

# AGENDA

## SOUTHERN NEVADA WATER AUTHORITY BOARD OF DIRECTORS

REGULAR MEETING  
9:00 A.M. – JANUARY 20, 2022

BOARD CHAMBERS, SOUTHERN NEVADA WATER AUTHORITY  
100 CITY PARKWAY, SEVENTH FLOOR, LAS VEGAS, NEVADA  
(702) 258-3100

### Board of Directors

Marilyn Kirkpatrick, Chair  
Dan Stewart, Vice Chair  
James Adams  
Scott Black  
Cedric Crear  
Jim Gibson  
Justin Jones

John J. Entsminger,  
General Manager

Date Posted: January 12, 2022

SOUTHERN NEVADA  
WATER AUTHORITY

The Southern Nevada Water Authority makes reasonable efforts to assist and accommodate persons with physical disabilities who desire to attend the meeting. For assistance, call the Agenda Coordinator at (702) 258-3939 at least 24 hours prior to the meeting.

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### THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED IN THE FOLLOWING LOCATIONS:

*City of Boulder City, City Hall*  
401 California Street  
Boulder City, Nevada

*City of Henderson, City Hall*  
240 S. Water Street  
Henderson, Nevada

*City of North Las Vegas, City Hall*  
2250 Las Vegas Boulevard North  
North Las Vegas, Nevada

*City of Las Vegas, City Hall*  
495 S. Main Street  
Las Vegas, Nevada

*Clark County Government Center*  
500 S. Grand Central Parkway  
Las Vegas, Nevada

*Clark County Water Reclamation District*  
5857 E. Flamingo Road  
Las Vegas, Nevada

*Southern Nevada Water Authority*  
100 City Parkway, Suite 700  
Las Vegas, Nevada

*Las Vegas Valley Water District*  
1001 S. Valley View Boulevard  
Las Vegas, Nevada

All items on the agenda are for action by the Board of Directors, unless otherwise indicated. Items may be taken out of order. The board may combine two or more agenda items for consideration, and the board may remove an item from the agenda or delay discussions relating to an agenda item at any time.

Visit our website at [www.snwa.com](http://www.snwa.com) for Southern Nevada Water Authority agenda postings, copies of supporting material, and approved minutes. To receive meeting information, contact Mitch Bishop at (702) 822-8317 or [agendas@snwa.com](mailto:agendas@snwa.com).

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### CALL TO ORDER

### COMMENTS BY THE GENERAL PUBLIC

**NO ACTION MAY BE TAKEN:** This is a period devoted to comments by the general public pertaining to items on this agenda. If you wish to speak to the Board about items within its jurisdiction, but not appearing on this agenda, you must wait until the "Comments by the General Public" period listed at the end of this agenda. Please limit your comments to three minutes or less and refrain from making comments that are repetitious, offensive, or amounting to personal attacks. No action may be taken upon a matter not listed on the posted agenda. Public comment can also be provided in advance of the meeting and submitted to [publiccomment@snwa.com](mailto:publiccomment@snwa.com).

### 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 December 20, 2021.

### CONSENT AGENDA    **Items 2 – 5 are routine and can be taken in one motion unless a Director requests that an item be taken separately.**

2. *For Possible Action:* Renew the Amended and Restated Interlocal Contract between the Las Vegas Valley Water District and the Authority, which authorizes the General Manager of the District to serve as the General Manager of the Authority, and utilize the staff and resources of the District to manage the affairs of the Authority.
3. *For Possible Action:* Approve a resolution authorizing the submission of a grant proposal to the Bureau of Reclamation's WaterSMART Environmental Water Resources Projects grants seeking \$900,500.
4. *For Possible Action:* Approve and authorize the General Manager to sign a cooperative agreement between the Nevada Department of Wildlife and the Authority for the Fish Hatchery Pipeline Preliminary Design and Permitting and accept funds in an amount not to exceed \$400,000.
5. *For Possible Action:* Approve and authorize the General Manager to sign the Federal Demonstration Partnership Cost Reimbursement Subaward Agreement between the University of Michigan and the Authority for participation in a project that will identify water quality treatment parameters to reliably estimate virus removal and inactivation during wastewater treatment and accept funds in an amount not to exceed \$330,258.

**BUSINESS AGENDA**

6. *For Possible Action:* Receive a presentation on the Nonfunctional Turf Removal Advisory Committee process and accept the report.
7. *For Possible Action:* Approve the Implementation Plan for the Removal of Nonfunctional Turf in Southern Nevada.
8. *For Possible Action:* Award a contract for the reconstruction of two existing erosion control structures at the Las Vegas Wash, including work in the wash channel, to Las Vegas Paving Corporation for the amount of \$4,400,000, authorize a change order contingency amount not to exceed \$440,000, and authorize the General Manager to sign the construction agreement.
9. *For Possible Action:* Approve and authorize the General Manager to sign an Agreement for the Purchase and Sale of Shares in the Bunkerville Irrigation Company between SJD Farm LLC and the Authority for an amount not to exceed \$497,072.38 and authorize the General Manager to sign ministerial documents necessary to effectuate the transaction.
10. *For Possible Action:* Approve and authorize the General Manager to sign an Agreement for the Purchase and Sale of Shares in the Bunkerville Irrigation Company between Peri Hardy and the Authority for an amount not to exceed \$284,041.36 and authorize the General Manager to sign ministerial documents necessary to effectuate the transaction.
11. *For Possible Action:* Approve and authorize the General Manager to sign an Agreement for the Purchase and Sale of Shares in the Mesquite Irrigation Company between Obsidian Real Estate, LLC and the Authority for an amount not to exceed \$181,649.64 and authorize the General Manager to sign ministerial documents necessary to effectuate the transaction.
12. *For Possible Action:* Approve Amendment No. 1 to the Professional Services Agreement between R&R Partners, Inc., and the Authority for Integrated Marketing and Strategic Communication Services, to increase the scope of services and the not-to-exceed amount of \$3,000,000 by \$750,000 per contract year.
13. *For Possible Action:* Determine that the proposed changes to the Authority's Connection Charge, Infrastructure Charge and Commodity Charge 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 charges for February 17, 2022.
14. *For Possible Action:* Conduct a Public Hearing to consider an increase in the annual groundwater management fees.
15. *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.

