

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, APRIL 2, 2009**

PRESENT: James Robison
Robert Jones
Kenneth Staton

Brad Huza
Joe Davis
Bryan Mortensen

Byron Mills
Joe Leslie, Leslie & Associates

Guy Doty, absent
Glen Hardy

Susan Rose
Ken Bessey

Vernon Robison, MV Progress
Dan Tarnowski, Nevada Rural Water Association

ORDER OF BUSINESS: At 4:00 p.m., Chairman James Robison 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. Approval of the Minutes of the previous meeting held on March 12, 2009 (Action Item)

On motion of Ken Staton and seconded by Bob Jones, the Board voted 3-0 in favor to approve the minutes of the previous meeting.

Glen Hardy came into the meeting.

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

There was no public comment so Chairman Robison turned the time over to Mr. Dan Tarnowski from the Nevada Rural Water Association. Dan explained that NVRWA works with water utilities that provide water service to communities with a population under 10,000. Their funding comes from USDA and EPA. He is the circuit rider for the southeast side of the state. He was present at the meeting to present to Mr. Huza a plaque and \$100 check for being selected as the NVWRA 2009 System Manager of the Year. Mr. Huza was recognized for his foresight in the pre-planning and construction of the arsenic treatment facilities. He was also recognized for making sure that staff was trained on running the plant before it started up. Dan has heard good things about the District from USDA and its due mainly to Mr. Huza's effort. Dan also presented to Joe Davis a plaque and a \$100 for being selected as NVWRA the Water Superintendent of the Year. He recognized Joe for his dedication to the company, his example to his staff and because he has attained the highest level of certifications that the water industry can provide.

Joe's family and Brad's wife were at the meeting.

3. Moapa Valley High School Baseball Team – Donation – Jolynn Keel (Action Item)

Jolynn Keel did not show up at the meeting so no action was taken.

4. Approve the purchase of 10 common shares of Muddy Valley Irrigation Company stock from Gary Lanasa at the price of \$4544 per share for a total purchase price of \$45,440.(Action Item)

Since agenda items #4 and 5 were both request to sell MVIC stock, they were discussed at the same time.

Chairman Robison explained that the District does not have anymore money in the budget this fiscal year to purchase more water. He asked the Board what they would like to do.

Mr. Huza explained that the District had budgeted \$800,000 to purchase water this fiscal year and that has been expended.

Chairman Robison expressed his feeling that the District should not purchase the water at this time. He suggested that the District asked the people if they would like to be put on a priority list and when July 1st comes we would contact them to see if they are still interested in selling their shares. This was the general consensus of the Board.

On motion of Glen Hardy and seconded by Bob Jones, the Board voted 4-0 to not purchase the 10 common shares of MVIC stock from Gary Lanasa or the ½ share of preferred MVIC stock from Launa Leavitt. The Directors asked Mr. Huza to send them a letter and ask them if they would like to be put on a priority list and on July 1st they would be contacted to see if they are still interested in selling their shares. This would apply to anyone else who comes in requesting to sell shares before the end of this fiscal year.

5. Approve the purchase of a ½ a preferred share of Muddy Valley Irrigation Company stock from Launa Leavitt at a purchase price of 25,000. (Action Item)

See agenda item #4.

6. Approve the construction management contract proposal from Leslie and Associates in the amount not to exceed \$38,559 for the dechlorination facility construction project. (Action Item)

Mr. Huza explained that as part of the “340 A” project the Moapa Valley Water District previously agreed to construct a dechlorination facility and associated pipelines for discharge into Bowman Reservoir. An integral part of the project is the construction management of the project.

Staff solicited proposals from qualified construction management firms to provide construction inspections, construction staking, shop drawing reviews, and record drawing preparation. The proposals were to include the management firm’s approach, resume’s for key team members, an estimated schedule, an estimated project budget and fee schedule.

Proposals were received from Leslie and Associates, Forsgren Associates and Bowen, Collins and Associates.

Staff’s review of the proposals has determined the Bowen, Collins and Associates proposal to be “non responsive” and the Forsgren and Leslie and Associates to be complete. Both Forsgren and Leslie proposed sound work plans and have experience in managing similar type projects. The difference in the proposed unit costs for inspection and surveying was significant. In consideration of project continuity and overall project budget, staff has determined that Leslie and Associates would be the recommended firm for this project.

On motion of Bob Jones and seconded by Ken Station, the Board voted 4-0 in favor to accept the proposal from Leslie and Associates and instructed Staff to negotiate a construction management contract in the amount not to exceed \$38,559 for the dechlorination facility construction project.

