

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, JULY 9, 2020**

PRESENT: Kenneth Staton
Jon Blackwell (Phone)
Ryan Wheeler
Lindsey Dalley
Randy Tobler
Joe Davis
Lon Dalley
Jeannie Poynor
Kiley Bradshaw
Byron Mills
Vernon Robison (Phone)
Scott Farnsworth (Phone)
Andy Artusa (Phone)
Warren Hardy (Phone)

ORDER OF BUSINESS: At 4:00 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 May 21, 2020 (For Possible Action)

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 5-0 in favor to approve the minutes of the May 21, 2020 meeting.

3) Update on Bonding Options- Andy Artusa (Discussion Only)

Joe explained that Andy called in to bring the board up to speed. We've been talking about getting bonding on some projects. None of our current bonds are available for refunding but Andy told Joe that it would probably be best for us to get pre-approved. It takes about six months to get thru the process. Joe thought it would be best to have Andy on the phone so he could answer any questions the board might have.

Andy explained that the District has the opportunity to issue debt at a very low cost. In 2017 the rate on that bond was 2.06%. The reason the rates are so low is because the District took advantage of bond programs thru the State of NV and also thru the State Revolving Fund. In order for those programs to accept bonds from the District, they need to issue a bond that's called a General Obligation Revenue Bond. Basically we're pledging the full faith and credit of the District and net revenues from the operation of the District. It does take quite some time to get it issued and it requires federal approval. He also explained the steps that followed that. He said once we get the steps done, we will have everything done and we will be able to start the project when we're ready. We also don't have to take all the money when the project starts. That will help us save money by not having to pay interest on money we're not using yet.

4) Legislative Update – Warren Hardy (Discussion Only)

Warren Hardy called into the meeting to give the board an update on what has been going on with the legislature.

Warren explained that he is about a month behind schedule. He is trying to get all the bill drafts in right now. There is a strange dynamic going on right now with the COVID-19. They're not sure what the next session is going to be willing to take on and there are some saying is going to be just a budget session. No one knows what kind of session it's going to be.

He asked the board members & staff if there were any bills they wanted to submit. He would like to have them submitted and find a sponsor for them before the end of August.

COVID-19 is a big right thing now. Another big thing is the interim study. It's the study of beneficial use issue. It would tie us in with everyone else. We're trying to make an argument that municipalities should have a different process to hold on to their water. That got sidetracked a little by COVID-19. Warren did get a call a couple of weeks ago from Senator Pete Goicoechea. He wants to kick up the issue again. There has been a lot of opposition to the bill draft. He thinks it might get kicked to the next session.

5) **Manager's Reports**
Office Manager
Assistant General Manager
General Manager

Office Manager –Jeannie Poynor had the financial dashboard, the budget report and the revenues put in their board packets. We were thinking we were going to have to augment the budget but she thinks we will be fine. The auditors will be here in August. Jeannie thinks revenues will be above our budget for revenues and lower on expenses which is really good news. Joe thinks the rate increase is starting to kick in. The 2nd budget goes thru May.

Assistant General Manager- 1) Production - Lon Dalley explained that water production is up quite a bit because it's started to get warm. In May we pumped 97,612,000. 751,000 came out of Baldwin and 96,861,000 Arrow Canyon #1. In June we pumped 105,000,000. We pumped 163,000 out of Baldwin and 104,837,000 out of Arrow Canyon #1. Production has been pretty close to what it's been. **2) Arrow Canyon Well #1 Well Level** – There's no change in the well levels. **3) Meter Installs** – We have have a few banked meters left. That's what we're transferring. The last banked meter was installed yesterday. For the year we have installed 2 banked meters and had 1 upsized. In July we installed 2 meters.

4) Unplanned Projects –For the last month we've had three leaks on Main Street. We couldn't do a temporary patch, we had to do a full blown replacement on the main to the meter. That includes cutting the asphalt and sidewalk and making repairs. This is concerning for the whole length of Main Street. The County has done a 180. They were requiring us to do the valves cans that were in the road. The County decided that it would be too hard for them to coordinate with the contractor. They have asked for a hardship letter from us. Ryan helped Lon write that letter.

General Manager –1) State Engineer Order 1303 – The State Engineers office issued Order 1309 on June 15th. Order 1303 is now 1309. The protest time is over on July 14th. One entity has already filed a protest. There were others we thought might protest. We're going to have to go into some legal action and but that will have to be discussed in closed-door. They did include Kane Spring Valley which is what we wanted them to do and they did lower the amount that can be pumped from 9100 AF to 8,000 AF. They still recognize Warm Springs West Gage and the MOA so that's a positive. They terminated the temporary moratorium on the submission of subdivision maps. CSI did submit their maps and they were denied. You can now submit to transfer water rights in the super basin. We will keep a close eye on that. No one has done that yet. Joe will have to keep an eye on that. Anything that was in Order 1303 that was addressed in 1309 no longer exist.

