

**MINUTES  
MOAPA VALLEY WATER DISTRICT  
BOARD OF BOARD MEETING  
HELD  
THURSDAY, MARCH 8, 2012**

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

Joe Davis  
Bryan Mortensen  
Lon Dalley

Byron Mills

Scott King  
Bob Behmer  
Mike Chandler, Bowen, Collins & Associates

Lindsey Dalley  
Scott Carson

Susan Rose  
Jeannie Poynor

Vernon Robison, MV Progress

Ryan Wheeler, Forsgreen & Associates  
Mr. & Mrs. Jason Widdison

**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 9, 2012 (for possible action)**

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

**3. Discussion on the off and locked meters (discussion only)**

Joe Davis explained that the Red Oak Rate Study was conducted to help the District find a way to help pay for the arsenic treatment plant. After the study was done the Board passed a policy that put a base rate on all meters whether they were on or not with the exception of 180 meters that were off and locked. The 180 meters were grandfathered in at a standby rate of \$8.00/month. At that time it left a shortfall of \$50,000 in the budget. There are 112 meters that are on the standby rate right now. All meters that have been turned off and locked since that policy was created are charged the regular monthly base rate which is currently \$29.79. There are 2,830 meters that are on that rate which includes 351 meters that are off and locked. The \$29.79 base rate covers long term debt for infrastructure such as wells, pipelines, tanks, facilities, treatment costs, disinfection, etc. This cost is borne by all customers.

Mr. Wittison met with Joe to discuss this issue. The Wittisons have a subdivision with eight meters that are off and locked. Paying the full base rate for those eight meters is a hardship for them. Joe told him that the Board was going to be discussing the off and locked meters so that's why he and his wife were at the meeting.

Mr. Wittison wanted to know how many of the 351 meters that are off and locked are on vacant lots that have never had water go through them. He doesn't understand why they are paying the same price on their vacant lots as someone who is using the system. He's willing to pay his fair share but he doesn't think it's equitable to pay same amount for something he's never used.

Chairman Staton asked Bob Behmer how many meters he has. Mr. Behmer has one that's on and four that are off and locked. Chairman Staton asked him if any of the locked meters have been used before and Mr. Behmer explained that he has one that was but it was years ago.

Randy Tobler said that the Directors have talked about this issue before. He personally would like to see the standby rate reduced. The Board has had several ideas they've bounced around but right now with so many of the meters being turned off and revenues going down, the budgets pretty tight. The Directors have already made some big changes and they're trying not to raise rates. If revenues were staying the same or going up, then he could see a change being made to rate on the off and locked meters.

Lindsey Dalley wanted to know how much the District would lose in revenues if the rate was reduced to \$9.39 on all the meters that are off and locked,. Randy and Bryan Mortensen figured it would be over \$82,000. Lindsey explained that we would then have to raise everyone else's base rate to cover the loss in revenues. He realizes that this is a hardship for the Wittisons but the base rate has been setup to cover the cost to run the district. We would have to raise the base rate 8% so that 15% of the meters could go on the standby rate.

Mr. Behmer said that one of his meters was on the standby rate but when the property came back to him, we took it off that rate. He wanted to know why that happened. Susan Rose explained that according to the policy if there is a change of ownership the meter loses its standby rate and goes to the \$29.79 base rate.

Chairman Staton explained to the Wittisons and Mr. Behmer that we would look at the policy but nothing could be done at this meeting.

Joe told the Wittisons that right now the only way they can get around paying the \$29.79 base rate is to have the meters pulled from the ground but in order to do that they will have to have the lots reverted back to the way it was before the subdivision was approved by the County. The District committed the water for the subdivision when the final map was signed.

Lindsey asked the Wittisons if they still wanted to keep their subdivision. Mr. Wittison explained that they've already put in the service connections, streets, power, paid for the engineering, and paid fees to Clark County. They've put out a lot of money so they don't really want to revert the property back to the way it was.

