

**SOUTHERN NEVADA WATER AUTHORITY  
BOARD OF DIRECTORS  
REGULAR MEETING  
JANUARY 17, 2013  
MINUTES**

CALL TO ORDER 9:00 a.m., SNWA Board Chambers, Southern Nevada Water Authority  
100 City Parkway, Seventh Floor, Las Vegas, Nevada

BOARD MEMBERS PRESENT Mary Beth Scow, Vice Chair (Via phone)  
Sam Bateman  
Susan Brager  
Bob Coffin  
Duncan McCoy  
Steve Sisolak

BOARD MEMBERS ABSENT Shari Buck, Chair

STAFF PRESENT Pat Mulroy, Greg Walch, John Entsminger, Ron Zegers, Phil Speight, Scott  
Krantz, Marc Jensen

OTHERS PRESENT William Nelson, Piercy Bowler Taylor Kern

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

**Duncan McCoy chaired the meeting.**

**COMMENTS BY THE GENERAL PUBLIC**

Ed Uehling, Las Vegas, provide comments about agenda items two and eight. He noted his concerns about reappointing the Authority's current general manager. He also discussed concerns related to the Silver State Energy Association's oversight and management.

**1. Approval of Agenda & Minutes**

FINAL ACTION: A motion was made by Director Sisolak to approve the agenda for this meeting and the minutes of the regular meeting of November 15, 2012, and the special joint meeting of November 15, 2012. The motion was approved.

**2. Renew the interlocal contract authorizing the General Manager of the Las Vegas Valley Water District to serve as General Manager of the Authority, utilizing the staff and resources of the District to manage the affairs of the Authority.**

Director Coffin noted the position's challenges and expressed his confidence in the existing General Manager.

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

**3. Appoint a director to serve as a member of the Colorado River Commission for the remainder of fiscal year 2012/2013 in accordance with amended Special Rule #1.**

FINAL ACTION: A motion was made by Director Bateman to nominate Director Sisolak to serve as commissioner for the remainder of the term. The motion was approved.

**4. Approve two resolutions authorizing the submission of grant proposals to the Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grant Program.**

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

5. **Approve, adopt, and authorize the General Manager or her designee to sign a resolution authorizing the Authority to acquire, through eminent domain, the remaining ownership interests in certain parcels held by the John and Cecilia Dugan Family Trust dated January 7, 2005, Richard Thomas Surguine, Arthur T. Murphy, and the Estate of Walter H. Tampke, Jr., needed to construct, operate, and maintain SNWA Project No. 810K, the Three Kids Weir.**

Greg Walch, General Counsel, noted that the Board approved the first Las Vegas Wash Capital Improvement Plan in August 2002. The plan included a number of future projects including bank protection facilities, revegetation projects and various studies that were designed to reduce erosion in the Wash. The Three Kids Weir has been part of the 2002 plan. He showed the Board a few images to orient the project's location as well as the private landholdings as addressed by this agenda item. Mr. Walch noted the reasons why the site was selected for the project, which is its half-way distance between two existing weir structures, and its avoidance of fault lines, a buried SNWA pipeline to the west of the site and some cultural areas located to the east of that pipeline that must be avoided. The project will be largely funded by Southern Nevada Public Lands Management Act grant funding; quarter-cent sales tax proceeds will fund the remainder of the project.

The parcels noted above are less than 1/8 of an acre each. In 2000, an appraisal valued each parcel to be \$10,000. Offers were made to all landowners based on the parcels' valuation. Since the owners own only 20 percent of the parcels, the offers were around \$4,000 each for the parcels. The Authority received a counter-offer of \$500,000 from the owners, which represented a prorated value of \$1.2 million for the entire parcel. The parcels were reappraised in 2010, which valued the parcels at \$1,800 each. The Authority presented another offer to the parcel owners that reflected the original 2000 valuation in an effort to expedite the sale of the parcels. The owners have not acted on the offer.

Director McCoy opened the meeting for public comment from the parcel owners; however, none were found to be in attendance.

Director Sisolak asked if the parcel owners were represented by counsel. Mr. Walch did not believe they were. Director Sisolak noted his concern the owners may not understand how properties are valued or the rules regarding eminent domain. He asked if the SNPLMA grant funding was being used completely, and the quarter-cent sales tax was supplementing the project costs. Mr. Walch confirmed that SNPLMA grant funds were being completely expended in this project, and that an additional source would be required to fund the remainder of the project.

Director Coffin asked if the weir was not constructed, if it would be assumed that the parcels could be washed out. Mr. Walch noted that the weirs are designed to reduce head-cutting within the Wash and damage to the parcel could occur if the weir was not constructed

Director McCoy asked what happens to the property owners' claims if this agenda item is approved. Mr. Walch reported that the Authority would move forward with immediate occupancy of the property in order to construct the project. The parties then would debate over the land's values in court.

Director Sisolak asked to confirm that the original offer based on the \$10,000 valuation would not be withdrawn. Mr. Walch confirmed that the original offer still stands and the Authority has no plans to withdraw the offer.

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

6. **Approve and authorize the General Manager or her designee to sign applications and all related documents to rezone 1,206 acres of the approximate 1,230 acres of the Warm Springs Natural Area to Public Facility, and authorize the General Manager to sign future permit applications for the Warm Springs Natural Area.**

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

Items 7-9 were taken in one motion.

