

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF BOARD MEETING
HELD
THURSDAY, AUGUST 9, 2012**

PRESENT: Kenneth Staton
Jonathan Blackwell
Randy Tobler

Joe Davis
Bryan Mortensen
Lon Dalley

Dalton Tom, Southern Paiutes Veterans Association
Ryan Wheeler, Forsgren Associates

Lindsey Dalley, Conference Call
Scott Carson

Susan Rose
Jeannie Poynor

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 July 12, 2012 (for possible action)

On motion of Jon Blackwell and seconded by Randy Tobler, the Board voted 5-0 in favor to approve the minutes of the previous meeting held July 12, 2012.

3. Southern Paiute Veterans POW-WOW - Donation – Dalton Tom (for possible action)

Dalton Tom, Chairman for the Southern Paiutes Veterans Association, was present at the meeting to request a donation for the POW-WOW which is being held on November 3rd and 4th on the Moapa Indian Reservation.

They've been putting the POW-WOW on since 1991 & this is the 4th year they have held it at the Tribal Plaza. They are a non-profit organization so they run the whole thing with donations. It cost them between \$60,000 & \$125,000 to put it on. They have arts, crafts and food booths at the POW-WOW. They also have dance contests where they give money to the 1st, 2nd and 3rd place winners.

On motion of Chairman Staton and seconded by Jon Blackwell, the Board voted 5-0 in favor to donate \$100 for the Southern Paiute Veterans POW-WOW.

4. Manager's Reports

Office Manager – Jeannie Poynor explained that the budget reports are tentative numbers for the end of the year. We're at 94% on revenues which is where we thought we would be. Expenditures look good. The cash flow statements and the graphs were available for the Director's review.

Staff has been working with Pelorus. They have taken some tentative data and startup is still scheduled for October 1st. Staff was asked at last month's meeting to provide the Directors with a total of what we are currently paying in support fees which Jeannie provided to them. She explained that we will be paying more in support but we will get a lot more support and better support from Pelorus.

Interim Water Distribution Superintendent – 1) Leaks - Lon Dalley informed the Directors that there were seven leaks last month. There were two 1" leaks on meter laterals (one on Larry Street and one on Ramos Ranch Road), one 2" leak (Moapa Court House), and two 8" leaks (one on Warm Springs Road and one at Liston/Taylor), one 14" leak (Hwy 168 between the Warm Springs loop) and one 20" leak (Hwy 168 @ MP 18). The 1" & 2" leaks were Vanguard pipe which we are constantly having leaks on. **2) Customer Complaints**- All of the complaints received were reports of the leaks mentioned above. Lon said the 8" leak at Liston and Taylor was a big one. The kids in the neighborhood were having a great time playing in the water. **3) MV Blvd/Liston Street Asphalt**

Repair - The asphalt is done. There is a little bump there but it's better than it was. NDOT is happy with the paving. **4) Omer Street Project**- As of today we are all but done with this project. All that's left to do is to concrete the hydrants. **5) Lytle Ranch Project** –We still have to put up the solar tower. It will provide power for the vault so we can operate the valves and the SCADA System.

6) Leavitt St., Doty St., & Gann Ave. Project – Staff started spotting lines this week. They will start digging next Tuesday. **7) Cottonwood Project** –This project is still in the works.

Water Production Superintendent – Bryan Mortensen explained that production has gone down some. The contractor that is working on the new power line hasn't been using any water.

EPA came out to take a look at the arsenic media. They didn't like it being stored down here so we got another Conex box which we put up at Arrow Canyon. All of the media is in it.

There was a burst disc on Vessel C up at Arrow Canyon so we lost quite a bit of water up there. It did what it was supposed to do though which was save the vessel and equipment. The vessel has been repaired and is up and running.

We repaired the control pilots on Booster #3 at Coyote Springs. Everything on that line has cavitation damage. The line was designed to have high pressure on one side and low pressure on the other side. We're trying to stay on top of it so we can take care of it before it becomes a problem. The dechlor facility is having the same cavitation problem.

We have another month or so before the sanitary survey items that NDEP wanted done will be complete. We are doing these things for SNWA so they are paying for it.

Coyote Springs was offline for four days because of high turbidity. We knew about it before SNWA even contacted us. The problem has been taken care of.

We removed the 6" meter at MX-6 well for repairs since the contractor isn't using it right now.

There weren't a lot of data logs last month. There were 18 requests for data logs, two requests for high/low psi, seven for leaks at the meter and two miscellaneous requests.

