

**MINUTES  
MOAPA VALLEY WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
HELD  
THURSDAY, AUGUST 12, 2010**

**PRESENT:** Ken Staton, Chairman  
Glen Hardy  
Guy Doty

James Robison  
John Blackwell

Brad Huza  
Joe Davis  
Ken Bessey

Jeannie Poynor  
Bryan Mortensen

Ryan Wheeler, Forsgren

**ORDER OF BUSINESS:** At 4:04 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 on July 8, 2010 (Action Item)**

On motion of Glen Hardy and seconded by James Robison, the Board voted 4-0 in favor to approve the minutes of the previous meeting. Guy Doty abstained since he was not present at the previous meeting.

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

**3. Approve the purchase of 1 preferred share of Muddy Valley Irrigation Company stock from Royce Ficklin for a total purchase price of \$50,000 (Action Item)**

Mr. Huza explained that staff has been approached by Mr. Doug Barlow on the possible purchase of one (1) preferred share of MVIC stock owned by Royce Ficklin. Mr. Barlow said that it is Mr. Ficklin's desire to have the water the share represents remain within the MVWD service area for use by the demands of the service area. The purchase price would be \$50,000.

This value is in concert with the value presently offered by the Southern Nevada Water Authority.

This purchase would be in accordance with the policy the Board has adopted, by retaining this water within the Moapa Valley Water District service area for use by new customers within the service area.

The most probable way to place this water to use is through an exchange with SNWA. The water the "shares" represent would be used in conjunction with the other shares to allow for full utilization of both the common and preferred shares.

As discussed during budget preparation time, the planned monies for purchase of MVIC shares for this fiscal year \$200,000.

Staff would recommend purchase of this share of water.

On motion of James Robison and seconded by Guy Doty, the Board voted 5-0 in favor to approve the purchase of one (1) preferred share of Muddy Valley Irrigation Company stock from Mr. Royce Ficklin for \$50,000.

**4. Approve the purchase of 1 preferred share of Muddy Valley Irrigation Company stock from Bob Roderick for a total purchase price of \$50,000 (Action Item)**

Mr. Huza explained that staff has also been approached by Mr. Bob Roderick on the possible purchase of one (1) preferred share of MVIC stock. It is Mr. Roderick's desire to have the water the share represents remain within the MVWD service area for use by the demands of the service area. The purchase price would be \$50,000.

This value is in concert with the value presently offered by the Southern Nevada Water Authority.

This purchase would be in accordance with the policy the Board has adopted, by retaining this water within the Moapa Valley Water District service area for use by new customers within the service area.

The most probable way to place this water to use is through an exchange with SNWA. The water the "shares" represent would be used in conjunction with the other shares to allow for full utilization of both the common and preferred shares.

As discussed during budget preparation time, the planned monies for purchase of MVIC shares for this fiscal year \$200,000.

Staff would recommend purchase of this share of water.

On motion of Guy Doty and seconded by James Robison, the Board voted 5-0 in favor to approve the purchase of one (1) preferred share of Muddy Valley Irrigation Company from Mr. Bob Roderick for \$50,000.

**5. Approval of the "One Time Leak Credit" policy (Action Item)**

Mr. Huza reminded the Directors that at the July Board meeting the formalizing of a leak credit was discussed. Staff prepared the following language for consideration.

***ONE TIME LEAK CREDIT***

***The Moapa Valley Water District recognizes the potential that a property owner has for a catastrophic leak and subsequent large water bill. To reduce the financial burden of the large water bill the District will issue a "one time" leak credit based upon the following criteria:***

***The leak credit is appurtenant to the parcel of land where the leak occurred and may only be used once regardless of ownership change.***

***The leak credit will be calculated using the seasonal historic average monthly consumption for the parcel. The historic average monthly consumption will be determined by a mathematic average of the two preceding months and the month the leak occurred in for the three year period preceding the leak. In the event that a three year history does not exist, the General Manager shall determine the historic monthly average using the best available information from the parcel's consumption and / or other system information. The historic monthly consumption shall be subtracted from the consumption of the month the leak occurred, which creates a "volume difference". The District shall calculate the "leak credit" by recalculating a bill using the standard monthly fee and the overage rate for the sum of the historic monthly consumption and 50% of the volume difference. The difference between the bill showing the full charge and the recalculated bill is the "leak credit".***

Staff would recommend placing this new policy directly after the "Sale and Purchase of Water" section in the policy manual.

On motion of Glen Hardy and seconded by John Blackwell, the Board voted 5-0 in favor to approve the "One Time Leak Credit" policy as written above.

**6. Approval of the "Employee Birthday Leave" policy (Action Item)**

Mr. Huza reminded the Directors that at the July Board meeting the formalizing of a four (4) hour leave for the employee's birthday was also discussed. Staff prepared the following language for consideration.

