

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
MAY 19, 2016
MINUTES**

CALL TO ORDER 9:03 a.m., Colorado River Conference Rooms, Southern Nevada Water Authority, 100 City Parkway, Seventh Floor, Las Vegas, Nevada

BOARD MEMBERS PRESENT Mary Beth Scow, Chair
Sam Bateman, Vice Chair
Bob Coffin
Marilyn Kirkpatrick
Duncan McCoy
Steve Sisolak
Anita Wood

BOARD MEMBERS ABSENT None

STAFF PRESENT John Entsminger, Greg Walch, Julie Wilcox, Dave Johnson

OTHERS PRESENT None

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

COMMENTS BY THE GENERAL PUBLIC

For complete comments, audio is available online at snwa.com

There were no speakers.

ITEM NO.

1. ***For Possible Action: Approve agenda with the inclusion of tabled and/or reconsidered items, emergency items and/or deletion of items, and approve the minutes from the regular meeting of April 21, 2016.***

FINAL ACTION: A motion was made by Director McCoy and approved that the agenda for this meeting, and the minutes for the regular meeting of April 21, 2016 be approved. The motion was passed.

2. ***For Possible Action: Conduct a Public Hearing on the Tentative Budget for the Authority and subsequently adopt a Final Budget for fiscal year 2016-2017.***

John Entsminger gave a presentation outlining the Tentative Budget. A copy of his presentation is attached to these minutes.

Director Coffin asked for clarification on the alleged theft by a former employee. Chairwoman Scow noted staff's immediate response to the incident and noted that they are in the process of more preventative actions. Director Sisolak recognized the ongoing FBI investigation and wanted to exercise caution about disclosing information prematurely. Mr. Entsminger explained that Las Vegas Valley Water District Board Members were briefed by legal counsel on the issue, because it was a matter of employment. Mr. Entsminger also said the issue is subject to attorney-client privilege, which limited who could be briefed on the case.

Director Sisolak asked how much of the budget variance would go to the rate stabilization fund. Mr. Entsminger said that if the projected revenues were realized, approximately \$134 million would be attributed to the rate stabilization fund. Director Wood asked if the stabilization fund and reserves would be able to reduce debt service. Mr. Entsminger replied that the Authority's reserves were at 76 percent of the targeted amount specified by the Board-adopted reserve policy. In the future, there could be an opportunity to seek other refunding options to reduce debt service requirements.

Director Coffin noted the importance of maintaining reserves because the Authority's capital expenditures were large. Director Kirkpatrick stated that the Authority was working on a mission statement for the public to have a better understanding of how the reserves mitigate unexpected events. Director Kirkpatrick said that she was comfortable maintaining the large reserve, because of the importance of water to the community.

Director Sisolak inquired as to what the value of the Authority's water infrastructure was. Mr. Entsminger said that the approximate value was \$3.5 billion. Director Sisolak said that it was prudent for the Authority to build a large reserve due to the capital needs of the community.

Director McCoy said that it was refreshing to see a budget that incorporated rebuilding reserves. Chair Scow opened the Public Hearing. There were no speakers; therefore, she closed the public hearing.

FINAL ACTION: A motion was made by Chair Scow to adopt a Final Budget for fiscal year 2016-2017. The motion was approved.

BUSINESS AGENDA

3. ***For Possible Action:* Approve and authorize the Chair to sign 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 2016/2017 in an amount not to exceed \$281,490.**

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

4. ***For Possible Action:* Adopt the 2016 Las Vegas Wash Capital Improvements Plan.**

Mr. Entsminger explained that 19 of the 21 weirs have been completed. Chair Scow wanted to ensure the Authority had sufficient funding for the maintenance of the Wash, and she also made note of continuing to work with the federal government on Wash issues in its jurisdiction.