General Manager – 1) Glorietta Geoscience – Glorietta Geoscience came out and helped with the fish count that took place up at Warm Springs. It was good to have them come out and participate in it. Bryan also participated in the count. Joe just received a seven page report that talked about some of the things they saw happening out there. There are also some ideas in the report on things we might want to move forward on. Joe hasn't had a chance to go thru the whole report yet. He is supposed to get a hold of them next week to talk about what we might want them to move forward with. **2) Debt Management** – Will Jones from Wells Fargo came out and met with Joe and Jeannie. He had some ideas of what we could do with our bond consolidation. Today they also met with Nevada State Bank. NSB actually runs our program right now. According to NSB we aren't going to be able to do some of the things Will suggested. They did have some ideas though and think they can come up with some other ones. Hopefully next week Joe will have something back from them so that he can meet with Randy and talk about what we received from NSB and Wells Fargo Bank. We do know that we can't do anything with the largest bond until 2015. Joe should have more information for the Directors at next month's meeting. **3) Lost and Unaccounted for Water** – It's extremely high again this month. We know that it's not in the Overton area. It's in Warm Springs somewhere. As Joe went back and looked over the 14" leak we had up there, he thinks that it's been leaking for a long time. When he looked at the trends on SCADA and put them over the pumping scenario, it looks like that's where the water went. Since that leak has been fixed, the lost and unaccounted for water should go back down. The water from the leak was actually running down in a wash where it couldn't be seen.

4) NCA & ACEC Designation – We've had some applications in with BLM since 2001 to try to get a right-of-way in the Meadow Valley Wash. We started with a 30' ROW plus some sights to drill monitoring wells. We've been trying to drill a well up there every since we got the EPA grant. We couldn't get a determination out of the Ely BLM office because they said it was an ACEC and that it was in the Las Vegas area. That is their interpretation of the rule. Danny Tarkanian came out and met with Joe and they talked about this problem. Joe hopes that if Tarkanian gets elected he might be able to help us out. Joe Heck is receptive of it. Link Browder has spoken with him and Harry Reid for Virgin Valley Water District about the situation they're having on top of Virgin Mountain. If that area turns into an ACEC VVWD will never be able to get a ROW to their existing water rights so they are in the same boat we are. **5) Misc** – On July 28th Brian Greig broke his foot. He had to have surgery on it so he is expected to be out 6 to 8 weeks. The work schedule had to be adjusted and Bryan has been able to break a guy lose to work a couple of days a week with the distribution guys until they get the pipeline projects done. **6) Vanguard Pipe** - We have quite a bit of Vanguard pipe in our system. Joe called and talked to Byron about it so Byron has done some research on it. Joe found out today that the City of Hurricane received a \$200,000 settlement for the defective pipe they had in their system. When Mesquite started their lawsuit in 2009, they approached us to see if we wanted to jump on the bandwagon with them. Brad thought it would be too hard to prove so we let it go. Since then, Mesquite has also received a settlement from Vanguard. Joe feels like it is something we might want to look into because it's a huge expense for us. The area that's on the top of our list right now is Valley Heights. We have already replaced close to 55 meter laterals in there. The rest haven't been done because

they are lines that don't have any homes on them so we just shut down the mains. It cost us about \$1,000 to repair each one. Vanguard does have a 25 year warranty where they'll give you new pipe if it breaks but you have to send it back to them at your expense. Then they inspect it and if it's defective, they give you \$3.00/lf. Mesquite got a settlement somewhere between \$2.3M to \$2.4M.

Byron said that he was told that all of the Vanguard pipe will probably fail eventually. Mesquite was having 5 to 7 breaks on it every day. They had a total of 560 breaks when they finally filed a lawsuit. It was a three year lawsuit that was settled before it went to trial. What it came down to is that this pipe isn't made for warm water. It is rated at 73 degrees water temperature and our water is a lot warmer than that in the summer. As the water temperature goes up in the pipe, then the psi derates the pipe so it goes down so even normal pressure can break these pipes if the water temperature is higher than 73. Byron feels that if we have a substantial amount of that pipe in our system which was put in the ground between 2000 and 2005, we should move forward with a lawsuit. It won't cost us as much money as it did Mesquite because they've already done most of the work.

Joe explained that Susan is already pulling all of the invoices out. The invoices will have the amount we paid and how much pipe we purchased. During those five years we installed a lot of Vanguard pipe because construction was going like crazy. We've had leaks on Vanguard pipe installed in rocky & sandy ground and even in carrier pipe. It doesn't matter where the pipe was installed.

Byron said that there is a statute of limitations. We have so much time from the date that we discovered the problem to bring an action. He has been speaking with Mesquite's attorney about their lawsuit. He thinks we should sit down with her and find out more of the details. She said she could have spent hours with Byron talking about this case. He asked Lon what we've done in the past when we had a leak. Lon said that we've thrown the pipe away. Byron explained that from this time forward we are going to have to keep it.

The general consensus was that we should setup a meeting with Mesquite's attorney.

5. 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 4:50 pm. This was seconded by Jon Blackwell.

Chairman Staton reconvened the open-door session at 6:25 pm. This was seconded by Randy Tobler.

6. Personnel- Closed Door Session

7. Approval of the September 13, 2012 Board Meeting

The general consensus was to hold the next Board meeting on September 13, 2012.

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

None

9. Adjournment

The meeting adjourned at 6:26 pm.