

VIRGIN VALLEY WATER DISTRICT REGULAR BOARD MEETING
VIRGIN VALLEY WATER DISTRICT OFFICE
JUNE 17, 2008

Minutes of a Regular Board Meeting of the Virgin Valley Water District Board held on June 17, 2008, 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 Council, Erik Beyer District Engineer, Michael (Boomer) Johnson Chief Hydrologist, and Shannon Martin taking minutes and other interested parties of agenda items.

President John Paul called the meeting to order at 3:01 p.m.
Kenyon Leavitt offered a Prayer and Bubba Smith led the pledge.
Public Comment – There was no public comment at this time.

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

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 Minutes from **06/03/08 Regular Board Meeting**
3. Discussion & Action – Approve Bills Paid - **\$1,449,098.52**
4. Discussion & Action – Approve to Write Off Delinquent Account – **Account 6485.3 for \$101.48**
5. Discussion & Action – Approve "Will Serve" Letters
A. Stage Store-**5** **EDU's**
Contingent upon meeting the Criteria to Ordinance II

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

6. Discussion & Possible Action – Consideration to Allow Estancia Ventures, LLC to Pay Ordinance II Fees at a Later Date for Estancia Subdivision-Tabled from 6-3-08 Board Meeting

Mike Winters began by stating that Estancia does not want to pay Ordinance II fees as required by VVWD policy. VVWD policy states that the fees need to be paid prior to any maps being signed. Mike recommends that we continue to follow policy and give no preferential treatment to Estancia.

George stated that his concern was that once the Board varies from policy, it would open VVWD up for other developers to make the same request.

Kenyon Leavitt made a motion to deny the request by Estancia. This was seconded by Cecil Leavitt and was unanimously carried. 5-0

7. Discussion – Status Report on Wind River Applications and Agreement- Requested by Ted Miller

Ted Miller began by stating that he has had several discussions with Wind River and Wind River would rather do business with VVWD. He asked the Board if they would rather amend the contract that we currently have with VVWD or write a new one.

George stated that there were two contracts with Wind River, each with a term of 40 years. The export permits were denied, so Wind River feels that the contracts are void, but George feels they are still in effect. George has had conversations with James Madison and James wasn't interested in withdrawing their applications and fixing their deficiencies.

Bubba Smith says that VVWD needs to decide what the water is worth to us. We need to evaluate the costs and determine if it is beneficial to us. He says that he is not against negotiating contracts for price, but that there are some red flags indicating that we need to look at the contracts very closely.

George clarified some information on the contracts regarding how many acre feet of water is mentioned in the contracts.

Comments were made by Craig Upton, Project Manager for Wind River. He said that without the permits, the contracts are null. He wants everyone to work together to come to an agreement. Wind River wants a guarantee that states that VVWD needs the water.

Cecil Leavitt stated that VVWD could use the water, but does not have an immediate need for it. Maybe in 2 or 3 years down the road, we will need it. VVWD dealt in good faith when the contract was made that they would pay the price that Wind River was asking for the water at that time.

Comments were made by Bob Frisby and Jack Riley, both of Beaver Dam, who believe the terms that Wind River are asking would have adverse effects on property owners. Jack Riley stated that he respectfully disagrees with the applications and will fight the applications made by Wind River.

This item was agendized for discussion only.

8. Discussion & Possible Action – Consideration to Restore Water Service for Emergency Fire Protection and Emergency Domestic Service to Beaver Dam Water Company-Requested by Beaver Dam Water Co.

George Benesch stated that he had received a letter from Bob Frisby's attorney requesting that VVWD restore water to Beaver Dam Water Co. for emergency service. There was an agreement between VVWD and Beaver Dam Water, but that agreement has expired.

Bob Frisby approached the Board to explain the history of the situation and what exactly he is requesting. Beaver Dam Water Co. needs 0.73 acre feet of water or 159 gallons per minute from an additional source, other than the current functioning well, to meet the daily domestic and emergency demands.

Mike Winters directed questions to the Board of Directors regarding how Beaver Dam Water Co. would be charged for the water usage. Would there be a monthly meter charge or Impact and Installation fees? The recommendation given by Mike Winters to the Board would be to deny the request.

It was stated by both John Paul and Cecil Leavitt, that it is not the responsibility of the VVWD to assist in the growth of the Beaver Dam Water Co., but that they do not want to endanger anyone in the event an emergency occurs.

Bubba had questions regarding export permits and if these would this be required.

George stated that there needs to be a contract with termination dates and rates.

Cecil Leavitt made a motion to restore water service for emergency fire protection and emergency domestic service to Beaver Dam Water Co. Bubba Smith seconded the motion and requested it be modified to include a time frame and charges for domestic use and it was unanimously carried. 5-0

9. Discussion and Possible Action-Update on Website

Cecil Leavitt made a motion to table this item until a time when Tracy Lee could attend the meeting. This item was seconded by Bubba Smith and was unanimously carried. 5-0

10. General Manager's Report

Mike stated that he will be in Reno on Thursday, along with Thayne Clark from Bowen and Collins, in hopes of receiving a 2 million dollar grant on the AB198.

John Paul inquired about the status of Arsenic Plant 27.

Mike Chandler stated that the site is moving along quickly and that the site will be done ahead of schedule.

11. Hydrologist's Report

Michael Johnson informed the Board that Bob Williams from Fish and Wildlife will be here on August 5, 2008. He would like a work session with the Board for about an hour.

12. Engineer's Report

Erik had included a written report and asked that the Board refer to that.

13. Public Comment

There was no public comment at this time.

14. Adjournment

President John Paul adjourned the meeting at 5:35 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.