

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
NOVEMBER 18, 2021
MINUTES**

CALL TO ORDER 9:03 a.m.

BOARD MEMBERS PRESENT Marilyn Kirkpatrick, Chair
Dan Stewart, Vice Chair
James Adams
Scottt Black
Cedric Crear
Jim Gibson

BOARD MEMBERS ABSENT Justin Jones

STAFF PRESENT John Entsminger, Colby Pellegrino, Dave Johnson, Doa Ross, Kevin Bethel,
Greg Walch and Andy Belanger

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 concerning item 17. He provided written comments for the record. A copy of his comments are attached to these minutes.

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 September 16, 2021.**

FINAL ACTION: Director Gibson made a motion to approve the agenda for this meeting, and to approve the minutes from the regular meeting of September 16, 2021. The motion was approved.

CONSENT AGENDA

2. ***For Possible Action:* Approve and authorize the General Manager to sign, in substantially the same form as attached hereto, Amendment No. 1 to the existing Solar Energy Power Purchase Agreement between Boulder Flats Solar, LLC, and the Authority for the purchase of electrical power from a solar photovoltaic generation facility to be located on land leased from the City of Boulder City.**
3. ***For Possible Action:* Approve and authorize the General Manager to sign, in substantially the same form as attached hereto, an option agreement between Boulder Flats Solar, LLC, and the Authority for options for Boulder Flats Solar, LLC to secure additional transmission rights from the Authority.**
4. ***For Possible Action:* Approve a resolution authorizing submission of a grant proposal to the Bureau of Reclamation's WaterSMART Drought Response Program seeking \$241,865 and outlining the Authority's ability to contribute in-kind services, and authorize the General Manager to sign the funding agreement upon completion provided the Authority's obligations do not exceed \$303,249.**
5. ***For Possible Action:* Approve a resolution authorizing the submission of a \$500,000 grant proposal to the Bureau of Reclamation's WaterSMART Grants: Water and Energy Efficiency Grants Program.**
6. ***For Possible Action:* Approve a resolution authorizing the submission of a \$2,000,000 grant proposal to the Bureau of Reclamation's WaterSMART Grants: Water and Energy Efficiency Grants Program.**
7. ***For Possible Action:* Adopt the Annual Operating Plan for the Southern Nevada Water System.**
8. ***For Possible Action:* Approve and authorize the General Manager to sign an interlocal agreement between the Clark County School District and the Authority for the conversion of approximately 492,100 square feet of turfgrass and authorize the General Manager to sign any ministerial documents necessary to effectuate the transaction in an amount not to exceed \$1,033,560.**

9. **For Possible Action:** Approve and authorize the General Manager to sign an amendment to the existing agreement between George T. Hall Company, Inc., and the Authority for professional services required for updating the Authority's control system for an amount not to exceed \$750,000 annually.
10. **For Possible Action:** Determine that the proposed changes to the Las Vegas Valley Groundwater Management Program annual fees for groundwater users are not likely to impose a direct and significant economic burden upon a business, or directly restrict the formation, operation or expansion of a business; consider and approve the attached Business Impact Statement; and direct staff to set a public hearing for possible adoption of the proposed fees for January 20, 2022.

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

BUSINESS AGENDA

11. **For Possible Action:** Approve and authorize the General Manager to sign an agreement between the Board of Regents, Nevada System of Higher Education on Behalf of the Desert Research Institute, and the Authority for the installation, maintenance, and operation of a cloud-seeding generator located in the southern Spring Mountains for an amount not to exceed \$50,000.

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

12. **For Possible Action:** Approve and authorize the General Manager to sign an agreement between Labworks LLC and the Authority for software installation and related services, training, and first year maintenance services to support a new laboratory information management system for the amount of \$635,800 and authorize a 15 percent contingency resulting in a total amount not to exceed \$731,170.

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

13. **For Possible Action:** Approve and authorize the General Manager to sign an interlocal agreement between the City of Henderson and the Authority to provide personnel and necessary equipment to jointly conduct water waste compliance work in the City of Henderson in an amount not to exceed \$265,000.

