

VIRGIN VALLEY WATER DISTRICT REGULAR BOARD MEETING  
VIRGIN VALLEY WATER DISTRICT OFFICE  
APRIL 21, 2009

Minutes of a Regular Board Meeting of the Virgin Valley Water District Board held on April 21, 2009, at the Virgin Valley Water District Office at 3:00 p.m. Attending were President John Paul, Vice-President Kenyon Leavitt, Secretary-Treasurer Cecil Leavitt, and Board Members Ted Miller and Robert "Bubba" Smith. Also present were Michael Winters General Manager, George Benesch District Counsel, Michael (Boomer) Johnson Chief Hydrologist, John Gleave District CFO and Mary Johnson taking minutes and other interested parties of agenda items.

**President John Paul called the meeting to order at 3:01 p.m.**

**Cecil Leavitt offered a Prayer and Kenyon Leavitt led the pledge.**

**Public Comment** – There was no public comment at this time.

Discussion: Board Comments – Bubba mentioned the meeting held with a couple of the District's Board Members and staff with Lincoln County Representatives and wondered if there was going to be any report given on that meeting. Mike Winters stated that as part of his report he was going to update the board.

President of Board Comments – John Paul stated that he would like to apologize for missing the April 20<sup>th</sup> meeting of the Mesquite Irrigation Company at 2:00 and thanked Boomer for attending.

**CONSENT AGENDA:**

**Bubba Smith made a motion to approve the consent agenda as listed below. Kenyon Leavitt seconded this motion and it was unanimously carried. 5-0**

1. Discussion & Action - Approve Agenda
2. Discussion & Action – Approve of Minutes from **04/7/08 Budget Work Session & Regular Board Meeting**
3. Discussion & Action – Approve Bills Paid - **\$690,579.37**

**\*\* End of Consent Agenda\*\***

4. Discussion & Possible Action – Consideration to Waive Any or All Fees and/or Defer Payment of Any Said Fees Over a Period of Time for Mesquite Veterans Center – Requested by the Vietnam Veterans of America, Mesquite Chapter 993, Dale Hoyt

John Paul stated that before we got started on this item that he had sort of constructed this item, but it was not how he thought it was going to appear. He had forwarded his recommendation as a direction to be listed on the agenda and his first item was to establish a policy regarding waiving fees and the second item was the request of the Veterans of America

Mesquite Chapter 993 and that he was disappointed that we were not here to establish a policy and would like to know why it was put on the agenda this way. Mike Winters stated that he had reviewed what the chairman had submitted and that it didn't make sense to him. Mike further stated that the policy of the District is that we do not waive fees; the Vets are asking for fees to be waived and not asking for a charitable donation so this is why it was constructed as it was. Mike then stated that the policy for contributions will be at our first meeting in May, but to waive fees must be done on a case by case basis and he will have information to set policy on this at this next meeting. John Paul then questioned why the District's current policy was not included in the back-up where we do not waive fees and feels that this is not ready to be considered today without setting a policy first.

Kenyon Leavitt questioned the chairman as to why we need a policy waiving fees if we are in the business of selling of water. Bubba then questioned that if the District already has a policy in place and that we do not waive fees, where was this policy? Bubba further stated that if the Board would ever consider waiving fees that there needs to be criteria that the board would base hearing each case on. Kenyon stated that paying over a period of time is not waiving the fees, but giving them more time to pay the fees. Cecil asked the board to look at the minutes that were approved and read the motion and the amended motion and that the item was not presented on the agenda as stated in his motion to have parameters of contribution expressed to establish policy. Cecil further stated that item #4 on the agenda should be as it was presented at our last meeting with a policy needing to be established and the item for the Vets would be an entirely different item.

**Cecil Leavitt made a motion to table this item until we have the parameters set and have the policy there that we can establish if there is going to be a change on the policy, what it is and what the parameters would be and then move forward and the number one item after that would be the Veteran's request.**

Bubba stated that he agreed with Board member Cecil Leavitt's comments and that we do need to move forward and hopefully that this is still broad enough that we discuss parameters, making changes we want to make; whatever staff provides us, it doesn't have to be set in stone so don't be afraid of providing whatever you have but make the agenda item broad enough that we can discuss and maybe set different parameters, etc and need to establish a policy.

**With that Bubba Smith seconded this motion and it was unanimously carried. 5-0**

After motion passed Mike Winters asked for clarification and asked chairman, John Paul if he was going to write the parameters and submit them to Mary and John Paul concurred that he would be happy to do so. Also, a member of the Veteran's group brought forward some materials for Mr. Paul who will be writing the parameters that regard ordinances that do waive fees to non-profit organizations under similar situations.

