

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF BOARD MEETING
HELD
THURSDAY, OCTOBER 13, 2011**

PRESENT: Kenneth Staton
Jonathan Blackwell
Randy Tobler

Joe Davis
Bryan Mortensen

Byron Mills

Vernon Robison, MV Progress

Lindsey Dalley
Scott Carson

Susan Rose
Jeannie Poynor

Ryan Wheeler, Forsgren Associates

Saun Bowen, Logandale Cemetery Committee
Kurt Evans, Logandale Cemetery Committee
Bonnie Walker, Perkins Elementary PTA
Noah Reid

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)

2. Approval of the Minutes of the Previous Meeting held September 8, 2011 (for possible action)

On motion of Chairman Ken Staton and seconded by Lindsey Dalley, the Board voted 4-0 in favor to approve the minutes of the previous meeting with the correction to the time the meeting started. The meeting started at 4:02 pm not 3:02 pm.

3. Ute V Perkins Elementary School PTA – Donation Bonnie Walker (Action Item)

Bonnie Walker was present at the meeting to request a donation for the Ute V Perkins Elementary School PTA. They are hoping to raise \$1,000 to purchase art supplies. She said they would be grateful for any amount the District could donate.

Jon Blackwell came into the meeting at 4:10 pm.

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 5-0 in favor to donate \$100 to the Ute V Perkins Elementary School PTA.

4. Discussion regarding the reconnection of a meter on account #1950 verses purchasing a new meter by Noah Reid (for possible action)

Noah Reid explained to the Directors that he is looking at purchasing a property that the meter was pulled from because the account was delinquent. He had called the office to find out how much it would cost for him to have the meter reinstalled and he was told it would be over \$5,000. He wanted to know why it cost so much.

Chairman Staton asked Joe Davis to address the issue.

Joe explained that this meter was pulled under the old delinquent account policy. If an account was 24 months delinquent it was pulled. When the meter was pulled this account had a delinquent balance of over \$8,000. That policy has since been changed along with how late

charges are accrued. When Joe originally spoke with Mr. Reid, he told him that he could pay the balance that was written off or he pay for a new meter which would be \$5,463. Mr. Reid was not happy with that answer.

Joe explained that there are 10 other meters that were pulled which have homes on the property.

Randy Tobler said that he was not a fan of the old policy. He feels like it puts an undo burden on the people purchasing these properties. Randy felt that it would be fair if Mr. Reid were to pay the cost and labor to install a new meter, and the water usage charges. The District would be generating revenue because the meter would be active.

Joe explained that the costs to install the meter for labor and materials would be \$1,500; the usage charges would be \$452.60.

Mr. Reid wanted to know why he has to purchase another meter when the meter that was pulled is still sitting in our shop. Joe explained that the \$1,500 covers the poly that has to go in, the saddle that has to go on the main, the resetter and the labor to reinstall the meter.

Chairman Staton asked Byron if the policy has to be changed or if they can just go ahead and approve this for Mr. Reid. Byron explained that they can do what they want but they need to remember that they are setting precedence. They need to be careful because they could be opening a flood gate.

On motion of Randy Tobler and seconded by Jon Blackwell, the Board voted 5-0 in favor to reduce the charges for the property located at 2755 N. Rice Street to \$1,952.60 to install the meter and pay the past due water usage charges.

Chairman Staton asked that an item be placed on next month's agenda to address the other properties that the meters were pulled on.

5. Approval of a refund for James Martin on account #3508 (for possible action)

Jeannie Poynor explained that when we used to read the meters manually each month, the meter reader would make notes on the meter reading sheet about each account. If there were two residences on the property, he would write that on the sheet. If one of them was removed later on, he would note that on the sheet. The Martin's account was put on the two residences, one meter rate in May 2005. The customer says there has never been two residences on their property. They had a trailer there when they were building their house but it was sold and moved as soon as the house was done. They did mail Jeannie a bill of sale for a mobile home however it doesn't show when the trailer was moved off the property. The meter reader did note that there were two residences there in February 2007 but he didn't note that the second residence was there in July 2007. The Martins are asking for a refund between the two residences and the one residence rate which Jeannie calculated out to be \$795.14.

Lindsey Dalley asked how many meters are on the R3 (two residences, one meter) rate code. Jeannie explained that there are 90. Site surveys have been done on every property on the R3 rate code and there were some accounts that were on the R3 rate code that shouldn't have been. From now on we are going to take pictures so we have backup showing why we are charging the customer the double rate. We are also going to send every customer that is on that rate code a certified letter explaining why they are on that rate code and that if the second residence is removed it is their responsibility to notify the District that the second residence is gone.