7. Approve the contract for the construction of the pipeline and dechlorination facility. (Action Item)

Mr. Huza explained that Moapa Valley Water District had also previously agreed as part of the “340 A” project, to construct a dechlorination facility and associated pipelines for discharge into Bowman Reservoir.

The project includes the construction of a dechlorination station, approximately 2,500 feet of 24” pipeline and a discharge structure at Bowman Reservoir.

Staff publicly advertised the project and received 14 bids on Thursday March 26, 2009.

The bid results are as follows:

Schedule 1 – Supply Building

Engineered Fluid Inc.	\$346,664.76
ITT Flowtronex	\$393,130.00

Schedule 2 – Pipeline and Building Installation

Boulder Construction	\$428,339.35
Eagle View Contractors	\$395,042.18
Hardy Construction, Inc.	\$442,330.63
Harber Company, Inc.	\$397,744.52
Legacy Construction & Development	\$340,844.91
Longview Construction	\$343,825.85
Precision Pipeline	\$357,424.47
Pride Contractors	\$306,915.00
Rafael Construction	\$531,528.00
Spirit Underground	\$350,480.00

Western States Contracting	\$409,611.00
Trade West Construction	\$429,056.40

Leslie and Associates has reviewed the bid documents and has determined that Engineered Fluid, Inc. is the lowest responsible bidder for Schedule 1 and Pride Contractors is the lowest responsible bidder for Schedule 2. Staff would concur with the engineer's determination.

Joe Leslie checked out Pride Contractors and heard only good things about them. Mr. Huza checked their references and heard the same thing about them.

The "Engineer's Estimate" for Schedule 1 is \$500,000 and \$347,000 for Schedule 2. A complete bid tabulation was available for the Director's review.

On motion of Ken Staton and seconded by Bob Jones, the Board voted 4-0 to accept the Schedule 1 bid from Engineering Fluid Inc. and conditionally award a construction contract in the amount of \$346,664.76, pending funding agency approval and accept the Schedule 2 bid from Pride Contractors, LLC and conditionally award a construction contract in the amount of \$306,915.00, pending funding agency approval for the Bowman Reservoir Discharge Project.

Joe Leslie explained that there would be a pre-construction meeting around April 13th and Pride should be able to start construction the end of April.

8. Approve the five year extension, May 20, 2009 to May 19, 2014, to the Southern Nevada Water Authority's May 2004 agreement for the lease of real property at 2625 N. Moapa Valley Blvd. (Action Item)

Mr. Huza reminded the Directors that in 2004, the Moapa Valley Water District and the Southern Nevada Water Authority entered into an agreement to lease real property at 2625 N. Moapa Valley Blvd. (District's old administration building) for a period of 5 years with one five year renewal. This renewal is at the discretion of SNWA. Staff recently received a letter from SNWA stating their desire to exercise their option of renewal.

The agreement also states the lease rate shall be increased by the cost of living index for urban consumers in the Las Vegas area. SNWA supplied information for the CPI – U for US City Average. The increase was for the 5 year period was 10.8 % for that index. The lease rate would increase from a month rate of \$2500 / month to \$2770 per month.

From a Staff perspective, the 2004 agreement allows for the extension of the lease agreement and would support the extension.

A copy of the 2004 agreement was available for the Director's review.

On motion of James Robison and seconded by Ken Staton, the Board voted 3-0 to instruct Staff to execute the five year extension, May 20, 2009 to May 19, 2014, to the May 2004 agreement for the lease of real property at 2625 N. Moapa Valley Blvd. Glen Hardy abstained.

9. Approval of the Tentative Budget for Fiscal Year 2010 (Action Item)

Mr. Huza explained that staff has incorporated the comments received at the March meeting and has completed the preparation of the "Tentative Budget" for fiscal year 2010. Utilizing the anticipated revenues from both operating and non operating sources and anticipated expenses, the net income should be approximately \$400,000. From an overall cash flow standpoint, which considers debt service, capital improvements, principal payments and proceeds from grants and loans, the District is anticipating a decrease in its cash and cash equivalents by approximately \$1,800,000. Mr. Huza explained that this decrease was anticipated.

In addition to the tentative budget, Staff has also completed the revised five year capital improvement plan. The only item that has changed since the March meeting was the refinement of the 340 A budget. The anticipated annual budget is \$1,000,000 / year. As Staff anticipates the implementation of the 340 A operations to commence mid year, only a portion of the 340 A budget was included.

Mr. Huza went over the capital improvement plan with the Directors. Some items in the plan include upgrading the low pressure area in Warm Springs, small water main replacement, standpipe replacement, purchase of a new air conditioner, purchase of a new service truck, GPS system, etc.