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

14. **For Possible Action:** Approve and authorize the General Manager to sign an interlocal agreement between the City of North Las Vegas and the Authority to provide personnel and necessary equipment to jointly conduct water waste compliance work in the City of North Las Vegas in an amount not to exceed \$265,000.

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

15. **For Possible Action:** Authorize the General Manager, or his designee, to establish a plant material canopy coverage waiver process for non-single family residential parcels within the Authority's Water Smart Landscapes Program; and to execute documents as necessary to effectuate the program.

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

16. **For Possible Action:** Adopt a resolution requesting the refunding of certain water revenue bonds, including the Southern Nevada Water Authority, Nevada, Water Revenue Refunding Bond, Series 2012, and requesting that the Clark County Board of Commissioners issue general obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) refunding bonds in the maximum principal amount of \$85,000,000, in one or more series, to refinance all or any portion of the SNWA bonds.

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

17. **For Possible Action:** Accept the Authority's Annual Financial Report, including the corresponding Independent Auditor's Report on Financial Statements and Other Supplementary Information for the Fiscal Year ended June 30, 2021, and authorize its submission to the Nevada Department of Taxation.

Kevin Bethel, Chief Financial Officer, presented the financial report and required audit communication. A copy of the audit communication is attached to these minutes.

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

18. ***For Possible Action: Authorize the General Manager to negotiate and enter into agreements to help protect Lake Mead elevations and to provide up to 20 percent of the non-federal cost share of such agreements, not to exceed an aggregate of \$20 million in 2022 and 2023.***

Colby Pellegrino, Deputy General Manager, Resources, gave a summary of the potential benefits to Lake Mead anticipated by the proposed agreements. A copy of her presentation is attached to these minutes.

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

19. ***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 initiatives, activities on the Colorado River, and water resource acquisition and development.***

Ms. Pellegrino gave a conservation update presentation. A copy of her presentation is attached to these minutes.

Chair Kirkpatrick asked the Board Members to assist in encouraging conservation in their respective jurisdictions by sharing information through newsletters and other avenues. Vice Chair Stewart supported those efforts and recommended that the Board Members invite staff to make conservation presentations at their Council and Board meetings. Director Crear supported sharing conservation messages with his constituents.

Chair Kirkpatrick asked about the Youth Advisory Council (YAC) status. Andy Belanger, Director of Public Services, said that staff was exploring renaming the council to the Youth Conservation Council to expand its reach and scope. Staff was developing a plan to use technology to reach more students and schools to bring back additional conservation ideas to the Board. Ms. Pellegrino added that the Springs Preserve had developed online content for schools and educators to use to support water education efforts. Director Black suggested that staff implement a pre and post survey to the Authority's school outreach programs to gauge the level of impact from education efforts. John Entsminger, General Manager, thanked the Board for its input and said that staff would take the Board's suggestions and bring back items at future meetings for the Board to consider and take action on.

NO ACTION REQUIRED

Public Comment

Ed Uehling said that staff and the Board talk about conservation while the community actually is using more water than it did in previous years. He said that there's no water conservation occurring in Southern Nevada. He said that the turf removal program just transfers wealth from the eastern portions of the valley to the richest portions of the city. He said homes on the eastside of the city use 5,000 gallons of water each month, but homes on the westside of the city use 40,000 gallons of water each month. He said that rates on the upper tiers need to be increased to make water more expensive for heavy users to effectuate more water conservation than removing turf. He said that more water is used out of Lake Mead than is replenished.

Adjournment

There being no further business to come before the Board, the meeting adjourned at 9:51 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.

PUBLIC COMMENT SUBMITTED BY ED UEHLING
11/18/2021 SNWA BOARD OF DIRECTORS MEETING

18November2021

To: SNWA Chairwoman Marilyn Kirkpatrick and SNWA Board
From: Ed Uehling, ed.uehling@yahoo.com 702-808-6000
Re: Item Number 17, Annual Financial Report

On page 4 of the report the following statement is made under the very important category,
"FACTORS AFFECTING FINANCIAL CONDITION":

"The COVID-19 pandemic continues to add a level of uncertainty to all economic forecasts"

