

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS SPECIAL MEETING: BUDGET WORKSHOP**

2012-04-19

APPROVED MINUTES

Call to Order

10:25 am

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Molasky Corporate Center, Grand Canyon Conference Rooms,
100 City Parkway, Seventh Floor
Las Vegas, Nevada

DIRECTORS PRESENT

Shari Buck Chair, Mary Beth Scow Vice Chair, Sam Bateman, Bob Coffin, Tom Collins, Duncan McCoy, Steve Sisolak

DIRECTORS ABSENT

STAFF PRESENT

Patricia Mulroy, John Entsminger, Brian Chally, Rick Holmes, Phil Speight, Bill Fox, Zane Marshall

OTHERS PRESENT

ITEM NO.

Unless otherwise indicated, all members present voted in the affirmative.

Item number 5 was considered out of order.

COMMENTS BY THE GENERAL PUBLIC

None

1. Approval of Agenda

FINAL ACTION: A motion was made by Director Sisolak to approve the agenda for this meeting. The motion was approved.

2. Receive an overview on and discuss the Fiscal Year 2012/2013 Tentative Budget.

Pat Mulroy gave a presentation on the Southern Nevada Water Authority's Fiscal Year 2012/2013 Tentative Budget. A copy of the presentation is included with these minutes.

Director Collins asked if the Las Vegas Valleys groundwater basin has experienced any impacts from the lack of artificial recharge. Ms. Mulroy reported that there have been no impacts reported to date, as the SNWA has made an effort to recharge responsibly throughout the valley. She noted that sufficient recharge exists to benefit local groundwater users.

Ms. Mulroy reported that lower than expected debt costs on the Silverhawk Generating Station and

refinancing on old Southern Nevada Water System debt allowed the Authority to not seek an increase in the Wholesale Delivery Charge.

Ms. Mulroy reminded the Board of a goal discussed during the rate setting process was to maintain a \$280 million reserve and noted some discussion over whether or not to have a Rate Stabilization Fund. She suggested having the newly-formed integrated resource planning advisory committee evaluate and discuss Rate Stabilization Fund during their meetings. Director Sisolak asked if it was Hobbs Ong's recommendation to have a Rate Stabilization Fund; Ms. Mulroy recalled that their recommendation was to have the committee evaluate the possibility of establishing such fund. Director Coffin verbalized his concern that the community should not raise water rates in an effort to establish a fund.

A portion of the presentation discussed activities at the SNWAs northern resources properties. Director Coffin asked if the SNWA has deferred any costs (operating, maintenance, etc) related to the operation of these properties. Ms. Mulroy replied that the SNWA is saving money through other means including the use of more efficient technologies and utilizing the homes on the properties to lodge staff working at the properties rather than paying for hotel rooms.

Director Sisolak asked what was being done with the \$260,000 net profit from the ranch properties. Ms. Mulroy responded that amount is put into the reserves of the New Expansion Debt Service. Director Sisolak recommended segregating that amount to eventually pay off the Huntsman note. Ms. Mulroy indicated that the SNWA will ensure this amount is accounted for separately and used to fund ranch-related debt.

Director Collins complimented the SNWAs ranch operation and noted the challenges associated with operating not-for-profit ranch properties in a way that provides value to the surrounding community and ratepayers. Zane Marshall provided an overview on recent hay operations including evaluating new opportunities for revenue, such as different grades of hay for sale and use on the properties. He outlined current ranch priorities which include streamlining operations to reduce costs and losses and identify new revenue streams to increase net income.

NO ACTION REQUIRED

Comments by the general public

None

APPROVED:

Shari Buck, Chair

Patricia Mulroy, General Manager

Copies of all original agenda items and minutes, including all attachments, are on file in the General Manager's office at the Las Vegas Valley Water District, 1001 South Valley View Boulevard.