

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

MINUTES

**WEDNESDAY, DECEMBER 12, 2012, 10:00 A.M.,
COMMISSION CHAMBERS, LINCOLN COUNTY COURTHOUSE,
PIOCHE, NV**

Action may be taken on items denoted with an asterisk*.

1. *Call to order, open meeting compliance, roll call, prayer and pledge of allegiance.

Meeting called to order at 10:12 a.m. Present: Paul H. Mathews, Paul Donohue, Kevin J. Phillips, G. Tommy Rowe, E. Edwin Higbee, Jr., Wade Poulsen-General Manager, Dylan Frehner-Legal Counsel, and Shannon Simpson-Administrative Assistant. Absent: None. Prayer: Tommy Rowe. Pledge: Kevin Phillips.

2. Public Comment and Discussion. None.

3. *Discussion/Possible Action: Approve/Modify minutes from the Lincoln County Water District (LCWD) September 19, 2012, meeting.

Motion by Kevin Phillips to approve the September 19, 2012, meeting minutes, 2nd by Tommy Rowe, motion passes unanimously.

4. *Discussion/Possible Action: Approval of vouchers paid on check dates October 1 & 15, November 5, 13, & 19, and December 3, 2012.

Motion by Kevin Phillips to approve the payment of vouchers for check dates October 1 & 15, November 5, 13, & 19, and December 3, 2012, 2nd by Ed Higbee, motion passes unanimously.

5. Discussion: Board and Staff member reports:

Wade:

- Presented overview of items that are on the agenda.
- Thanked Tommy for his years of service.
- BLM Business Plan – Along with Cory Lytle-Lincoln County Building & Safety Department, the LCWD has worked extensively with the BLM to finalize the Plan. Product should be completed and published in January 2013. Still some discussion as to who will be on committees, representation, and how the money will be spent.
- In January he will be bringing some items to the Board for consideration regarding the Virgin Valley Water District (VVWD).

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Dylan:

- Meetings with the Panaca Farmstead Association the past two months.
- Met with Emilia Cargill-Senior V. P./General Counsel on Coyote Springs regarding items going on down there.
- November 16 – Met with the County regarding the BLM Business Plan, and November 20, met with the BLM regarding the same.
- Biggest projects - Working on draft agreements the last 2 months with East West Power (EWP) for the Toquop Energy Plant in regards to water. Still trying to work on exhibits to go with the agreement. Will present at a special meeting on December 20, 2012.

6. Vidler Update.

Ryan Hoerth:

- Working on attachments for agreement for EWP.
- Vidler has met with EWP's groundwater consultants. Discussed geology in the Tule Desert, their well fields, future well sites, water quality and quantity. Also had the south fork of the Toquop gap surveyed to make sure that the pipeline from the Tule Desert is still feasible to cross the wash. Have staked all future drill pads and pipelines from the well sites to the power plant. Waiting for the BLM to authorize a cultural and biological assessment. Assessment will be done in two phases; well pads first, then the main and connecting pipelines.
- Tule Desert – National Park Service (NPS) has completed and provided Vidler with their ground flow model that encompasses the Colorado flow system; everything from Clover Valley down to Virgin Valley and from Virgin Valley over to the Apex area. Sent to Vidler's groundwater consultant to see what affect pumping alone will have on Rogers and Blue Point Springs which are the springs that the NPS is concerned with.
- Kane Springs - Met with Rick Felling - Chief Hydrologist with the Division of Water Resources to discuss drilling another well. He is concerned with impacts to Coyote Springs. Suggested that they go up basin (7 miles) and try to drill an alluvial well and recommended that they get the flow model of the White River Basin that the Southern NV Water Authority used in their hearing for Cave, Dry Lake and Delamar Valleys. Received the data set from the BLM that they sent to their groundwater consultant to see what affect pumping an additional 5000 acre feet in Kane Springs will have on Coyote Springs.
- Started geophysical work in Kane Springs in November to help site a well there. Hopefully will wrap up end of December.
- Dry Lake Valley - Decided that they need to farm another year because we did not collect enough water to prove up the water rights so they will be farming another year (2013).

7. *Discussion/Possible Action: 2013 Nevada Water Resources Association (NWRA) Membership renewal.

Motion by Kevin Phillips to renew the 2013 Nevada Water Resources Association membership, 2nd by Tommy Rowe, motion passes unanimously.