7. **Approve the Second Amended and Restated Electric Power Supply Agreement between the Colorado River Commission of Nevada and the Authority for the purpose of reducing the scope to include only the loads of the Authority and participating member agencies, as described in Exhibit B.**

8. **Approve the Electric Power Transmission Service Agreement among the Colorado River Commission of Nevada, the Silver State Energy Association, and the Authority, enabling the Silver State Energy Association to utilize electric transmission and distribution, and other assets owned, controlled, and operated by the Colorado River Commission of Nevada and the Authority for the purpose of delivering energy to the Authority's loads.**
9. **Approve the Load Requirements Service Agreement between the Silver State Energy Association and the Authority for delivery of energy for Authority loads.**

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

10. **Ratify General Counsel's intervention in Federal Energy Regulatory Commission Docket No. ER-13-225-000, an application to increase transmission rates and authorize intervention in an upcoming Federal Energy Regulatory Commission docket concerning energy imbalances.**

Ms. Mulroy noted that the Federal Energy Regulatory Commission process is similar to the Public Utility Commission's process in that if an organization does not intervene, it cannot participate. Due to the Authority's significant interest in energy transmission rates, it is recommended that the Authority intervene in the docket.

Director Sisolak asked if the Authority was required to maintain a percentage of renewable energy within the Authority's energy portfolio. Ms. Mulroy replied that the Authority is not subject to any renewable energy requirements, but noted the Authority is working to increase its renewable energy portfolio and anticipated that it could be a subject of discussion at the Nevada State Legislature.

Director Coffin asked how many customers would be affected by the rate increase. Scott Krantz, SNWA Energy Director, stated that the rate increase affects only transmission customers, which is a small customer class. Director Coffin asked what the Authority currently spends on power; Mr. Krantz noted the Authority's current energy budget is \$47 million.

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

11. **Accept the Authority's Comprehensive Annual Financial Report for the period ending June 30, 2012, as presented by the Authority's external auditors, Piercy Bowler Taylor & Kern.**

William Nelson, Piercy Bowler Taylor and Kern, provided the Board with a brief update of audit findings. Director Sisolak asked Mr. Nelson to briefly address the waived adjustment, which was not a significant audit finding and was found to be not material to the financial statements. Therefore, at the request of Authority management, it was waived.

Director Coffin asked what the protocol was if there were significant findings within the audit such as fraud. Mr. Nelson reported that it would be brought to the Board's immediate attention. Director Coffin asked if these types of findings had been found in the past, Mr. Nelson replied no.

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

12. **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, the development of in-state water resources, and the status of the third intake project.**

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.

Marc Jensen, SNWA Engineering director, provided the Board with an update on the status of Intake No. 3. A copy of his presentation is included with these minutes.

Director Coffin asked how much space was needed between the head of the tunnel and the tunnel. Mr. Jensen said that it was directed by the parameters of the machine designed, which is only a few feet. He asked if the contractor is below the shore; Mr. Jensen stated that it is not technically below the shore, but work is still subject to inflows. He went onto discuss how and when divers will be used within the project.

NO ACTION REQUIRED

**Public Comment**

Ed Uehling, Las Vegas, said the information provided to the Integrated Resource Planning Advisory Committee such as previous Business Impact Statements issued by the Authority was inaccurate.

Director Sisolak asked to receive an update on connection charges. Ms. Mulroy replied that it will be provided at the next meeting.

**Adjournment**

There being no further business to come before the board, the meeting adjourned at 10:02 a.m.

APPROVED:

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Shari Buck, Chair

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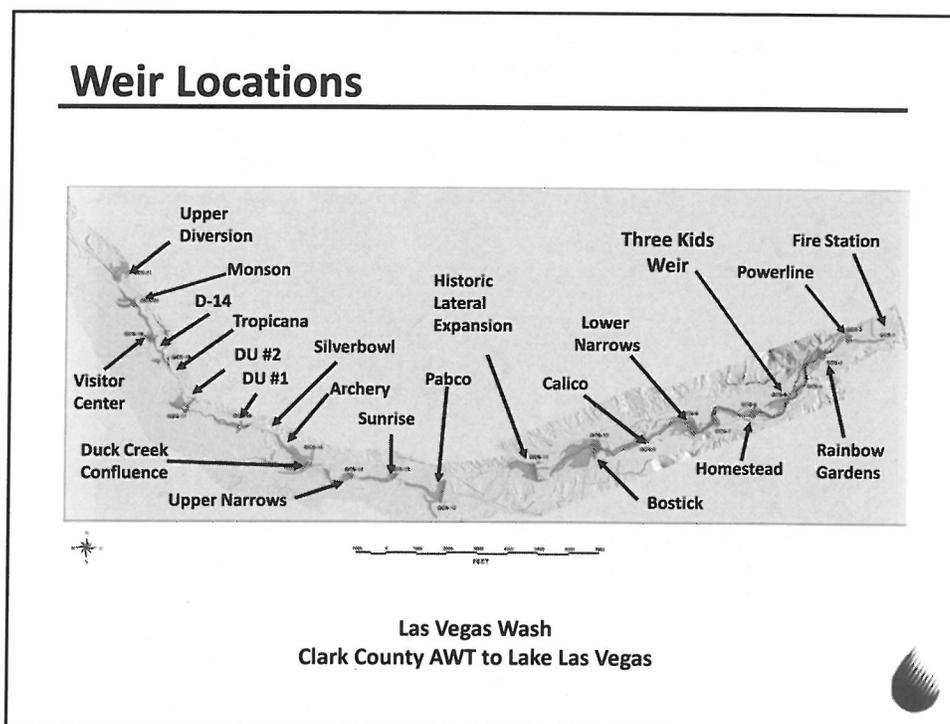
Patricia Mulroy, General Manager