**COMMENTS BY THE GENERAL PUBLIC**

NO ACTION MAY BE TAKEN: At this time, the Board of Directors will hear general comments from the public on matters under the jurisdiction of the Southern Nevada Water Authority. Please limit your comments to three minutes or less and refrain from making comments that are repetitious, offensive, or amounting to personal attacks. No action may be taken upon a matter not listed on the posted agenda.

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

CALL TO ORDER 12:00 p.m.

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

BOARD MEMBERS ABSENT Cedric Crear

STAFF PRESENT John Entsminger, Colby Pellegrino, Dave Johnson, Doa Ross, and Tabitha Simmons

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](https://snwa.com/apps/snwa-agendas/index.cfm)*

Chair Kirkpatrick said that she would be taking public comment separately on item number 6; she then opened the public comment period for anyone wishing to speak on other items on the agenda. There were no speakers wishing to be heard on the other items.

**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 November 18, 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 November 18, 2021. The motion was approved.

***Items 2 and 4 were taken in one motion.***

**BUSINESS AGENDA**

2. ***For Possible Action: Adopt the 2021 Water Resource Plan.***
4. ***For Possible Action: Consider and adopt a new conservation goal and direct staff to work with the Authority's member agencies to implement conservation initiatives to support goal achievement.***

John Entsminger, General Manager, gave a presentation on the Resource Plan and new conservation goal. A copy of his presentation is attached to these minutes.

Director Jones asked which conservation measures yielded the greatest water savings. Mr. Entsminger said that implementing the turf restrictions imposed by AB 356, which restricts turf at non-residential properties, saves the greatest amount of the community's water, but also restricting the installation of new turf in Southern Nevada, except in parks, cemeteries and schools, will also save a tremendous amount of water. He said that enforcing water waste regulations and reducing evaporative cooling will also save the community additional water.

Director Jones asked about converting golf courses to other uses. Colby Pellegrino, Deputy General Manager, Resources, said that golf course turf conversions were allowed under the Water Smart Landscapes program. However, it would be difficult to maintain conservation easements and protect the Authority's conservation investment at golf courses that want to convert into another type of development, such as single-family residences. If a golf course wanted to remove turf in favor of a different type of recreation area, such as mountain biking trails, the Authority would be willing to discuss potential incentives.

Chair Kirkpatrick asked if there were additional conservation measures that could be considered beyond what staff had proposed. Mr. Entsminger said that potential conservation measures were not limited to what was proposed by staff. He said that staff would be willing to entertain other ideas from the Board or other community members.

Chair Kirkpatrick suggested that the community work with the Clark County School District to develop future schools with playgrounds that could also be used as community parks.

Vice Chair Stewart asked how the proposed conservation goal of 86 gallons per capita per day (GPCD) compared to other large metropolitan communities' water usage. Mr. Entsminger said that the goal was comparable with some communities' usage in coastal California, while being significantly less usage than some communities in Utah, which use as much as 300 GPCD. He said that trying to compare GPCD across different jurisdictions was difficult since so many factors, such as precipitation, climate, and water accounting, went into calculating a community's GPCD. The best use of GPCD is to allow a community to measure its own conservation progress.

Director Gibson asked what additional water use reductions and development changes might the community be faced with in light of climate change and falling lake levels. He said that he could see that additional incentives could be needed, such as incentives for installing low water-use cooling technologies at new development. Mr. Entsminger said that the Authority would like community partners to submeter evaporative coolers at businesses throughout the Valley to collect better water usage data. Chair Kirkpatrick said that since evaporative coolers use water consumptively, the Board should discuss ways to increase the number of businesses installing submeters on their evaporative cooling systems.

FINAL ACTION: Vice Chair Stewart made a motion to approve staff's recommendations on item 2 and 4. The motion was approved.

3. ***For Possible Action: Adopt the 2021 Water Budget.***

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

5. ***For Possible Action: Adopt a resolution (1) supporting a prohibition on the installation of new irrigated turfgrass and the installation and use of spray irrigation systems in new development in the service areas of SNWA's purveyor members, except in parks, schools and cemeteries; and (2) urging the immediate revision of applicable regulatory codes, ordinances and policies to implement the prohibition.***

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

6. ***For Possible Action: Adopt a resolution (1) supporting a moratorium on cooling and heating mechanisms that consumptively use water in all new developments and establishments within the service area of SNWA's purveyor members, except for single family residences; and (2) urging the immediate revision of applicable regulatory codes, ordinances and policies.***

Chair Kirkpatrick opened public comment on item 6.

Jon Leleu, NAIOP, said that NAIOP had been working with the Authority and was committed to continue working with the Authority to address needed water conservation in Southern Nevada. He encouraged the Board to take its time to study evaporative cooling before making a rushed decision.

Paul Moradkhan, Vegas Chamber, said that the Chamber supported the Authority's conservation measures to protect the community. He asked that as ordinances were drafted and considered for adoption in the coming months that the Authority and local jurisdictions conduct outreach to the business community and industry stakeholders. He suggested that the outreach include stakeholder meetings, business impact statements and solicitation for community feedback.

