

**SOUTHERN NEVADA WATER AUTHORITY  
BOARD OF DIRECTORS  
REGULAR MEETING  
JUNE 21, 2012  
MINUTES**

CALL TO ORDER 9:02 a.m., SNWA Board Chambers, Southern Nevada Water Authority  
100 City Parkway, Seventh Floor, Las Vegas, Nevada

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

BOARD MEMBERS ABSENT None

STAFF PRESENT John Entsminger, Greg Walch, Rick Holmes, Phil Speight, Scott Krantz

OTHERS PRESENT Guy Hobbs

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

**COMMENTS BY THE GENERAL PUBLIC**

Mary Alderman provided comments to the Board and discussed how the Authority's infrastructure surcharge has affected her water bill. A copy of her comments is included with the minutes.

Jim Hammer, Storage One, discussed how increasing charges for his business' firelines have impacted his water bills. He requested a re-evaluation of the surcharge on small business owners.

Director Coffin asked staff to clarify the purpose of the infrastructure surcharge. John Entsminger reiterated that additional revenue was necessary to meet the Authority's revenue gaps resulting from local economic declines. Revenue from the surcharge will pay outstanding debt, not operating expenses or future projects.

Director Sisolak recommended that the Integrated Resource Planning Advisory Committee expedite their evaluation of current revenue sources and funding needs.

In response to public comment and a number of questions from the board, Chair Buck requested an agenda item to discuss the Authority's SNWA infrastructure surcharge at the next meeting.

**1. Approval of Agenda & Minutes**

FINAL ACTION: A motion was made by Director Collins to approve the agenda for this meeting and the minutes of the regular meeting of May 17, 2012. The motion was approved.

**CONSENT AGENDA Items 2 - 7 are routine and can be taken in one motion unless a Director requests that an item be taken separately.**

**2. Approve an amendment to the existing agreement between Katz & Associates, Inc., and the Authority to continue providing support services for the SNWA Major Construction and Capital Plan and the Las Vegas Wash Capital Improvement Program, which reduces the contract not-to-exceed amount to \$254,400 and provides the option to extend the agreement for two additional one-year periods.**

**3. Approve a subgrant agreement between the Nevada Division of Environmental Protection and the Authority to accept grant funding in the amount of \$105,265 for regional water quality activities and related public outreach initiatives.**

4. **Approve and authorize the General Manager to enter into an assistance agreement between the Bureau of Reclamation and the Authority, in substantially the same form, to accept a grant for an amount not to exceed \$100,000 to support the Authority's Water Smart Landscape Rebate Program, and authorize the General Manager to approve future modifications only if the future modifications do not fiscally impact the Authority.**
5. **Approve an interlocal agreement among the City of Henderson, the City of Las Vegas, the City of North Las Vegas, Clark County, the Clark County Regional Flood Control District, the Clark County Water Reclamation District, and the Authority to establish funding allocations and the budget for Las Vegas Wash activities in fiscal year 2012/2013.**
6. **Approve a grant and cooperative agreement between the United States Geological Survey and the Authority to accept funding for aerial imagery acquisition of the Las Vegas Valley in support of the Water Smart Landscape Program, and authorize the General Manager to approve future modifications to the agreement only if future modifications do not fiscally impact the Authority.**

FINAL ACTION: A motion was made by Director Collins to follow staff's recommendations, but to consider item 7 separately. The motion was approved.

7. **Approve Amendment No. 3 to the existing agreement between Spring Valley Associates, LLC, and the Authority, increasing the annual not-to-exceed amount to \$850,000 and authorize the General Manager to approve future modifications to the agreement only if future modifications do not fiscally impact the Authority.**

Director Sisolak clarified that this amendment was specific to the Authority's northern resource properties and asked why additional funds were needed to support the agreement. John Entsminger noted that the Spring Valley Associates agreement includes all ranch-related labor.

Previously, the Robinson Ranch property was leased to another party. Recently, the Authority acquired full management of the ranch again, which equates to operating an additional 90,000 acres of property and grazing allotments, in addition to an increase of cattle and other animals. In anticipation of the expiring lease, the Authority included the additional amount in this year's budget to cover the additional labor expenses incurred to manage the property.

