

**MINUTES
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
HELD
THURSDAY, OCTOBER 9, 2018**

PRESENT:	Kenneth Staton Jon Blackwell (Absent) Randy Tobler (Absent)	Lindsey Dalley Ryan Wheeler Lon Dalley
	Joe Davis Lon Dalley Bryan Mortensen	Susan Rose Jeannie Poynor
	Byron Mills	Warren Hardy

ORDER OF BUSINESS: At 4:04 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 September 13, 2018 (For Possible Action)

On motion of Lindsey Dalley and seconded by Ryan Wheeler, the Board voted 3-0 in favor to approve the minutes of the September 13, 2018 meeting.

3. Approve the sale through competitive bid of a 2001 Ford F150 two door truck for \$1,001 (For Possible Action)

Joe Davis explained that we received seven bids. The high bid was from Matt Hopkins for \$1,001.

On motion of Lindsey Dalley and seconded by Ryan Wheeler, the Board voted 3-0 in favor to accept the purchase bid for truck #1012 in the amount of \$1,001 from Matt Hopkins.

4. Approve the sale through competitive bid of a 2005 GMC 1500 Sierra 4 x 4 truck for \$2,000 (For Possible Action)

On motion of Ryan Wheeler and seconded by Lindsey Dalley, the Board voted 3-0 in favor to accept the purchase bid for truck #1051 in the amount of \$2,000 from Kent Slight.

5. Reject all bids for the Meadow Valley Wash project and instruct staff to explore obtaining a maintenance permit from the US Army Corps of Engineers (For Possible Action)

Joe said that Sam Sen went to the Army Corp of Engineer's office in Denver, Colorado to talk to them about this project. They told him that if we were to do the work ourselves, it would fall underneath a maintenance permit. That's a lot easier to get than anything else. Sam sent Joe a letter and Joe forwarded it over to the directors.

Joe spoke with Meadow Valley Contractors and let them know that we are going to get the maintenance permit. The maintenance permit will save us a lot of money so Joe recommended rejecting all the bids and have Sam work on getting us the maintenance permit so we can do it ourselves. It could save us \$200,000.

On motion of Lindsey Dalley and seconded by Ryan Wheeler, the Board voted 3-0 in favor to reject all bids for the Meadow Valley Wash project and instructed staff to explore obtaining a maintenance permit from the US Army Corps of Engineers.

6. Discussion on the Nevada State Engineer's decision on water resources (Discussion Only)

Joe explained that staff had conversations with Greg Morrison when we drafted the letter to the State Engineers Office. The letter had to be in by October 4th. Everyone's comments are posted on the State Engineer's office website.

After Joe, Lon, Greg, and Glorietta had finished with the comments, Greg called Warren. Warren was going to speak with SNWA, the State Engineer's Office, and possibly Pete Cocchia to try to find out what's going on.

On September 19th, the State Engineer's office held a meeting here for the people involved in the HRT meeting plus some of the members from the group from the public comment meeting that the State Engineer put together in order to come up with a ground water plan. The State Engineer passed around a draft order which caught everyone by surprise. The draft order said that the State Engineer is going to go by priority date and the cutoff date is March 1983. Anyone that has water after that will still be able to pump it but if anyone with senior dates decides to start pumping then everyone will have to stop pumping. No one knows what happened. Why did they say they were going to be doing a ground water management plan and how are they going to manage all of the water resources in the six basins? They turned around and gave a draft order that says here's the line and here's who is senior and who is junior. If you have senior rights, why would you work with someone who has junior rights? It made things adversarial.

They put timeframes in the draft order to make comments and they're going to have another public meeting on October 24th. Joe got a hold of Greg Morrison and Jim from Glorietta Geoscience. Joe is also keeping Byron in the loop. They went thru each bullet point and made comments for each one. They also made other comments that they felt were extremely prudent including the fact that the district has gone over and beyond. The State Engineer said that certification is the golden ticket. This order covers none of that. All it says is that whoever put their application in 1st has the right to use it and it is what it is. It doesn't matter if you've been pumping it or not.

Jim from Glorietta came up with some good points. They've been dealing with this stuff in New Mexico for a long time. We made sure that we covered everything that we needed to cover and made points in case it does get into litigation. We made this statement before the draft order came out and that's what we are probably going to be going to court over.