Virginia Valentine, Nevada Resort Association, said that Southern Nevada resorts employee 21 percent of the workforce in Nevada, but only use approximately 0.1 percent of the community's water. She thanked Mr. Entsminger for meeting with several of the Association's members to discuss proposals regarding evaporative cooling. The Nevada Resort Association wanted to be a part of the process moving forward and looking at every available opportunity to reduce water consumption and balance that with a possible increase in energy consumption.

There being no other speakers wishing to be heard, Chair Kirkpatrick closed the public comment period.

Chair Kirkpatrick asked for clarification on the resolution. Mr. Entsminger said that the resolution was to support a moratorium on cooling and heating mechanisms that consumptively use water in new development. He said that local jurisdictions would need to draft and adopt ordinances to implement the moratorium.

Director Gibson said that should the Board pass the Resolution, each member would need to be committed to taking it back to their respective jurisdictions to begin working on the necessary ordinances to implement in a coordinated effort.



Director Adams said that the resolution represented a necessary and important first step in continuing to protect Southern Nevada's water resources.

Director Black thanked the business leaders and commentators for their tone and professionalism in addressing a sensitive topic. He looked forward to working with the community to address this important issue.

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

**Public Comment**

There were no speakers wishing to be heard.

**Adjournment**

There being no further business to come before the Board, the meeting adjourned at 1:14 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.**



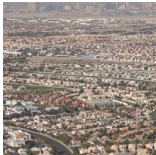
1

## 2021 WATER RESOURCE PLAN

The SNWA reviews its water resource plan annually.

**Key Inputs:**

- Population forecast from the University of Nevada, Las Vegas Center for Business and Economic Research (CBER)
- Hydrologic modeling from the U.S. Bureau of Reclamation
- Conservation progress (actual and projected)



2

## 2021 WATER RESOURCE PLAN

The SNWA's Water Resource Portfolio includes a diverse set of resource options that will be used in tandem with demand reduction tools to reliably meet the community's current and future water resource needs.


Permanent Resources	Temporary Resources	Future Resources
Colorado River (SNWA)	Southern Nevada Groundwater Bank	Transfers and Exchanges – Permanent Future Supply Desalinization & Colorado River Partnerships
Nevada Unused Colorado River (Non-SNWA)	Interstate Bank (Arizona)	Transfers and Exchanges – Virgin River/Colorado River Augmentation
Tributary Conservation ICS	Interstate Bank (California)	Garnet & Hidden Valleys Groundwater
Las Vegas Valley Groundwater Rights	Intentionally Created Surplus (Lake Mead storage)	Tikaboo & Three Lakes Valley Groundwater

3

## 2021 WATER RESOURCE PLAN

**2021 Plan Changes:**

- Extended the planning horizon through 2072.
- Updated demand range based on the new population forecast.
- Applied new assumptions about conservation achievements.
- Incorporated the latest Colorado River supply outlook.
- Developed planning scenarios that reflect supply impacts under variable hydrology.
  - 14.7 MAFY
  - 12.9 MAFY
  - 11.0 MAFY

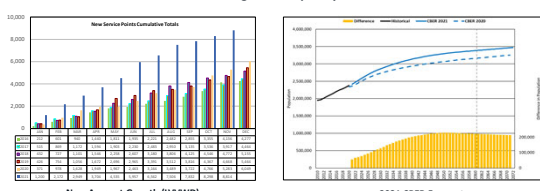


Supply and demand inputs have changed significantly.

4

## 2021 WATER RESOURCE PLAN

New account growth and longer-term forecasts are much higher than prior years.

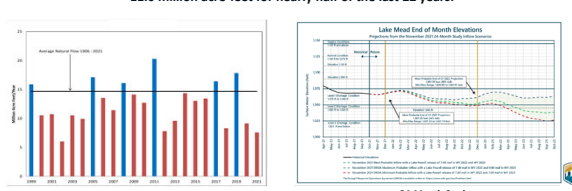


This affects the volume and timing of future resource needs.

5

## 2021 WATER RESOURCE PLAN

Annual Colorado River inflows have been at or below 11.0 million acre-feet for nearly half of the last 22 years.




Further water-level declines are expected.

6

## 2021 WATER RESOURCE PLAN

There is a high probability for shortage over the long-term planning horizon.




