

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
MAY 20, 2021
MINUTES**

CALL TO ORDER 9:07 a.m.

BOARD MEMBERS PRESENT Marilyn Kirkpatrick, Chair
Dan Stewart, Vice Chair
Scott Black (alternate for John Lee)
Claudia Bridges
Jim Gibson

BOARD MEMBERS ABSENT Cedric Crear and Justin Jones

STAFF PRESENT John Entsminger, Colby Pellegrino, Doa Ross, Kevin Bethel and Greg Walch

OTHERS PRESENT None

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

COMMENTS BY THE GENERAL PUBLIC

For full public comment, visit snwa.com/apps/snwa-agendas/index.cfm

Ed Uehling spoke regarding item 7. He said it was a conflict of interest to hire the same company, Hobbs, Ong & Associates, to advise the Authority on borrowing funds and to sell bonds through the same company, because the company is paid to assist with the financial transaction.

Item 7 was removed from the agenda.

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 15, 2021.

Staff requested that item 7 be removed from the agenda.

FINAL ACTION: Vice Chair Stewart made a motion to approve the agenda for this meeting with the deletion of item 7, and to approve the minutes from the regular meeting of April 15, 2021. The motion was approved.

CONSENT AGENDA

2. ***For Possible Action:*** Adopt the 2021 Las Vegas Wash Capital Improvements Plan.
3. ***For Possible Action:*** Approve and authorize the Chair to sign, in substantially the same form as attached hereto, 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 2021/22 and approve the Authority's allocation of \$357,093.
4. ***For Possible Action:*** Approve a resolution authorizing submission of a grant proposal to the Bureau of Reclamation's WaterSMART Applied Science Grants for Fiscal Year 2021, seeking \$199,985, and outlining the Authority's ability to contribute monetary and in-kind services, and authorize the General Manager to sign the funding agreement upon completion provided the Authority's obligations do not exceed \$296,665.
5. ***For Possible Action:*** Approve a resolution supporting and verifying the submission of a grant proposal to the Bureau of Reclamation's WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2021 requesting \$189,351.

6. ***For Possible Action:*** Approve and authorize the General Manager to sign an agreement between TOP Engineers Plus, PLLC, and the Authority to provide professional engineering services to develop and implement a comprehensive circuit inventory database for an amount not to exceed \$250,000 per contract year, with up to four one-year contract renewals and an annual increase not to exceed 10 percent per renewal term.
7. ***For Possible Action:*** Approve a professional services agreement with Hobbs, Ong & Associates, Inc., for independent financial advisory services for an amount not to exceed \$150,000 per fiscal year, with the option to renew for four additional one-year periods. [ITEM REMOVED FROM AGENDA]

FINAL ACTION: Director Gibson made a motion to approve staff's recommendations for items 2 - 6. The motion was approved.

BUSINESS AGENDA

8. ***For Possible Action:*** Approve and authorize the General Manager to sign an agreement between Atkins North America, Inc., and the Authority to provide professional design engineering and construction support services on the Lower Las Vegas Wash for an amount not to exceed \$14,110,000.

FINAL ACTION: Director Gibson made a motion to approve staff's recommendation. The motion was approved.

9. ***For Possible Action:*** Approve and authorize the General Manager to sign an agreement between Las Vegas Paving Corporation and the Authority to provide Construction Manager at Risk pre-construction services in support of the Lower Las Vegas Wash Stabilization Plan for an amount not to exceed \$2,000,000.

FINAL ACTION: Director Gibson made a motion to approve staff's recommendation. The motion was approved.

10. ***For Possible Action:*** Approve a professional services agreement between R&R Partners, Inc., and the Authority to provide integrated marketing and strategic communication services to promote water conservation and water quality throughout Southern Nevada, in an amount not to exceed \$3,000,000, with the option to renew the agreement for two additional one-year periods, and authorize an annual increase not to exceed 10 percent for each renewal term.