5. Discussion & Possible Action – Consideration to Select a Contractor to Negotiate the Construction of a New Administration and Maintenance Facility to be Constructed in Either Mesquite and/or Bunkerville

Mike Winters stated that after the last time this item had been heard, Mike heard from the contractors wanting to know if there was a “yes” or “no” and want to know one way or the other if the board was going to build. John Paul read the agenda item aloud. Mike further stated that when we first began this project that we were looking to build out for the next 25 years and maybe we should just build out for the next 10 years and not make the building so large.

Kenyon commented that he had found out some information that he did not know before about taking the bond money and paying it off or down. He has learned that there is not much savings in that and we would still have to pay the interest on the bonds whether we pay off today or twenty years from now. John Gleave explained how the process would work if you tried to pay down the bond and that you could not prepay. John Paul stated that he thought we should bring the bond representatives back and wondered if it would change our rating. Bubba asked about the SRF Loan, which is the 2003 Bond for \$4 million. George asked the chairman to bring the discussion back within the agenda item. Bubba stated that we did not go forward with this item the last time because of the economic downturn and that we need to be able to discuss financing etc. for this project. Ted stated that before we could do anything that we needed to finish up with arsenic. Cecil Leavitt stated that the agenda item is to consider the selection of a contractor and not to build a building right now. Mike Winters questioned agenda items and whether they are too broad or not broad enough. Kenyon stated that he was sick of this item coming back and back. George stated that the way the agenda item reads the board can either select a contractor or kill it. Kenyon stated that he had a problem just killing the item because we have already incurred the debt with the 2008 bond and we have to pay it back so we need to determine whether we are going to get something out of the money or just pay it back.

John Paul opened the item for public comment and Larry Swensen stated that the board should pick a contractor according to the agenda item and that you could discuss at a later date the site and building and how you want it.

Kenyon Leavitt questioned what staff’s recommendation is for a contractor and Mike stated he has not recommended a contractor and will not, because it would be perceived as preferential treatment.

**Item “5” died for a lack of a motion.**

Kenyon stated that somehow the board needed to decide on what we are going to do, but we need to be able to discuss all options, not just the building, but with the bond money and what other options we have with the money. Bubba further stated that this item needs to have public input and discussed further with all available options and suggested that a workshop forum be held with representatives from the bond, our CFO/financial advisers where we can analyze our income to debt ratio; how can we eliminate debt, etc. and directed staff to have a workshop where we can all discuss different items and parameters.

6. Discussion & Possible Action – Consideration to Issue Request for Proposal for Professional Services by the Virgin Valley Water District to Develop an Artificial Recharge Feasibility Study to Utilize Virgin River Surface Water

Boomer informed the board that the District had previously entered into an agreement with SNWA regarding acquisition and use of Virgin River water within the lower Virgin River Hydrographic Basin 222. This agreement allowed SNWA to purchase Virgin River water rights from Bunkerville and Mesquite Irrigation Companies with a priority date of pre-1929. In exchange, the VVWD received 5,000 acre feet of 1989 priority permitted surface water issued to SNWA in 1994. This surface water is seasonal from October 1 through May 30 of each year and is currently unused. One option available to the VVWD is to evaluate the potential of artificial recharge into the groundwater aquifer and store the unused permitted water underground to minimize evaporative loss. The recharged water can then be recovered at a later date. Artificial recharge programs of this type have been conducted in the southwestern United States since the 1960' and many issues associated with the artificial recharge need to be evaluated to determine the feasibility of the potential project. The District budgeted \$50,000 under the current budget ending 6/30/09 for professional services with the USGS. This RFP is to develop an artificial recharge feasibility study for banking surface water associated with the Virgin River for future use for review by the Board of Directors. Upon review of the RFP and selection of the firm for conducting the feasibility study the approval of the agreement will be brought back to the Board of Directors for approval.

Kenyon Leavitt stated that this might be one of the areas that we may want to use our bond money on. Bubba questioned if \$50,000 was enough to get the study completed and Boomer stated that this would just initiate the project and there would be more phases to this project and that it could be years before completed. Bubba questioned if this would be part of the District's Master Plan and Mike Chandler with Bowen & Collins stated that they were about ready to report on the plan and this would work in conjunction with the District's Master Plan. Kenyon asked and was informed that we did budget another \$50,000 for fiscal year ending 6/30/10.

