

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF BOARD MEETING
HELD
THURSDAY, NOVEMBER 8, 2012**

PRESENT: Kenneth Staton
Jonathan Blackwell
Randy Tobler

Joe Davis
Bryan Mortensen
Lon Dalley

Byron Mills

Andrew Artusa, Zion's Bank Public Finance

Lindsey Dalley
Scott Carson on conference call

Susan Rose
Jeannie Poynor

Denna Anderson

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 Directors. The agenda items were addressed in the following order:

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

Denna Anderson was introduced as the newest employee of the District. She will be taking Julie's place as the receptionist.

2. Approval of the Minutes of the previous meeting held October 11, 2012 (for possible action)

On motion of Lindsey Dalley and seconded by Randy Tobler, the Board voted 4-0 in favor to approve the minutes of the previous meeting held October 11, 2012.

4. For possible action, consideration and approval of a resolution authorizing the issuance of the Moapa Valley Water District, Nevada, General Obligation (Limited Tax) Water Refunding Bonds (Additionally secured by pledged revenues) Series 2013; providing the form and terms of the bonds and providing other matters relating thereto; and providing the effective date hereof. (for possible action)

Joe Davis explained that when he originally typed up the memo for this item the savings was going to be around \$109,000 but if the bonds closed today, we would actually save about \$150,000. Joe turned the time over to Andy Artusa to explain to the Directors why we are doing this.

Andy gave each of the Directors a sheet that showed the savings with the current interest rates. Interest rates have gone down since the last time he and Joe talked about doing this. Unfortunately, these bonds won't be sold until January 29, 2013 so the rate won't be locked in until then. The bonds will close on February 20th. Andy will be in constant contact with Joe and his staff to let them know what the current rate is up until the time of the sale. We have until January 28th to make the decision of going ahead and refunding the bond or not. The resolution the Directors had before them approved the issuance of the refunding bond. The bond was issued in 2002 and the bond rate at that time was 4.9%. The current market is about 2% so we are refinancing to get the lower interest rate. The interest savings is about 15,000 each fiscal year. The first savings we will see will be in 2014. The State of Nevada will be the issuer of the bond so basically we are going to sell the bond to the State of Nevada and they are going to go out and issue bonds to pay for that bond. We will pay interest rates based on the States credit rating which is very high. By going thru the State we are saving a lot of money and a lot of costs because we will be sharing the cost with other entities that will also be issuing with this bond sale. We will save 11% by refunding this bond and that includes all costs.

On motion of Randy Tobler and seconded by Lindsey Dalley, the Board voted 4-0 in favor to consider the approval of a resolution authorizing the issuance of the Moapa Valley Water District, Nevada, General Obligation (Limited Tax) Water Refunding Bonds (Additionally secured by

pledged revenues) Series 2013; providing the form and terms of the bonds and providing other matters relating thereto; and providing the effective date hereof.

5. **Manager's Reports**

Office Manager – Jeannie Poynor explained that staff has been using Pelorus for a month now and it's going really well. Staff really likes the new software.

Jeannie had the budget report for two months which ended September 30th. She said that revenues and expenditures look good.

Denna started on October 22nd and she's doing well learning all of our policies and procedures.

Water Distribution Superintendent - 1) Leaks – Lon Dalley explained that last month was a relatively quiet month when it came to leaks compared to the last few months. There were two 1" leaks. One on the Reservation on Segmiller and the other was on McKnight. Both leaks were on Vanguard pipe. We're averaging about two leaks a month on Vanguard pipe. There was one 1½" leak on Topsy and two leaks on the 8" line between the Indian Reservation and Nevada Energy.

2) Customer Complaints – We had a complaint from Emily Adams regarding a leak she had that was 6" downstream from where the meter setter stops. The pvc check valve which we installed when we put in the meter back in 2004 was leaking. Jeannie offered her the leak credit but Emily never got back to her. Joe, Lon and Jeannie decided that if we start giving people credit for things like that we would be opening a can of worms. Randy asked about the letters that we send out on prv's and if we do the same thing on something like this. Joe said that the check valve is now built into the resetter. This meter was actually installed in 1998 or 1999 when Jim Hayworth put in that subdivision. We haven't used pvc check valves since the 1990s. That was a requirement of the government at that time. Now the resetter is brass and the check valve is built into it. We probably have around 500 of the pvc check valves in the ground. Randy asked Byron if we could be liable for them if they break. Byron said that since our policy has always been that we stop at the meter and anything beyond that is the customers responsibility, we should be covered. Byron felt that we should probably give some kind of notice to the customer. Jeannie thought that there was something on the application that the customer has to initial that says that if the psi is over a certain amount we will install a prv and that we're only liable for it for 6 months. Chairman Staton asked how long the Adams had the leak. Lon said their bill was around \$160.00 and it's usually about \$80. There was some discussion about sending a letter to all of our customers or to just leave it alone. Since the policy states that the District is not responsible for anything on the customers property, it was decided that it should be left alone. There was also a complaint from Deanna Hartson at 464 Tres Coyote. The way the subdivision was designed all the gutters run into her property. It's causing her block wall to settle. Lon has been there four times and there's been water there every time. She actually needs to contact the County. Lon hasn't been able to get a hold of her to let her know that. There was a complaint from a customer on McKnight. We had a leak in front of her house and so the ground was uneven and the cones were still there. We had to let the ground dry up and then we cleaned it up and leveled the ground. The customer is fine with it now. We've had several complaints from residences in Carefree Living in regards to standing water and mosquitoes. Upon investigation it was determined that the water is not from us. It's either from the slu or from the CC Water Reclamation's pump station. (John Blackwell came into the meeting at this time) **3) Gann Avenue Project** – We were trying to get the pressure test to pass and today it finally happened. Once the samples come back clean, we can finish up the project. **4) Cottonwood Project** – The plans are at the engineers office for their review.

