

VIRGIN VALLEY WATER DISTRICT REGULAR BOARD MEETING
VIRGIN VALLEY WATER DISTRICT OFFICE
JUNE 3, 2008

Minutes of a Regular Board Meeting of the Virgin Valley Water District Board held on June 3, 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 Mary Johnson 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 Ted Miller led the pledge.

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

Discussion: Board Comments – Ted Miller requested that an item be put on the next agenda for discussion regarding the status of the agreement between the VVWD and Wind River Resources.
President of Board Comments - None

CONSENT AGENDA:

John Paul informed the Board that the District had received a phone call from Mike Holmes regarding item #7 and stated he would be unable to attend this meeting and requested that this item be postponed until the June 17th board meeting. George Benesch stated that item #1 should be removed from the consent agenda and acted on separately.

Bubba Smith made a motion to approve the consent agenda as listed below for items 2 through 4 and to remove item #1 from the consent agenda and acted upon separately. Kenyon Leavitt seconded this motion and it was unanimously carried. 5-0

2. Discussion & Action – Approve of Minutes from **05/15/08 Special Board Meeting**
3. Discussion & Action – Approve Financial Statement for **February 2008**
4. Discussion & Action – Approve Bills Paid - **\$450,880.75**

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

1. Discussion & Action – Approve Agenda

Cecil Leavitt made a motion to approve the agenda with item #7 being removed and postponed to the June 18th meeting. Bubba Smith seconded this motion and it was unanimously carried.

5. Discussion & Possible Action – Consideration to Request a Bill Draft (BDR) Submitted to Nevada State Legislature for Restructuring of VVWD Board Members in that we would have all Five Board Members Voted at Large Inside the Boundaries of Virgin Valley Water District – Requested by Ted Miller

Ted began by stating that 95% of the rate payers live on the north side of the river and Mesquite has over 15,000 homes, and not knowing what will happen in the Lincoln County area, this would give us a more favorable voter equity and believes that all board members should be voted at large.

Cecil stated that the board was set up for a distinct purpose in that when Bunkerville joined the VVWD, Bunkerville brought with them 5,000 acre-feet of water and that's what they had to offer. To maintain that the water did not only go to Mesquite the legislative bill was designed so that Bunkerville would have two representatives and this had nothing to do with population, but with water and if it had to do with population, Bunkerville would never had joined the District.

Bubba stated that the Mesquite City Council is voted at large and he sees some benefits, but there are five representatives on the north side of the freeway and he still feels that people are served better by equal representation. Bubba also stated that if we were to go to the legislature with a BDR, we better have some very compelling reasoning to change and does not see this at this time.

Kenyon Leavitt stated if everyone was voted at large that all representatives could be north of the river and Bunkerville would be left out. He would hope that wouldn't happen, but when it was suggested that the District build their offices on land given to them in Bunkerville you would have thought the District was building in hell and Mesquite residents couldn't imagine having to cross the bridge to pay their water bill. Kenyon believes that all positions should be voted on, but he doesn't think five at large is even close to the answer.

John Paul reiterated his position and him trying to restructure the board at the last meeting. President John Paul opened the item for public discussion and Mayor Holecheck stated that she agreed with Kenyon and believed in elections and Brian Havilland a Bunkerville resident and Town Board member stated his opinions. There was further discussion and Mary Ann Leavitt offered public comment. John Paul recommended that the District look at developing policy for storage and agricultural purposes for irrigation shares post 1989 and have put on the next agenda.

The item died for a lack of a motion.

6. Discussion – In Light of Pricing by Virgin Valley Water District – Requested by Ted Miller

John Paul disclosed that he is employed with Wolf Creek Golf Course and one of the lease agreements is with Wolf Creek, but since the item was for discussion only he didn't think he needed to abstain from discussion and District Council agreed with this.

Ted stated that he thought we had more than two contracts for leasing District irrigation

doesn't know what that would be, but in the business world you normally figure 10% of the cost.

Kenyon stated that he sees a problem in that the irrigation water can only be used for construction, irrigating, etc. and with the current rate that irrigation water is selling for no one would be able to afford using the irrigation water except SNWA and would not be used within the District. There was further discussion regarding effluent water from the City of Mesquite and their pricing. Boomer stated he believed it was being sold for .22 cents per thousand gallons and he further explained NDEP rules regarding effluent and irrigation water. If the District charged too much for irrigation water, potable water would be used instead and this would not be responsible.

Bubba thought that the District should come up with a game plan between the City of Mesquite and VVWD and all other water owners to develop a comprehensive plan for the pricing and selling of water.

President John Paul opened the item for public discussion and Brian Havilland and Kraig Hafen spoke. Kraig stated that the District should look at contracts and charge the fair market value on a year to year basis.

8. Discussion & Possible Action – Consideration to Approve \$5,000,000.00 of Ordinance II Funds for the Purchase of Surface Water as it Becomes Available.

Mike informed the board that there was approximately 7 million dollars in the Ordinance II account. Ordinance II was developed so that the District could purchase water. Since SNWA has pushed to purchase as much water as they can, there is only a few blocks of water left to purchase and we would like to set the 5 million dollars aside to purchase water as it becomes available. \$5 million would represent approximately 80.3 shares of Mesquite Irrigation water at \$8,600 per acre foot. There are people who would like to sell their shares, but want to keep them in the valley.

Cecil Leavitt made a motion to approve \$5,000,000.00 of Ordinance II funds for the purchase of surface water as it becomes available. Ted Miller seconded this motion and it was unanimously carried. 5-0

9. General Manager's Report

Mike had included a well production report for the board for three years. The arsenic report #6 from Bowen & Collins was also available. Mike further stated that aides from Congressman Porter's office were here last week and went on a tour of the District and BLM lands and would probably come out again to look at future land acquisitions.

10. Hydrologist's Report

Michael had not included a written report. He informed the board that the surveying of land at well #30 was completed. Boomer also stated that the District would have to adopt "Ordinance IV" for compliance of sections 7 and 10 in the HMMP dealing with land take downs. He will have

formalized talks to see how we are going to pay for this and he will get this on the agenda as soon as possible.

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11. Engineer's Report

Erik had not included a written report but informed the board that the video and report regarding the diving of tanks and inspection of the paint would be available next week. He further informed the board that Utah State had tested some polyethylene pipe for dimension, bend back and pressure with all passing. The pipe could be splitting because of temperature of the water and water hammers and more testing will be done.

12. Public Comment

Morris Workman asked about a subpoena issued.

13. Adjournment

President John Paul adjourned the meeting at 4:47 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.