

**CLEAN WATER COALITION
MANAGEMENT BOARD
MINUTES
December 15, 2009**

I. CALL TO ORDER

The meeting of the Clean Water Coalition Management Board was called to order at 3:25 p.m. at the Clean Water Coalition, 150 North Stephanie Street, Suite #130, Henderson, Nevada 89074.

II. CONFIRMATION OF POSTING AND ROLL CALL

Mr. Marshall confirmed the meeting had been posted in accordance with the Open Meeting Law by posting the agenda three working days prior to the meeting at the Clark County Library District, Clark County Water Reclamation District, the Clark County Government Center, the Las Vegas City Hall Plaza, the Court Clerk's Office Bulletin Board at the City of Las Vegas, the Las Vegas Senior Citizen's Center, the City of Henderson Fire Station, the City of Henderson City Hall, The Paseo Verde Library, the North Las Vegas Library, the North Las Vegas City Clerk and the Clean Water Coalition Office.

BOARD MEMBERS

PRESENT

Chairman Larry Brown
Vice Chairman Steven Kirk
Secretary Steve D. Ross
Member Robert L. Eliason

STAFF

PRESENT

Chip Maxfield, General Manager
Bob Marshall, Legal Counsel
Jim Devlin, Engineering Manager
John Brumley, Deputy General Manager
Martha Jones, Executive Assistant

III. ACCEPTANCE OF AGENDA

Mr. Maxfield suggested that Items 7 and 8 could be considered together.

(Motion) Mr. Kirk moved that the agenda, as modified by Mr. Maxfield's suggestion, be accepted. The motion was unanimously approved.

IV. APPROVAL OF MINUTES OF AUGUST 25, 2009

(Motion) Mr. Ross moved that the minutes of the meeting of the Management Board on August 25, 2009 be approved. The motion was unanimously approved.

V. NEW BUSINESS

1. Report from the General Manager (no action).

Mr. Maxfield reported that the joint Water Reuse Study prepared by the CWC and the SNWA has been published in the Water World publication. He indicated that the publication was the result of work by Lynn Orphan and Jim Devlin of the CWC and Sean Goldwasser of Black & Veatch and Gary Grinnell of SNWA.

Consent Agenda (Items 2, 3 and 4 are considered routine and can be taken in one motion unless a Board Member requests that an item be taken separately)

- 2. Approval of an Agreement for SNWA to provide Research Support to the CWC.**
- 3. Approval of Agreement for USGS Water Quality Service.**
- 4. Approval of Second Amendment to Consulting Services Agreement between CWC and David R. Evans to extend the agreement period to June 30, 2010 at no additional cost.**

(Motion) Mr. Ross moved for approval of New Business Items 2, 3 and 4, which motion was unanimously approved.

Regular Agenda

- 5. Receive a report of the FY 2009-2010 Audit from auditors Houldsworth Russo & Co.**

Mr. Brumley presented the Audit Report for fiscal year 2009-2010. He indicated that the CWC needed an audit assist from Houldsworth Russo & Co. to correct a deficiency discovered with respect to recent audit standards.

Mr. Ross requested a copy of the deficiency letter.

Ms. Hampton from Houldsworth Russo & Co. informed the Board that the auditors were able to give a clean audit opinion for the CWC so that there

was no deficiency letter, but that Houldsworth had to do additional work to include some transactions which were missed when the software was changed from QuickBooks to Sage.

Mr. Maxfield indicated that the software had been changed which didn't pick up all transactions which were then added by Houldsworth Russo & Co.

Mr. Kirk asked how often the financials were prepared and Mr. Maxfield indicated each year, with quarterly updates.

Mr. Maxfield indicated that the CWC will use accounting services of the member agencies per the services agreement approved by this Board and the member agencies or contract with an accounting firm for the updates so that the problem of having the auditors input data on which they were to give an opinion would not recur.

Mr. Kirk asked if the member agencies would perform this service. Ms. Hampton said that it wouldn't take much time which she estimated at 12-16 hours per quarter.

