Lincoln County Water District
181 Main Street, Suite 115, P. O. Box 206,
Pioche, NV 89043, (775) 962-5164

MINUTES
LINCOLN COUNTY WATER DISTRICT (LCWD)
SPECIAL MEETING

MONDAY, FEBRUARY 7, 2011, 9:30 A.M.

COMMISSION CHAMBERS
LINCOLN COUNTY COURTHOUSE, PIOCHE, NV

1. * Call to order, roll call.

Meeting called to order at 9:51 a.m. Present: Kevin J. Phillips, George T. Rowe, Anthony P. Donohue, Paul H. Mathews, E. Edwin Higbee, Jr., Wade Poulsen-General Manager, Dylan Frehner-Legal Counsel, and Shannon Simpson-Administrative Assistant.

2. * Discussion/Action: Lincoln County Water District's (LCWD) response, if any, to the City of Mesquite's annexation of real property located in Lincoln County and entirely within LCWD's service territory. Action may include, but is not limited to, filing legal action to challenge the annexation, joining with Vidler Water Company in litigation to challenge the annexation, and/or intervening as an interested party in the legal action filed by Lincoln County.

Paul Mathews' opinion is that the current filing through Lincoln County is enough. He does not wish to get too many lawsuits filed. If Court should rule that annexation is legal he wants Lincoln County to be in a position to work with interested parties towards a resolution and not get bogged down in the courts.

Dylan Frehner states that we need to protect ourselves from the City of Mesquite making Virgin Valley Water District their service provider. If the annexation is approved they will be able to sell franchises. Frehner states now is the best time to challenge the annexation because this is the best argument we have. We may not have much to go on if the annexation is ruled legal. Frehner states that LCWD has different arguments from Lincoln County to fight the annexation. Recommends filing separate action due to time limit.

Vidler Water Company will be moving forward with the filing of a lawsuit even if LCWD does not since they are bearing the risk of losing the $14,000,000.00, invested to date to develop the water in that area. Important for LCWD to join in so that we can review the documents and have our say as well and it is not just from Vidler's perspective.

Motion by Paul Donohue to authorize filing of legal action to challenge the annexation, joining with Vidler Water Company in litigation to challenge the annexation, and/or intervening as an interested party, 2nd by Kevin Phillips. All in favor: Paul Donohue, Kevin Phillips and G. Tommy Rowe. Opposed: Paul Mathews and Ed Higbee. Motion passes three to two.

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3. * Discussion/Action: Authorizing LCWD General Manager and General Counsel to prepare, sign and/or file, all necessary legal paperwork on behalf of LCWD to challenge/contest the City of Mesquite's annexation of real property located within LCWD's service territory.

   Motion by Kevin Phillips to authorize LCWD General Manager and General Counsel to prepare, sign and/or file, all necessary legal paperwork on behalf of LCWD to challenge/contest the City of Mesquite's annexation of real property located within LCWD's service territory, 2nd by Paul Donohue, motion passes unanimously.

4. Public Comment and Discussion. **No public comment.**

5. * Adjourn.

   Motion by Kevin Phillips to adjourn this meeting, 2nd by Ed Higbee, motion passed unanimously.

   Meeting adjourned at 10:20 a.m.

Submitted for approval by:
Shannon Simpson, LCWD Administrative Assistant Shannon M. Simpson

Approved by: E Edwin Higbee
Signature

E Edwin Higbee Jr
Print Name Title

Date: February 16, 2011