Year	Population (Millions)	Per Capita (GPCD)	Total Demand (MGD)	Supply (MGD)	Shortage (MGD)	Shortage %
2020	3.1	111	345	345	0	0%
2025	3.4	109	371	371	0	0%
2030	3.7	107	396	396	0	0%
2035	4.0	105	420	420	0	0%
2040	4.3	103	445	445	0	0%
2045	4.6	101	468	468	0	0%
2050	4.9	99	491	491	0	0%
2055	5.2	97	514	514	0	0%
2060	5.5	95	537	537	0	0%
2065	5.8	93	560	560	0	0%
2070	6.1	91	583	583	0	0%
2075	6.4	89	606	606	0	0%
2080	6.7	87	629	629	0	0%
2085	7.0	85	652	652	0	0%
2090	7.3	83	675	675	0	0%
2095	7.6	81	698	698	0	0%
2100	7.9	79	721	721	0	0%
2105	8.2	77	744	744	0	0%
2110	8.5	75	767	767	0	0%
2115	8.8	73	790	790	0	0%
2120	9.1	71	813	813	0	0%
2125	9.4	69	836	836	0	0%
2130	9.7	67	859	859	0	0%
2135	10.0	65	882	882	0	0%
2140	10.3	63	905	905	0	0%
2145	10.6	61	928	928	0	0%
2150	10.9	59	951	951	0	0%
2155	11.2	57	974	974	0	0%
2160	11.5	55	997	997	0	0%
2165	11.8	53	1020	1020	0	0%
2170	12.1	51	1043	1043	0	0%
2175	12.4	49	1066	1066	0	0%
2180	12.7	47	1089	1089	0	0%
2185	13.0	45	1112	1112	0	0%
2190	13.3	43	1135	1135	0	0%
2195	13.6	41	1158	1158	0	0%
2200	13.9	39	1181	1181	0	0%
2205	14.2	37	1204	1204	0	0%
2210	14.5	35	1227	1227	0	0%
2215	14.8	33	1250	1250	0	0%
2220	15.1	31	1273	1273	0	0%
2225	15.4	29	1296	1296	0	0%
2230	15.7	27	1319	1319	0	0%
2235	16.0	25	1342	1342	0	0%
2240	16.3	23	1365	1365	0	0%
2245	16.6	21	1388	1388	0	0%
2250	16.9	19	1411	1411	0	0%
2255	17.2	17	1434	1434	0	0%
2260	17.5	15	1457	1457	0	0%
2265	17.8	13	1480	1480	0	0%
2270	18.1	11	1503	1503	0	0%
2275	18.4	9	1526	1526	0	0%
2280	18.7	7	1549	1549	0	0%
2285	19.0	5	1572	1572	0	0%
2290	19.3	3	1595	1595	0	0%
2295	19.6	1	1618	1618	0	0%
2300	19.9	-1	1641	1641	0	0%
2305	20.2	-3	1664	1664	0	0%
2310	20.5	-5	1687	1687	0	0%
2315	20.8	-7	1710	1710	0	0%
2320	21.1	-9	1733	1733	0	0%
2325	21.4	-11	1756	1756	0	0%
2330	21.7	-13	1779	1779	0	0%
2335	22.0	-15	1802	1802	0	0%
2340	22.3	-17	1825	1825	0	0%
2345	22.6	-19	1848	1848	0	0%
2350	22.9	-21	1871	1871	0	0%
2355	23.2	-23	1894	1894	0	0%
2360	23.5	-25	1917	1917	0	0%
2365	23.8	-27	1940	1940	0	0%
2370	24.1	-29	1963	1963	0	0%
2375	24.4	-31	1986	1986	0	0%
2380	24.7	-33	2009	2009	0	0%
2385	25.0	-35	2032	2032	0	0%
2390	25.3	-37	2055	2055	0	0%
2395	25.6	-39	2078	2078	0	0%
2400	25.9	-41	2101	2101	0	0%
2405	26.2	-43	2124	2124	0	0%
2410	26.5	-45	2147	2147	0	0%
2415	26.8	-47	2170	2170	0	0%
2420	27.1	-49	2193	2193	0	0%
2425	27.4	-51	2216	2216	0	0%
2430	27.7	-53	2239	2239	0	0%
2435	28.0	-55	2262	2262	0	0%
2440	28.3	-57	2285	2285	0	0%
2445	28.6	-59	2308	2308	0	0%
2450	28.9	-61	2331	2331	0	0%
2455	29.2	-63	2354	2354	0	0%
2460	29.5	-65	2377	2377	0	0%
2465	29.8	-67	2400	2400	0	0%
2470	30.1	-69	2423	2423	0	0%
2475	30.4	-71	2446	2446	0	0%
2480	30.7	-73	2469	2469	0	0%
2485	31.0	-75	2492	2492	0	0%
2490	31.3	-77	2515	2515	0	0%
2495	31.6	-79	2538	2538	0	0%
2500	31.9	-81	2561	2561	0	0%
2505	32.2	-83	2584	2584	0	0%
2510	32.5	-85	2607	2607	0	0%
2515	32.8	-87	2630	2630	0	0%
2520	33.1	-89	2653	2653	0	0%
2525	33.4	-91	2676	2676	0	0%
2530	33.7	-93	2699	2699	0	0%
2535	34.0	-95	2722	2722	0	0%
2540	34.3	-97	2745	2745	0	0%
2545	34.6	-99	2768	2768	0	0%
2550	34.9	-101	2791	2791	0	0%
2555	35.2	-103	2814	2814	0	0%
2560	35.5	-105	2837	2837	0	0%
2565	35.8	-107	2860	2860	0	0%
2570	36.1	-109	2883	2883	0	0%
2575	36.4	-111	2906	2906	0	0%
2580	36.7	-113	2929	2929	0	0%
2585	37.0	-115	2952	2952	0	0%
2590	37.3	-117	2975	2975	0	0%
2595	37.6	-119	2998	2998	0	0%
2600	37.9	-121	3021	3021	0	0%
2605	38.2	-123	3044	3044	0	0%
2610	38.5	-125	3067	3067	0	0%
2615	38.8	-127	3090	3090	0	0%
2620	39.1	-129	3113	3113	0	0%
2625	39.4	-131	3136	3136	0	0%
2630	39.7	-133	3159	3159	0	0%
2635	40.0	-135	3182	3182	0	0%
2640	40.3	-137	3205	3205	0	0%
2645	40.6	-139	3228	3228	0	0%
2650	40.9	-141	3251	3251	0	0%
2655	41.2	-143	3274	3274	0	0%
2660	41.5	-145	3297	3297	0	0%
2665	41.8	-147	3320	3320	0	0%
2670	42.1	-149	3343	3343	0	0%
2675	42.4	-151	3366	3366	0	0%
2680	42.7	-153	3389	3389	0	0%
2685	43.0	-155	3412	3412	0	0%
2690	43.3	-157	3435	3435	0	0%
2695	43.6	-159	3458	3458	0	0%
2700	43.9	-161	3481	3481	0	0%
2705	44.2	-163	3504	3504	0	0%
2710	44.5	-165	3527	3527	0	0%
2715	44.8	-167	3550	3550	0	0%
2720	45.1	-169	3573	3573	0	0%
2725	45.4	-171	3596	3596	0	0%
2730	45.7	-173	3619	3619	0	0%
2735	46.0	-175	3642	3642	0	0%
2740	46.3	-177	3665	3665	0	0%
2745	46.6	-179	3688	3688	0	0%
2750	46.9	-181	3711	3711	0	0%
2755	47.2	-183	3734	3734	0	0%
2760	47.5	-185	3757	3757	0	0%
2765	47.8	-187	3780	3780	0	0%
2770	48.1	-189	3803	3803	0	0%
2775	48.4	-191	3826	3826	0	0%
2780	48.7	-193	3849	3849	0	0%
2785	49.0	-195	3872	3872	0	0%
2790	49.3	-197	3895	3895	0	0%
2795	49.6	-199	3918	3918	0	0%
2800	49.9	-201	3941	3941	0	0%
2805	50.2	-203	3964	3964	0	0%
2810	50.5	-205	3987	3987	0	0%
2815	50.8	-207	4010	4010	0	0%
2820	51.1	-209	4033	4033	0	0%
2825	51.4	-211	4056	4056	0	0%
2830	51.7	-213	4079	4079	0	0%
2835	52.0	-215	4102	4102	0	0%
2840	52.3	-217	4125	4125	0	0%
2845	52.6	-219	4148	4148	0	0%
2850	52.9	-221	4171	4171	0	0%
2855	53.2	-223	4194	4194	0	0%
2860	53.5	-225	4217	4217	0	0%
2865	53.8	-227	4240	4240	0	0%
2870	54.1	-229	4263	4263	0	0%
2875	54.4	-231	4286	4286	0	0%
2880	54.7	-233	4309	4309	0	0%
2885	55.0	-235	4332	4332	0	0%
2890	55.3	-237	4355	4355	0	0%
2895	55.6	-239	4378	4378		

