

**SOUTHERN NEVADA WATER AUTHORITY  
BOARD OF DIRECTORS  
REGULAR MEETING  
APRIL 25, 2019  
MINUTES**

CALL TO ORDER 1:02 p.m., Colorado River Conference Rooms, Southern Nevada Water Authority, 100 City Parkway, Seventh Floor, Las Vegas, Nevada

BOARD MEMBERS PRESENT Marilyn Kirkpatrick, Chair  
Bob Coffin, Vice Chair  
Scott Black  
Jim Gibson  
Justin Jones  
Peggy Leavitt  
John Marz

BOARD MEMBERS ABSENT None

STAFF PRESENT John Entsminger, Julie Wilcox, Dave Johnson, Kevin Bethel, Brent Gunson

OTHERS PRESENT

*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](http://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.***

FINAL ACTION: Director Gibson made a motion to approve the agenda for this meeting. The motion was approved.

2. ***For Information Only: Receive an overview and discuss the Fiscal Year 2019/2020 Tentative Budget.***

John Entsminger, General Manager, gave an overview presentation of the tentative budget. A copy of his presentation is attached to these minutes.

Chair Kirkpatrick asked if the budget contained any proposed increases to the infrastructure surcharge. Mr. Entsminger said that the budget did not anticipate an increase to the infrastructure surcharge. However, certain areas in the valley, especially the Southwest, will need additional major infrastructure in the coming future and that the infrastructure surcharge should be considered as part of future budget discussions.

Director Jones asked if the Authority had looked at indexing charges to allow for more steady, predictable increases as they are needed. Mr. Entsminger said that indexed charges do allow for measured increases and have been implemented in the past.

Chair Kirkpatrick asked about the Authority's Muddy River water rights that were leased back to users in the Logandale/Overtown area. Mr. Entsminger said that the 20-year water rights leases had expired and the Authority now had the ability to bank those water resources in Lake Mead; therefore, the Authority did not intend to renew the leases.

Vice Chair Coffin asked if the Authority had researched whether properties participating in the Water Smart Landscapes program had continued to maintain their water-efficient yards. Mr. Entsminger said that staff had evaluated past conversions and found that the vast majority of properties continued to maintain their converted landscapes. Those that were not in compliance with the program's requirements and covenants were addressed per the program's guidelines.

NO ACTION REQUIRED

**Public Comment**


There were no speakers.

**Adjournment**


There being no further business to come before the Board, the meeting adjourned at 1:40 p.m.

**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.**

## 2019-20 Budget Workshop

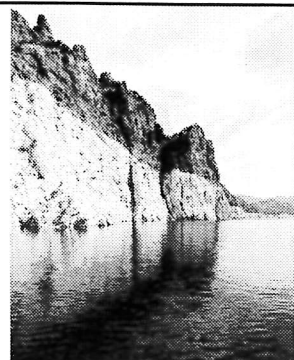


SOUTHERN NEVADA WATER AUTHORITY™




## 2018-19 HIGHLIGHTS

- First state to approve Drought Contingency Plan documents in Colorado River Basin
- Treatment plants awarded AWWA's Partnership for Safe Water Excellence in Water Treatment
- Successful debt refundings, saving more than \$250 million in net present value savings over the past 5 years
- Completed the 21<sup>st</sup> and final weir in the Upper Las Vegas Wash



