

**MINUTES OF THE
MOAPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING HELD
Tuesday, April 9th, 2024**

PRESENT:	Kelby Robison	Jon Blackwell
	Scott Farnsworth	Ryan Wheeler
	Lindsey Dalley – Arrived at 4:03pm	Byron Mills
	Joe Davis, General Manager	
	Lon Dalley, Assistant General Manager	Jennifer Farnsworth
	Kiley Bradshaw	Jeannie Fox
	Joe Phillips (Phone)	Vernon Robison

ORDER OF BUSINESS: At 4:00pm, Chairman Kelby Robison Called to order the regular meeting of the Moapa Valley Water District. 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 March 14, 2024 (For Possible Action)**
On a motion of Ryan Wheeler and seconded by Scott Farnsworth the Board voted 4-0 to approve the minutes of the March 14, 2024, meeting.
- 3) **Approval of the updated Water Rights Dedication Ordinance (For Possible Action)**
Joe went through the changes made to the Water Dedication Ordinance. On a motion of Lindsey Dalley and seconded by Scott Farnsworth the Board moved to approve the Water Rights Dedication Ordinance as presented. The Board voted 5-0.
- 4) **Approval of the updated Construction Agreement (For Possible Action)**
Joe went over the changes made to the Construction agreement.
On a motion of Scott Farnsworth and seconded by Jon Blackwell the Board moved to approve the updated Construction agreement as presented with the proposed changes. The board voted 5-0.
- 5) **Approval of the updated Water Rights Dedication Ordinance Application (For Possible Action)**
Joe went over the changes made to the Water Rights Dedication Ordinance Application. On a motion of Lindsey Dalley & seconded by Scott Farnsworth the Board moved to approve the updated Water Rights Dedication Ordinance Application as presented. The Board voted 5-0.
- 6) **Approval of the FY25 Budget (For Possible Action)**
Joe Davis stated, we have the opportunity to borrow funds to do some Capital Improvements. As we go to set the budget, we wanted to continue the discussion we started last month on these Capital improvements that are out here. Joe Phillips gave the Board and staff information at last month's Board meeting. Graph handouts were made up and given out to show the projected cost of the projects and how much it would equal to the average monthly bill. As we look at the funding aspect, there are some outstanding numbers that we talked about, if we were looking at a total of 16 million in Capital projects for these 3 projects. If there was the 2.5 million principal forgiveness, it would drop that cost down to 13.5 million. Staff went through and created two scenarios. When we originally met with Lindsey, we were talking about doing \$5, \$6, \$7, \$8- or \$9-dollar debt service charge. The difference between 6% and 10% was pretty much 6's, so we dropped them out and it presented two options. One of the options is if you have a \$5 debt service fee that was identified on the water bill. People would be able to see that fee and know exactly what that was associated with. In order to do the debt management fee, we would have to have two 8% increases 2025, 2026 then that is what gives us this projection for our revenues that would stay above our target line. The \$5 does good but it was interesting to see that the \$10 debt service fee with a 6% rate increase. The \$10 is more up front and the 6% is a little bit less on the back side and people can

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control the 6%. The debt service fee is designed to prevent wet and dry years and having rate fluctuations. The thing that we found interesting when we ran what these accomplished to the two average bills, looking at the \$10 service charge with a 6% increase, it's a \$6.89 increase to the water bill and the \$10 fee so it's a total of \$16.89. If you go with \$5 debt service charge with a 8% rate increase, the 8% comes out to where its \$14.18. Going with the \$10 service charge with the 6% is a \$2 difference over the high summer usage and it's a \$4 difference on the winter usage because they are not using as much water. We thought that was interesting even though it is a true \$5 for the increase over what the debt service base fee would be the net on a water bill during the summer months was only a \$2 difference. When you look at the funding package that is out there at 1% it is truly a once in a lifetime opportunity. There was much discussion and questions on the different scenarios from Board Members. Joe Phillips was on the phone and was able to do a recap and answer questions. Board members verified that they needed to make a decision. They're not implementing the rates but discussing the potential, if we are successful in applying for this 1% loan. Then we would be applying these increases at a future time. Byron Mills explained that even if the Board has hesitations about the whole project and loan. If there is a chance that the Board might want to do this, they will want to send in the C1. It leaves the door open; it doesn't mean you have to take the loan. It means you have the right to. On a motion from Ryan Wheeler, moved to approve the tentative budget as presented and to establish a public hearing on the budget at 4:00pm on May 30th 2024 at the Moapa Valley Water District, and to include the C1 form with a proposal of an unknown budget amount of sixteen million. It was seconded by Jon Blackwell. The board voted 5-0.