Scott Carson felt that if they give this customer a refund, the flood gate would be opened.

Randy asked if they had written a letter to the District about this issue. Jeannie said that this all came about when the customer called to find out what the balance was because they are going to short sale the house and the water bill had to be paid. The customer asked why the bill was so high and was told it was probably because it's was on a dual rate. The customer swears that the trailer was gone by June 2005 but we have no record of that.

Randy didn't feel like there was enough evidence from the customer showing that the trailer was moved. The last person who came in had all kinds of documentation showing that the second building was not a residence but a shed.

Chairman Staton knows the property and doesn't ever remember seeing a trailer on that property.

Scott Carson thinks it's the customer's responsibility to notify the District when something changes at their property.

Joe explained that when the meter reader was out reading the meters manually he would note on the meter reading sheet if there was a second residence on the property. The office would call the customer and tell them that if it was there the next month their rate would be changed to the dual rate. We don't know for sure if that happened on this account or not.

Bryan Mortensen explained that out of the 90 meters that are on the dual rate code, 24 did not have a second residence on them. There will be letters going out to the 66 customers that do. Bryan also explained that we manually read the meters once a year and so hopefully these kinds of things will be caught sooner. The new bills will have the rate code on them so customers will know what their rate code is.

Chairman Staton felt that since we don't definitely know when the trailer was moved off the property and we had issues with our billing software, we should go ahead and issue them the refund.

Scott thought we should split the difference with the customer because he felt like the customer should take some of the responsibility. Randy liked that idea because he felt that the customer hadn't proven when the trailer was moved.

Bryan asked if Staff could contact the customer for more information and bring it back to the Board next month.

On motion of Scott Carson and seconded by Jon Blackwell, the Board voted 5-0 in favor of not give the customer a refund at this time and instructed Staff to request more information from them. If they provide adequate documentation of when the trailer was moved they will be refunded a maximum of one year's overage charges.

6. Donation of water for the St. Thomas, Pioneer, and Logandale Cemeteries (for possible action)

Joe Davis explained that he had been contacted by a few of the Directors regarding the Logandale Cemetery water usage. They had been contacted by Mr. Bowen who is on the cemetery committee.

Joe explained that there was a 1998 agreement where MVWD donated 435,000 a month to the Logandale Cemetery to be used between the months of April and September. Between the months of October and March they received 292,000 a month which came to 4,365,000 gallons that we donated to them each year.

In that same agreement, the St. Thomas and Pioneer Cemeteries received 200,000 gallons a month from April to September 168,000 gallons a month from October to March. They don't have as much landscaping as the Logandale Cemetery does so they don't need as much water.

It was working ok until about 2001 when the Logandale Cemetery started running close on the water they were using so they came to the Board and asked if they could exchange 25.5 common shares for potable water. An agreement was made between MVWD and the Logandale Cemetery that allowed the Logandale Cemetery to use 5.98M gallons of water for the common shares and plus the 1.2M gallons of donated water for April thru September. This would give them a grand total of 7.182M gallons they could use each year. Part of the agreement was that if they use over 4.8M gallons between April and September they have to pay for everything over that amount. At that time, it was a valid point since we had to run the booster pump because we were running short on water. We no longer have that issue. Joe feels like the agreement needs to be changed to

drop that portion of it. The Logandale Cemetery has always run really close to the maximum they can use. This year they had a problem because there was a new meter installed which is more accurate and the timing on their sprinklers was off so they are approaching their limit for donated water.

Joe doesn't understand what the thought process was in 2002 when more than half of the Logandale Cemeteries donated water in the 1998 agreement went away but Pioneer and St. Thomas Cemeteries stayed the same.

Joe met with Kurt Evans and went over a couple of scenarios and one of the things that Joe worked up after looking at their total usage was that if we went back to the original agreement where we donated year round instead of only in the summer months, and changed the donated amount to 251,448 gallons then the District would be donating a little over 3M gallons a year. When you add that to the 5.9M gallons, it would give them a total of 9M gallons to use each year. The reason Joe suggested 9M is because there will be times when they might have a problem so that gives them a little leeway. Mr. Evans has all of the sprinklers changed back so hopefully they won't have any more problems with them. It's good community service. Joe recommends donating the 251,448 a month which is in line with what we're giving the other cemeteries. They will pay for any water they use over 9M gallons a year.