FINAL ACTION: Vice Chair Stewart made a motion to approve staff's recommendation. The motion was approved.

11. ***For Possible Action:*** Approve a professional services agreement between Prodajsa USA, Inc., dba HCI Advertising, and the Authority to provide Spanish-language communication, marketing and public education services to promote water conservation and water quality throughout Southern Nevada, in an amount not to exceed \$450,000, with the option to renew for two additional one-year periods, and authorize an annual increase not to exceed 10 percent for each renewal term.

FINAL ACTION: Director Gibson made a motion to approve staff's recommendation. The motion was approved.

12. ***For Possible Action:*** Conduct a Public Hearing on the Tentative Budget for the Authority and subsequently adopt a Final Budget for Fiscal Year 2021/22.

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

Chair Kirkpatrick opened the Public Hearing. Ed Uehling said that the Authority overestimates the budget for capital projects in order to make up for operational losses. He said that the Authority borrows funds and counts those funds as revenue. He said that the expenditures slated for conservation pay for taking water away from residents in the east side of the Valley to give it to residents in the western part of the Valley. He said that funds should not be spent to encourage water conservation since that reduces water sales revenue.

Chair Kirkpatrick closed the Public Hearing. She said that the Authority was recognized nationally for its conservation efforts, and the Board was proactively working on ways to ensure that conservation projects benefit the residents in the east part of the Valley. She also said that the Authority does not use capital funds to offset operational expenses. Mr. Entsminger added that per the Authority's bond covenants, bond sale proceeds can not be used for operations.

FINAL ACTION: Vice Chair Stewart made a motion to approve staff's recommendation. The motion was approved.

13. ***For Information Only: Receive an update from staff on water resources including, but not limited to, drought conditions in the Colorado River Basin, conservation programs and activities, activities on the Colorado River, and water resource acquisition and development.***

Colby Pellegrino, Deputy General Manager, Resources, gave a water resources and conservation update presentation. A copy of her presentation is attached to these minutes.

Director Gibson asked how Lake Powell water levels compared to Lake Mead water levels and how levels between the reservoirs are balanced. Ms. Pellegrino said that typically Lake Powell water levels fluctuate more than Lake Mead since Lake Powell captures the runoff from the Upper Colorado River Basin and then releases more regulated flows to Lake Mead. Mr. Entsminger said that under the operating rules and guidelines for the Colorado River, the general goal is to keep the reservoirs approximately equal, but due to hydrological fluctuations, the lakes can experience slight water level variability from year to year.

Vice Chair Stewart asked how the Bureau of Reclamation determined its lake level projections. Ms. Pellegrino said that the models were based on the Basin receiving average precipitation while also accounting for how dry the soils were.

Director Black said that he recently participated in a turf conversion at his home in North Las Vegas. He said he respects the work that the Board and the Authority does to conserve water to benefit the community.

NO ACTION REQUIRED

Public Comment

Ed Uehling said that the Authority borrowed billions of dollars to construct the Third Intake at Lake Mead and the Low Lake Level Pumping Station, but then received a reward for building that project for \$520 million. He said that was evidence of how the Authority inflates its budget by needlessly borrowing money.

Robert Wengert said that he represented a privately funded group that had water technology to make potable water. He said that his group was working on water projects in Saudi Arabia, Puerto Rico and California.

Adjournment

There being no further business to come before the Board, the meeting adjourned at 9:56 a.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.