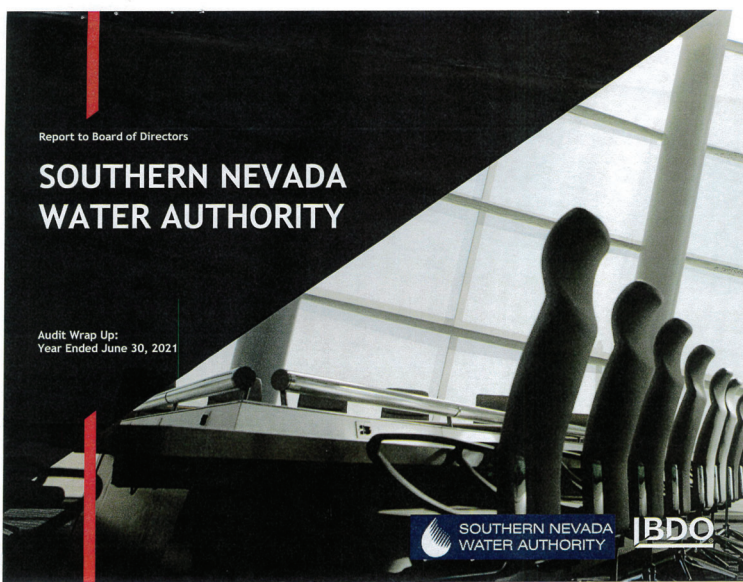
This statement is not just untrue, but it is a violation of the law passed by the Board of County Commissioners of Clark County requiring punishment for spreading false health information.

The pandemic was a natural phenomenon, one of hundreds or thousands that have, with various consequences, affected the human species since its beginning tens of thousands of years ago. This pandemic, like all previous pandemics, affected the health of human beings living during its development and spread. It had NOTHING to do with the economy of SNWA or any other governmental entity.

The events that affected the financial health of SNWA and other governmental units in Clark County and the State of Nevada were the unconscionable, unconstitutional, illegal and immoral shutdowns dictated by kleptocratic and power-hungry political leaders of the State and County.

Please, as demanded by the BCC, remove this blatant lie being used by political leaders and bureaucrats attempting to escape responsibility for the devastation they wreaked upon the people of the State and County (that, not incidentally, will probably have continuing devastating effects for decades). The writer(s) of this report were probably the same people who reported to their third-grade teacher that "the dog ate my homework". Some people never grow up and accept responsibility, but hopefully the SNWA board will assign proper responsibility and dictate the rewriting of this and any other references to health conditions to reflect the truth—not the cover-up.

Thank you.



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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Client and is not intended and should not be used by anyone other than these specified parties.

2 SOUTHERN NEVADA WATER AUTHORITY AUDIT WRAP-UP REPORT OCTOBER 14, 2021 / BDO USA, LLP

Welcome

October 14, 2021

Board of Directors
Southern Nevada Water Authority

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On August 19, 2021, we presented an overview of our plan to management for the audit of the financial statements of Southern Nevada Water Authority (the "SNWA") as of and for the year ended June 30, 2021, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the SNWA's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the SNWA and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

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Executive Summary

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Status of Our Audit

We have completed our audit of the financial statements and federal awards, as of and for the year ended June 30, 2021. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- We have issued an unmodified opinion on the financial statements and released our report on October 14, 2021.
- Our responsibility for other information in documents containing the SNWA's audited financial statements (e.g., Management's discussion and analysis and budgetary comparisons) does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the SNWA and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- All records and information requested by BDO were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of the SNWA's personnel throughout the course of our work.

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Results of the Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the SNWA's accounting practices, policies, estimates:

The SNWA's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- A summary of recently issued accounting pronouncements is included in Note 1 to the SNWA's financial statements.
- There were no significant changes in significant accounting policies and practices during the year ended June 30, 2021.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The SNWA's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in the notes of the financial statements.

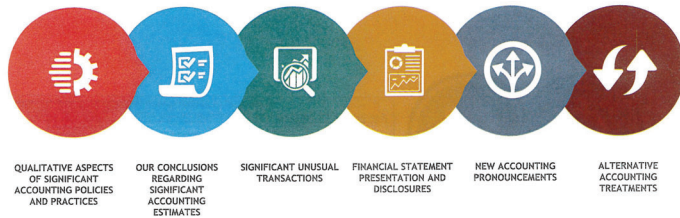
- Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2021.