Mr. Ross asked if the statements were now correct and Ms. Hampton said yes. Mr. Kirk asked how the matter would be handled on a going forward basis. Mr. Maxfield indicated he would report back to the Board with a recommendation if necessary.

(Motion) On motion by Mr. Kirk, which was unanimously carried the audit report of 2009-2010 from Houldsworth and Russo was accepted.

6. Election of CWC Officers.

(Motion) On motion made by Mr. Eliason, the following persons were nominated to serve in the following capacities:

Larry Brown – Chairman
Steve Kirk – Vice Chairman
Steve Ross – Secretary

The motion was unanimously carried.

7. SCOP/CWC Re-Evaluation Process update/report.

8. Discussion and possible action considering suspension or termination of SCOP construction.

Mr. Maxfield read a prepared statement to the Board, a copy of which is attached to these minutes.

Mr. Brown asked Mr. Marshall if the Board could ask for a statement from each of the Managers of the Member Agencies on these agenda items. Mr. Marshall indicated that the Board could ask for statements from whomever it wished in connection with a matter before the Board. Whereupon, Mr. Brown asked the managers of the Member Agencies for their input on Agenda Items 7 and 8.

Managers

Ms. Valentine, Clark County Manager indicated that since the SCOP project was started there have been the following changes: The treatment plants are performing better; the lake quality is better; and there are financial issues. She stated that since there is no phosphorus problem, the reason for SCOP has changed. She recommended termination of SCOP and if it is ever needed in the future, the EIS process can be started over.

Ms. Fretwell, City Manager of Las Vegas indicated that because of competing priorities it is best to make a clean break with SCOP. We need to decide what the future is for the CWC.

Mr. Porter, Utility Director for the City of Henderson indicated that at a minimum, SCOP would not be needed for 10 years. He indicated that it is unfair to collect funding when there are other water quality improvements that make more sense now than SCOP. He said that things are changing.

Mr. Mendes, General Manager of the Clark County Water Reclamation District stated that what has changed is the philosophy of more treatment, rather than dispersion. He indicated that the SCOP project should be terminated; it is unlikely that the project will ever go forward; dilution is no longer the solution for pollution.

Mr. Bereskin, representing North Las Vegas, agreed that the SCOP project is not needed now, but indicated that funding for the CWC should stay in place so that the wastewater agencies can work together to fund and finance water quality projects.

Board

Mr. Ross stated that he was concerned about the EIS going away. He asked Mr. Maxfield what would happen. Mr. Maxfield indicated that letters would go out to the federal agencies that the project is terminated and if it is ever needed in the future, we would have to start over. He indicated

that if terminated the EIS would go away. He reviewed the 5 year rule that if a project hasn't been built within 5 years, the federal agencies can reevaluate the EIS Record of Decision, which would be in 2012.

Mr. Maxfield indicated that the preliminary Lake model will be available by March and should be complete by April. Mr. Maxfield asked why terminate SCOP today when the reevaluation process is ongoing and will be completed within a few months which will provide the Board with documentation and backup for their discussion.

Mr. Eliason asked why do we need to move forward with terminating SCOP today? Mr. Maxfield responded that some managers wanted to but that he doesn't necessarily agree with this. Before it is terminated he would prefer to have more information to substantiate the preliminary data from member agencies.

Mr. Kirk asked what's the future of the CWC without SCOP? If phosphate is not a problem, does that invalidate the EIS?

Mr. Kirk indicated that he felt that Southern Nevada must speak with one voice for matters of water quality. He felt that different treatment levels are not good. He voiced support for a regional approach. He indicated he likes the idea of a Regional Optimization Study. He indicated that since the City of Henderson has unused capacity, it could treat Clark County wastewater in particular areas if the study would support it.

Mr. Kirk indicated that although he is leaning toward terminating SCOP, he is not prepared today to "nuke" it. If the study comes back and says SCOP is needed, he will vote to keep it. If the study says SCOP is not needed, then he will vote to kill it.

As for the future of the CWC being a part of SNWA, Mr. Kirk indicated that is a possibility that needs to be examined.

Mr. Kirk indicated that between now and May, when the study will be completed, we can talk about the future of the CWC.