Water Production Superintendent – Bryan Mortensen said that production also had a pretty quiet month. They were getting ready for the sanitary survey that the Health Department did a couple of days ago. They inspected about half of our facilities and then ran out of time. They will be back sometime to finish it.

Production is still going through the system and any meter setters that don't have a double check on them or there isn't any way to lock them off, we are changing them out.

There weren't a lot of data logs last month but they're back up this month. We're changing meters out that don't data log. We sent 30 back today for warranty change outs.

There was one customer service request for high pressure, two for leaks at the meter and five miscellaneous requests.

Bryan had to guess on the production chart that went out in the Board packets. He guessed 69M and it was actually 70.6M so the 2011-2012 numbers are trending close together. Hopefully we have hit the bottom.

General Manager- 1) JM Pipe Samples – Dr. Ahamed Shabeer from Vollmer-Gray came out and took some samples from the JM pipe to be analyzed. **2) Cottonwood Project** - Joe Leslie is reviewing the plans today and hopefully we will have them back by the 12th so that we can get them submitted to the State. Leslie & Associates is also working on the application for the UPRR crossing on the end of Swapp and Cottonwood. Those usually take quite awhile so we will probably have

the majority of the project done and then have to move back to it. We have some old lines that run under the railroad tracks so this will clean that up. L & A has had pretty good luck with getting applications done in a fairly short time frame compared to some people who have had to wait five years. The last two projects we've done took about 18 months to get the applications approved.

3) Water Resources – Joe, Bryan and Jay Lazaras attended a presentation by USFWS and USGS on the Moapa Dace model they've been working on. The presentation was informative and is a good starting point for putting all the data in and figuring out exactly what it's going to take to keep the population up. **4) Riverview Project** – Joe received a Secondary Water Reuse Report from them on water they want to use in their parks and various other places. Joe is going through and reviewing it and he'll get a report back to them. **5) Overton Breaks** - We discussed Overton Breaks at the last Board meeting. They've paid for all their meters & they bought all the water they had to buy. With the economy being so bad right now, they haven't put the pipe in the ground. We have given them a couple of extensions of time and they are asking for another one. They are one of the few that have actually followed the rules. They did everything they were suppose to do and they're not down to the wire on the expiration of the extension which is April 2013. Joe would like to sit down with Lindsey and go over the extension and see if there are some things we should change or add to it. They would then bring it back to the Board for possible approval. **6) Lost and Unaccounted for Water** – We're at 7.2%. With the new billing software we can pull a report and it tells us exactly how much water went thru the different sized meters or it can combine all of the meters into one report. It's definitely an asset to have.

3. Account #3965 – Waiver of Monthly Fees and Late Fees – Bob Lyman (for possible action)

Mr. Lyman was at the meeting last month and asked that this be placed on the agenda. Jon Blackwell called Mr. Lyman to try to find out what exactly he wanted. Mr. Lyman wants us to pull the meter and he wants us to buy it back from him. One option Mr. Lyman does have is that he can sell the meter to someone else with Board approval. There will be a fee to move the meter though. Jon was going to talk to Mr. Lyman about his options.

The general consensus was that we will not buy the meter back and that he has to sign the form to have the meter removed unless he decides to sell it.

5. Director's Preference

Lindsey asked Scott how the Affordable Health Care Act is going to affect the District's health insurance.

Scott said that the tough part is that nobody really knows what's going on with the entire health care bill which is 2,700 pages long. Nowhere in that bill is there a cap on health insurance costs so insurance companies can charge as much as they want. Because of the natural up flow of medical costs, medical inflation and everything else insurance companies have had to increase costs. The Obama Care has made medical costs escalate faster because they've added so many regulations. Costs will not be capped and if they are capped they will start to ration but what the government is wanting to do is require insurance companies to cover all preexisting conditions by January 2014. At that point Obama Care Health exchanges on a state by state level is suppose to be up and running. They won't be so it will be chaos and rates will continue to rise until the state is online. Employers who don't have insurance for their employees will be fined \$2,500/year per employee. If an employer has less than 20 employees, the employee gets fined. There is nothing we can do short of shopping next year and the year after that until it becomes known exactly what our options are. We got lucky and got a great reduction this year but that won't happen again. There's no way that we can really prepare for what's coming.

- 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 5:35 pm. This was seconded by Jon Blackwell.

6. Personnel

- Employee Christmas Bonus (for possible action)

Chairman Staton reconvened the open-door session at 6:15 pm. This was seconded by Randy Tobler.

No action taken.

7. Approval of the December 7, 2012 Board Meeting

The general consensus was to hold the next Board meeting on December 7, 2012.

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

None

9. Adjournment

The meeting adjourned at 6:20 pm.