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Results of the Audit

QUALITY OF THE SNWA'S FINANCIAL REPORTING

A discussion was held regarding the quality of the SNWA's financial reporting, which included:



Results of the Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.

There was one uncorrected misstatement related to accounts identified and discussed with us in the course of the audit that are listed below that have not been corrected. We concur with management's assessment that the effects of not recording such adjustments, are both individually and in the aggregate, immaterial to the financial statements of the SNWA taken as a whole.

Item #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position
1	Net Investments in Capital Assets	\$2,285,122		\$2,285,122
1	Depreciation Expense		\$2,285,122	
To correct depreciation expense for catch-up depreciation recorded for current year additions with dates placed in service related to prior years.				



Internal Control Over Financial Reporting

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the SNWA's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SNWA's internal control. Accordingly, we do not express an opinion on the effectiveness of the SNWA's internal control. Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the SNWA's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the SNWA's financial statements will not be prevented or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses or significant deficiencies.

Additional Required Communications

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the SNWA:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the SNWA's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
Nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Significant findings and issues arising during the audit in connection with the SNWA's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management.

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the SNWA:

Requirement	Discussion Point
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the SNWA's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process.
Other matters significant to the oversight of the SNWA's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the SNWA's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.

Independence

Our engagement letter to you dated June 18, 2021, describes our responsibilities in accordance with professional standards and Government Auditing Standards with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the SNWA with respect to independence as agreed to by the SNWA. Please refer to that letter for further information.



