

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

Minutes of a Regular Board Meeting of the Virgin Valley Water District Board held on July 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, Bo Bingham & Eric Wilbanks District Administrative Counsel, Michael “Boomer” Johnson Chief Hydrologist and Mary Johnson taking minutes and other interested parties of agenda items.

President John Paul called the meeting to order at 3:00 p.m.

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

Public Comment – Don Paff of Bunkerville read a statement regarding his opinion of the hiring of the District’s Administrative Counsel

Discussion: Board Comments - None
President of Board Comments - None

CONSENT AGENDA:

Cecil questioned item #4B and if this item should be removed from the consent agenda and heard along with item “10” since it depended upon item “10” being approved if this purchase order was necessary. Cecil also requested that items #5 and #6 both be moved on the agenda to after the Hydrologist’s Report.

John Paul questioned item #2 of the minutes on page 6 in the last paragraph running into page 7 that he wanted the minutes to include that after Mike Winters informed the board that he applied for another grant with the ACOE and VVWD will be receiving an additional 4.8 or 4.9 million dollars that John Paul, president of the Water District immediately congratulated Mike Winters, General Manager, on securing that money for that grant.

Bubba Smith made a motion to approve the consent agenda with items 1 and 3 as written; approve item #2 with corrections as John Paul requested; item 4B removed from the consent agenda and heard with item #10; approve item 4A as written; and items 5 and 6 being moved on the agenda to after item #12. Kenyon Leavitt seconded this motion and it was unanimously carried. 5-0

1. Discussion & Action - Approve Agenda – **Item 4B to be heard with item #10 and items #5 and #6 to be discussed after item #12.**
2. Discussion & Action – Approve Minutes from **7/7/08 Regular Board Meeting – correction to page 7 to include after Mike’s comments about receiving an additional 4.8 or 4.9 million dollars from the ACOE. “John Paul, President of the Water District immediately congratulated Mike Winters, General Manager, on securing that money for that grant.”**

3. Discussion & Action – Approve Bills Paid - **\$326,675.24**
4. Discussion & Action – Approve Purchase Orders Over \$2,500
 - a. Ruesch Machine – **Ratify \$11,500 – Crane Rental for Well #30**

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

7. Discussion & Possible Action – Consideration to Approve a Donation to the Mesquite Cancer HELP Society

Yoli Bell representing the Mesquite Cancer HELP Society handed out the organization's Mission Statement and another form stating what their goals are and what they provide. The original letter requested \$2,250 for their 5th annual "In the Pink Fundraiser for Cancer" to be held on October 24, 2009, but Yoli stated that they would be willing to accept any amount that the District would be willing to donate.

Cecil Leavitt made a motion to approve a donation of \$500 to the Mesquite Cancer HELP Society. Bubba Smith seconded this motion and it was unanimously carried. 5-0

8. Discussion & Possible Action – Consideration to Purchase Five (5) Shares of Bunkerville Irrigation Water With a Lease Back Option – Requested by Bob Draskovich

Bob Draskovich requested that the District purchase five of his Bunkerville Irrigation Shares for \$80,056.23 per share or \$400,281.15 for all five shares and to lease them back from the District for \$300 per share for a five-year period. Bob stated that he would like the shares to stay in the valley, but if the District opted not to purchase these shares, he would be selling them to SNWA. There was discussion regarding the amount of money in the Ordinance II accounts for purchasing water shares and monthly payments that need to be paid from these accounts. Kenyon Leavitt commented that since the board had opted to set the Ordinance II fees back to \$3,300 per ¾" meter (this equals out to \$33,000 per Bunkerville Share) and that this just didn't pencil out to purchase Bunkerville Shares for \$80,000 plus. Kenyon further stated that growth needs to pay for growth and if the District wants to purchase water at the higher cost, then they need to increase the amount they charge for Ordinance II fees.

Mike Winters commented on the amount of money in the Ordinance II accounts and that these Ordinance II accounts are specifically for purchasing water shares. Mike further stated that the District had the possibility to sell or lease their shares to the SNWA.

Bubba stated that the item on the agenda today was not Ordinance II fees, but to purchase irrigation water. Bubba asked if it was worth banking water purchased at over \$80,000 and that it would take over 166 years to recoup the money spent on purchasing the shares if only leased for \$300 per share. Bubba questioned the need to purchase water and what was going to happen down the road. Also, Bubba questioned leasing the water for five years when he thought we didn't want to tie them down for that long a period and that the District was only leasing for one year.

Ted Miller thanked Bob Draskovich for coming to the District first to sell his shares, but that he felt the District just couldn't afford to purchase the shares at this time.

Bob stated that he would be willing to lease the shares on a year to year basis.

The item died for a lack of a motion.

9. Discussion & Possible Action – Consideration to Approve Professional Service Agreement with Southwest Geology, Inc. for Geologic Support to the District Not to Exceed an Amount of \$15,000

Boomer informed the board that this was a budgeted item and that geologic support is anticipated for water resource investigations to meet the increased service area demands associated with growth in the basin. Boomer further stated that Southwest Geology has prepared hydro geologic reports for the VVWD and has appeared as an expert witness in the Tule Desert Hearing and hydro geologic data review presented by Lincoln County Water District and Vidler Water as part of the VVWD protest associated with Tule Desert. Boomer stated that Gary Dixon along with Terry Katzer had identified the site for well #34.