1

2021-22 BUDGET OVERVIEW

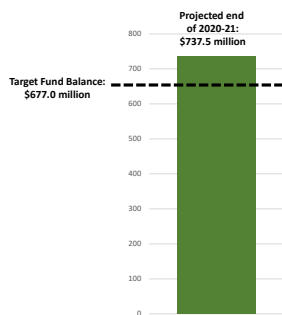
- An increase in funding sources is largely driven by debt issuance proceeds
- Sales tax projections reflect post-pandemic recovery
- Water resource investments are up 84 percent, reflecting IRPAC recommendations
- Payroll and operating expenses remain flat
- Capital expenses up 40 percent, reflecting increasing work efforts on major construction activities
- SNWA Reserves remain healthy and stable

2

RESERVES TARGET

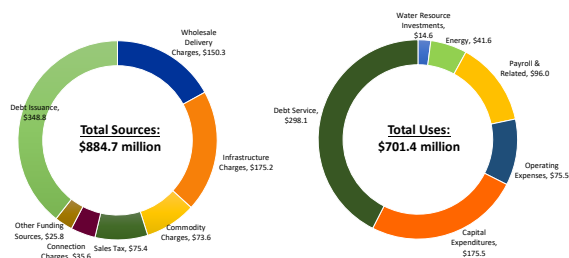
Reserve Policy Elements:

- Maintain 180 days of operating and maintenance expenses
- Fund one year of maximum annual debt service
- Fund one year of average annual capital expenditures
- Fund 1 percent of depreciable assets



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2021-22 SOURCES AND USES SUMMARY



Amounts in million dollars. Totals are rounded.

4

2021-22 BUDGET

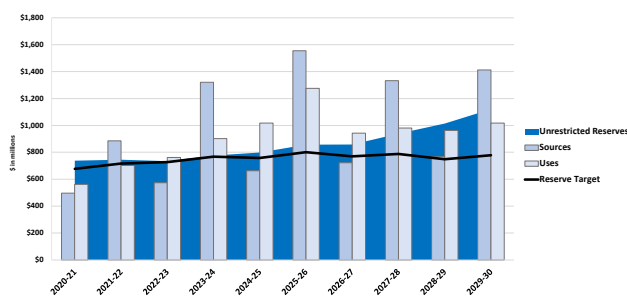
	Actual 2019-20	Budget 2020-21	Budget 2021-22	Variance \$
Sources				
Wholesale Delivery Charge	\$ 146.0	\$ 142.0	\$ 150.3	\$ 8.3
Infrastructure Charge	167.5	166.9	175.2	8.3
Commodity Charge	67.4	66.8	73.6	6.8
Connection Charge	79.3	19.1	35.6	16.5
Reliability Surcharge	5.5	5.4	6.0	0.6
Sales Tax	65.5	44.7	75.4	30.7
Investment Income	31.4	7.2	9.8	2.6
Other Sources	28.4	10.1	10.0	(0.2)
Subtotal	590.9	462.3	535.9	73.7
Debt Issuance Proceeds	-	-	348.8	348.8
Total Sources	590.9	462.3	884.7	422.5
Uses				
Water Resource Investments	4.2	7.9	14.6	6.7
Energy	37.8	38.2	41.6	3.4
Payroll & Related	85.2	97.5	95.0	(1.5)
Operating Expenses	54.5	75.8	75.5	(0.3)
Capital Expenditures	81.4	124.2	175.5	51.4
Debt Service	293.8	289.1	298.1	9.0
Total Uses	557.0	632.8	701.4	68.6
Total Net Surplus/(Deficit)¹	\$ 33.9	\$ (170.5)	\$ 183.3	\$ 353.8

¹ Any amount of Net Surplus is used to fund reserves while Net Deficit amounts are funded through the use of reserve balances.

Amounts in million dollars. Totals are rounded.

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SNWA RESERVES FORECAST



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2021-22 BUDGET SUMMARY

- The budget reflects IRPAC recommended initiatives and programs
- SNWA sources are projected to return to more typical “post pandemic” levels
- SNWA Reserves remain healthy and stable
- Conservation remains a top priority
- The organization is positioned to withstand ongoing impacts from COVID-19

