

**MINUTES  
MOAPA VALLEY WATER DISTRICT  
BOARD OF BOARD MEETING  
HELD  
THURSDAY, SEPTEMBER 8, 2011**

**PRESENT:** Kenneth Staton  
Jonathan Blackwell (absent)  
Randy Tobler  
  
Joe Davis  
Jeannie Poynor  
  
Byron Mills  
  
Vernon Robison, MV Progress  
Joe Leslie, Leslie & Associates  
  
Tony terry

Lindsey Dalley  
Scott Carson  
  
Susan Rose  
  
Ryan Wheeler, Forsgren Associates

**ORDER OF BUSINESS:** At 4:02 p.m., Chairman Ken Staton called to order the regular meeting of the Moapa Valley Water District Board of Board. The agenda items were addressed in the following order:

- 1. Public Comment (May be limited to five minutes)**
- 2. Approval of the Minutes of the Previous Meeting held August 11, 2011 (Action Item)**

On motion of Chairman Ken Staton and seconded by Randy Tobler, the Board voted 4-0 in favor to approve the minutes of the previous meeting with two grammar corrections.

- 3. Account #1346 – Request for Waiver of Late Fees – Tony Terry (Action Item)**

Chairman Staton turned the time over to Mr. Terry who was present at the meeting to talk to the Board about late charges that were posted to account #1346 which is in Kodiak Construction's name.

Mr. Terry handed out a copy of the check that he wrote October 11, 2010. He explained that while he was on his mission, the principles of Kodiak Construction filed for bankruptcy. Kodiak didn't file for bankruptcy and they own a lot in his subdivision. Since Mr. Terry was the developer he paid to have a meter installed on the property. He said that a drop of water has never gone thru the meter. When Kodiak defaulted, they stopped paying the taxes and the water bill. When Mr. Terry came back from his mission someone told him that he better come down to the water district to see if there was a bill owing on the parcel because the water district was pulling out water meters on delinquent accounts. He came down to the office and was told that we couldn't give him any information because his name wasn't on the account. We finally told him how much was owing on the account and he was shocked because after less than 22 months the bill was \$2,139. He wrote a check under protest for the bill. He explained that when a check is written under protest they are preserving their rights. In other words, they don't think they are legally obligated but they are paying it anyway. That's why he asked to be placed on the agenda. He doesn't see how the district can legally charge customers 3.41 times the amount of the bill over less than a 22 month period. Mr. Terry said it's because we were compounding the late charge. No action was taken at that meeting and he wasn't at the November meeting. He received a letter from Byron Mills explaining to him that the Board had decided to modify the policy by adding a sentence that said "The 10% late penalty will not be assessed and billed to that portion of the outstanding balance that is attributed to previously assessed late penalty charges". Mr. Terry felt that he is an exception to the case. He's the one who brought this problem to the Board's attention. He hoped that the new Board would look at what was done and see that it wasn't done correctly.

Byron Mills reminded the Directors that they have the responsibility to follow, make, amend or make exceptions to policy.

Mr. Terry said that no other utility company compounds the late charge.

Scott Carson was at the October meeting and he remembers that the compounding was in the policy and from what he remembered it wasn't that unusual for a public utility to compound the late charge.

Byron said that other utilities do compound but at a lower percentage. That's why the previous Board revised the policy.

Chairman Staton asked Mr. Terry how much he was asking for. Mr. Terry explained that as near as he could figure he should have only paid around \$660 for the 22 months. Chairman Staton explained that he had a sheet in front of him that showed what had been charged to the account before the policy change and how much would have been charged if the policy had been in effect from the start. That total would have been \$1,329.48 which is a difference of \$809.90.

Lindsey Dalley asked Byron how it would affect the other rate payers if the Board were to make some kind of a deal with Mr. Terry. Byron said that it's good that the Board wants to have a heart and help people by making exceptions to the rules out but the problem is it sets a precedence which is always a concern. Other people could come back and complain about the same thing especially if it's in the paper. That's why the previous Board decided to make it effective from that day forward but Byron reminded the Board that they have the power and ability to make a deal with Mr. Terry.