**2021 WATER RESOURCE PLAN**

Additional actions are needed to address changing conditions.

**Conservation Opportunities for Existing Users:**

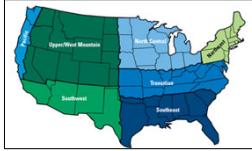
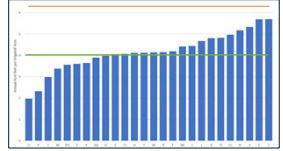
- Reduce golf course water budgets
- Require high-efficiency cooling retrofits
- Implement park efficiency improvements
- Make water rate changes to incentivize conservation
- Develop and implement a septic system conversion policy



13

**2021 WATER RESOURCE PLAN**

**Proposed Action**  
Reduce golf course water budgets for 4.0 acre-feet of water per irrigated acre.

The average Southwest course is using 4.0 acre-feet/acre.  
The average local course is using 4.1 acre-feet/acre.

Legend: Current Budget (4.3 AF/Acre), Average 2016-2020 AF/Acre, Proposed Budget (4.0 AF/Acre)

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**2021 WATER RESOURCE PLAN**

Additional actions are needed to address changing conditions.

**Conservation Opportunities for New Development:**


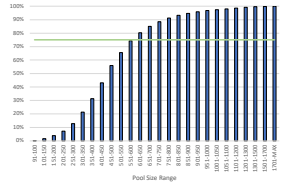
- Prohibit new golf course development
- Limit new pool construction size
- Update development standards for cooling technology
- Restrict turf in new development
- Implement large water user policy



15

**2021 WATER RESOURCE PLAN**

**Proposed Action**  
Restrict the surface area of new pool development to 600 square feet.


Some area pools exceed 3,000 square feet and evaporate more than 145,000 gallons of water per year.

Pool Size Range

16

**2021 WATER RESOURCE PLAN**

**Proposed Action**  
Require high-efficiency cooling.



17

**2021 WATER RESOURCE PLAN**

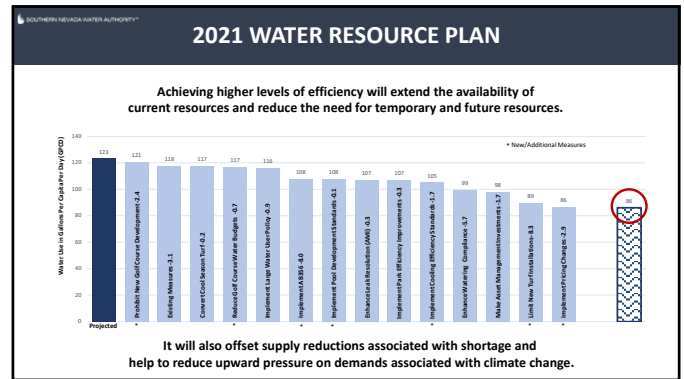
**Proposed Action**  
Restrict the installation of turf in new development (except for parks and schools).



