

Joe explained that Staff does site surveys. The survey is five pages long and we go through their property to see what they need for backflow prevention. Some places don't require a backflow preventer but we go back every year to make sure that nothing has changed that might require them to have one. It is Clark County's responsibility if a business changes the type of business they have to make sure that the backflow issue is covered. They're good at doing that for new construction.

What Staff is asking is that a policy is created for when someone has passed the date that they are suppose to have their device tested, we can send someone out to do the test and then bill the customer for it on their monthly water bill. We can either call a certified backflow tester go out and do the test or we can have one of our certified backflow testers do it. The question was raised of what we should charge if we send our employee out to do the test? Bryan contacted LVVWD and they charge 2.30/month for their backflow program. That covers the paperwork and the test.

Scott asked what Staff would recommend. Joe said that we have Staff that can do the tests. In the past when things were booming we didn't have that many employees and it was a little more difficult for us to stay on top of it so someone else invested in the equipment and training to do it. Staff wants clarification from the Board that if the test isn't done by the due date, then we will get it taken care of. If the District is going to pick up the charge and we want to have the other backflow testers do the testing then we should set our fee higher than theirs. That way our customers will call them to

do their test. Right now the customer pays \$5.25/month for us to administer the program plus \$50-\$100 to have the test done by someone else.

If we do decide to do the testing in house Joe would recommend that we bill the customer for the parts used if a repair is done. Since they are proprietary, they can be quite expensive. There was some discussion on if we should charge for the parts, and if so, do we markup them up or do we leave them at cost.

Bryan Mortensen suggested that we could make the monthly charge whatever it would cost to cover the adm costs and a flat fee for the test. Not every backflow unit has to be repaired every year. Some can go years without any repairs and others have to be repaired every year. It just depends on where they are.

Lindsey would like us to be able to lower the costs to the customer if possible, put it on their monthly bill & spread it out over the year.

Chairman Staton asked how we are going to determine what the monthly costs would be. Joe said that after six months we should be able to get an assessment of what it is really costing to run the program.

Bryan suggested taking the \$5.25 and add \$4.00 and that should cover our costs. He came up with that by taking \$50.00 x 123 unites = \$6150 and then divide that by 123 and then 12. Randy would rather just round it up to \$10.00. We can always lower the costs later if it ends up being more than it costs to actually run the program. He also wants to make sure that we notify the customers ahead of time on why we are raising the rates.

Chairman Staton asked if Staff was comfortable with the proposed policy change. He asked Lon specifically how he felt about it. Lon said that he would do whatever the Board wanted him to do but he is already very busy and feels that it would be a huge load. He and Bryan are the only testers at this time. Joe explained that if the Board changes the policy then he will have someone else get certified as a backflow tester.

Bryan said that one of the things he was going to provide to the Board was a breakdown of what that monthly fee should be. He wasn't able to get that done. If the Board would like to see that before they make a policy change he could get it to them for next month's meeting. Randy said he would like to see those figures so that they could make a more informed decision. Bryan would be more comfortable with that too.

No action was taken. Bryan will figure out what it costs for the administration of the program, testing, parts, certification, etc. so the Board can make a more informed decision next month.

**7. Approval to modify the MVWD Policy Manual to include the transferring of an installed meter from one piece of property to another (for possible action)**

At last month's meeting the Board approved the removal of a meter from an existing home to another parcel. They asked Staff to come back with a policy that would require the customer to provide a clear title to the property. Joe said that the draw back to that is that Staff will have to track those parcels that no longer have a meter and therefore will have to pay the Water Resource Fee. It's doable but it's something that Staff will have to be careful that they keep good track of.

When we were pulling meters out because the accounts were delinquent, people who bought those properties were shocked to find out that they didn't have a water meter. Joe asked the Directors if they wanted to put in the policy that a meter couldn't be moved if there was a home on the property or if they wanted to leave the policy as approved last month.

Chairman Staton asked about the meter they acted on last month. Joe said that the customer decided to leave the meter where it is and to go ahead and purchase another meter and pay the Water Resource Fee.

Joe reminded the Directors that they decided to discontinue removing meters on delinquent accounts because of the shock to the customer when they purchased the property and found out they didn't have a water meter. He feels that we should put in the policy that the meter can't be moved if there is a home on the property.

