

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, AUGUST 13, 2009**

PRESENT: James Robison
Robert Jones
Kenneth Staton

Brad Huza
Joe Davis
Bryan Mortensen

Byron Mills

Clarence Lewis
Ryan Wheeler, Forsgren Associates
Amy Lewis, MVHS Booster Club

Guy Doty
Glen Hardy

Susan Rose
Ken Bessey

Vernon Robison, MV Progress
Bob Marshall, Parsons, Behle & Latimer

ORDER OF BUSINESS: At 4:05 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 July 13, 2009 (Action Item)

On motion of Ken Staton and seconded by Bob Jones, the Board voted 3-0 in favor to approve the minutes of the previous meeting.

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

3. Moapa Valley Riders – Donation – Anita Shanahan (Action Item)

Anita Shanahan was not able to attend the meeting. She asked to be placed on next months agenda.

4. Moapa Valley High School Booster Club – Donation – Debbie Cooper (Action Item)

Amy Lewis was at the meeting to request a \$100 donation and \$100 for advertising which would enable the District to get a full page advertisement in the football and basketball program.

Guy Doty came into the meeting at 4:10 pm.

On motion of Bob Jones and seconded by Ken Staton, the Board voted 4-0 in favor to give \$100 donation and \$100 from the advertising fund to the Moapa Valley High School Booster Club for a full page ad in the football and basketball program.

5. Review and possible action on four meters located on vacant lots (Action Item)

Clarence Lewis was at the meeting representing his parents Bob and Vivian Lewis. He explained that they have four vacant lots that are being charged the regular residential rate and some that are at being charged the standby rate. He wanted to find out why.

Chairman Robison explained that the reason some lots are being charged the regular residential rate is because water has gone through the meters since they were installed. The lots that are being charged the standby rate have never had water go through the meter. The policy on the standby rate was implemented back in March 2006.

Chairman Robison also explained to Clarence that since there are 258 customers that are in the same situation as him, the District couldn't change his meters back to the standby rate without also changing the rate on the other 254 meters. If the Directors did decide to change the policy it would affect everyone else in the District as their rates would have to be raised to offset the lost revenue.

No action was taken.

7. Review and possible approval of the Moapa Transmission Main Design, Construction, Operation and Maintenance Agreement (Action Item)

Glen Hardy came into the meeting at 4:15 pm.

Mr. Huza had a brief PowerPoint presentation which was an overview of the agreement.

He explained that the Moapa Valley Water District and the Southern Nevada Water Authority entered into an agreement in 2002 that developed a framework for the construction, operation and maintenance of a pipeline from the Coyote Springs basin to and through the Moapa Valley Water District's distribution system.

District staff and SNWA staff have been negotiating an agreement for the past several months to finalize the concepts discussed in the 2002 agreement.

The project consists of the pumping and treating of groundwater located in the Coyote Springs area, delivery of that volume of water to the Moapa Valley Water District's system, through the MVWD system and discharge into Bowman Reservoir. The volume to be conveyed is 9000 ac-ft at a maximum rate of 6,200 gallons per minute.

The major construction components are:

1. Upgrade and / or development of new wells in the Coyote Springs area
2. Construction of an arsenic treatment plant in the Coyote Springs area
3. Construction of a forebay tank and booster station in the Coyote Springs area
4. Construction of approximately 15 miles of 24" transmission main
5. Upgrade of the existing intermediate booster station
6. Construction of a dechlorination system

The construction of items 1, 2, 3, and 4 is the responsibility of SNWA and is defined in the agreement as the SNWA Capital Facilities. The Moapa Valley Water District is responsible for constructing items 5 and 6.

SNWA will be responsible for the operation and maintenance of the wells and the arsenic treatment facility and MVWD's operation and maintenance responsibilities commence at the forebay tank at Coyote Springs and ends at the discharge facility at Bowman Reservoir.

The Capital Facilities costs will be based upon "hard costs" as defined in the agreement. The repayment of the capital facilities are based upon a 25 year repayment period and a rate of 5.2%. These costs will be shared based upon the percentage of use of the project water. The dechlorination facilities will be 100% capitalized by SNWA as they will be the only entity receiving a benefit from that portion of the infrastructure. It should be noted that MVWD will receive credit for dollars already expended on this project as well as any Federal contributions used to fund project costs in the future. This is consistent with the previously signed agreement. Any MVWD funds expended will be recovered via the repayment of the MVWD Capital Facilities.

The costs for operation and maintenance will be structured in much the same manner as the repayment of the capital facilities. As an example, if an entity is using 60% of the project water then 60% of the O&M costs would have to be paid by that entity.

SNWA has to give MVWD a 180 day advance notice to project startup. This will allow sufficient time to recruit and employ staff and acquire tools, vehicles and equipment to adequately operate the new facilities. SNWA will be required to fund this 180 day start up period. The anticipated start up of the project is mid 2010. Staff anticipates on starting the recruitment process and equipment acquisition in late fall.