Lindsey asked Byron if Mr. Terry is an exemption to the rule as he claims. Byron doesn't believe that "Paid Under Protest" creates an exception and he thinks the exception would be that Mr. Terry was the one who brought it to the Boards attention.

Lindsey wants to make sure that if they make an exception they won't be opening up a flood gate.

Scott Carson asked if Mr. Terry's beef is with Kodiak or the District. Mr. Terry's said that his beef is with the District because of the compounding of the bills.

Chairman Staton asked if the bill was current on Kodiaks account and Jeannie Poynor said that it's not. Mr. Terry confirmed that he hasn't made another payment since he paid the bill in October. Chairman Staton stated that if the current policy would have been in place back then, the bill would have been \$1,329.48. Since there is a balance on the account of \$322.00 and a credit could be issued for the difference of \$809.90. That would be all that the District could do and it would have to be applied to the account. Mr. Terry was fine with that.

On motion of Lindsey Dalley and seconded by Scott Carson, the Board voted 4-0 in favor to credit account #1346 \$809.90.

#### **4. Discussion and possible approval to increase the "Theft of Water" charge (Action Item)**

Joe explained that recently we've had a lot of incidents of theft of water. A lot of them have occurred because of our current hydrant meter policy. Some of the things that he has heard is that a \$300 fine is nothing and that people can use a lot more water than that before they get caught. Joe said that since the current policy only allows a meter to be on a hydrant for six months, there haven't been any hydrant failures. The hydrant policy now allows anyone needing to do dust control to use a hydrant meter. There are at least five or six individuals who are regularly stealing water and his guys are watching for that kind of stuff even when they are off duty. He thinks that raising the theft of water charge will deter people from stealing water. He explained that right now if we catch anyone stealing water, we call the police and get an event number. If they come in and pay the charges, we let the police charge go. The current policy requires the customer to pay the fine plus all other charges that might be accrued because of the theft (ie. lab charges, overtime, etc.). Joe came up with what he thought was a fair amount to charge but he explained to the Directors that they could impose any amount they wanted.

Joe told the Directors that we have cameras in some of our hydrants so we will eventually catch those people that are stealing water.

Scott Carson feels that the charge should be higher than Joe suggested. He thinks it should be \$1,000 for the 1<sup>st</sup> offense, \$2,000 for the 2<sup>nd</sup> offense, 4,000 for the 3<sup>rd</sup> offense and \$6,000 for the 4<sup>th</sup> offense.

On motion of Scott Carson and seconded by Randy Tobler, the Board voted 4-0 in favor to raise the minimum theft of water charge to \$1,000 for the 1<sup>st</sup> offense, \$2,000 for the 2<sup>nd</sup> offense, \$4,000 for the 3<sup>rd</sup> offense and \$6,000 for the 4<sup>th</sup> offense.

The Directors asked that a notice be put in the paper for a couple of weeks so everyone knows that the policy has been changed.

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

**Office Manager-** Jeannie Poyner included in the reports the budget report for the end of June. She explained that the auditors haven't been in and reviewed the numbers so these numbers are not the final numbers. We had some reimbursements which put us over in our non-operating expenses. The total income for the year was \$167,249. Randy Tobler asked where the depreciation was in the reports. Jeannie explained that it wasn't in the reports they had in front of them. She said that she would add it to the reports in the future. Randy also had a question on the Statement of Cash Flows report. He was looking at the net increase and decrease and he saw that the arsenic media was taken out for \$460,000 and also that we had been reimbursed \$250,000 for it. That would put us about even in our net increase and decrease. He said that we are usually positive in there so he asked what had happened that put it in the negative. Jeannie thinks it's the bond money that we're spending. Some of it was for arsenic media and some was for the new valves we're installing in Moapa. Joe explained that the flow control valve was \$23,000 but we have also purchased an 8" valve which was \$5,000 and spent \$13,000 for the materials from Scholzens. We are still under the \$50,000 estimated to do the project in Moapa. Joe said that we had done some projects in the past and they have been deducted from the bond money. Bryan Mortensen was the one working on it so he would be the one to explain what things were taken out of the bond money. Joe said that he would get back to Randy on Tuesday and let him know what was taken out of that money.