**Kenyon Leavitt made a motion to issue a Request for Proposal for professional services by the Virgin Valley Water District to Develop an Artificial Recharge Feasibility Study to utilize Virgin River surface water. Cecil Leavitt seconded this motion and it was unanimously carried. 5-0**

7. Discussion & Possible Action – Consideration to Authorize the General Manager to Execute the Amendment to the Purchase Agreement for 5 Acres of Land Adjacent to the Virgin River on Clark County Assessor Parcel 034-00-001-013 Owned by Virgin River 140, LLC for Installation of a Ranney Collector Well

Boomer informed the Board that on May 15, 2008 the VVWD Board of Directors approved the purchase of 5 acres of land adjacent to the Virgin River downstream of the Riverside Bridge owned by the Virgin River 140, LLC in the amount not to exceed \$236,000. The purchase agreement effective date was 8/1/08 and was fully executed on 8/4/08. The District opened an

escrow account in the amount of \$2,500. The District was responsible for surveying and submitting the plat map as part of the parceling process associated with Clark County. Initially the purchase of the property was anticipated to close within 90 days of execution, but because of the approval process and the addition of a drainage study as required of the parceling process, the closing deadline was not obtained. Under the amendment, the closing date is extended to May 15, 2009 and in the event that the closing date is not met, an extension to September 30, 2009 is included as a provision in the amendment. The original purchase price of \$236,000 remains unchanged under the terms of the amendment to the purchase agreement.

**Kenyon Leavitt made a motion authorizing the General Manager to execute the amendment to the purchase agreement for 5 acres of land adjacent to the Virgin River on Clark County Assessor Parcel 034-00-001-013 owned by Virgin River 140, LLC for installation of a Ranney Collector Well. Cecil Leavitt seconded this motion and it was unanimously carried. 5-0**

#### 8. General Manager's Report

Mike had not included a written report. Mike informed the board that he, Boomer, Ted Miller and John Paul had met with representatives of the Lincoln County Water District (LCWD) to discuss generalities of servicing the Lincoln County Land Act (LCLA) and that the LCWD General Manager, Wade Poulsen was present. Mike further stated that this would be put on the agenda for the first meeting in May to discuss if the VVWD would be interested in helping the LCLA, the years you would be willing to assist; and if you'd want to include wastewater. The LCWD sent out an RFP for a private developer to service culinary water and the wastewater. The LCWD would like the VVWD to come to their 7/15 meeting and discuss if and how they would like to assist the LCLA. It was questioned why the District would want to get involved with wastewater when we do not currently handle this and the City does. City Manager Tim Hacker spoke stating that since he has been with the City for the past 3 years they have met with Lincoln County quite often with the occurrence of meetings having slowed due to the failing economy; but that they have had discussions regarding sewer and emergency services, etc. Tim further stated that the City is being cautious as they proceed and they will not do anything at the expense of the Mesquite taxpayers. Wade Poulsen stated that he was the newly appointed General Manager of the LCWD having served as a Lincoln County Commissioner for four years prior to becoming the GM. Wade stated that the LCWD has no money or growth to get the LCLA up and running. They have no water rates nor do they have any customers. They do have some groundwater and are trying to develop that. There are three other water companies in Lincoln County (Alamo, Panaca and Pioche), but none part of the LCWD. Wade explained what they were trying to do to decide on what direction they need to go. Mike Winters stated that he would like to have a workshop with Lincoln County at 2:00 before the next regularly scheduled meeting.

Mike continued stating that the work on the arsenic treatment plants was coming along and that four of the plants would be completed by May and that the Hardy Way site was going very well and that there has been less than 1.5% in change orders. Mike Chandler stated that well #28 site was running and removing arsenic. It would run for seven days-24 hours per day and that after the

seven day test VVWD would take over. They are planning on starting Well #29 site on Thursday and Well #31 and #32 sites would start next week.

9. Hydrologist's Report

Michael had not included a written report. He informed the board that he attended a conference in Santa Clara and gave a presentation on well #30. He also stated that he has been working on the contract specs for well #34 and the RFP on today's agenda. Boomer further stated that there was an issue with well #31 in that the upper bearing is going out and that we will pull the motor one night and have repaired and back in service a day later.

10. Engineer's Report

Erik had not included a written report nor was he present.

11. Public Comment

There was no public comment at this time.

12. Adjournment

**President John Paul adjourned the meeting at 4:53 p.m.**

(NOTE): The minutes of this meeting have been tape-recorded and will remain on file in the District office for a one-year period for public examination.