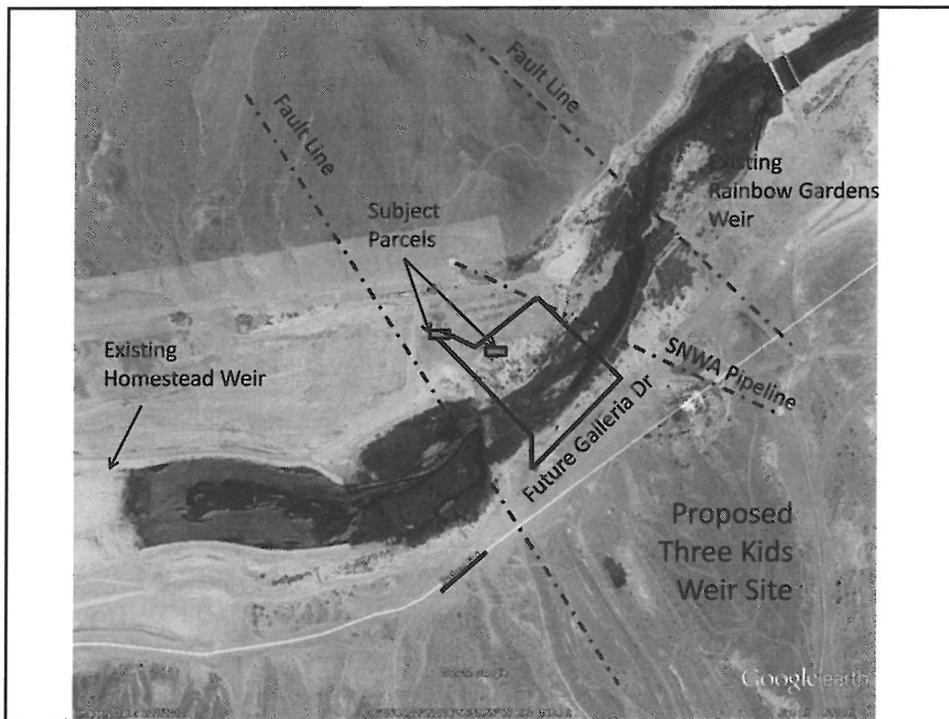
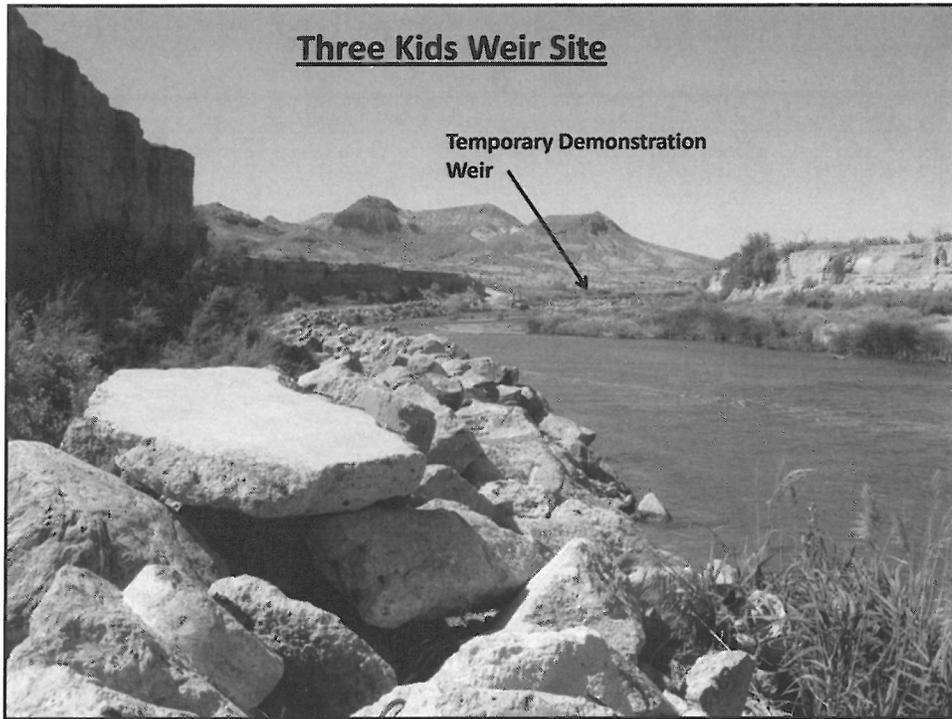
**Copies of all original agenda items and minutes, including all attachments, are on file in the General Manager's office at the Las Vegas Valley Water District, 1001 South Valley View Boulevard, Las Vegas, Nevada.**

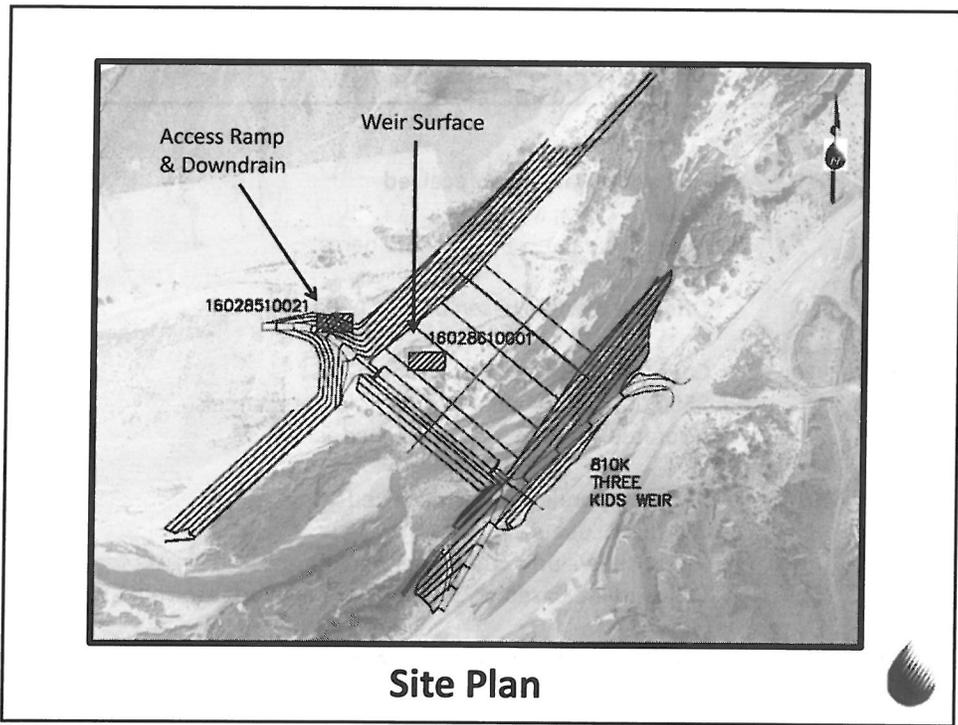
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## Three Kids Weir Las Vegas Wash