**Water Production Superintendent** – Bryan Mortensen was on vacation so Joe Davis updated the Directors on what went on in production last month. He informed them that Mason Stratton and Mica Leatham passed their treatment exams. Those two plus four others are signed up for the next exams. Nevada Rural Water has helped us out a lot the past few years. They come down and do training for us which helps our guys to pass the tests. The next test is September 23<sup>rd</sup> and they will be down here on the 22<sup>nd</sup> to help the guys prepare for that test. Usually Southern Nevada and Las Vegas have their own training and they're guys are flunking at a phenomenal rate. One time North Las Vegas sent three of their guys out here to the class. They had flunked the test three times but passed it after they attended the class put on by NVRW.

Joe explained that we had \$25,000 budgeted for the GIS System. We just purchased the software for \$1,500. The rest of the money was for data entry. NVRW has an employee that does GIS and they offered to come down and enter all of the data for us so we saved over \$23,000. NVRW has saved us a lot of money.

Joe updated the Board on some of the things that the water production staff did last month.

- 1) Completed the arsenic bypass upgrades at Arrow Canyon and Baldwin.
- 2) Completed the VFD, chlorinator and electric upgrades at Arrow Canyon.
- 3) Performed weekly and monthly preventative maintenance on facilities, assets and equipment.
- 4) Asset inventory and preventative maintenance project for the 340A facilities, assets and equipment.
- 6) Assisted Distribution crews in upgrading a 4" commercial meter and backflow device to AMR at NV Energy. This was the meter that was inside their fence so it has now been moved outside of it. NV Energy helped with the upgrade.
- 7) Installed and tested AMR equipment on two trucks for reading meters.
- 8) For customer service, there were 32 data logs, one leak at a meter and four miscellaneous.

Water usage is still declining with foreclosures and people just cutting back on their water usage.

**Water Distribution Superintendent – 1) Blvd. Widening** - Joe explained that all of the paperwork is done and the mylars have been signed and submitted. OPD still had one thing they had to take care of. We will advertise for bids in the local paper on the 14<sup>th</sup> and the 21<sup>st</sup> of this month. It will also be posted on our web page. **2) Meters & Hydrants** – No meters or hydrants were installed last month. We did sell two meters today which will be installed on the reservation. **3) Lost & Unaccounted for Water** – It is down to 7% which is a metered 7% not an estimate. We are still moving the meters around to make sure that the meters we do have are all reading correctly. **4) Leaks** - Crews repaired an 8” leak by NV Power. There was no significant loss of water. **5) Warm Springs Pressure** – The pressure gauge is in. Joe had some companies out to look at the brick wall we need brought up since it was too expensive to have a building built. The valves are running and it’s working perfectly. Customers in that area went from a low of 12 psi to as much as 22 psi. Now the highest is at 45 psi. We’ve been asked when we are going to remove the booster pumps but Joe wants to let it run for six months to make sure that everything is running fine and there aren’t any problems before we remove them. One customer was running at about 30 psi and is now up to 55. We have the valve to start on the 14” part of the project. Joe wants to get the brick wall done and the lid put on it before we start on that. **6) Main Street Paving**- NDOT has signed off on paving that we did in downtown Overton. There’s some white stripping that we need to put back. Joe spoke with the NDOT inspector he was ok with us doing the stripping in front of our office and down in Overton all at once. The paving cost us about \$33,000. **7) Moapa Payment Drop Box**- Stagecoach Depot contacted Delmar at OPD to see if OPD wanted to put a drop box in their store. Joe told Delmar that we would like to go in with them on that. OPD has two employees that live in Moapa and they can pick up the payments on their way to work every day. That will be a good service to the residents up there. OPD is thinking about putting a pay terminal up there so customers can get on a computer and make a payment right there. Joe is going to look into what it would cost us to be able to do that also. **8) EPA Grant Funding**- Patrick Chan from EPA contacted us to see if we would be interested in doing a project if they could give us an extension. Joe said that we could do a 14” project on the Blvd. The engineers estimate to do the whole project is around \$292,000. If EPA will give us a six month extension we can get the project done and get half of the money back. It’s one of the projects that Joe has been wanting to get done for a long time and the cost of pvc pipe has actually gone down. It was going for \$45 a foot, now it’s \$18 a foot. The general consensus was that Joe should write a letter to Patrick to see if he will commit to an extension before we done anything else.