Appendix

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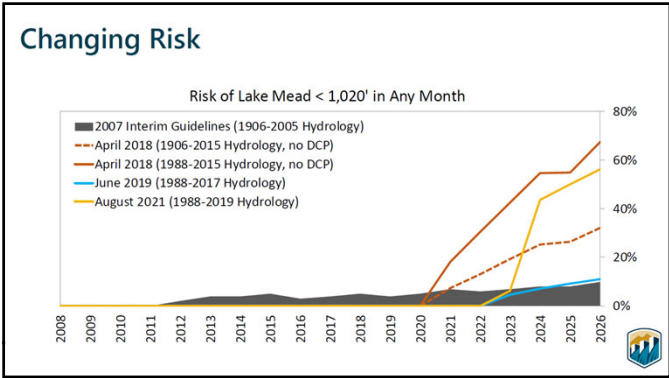
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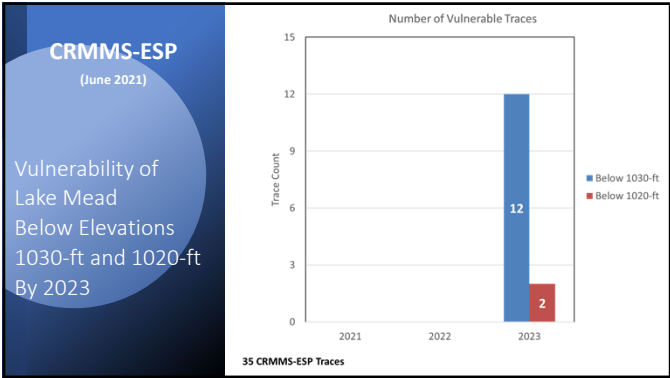
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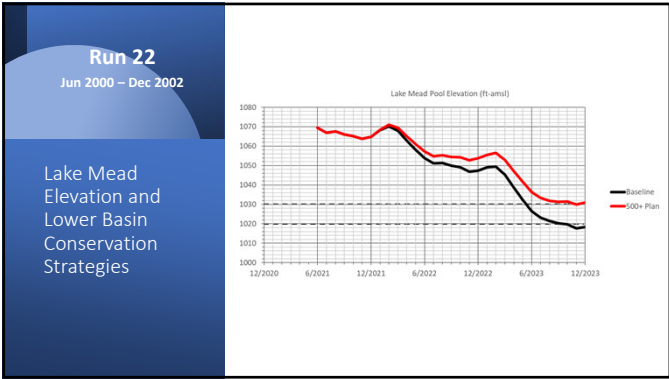
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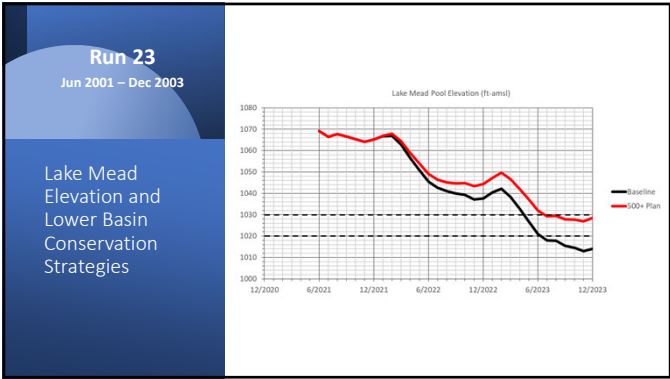
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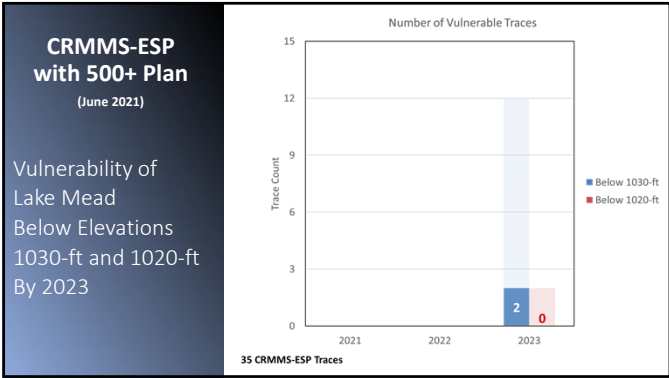
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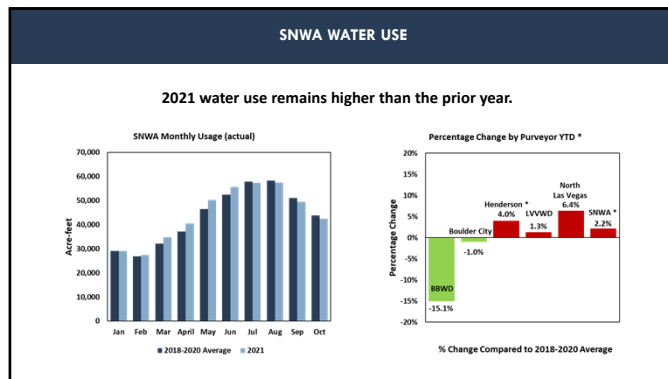
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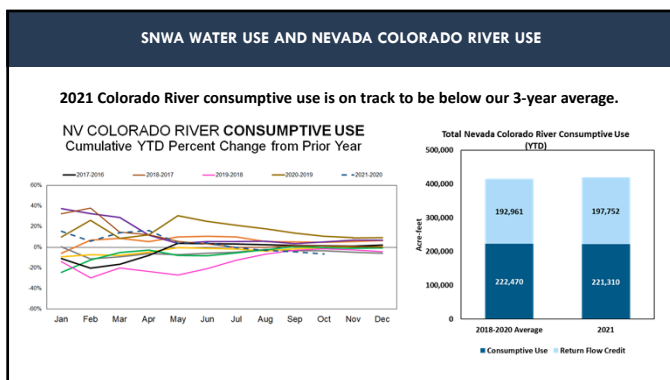