January 17, 2013







Site Plan

## Construction Funding & Timeline

### TIMELINE

Mar. 14, 2013	Bid Advertisement
April 18, 2013	Bid Opening
May 16, 2013	Bid Award
14 months	Construction timeframe
<b>Jul. 21 – Nov. 21, 2014</b>	<b>Projected completion dates</b>

### FUNDING

SNPLMA grant**	\$11,500,000
<u>¼ cent sales tax revenues</u>	<u>\$4,900,000</u>
<b>Projected Cost</b>	<b>\$16,400,000</b>

\*\*SNPLMA grant expires October 2014

## Negotiation Chronology

- Aug. 2010**      **First appraisal report received**  
Foster L. Clark, MAI  
Appraised value = \$10,000 per parcel
- Oct. 2010**      **Offers to owners based on \$10,000 per parcel**
- Nov. 2010**      **Counteroffers from Landowners**  
\$500,000 for 20 percent interest in both parcels  
(Prorated value of \$1,250,000 per parcel)
- Sept. 2012**    **Second appraisal report received**  
Matthew Lubawy, MAI  
Appraised Value = \$1,800 per parcel  
Offers made based on \$10,000 per parcel to resolve matter
- Dec. 2012**    **Notification of SNWA Board meeting per NRS 241.020**



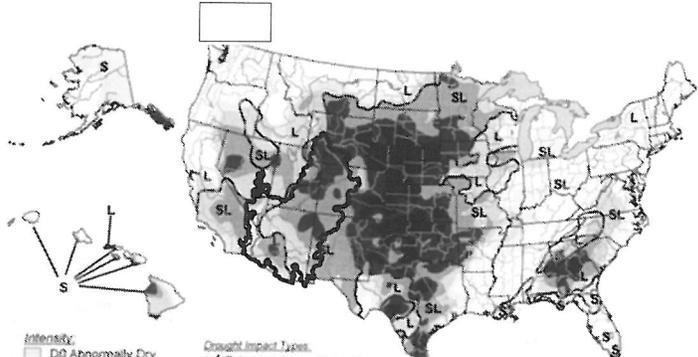
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## Update on Drought Conditions and Water Use