## 2018-19 HIGHLIGHTS, CONT.

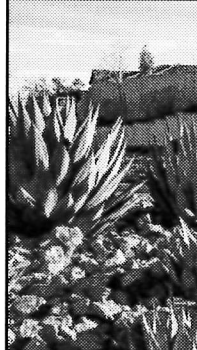
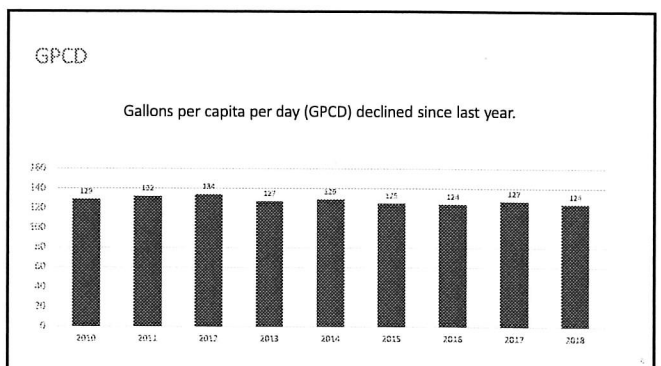
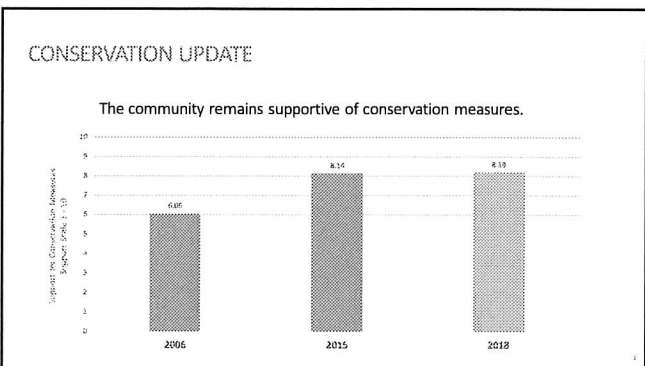
- Removed bulkhead from Low Lake Level Pumping Station project using a remotely operated vehicle, effectively connecting it to Intake 3
- Completed the electrical substation at L3PS project and began placement of submersible pumps
- Purchased properties adjacent to Warm Springs Natural Area to further protect Moapa dace habitat
- Implemented Board-approved conservation initiatives to achieve further water savings



## CONSERVATION UPDATE

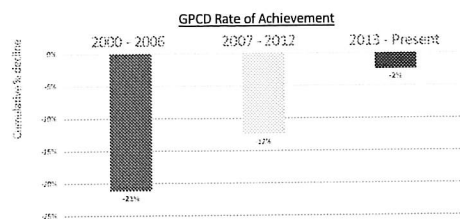
The 2019-20 Budget supports the SNWA's commitment to meeting its conservation goal.

- Conservation positions to support program administration
- Funding for Water Smart Landscapes turf conversions
- Funding to roll out new programs and pilot projects
- Refreshed marketing tactics

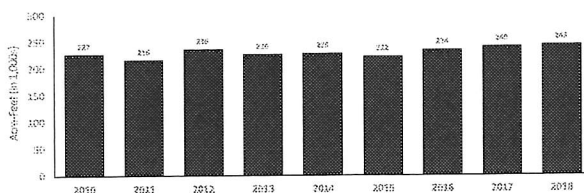
## GPCD PROGRESS

Achieving the goal requires more momentum.



## COLORADO RIVER CONSUMPTION

Colorado River consumption is up.



## CONSERVATION UPDATE

SNWA staff have been meeting with member agency planning and utility representatives to discuss updates to existing development codes.

- Turf size limitations
- Turf prohibited in rights-of-way
- 5-10 foot buffer from street required for any turf installations
- Turf must be adjacent to other recreational amenities (drinking fountains, sport courts, benches, etc.)

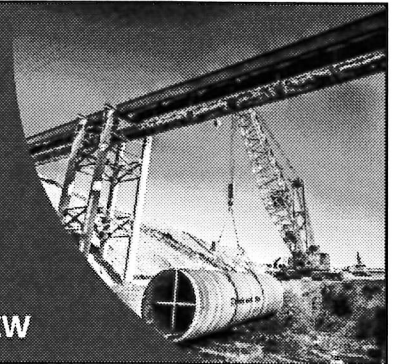
New Summer Compliance Campaign

## 2019-20 CONSERVATION EFFORTS

- Updated 5-Year Conservation Plan
- New leak detection pilot program
- Valley-wide ordinance updates
- Focus on removing non functional turf in non-residential sectors
- New ad campaign