Mr. Maxfield suggested a Board Retreat to discuss the future of CWC. He pointed out that the last amendment to the CWC Interlocal Cooperative Agreement moved the CWC toward water quality issues. He suggested that a workshop format would be helpful.

Ms. Valentine indicated some urgency on deciding these issues because every month the county gets a statement for charges due to the CWC and the County is faced with a rate increase in July. She stated that the County can treat effluent better now than when SCOP was first conceived.

Mr. Brown stated that the money issue is urgent and is separate from the SCOP issue. He indicated that the connection charge should be looked at right away, since Clark County is starting to make up its 2010-2011 budget.

Mr. Ross asked how the CWC collects money. Mr. Maxfield replied that each Member Agency is assessed based on approximately \$8.00 per year user fee per ERU (residential unit) plus a connection fee equal to about \$850.00 per ERU. He stated that the Cities show the CWC charge as a separate line item on their customer's bills, but that Clark County does not, even though the charge is included.

Ms. Valentine stated that if the CWC assessment were to end, the County could avoid a rate increase.

Mr. Mendes stated that if Clark County stopped funding the CWC, the money would be refunded to ratepayers.

Mr. Marshall cautioned everyone that CWC funds can only be used for purposes permitted by the Interlocal Cooperative Agreement.

Mr. Eliason asked if the CWC gets most of its money from user fees.

Mr. Maxfield responded that user fees generate about \$7,000,000.00 per year and connection fees generate between \$10,000,000.00 and \$15,000,000.00 per year.

Ms. Fretwell stated that at the Manager's meeting in October the following items were discussed:

- The future of SCOP and financial considerations – that these topics need to be discussed together.

- That financial determinations need to be made in January for preparation of the 2010-2011 budget.

- Managers from the Executive team and Chip need to work on financial issues and report to the Board in January.

- Format not important but needs to be done quickly.

- Stop the capital project, but preserve as much value in the project as possible.

Mr. Kirk said there is a Public Relations aspect in stopping SCOP. We can't stop SCOP without telling the downstream users. We will then come back and determine the mission of CWC.

Mr. Brown asked what is the difference between terminate and suspend.

Mr. Marshall indicated that if we terminate, the federal agencies will have to be informed and the EIS and Right-of-Way Grants will be terminated.

Mr. Brown asked what needs to be stopped if suspend.

Mr. Maxfield indicated that all of the design activity will be completed by the end of December; there is no other activity, except for small space rental for construction trailers and that all contracts relating to construction activity can be terminated ASAP.

Mr. Brown wants the General Manager of the CWC to meet with the Managers, all construction related contracts to be terminated and that SCOP should be terminated or suspended.

(Motion) Mr. Ross made the following motion:

- Suspend construction of the SCOP project until 2012.

- Terminate any construction contracts, but complete the design of the project, then stop.

- The CWC Manager to meet with the County & City Managers to review current financial status and make recommendations for collection and disposition of CWC accounts following revised status of CWC.

- CWC Manager to organize a Board retreat to work out future role of the CWC.

- Compile financial picture of CWC: current revenues, expenses, commitments fiscal year 2010.

- There is a sense of urgency to terminate the contracts and address the fee issues.

Mr. Maxfield agreed to undertake the urgent matters and bring them back for the January Board meeting. He agreed on completion of the design, to terminate all construction related contracts.

Mr. Brown called for a vote on the motion which was unanimously carried.

Mr. Brown stated that the dynamic for creating the SNWA was different than for the CWC. The SNWA was created in a crisis situation, to get water to the valley, whereas in the case of the CWC, it is a voluntary effort to preserve the autonomy of the Wastewater Agencies while creating a regional voice for the greater good. Mr. Brown urged transparency, with no working behind the scene to implode the CWC.

VI. PUBLIC COMMENT

There was no public comment.

VII. SET NEXT MEETING

The next meeting was set for the 4th Tuesday in January, which is January 26, 2010.

VIII. ADJOURNMENT

There being no further business to be discussed, the meeting was adjourned at 4:43 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'Martha Jones', written over a horizontal line.

Martha Jones
Clean Water Coalition