January 17, 2013

### Drought Monitor



**Intensity:**

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

**Drought Impact Zones:**

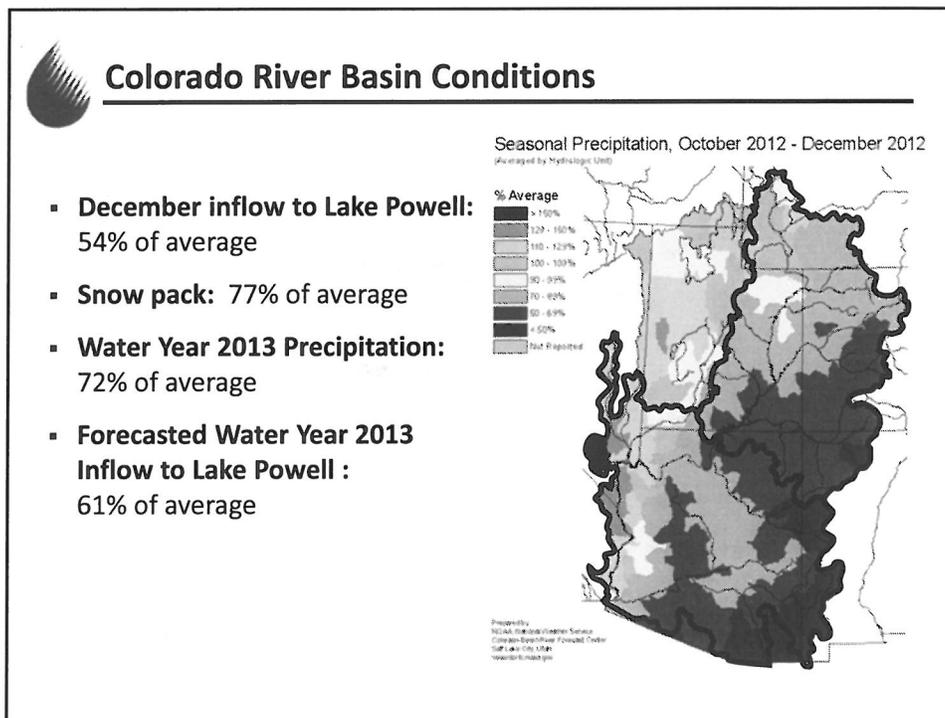
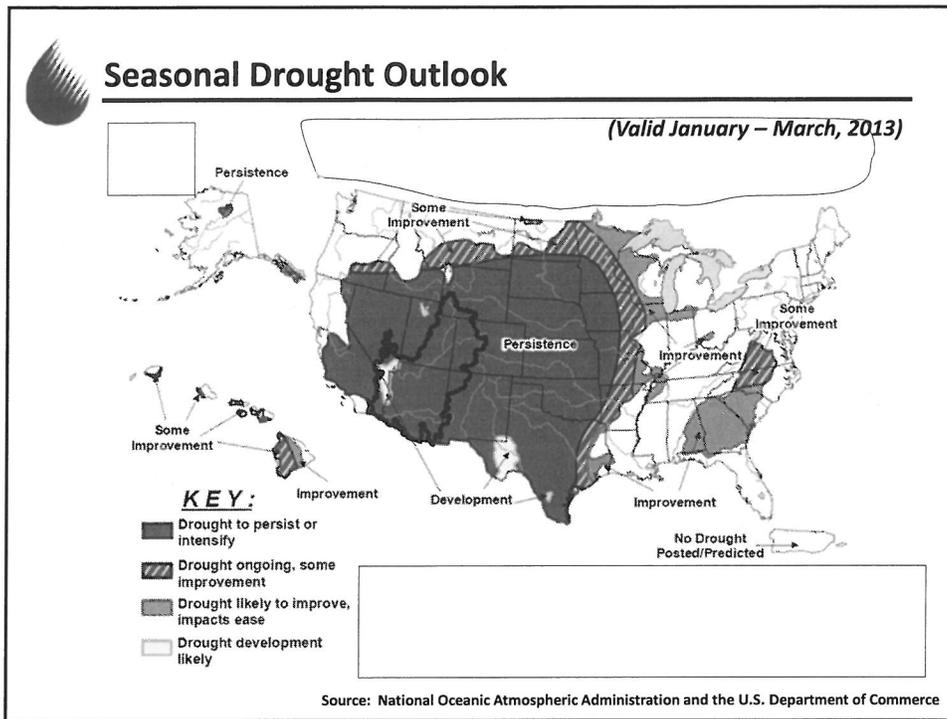
- ~ Delineates dominant impacts
- S = Short-Term, typically <6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months (e.g. hydrology, ecology)

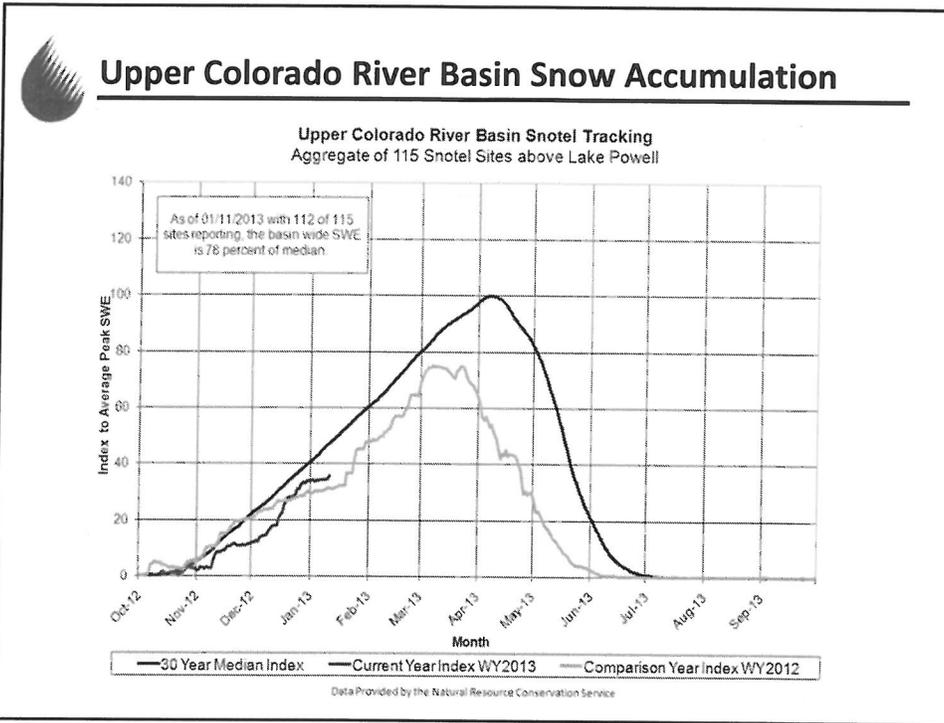
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://droughtmonitor.unl.edu/>

USDA 

Released Thursday, January 10, 2013  
Author: David Simeral, Western Regional Climate Center

