MEETING MINUTES

December 14, 2020 – 9:00 AM
REGULAR MEETING - TELECONFERENCE

Members:
Richard W. Carver - Area 1 (Currant Creek/Smoky Valley)
Joe Westerlund - Area 2 (Tonopah/Manhattan)
James Weeks - Area 3 (Beatty/Armargosa Valley)
Helene Williams- Area 4, Position 1 (Pahrump Valley)
William Knecht- Area 4, Position 2 (Pahrump Valley)
Dennis Gaddy -Vice Chair- Area 4, Position 3 (Pahrump Valley)
Dave Hall - At Large - Chair

Legal:
Sev Carlson

Board of County Commissioners:
Debra Strickland

Finance:
Savannah Rucker

Staff:
Oz Wichman
John Klenke
Christal Behrends

Acronyms:
AG - Attorney General
AVSTP - Armargosa Valley Science & Technology Park
BOCC - Board of County Commissioners
BOR - Bureau of Reclamation
CSWP- Community Source Water Protection
CNRWA - Central Nevada Regional Water Authority
DOA - Department of Agriculture
DOI - Department of Interior
EPA - Environmental Protection Agency
GID - General Improvement District
GM - General Manager
GWE- Groundwater Evaluation Grant
GWMP – Groundwater Management Plan
HUD - Housing and Urban Development
IRWMP - Inter Regional Water Management Program
MOU - Memorandum of Understanding
NTS - Nevada Test Site
NCWDGB - Nye County Water District Governing Board
NRWA – Nevada Rural Water Association
NWRA - Nevada Water Resources Association
RFP - Request for Proposals
RNWA - Rural Nevada Water Authority
ROW - Right of Way
SNWA - Southern Nevada Water Authority
USDA - United States Department of Agriculture
UGTA - Underground Test Area
1. 9:01 AM Call to Order / Pledge of Allegiance

2. 09:02 AM Roll Call –Present: Joe Westerlund, James Weeks, Helene Williams, William Knecht, Dennis Gaddy, Dave Hall. Absent: RW Carver.

3. 09:02 AM Mission Statement – “Provide, protect and preserve water resources within Nye County.”

4. 09:03 AM General Public Comment (first): Three-minute time limit per person. Action will not be taken on the matters considered during this period until specifically included on an agenda as an action item.

None.

5. 09:03 AM Approval or modifications of the Agenda for the Water District Meeting of December 14, 2020 (Non-action item).

No modifications.

6. 09:04 AM For Possible Action – Discussion, deliberation and decision regarding Approval of Minutes for October 26, 2020.

Bill Knecht made a motion to approve the minutes from October 26, 2020. Dennis Gaddy seconded the motion. The vote was approved 5-0. James Weeks abstained as he was not present at the 10/26/20 meeting.

7. 09:06 AM Water District Governing Board Member / General Manager Comments (This item limited to announcements or topic/issues proposed for future workshops/agendas).

Chairman Hall thanked everyone for all the hard work for the past few years. The Water District Governing Board has had full meeting agendas with relevant water topics. He appreciates all the background and knowledge that each member brings to the Board.

Chairman Hall also mentioned there are a lot water issues to watch going into 2021. Water was just placed as an option on the CME (making it relative to rice, corn, soybeans). Also the mining activity including: gold, silver and lithium. Solar development is another item to watch. Lastly, we all need to be aware of population shift and how specifically this affects rural communities.

Oz Wichman mentioned that we are going into the 2021 Legislative Session. He would like to get input from the individual Board Members regarding the forthcoming bill draft requests (BDR’s).
8. 09:14 AM Ex-Parte Communications and Conflict of Interest Disclosure Statements.

Commissioner Strickland disclosed in addition to this Board’s liaison and a County Commissioner, she is also the owner of Strickland Construction, T&M Group Realty and Lakeside Storage. She has been a licensed well drilling, pump setting, septic contractor as well as a broker who brokers water rights for 26 years. She will not be voting on items during this meeting. Although she will be able to influence this Board, she does not find this to be a conflict of interest. It is her hope that her knowledge base is of value.

