

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, JUNE 9, 2011**

PRESENT: Kenneth Staton
Jonathan Blackwell
Randy Tobler

Joe Davis
Ken Bessey
Jeannie Poynor

Byron Mills

Ryan Wheeler, Forsgren
Vernon Robison, MV Progress
Kevin Willard, MV Youth Basketball Program

Lindsey Dalley
Scott Carson

Bryan Mortensen
Susan Rose

Joe Leslie, Leslie & Associates
Scott Bullock, Mesquite General Contractors
Bill McConnell, MV Youth Basketball Program

ORDER OF BUSINESS: At 4:05 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. Approval of the Minutes of the Previous Meeting held May 19, 2011 (Action Item)

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

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

3. Moapa Valley Youth Basketball Program - Donation – Kevin Willard (Action Item)

Jon Blackwell came into the meeting at this time.

Kevin Willard and Bill McConnell were present at the meeting to request a donation for the Moapa Valley Youth Basketball program which is actually called Mustang Basketball. Kevin explained that donations will be used for uniforms, equipment and fees for tournaments. The program is for boys and girls in middle school and high school.

On motion of Ken Staton and seconded by Scott Carson, the Board voted 5-0 in favor to donate \$100 to the Moapa Valley Youth Basketball program.

4. Discussion on whether to accept the bid from Mesquite General Contractors, Mesquite, NV for the installation of the Arrow Canyon Transmission Main (Action Item)

Joe Davis reminded the Directors that this item was discussed at great length at last month's board meeting. The day after that meeting, Joe, Bryan, and Susan had a conference call with Patrick Chan of the EPA to discuss the grant. Patrick reiterated during the conference call that December 31, 2011 is the date the grant will expire. There will be no extension. Joe talked to Patrick about the different things that could be done with the grant money and Patrick explained that the District would still have to have the projects approved by EPA and any other agencies whose jurisdiction we might be working in. Joe doesn't think we would be able to get through all the red tape and complete the projects before the December 31st deadline.

When Brad originally talked about this project, Joe thought that we had to pump Arrow Canyon at 4500 gpm, 365 days a year in order to meet the requirements for Order 1169 for the Coyote Springs pump test. Joe has since found out that we don't have to pump that much. In May 2010 we were required to start pumping at our normal pumping rate. Joe explained that if we had to pump 4500 gpm we would definitely

have to upgrade the line. He said that Mesquite General Contractors gave us a great deal to install the pipe. They quoted us \$19 a ft. The cost of the pipe is what's putting the project over budget. The District would have to come up with at the very minimum, an additional \$200,000 to complete the project. Lindsey asked about shortening the line. Bryan explained that if we do that we will still have to use all of the grant money and the bond money. We can use the bond money to do other projects with no time constraints and without going into our other funds.

Joe recommended not moving forward with this project, to use the bond money to install a flow control valve to bump up the pressure in the Warm Springs area, and to install some interconnections to utilize the capacity that we have which will improve system flows.

Ken Staton wants to see the pressure increased in the Warm Springs area since that's been promised to those residents for years.

Lindsey Dalley asked the contractor how many people they would have working on the project and how long the project would take. Scott Bullock said they would probably have 6-7 employees on the project and it would take them about 3 months to complete it. Scott Bullock informed the Directors that MGC just received another letter from the pipe supplier that pipe is going up again.

On motion of Scott Carson and seconded by Randy Tobler, the Board voted 5-0 in favor to not accept the bid for the Arrow Canyon Project and to abandon the project.

5. Approval to purchase a CLAVAL58-09 flow control valve from Ferguson Water Works for \$20,118 (Action Item)

Joe explained that the Arrow Canyon to Moapa tank pressure zone has always been on the low side of the state minimum of 40 psi.

As a short term fix in 1997 the District installed booster pumps at each individual meter location and put a moratorium on meter installations in that area. After the initial installation of the booster pumps, the District maintained the pumps for 6 months with the property owner taking over maintenance and repair after that.

As a long term solution the District started looking at constructing a water storage tank along with a pipe line in the Weddle Way area. With an estimated cost in excess of \$1,000,000 dollars this project was never completed.

The District recognizes the need for improvements in and around the Warm Springs area. The problem arises from the fact that the Arrow Canyon pumping facility is located 44' higher than the Moapa tanks, and the water flows down hill to the tanks then continues on to the Glendale area. Staff's suggestion is to install flow control valves at the Moapa tank inlet piping. This would allow pressure to be maintained between the tanks and help the pumping facilities boost the pressure in the surrounding area.

Joe explained that installing this valve will also make it possible for the District to provide water to about 1,000 homes and install more fire hydrants in the Warm Springs area.

The estimated cost for this project is \$50,000 dollars. Staff solicited bids from 4 vendors for a CLAVAL 58-09 flow control valve. Ferguson Waterworks of Las Vegas was the low bidder with a price of \$20,118. The work will be done in house.