Randy has had several other people talk to him about this same thing. He knows it's a concern for some people and he thinks it something the District needs to look at. He hopes that by the end of the year things will start to turn around. Staff could see if the \$29.79 is a true reflection of what it actually costs to run the system.

Bryan explained that the \$29.79 base rate brings in a little of \$1M a year in revenue and that barely covers the basic operations which includes debt. The usage charge is what pays for the day to day operations and maintenance.

Chairman Staton told the Wittisons and Mr. Behmer that we would look into it.

#### 4. **Review of the Tentative Budget for FY2013 (for possible action)**

Joe explained that in FY12 when the Board first came on there were quite a few projects that were on the upcoming budget. We were looking at an \$880,000 expenditure that was over and above what revenues were projected to be. We ended up moving away from the 24" project which was really being done for future growth and concentrated on doing projects that we could do in house which would save the District money. Staff made cuts wherever they could because they knew the Directors did not want to raise rates. The project in Moapa was done to increased the pressure up there and a lot of other improvements were done to the system. Instead of showing an \$880,000 loss we are actually going to show about a \$200,000 profit for the end of this fiscal year. That's good news especially since we took a 10% reduction in revenues with all the foreclosures. As staff was looking at the FY13 budget, they left most of the capital improvement budgets the same as this fiscal year. We will still do the 5,000' of small main replacement, replace arsenic media, and do all of the things that need to be done in order to keep the system running. We were able to put off replacing a couple of vehicles by changing the way meters are read. We now have two crews reading meters which saves on wear and tear on the vehicles and extends the life of them. Staff doesn't anticipate having to purchase new vehicles anytime soon.

We should be receiving a wheeling fee of about \$380,000 from SNWA. The wheeling fee is for moving their water through our system. We should also be receiving \$85,000 for capital reimbursements.

Joe explained that instead of showing a loss on our net income, we actually have a net increase of \$544,072. After meeting with the auditors some of the capital improvements had to be put in a fund so they were pulled out of the budget. The money we are getting for the 340A project will be used to replace the line that comes through the Narrow, That money will be put in a fund so that when that line needs to be replaced, we will hopefully have enough money saved up to replace it and not have to get a bond to do it.

The large meter maintenance program has been increased to \$25,000. The new meters capture revenue that we've been losing and helps reduce the lost and unaccounted for water. They pay for themselves very quickly.

We are also stockpiling pipe since the price has gone down. This pipe will be used for the small main replacement program.

Joe mentioned that one thing that wasn't in the tentative budget was the purchase of a new billing software. The software that staff is currently using was purchased in 1993 and is really outdated. Bryan and Jeannie have been looking at some other software companies but unfortunately they cost between \$50,000 and \$70,000 and those are the cheap ones. It's something that really needs to be looked at. It wasn't put in the FY 2013 budget because staff wanted to see how the Directors felt about it. Staff is using at least three different programs right now. The new billing software will save time, help prevent errors because staff will only have to put information into one program instead of three and it will talk to the website better than the one we currently have. It will also allow us to email customers to let them know they have a leak or that we haven't received their payment and it would notify them if they are up for shutoff. It's not something that has to be done right now but it would sure make staff's job a lot easier.

The general consensus was for staff to go ahead and include the new billing software in the budget.

## 5. **Manager's Reports**

**Office Manager-** Jeannie Poyner has contacted a few places about merchant services. Bank of America, Wells Fargo, and Powerhouse are three that really stuck out. She did check with Costco but they were one of the higher priced companies. Currently for our online terminal we pay an average of \$2.30 a transaction. For the terminal here in the office we pay around \$1.94 per transaction. Wells Fargo was the least expensive. She's not sure how they came up with their numbers but they say that they will charge .48¢ a transaction for the terminal here in the office. The top three companies only offer merchant services and nothing else. Jeannie has been talking to a company called Pay Clicks and they will open up a whole dashboard for our customers. If our customers click pay now they will be redirected to Pay Clicks and they have a whole array of things that they can do. They can pay by credit card and they can choose automated billing which means that Pay Clicks will email their bill to them. Pay Clicks will notify the customer if they haven't paid their bill and they will even email out a late notice. We will continue mailing out a late notice also. They will automatically bill the customer's credit card if the customer wishes to do that. The average transaction fee would be \$1.04 and that includes everything. They will also keep the customer's credit card information so they don't have to enter it every time they pay their bill. We've had a lot of customers ask for that. Pay Clicks offers customer support for our customers for \$20/month. The general consensus was for Staff to go ahead and get the District setup with Pay Clicks.