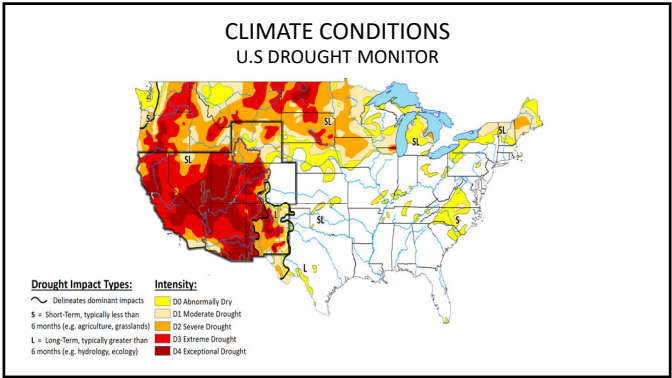
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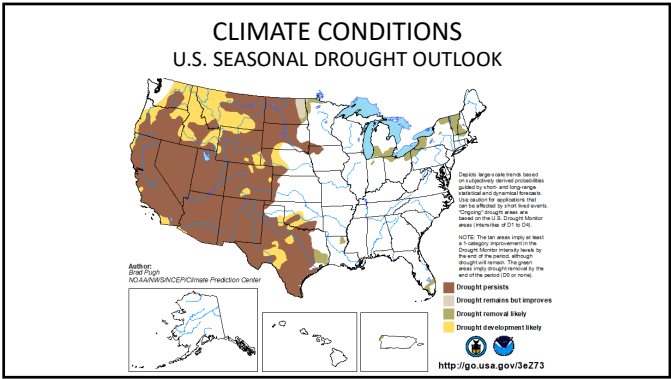
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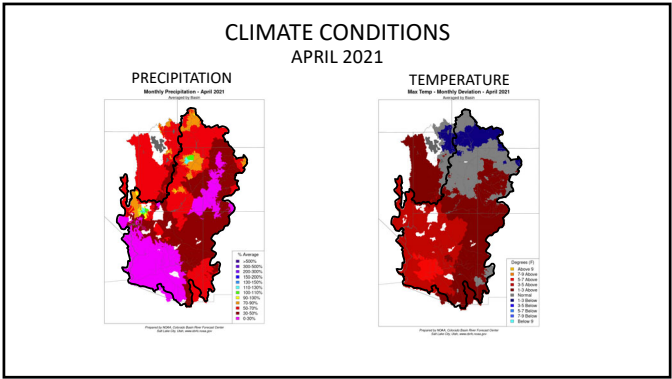
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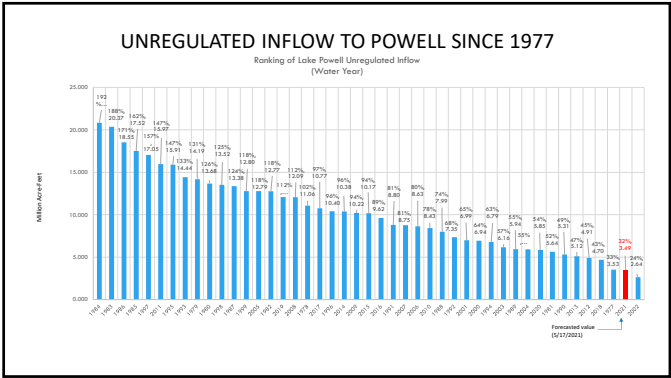
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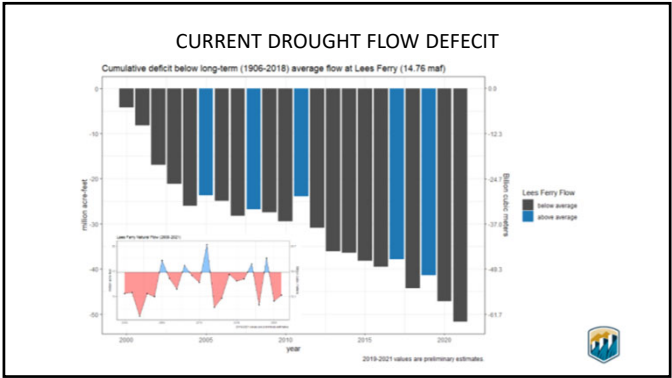
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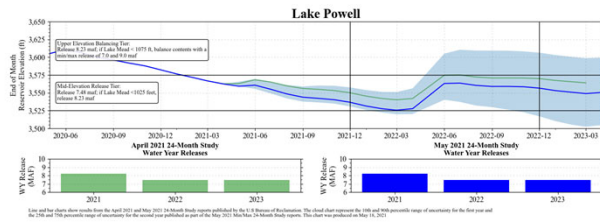