Director Sisolak asked if the funds are being used to purchase expertise to run the properties or for more product. Mr. Entsminger clarified that the funds will be used to provide the manpower to grow additional alfalfa, with the intention of producing more revenue.

FINAL ACTION: A motion was made by Director Collins to follow staff's recommendation. The motion was approved.

8. **Approve a takeover agreement between Safeco Insurance Company of America and the Authority providing for Safeco's acceptance of contractual obligations remaining to be performed, and accept all construction work required to be performed under Contract No. 340A 04 C1, Coyote Spring Valley Well and Moapa Transmission System – Moapa Treatment Facility.**

Director Sisolak asked what the Authority does with the savings from this agreement and others after completion of the project. Mr. Entsminger replied that the savings remains in the New Expansion Debt Service until it is expended by another project. Director Sisolak noted that he would prefer the savings not be expended by another project, but instead used towards paying down debt service.

Chair Buck requested an agenda item to discuss where these types of savings are placed within the Authority's budget for a future agenda.

FINAL ACTION: A motion was made by Director Sisolak to follow staff's recommendation. The motion was approved.

9. **Approve the 2012 Amended Facilities and Operations Agreement, in substantially the same form, among the City of Boulder City, the City of Henderson, the Las Vegas Valley Water District, the City of North Las Vegas, and the Authority.**

FINAL ACTION: A motion was made by Vice Chair Scow to follow staff's recommendation. The motion was approved.

10. **Approve the Second Power Exchange Agreement between the Authority and Nevada Power Company, doing business as NV Energy, to exchange power, enabling the Authority to manage its power costs effectively and with more reliable delivery.**

Director Sisolak asked if there was an assessed valuation of the Silverhawk facility. Scott Krantz reported that the Authority spent approximately \$110 million for the agency's portion of the plant. He described the modeling efforts that evaluate the plant's costs include operation and maintenance as well as the value it provides to the organization over the next ten years. If the agreement is approved, Mr. Krantz reported that the Authority would receive an added value of \$600,000 of power supplies and managed risks.

Director Sisolak asked if bond proceeds were used to purchase the power plant. Mr. Entsminger indicated that he was unsure how the Silverhawk facility was purchased and would need to review the original funding agreement. Director Sisolak asked staff for a complete list of the projects and activities that were funded with bond proceeds.

Director Collins asked Mr. Krantz to clarify a comment made regarding the Authority's initial purchase of the plant at a discount. Mr. Krantz reported that many power plants were constructed as a result of high power costs. With a large number of plants, owners were forced to sell the plants at significant discounts and NV Energy was the only buyer able to purchase these plants.

FINAL ACTION: A motion was made by Vice Chair Scow to follow staff's recommendation. The motion was approved.

11. **Receive an update from staff on water resources including, but not limited to, drought conditions in the Colorado River Basin, the results of the implementation of the Authority's Water Resource and Conservation Plans, activities on the Colorado River, and on the development of in-state water resources.**

John Entsminger, Senior Deputy General Manager, provided the Board with an update of drought conditions and local water use information. A copy of his presentation is included with these minutes. Mr. Entsminger also gave the board an update on the accident at the intake site.

NO ACTION REQUIRED

### **Public Comment**

Brian McAnallen, Las Vegas Chamber, spoke in opposition to the infrastructure surcharge, specifically the fireline issue and its effects on local businesses.

Director Bateman noted the challenge of making up lost revenue on businesses and residents.

Mary Alderman expressed frustration with a bill insert she received characterizing the impacts to customers.

Johnathan Friedrich expressed his frustration with the infrastructure surcharge and the amount of time taken in response to a leak located on Driftwood Drive.

Alisa Sigmund, Watch Me Grow daycare, discussed how the infrastructure surcharge has affected her business in North Las Vegas and hopes for a more equitable resolution.

Richard Lozo discussed his frustration with water rates and noted poor management at the Authority.

A representative of EJM Development noted his confusion on how the fireline rates were developed. John Entsminger noted that the issue would be discussed at the July board meeting.

**Adjournment**

There being no further business to come before the board, the meeting adjourned at 10:34 a.m.

APPROVED:

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Shari Buck, Chair

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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, Las Vegas, Nevada.**