Lindsey said that he thinks it's important to point out that as you take all this in and you digest it, it takes a couple of weeks because stuff doesn't just happen. You think about it and you kick it around. Before we do that, he thinks it's important to make the point that everything we thought we knew has been abandoned. That's not our fault but that's the hand we've been dealt. We need to keep in mind that we don't know where this is going to end up. He's not being fatalistic; he's just saying we just don't know. We have to realize that what we thought was settled water law from the State Engineer is not. That's Lindsey's perspective. As a district/board, the only thing we know now is that we don't know. It's important to recognize that because when we start to move forward you've got to reestablish some things and he thinks some of that goes with what Warren said. Lindsey thinks we need to manage this situation. In the past we've sat back and watched the other players play and then take the crumbs that are left over. He doesn't think we're in a position to do that. We need to actively manage the situation and he doesn't know what that is. That's one of the reasons we brought in our lobbyist. We've already started as the committee of one and Joe because we've got to do something. That is the process of managing the situation. We need to do more but we just don't know what that is.

Joe said that Warren has a good rapport with Jason King and was going to go straight to Jason but Joe explained to him that John Entsminger had met with him and Lon and explained to them that we need to protect Arrow Canyon. Warren also has a good rapport with John Entsminger so Warren tried to contact John but they've been playing phone tag. Warren is going to talk to John to see what John has to say about it.

Ryan said that if you step back and take a look at what's happen from June until today and you do an overall sniff test of what's happening something just doesn't smell right. In the newspapers in June, you have Jason King stating that he's not going to sign plot maps to junior right holders. When you go from that point to where we are today with the draft order the State Engineer says that he's going to approve plot maps based on availability of water. That's the CSI pressure. So Jason stone walled them based on his interpretation of the law in June and now CSI or somebody has applied enough political pressure that the wall is broken down. If you look at the timeline, all this is happening in a short amount of time. He had a public meeting in July and another on September 18th. Everyone is surprised by the draft order and the speed of which things are happening. Jason is the outgoing state engineer. What pressure is he receiving and from where to make these decisions? It just doesn't smell right.

Warren said that everyone is trying to figure out why he did it. He thinks there is some pressure and he doesn't know who's doing it. Warren said that someone said it might be the governor's office but Warren said that there's just no way in his mind that the governor's responding to any pressure on this. He's doesn't respond to pressure and he doesn't put pressure his people. That's not his style. The million dollar question is "What is Jason doing"? There are a lot of concerned people out there.

Warren spoke with some of the political people and they recommended that he call Greg Walsh (general counsel for SNWA). Greg was given the assignment to take care of this. Warren told him our concern. They have the same concerns we do. Warren's personal feeling is that there is a lot of blood on the field in the legislature on the notion of the supremacies of certificated water and what that does to turn this around. What has everyone stumped is why he did the about face on the development plans. Why did he soften his stance? Jason is on his way out. He has said that he wants this resolved by November. Warren thinks that Jason doesn't want to leave this unresolved.

When Warren talked to Greg about our concerns, he explained that it's water that we rely on, we use it and we depend on it. Greg told Warren he doesn't think it's in harm's way regardless of what is being said, Jason lit a match. He doesn't know if it's to get the working group to work faster and harder but he's not going to resolve this by November. In addition to that, anything that does come out is going to be temporary. Warren doesn't get the sense from talking to everyone else that Jason wants to back off the notion of having a working group come up with a water plan. Warren thinks he's trying to drive the debate and he thinks he's fed up with the courts.

Greg and all the other people he's talked to down here in Southern Nevada, don't seem to be quite on fire like Warren was. Greg assured Warren that they're concerned about it. He did not feel that those who are showing beneficial use with certificated water rights will be in harm's way. That's his opinion. Greg thinks it will be a temporary order. Warren has already been talking to legislators because that's where the beneficial use thing comes in. We have Pete who has a different feeling about that but for Southern Nevada it's a big issue. We have all these senior water right holders that are sitting on their water and he thinks there is some feeling in the legislature that the State Engineer needs to start applying the law by not letting non-utilities sit on their water.

Warren wants to be strategic because there's something going on here. Jason's trying to drive something. He's still wants to have a conversation with Pete. He doesn't know how much Jason would tell him but Pete has probably already talked to Jason about it.

