

VIRGIN VALLEY WATER DISTRICT  
BOARD OF DIRECTORS  
WORK SESSION  
VIRGIN VALLEY WATER DISTRICT OFFICE  
MAY 5, 2009

Minutes of a Work Session of the Virgin Valley Water District Board held on May 5, 2009, at the Virgin Valley Water District Office at 2:00 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 and Mary Johnson taking minutes and other interested parties of agenda items.

Discussion (No Action) – Alternatives in Servicing Water and/or Wastewater to the Lincoln County Land Act

John Paul opened the meeting at 2:00 p.m. John Paul began by stating that there was some correspondence within the packets. The first is a letter from Wade Poulsen requesting a “Service Plan” with certain items to be addressed and the other correspondence was a letter received from the Mayor of Mesquite and Mike’s response to the Mayor’s letter. John Paul commented on the Mayor’s letter and Mike’s response and invited the other board member’s to comment on the Mayor’s letter. Ted Miller stated that he believed Mike did a good job in his response to the Mayor’s letter.

Mike Winters stated that the purpose of this meeting is because Lincoln County Water District (LCWD) had requested RFP’s in providing utility service to the Toquop development and is asking the District if they would want to submit a proposal on what they would be willing to provide or if the District has no desire to enter into an agreement, that they would appreciate a letter stating that fact. Mike stated that the District would not sacrifice our water to service the Lincoln County Land Act (LCLA) and that LCWD must supply water to the LCLA. It would be a gallon for gallon exchange. LCWD would be able to impose taxes, fees, etc and could charge what they wanted per EDU and impact. Mike further stated that the LCLA customers would have to pay the same monthly price for water that the VVWD customers pay and that separate books would be kept keeping the difference between the VVWD and the LCWD. The LCWD does have water in Basin 221 and are looking at other areas as the Clovers, etc. Mike further commented that their request was also for wastewater and that he was not the greatest fan of wastewater, but if the board so desired, we would do what the board felt we should. Mike also stated that the District could also look at storage fees and transmission fees, but that these would be minimal.

Cecil Leavitt commented that Wade Poulsen, LCWD General Manager was present and that we should hear from him. Wade stated that they were looking for the best plan to service that area. The Toquop area or LCLA is 13,300 acres of land that was acquired from the Federal Government and the power plant is not included in the LCLA. Wade further explained how the LCWD was formed. The options to service the area as they see is the VVWD, a private operator or to create a GID. LCWD is looking at what the VVWD Board is willing to do, their stipulations and the extent of their willingness to go forward.

Mike questioned the time frame that LCWD would be able to get water out of the Clovers and it was stated that it would be 7 to 10 years, if not even longer. There was further discussion regarding the developers and where they stand and if they would be willing to turn over the water rights to the VVWD to service the LCLA. George Benesch brought up the fact of terminating the agreement and that once you are servicing customers, you cannot just shut them off. There were further questions regarding infrastructure; Vidler Water Company and their role with the LCWD; arsenic, if their water has arsenic, if it would be treated before the VVWD received this water and some political aspects of this development.

**President John Paul adjourned the meeting at 3:09 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.