Cecil Leavitt made a motion to approve the professional service agreement with Southwest Geology, Inc. for geologic support to the District in an amount not to exceed \$15,000. Kenyon Leavitt seconded this motion and it was unanimously carried. 5-0

10. Discussion & Possible Action – Consideration of Amendment to Professional Service Agreement with Layne-Christensen for Pumping Equipment for VVWD Well No. 30

Boomer informed the board that the District had previously executed a professional service agreement with Layne-Christensen for engineering and fabrication of the line shaft turbine bowl assembly and installation of the pumping equipment in VVWD Well 30. In his memo to the board he included a time table of events that have occurred with VVWD Well 30 concluding that the well had to be shut down due to an electrical overload and that the pumping equipment must now come out. Boomer further stated that we don't know what issues we are dealing with until the pump is pulled. Boomer believes that this is still a viable option since it is one of our best wells and is a back-up to well #31. Cecil asked questions regarding "Exhibit A" and the assumptions numbered one through seven. John Paul questioned Boomer that in the past he has stated that this is the deepest pumping well for water and hoped that this was not a factor in the District moving forward with this and Boomer stated that it did not but that he believed this was the best scenario to get the longevity out of the pumping equipment. Kenyon Leavitt asked what if you looked at the pump and then decide it is not worth it; but Boomer stated that he was not looking at that scenario. Mike Winters stated that he submitted a claim to Diane Padilla with the Pool Pact, but was not sure if anything would be covered.

Bo Bingham wanted the minutes to reflect, and the board to be aware, that under NRS 332 if you are going to spend more than \$50,000 in any given year that you are subject to the competitive bid

process. Bo stated that after speaking with Mike that this could be a potential emergency exception, but he felt that there were a couple other exceptions that fit more squarely with this situation. It is Bo's understanding that part of the work will be engineering and potentially you are under the professional services exception; but most importantly under NRS 332.115 if you are going to repair or provide maintenance, especially if this is from one specific source, you can be outside of the competitive bid process. Bo stated that if the board was inclined to make a decision today to approve this, we want to make sure that the minutes reflect that this was considered and that was the reason the competitive bid process wasn't implemented in this situation.

Cecil Leavitt made a motion amending the professional service agreement with Layne-Christensen for pumping equipment for VVWD Well No. 30 in an amount not to exceed \$180,000. Kenyon Leavitt seconded this motion and it was unanimously carried. 5-0

4. Discussion & Action – Approve Purchase Orders Over \$2,500
 - b. Ruesch Machine - \$20,000 – Pull & Re-Install VVWD Well #30 Line Shaft

Bubba Smith made a motion to approve purchase order 9100 to Ruesch Machine not to exceed \$20,000 to pull and re-install VVWD Well #30 line shaft. Kenyon Leavitt seconded this motion and it was unanimously carried. 5-0

11. General Manager's Report

Mike had not included a written report. Mike informed the board that he had received letters from SNWA last week indicating that they were still willing to buy or lease the District's irrigation shares. There is no time limit and it is on a first come, first serve basis. Mike stated that if the board desired, he could put this on a future agenda for action. Mike stated that the District owns 12 Bunkerville shares and 188 Mesquite shares. Ted asked about the Bunkerville shares and if we were short shares for the secondary system. Boomer proceeded to explain that the District previously had 89 Bunkerville shares and the process of swapping them out and the other water rights applications transferred to the District from SNWA.

With no objection, John Paul asked for public comment and Quincy Edwards with Pulte Homes and Kraig Hafen had questions answered.

Mike continued to inform the board that Bowen & Collins would be at the next board meeting regarding PRV's on the north side of the freeway. Mike stated that he had forwarded e-mails to all board members regarding purchasing a new truck and receiving no responses asked if the board desired to have this put on the next agenda for approval or if they would like to direct him to do so and they stated that he was directed to go ahead and purchase the vehicle from Mesquite Ford. Mike further stated that he was in Las Vegas last Friday for a deposition. Mike also informed the board that the Colonel from the ACOE was very pleased with what he saw and was anxious for the District to come up with other projects that the ACOE would be able to participate with. John Paul questioned the arsenic plants and their progress and Mike explained that they were more manual right now than automated.

12. Hydrologist's Report

Michael had not included a written report. He informed the board that the pump from well #30 would be taken out of the ground and sent to California next week. Boomer also stated that he has been meeting with RBF Consulting regarding water rights and expectations with aquifer storage and will bring back information to the board.

5. Discussion – Discussion of Nevada Open Meeting Law and Its Application to the Virgin Valley Water District

Bo Bingham and Eric Wilbanks, District Administrative Legal Counsel, were present to discuss this and the next items. They provided each board member and staff with the current edition of the Nevada Open Meeting Law. Bo further stated that if the board had any specific questions or directions that they wanted Bingham & Snow to take to let them know. Eric also had prepared a proposal for compliance with Nevada Open Meeting Law and conduct of meetings. They proposed that for the time being that they prepare the agendas for the District's meetings and Eric explained the procedures suggested so that the agendas were completed and ready for posting by the designated date and time. Eric also stated that the District should consider adopting rules to govern the conduct of its meetings and that they would review other procedures concerning complying with the Open Meeting Law.

6. Discussion – Discussion of Nevada Public Agency Insurance Pool (Pool Pact) Including Coverage and Resources Available to the Virgin Valley Water District

Bo began by stating that this was a minor issue and Dennis Cournoyer was also present to answer any questions the board may have. The general liability policy includes vehicles, flood insurance, worker's comp and also includes director's and officers' liability and is renewed every July. The Pool Pact also assists with Human Resource issues and Risk Management. Bubba questioned how premiums were based and Dennis explained the process of rating individual entities and that the Pool Pact includes 136 different entities. Dennis's records also showed that the District has not filed a worker's comp claim since 1998

13. Public Comment

Sandra Raymaker of Mesquite made comments regarding the District's website and water conservation.

14. Adjournment

President John Paul adjourned the meeting at 4:35 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.