## 2019-20 BUDGET OVERVIEW



## 2019-20 BUDGET OVERVIEW

Total Budget: \$620 million

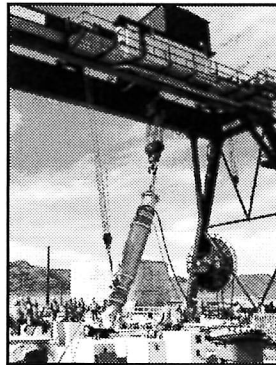
Sources of funds are up 5%; uses of funds are down 6% over last year's budget

Capital and debt payments represent more than 65% of the budget

The 2019-20 Proposed Budget supports mission critical activities: maintaining a safe and reliable water supply, conserving resources and protecting supplies from drought

25

## CAPITAL OVERVIEW



The 2019-20 Budget includes \$140 million for capital expenditures, a decrease of approximately \$48 million from last year's budget.

The decrease is largely due to L3PS major construction activities winding down.

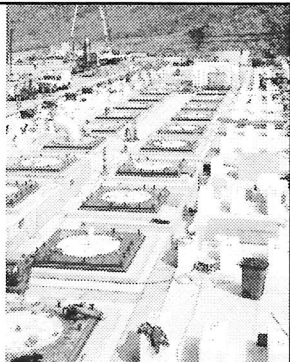
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## L3PS CONSTRUCTION

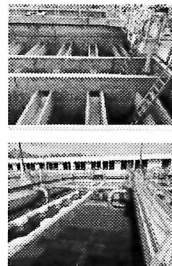
\$61 million is allocated to continue construction on the L3PS.

2019-20 Construction Efforts:

- Complete pumping unit installation
- Complete the Electrical and Mechanical Building
- Complete facility start up and commissioning
- Begin site restoration work




## FILTER MEDIA REPLACEMENTS



\$10 million is allocated to replace the filter media and underdrains at the Alfred Merritt Smith Water Treatment Facility.

Replacement of the filter media will maintain treatment effectiveness as lake levels decline.

28




### CONSERVATION

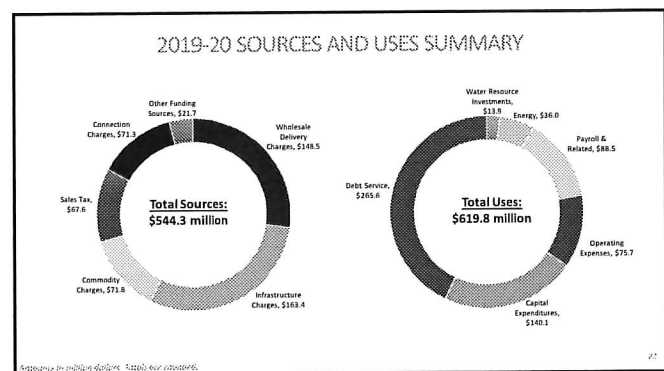
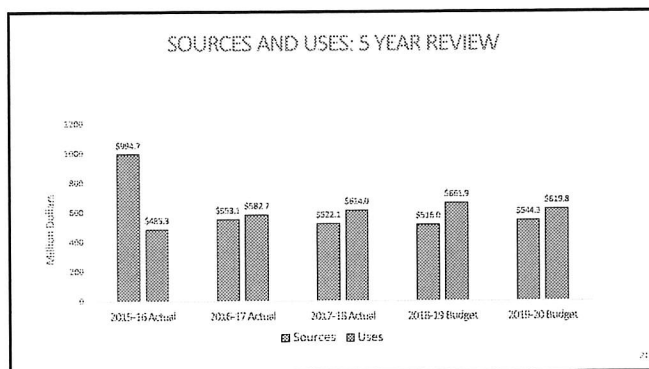
\$14.3 million is allocated for the Water Smart Landscapes Program's turf rebates.