**5.13 Birthday Leave**

***The District shall provide an employee four (4) hours of paid leave in recognition of the employee's birthday. The leave shall be taken in the same month as the employee's birthday, the leave shall be taken in a single work day, and requires a written request one week in advance to be considered for approval. All full time permanent employees shall be eligible for birthday leave.***

Staff would recommend placing this new policy in section 5.13 of the personnel manual.

On motion of James Robison and seconded by Glen Hardy, the Board voted 4-1 in favor to approve the "Birthday Leave" policy as written above with the exception that the hours need to be taken within 30 days of the employees birthday. Guy Doty voted against the motion.

**7. Discussion regarding the letter received from Clark County Dept. of Administrative Services requesting comments on the Moapa Valley Incorporation issue (Discussion Only)**

Mr. Huza explained that on July 23, 2010, Staff received a letter from the Clark County Department of Administrative Services regarding the petition to incorporate Moapa Valley. In accordance with NRS 266.062, any state, county or regional planning commission, agency or local government may review the petition and report any recommendations to the Clark County Board of County Commissioners.

A copy of the letter was available for the Directors review.

Mr. Huza asked the Directors if they would like the District to submit formal comment on the incorporation issue and if so, what type comment they would like included. The District is not required to submit comments and may be silent on the issue. Any comments would be due by September 21, 2010. If Staff prepares a comment document, the Board would have time to review and approve the comment document before the 21<sup>st</sup> due date.

There was much discussion on the this issue but the general consensus was that there should be some comments sent back to the County stating that the district would support a feasibility study, that the District would not become part of the city and that the city would not be able to charge the water district a franchise fee.

**8. Water Resource Committee Update (Discussion Only)**

The District's Water Resource Committee met with representatives from the Muddy Valley Irrigation District (James Hardy, Mike Fetherston and Scott Millington) and representatives from the Southern Nevada Water Authority, (John Entsminger, Esq., Colby Pellegrino) on July 21<sup>st</sup> to discuss the possible usage of the Jones Springs by-pass water as a water source for agricultural irrigation within the Muddy Valley Irrigation Company's service area as a means to place the water to beneficial use within Moapa Valley. MVWD wanted to make this block of water available to the community at no charge.

From a historical perspective, the Jones Springs was obtained by the Moapa Valley Water Company and the Overton Water District by purchasing 70 shares of preferred stock and 70 shares of common stock. This purchase would backstop the use of the 1 cfs diversion provided MVWD did not use the water represented by the 70 / 70 shares of MVIC stock. By setting these

shares aside, this insured that only 1 cfs would be withdrawn from the river system. To insure the single use of this block of water, MVWD legended the stock.

During the negotiations of the various agreements in 2006, the Moapa Valley Water District agreed to cease diversions from Jones Springs, SNWA agreed to replace that water with Coyote Springs Groundwater and the Moapa Valley Water District was allowed to divert 80% of the 724 ac-ft of water (579.2 ac-ft) below the White Tanks Narrows. The 2006 agreements also contained provisions that the entities agreed to cooperate with MVWD on filing change applications on the Jones Springs water. The 2006 agreements were signed by the Tribe, SNWA, USFWS, MVIC and MVWD.

In previous meetings, MVIC has indicated that the Jones Springs by-pass water could not be introduced into their system. It would be too difficult to incorporate as their deliveries are “share based” and not quantified. MVIC’s concern was understandable.

In previous discussions, SNWA offered to take the Jones Springs by-pass water and temporarily assign sufficient MVIC shares to volumetrically cover the Jones Springs by-pass water. During the 21<sup>st</sup> meeting, this same concept was brought forward as a means to address MVIC’s concern. With this concept, the by-pass water would be wheeled through the MVIC system and only MVIC shares would be used for the agricultural use.

MVIC representatives brought up the provision in Section 12 of the September 5, 2000 agreement. The sentence in section 12 reads “Those 70 shares owned by MVWD cannot be leased or sold within the MVIC system”. This sentence would effectively prohibit MVWD from diverting its 1 cfs from Jones Springs and either selling or leasing the shares that backstopped the Jones Spring right to individuals in the MVIC system. This provision is understandable because the right can only be used once. In the context of this discussion, the provision in Section 12 was not pertinent for two reasons. The first reason, as proposed, the Jones Spring water was only going to be removed from the river system once. The second reason is the Jones Spring by-pass water was not going to be used within the MVIC system.

MVIC representatives indicated that the only way they would allow the Jones Spring by-pass water to be placed to beneficial use either directly or through the proposed exchange would be through a renegotiation of the September 5, 2000 agreement. This agreement is the agreement that contains the Baldwin Springs provisions. This has been proposed before but it had little or no support from the District’s board members. At that point, it did not seem realistic to consider opening up the Baldwin Spring agreement, which would most likely resulted in a fee increase for Baldwin Spring use. Any such fee increase would have to be passed through to the customer base. From Staff’s perspective, to negatively impact 3000 customers to help facilitate irrigating an additional 60 acres does not make good financial sense.