## 6. Director’s Preference

### - Review Monthly Expenditures

On motion of Chairman Staton and seconded by Randy Tobler, the Board voted 4-0 in favor to refer the monthly expenditures to the auditors.

### - Litigation Update

Byron Mills didn’t have an update since Wisner has filed for bankruptcy.

Chairman Staton brought up that Daniel Bevan had talked to him about an error on his paycheck. Daniel had not been charged for his family’s health insurance for a few months and it was just caught. He was told that he had to pay the money back and he didn’t agree with it. He was given the option to pay it back in one year, one and half years or two years. The general consensus was that he had the benefit of the insurance even though he wasn’t paying for it so he needs to pay the money back.

Randy Tobler and Byron Mills have been emailing back and forth about the District’s Water Resource fee and Randy had a few questions for Byron. He asked Byron how other cities, municipalities, and counties require developers to handle trails, parks, and roads and justify it. Byron said that they create city ordinances. The difference in Vegas, for example, is that they have certain code requirements that have to be done by the developers in different communities in order to meet code. Our statutes allow us to create rates, the classes and that kind of stuff. It’s wide open. He said that the statute allows us to create a second class for that but the problem is our policy for water resource fees is based on the anticipated used for a residential lot. If we are going

to stick with the current policy, we can't say that a developer's residential lot uses 1 acre-foot of water and a non-developer's residential lot uses .5 acre-foot of water. In reality, usually a developer's residential lot uses less water than a non-developer's residential lot. Byron said that the policy would have to be changed. The purpose of the policy is that the customer has to provide the water they are going to use. If we want to base it on water usage, we will have to change our policy. Byron said that we could change the policy so that a residential lot doesn't need an acre-foot of water, they would only have to provide .5 acre-foot of water. Then we could get the developers through a meter connection fee because there is extra work that's needs to be done when it's a development. If we were to do something like that we wouldn't have to modify the whole resource fee. The problem is that the way we have it structured is based on how much a lot needs and that's what has to be brought to the table.

Randy doesn't think a decision needs to be made now but it's something that needs to be thought about. He feels that \$15,000 is a lot of money to come up with in order to get water to a lot.

Lindsey Dalley said that he has also been hit up a lot about the costs of developing a lot.

The water resource fee is based on what MVIC shares are selling for. The water resource fee can be lowered or raised depending on what that figure is. The problem is finding out from MVIC what water shares are going for.

Randy said that since we are trying to prove up on our water, we should be trying to sell meters.

Joe Davis explained that before we had the water resource fee we were selling meters like crazy. One month we sold 134 meters. We were eating up our resources. He reminded the Directors that we do have in the policy that we can collect a water resource fee on 120 meters a year. There are 80 allotted for major subdivisions and 40 for minor subdivisions. Joe feels that the District could decide that since our resources are stagnant we could lower the price. If things start moving again we could increase the price.

Chairman Staton asked that the Water Resource Fee be placed on next month's agenda and that the Water Resource Committee bring back some ideas for it.

Scott Carson brought up that the water shares that we lease are going to continue on as they have the last few years because MVIC has to get the schedule out soon.

Susan has 20 shares that she's not sure whether they are going to be renewed. Randy said maybe we could let the Ag Farm use them. Susan will call the person who is currently leasing the shares and let them know that she has to know tomorrow if they're are going to renew their lease or not. If not, she will call the Ag Farm and see if they can use them.

**7. Personnel- Closed Door Session**

**8. Approval of the October 13, 2011 Board Meeting**

The general consensus was to hold the next Board meeting on October 13, 2011.

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

**10. Adjournment**

The meeting adjourned at 5:55 pm.