7) Manager's Reports

Office Manager Jeannie Fox reported on the Budget that's 66.67 % of the year expended. We're looking good. You'll see that there are a couple of operating expense accounts that are a little bit high. The regulatory compliance we pay our permits upfront. We also have Customer account expenses. We buy a lot of our paper products up front, billing paper, envelopes which makes us top heavy, but it equals out over the year. Other than that, everything is looking good. Jeannie went over the Capital Budget, there was not a whole lot of changes other than a few minor things on the Main Street and a little bit on the Whipple project. She went over the financial dashboard, which is looking good, it reflects the Budget side of things. Revenues are also looking good.

Assistant General Manager Lon Dalley reported on the Spring/Groundwater Production. We bounced back a little bit from last month. During the cooler months we try to use Arrow Canyon #2 which pumped 51,969,795 gallons. Baldwin Springs pumped 2,787,000 gallons which made a total of 54,756,795 gallons pumped. Board Members had a few questions for Lon on the wells used for pumping and some maintenance that was done.

General Manager Joe Davis reported that the District Court sent the remand order to all the attorneys that are involved in the Lower White River Flow System for the status check is place is for 4/18/24. It's a zoom meeting to get a base line for how they are going to take and have their bumper rails put up on what they are going to look at. The District filed an amicus brief with the Virgin Valley Water District Supreme Court Case. If we remember their lease that they lease out for their irrigation shares, they had a District court that set the price at what their lease was. They told them that it was basically a perpetual lease. It could have ramifications in the future, so we filed an amicus brief in support of Virgin Valley being able to control their rates. That's what their Board of Directors were elected to do. We are in support of that. Joe reported that he is continuing to work on the Water Resource Plan update. It's in the hands of Glorietta Geo Science right now, they are updating some of the other pertinent information that is in there. Joe did everything internally that he could. The conservation plan he has it at the 90% mark, the only thing holding him up is that we know that our lost and unaccounted for water is high because of the problem with our 24-inch pipeline. The new requirements for the water conservation plan, when you file your update, you must take this AWWA program because we are more than 3300 people. There is a report that must be filled out and then attached to your Conservation Plan. The problem is the report takes and shows a skew of our lost and

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unaccounted-for water. We all know that lost and unaccounted is because we have a faulty line. We have purchased leak detection equipment. We have a proactive leak detection program to where we are constantly monitoring our system for pressure variations or the sound variation through the leak detection program that Mason Stratton runs. We didn't want to send the report in without having the context put in place, so that last portion will be put at the front of the document. The District eight years ago was at 6% lost and unaccounted for water, now that has climbed. There is a rationale for it, we have a faulty line we have identified. We are looking at options to repair that line and here are all the things the District has done to mitigate the high loss rate. So being able to have that in the front of the document to frame why we are where we are. That way we don't take a hit from the State on submitting a plan that shows something that is over the 10% that they like to see. We'll get that submitted and Bonnie Bishop through the state is the one that will be reviewing that plan. Bonnie is the same one that Joe is working with for the State Water Plan Update that there are 20 of us that are working on updating that for the state. The District was asked to be a participant in that. One of the components that we have for the Lead Line Abatement Program is a federal requirement. We're almost to the 50% mark, we have roughly 7 more months before we have to submit our report to the Feds. Mason is doing a great job with it. We'll meet our requirements and have that report sent off to the feds. We plan on having Mason Stratton come in and talk to the directors about what we have found.

Board Members Lindsey Dalley & Scott Farnsworth had a few questions about the lost and unaccounted for Water and Vacuum truck/trailers.

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

None

9) Directors Preference

Board Member Lindsey Dalley brought an idea to the table for Board members to consider. He says that over the years the Water District has grown and become more sophisticated. As he nears the end of his elected term, he believes there is an opportunity to become more sophisticated in the field of financial analysis. He had some ideas on a handout that was given to each Board member. He wanted the ideas to float out there and at some future time the Board could take it up and decide what they feel is appropriate. Board members agreed to go over the information given and provide feedback at a later time.

-Review Monthly Expenditures -

-Litigation - On a motion of Ryan Wheeler and seconded by Jon Blackwell the Board voted 5-0 to go to closed door at 6:16pm. On a motion of Jon Blackwell and seconded by Scott Farnsworth the Board voted 5-0 to come out of closed door at 6:38 pm

-Other Related Water Rights

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

None

11) Approval of the May 28, 2024 Board Meeting

After much discussion, on a motion of Jon Blackwell and Seconded by Ryan Wheeler the Board voted 5-0 to move the next Board Meeting to Thursday May 30, 2024 at 4pm.

12) Adjournment

On a motion of Jon Blackwell and seconded by Ryan Wheeler the meeting adjourned at 6:39pm. The Board voted 5-0