There was a lot of discussion on the subject. Mr. Huza feels that the use of the Jones Spring by-pass water can’t be used for irrigation purposes within the MVIC service area and that the other participants shared his observations at the end of the meeting.

## 9. Manager’s Report

**Senior Accountant** – Ken Bessey informed the Directors that the auditors will be here next week for a couple of days and that things are going well in the office.

**Water Production Superintendent** – Bryan Mortensen updated the Directors on some of the things that the water production crew did last month.

- 1) Worked on keeping water flowing through the system during the fire in the Warm Springs area
- 2) Worked with OPD on replacing a power pole at Jones Spring and had training on the mag flow meter
- 3) Did minor improvements to the wellhead at MX-6
- 4) Upgraded the battery backup at Arrow Canyon MCC
- 5) Backwashed vessel A at the Arrow Canyon Treatment Facility
- 6) Performed weekly and monthly preventative maintenance on production assets and equipment
- 7) Continued working with Trace Detect on arsenic analyzers

- 8) Installed a flow metering device on the 12" line at the Mining PRVs
- 9) Received and are reviewing 22 Operation & Maintenance manuals for the 340A project

**Water Distribution Superintendent** – Joe Davis explained that last month one meter was removed from the system in the Overton area and no hydrants were installed.

The Lawson and Casaby 12"/8" upgrade is complete. This project allowed MVWD to abandon roughly 2000' of 4" pipe that cut diagonally across private property.

There is one meter left to be upgraded on Main Street. That should happen next week. Crews will have removed a total of 25 meters when the project is done.

Crews began installing an 8" main on Thomas Ave. from Jones to Conley. This line will replace the 4" line that is currently being used which will allow the District to abandon a section of 8" pipe that runs under the Fun and Sun Trailer Park.

There were no large leaks last month. There were two 1" leaks in Valley Heights causing damage to the road and a 1" leak on Lincoln Street.

There were seven customer service requests last month. One requesting the installation of a concrete box, several for problems located downstream of the meter and one was for night work being performed in Moapa.

**General Manager – 1) Dechlorination Facility** - No new construction has taken place at this site over the past month. Staff anticipates on scheduling start up for the dechlorination facility in late August. Full operations schedule has been modified from June 2010 to October 2010 by SNWA.

**2) Intermediate Booster Station** - The intermediate booster station project is 99% complete. The project includes the installation of the larger booster pump and a new pressure reducing valve station at the Mining PRV site. The facility start up cannot occur until the 340A project commences. The startup will wrap this project up. As stated above, the 340A project is not scheduled to commence until October.

**3) State of Nevada Municipal Bond Bank #68 Series 2000** - Staff is pleased to announce that the District received the documents from the State of Nevada that Bond #68 – Series 2000 has been paid in full as of July 1, 2010. The bond was for \$3,000,000. It is always good news to see a bond retired.

**4) Debt Management Policy / Indebtedness Report FY 11** - Staff with the assistance from Nevada State Bank – Public Finance has completed the preparation of this year's Debt Management Policy / Indebtedness Report. Nevada Revised Statutes require that the Nevada Department of Taxation and the Clark County Debt Management Commission receive a copy of the Debt Management Policy / Indebtedness Report and forwarded the last week of July. The Legislative Counsel Bureau also requires a copy of the 5 year Capital Improvement Plan by August 1. This requirement has also been completed.

A copy of the "Debt Management Policy / Indebtedness Report have been provided for your review and comment.

**5) EPA Water Resource Grant** - As the Board is aware, the District received a grant for water resource development, in particular, the completion of a feasibility study for a secondary system, the treatment facility for the Logandale Well and exploratory drilling in the Meadow Valley Wash area. The first two items have been completed for some time. Staff has attempted to acquire rights of way for the past five years and have been unsuccessful. During the early years, the focus was with BLM and recently it has been with the Lewis Family. The District has expended over \$40,000 with consultants and still do not have an easement / right of way to drill.

Staff recently received a call from EPA regarding the status of the work plan as the grant has been active for an extended period of time. EPA representatives also have indicated that the grant will be closed if this project or some other project does not move forward. The District is basically in a "use it or lose it" status on the remaining \$700,000 of the water resource grant.

From Staff's perspective, Mr. Huza would like the Board to consider a change in the scope of work for the grant. The investigation of the implementation of a secondary system would appear to be the most logical. This should be acceptable to EPA as the grant also contains components of a secondary system.

James Robison asked John Blackwell to talk to the Lewis' to see what they want the District to do in order to get an easement on their property. Mr. Huza said that he will get more information together on putting in the secondary water system and have it

available for the Directors at the next meeting. That will help the Directors make a more informed decision on what the District should do with the USACE money.

**10. Ratify payment of July Expenditures**

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

**11. Director's Preference**

**12. Personnel-Closed Door Session**

**13. Approval of the September 9, 2010 Board meeting**

The general consensus was to hold the next board meeting on September 9, 2010.

**14. Adjournment**

The meeting adjourned at 5:30 p.m.