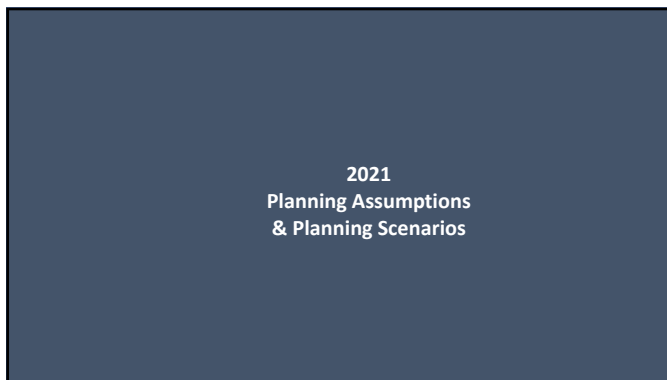
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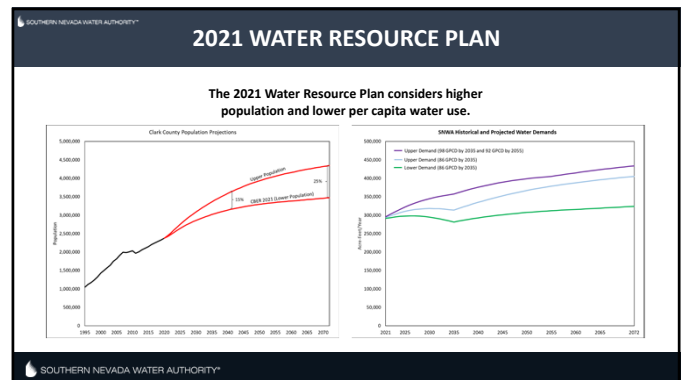
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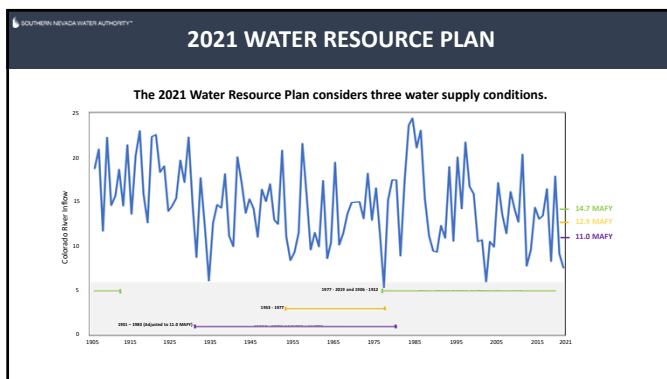
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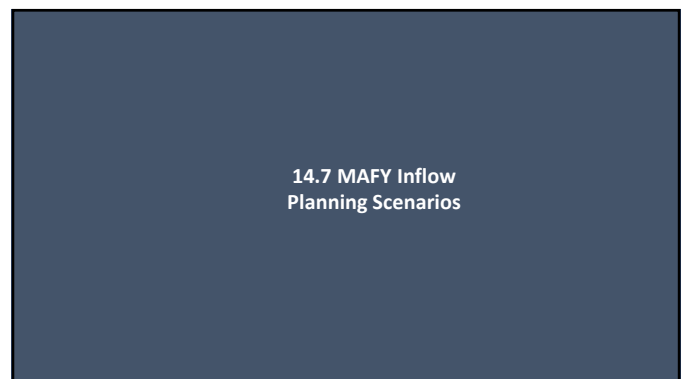
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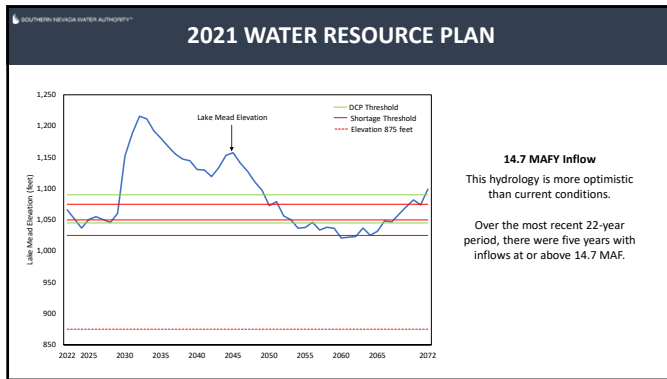
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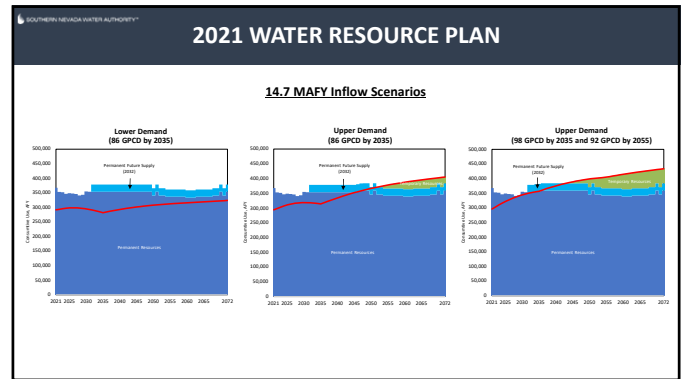