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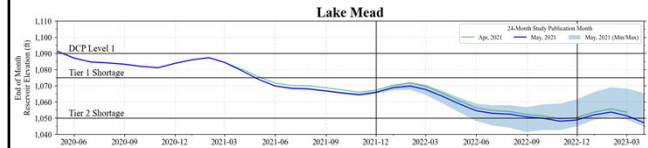
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LAKE POWELL: 24-MONTH STUDY PROJECTIONS



7

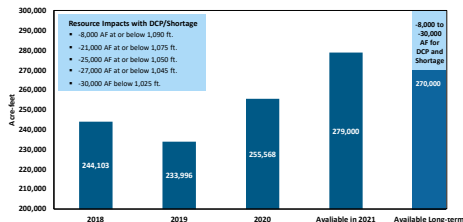
LAKE MEAD: 24-MONTH STUDY PROJECTIONS



8

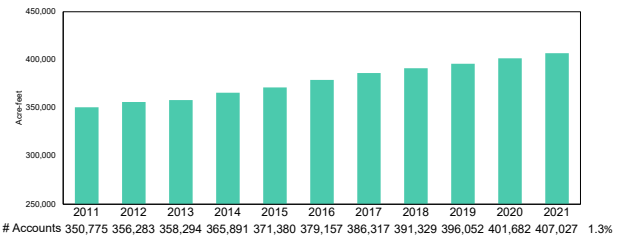
SNWA WATER USE

Consumptive use is up significantly for 2020. The current trajectory is not sustainable.



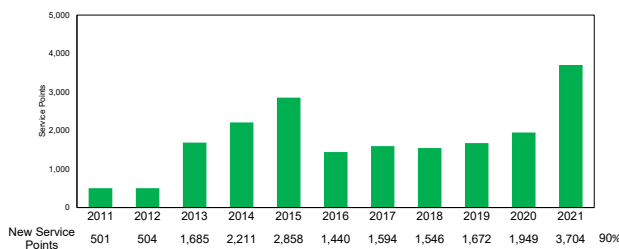
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LVVWD ACTIVE ACCOUNTS APRIL 2021



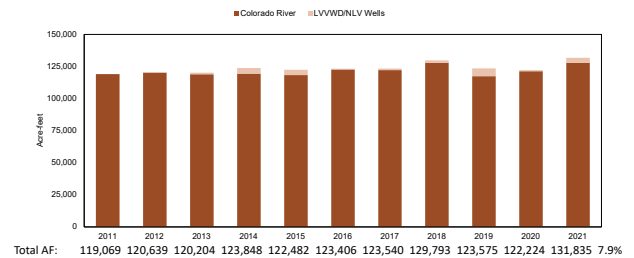
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LVVWD NEW SERVICE POINTS JANUARY - APRIL 2021



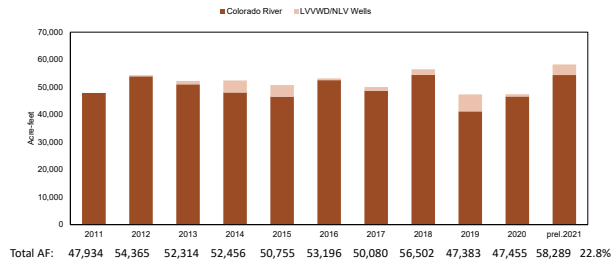
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SNWA WATER USE JANUARY-PRELIMINARY APRIL 2021