9. 09:15 AM TIMED ITEM For Possible Action—Presentation, discussion, deliberation and decision regarding review and approval of the 2020 Nye County Water District Audit presented by Savannah Rucker, Nye County Comptroller.

Included in the backup is the Nye County Water District Audit for Fiscal Year 2020 (ending June 30, 2020) prepared by our external auditor Daniel McArthur. Page 4 of the audit, reports the financial highlights of the Water District. The assets of the Water District exceeded its liabilities at the close of the 2020 fiscal year by $311,941 (net position). The Water District’s total net position increased $107,860 over the prior year. This reflects fiscal health of the Water District and that it operates well within its means.

Page 6 provides the Government Wide Financial Analysis including: assets, liabilities and net position. It shows the changes between fiscal year 2020 and fiscal year 2019. Total assets have increased by $136,000. Liabilities have slightly increased by $35,000 due to an increase in long-term liabilities (OPEB). Net position has increased by $107,000 (52.85%), reflecting an excess of revenues over expenditures.

Page 15 overviews the General Fund-Statement of Revenues, Expenditures and Changes in Fund Balances (Budget and Actual). This is what the State focuses on. There were no budget modifications made by the Water District in fiscal year 2020. Actual revenue was $306,509 ($16,299 more than budgeted). Actual expenditures were $265,242 less than budgeted. No contingency dollars were used, leading to a very health ending fund balance of $522,873.

Lastly page 40, is the Independent Auditor’s Comments. This is the area expenditure overages, internal control issues, audit findings would be noted. As written in the Current Year Statute Compliance section, the Nye County Water District conformed to all significant statutory constraints. There are no material weaknesses nor significant deficiencies in internal controls, thus leading to a clean audit.

Helene Williams mentioned that her name is listed as an officer on the audit (for fiscal year ending 6/30/2020), although she did not start her service until 7/1/2020. Savannah stated she would make the correction to reflect past Board Member Walt Kuver.

Bill Knecht made a motion to approve the audit with noted change of Board Members. Dennis Gaddy seconded the motion. The vote was approved 5-0. Helene Williams abstained as she was not appointed during fiscal year 2020.
10. 09:32 AM For Possible Action-Discussion deliberation and decision on:

1. Nye County Water District FY 2021 Project Budget augmentation for the Nye County Water District Governing Board approved Spring Mountain Cloud Seeding project to be completed by Desert Research in Fiscal Year 2021 in the total amount of $35,950. Total to be invoiced in 4 parts: Task 1, Preseason Setup, $8,950. Task 2, Forecasting Operations and Equipment Maintenance, invoiced: $9,000 on 12/1/2020, $9,000 on 2/1/2021 and $9,000 on 4/1/2021.

Oz Wichman stated that the proposed payment structure insures that payment is not made until specific tasks are complete. He recommends that this approach is approved.

Dennis Gaddy made a motion to approve the Spring Mountain Cloud Seeding project payment structure as presented. Helene Williams seconded the motion. The vote was approved 6-0.

2. Approval of the agreement between the Nye County Water District and the Board of Regents of the Nevada System of Higher Education on behalf of the Desert Research Institute, to prepare, maintain and operate a cloud seeding generator in the Spring Mountains for a period from 10/21/2020 to 7/31/2021.

Oz Wichman mentioned that the agreement included in the backup was reviewed by our Legal Counsel (Sev Carlson). He had no material comments. Oz’s recommendation is to accept the agreement as presented.

Helene Williams made a motion to accept the agreement between the Nye County Water District and the Board of Regents of the Nevada System of Higher Education on behalf of the Desert Research Institute, to prepare, maintain and operate a cloud seeding generator in the Spring Mountains for a period from 10/21/2020 to 7/31/2021. Bill Knecht seconded the motion. The vote was approved 6-0.

11. 09:40 AM For Possible Action – Discussion, deliberation and decision regarding changing the 2012 Bylaws of the Governing Board of the Nye County Water District Page 5-section 3 c (Legal Counsel), to read “The Nye County District Attorney or its designee may be legal counsel to the Governing Board”.

Oz Wichman stated this agenda item was based off a good catch from Board Member Helene Williams. His recommendation is to change verbiage as proposed.