Joe wanted to share three observations. 1) SNWA commented that the State Engineer should put Kane Springs into this super basin so they can monitor all the water in that area which makes sense. The Center for Biological Diversity thinks the entire White River Flow System should be monitored. If it's the closest, then they only take a portion of it. 2) CSI has been using their water for building and for the golf course. They don't have enough water to get a plot map approved. That's why they're pushing so hard. In their comments they think that everything up to March of 1983 should be included. They think they should get the whole 4600 and not be stuck with the little bit that they're pumping right now. 3) The biggest point Joe made was that in 1990 when we brought Arrow Canyon online, there were 1741 connections in our system. That State Engineer approved the Arrow Canyon Well and he approved the permit so we could use it. We sold meters based on that. From 1991 until today we've added another 1341 connections off what the State Engineer said we had the right to use. If you look at the beneficial use that equals the 1.1 af that the State Engineer allowed us to use, it's a little over the 1441 af. It was certificated at 1447 AF. For him to turn around and say that a certification doesn't mean anything is wrong. He approved those certificates and he approved us selling those meters. That's a huge taking right there. We have a community here so this is a really big deal.

Warren doesn't think that a judge would even take the case. He thinks it's crazy that water rights that are certificated are going to take a back seat to water rights that haven't been used in 20 years. That will disrupt the market by driving up the costs of senior water rights for municipal water districts which will impact rate payers. Warren thinks we need to absolutely prep the legislature.

Joe explained that private individuals have one year extensions and municipal water districts have five year extensions.

Warren thinks there should be a 20 year extension for water districts but we would have to be able to justify it. He thinks it just needs to be turned over to the legislature for them to take care of.

Joe explained that the order, if it was enacted today, we could grow a smidge with what we own and what we utilize. If we are able to make the point that the certification at Arrow Canyon stands and we're capped off there. We could grow a lot more but the fact is, they are still taking a lot of water away from us.

There was a lot of discussion on this item.

7. 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 packets. Revenues are up a little bit because it's still warm out there. Expenses are still doing well. Jeannie made the current year bolder so it stands out a little more. Cash was down in July because of the bond payments.

Assistant General Manager – 1) Production - Lon Dalley explained that production is where it should be. We pumped 61,161,000 gallons out of Arrow Canyon #1 & 37,342,999 out of Baldwin for a total of 98,503,999 gallons. **2) Arrow Canyon Well #1 Well Level** – We've been keeping the well at 900 gpm to keep the well level consistent. **3) Meter Installs** – We sold four more meters last month. We've sold 28 meters so far this year and have five more to install. **4) Swapp/Lyman Project** – This is the cost sharing project we're doing with Crampa. We started laying pipe yesterday. It should be completed by the end of October. **5) Arrow Canyon #2 VFD** – We've received the VFD and it's scheduled to be done next week.

General Manager – 1) WaterWorth – It's close to budget time so we need to start putting information into the program. Joe asked Jeannie to take what WaterWorth projected for us and try to do a back track with the rate increases that we've done in the past to try to project what we thought we would get out of it and where we are actually sitting. That would be good information to have as we're trying to fine tune WaterWorth with what we have collected. Once we get that all done we can decide what we're going to have to do as a board to keep the system running. Hopefully we will have something at next month's meeting. **2) – BLM Permit** – We finally, after two years, received the renewal on the MX-6 well. Joe estimates that it cost \$18,000 – \$19,000 to renew it. That's for something that's been in the ground for years. **3) Cathodic Protection** – We have cathodic protection in all of our tanks. We sent Bryan Mortensen and Michael Palmer to the classes so we can take care of it in house. They attended a week long training and it was very intense. We won't save any money the next couple of years but when we get into the 3rd, 4th and 5th years, we should be able to do the testing ourselves. That should save us a lot of money.

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

9. Director's Preference
- Review Monthly Expenditures
- Litigation (Closed-Door Session)

On motion of Chairman Staton and seconded by Ryan Wheeler the Board voted 3-0 to call a closed-door session at 5:47 p.m.

On motion of Chairman Staton and seconded by Ryan Wheeler the Board voted 3-0 to reconvene the open-door session at 6:05 p.m.

10. Personnel (Closed-Door Session)

11. Approval of the November 8, 2018 Board Meeting

The general consensus was to hold the next Board meeting on November 8, 2018 at 4 p.m.

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

None

13. Adjournment
The meeting adjourned at 6:07 pm.