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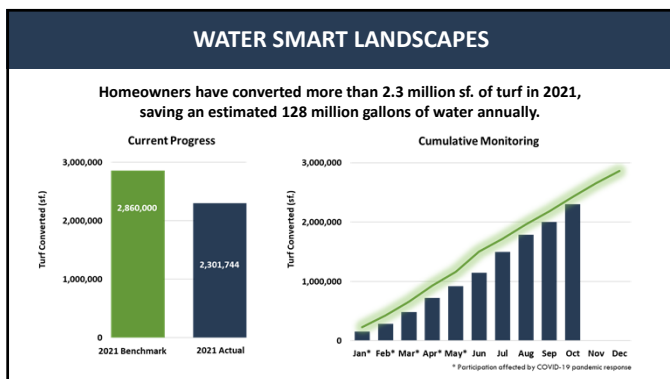
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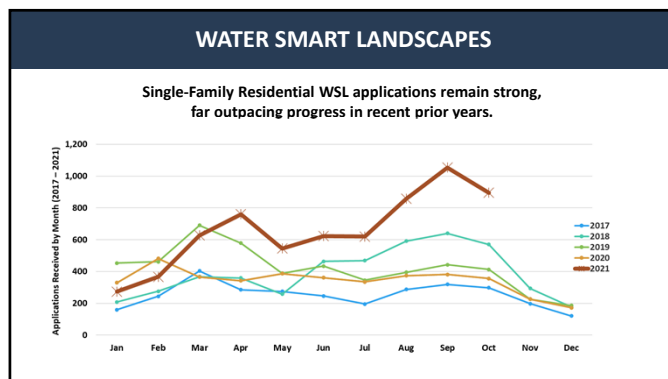
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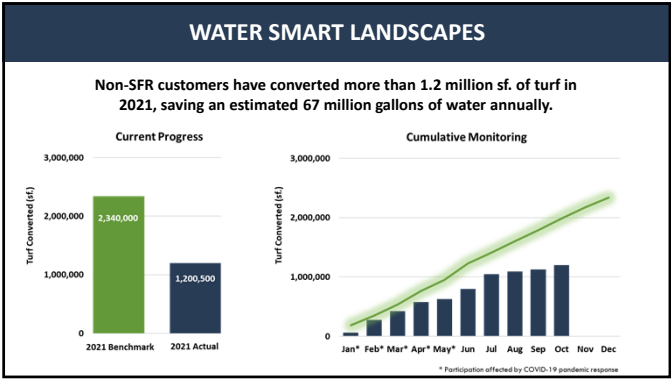
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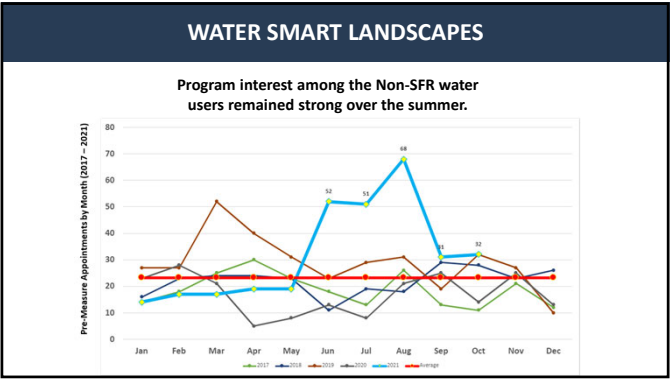
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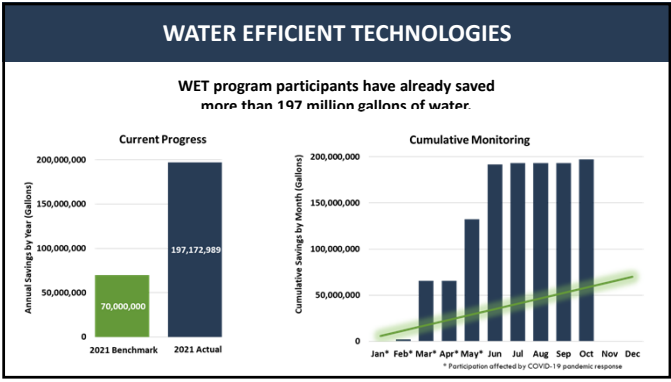
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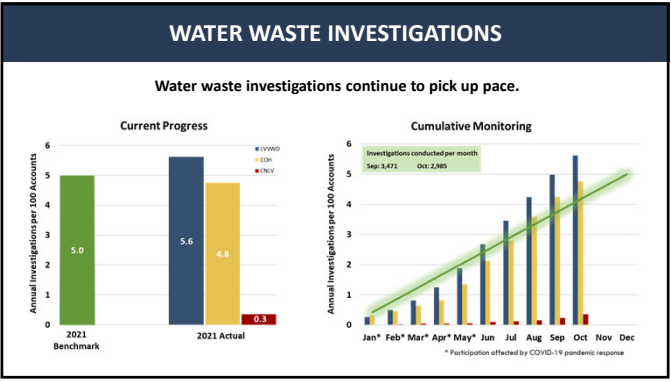
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