The amount is a 6% increase over last year's budget:

- Accommodates recent Board actions to increase the rebate cap
- Reflects effort to remove large turf applications in non-residential sectors



## 2019-20 PROPOSED BUDGET



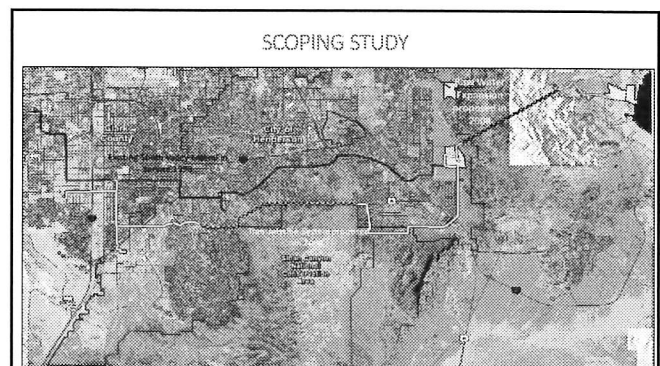
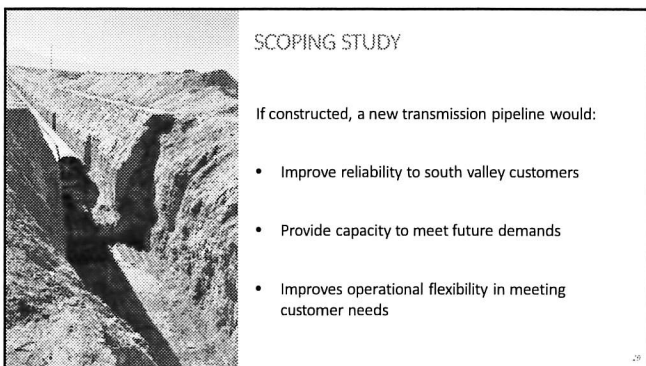
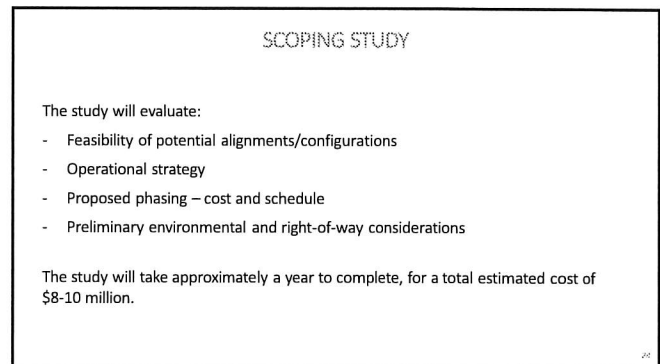
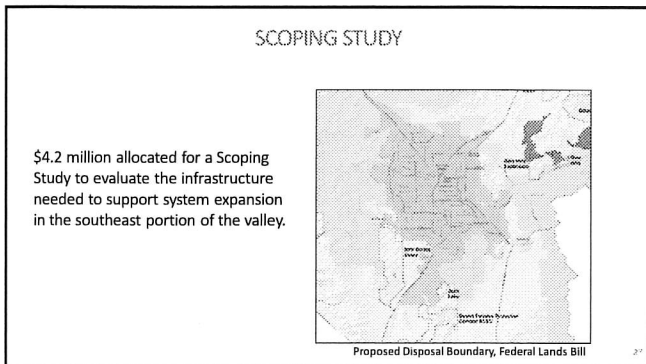
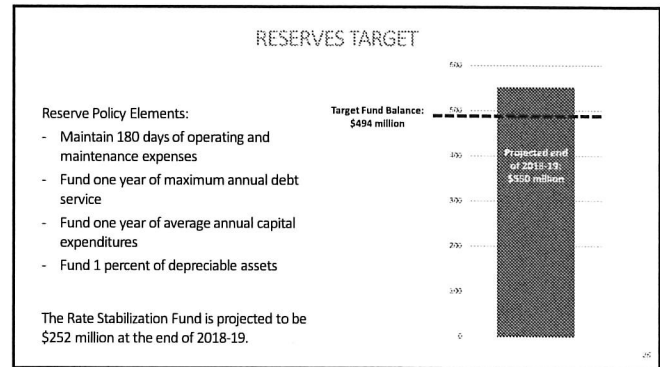
### SOURCES OF FUNDS