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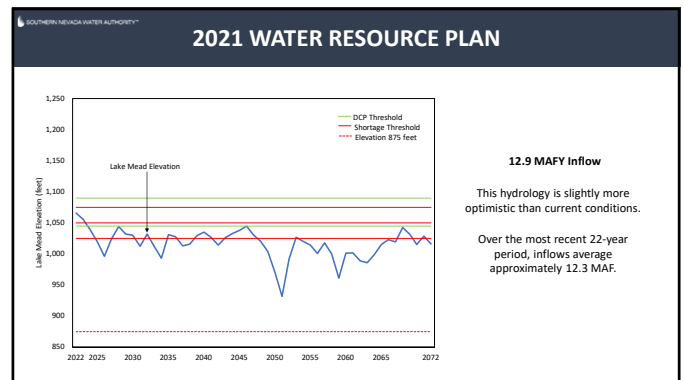
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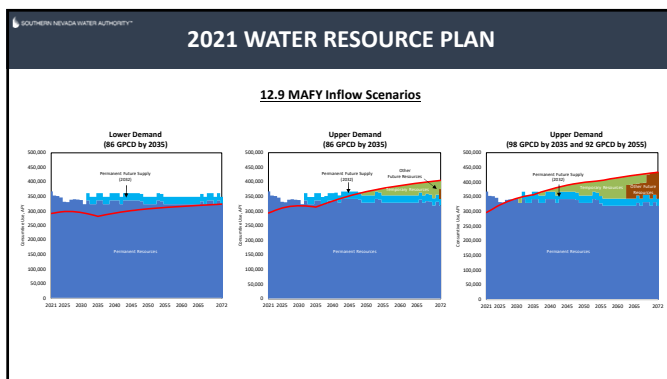
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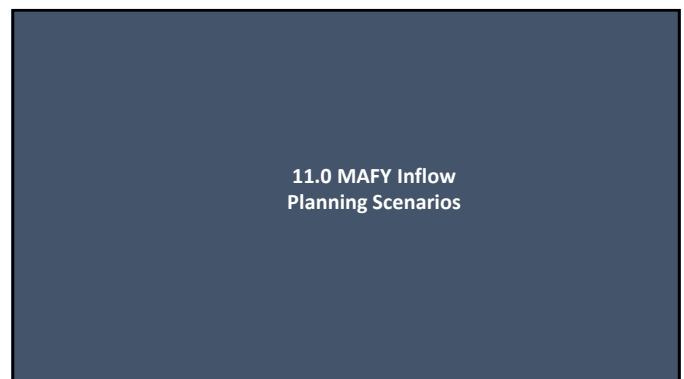
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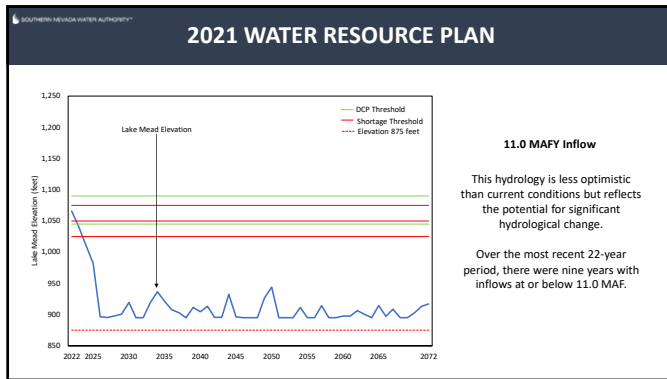
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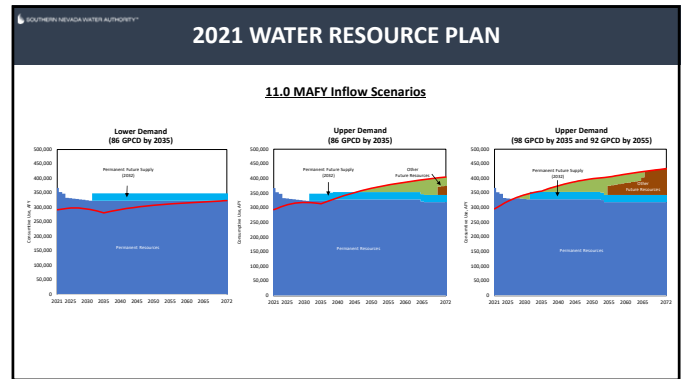
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**SOUTHERN NEVADA WATER AUTHORITY  
BOARD OF DIRECTORS  
AGENDA ITEM**

