INTEGRATED RESOURCE PLANNING ADVISORY COMMITTEE
MEETING SUMMARY

November 19, 2014, 3:00 p.m.

Colorado River Conference Rooms, Southern Nevada Water Authority
100 City Parkway, Seventh Floor, Las Vegas, Nevada

IRPAC Members Present	Chris Armstrong	Otto Merida
	Tom Burns	Paul Moradkhan
	Thalia Dondero	Terry Murphy
	Bob Ferraro	Phil Ralston
	Warren Hardy	John Restrepo
	Katherine Jacobi	David Scherer
	Carol Jefferies	Danny Thompson
	Jennifer Lewis	Virginia Valentine
	April Mastroluca	
IRPAC Members Absent	Yvanna Cancela	
	John Guedry	
	Joyce Haldeman	
	Bobbi Miracle	
Staff Present:	John Entsminger	Andy Belanger
	Dave Johnson	Zane Marshall
	Phil Speight	Katie Horn
	Julie Wilcox	

PUBLIC COMMENT

For full public comment remarks, please visit www.snwa.com/apps/agenda/snwa/index.cfml

There were no persons wishing to speak.

SUMMARY OF ACTIVITIES

The SNWA's Integrated Resource Planning Advisory Committee (IRPAC) met on Wednesday, November 19, 2014 to receive a presentation on SNWA's In-State Groundwater Project (Groundwater Project) and to discuss and finalize its recommendations to the SNWA Board of Directors. The meeting began at 3:08 p.m.

Item No. 1: Approve the meeting summary for November 5, 2014.

Phil Ralston asked for clarification on the interest rate associated with the issuance of bonds required to fund a third pump station. Guy Hobbs, Principal of Hobbs, Ong & Associates, explained that IRPAC's approval of the funding methodology accounts for the current market interest rate plus 200 basis points (2 percent). The meeting summary was approved.

Thalia Dondero asked if the SNWA considered the amount of water marijuana growers will use if the industry expands in Clark County. Mr. Entsminger said SNWA has projected the water demand to be minimal.

Item No. 2: Receive a presentation on SNWA's In-State Groundwater Project.
Zane Marshall, SNWA's Director of Water Resources and Facilities, gave an overview of SNWA's In-State Groundwater Project.

The Groundwater Project would provide additional water resources for southern Nevada and allow SNWA to help meet future demands while reducing its reliance on the Colorado River, which accounts for 90 percent of its current water supply. It is difficult to estimate a timeline for the project given several variables, such as future water demand, conservation and climate change.

The Groundwater Project includes five groundwater basins (Spring, Snake, Cave, Dry Lake and Delamar Valleys), 300 miles of pipeline, production and monitoring wells and several electrical power stations. The Groundwater Project would add approximately 236,000 acre feet to SNWA's water portfolio, with the inclusion of return flow credits. SNWA has spent more than 20 years studying the area to better understand the hydrology.

SNWA's application for water rights in these basins was heard before the State Water Engineer, who is entrusted to responsibly manage the state's water resources. The hearing lasted four weeks and was the largest water right hearing (in terms of acre-feet of water) in the state's history. The Groundwater Project is required to meet guidelines of the Endangered Species Act, the Environmental Protection Act and adhere to other state and federal guidelines. With the granting of the water rights, the State Engineer maintains oversight of the project. He has requested baseline pumping data before any full pumping occurs. Water development would be tiered to evaluate pumping impacts and there are mitigation requirements of SNWA if adverse impacts become a concern.

The Groundwater Project also includes the acquisition of seven private ranches in White Pine County, incorporating 23,500 acres in land, 56,000 acre-feet of primary and supplemental water rights and the use of 930,000 of grazing acres on Bureau of Land Management and U.S. Forest Service lands. Beyond new water supplies, the purchase of the ranches and the associated water rights allows the SNWA to more effectively manage the natural resources in the area. The ranches are managed day-to-day by a professional ranch manager and three additional staff. The SNWA puts its water rights to beneficial use and operates the ranches in a cost-effective manner. Annual revenue generated from commodities pay for the operation and maintains water and grazing assets.

Otto Merida asked if SNWA legally has water rights from the basins. Mr. Entsminger confirmed that the State Engineer granted SNWA approximately 84,000 acre-feet of water, however, that ruling has subsequently been challenged and remains in litigation at the Nevada Supreme Court.

Mr. Ralston asked for an example of an unreasonable adverse effect caused by pumping. Mr. Marshall offered that if endangered fish are negatively impacted by the pumping, for example, fish that live in the Pahranagat Valley located adjacent to the right of way, the Nevada State Engineer and Nevada

Department of Wildlife would require SNWA to take action that mitigates that effect up to their standard.

Virginia Valentine asked if the ranches owned by SNWA plan on growing water-intensive crops like alfalfa into the future. Mr. Entsminger said that if the Groundwater Project is built and pumps become operational, water in the area will be managed in a way that helps sustain local aquifers and the surrounding environment. The water rights will be used as a water supply, for mitigation and for some agricultural production; whatever makes sense at the time.

Ms. Dondero asked if the Groundwater Project crossed land dedicated to the Nevada Test Site, and if there was potential for radiation exposure from past atomic testing conducted in the area. Mr. Marshall explained that the pipeline would not cross the Nevada Test Site; however, because of its relative proximity to the testing ground, the SNWA has taken soil samples from the proposed alignment and measured for radioactivity. The readings indicated normal background radiation levels.