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 5-0 in favor to donate to the Logandale Cemetery 3,017,376 gallons of water a year and make no change to the Pioneer and St. Thomas Cemeteries water donation.

Joe explained that the reason the Logandale Cemetery receives more water is because they gave the District 25.5 MVIC common shares. All of the cemeteries are now equal.

7. Approval of upgrades to the customer service billing procedures and meter reading route consolidation (for possible action)

Jeannie Poyner reminded the Directors that at the June meeting there was talk about getting rid of the post card bills and going to a full page bill with a return envelope. She researched the various options and presented them to the Board.

Right now we print approximately 3,000 bills with three bills on a page. Printing costs will go up if we go to a full page bill. There will also be the expense of the two envelopes (one to mail out the bill in & the return envelope) and additional postage cost.

Jeannie had a couple of options for the Directors to look at.

The first option would be to outsource the bills which would mean that we would email a file to an outside company and they would print and mail out the bills. Jeannie doesn't really like this option because it leaves room for error since once we send the file to them it's out of our hands.

The second option would be to do the bills in-house. If the Directors choose this option we will need to purchase a folder/insert machine. She explained how the machine would work. The one that Jeannie looked at was a Hasler PS40. It would have a one year maintenance contract on it. They would also come out twice a year and check the machine to make sure it is working properly. If they find any problems they will probably come out the next week and do the repairs. The PS40 will fold and insert 1,350 pieces an hour.

Postage will go up about \$500 and a box of bills will go from \$23 a box to \$30 a box. It will cost roughly an additional \$4,000 a year to send out the full page bills with a business reply envelope.

Scott Carson asked what the advantage is to going to the full page bills. Jeannie explained that a lot of customers have been asking for the full page bills because the postcards get lost.

Joe said that the full page bills will have a graph of the customer's usage for the last couple of years. That will allow the customer to see if they have used a lot more than normal or if their bill is

right in line with their normal usage. We can put news and updates on the bill. We will also be able to mail out brochures and other things with the bill.

Jeannie explained that Staff would also like to change the reading cycles from two a month to one a month. Route 1 is read the beginning of the month and Route 2 is read in the middle of the month. Jeannie provided the Directors with a calendar showing when the bills would be read, when they would be sent out, when they would go late and when they would be up for shut off. Staff would like to start the new billing cycle and full page bills in December. Notes would be put on the bills and an ad would be run in the local paper to let the customers know about the changes.

On motion of Randy Tobler and seconded by Lindsey Dalley, the Board voted 5-0 in favor to change the postcard bills to full page bills, change from two billing cycles to one and purchase a folder/insertor with a 12 month maintenance contract from Mailmax in the amount of \$5,490.

8. Discussion on Open Meeting Law changes (for possible action)

Byron Mills attended a seminar on the changes to the Open Meeting Laws which was presented by the Deputy Attorney General who is over open meeting laws. Byron had this put on the agenda as an action item because the Board needs to adopt one of the policies. We already have it in place on the agenda but it does need to be officially adopted by the Board. He also needed to let them know their options on the policy.

There were seven changes to the Open Meeting Laws. One change that did not occur was the Boards right to meet and talk with the District's Attorney. If they are talking about current litigation or potential litigation, it is called a non-meeting as far as the Open Meeting Laws are concerned. It does not have to be agendized. All five Board members can meet with the District's Attorney at the same time.

- 1) The first change pertains to a quasi-judicial meeting and the public body but it doesn't affect us.
- 2) The next change is a requirement that a public body agendize an Attorney General's opinion in finding that it violated the Open Meeting Law. The new law says that if we get an opinion letter from the AG's office, the next month it has to be on the agenda that we violated the Open Meeting Law but not as an action item. There can be discussion on it but if there isn't any, you move on to the next item. Byron explained that we did get an opinion letter but since we received a contract on the case which he submitted it to the Deputy Attorney General, he was told to hold off on putting it on our agenda. The contract should make the violation go away. The Deputy Attorney General is going to run it by his superiors. He said he would get back to Byron before the November meeting but Byron hasn't heard back from him yet. Byron thinks we are going to be ok on it.
- 3) The Attorney General now has authority to subpoena records if they need to so if we receive a subpoena we have to follow it.
- 4) They defined a public body and expanded who the Open Meeting Law applies to but it already applied to us.
- 5) In the past we have had "action item" after each item we were going to take action on but for some reason they didn't like "action item" on the agenda so now they want it to say "for possible action". He said that we have to put on the agenda that "items may be combined for consideration by the public body" & items may be pulled or removed from the agenda at any time". We can also restrict public comment which we already do. Byron explained that in the past if we were going to discuss professional competency, alleged misconduct, that kind of stuff, we had to give a 21 day notice. That has been done away with.
- 6) Before there was no teeth to the Open Meeting Law if you violated it. It was basically a slap on the hand. They had the right to bring criminal action against Board members but they never did. Now the Attorney General can seek civil penalty not to exceed \$500 for a violation of the Open Meeting Law. It will probably be rare though.
- 7) The next one deals with public comment and this one is why it is on the agenda as an action item. It required the public body to adopt one of the two public comment agenda plans. In the past we have only had public comment at the beginning of