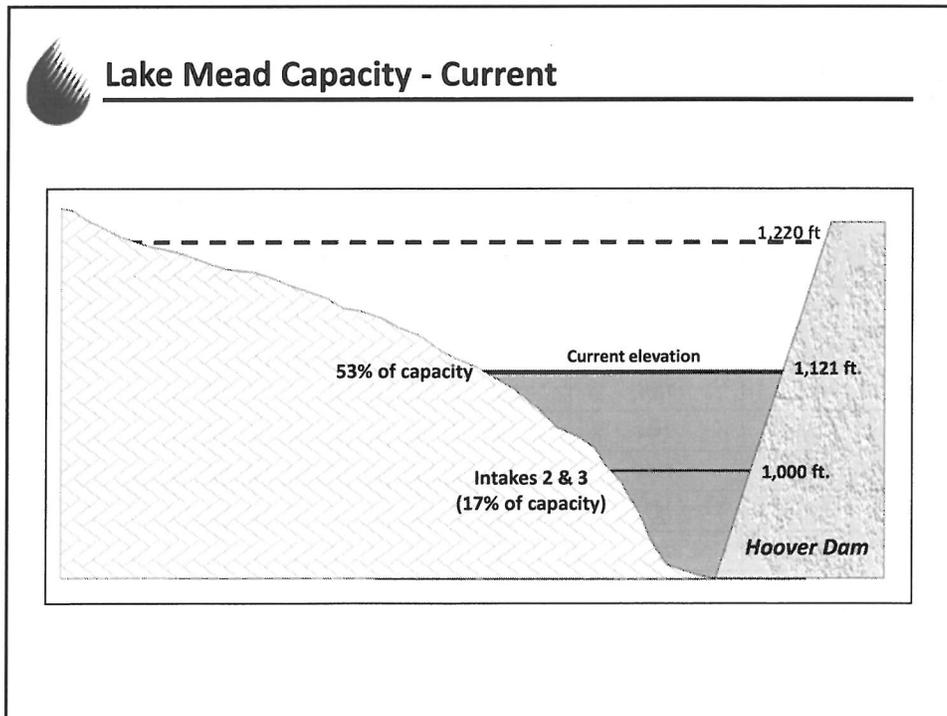
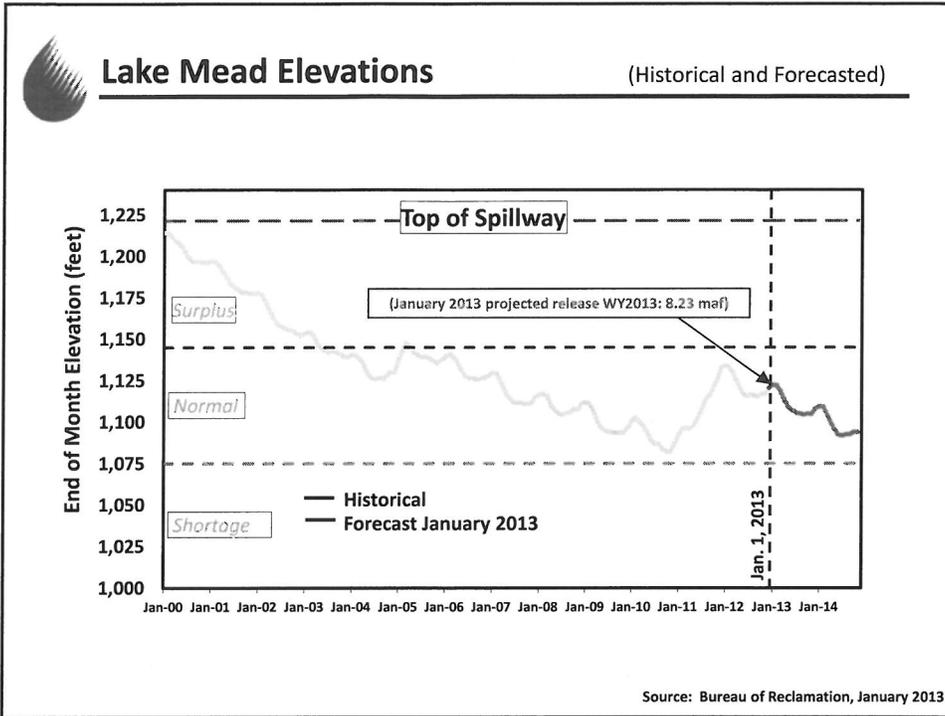




### Precipitation and Inflow Forecast – Lake Powell

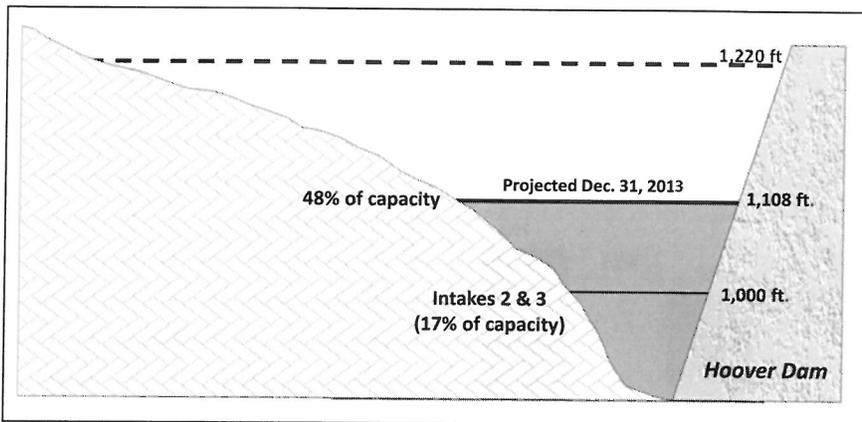
2012 Water Year			2013 Water Year	
Month	Actual Precipitation	Inflows Forecast	Actual Precipitation	Inflows Forecast
Jan	75%	79%	72%	61%
Feb	84%	78%		
Mar	86%	80%		
Apr	78%	63%		
May	74%	51%		
Jun	71%	47%		
Jul	71%	46%		
Aug	74%	48%		
Sept	74%	46%		
Actual	74%	45%		