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

5. ***For Possible Action:* Award Contract No. 070F 04 C2, Low Lake Level Pumping Station Discharge Aqueducts, to Barnard of Nevada, Inc., for the amount of \$25,506,000, authorize a change order contingency amount not to exceed \$2,500,000, and authorize the General Manager to execute the contract agreement.**

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

6. ***For Possible Action:* Approve and authorize the Chair to sign Contract No. P95-BCPESC-A between the Colorado River Commission of Nevada and the Authority for the purchase of electricity from the Hoover Dam hydroelectric facility and the First Amended Agreement to Share the Costs of Implementation of the Lower Colorado River Multi-Species Conservation Program among the Colorado River Commission of Nevada and electric service contractors.**

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

7. ***For Possible Action:* Approve and authorize the General Manager to sign a Portfolio Energy Credit Purchase and Sale Agreement between Barrick Goldstrike Mines, Inc., and the Authority for the sale of Portfolio Energy Credits certified by the Public Utilities Commission of Nevada.**

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

8. ***For Possible Action:* Approve and authorize the General Manager to sign a Professional Services Agreement and a Listing Agreement between Commerce CRG of Nevada, LLC, dba Commerce Real Estate Solutions, also known as Cushman & Wakefield, and the Authority for commercial real estate brokerage services to market office space for lease within the Molasky Corporate Center, for an amount not to exceed \$932,910.**

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

9. ***For Possible Action:* Approve and authorize the General Manager to sign, in substantially the same form, the Amended and Restated Apex Phase I Infrastructure Design Agreement between Robin Prop Holdco, LLC, and the Authority; and the Amended and Restated Escrow Agreement Regarding Infrastructure Development among Robin Prop Holdco, LLC, First American Title Insurance Company, and the Authority, for design of water system infrastructure in the Apex area.**

Director Wood stated that the City of North Las Vegas would like to continue working closely with staff on the Apex project as it would have a significant impact on the city. She said that she understood the tight timeline, but reiterated that the unique nature of the project required good communication and collaboration. Mr. Entsminger said that staff meets weekly with City of North Las Vegas staff at a minimum and committed to continue to work closely with city staff.

Director Kirkpatrick agreed with Director Wood that the project was unique, but was also very positive about the benefits it would have on North Las Vegas.

Director Coffin wanted to ensure that the Authority was not at risk if Faraday was incapable of building its manufacturing plant. Director Kirkpatrick said it was important to note that Faraday was investing in critical water infrastructure for the Apex area that would be a benefit to North Las Vegas. Mr. Entsminger noted that the Authority's investments in Apex were protected through controls like escrow agreements. Director Sisolak complimented the Authority for its work to protect the organization and its rate payers while moving the project forward.

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

10. ***For Possible Action: Approve and authorize the General Manager to sign an amended and restated agreement between MWH Americas, Inc., and the Authority to provide professional services for the design of a potable water system to be located within Garnet Valley for a total amount not to exceed \$6,398,370.***

Director Wood wanted to know if North Las Vegas would continue to review the plans and issue water permits in Apex. Mr. Entsminger said that the City of North Las Vegas would continue to issue all business licenses and permits in Apex as the governing agency for that area.

Director Wood asked if the City of North Las Vegas would be issuing water bills in Apex. Mr. Entsminger said that the Legislature designated the Water District as the service provider and therefore, would operate the water system once it was constructed.

Director Kirkpatrick said that the details regarding the water bills could be worked out and addressed later through a memorandum of understanding. Director Kirkpatrick wanted to know if the design of the water system would provide for service throughout the Valley. Mr. Entsminger said that the water system would be designed to function as a stand-alone groundwater system, while remaining compliant with the City of North Las Vegas' master plan.

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

11. ***For Information Only: 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 Plan, activities on the Colorado River, the development of in-state water resources, and the status of construction activities near Lake Mead.***

Greg Walch gave a presentation on Colorado River drought conditions. A copy of his presentation is attached to these minutes.

Public Comment

There were no speakers.

Adjournment

There being no further business to come before the board, the meeting adjourned at 10:06 a.m.