the meeting but now we either have to have the public comment at the beginning of the meeting before any action items are heard and right before we adjourn or have it after every action item before we take action. Byron doesn't feel like we need to have public comment on every agenda item.

On motion of Ken Staton and seconded by Jon Blackwell, the Board voted 5-0 in favor to adopt the public comment as currently on our agenda.

9. Appoint Joseph Davis as the Interim General Manager (for possible action)

Chairman Staton said that he knows that this has been painful for some out in the community because they were wondering what the Directors were doing or if the Directors even knew what they were doing because of the decisions they've made and the time that they've taken to appoint a general manager but he personally thinks it's been time well spent. He feels that things have worked out well and that staff has done a tremendous job. He knows that they are dedicated and devoted to the company. He thinks everyone has had an opportunity to grow in responsibilities and positions and the Board Members have grown also.

Lindsey Dalley wanted to reinforce the idea that getting rid of the old manager and looking for a new one is an earth shattering experience for everybody and he thinks it was important that they had some breathing room so that things could settle out so that they could see things clearly.

On motion of Scott Carson and seconded by Randy Tobler, the Board voted 5-0 in favor to appoint Joseph Davis as the Interim General Manager for the Moapa Valley Water District effective immediately.

10. Manager's Reports

Office Manager- Jeannie Poynor explained that Staff has been going through all of the Districts checking and savings accounts to find out where all the money is, what it's doing, and also to clean up some of the accounts. We have three accounts at the Moapa Valley Federal Credit Union and Staff would like to consolidate those three accounts and make one account. In order to do that we need to provide a letter to the credit union signed by the Chairman and Secretary. We also need to remove one of the old signers on the account and add new signers. Jeannie had a spreadsheet for the Directors that showed where all of the accounts are that we have, how much are in them, and what they are used for. The highlighted ones were the accounts that Jeannie wants to transfer the money to another account and close. The 1995 USDA Bond requires the District to hold one year's worth of payments which is \$88,380. We would dedicate that account for the USDA Bond money. The account would have a balance of \$96,000 and it would be a restricted account. Right now we have the bond money in our investment account. We keep six months operating expenses in our regular checking and savings accounts. We keep one year's debt service and bond money in there also.

We have around \$350,000 in bond money left.

Jeannie explained that we are now putting \$37,800 in the arsenic media replacement fund so that in 3 years we will have the money needed to replace the media.

Ken Bessey and Joe Davis need to be added as signers to the Districts account.

Water Production Superintendent – Bryan Mortensen explained that production is going down and so is usage. We're not down as low as we were at the first of the year but still about 5% - 7% lower than normal. Since were tightening up the system, he's ok with that.

1) The lightning storms in Warm Springs knocked out a flow meter which happened to be one that the State is watching really close. They wanted us to replace it with the same exact model number so that took twice as long to get but we got it replaced and back online. There is still a little bit of dip at Jones, it's not back up to what it was historically but we're keeping a close eye on it.

2) We also had for the third time a little mouse take out one of the huge booster pumps at Coyote Springs but it has been repaired. We have a specialist that repairs those kinds of things. Our guys are not trained to work with high voltage.

3) A few weeks ago a bunch of high ranking managers from SNWA & LVVWD came out and took a tour of their facilities. There were some questions from the State which caused SNWA to up the maintenance schedule and the way that we monitor so we will comply but SNWA will pay for it.

4) The site surveys have been done on all the meters that are on the dual rate.

5) There were 22 data logs done last month, 2 leaks at meters and 5 miscellaneous customer requests.