Jeannie Poynor said that it would cost someone who had to buy a meter and pay the Water Resource Fee right now it would be almost \$12,000.

Joe explained that if someone has a meter on a vacant lot and they want to move it to another lot that's not subject to the Water Dedication Ordinance then it's a wash but if they move it to a lot that is subject to the WRDO then that's where we could run into problems. We would have to track those changes.

On motion of Scott Carson and seconded Lindsey, the Board voted 5-0 in favor to change the MVWD policy manual to include transferring of an installed meter from one piece of property to another requires a current title report to verify clear title of ownership before being considered by the Board of Directors.

## **8. Review of the Tentative Budget for FY 2014 (for possible action)**

Randy had a couple of questions on the budget. He wanted to know why the wages and benefits went down from last year. Jeannie explained that the way the budget was figured before was when a capital project was done the wages and benefits were also capitalized with the project. At the end of the year that total comes off the wages and benefits and gets placed into a capital item so the capital items have gone up and the wages and benefits have gone down. Randy also asked about the O & M Source and Supply. Jeannie explained that we moved that to Production Operations and Production Maintenance. They all tend to go hand and hand so last year we took that out so it's just on there for one more year. It's all been put to water production.

Joe said that when Staff presented this budget they did it as a worst case scenario that way there's no surprises. It should come in better than that. Staff wanted to make sure that it showed us paying everything that we're required to pay, it doesn't show anything we're suppose to receive.

Scott asked why the church lease went up. Joe explained that it goes up 3% every year.

Jeannie had a breakdown of things that are associated with the operating revenue, the expense, non-operating revenue & some of the things that have affected it. That was on form 19 & 20 of the budget.

Scott asked what was penciled in for health insurance. Jeannie said that the health insurance will stay the same for 18 months so that there should not be any change for FY14. After some thought Jeannie realized that we could possibly have an increase the last six months of FY14 so that probably needs to be adjusted. She said she would get that changed.

No action was taken. This item will be on next month's agenda for approval.

## **9. Manager's Report**

**Office Manager** – Jeannie said that the budget is looking good. Connection fees are high because they haven't broken them out into capacity fees and connection fees yet so that's going to change.

We've had one person come in to reinstall a pulled meter and had one new install.

The FY13 Revenues and Debt Service report is high because of some human errors on the employee costs. Jeannie had a paper which showed what those human errors were.

**Water Distribution Superintendent – Leaks** - Lon Dalley explained that we had a few leaks just like every month. A couple of those leaks were on Vanguard pipe. There were three 4" leaks. One on Palo Verde/Ramos Ranch, one on Swapp/Lyman & one on MV Blvd/Overton Wash. **Customer Complaints** – There were the regular leak reports and one water quality complaint. The person who had the water quality complaint lives at the end of Ramos Ranch Rd behind the Credit Union's old administration building. An 8" line was installed when the house was built & there's only one meter on that line so it needs to be flushed occasionally. Staff flushed the line for 30 minutes to clear the line.

**Gann Project** – We're all done with the project except for the asphalt and that's Lon's fault. He just hasn't had a chance to get it done. **Cottonwood Project** – This project has been started. All the taps are done so now we're going to complete the whole 12" leg all the way down to Swapp. We hired the McCormicks with their excavator. Once the mainline is laid, the guys will go back and install the hydrants and crossings.

**Water Production Superintendent** – Bryan explained that he had estimated 39.4M gallons of water produced but it was actually 40M so that was pretty close. It looks like it's leveled out. At least we aren't dropping from year to year which is good news.

We have two more Octave meters that need to be replaced. They gave us some exchanges for them because there were some internal problems with the meter that would cause them to wear out early. We have the park in Moapa and the coal yard at NV Power to do. Once those are done we will still have quite a bit of money left in the Large Meter fund so we will start getting the old meters that are having issues replaced with the Ultrasonic meters. We put one in at the Hinckley Chapel because the new park is going in and it would be good to catch that water. There is a handful of meters that need to be replaced and they will be done first.

There were 21 data log requests and only 7 worked. We're still working on that issue and are hopefully getting close to a resolution.