Jeannie and Joe have been looking at different banking institutions. They have met with Bank of America, Wells Fargo and Bank of Nevada. She doesn't know how to find out how stable they are but as far as fees go it's all pretty relative. With Bank of Nevada we would have to keep a little less money in the bank than we do now. OPD went to Bank of Nevada and they said that their customer service is great. Joe and Jeannie are going to sit down next week and talk about the three banks, then they will talk to Randy and see what he thinks. This may be on next month's agenda.

Last month at Board meeting, the Directors asked staff to check and see how other utilities handle billing dates, due dates, late notices and shutoff dates. A copy of the report showing

what other utility companies do was provided to each of the Directors. Our billing policies are pretty much in line with everyone else's.

**Interim Water Distribution Superintendent – 1) Leaks** - Lon Dalley explained that we had a few leaks last month. They were small leaks so we didn't lose a lot of water.

**2) Lyman/Gubler Paving** - We did some paving at Lyman and Gubler. Last summer we did some small main replacement there and tied in the line that went underneath the river. We put cold mix back in but it slowly started sinking. We had a few complaints so we figured while we had the contractors out here we would utilize them to take care of that. There was also a patch there from when OPD had done some work so we just paved the whole thing which covered our patch and theirs. Joe explained that we are the only company out here that has a permit to work in Clark County's right-of-way. We've always done anything they wanted us to do and when our guys see things that need to be fixed when they're out working, they'll fix it. The cost for the permit is a \$100 a year. Joe had received bids previously to do the paving and it was over \$13,000. This time it went down to \$9,100 because we didn't have to pay for mobilization.

**3) 8" Octave Meter at Lasco** – Lasco's fire flow protection goes into a water tank which has a 5/8" meter on it. This meter detects if any water goes thru it. It's consistently being used so Joe had staff drop in an 8" Octave meter to monitor how much water is actually going through there. About 850 gallons a week is going through the meter. Lasco is claiming that it's evaporation out of the tank. It's been explained to them that they have an 8" line feeding it and a 5/8" meter on the side but the 5/8" meter only records a small amount of flow. The fire line is only designed for fires so it shouldn't have any water going through it. Joe thinks there's a tap off of it but it's hard to prove. That's why we put in the Octave meter. It will detect if any water is actually going through the line. In the summer time the usage goes up a lot on that line so it will be interesting to see what happens this summer. Once we've collected a couple of months data, staff will contact Lasco and explain to them that they have a problem and that they need to get it fixed or they are going to have to start paying the base rate on the 8" meter.

**4) Upcoming Projects** - We have a project coming up on the Blvd which is about 100' north of Liston. A few years ago we had a leak there on a 2" meter that goes underneath the road across to Wes Adams ranch. We went in and fixed the leak but there was a sink hole there. We repaired it but now the Blvd is starting to dip where our line goes across so it must have affected a larger area than we originally thought. We've already submitted plans to NDOT to do the work. The plans are to cut the highway and dig down as far as we can until we feel comfortable that we've got passed where it's settled and go back in with flowable fill. We'll let it setup overnight and go back the next day and pave it. This will restrict traffic on the southbound lanes but we'll have traffic control there. We should start the project 2-3 weeks after we get the permit.