Source: Bureau of Reclamation, Lower Colorado Water Supply Reports

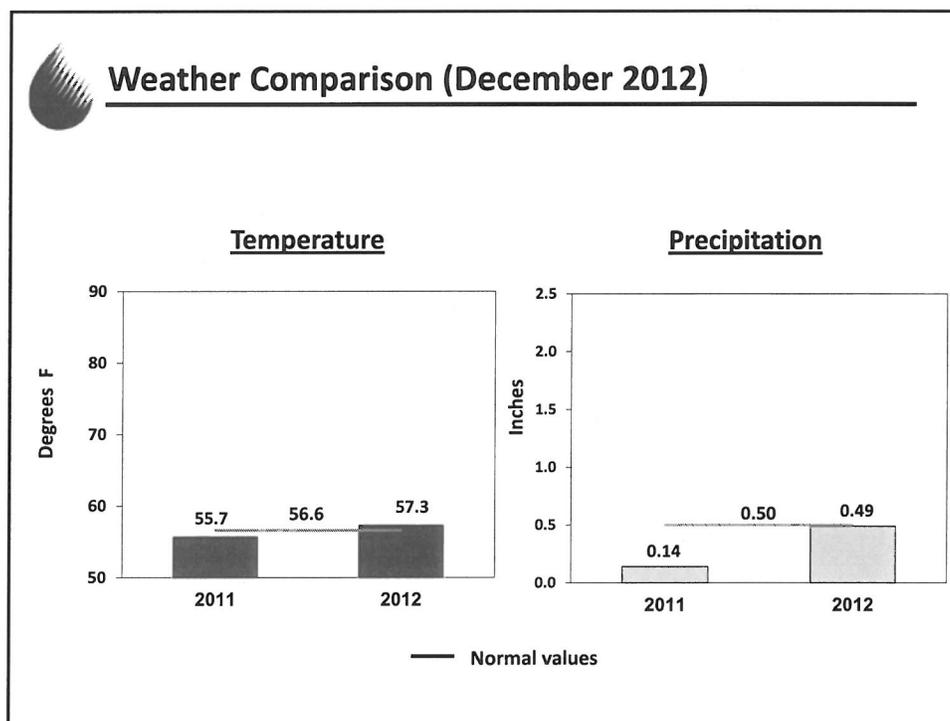
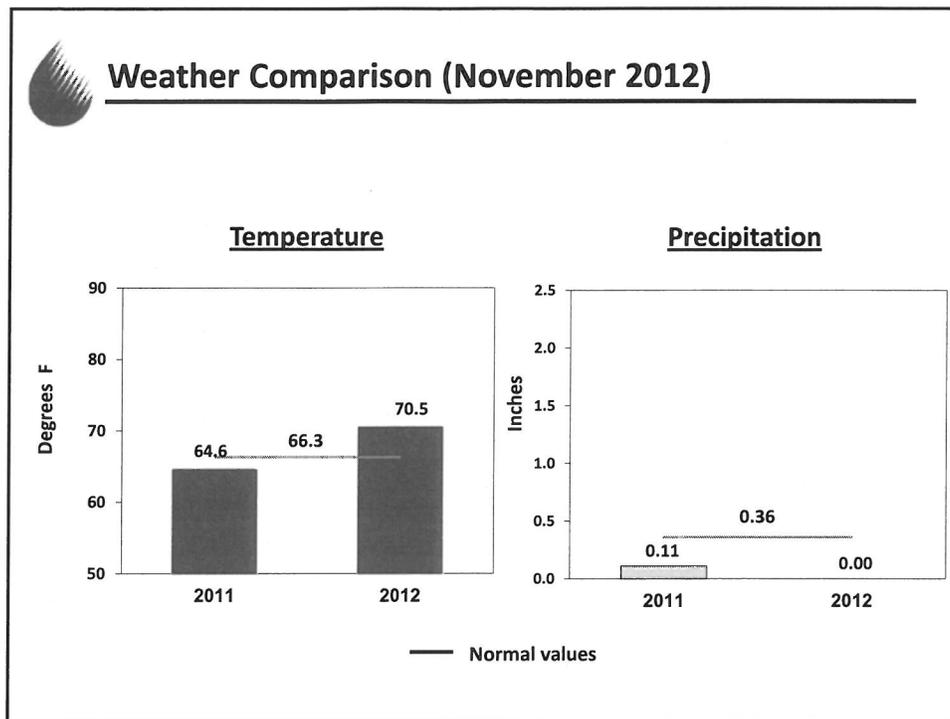