**General Manager – Twin Springs Easement** – We received a draft copy of the easement from SNWA's legal counsel. Joe sent a copy to Byron for his review and it looked acceptable to him. They've addressed all of our concerns and it looks like it's something that we should be able to move forward with. We will put this on next month's agenda. **Assembly Bill 157** – Joe talked to James Oscarson today and that bill has actually been pulled. It wasn't a very good bill. We had received notification from NV Rural Water about it. They had quite a few concerns that it tied water utilities hands. We wouldn't have been affected because it excluded Clark County. **Glendale Holdings**

**Water Permits** – Joe has been in contact with Van Robinson. They are willing to discuss putting their water rights back into their name. Joe discussed it with Bob Marshall and he recommended that we have a rider attached to the titles that basically says that the water has to be used in our service area. That's what the ruling says. Talking with Glendale Holdings, they figure that since the ruling said that, that would be sufficient. Bob doesn't see it that way. He feels that we need to have that rider. Joe told Glendale Holdings that he would put this in his Board report to see how the Directors felt about it. It could become a reporting nightmare because there are so many pending applications out there. If they're going to be in our name, it will be our responsibility to file the applications and keep everything trued up on them. If for some reason we didn't file an extension and ended up losing that right, we would be responsible for it. Joe's likes the fact that if they are put back in Glendale Holdings name, they will be responsible to keep up on them. Once their project gets up and running and they're ready to bring the water into our system, then they would sign them over to us. If the State Engineer says that there is no water available in the surrounding basins, then that makes the water in Meadow Valley Wash extremely valuable. Joe doesn't want to tie the Districts hands by saying that we will let them put it their name and then have them export the water somewhere else. If they sell the water, they could come back to us and say that they have 3,000 acres that they want to develop and that they want to utilize the resources we have. Joe thinks that Bob's idea of a rider is a great idea. Lindsey wants to make sure that we don't limit our ability to generate revenue off of that water when it's put into our system. If we have extra water that we're not using maybe we could lease the water to someone else. He wondered if it would tie our hands by putting that rider on the water rights. Joe said that he will talk to Byron Mills about that. **Future Development-** Joe was approached by a couple of gentlemen from the valley that have plans submitted for a subdivision. It's preliminary right now but they want to move forward with it. It's a good sign that we are actually hearing people talk about water and developing. **Christmas Social** – Joe sent out an RFP for the Christmas Social to see if we could find a place here in the valley instead of driving to Mesquite. He received two proposals. Joe talked to the employees and gave them five options. They could have a potluck, have something catered from one of the local businesses, use Great Basin or Sugars, or continue going to Falcon Ridge. Three employees liked the idea of a potluck, two chose Great Basin and the rest chose Falcon Ridge. Lindsey asked how much Falcon Ridge charges us per person and Joe said it's \$36. Because the majority of the employees choose Falcon Ridge, Joe would recommend going back over there. We know what we are going to get there and there's never been any problems there. Scott doesn't like the food there and Randy likes the food but would rather keep the business in the valley. He thinks we should open it up to anyone in the valley who can provide it. Joe did not talk to the Inside Scoop because at the time he didn't know that they did catering. Randy doesn't think it looks good for him to say we should go to Mesquite when he owns a local business especially when the valley's hurting right now. He realizes that Falcon Ridge does provide a nice meal, they take care of everything and it's not extravagant but he would like to stay here. Scott would like to keep the business local also. Chairman Staton reminded the Directors that the party is for the employees. Scott said that he would bet that if the employees just received their Christmas bonus and didn't have a Christmas party, they would be just fine with that. Joe said that he gave the employees that option and not one person chose that. Joe said that he would get the RFP to the Inside Scoop and the Muddy River Bar and Grill.

**10. 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**

**Chairman Staton called a closed-door session at 5:53 pm. This was seconded by Jon Blackwell.**

**Chairman Staton reconvened the open-door session at 6:40 pm. This was seconded by Jon Blackwell.**

**11. Personnel – Closed Door Session**

**12. Approval of the April 11, 2013 Board Meeting**

On motion of Chairman Staton and seconded Lindsey Dalley, the Board voted 5-0 in favor to hold the next Board meeting on April 3, 2013.

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

None

**14. Adjournment**

The meeting adjourned at 6:43 pm.