The Order;

1. Defined the LWRFS basin consisting of Kane Springs Valley, Coyote Spring Valley, Muddy River Springs Area, California Wash, Hidden Valley, Garnet Valley and the northwest portion of the Black Mountains area.
2. Maximum quantity of groundwater that may be pumped cannot exceed 8,000 afa
3. Maximum quantity of water may be reduced if it is determined that pumping will adversely impact the endangered Moapa Dace
4. All applications for movement of existing groundwater rights in the LWRFS sub-basins will be processed in accordance with NRS 533.370
5. Termination of the temporary moratorium on the submission of final subdivision or other submission concerning development and construction maps submitted to the State Engineer for review
6. All other matters set forth in the Interim Order 1303 that are not specifically addressed herein are hereby rescinded. We'll have a lot to discuss that in close door.

2) Bureau of Reclamation SWEP Grant - Staff received notice from the Bureau of Reclamation that our application for \$75,000 through the WaterSMART Small-Scale Water Efficiency Project for the upgrading of our failing water meters was among those receiving the highest ratings. They will call us in September to discuss the timeline for the development and award of the financial assistance agreement. We probably won't get any money until January or February but the good thing about it is that any money we've spent on failing meters since July

1st, we will be reimbursed for. Every time that opens up, we will submit another application for funding. Joe Phillips and Lon worked on that application. Joe D. was really surprised when they said we rated the highest.

3) Bonding Authorization – During conversations with Andrew Artusa with Zions Public Finance, staff was advised to go through the pre-approval process for bonding. This pre-approval would be good for 3 years. It will streamline the process in case the District decides to bond in the near future. **4) COVID-19 Update-** District personnel continue to remain healthy and are committed to maintaining strong customer service and outreach. Outside service personnel have done an outstanding job of maintain system integrity. Business hours have remained unchanged.

6) Public Comment (May be limited to five minutes)

Scott Farnsworth asked if we have a Water Quality Permit.

Joe gave Scott Farnsworth his phone #. Joe said that if Scott sends Joe his phone number, he will send him a link to the States website that shows what each municipality has to test for and what violations they've had.

7) Director's Preference

Lindsey Dalley wanted to throw out some thoughts since we now know about Order1309. We now have a little clarity as to where the State Engineer is moving forward towards. it might be time to start thinking how we're

going to deal with limited water supply. He thinks the State Engineer encouraged the water basin owners to get together and come up with a water management plan that will keep everything under 8,000 AF. That has a great impact on us because there's a lot of senior water users out there that have priority and there no more water available for us to buy or acquire. We're going to have to come up with some issues to deal with that and part of that is recognizing the role that SNWA has played in and should play in planning the future. We have a great relationship with them. We've worked with them and they are looking out for their interest just like we're looking out for ours. There needs to be some sort of discussion among the board about how we're going to move forward because SNWA has made some decisions in the past that have inadvertently and now has severely affected our ability to get water in the future. He doesn't think they did it aimed at us or had any malice towards us but the result is they now sit on a very large body of appropriated water in the spring basin. They're probably just going to sit on it and not do anything with it which means whether the own it or they manage the portfolio it means we don't have access to that. The other issue is way back when the old board was in control, it was represented to them that if we acquired irrigation shares we would be able to trade

on a one to one basis for water in Coyote Springs. That's no longer possible. SNWA didn't know what was coming down the pipeline. One of their purposes was to make sure that there was wise use of water and that no one gets cut out. We need to make sure that they recognize that while they may not be to blame, they were involved and we need to work with them so we can come up with some ways to acquire water for our community. Without SNWA's cooperation to solve some of the problems we're having because of the actions they've taken that's going to directly affect us.

Joe said that as were moving thru this hearing process, they have been communicating with us. We have a document (the MOA), that facilitates that with multiple sub agreements off of that so we have the framework to move forward in a very cohesive manner.

- 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 Lindsey Dalley and seconded by Ryan Wheeler the Board voted 5-0 to call a closed-door session at 4:50 pm.

- Discussion Regarding Future Election of Officers
- Litigation (Closed – Session)
- Other Related Water Rights Issues

On motion of Randy Tobler and seconded by Ryan Wheeler the Board voted 5-0 to reconvene the open-door session at 6:54 pm.

- 8) **Personnel**
- 9) **Approval of the August 13, 2020 Board Meeting**

The General Consensus was to have the next board meeting on August 13,2020.

- 10) **Public Comment (Maybe limited to five minutes)**

None

- 11) **Adjournment**

The meeting adjourned at 6:55 pm.