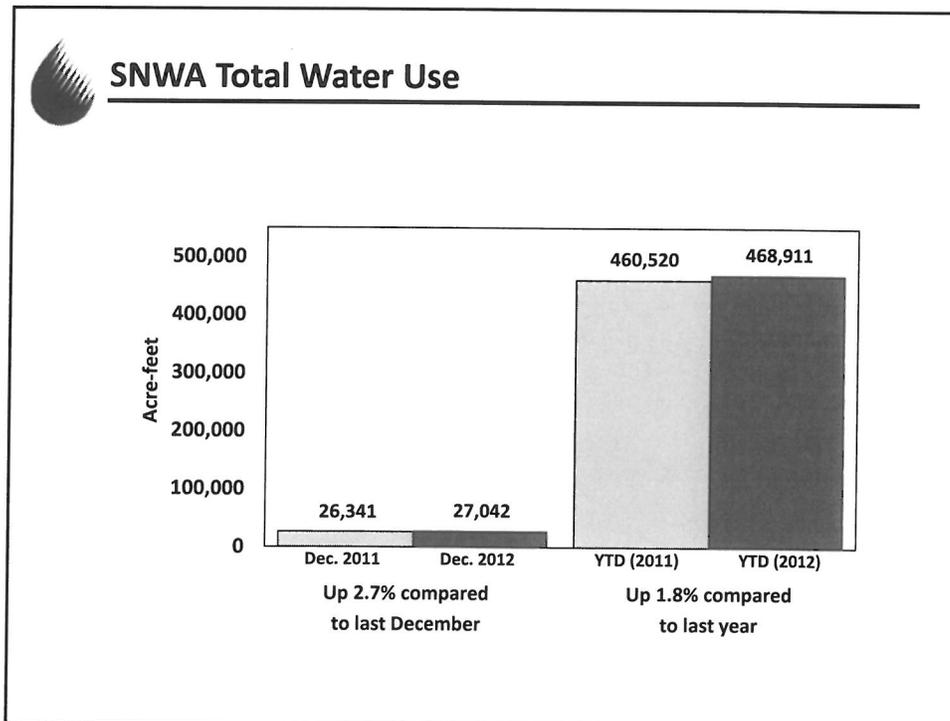
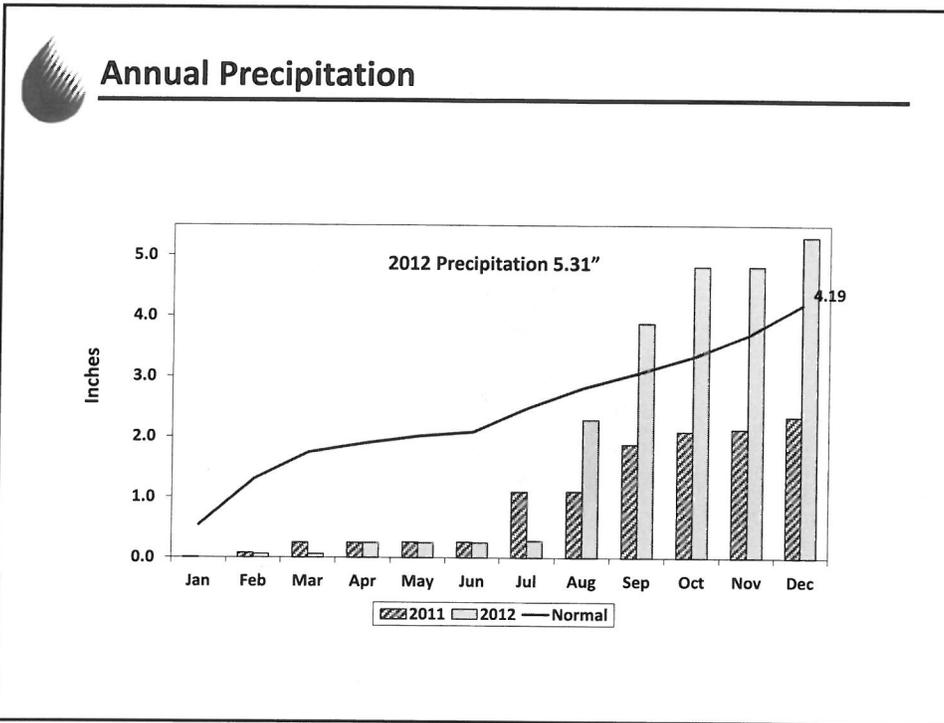


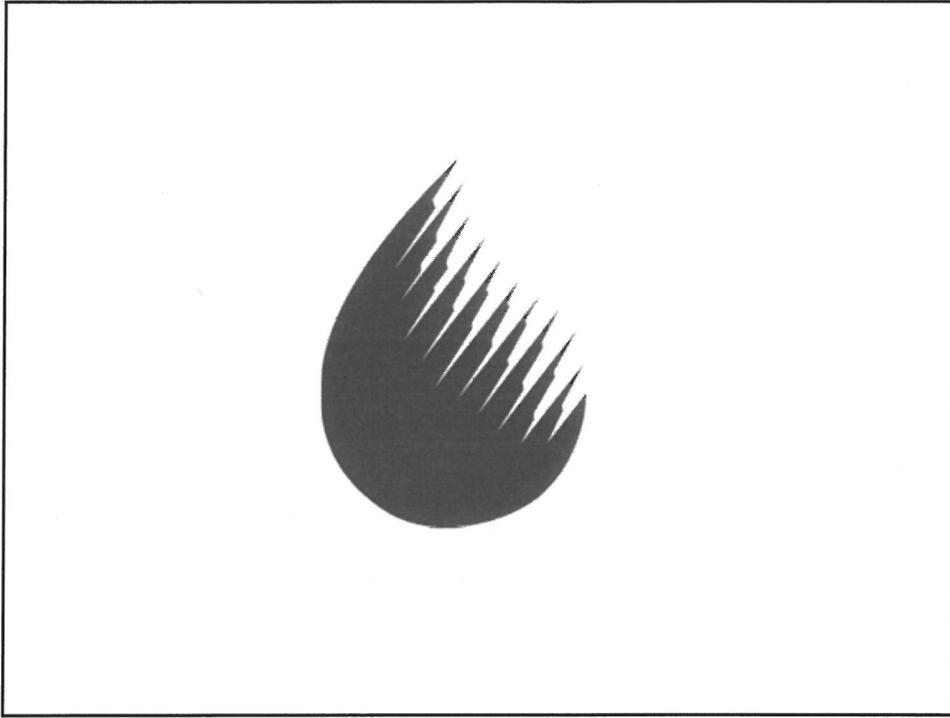
### Lake Mead Capacity - Projected (12/31/13)



## SNWA Water Use







Lake Mead

# SNWA Intake No. 3 Connector Tunnel Progress

Contractor: Renda Pacific

Saddle Island

Access Shaft: 450-ft deep, 26-ft inside diameter  
Connector Tunnel: 2,479-ft long, 14-ft wide, 16-ft high

Intake No. 2 Connector Tunnel = 1,840' (85% Complete)  
Intake No. 3 Connector Tunnel = 312' (98% Complete)



Updated: 01/16/2013