On motion of Randy Tobler and seconded by Lindsey Dalley, the Board voted 5-0 in favor to accept the quote from Ferguson Waterworks for a CLAVAL 58-09 flow control valve in the amount of \$20,118.

6. Discussion and possible approval to revise the "Delinquent Account" policy (Action Item)

Randy Tobler explained that last month the Directors changed the policy so that the infrastructure is not removed on every delinquent accounts. He reiterated that the auditors did not tell the District to remove the infrastructure. This item is on the agenda to revise the billing part of the policy.

Bryan Mortensen revised the Delinquent Account policy. He explained that he called around to some of the other utilities to see how they handled delinquent accounts and Ken Bessey spoke with the auditors. The revised policy was reviewed by Byron Mills and his suggestions were incorporated into the policy.

Byron explained that MVWD was created under an Act which is very generic. The Act does not say that the District can lien properties but it does say in two different places that the District can create policies to run the company. Therefore, Byron feels that the District can put a perpetual lien against the property. When someone purchases the property it will show up on a title search that there is a lien against the property.

The current policy states that we will notify the current owner after 24 months. There was discussion about changing that timeframe to 6 months and changing the verbiage to say that the parcel **may** forfeit its rights of service.

The following is the proposed change to the Delinquent Account policy:

“In the event that a “water bill” is delinquent by 6 months or greater, the District shall send a United States Postal Service certified / return receipt letter to the individual listed on the service application (applicant) and require payment in full or enter into a repayment agreement with the term to include full payment within 12 months with a 1.5% late charge on the unpaid balance. In the event, that the applicant does not respond within 30 days of receipt of the certified letter, the District shall consider the service connection as abandoned, the parcel may forfeit its rights of service from that connection, and the District shall effectuate a perpetual lien against the property served. Under certain conditions, the District may remove the service connection.”

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 5-0 in favor to amend Chapter V, Section F of the MVWD Policy and Procedures Manual as outlined in Attachment A (see above verbiage).

Lindsey wants everyone to know that the Directors are not trying to be hardcore but they have reduced the penalties, eliminated the shock of finding out that there is a large bill owing, and got rid of removing all of the infrastructure.

Bryan explained the District's late fees, the fees for turning the meter back on and the lien fees are minimal so the balance won't grow as quickly as it used to.

7. Manager's Reports

Senior Accountant- Ken Bessey explained that the budget report is for 10 months out of 12. We should be at about 83% of the budget and we are lower than that on all but a few items. We are over budget in Water Resource Development, Capacity Fees, and Connection Fees because we had to reimburse the fees for the St. Joseph Subdivision. We are also over budget in the Standpipe Replacement Program.

Ken is looking into changing the bills from postcards to bills that will be sent out in envelopes with a return envelope inside. He explained that they have been talking about changing to one billing route a month instead of two. He hopes to have something on the agenda for this in the next couple of months.

Ken Staton asked how the online bill pay is working. Ken Bessey explained that it is well used and customers love it.

There was some discussion on the budget and the revenues and expenses. Randy Tobler explained that he has been watching the cash flow statements and has been following the net increase and the net decrease in cash and cash equivalents. They are dropping but are still healthy. Revenues are also dropping but staff is doing a good job at cutting cost. He likes that money was saved by installing the flow control valve to boost the pressure in Warm Springs instead of upgrading the pipeline and putting in a tank. That saved the District almost \$2M.

Ken explained that an auditor will be here on the 30th to count the inventory and that the field audit is scheduled for August 22nd.

Water Production Superintendent – Bryan explained that water production dropped 5% last year. It will probably drop another 5% this year. He would predict that sales are going to continue to go down for the next few years. 65% of water usage is used for irrigation purposes and that's the first thing that people are going to cut.

He explained that this fall we are going to have to spend over \$100,000 for arsenic media. We have a grant from EPA for part of it. The next three years we are going to have to put out \$250,000 for media. Joe and Bryan are going to explore other possibilities for purchasing the media. There could be other companies out there that are cheaper than Severn Trent. He explained that we are putting money away for the purchase of the media.

He updated the Directors on some of the things that the water production staff did last month.

- 1) Calibrated and verified the flow meter at Arrow Canyon #1

- 2) Had operator certification training for production staff
- 3) Performed weekly and monthly preventative maintenance
- 4) Dewatered and cleaned forebay and regulating tank for repairs
- 5) Had crossover training for production and distribution staff
- 6) Performed weekly and monthly preventative maintenance on 340A facilities, assets and equipment
- 7) Upgraded two 3" commercial meters to AMR meters
- 8) There were 41 customer service requests last month. 33 data logs were done, three requests regarding low pressure, two for leaks at the meter, and two miscellaneous requests.
- 9) Scott King did a presentation at Mack Lyon Middle School

Water Distribution Superintendent – Meters & Hydrants - Joe Davis explained that since the CC School District's budget is shrinking, they requested that the District remove a 2" meter they had on the Delfino Alamo property they purchased in Warm Springs. The property had a 5/8" and 2" meter on it. Since they have sold all of the trees on the property they no longer have a need for the 2" meter so the meter was removed yesterday.