Mr. Entsminger emphasized that Spring Valley would not be managed as the Los Angeles Department of Water and Power managed water resources in Owens Valley, California, where both the surface and groundwater was indiscriminately over-pumped, which resulted in damaging environmental consequences. Nevada water law would not allow this to occur in Spring Valley due to the concept of perennial yield. In addition, several federal laws are now in place to protect against a similar outcome. Mr. Entsminger said that the SNWA would be only interested in investing in the Groundwater Project as a sustainable resource, not as a water mining opportunity.

Mr. Ralston asked for clarification of the concept of perennial yield. Mr. Entsminger explained that each basin in Nevada receives a certain amount of precipitation annually that “recharges” the local underground aquifer. That amount of water is called the perennial yield. Nevada water law limits the amount of water use in each basin to the amount of recharge.

Bob Ferraro and Carol Jefferies asked if the SNWA has reached out to the local communities near the ranches. Mr. Entsminger explained the SNWA has made agreements with some local communities in the area, such as Lincoln County, but has not reached an agreement with White Pine County. While some White Pine residents do not support the project, the SNWA maintains an open-door policy with those who want to have a reasonable dialogue.

April Mastroluca asked if the SNWA would stop pumping water if negative environmental impacts were found as a result of the pumping. Mr. Entsminger explained that the SNWA has spent a great deal of time and resources to better understand the hydrology of the region. Many of the wells in the region are dedicated monitoring wells, which would provide guidance in where to relocate a production well if negative impacts were identified.

Ms. Mastroluca asked if the groundwater basins are interconnected. Mr. Entsminger explained that while there is some interaction between the underground basins, it does not mean there is simply an underground river from one basin to another; groundwater hydrology is very complex and the geology can make a significant impact on how water moves underground.
John Restrepo asked how much the SNWA has invested in the ranches and water rights. Mr. Entsminger estimated it to be approximately $120 million to date.

Mr. Marshall then reviewed the costs and timeline associated with constructing the Groundwater Project. In 2007, the planned cost to build the project was $2.6-$3.2 billion, which is reflected in the Environmental Impact Statement (EIS). The construction schedule would vary depending on the water supply needs of the community at the time, but it's estimated it would require 10 years to complete the design, environmental compliance and construction to Delamar Valley (the southern-most basin). Total build-out would likely take 30-35 years, which would include the project reaching Snake Valley and the development of all production wells.

Mr. Entsminger noted that water resources in the southwest United States are scarce, and there are limited options for new water supplies, especially those that are not managed or influenced by other states. Mr. Entsminger clarified that the SNWA is not seeking a recommendation from IRPAC for construction of the project, but whether the SNWA should keep the groundwater project in its water resource portfolio as a future option.

Mr. Restrepo stressed that the groundwater project needs to be in the mix of future water resource options in order to preserve the economic viability of the region.

Mr. Ralston asked if there are other options besides the groundwater project. Mr. Entsminger explained that while desalination will likely be an option considered, the costs associated with the operation and maintenance of a desalination plant remains relatively high. However, the SNWA will continue to evaluate the groundwater project and compare it to other potential options, especially as technology improves over time.

Ms. Mastroluca asked if there was anything that could cause the groundwater project to stop operating once it begins service. Mr. Entsminger said the water basins would be managed in an environmentally responsible way. Given SNWA's current conservation goal, the Groundwater Project may not be necessary for decades.

Dave Ebersold asked Mr. Entsminger if keeping the Groundwater Project in SNWA's water resource portfolio as an option would deter the SNWA from seeking other options in the future. Mr. Entsminger said the SNWA would consider all reasonable options, and revisit those options as technology and costs change over time.

Item No. 3: Review all draft recommendations and make any changes or additions.

The committee then discussed the wording of a potential recommendation regarding the groundwater project as a future water supply option for the SNWA. Mr. Ebersold presented the committee the entire list of recommendations made to date, and asked if there were any desired changes to the list. There were none.

Item No. 4: Discuss, finalize and approve Recommendations Report.

Mr. Ebersold then addressed each committee member individually and asked them if they were comfortable and in agreement with the final recommendations. All committee members present confirmed their approval.

Mr. Ebersold asked if there were any questions or comments regarding the Draft Recommendations Report. There were none. He then addressed each committee member asking if they were comfortable and in agreement with the Draft Report. All committee members present confirmed their approval.

David Scherer complimented Mr. Ebersold on his work as facilitator. Terry Murphy shared that she has been on several committee's similar to IRPAC and that this experience was exceptionally positive.

Mr. Ebersold thanked the committee for their time, interest and commitment to the process.

Mr. Entsminger expressed his desire that the IRPAC process would be sincere and transparent. He thanked the committee for their service to the community and in participating in a process that will pay dividends for Nevada's citizens well into the future.

PUBLIC COMMENT

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Ed Uehling, Las Vegas, suggested that more conservation efforts could be engaged. He also said that there are inequities among rate-payers who use the same amount of water. The consumption costs are only a portion of their bill and that much is hidden, such as the financing costs of infrastructure. Finally, be believes the presentation materials should be handed out prior to the day of the meeting.

ADJOURNMENT

The meeting was adjourned at 4:42 p.m.