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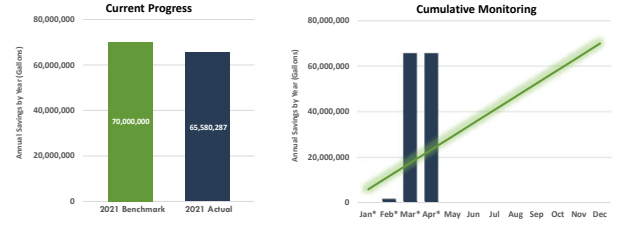
SNWA TOTAL CONSUMPTIVE USE JANUARY-PRELIMINARY APRIL 2021



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WATER EFFICIENT TECHNOLOGIES

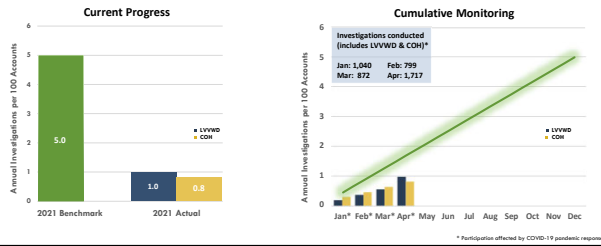
WET program participants have already saved more than 65.5 million gallons of water.



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WATER WASTE INVESTIGATIONS

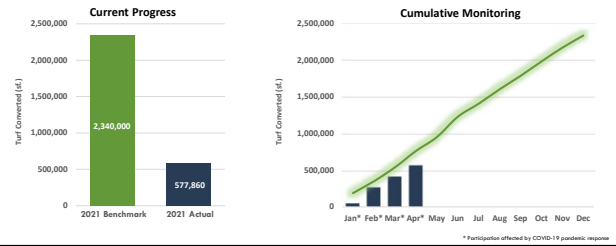
Water waste investigations are still trending below benchmark, but we are picking up pace with staffing additions.



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WATER SMART LANDSCAPES

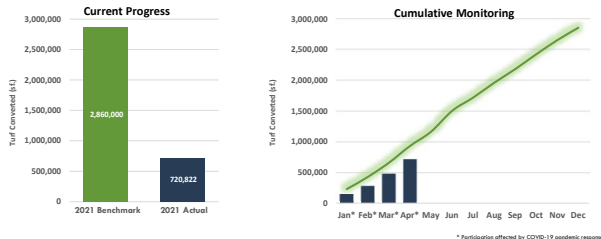
Non-SFR participants have converted more than 577,000 sf. of turf in 2021, saving an estimated 32 million gallons of water annually.



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WATER SMART LANDSCAPES

Homeowners have converted more than 720,000 sf. of turf in 2021, saving an estimated 40 million gallons of water annually.



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GOOD NEWS ON WSL

- WE SAW 760 NEW SFR APPLICATIONS IN APRIL, A VOLUME NOT SEEN SINCE 2008.
- APRIL 2021 APPLICATIONS WERE MORE THAN DOUBLE THOSE OF APRIL 2020, AND 95 PERCENT HIGHER THAN THE AVERAGE APRIL VOLUME FROM THE PREVIOUS DECADE.
- WE HOPE TO SEE THIS STRONG INTEREST TRANSLATE INTO PROJECT COMPLETIONS AND WATER SAVINGS.
- FOR NON-SFR: BY MID-MONTH (MAY), WE HAD ALREADY HIT THE TYPICAL TOTAL MONTHLY NUMBER OF PRE-CONVERSION SITE VISITS FOR MAY.
- WHILE WE DON'T TRACK CALLS OR EMAIL INQUIRIES FOR THE NON-SFR WSL PROGRAM, STAFF HAS FIELDIED HIGHER THAN USUAL REQUESTS FOR APPLICATIONS, AS WELL AS QUESTIONS ABOUT THE PROPOSED LEGISLATION.

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