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

Bob Marshall was present at the meeting to answer any questions the Directors might have about the agreement since he was involved in the negotiations.

There were many questions about the agreement and just how the pump test would affect the District's customers and infrastructure. Mr. Huza assured the Directors that MVWD customers will not be adversely affected by the pump test and that every precaution has been taken to insure that the District's infrastructure will not be compromised.

On motion of James Robison and seconded by Guy Doty, the Board voted 5-0 in favor to approve the agreement as presented and instructed Staff to execute the same.

6. Approve the purchase of 6 preferred shares of Muddy Valley Irrigation Company stock from Kay Leavitt for a total purchase price of \$300,000 (Action Item)

Mr. Huza explained that Staff has been approached by Mr. Kay Leavitt on the possible purchase of up to 6 preferred shares of MVIC stock. Mr. Leavitt expressed his desire to have the water the shares represent remain within the MVWD service area for use by the demands of the service area. The purchase price per share would be \$50,000 per share.

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 fully 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 is \$250,000. Staff indicated that it would bring forward any offers to purchase to the Board for consideration. In conversations with Mr. Leavitt, he indicated that he would entertain the purchase of all or a portion of the 6 available preferred shares.

On motion of Guy Doty and seconded by Ken Staton, the Board voted 5-0 in favor to approve the purchase of six preferred shares of Muddy Valley Irrigation Company stock from Mr. Kay Leavitt at a unit price of \$50,000 per share for a total price of \$300,000.

8. Manager's Report

Senior Accountant – Monthly Budget Report - Ken Bessey reviewed the monthly budget report with the Directors. He explained that the budget is close to what the final figures will be. A few things may change after the auditors have completed the audit. He informed the Directors that the auditors would be here at the office doing field work for probably three days next week.

Ken explained that \$15,000 in payments went thru the credit card terminal by people either calling or walking into the office. The average transaction thru the credit card terminal was \$90.90. Online credit card payments for July totaled \$4,362 and online checks totaled \$424.77.

Water Production Superintendent – Bryan Mortensen provided each Director with a chart showing the monthly diversions for the last two years. He explained that total diversions were up 11% from last month. Total diversions for July 2009 were 135 million gallons with a daily average of 4.3 million gallons. June 2009 diversions were 121 million gallons with a daily average of 4.0 million gallons.

Last month the water production staff worked on the following items:

- 1) Installed staff gauges in RIBs to monitor backwash infiltration
- 2) Repairs made to meter vault at Jones Spring
- 3) Production staff received training on vacuum trailer
- 4) Increased frequency of arsenic analyzer samples/sent samples to lab
- 5) Monthly PM on arsenic analysers; warranty repairs by Trace Detect

Water Distribution Superintendent - Joe Davis informed the Directors that no hydrants or meters were installed in July.

District crews replaced the standpipe on Perkins and Main Street with a fire hydrant under the standpipe replacement program. This is the first one for the year. Two standpipes in Overton were removed since they were located within 100' of existing fire hydrants.

The storage containers were delivered last month. One was purchased to store old documents for the office in a secure, weather proof environment. The other two will be used to store equipment and chemicals.

Joe also informed the Directors that the surveying has begun for the small main replacement program. Nevada Revised Statutes require engineered drawings on all system upgrades over 500'. District crews have been potholing the existing lines and valves in the proposed work areas to provide locations and size of lines. This will help with the design and location of the future upgrades.

General Manager- 1) Dechlorination Facility - Work on the dechlorination facility is progressing along as scheduled. The pipeline has been installed and hydrostatic testing should be completed by the end of August. The discharge structure has been completed. The building pad is complete. The delivery of the building was scheduled for mid July but the supplier has recently indicated that the delivery date should be the 2nd week of September. The project should be completed in late summer. SNWA has indicated that the anticipated start date of the pump test has been moved back to late winter/early spring of 2010. **2) Intermediate Booster Station** – The design of the intermediate booster station has started. Bowen, Collins & Associates has completed data gathering on the pipeline and has issued a draft design report on the condition of the existing pipeline. The project

is scheduled to be completed by late summer. **3) Small Water Main Replacement** – Surveyors are working on completing the required field work for the FY 2010 Small Main Replacement Project. Upon completing the necessary surveys, the construction plans and specifications will be prepared in house. Staff hopes to have the surveys completed and necessary approvals obtained by mid fall.

9. Ratify payment of July Expenditures

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

10. Director's Preference

11. Personnel – Closed Door Session

12. Approval of the September 10, 2009 Board meeting

On motion of Guy Doty and seconded by Ken Staton, the Board voted 5-0 in favor to approve the September 10, 2009 Board meeting.

13. Adjournment

The meeting adjourned at 5:45 p.m.