The State statutes require the District to conduct a public hearing on the budget on the third Thursday of May. Due to the anticipated Board schedule and publication dates, Staff is also requesting the Board set the public hearing date at this time. Staff is recommending 12:00 PM on May 21, 2009. The publication date will be May 13, 2009.

A copy of the tentative budget and five year capital improvement plan was available for the Director's review.

On motion of Ken Staton and seconded by Glen Hardy, the Board voted 4-0 to approve the tentative budget as approved and to establish a public hearing on the budget on May 21, 2009 at 12:00 PM at the Moapa Valley Water District, 601 N. Moapa Valley Blvd., Overton, NV 89040.

10. Manager's Report

Senior Accountant – Monthly Budget Report- Ken Bessey reviewed the monthly budget report with the Directors. He explained that the revenues are where they should be and expenses are lower than expected. The arsenic budget is a little over because the money that was budgeted for last year is being used this year. Otherwise, all other budget items are where they should be.

Water Production Superintendent – Bryan Mortensen provided each Director with a chart showing the monthly diversions for the last two years. Total diversions for March 2009 were 75.4 million gallons with a daily average of 2.4 million gallons. February 2009 diversions were 53,718,000 gallons with a daily average of 1,918,500 gallons. Diversions for March 2008 were 66,842,000 gallons with a daily average of 2,156,193 gallons. Diversions are right on track for this time of year.

Arsenic levels are still at non-detect levels.

This past month Bryan and Scott did some preventive maintenance on the chlorine generator and on the chemical feed pump #2. The 11 month inspection was done at the Logandale Well project. There are just a few warranty issues that need to be taken care of.

Bryan and Scott have been preparing for the 7-day functional test at Baldwin.

Bryan informed the Directors that there was one customer service request at the Plaza Motel for low pressure. It turned out to be the customer's water softener. There was also a theft of water at 1965 Wittwer.

Water Distribution Superintendent - Joe Davis informed the Directors that district crews completed the first phase of the flushing program. They started in the Overton area since it is the oldest part of the system. The process went well. He went over some points of interest.

- 1) Over 13 miles of mains were flushed
- 2) 173 valves were exercised
- 3) 71 hydrants and 22 standpipes were flowed
- 4) It took roughly 12 days and 229 man hours
- 5) 2 standpipes had Jones heads that didn't work and so they were replaced
- 6) 1 section of main didn't flow the desired gpm and that is still under investigation
- 7) Minimal debris such as small rocks and sand was flushed from the mains
- 8) The Town and Country Estates area seemed to need flushing the most. This could be because of the desert landscaping and small yards which keeps the water usage down. Joe explained that he will try to do more frequent flushing in that area to keep the water quality up.
- 9) System chlorine levels stayed consistent throughout the flushing program
- 10) A little more than 400,000 gallons of water was used during the flushing

Joe informed the Directors that the 6" main on Whipple Avenue was hit by Western States Construction when they were installing the MVIC line. The water was off to customers for about 4 hrs. The standpipe on Deer Street north of Robin Lane was replaced with a fire hydrant under the standpipe replacement program. The NDOT booster pump building located next to the old Arrowhead Gas Station was vandalized with graffiti so district crews painted the wall last week.

General Manager- 1) Arsenic Treatment Project - The arsenic treatment project is entering into its final stages of construction. The major accomplishments for the past 30 day period include:

- Severn Trent has confirmed the date for the start of the seven day functional test. Baldwin should be up and running tomorrow at 1 pm.
- The final walk through and the issuance of the "Substantially Complete" letter should also occur on the week of April 6th.

2) Dechlorination Facility - It is anticipated that construction should commence in late April. The project is scheduled to be complete in late summer. SNWA has indicated that the pump test could start as early as January 2010. **3) Booster Station Upgrade -** Staff has received the proposed professional services contract from Bowen, Collins and Associates for the transmission main evaluation and intermediate booster station upgrade. We just received the signed contract. The main evaluation should commence shortly after that with completion by early June. **4) Web Site Start Up -** The development of the web site is nearing its completion. The online bill pay provider, billing software and web site developer have worked through all of the issues and are putting the final details on the plan. Staff is still anticipating a May 1 start date for the project. It should be noted that this project is being funded by a "no match" well head protection grant.

11. Ratify payment of March Expenditures

On motion of Glen Hardy and seconded by Ken Staton, the Board voted 4-0 in favor to ratify payment of the March expenditures.

12. Director's Preference

13. Personnel – Closed Door Session

14. Approval of the May 11, 2009 Board meeting

On motion of Glen Hardy and seconded by James Robison, the Board voted 4-0 in favor to hold the next Board meeting on May 14, 2009 at 4 pm. The incorrect date was in the agenda.

15. Adjournment

The meeting adjourned at 5:20 p.m.