Staff fixed the pressure problem in Warm Springs with the pressure sustaining valves that were installed by the Moapa Tank but in doing that we created high pressure in Lytle Ranch. The line goes down through Nevada Power where we have a fiberglass line that's paper thin. It's too much pressure for that line to handle so we're going to put a PRV in there to protect the homes in Lytle Ranch and that fiberglass line. This will allow also us to increase the pressure even more in Warm Springs.

On Omer Street in Moapa and on Gann, Liston & Leavitt Street in Logandale, we will be doing some small main replacement. We have submitted the plans to the State and are waiting for them to be approved.

**Water Production Superintendent** – Bryan Mortensen was happy to report that so far this year we're tracing last year's production numbers which he hopes will continue for the rest of the year.

The production crew started a project up at Arrow Canyon where they are upgrading some equipment and replacing some of the line. They're putting a containment unit under the chlorine. It's not required but we're just trying to make it a little safer up there.

340A has been pretty quiet. The treatment plant went down in January. They were planning on being back online March 21<sup>st</sup>. In order for them to get everything done that they need to get done and to satisfy us, it will probably be April 19<sup>th</sup>. We are turning on Jones and Baldwin as there's room in the tank. The demand is low right now so we have to balance that with Arrow Canyon since it has to stay running for the pump test.

We had some customer complaints about red water a couple of months ago. Staff documented ferric in the forebay and reg tank and feel that the red water is directly associated with the problems up there. Staff has been taking water samples to make sure we don't have that problem again. The plant will not go back online until they have fixed the problem.

One problem the Directors might hear about is a problem we are having with our water meters. Back in 2005-2006 the District started installing Master meters. These meters are excellent meters. They give us the capability to read the meters through radio reads and to do data logs. Data logs allow us to tell the customer exactly how much water is going through their meter and

when. It's been a great customer service tool but recently we haven't been able to get the program to work. Staff found out that they were supposed to be doing yearly updates to the software and the last time it was done was back in 2008. When we finally ran the latest upgrade it messed up our ability to do data logs. Our customers are use to being able to get a data log and so some of them are pretty unhappy about the problem. Bryan has been working with Master Meter for three months and is finally up to the vice president of the company. Master Meter is supposed to have an answer back to him by the first of next week. He thinks that it's a software issue. If it's not, we are going to have to pull around 2,500 meters out of the ground and send them back to Master Meter. Since they are all under warranty it won't costs us anything but man time.

**Interim General Manager – 1) Lost & Unaccounted for Water** - Joe Davis explained that the lost and unaccounted for water is at about 9.5% for this month. The reason it's so high is because when staff replaced the 12" pipeline they had to chlorinate and flush the line which put a lot of water on the ground.

**2) Boulevard Improvement** - The Blvd project out front is still going on. Supposedly Tuesday of next week Wheeler Electric will be working on the street lights. The inspectors are happy with what's been done so far. We need to consistently have 75 degree weather before they can finish the paving. Then they'll get the striping and the street signs in.

**3) Water Resources** - Staff has been working on quantifying the District's water portfolio. There are a lot of maps that were filed but never recorded. A report that was given to the Director's in 2005 stated that all of the District's water resources were tied up. We should be able to show the Directors just how much water we actually have at next months meeting.

**4) Church Lease Water** - We are still waiting to hear from SNWA on the church lease water. Dana is back from vacation but we haven't heard anything from her yet.

**5) Vehicle Bids** - We went out for bid on the two vehicles. We received two bids on each one. The high bid on the truck was \$750. The high bid on the Explorer was \$3,500. The Directors didn't have a problem with either of the bids.

**6) Dozer Donation** - We donated the dozer for two days for St. Thomas Day. Kiley Bradshaw went down and ran the dozer for them. He did a good job. The dozer used about a ¼ tank of fuel which isn't very much.

## **6. 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.

### **- Litigation**

No update.

## **7. Personnel- Closed Door Session**

## **8. Approval of the April 12, 2012 Board Meeting**

The general consensus was to hold the next Board meeting on April 5, 2012.

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

None

## **10. Adjournment**

The meeting adjourned at 6:04 pm.