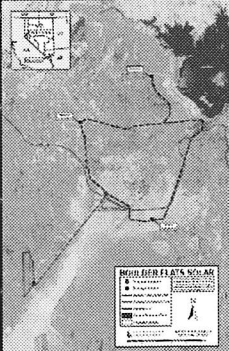
Sources	Actual 2017-18	Budget 2018-19	Proposed Budget 2019-20	Budget to Budget Variance
Wholesale Delivery Charge	\$ 134.5	\$ 141.2	\$ 148.5	\$ 7.3
Infrastructure Charge	151.9	158.6	163.4	4.8
Commodity Charge	70.6	69.8	71.8	1.9
Connection Charge	76.3	62.3	71.3	9.0
Reliability Surcharge	5.6	5.6	5.9	0.3
Sales Tax	63.6	65.5	67.6	2.1
Investment Income	6.3	5.9	8.8	2.9
Groundwater Management Fees	0.9	0.9	0.9	(0.0)
UV Wash Program Fees	0.4	0.4	0.4	0.0
Grant Proceeds	3.7	0.4	0.3	(0.1)
Other Sources	8.3	5.4	5.5	0.1
Subtotal	\$ 522.1	\$ 516.0	\$ 544.3	\$ 28.3
Debt Issuance Proceeds	-	-	-	-
<b>Total Sources</b>	<b>\$ 522.1</b>	<b>\$ 516.0</b>	<b>\$ 544.3</b>	<b>\$ 28.3</b>

### USES OF FUNDS

Uses	Actual 2017-18	Budget 2018-19	Proposed Budget 2019-20	Budget-to- Budget Variance
Water Resource Investments	\$ 5.5	\$ 19.0	\$ 13.9	\$ (5.1)
Energy	36.2	35.7	36.0	0.3
Payroll & Related	77.1	83.1	88.5	5.4
Operating Expenses	53.1	69.3	75.7	6.4
Capital Expenditures	182.8	188.2	140.1	(48.1)
Debt Service	259.2	266.6	265.6	(1.0)
<b>Total Uses</b>	<b>\$ 614.0</b>	<b>\$ 661.9</b>	<b>\$ 619.8</b>	<b>\$ (42.2)</b>

SNWA Budget Summary				
Sources	Actual 2017-18	Budget 2018-19	Proposed Budget 2019-20	Budget-to-Budget Variance
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Total Uses	\$ 614.0	\$ 661.9	\$ 619.8	\$ (42.2)
Total Net Surplus/(Deficit)	\$ (91.9)	\$ (146.0)	\$ (75.5)	





### EASTERN NEVADA TRANSMISSION PROJECT (ENTP)

\$2 million is allocated for an 8-mile expansion to the SNWA's existing transmission system.

When completed, the transmission expansion will interconnect a new 50 megawatt solar photovoltaic system.

When this project is online, 32% of SNWA's energy supplies will come from renewables.

### 2019-20 BUDGET SUMMARY

- Total uses are down \$42 million (6%)
- Total revenues are up \$28 million (5%)
- The SNWA maintains its ability to respond to threats to supplies (drought and climate change) and demands (system expansion)
- Integrated Resource Planning Advisory Committee (IRPAC) funding models and recommendations are meeting expectations; recommendations are implemented and working as anticipated
- No new debt issuances

### 2019-20 INITIATIVES

- Continue conservation initiatives to drive down demands
- Implement the Drought Contingency Plan
- Complete construction of L3PS
- Move the Eastern Nevada Transmission Project forward
- Begin scoping study on new transmission line