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8. *Discussion/Possible Action: Attendance of the 2013 NWRA Conference January 28 – 31, 2013, at the Peppermill Resort & Casino in Reno, NV.

Motion by Paul Donohue for the Board and Staff to attend the 2013 Nevada Water Resources Conference, 2nd by Kevin Phillips, motion passes unanimously.

9. *Discussion/Possible Action: Request from the Panaca Farmstead Association (PFA) to approve the PFA's proposed expansion of its service territory.

- Grant Perkins: PFA needs to define their service area to comply with the Public Utilities Commission (PUC). PFA wants to come to an agreement with the LCWD on the upcoming BLM land releases as to service territory before reporting back to the PUC.
- Discussion with the LCWD Board.
- Staff's concern is that if a large developer purchased the land, the LCWD feels that they are better equipped to handle the situation with the resources that we have.
- Dylan – Currently the LCWD's service area includes all real property of the towns/cities within the County so technically the LCWD has some governance over the PFA already. If the PUC becomes the oversight committee of what the PFA is going to do in their service area he has concerns of adding additional service area that another outside agency (the PUC) would then be governing. He feels that the LCWD and the PFA should come to an agreement (locally) to work with each other on expanded service territories versus giving that authority to the PUC. Keep the PUC limited to the basic town of Panaca.

Motion by Tommy Rowe to approve the expansion of the service boundary with the condition of making the service boundary "square" on the southwest corner of the map and that the attorneys for the LCWD and the PFA develop an agreement as to how each entity will work together regarding further service area expansions, 2nd by Ed Higbee, motion passes unanimously.

Meeting broke at 10:50 a.m. and resumed at 11:30 a.m.

10. *Discussion/Possible Action: Whether to protest the PFA Public Utility Commission filing regarding the proposed service territory expansion.

This item stuck due to decision made in Item #9.

11. *Discussion/Possible Action: Creating policy on how the LCWD will provide services to the lands released by the Bureau of Land Management in Lincoln County around the existing communities.
- Wade feels that precedence has been set today with the decision made regarding the PFA. This situation will occur in the future with the other towns/cities. How will we handle these activities in the future?

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- Discussion on identifying property areas where we have different water opportunities. Identify ground that we can use as crops, non-traditional, and market it, e.g., lavender farm, Christmas trees, walnuts, hoopouses. Will have to be atypical from our historical use here. Create ability to develop and sell land.
- Wade – We don't own any water rights in the Panaca or Pahranaagat Valley basins, and there are no water rights available in these areas; all applications are closed. We would have to approach someone who has water rights and see if they were willing to sell their rights. We could buy irrigation shares and convert them to culinary shares. We could find wells that aren't being used/pumped by the owners and buy the water rights from them.
- Kevin Phillips/Paul Donohue: Direct staff to identify property and water resources where we have water opportunity.

Motion by Paul Donohue to direct staff to proceed in identifying land and water resources, 2nd by Ed Higbee, motion passes unanimously.

12. *Discussion/Possible Action: 2011-2012 LCWD Annual Audit Report presented by Daniel C. McArthur, Ltd.

Motion by Kevin Phillips to approve the 2011-2012 LCWD Annual Audit Report presented by Daniel C. McArthur, Ltd., 2nd by Ed Higbee, motion passes unanimously.

13. *Discussion/Possible Action: 2011-2012 Vidler Water Company, Inc. Annual Audit Report presented by Daniel C. McArthur, Ltd.

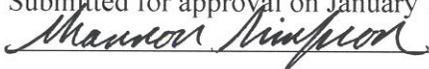
- Tabled until the next LCWD Board meeting.

14. Public Comment and Discussion.

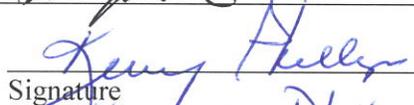
- Ed feels that we really need to move forward on the BLM land sales before there are no more sales.
- Comment regarding items on the Lincoln County Commission meeting on Monday, December 17, 2013.
- Election of new LCWD Board members at the next meeting.
- Paul Donohue – Met with C & O Holdings regarding Toquop; very proactive. Attended Mesquite meeting of the de-annexation.

15. *Adjourn. ***Paul Mathews adjourned the meeting at 12:03 a.m.***

Submitted for approval on January 16, 2013, by Shannon Simpson, LCWD Administrative Assistant.



Approved by:


Signature

Kevin J. Phillips
Print Name

Vice Chairman
Title