Helene Williams made a motion to change the 2012 Bylaws of the Governing Board of the Nye County Water District Page 5-section 3 c (Legal Counsel), to read “The Nye County District Attorney or its designee may be legal counsel to the Governing Board”. Bill Knecht seconded the motion. The vote was approved 6-0.
12. 09:44 AM For Possible Action – Presentation, discussion, deliberation and decision regarding adoption of the updated Nye County Water District Personnel Policy Manual from the POOL/PACT annual update for Small Organization Personnel Policies (less than 15 employees) 2020.

Oz Wichman mentioned that we have built our Personnel Policy Manual based off of POOL PACT’s template. Annually they provide updates that are recommended. Included in the backup is a copy of the Nye County Water District Personnel Policy Manual in its entirety including an update summary. It is his recommendation that we adopt the updated manual as presented.

Dennis Gaddy made a motion to approve and adopt the updated Nye County Water District Personnel Policy Manual (2020). Bill Knecht seconded the motion. The vote was approved 6-0.

13. 09:49 AM District Member, Staff and Liaison Reports/Comments:

a. Finances
Savannah informed the Board that the Nye County Water District has received 86% of its revenues as of October 31, 2020 for fiscal year 2021. She is projecting that we will see a slight excess of what we budgeted for revenues in FY 21. In regards to the legal budget, it appears expenditures will be approximately $150,000 under budget. Overall, the ending fund balance should maintain around $500,000 in FY21. The only line on the project budget that is coming in slightly higher is insurance due to a POOL PACT rate increase. In summary, all looks to be managed well and is fiscally healthy.

Oz thanked Savannah for all the management she does for the Nye County Water District.

b. Board Reports
   I. LVVWD/SNWA
   II. CNRWA
Commissioner Strickland stated that at the last CNRWA Zoom meeting, the new appointed State Engineer, Adam Sullivan, was present. It is her belief that the Basin Designations (hearing process) would be dropped entirely. Oz was not able to verify this with Jeff Fontaine, but he will follow-up.

c. Staff Reports
   I. Oz Wichman
As there is discussion of Nye County purchasing Desert Utilities, Oz joined a tour of their facilities along with Darrell Lacy. He has provided Darrell with a brief report. His fundamental recommendation is that a complete PER (Preliminary Engineering Report) be done to include: long-term capital investments, opportunity for expansion, economic development, etc. Oz did not provide comments on the sewer portion of Desert Utilities. He leaves that to Darrin Tuck to provide comment.
In addition, Oz received an inquiry from NDWR to discuss some of the BDR’s (bill draft requests) that they are putting together. In conceptual stage only, they are looking to draft: a water banking bill, a conservation bill, a water rights buy back bill and adoption of a separate court in Nevada for water right cases. Most of these bills would be targeting agriculture. Oz has received an invite to participate in future workshops regarding these bills and will keep the Board updated.

Oz also toured around Lincoln County with Wade Poulsen-General Manager of the Lincoln County Water District discussing their upcoming projects concerning economic development.

Lastly, Oz was contacted by Jay Dixon to discuss the upcoming BDR’s as part of an informal group. He will continue to work with this group (various mining / water managers), providing feedback to NDWR.

II. John Klenke

III. Christal Behrends

Providing an update, the building and the Water District office remains closed to the public due to COVID-19. Servicing of the public continues via phone and email without issue. Business initiatives for the new year (2021) will be discussed in more depth at the February 2021 Board Meeting. A template (guide) is in the works for those who are considering or have purchased land and are inquiring about how to obtain water to their property.

d. Projects Status Report
   I. Staff

e. Board Liaison Reports
   I. Commissioner Debra Strickland

f. Report from other individuals, groups and or agencies regarding water-related issues; for informational purposes only.

14. 10:16 AM For Possible Action- Discussion concerning future Water District Governing Board Meetings including, a meeting schedule for 2021 with proposed meeting dates of:
    Monday, February 22, 2021
    Monday, May 24, 2021
    Monday, July 26, 2021 (Tonopah)

    Helene Williams made a motion to approve the proposed 2021 Water District Governing Board meeting dates. Dennis Gaddy seconded the motion. The vote was approved 6-0.

15. 10:21 AM General Public Comment (Second)
    None.

16. 10:22 AM Adjourn