Road Improvements - Staff met with Integrity Engineering on the Moapa Valley Blvd improvements that Clark County is requiring the District do now that the sewer project is nearing completion. The plans have been reviewed by Clark County and NDOT. Integrity is in the process of revising the plans to address their comments. Next Monday Las Vegas Paving is going to start overlaying the road so we have to move forward with the project. Staff is going to be meeting with Integrity to start the bid process.

Lost & Unaccounted for Water- The flow meters have been installed at the head of the distribution system. Staff conducted the second system wide reading on June 1st. Information is being analyzed and will be ready for discussion at next month's Board meeting.

Leaks – Only a few minor leaks occurred in the system last month. There were two 4" leaks and two 1" leaks with minimal water loss.

Misc. -Joe received a request from a customer that lives on Neil Street to relocate a meter that is not in front of the home it services. The waterline runs from the meter across another person's property to the home it services. There is now infrastructure in place that would allow for that meter to be installed in front of the property it services but there's been an ongoing feud between the two property owners so Joe hasn't been able to remove the waterline. The property is now in foreclosure so Joe thinks he should be able to get approval from the Bank that owns it to sever the waterline and move the meter.

Joe informed the Directors that Rosalie Morgan paid the Water Resource Fee for four lots on a tentative map that she had with County. We've received confirmation from the County that the map has expired. She would like to be reimbursed for those fees since she is no longer going to do the project. In the past we have refunded the customer their money as long as we verified that the map was either expired or withdrawn from the County. Joe just wanted to let the Board know that we would be issuing her a check for \$18,920. The only time that this kind of thing was on the agenda was when we refunded the fees for the St. Joseph Subdivision and that was because the amount was so large.

Ken Staton informed the other Directors that on June 11th Joe Davis will have worked for the District 27 years. He started the day after he graduated.

8. Director's Preference

Review Monthly Expenditures –

On motion of Chairman Staton and seconded by Jon Blackwell, the Board voted 5-0 in favor to refer the monthly expenditures to the auditors.

Litigation – Bryon informed the Directors that everyone involved in the litigation have finished exchanging documents. Wisner is heading the settlement negotiations. They wanted to get their documents out so yesterday they delivered 7,000 pages to his office. Very little was relevant to the case.

Lindsey Dalley asked Byron if we could give Vernon an agenda packet after Board meeting is over. He wants to make sure that Vernon gets everything accurate for the paper.

Lindsey explained that he, Randy Tobler and Scott Carson attended a seminar on MVWD's water rights at SNWA. The seminar was taught by Jeff Johnson who is a hydrologist for them. Jeff put together a summary of all of the agreements that pertain to the Coyote Springs pump test. The seminar was very

informative. After the meeting Randy had asked a good question which was, "How much water does MVWD really have?" Lindsey said there's a potential for a lot of water but he's not sure what happens if the pump test goes bad and then what happens with all of the agreements? His understanding is that SNWA is supposed to make up the difference.

Joe explained that he and Bryan have come across some other things that are pertinent and he would like to have a retreat in the near future to go over those things. There's a lot more than what Jeff shared with them at the seminar. He thinks things aren't as good as Jeff painted them. Joe and Bryan sat down with Randy yesterday and went over a lot of things but all of the Directors need to understand what's in the agreements.

Lindsey thinks SNWA is trying to look at the big picture. He doesn't feel like they're trying to take advantage of the District; they are just trying to take care of their customers. It is not their responsibility to take care of MVWD's water resources; it's our responsibility. We can't wait to see what happens with the pump test. SNWA is supposed to make our water whole but what will the cost be? He also thinks everyone needs to understand what's in the agreements and how they work.

Joe and Bryan were asked to get the information together on MVWD's water resources and to hold a workshop for all of the Directors. The general consensus was that it wouldn't be on the same day Board meeting.

9. Personnel- Closed Door Session

- **Approval to create a Maintenance Worker I & Maintenance II position and an Accounts Clerk I & Accounts Clerk II position. Also, approve the class & compensation scale for the four positions (Action Item)**
- **Discussion on the revision of the "Overtime" policy (Action Item)**
- **Discussion on the General Manager Position**

Chairman Staton called a closed door session at 5:50 pm. This was seconded by Lindsey Dalley.

Chairman Staton reconvened an open door session at 6:20 pm. This was seconded by Lindsey Dalley.

On motion of Scott Carson and seconded by Randy Tobler, the Board voted 5-0 in favor to approve the Maintenance Worker I & II positions and the Accounts Clerk I & II positions. The Directors also approved the class and compensation scale for the four positions.

On motion of Ken Staton and seconded by Randy Tobler, the Board voted 5-0 in favor to not approve the comp time/overtime policy.

12. Approval of the July 14, 2011 Board Meeting

The general consensus was to hold the next Board meeting on July 14, 2011. Lindsey will not be able to attend the meeting. He will be at scout camp.

13. Adjournment

The meeting adjourned at 6:25 pm.