Interim General Manager – 1) Lost & Unaccounted for Water – We are running at 7% on our lost and unaccounted for water which is great. **2) Moapa Valley Blvd** – The pre-bid walk thru took place this morning. Three contractors showed up. They were TradeWest, Eagle View and Savanic. Joe has worked with all three and any of them should work out good. The bid opening is scheduled for October 26th and the approval to award the bid will be on the November agenda. **3) Leaks** – We had a 20” leak on the upstream side of the Moapa Tank. We’ve had a lot of leaks up there. When the pipe was installed in 1994 we couldn’t get it to pass the pressure tests so we had to have a company come out to see what was going on. They kept telling us that the pipe was installed wrong but come to find out the pipe was installed fine. The problem was with the rubbers. They gave us new rubbers and some clamps but now we are having a lot of pipe failures because the pipe is splitting. Joe started doing some research on the problem and found out that the pipe has been banned in the State of Nevada. There is case open against the pipe company. They were producing the pipe faster than they were supposed to. They used water to cool the outside down but the inside didn’t cool down at the right rate so it’s causing the pipe to prematurely fail. We should be able to get 40 years out of a pipe that’s in the ground but we’re only getting 10-15 years. There are fifteen states that are having the same problem and they are all involved in the lawsuit. Joe would like Byron to look at the case and see if we can get in on the lawsuit since the State of Nevada is involved. It’s possible we may already be since we are a political subdivision of the State. We have over 20,000’ of 20” pipe in the ground and that’s only one pipeline that we did. We are going through all of our files trying to complied everything to give to Byron so we can see if it’s worth pursuing if we aren’t already included in the lawsuit. Joe said we lost around a 1/3 of the water in the Moapa tank which was about 1.2M gallons. **4) Warm Springs Pressure** – The pressure is great and everything is working flawlessly. The guys are installing two hydrants up there today. **5) Cla-Val Training** – Lon Dalley and Joe went to Cla-Val training. Joe explained that we use Cla-Val extensively thru out our system. We have some valves that were installed in 1974 and they are still working. Cla-Val has some new products that just hit the market in June and our guys haven’t had any training on them. The training was well presented. Joe and Lon learned how to program the electronics that are going on the valves now. They actually received two sets of the programming cables that are used to do the programming on the valves so they can do it themselves. Cla-Val even paid for the airline tickets and hotel rooms. **6)** Joe informed the Directors that we had a problem last month when we took bac-t samples. The State recommended that we take half the samples at the beginning of the month and the rest later on in the month which is what we’ve been doing. Last month at the end of the month we missed one of the samples. We didn’t receive a violation but they called it a minor event. They wanted us to do a mass mailing letting all of our customers know what happened. Joe asked if we could just place an ad in the paper. They said they want us to include it in our Consumer Confidence Report which will be published next summer.

11. Director’s Preference

Lindsey Dalley asked about the vacancy that Joe’s appointment to Interim General Manager created. He wanted to know if Joe had given any thought to readjusting the positions. Joe has and he is going to meet with a couple of Directors to see what they think about his ideas. He doesn’t feel that we need to hire anyone at this time. If things pick up in the future, then we will see about hiring another person. Randy Tobler and Ken Staton are on the personnel committee.

Chairman Staton mentioned that Susan and Jeannie had spoken with someone at the Attorney General’s Office and he had told them that anytime even two Directors meet as a committee that it has to be posted. Byron hadn’t heard about that but he said he would check it out.

Lindsey asked about the Moapa Cemetery and if they get any water. Jon Blackwell said that as far as he knows there are only rocks up there. Joe said they are hauling water up there to water the two trees that they do have. They don’t have a meter because there aren’t any main lines close to the cemetery. Joe said that we would contact the cemetery committee to see if they would like to use a hydrant meter.

- **Review Monthly Expenditures**

On motion of Chairman Staton and seconded by Jon Blackwell, the Board voted 5-0 in favor to refer the monthly expenditures to the auditors.

- **Litigation Update**

Byron Mills didn't have an update since Wisser has filed for bankruptcy.

Randy Tobler called a closed door session at 6:40 pm. This was seconded by Lindsey Dalley.

Chairman Staton reconvened an open door session at 7:30 pm. This was seconded by Jon Blackwell.

12. Personnel- Closed Door Session

13. Approval of the November 10, 2011 Board Meeting

The general consensus was to hold the next Board meeting on November 17, 2011.

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

15. Adjournment

The meeting adjourned at 7:35 pm.