January 20, 2022

**Subject:**

Renewal of Interlocal Contract

**Petitioner:**

John J. Entsminger, General Manager

**Recommendations:**

That the Board of Directors renew the Amended and Restated Interlocal Contract between the Las Vegas Valley Water District and the Authority, which authorizes the General Manager of the District to serve as the General Manager of the Authority, and utilize the staff and resources of the District to manage the affairs of the Authority.

**Fiscal Impact:**

None by approval of the above recommendation.

**Background:**

On January 14, 1993, the Board of Directors entered into an Interlocal Contract (Contract) with the Las Vegas Valley Water District (District) providing for its General Manager to also serve as General Manager of the Authority and for District staff to perform the Authority's day-to-day operations. On January 16, 2014, the Board authorized John Entsminger to serve as its General Manager and approved the Amended and Restated Interlocal Contract between the District and the Authority.

Under the terms of the current Contract, the Board is to review the Contract before February 28 of each year and determine whether to continue the relationship for the subsequent year.

The renewal of the Contract is authorized pursuant to NRS Chapter 277.180 and Section 6(j) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved the Contract.



**AMENDED AND RESTATED INTERLOCAL CONTRACT  
BETWEEN THE LAS VEGAS VALLEY WATER DISTRICT  
AND THE SOUTHERN NEVADA WATER AUTHORITY**

The contract made and entered into on the 19th day of January, 1993, by the Las Vegas Valley Water District (hereinafter "DISTRICT") and the Southern Nevada Water Authority (hereinafter "AUTHORITY"), and as amended on March 2, 1993, and April 6, 1994, is further amended as set forth below:

**W I T N E S S E T H:**

WHEREAS, the DISTRICT is a quasi-municipal corporation, organized under Chapter 167, Statutes of Nevada 1947, as amended; and

WHEREAS, the AUTHORITY is a political subdivision of the State of Nevada through the Southern Nevada Water Authority Cooperative Agreement pursuant to NRS 277.074 and 277.120; and

WHEREAS, the AUTHORITY desires the General Manager and staff of the DISTRICT to provide staff services to the AUTHORITY; and WHEREAS, the Board of the AUTHORITY desires to appoint the current General Manager of the DISTRICT, as General Manager of the AUTHORITY pursuant to Article 21 of the Southern Nevada Water Authority Cooperative Agreement; and

WHEREAS, the Board of the DISTRICT is willing to have the DISTRICT provide staff services to the AUTHORITY and the DISTRICT has the necessary expertise and ability to assume such responsibility; and

WHEREAS, pursuant to NRS 277.180, the AUTHORITY and the DISTRICT have the authority to enter into this interlocal contract.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows;

1. The General Manager of the DISTRICT will serve as the General Manager of the AUTHORITY and will utilize the staff and resources of the DISTRICT to manage the affairs of the AUTHORITY under the authority granted to the General Manager pursuant to Article 21 of the Southern Nevada Water Authority Cooperative Agreement. The General Manager shall have the power to:

- a. Plan, organize and direct all AUTHORITY activities as directed by the Board of the AUTHORITY;
- b. Appoint and, subject to the requirements of applicable law, remove all AUTHORITY employees;
- c. Authorize expenditures within the approved budget;
- d. Enter into contracts on behalf of the AUTHORITY as authorized by the Board of the AUTHORITY; and
- e. Take other actions authorized from time to time by the Board of the AUTHORITY.

2. The DISTRICT will maintain records of the DISTRICT's staff time, resources and expenses attributable to the operation of the AUTHORITY, and shall bill the AUTHORITY for reimbursement in accordance with the provisions of Article 23 of the Southern Nevada Water Authority Cooperative Agreement.

3. These reimbursed costs, both direct and indirect, shall include, but are not limited to, the following: payroll and related, office supplies, printing, travel and lodging, insurance, data processing, supervision, and office space.

4. The DISTRICT will submit a monthly detailed bill or invoice to the AUTHORITY for reimbursable costs as delineated in Paragraph 3 of this Contract. The AUTHORITY shall pay the DISTRICT within 30 days of receipt of said bill or invoice requesting payment. In addition, a copy of the detailed bills or invoices will be provided to each of the members.

5. Total reimbursable costs identified in Paragraph 3 of this Contract shall not exceed the AUTHORITY's operating budgets approved pursuant to Paragraph 23 of the Southern Nevada Water Authority Cooperative Agreement.

6. On or before February 28 of each year, the AUTHORITY shall review this Contract. If this Contract is to be renewed, said renewal must be approved by the AUTHORITY in conformance with the Southern Nevada Water Authority Cooperative Agreement dated July 25, 1991.

7. Further, this Contract shall terminate pursuant to paragraph 9 if the then current General Manager of the DISTRICT ceases to be General Manager of the DISTRICT, unless the AUTHORITY votes to appoint a new General Manager of the AUTHORITY and renew the Contract within the thirty-day termination period.

8. At all times under the performance of this Contract and upon termination, all materials developed, prepared or acquired by the DISTRICT during the performance of services under this Contract, including, without limitation, all finished or unfinished documents, research, memoranda, briefs, data, studies, surveys, drawings, manuals, maps, models, photographs, and reports, shall be the property of the AUTHORITY.


9. This Contract shall continue in existence until amended, rescinded, or upon non-renewal. Further, either party may cancel or rescind this Contract without cause with 30 days' written notice to the other party. In the event of cancellation or non-renewal, both parties will in good faith attempt to negotiate a transition agreement providing for the transfer of responsibility and work in progress from the DISTRICT to the AUTHORITY. The DISTRICT shall allow all employees who so desire to terminate their employment with the DISTRICT and join the AUTHORITY.

10. In entering into this Contract, the General Manager of the DISTRICT acknowledges that a fiduciary duty is created between the General Manager and the AUTHORITY, and that the General Manager will follow the direction and dictates of the Board of the AUTHORITY.

IN WITNESS WHEREOF, this Amended and Restated Interlocal Contract is hereby approved this 4<sup>th</sup> day of February, 2014.

**Las Vegas Valley Water District**

**Southern Nevada Water Authority**

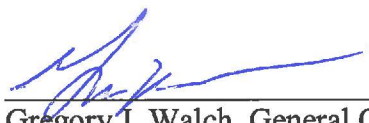
  
\_\_\_\_\_  
Mary Beth Scow, President

  
\_\_\_\_\_  
Mary Beth Scow, Chairwoman

Date 2-4-14

Date 1-16-14

Approved as to form:

  
\_\_\_\_\_  
Gregory J. Walch, General Counsel for the  
Las Vegas Valley Water District and  
Southern Nevada Water Authority

**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Resolution to Submit Grant Proposal

**Petitioner:**

Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**

That the Board of Directors approve a resolution authorizing the submission of a grant proposal to the Bureau of Reclamation's WaterSMART Environmental Water Resources Projects grants seeking \$900,500.

**Fiscal Impact:**

None by approval of the above recommendation. If the Bureau of Reclamation accepts the proposal, a funding agreement will be brought before the Board of Directors for approval.

**Background:**

The Bureau of Reclamation (Reclamation) recently announced funding availability for its WaterSMART Environmental Water Resources Projects grants program, which supports projects focused on environmental benefits that have been developed as part of a collaborative process to help carry out an existing strategy to increase the reliability of water resources.

In accordance with eligibility requirements, the Board of Directors is being asked to approve a resolution authorizing the submission of a grant proposal to Reclamation. The proposal requests \$900,500 in grant funding to support riparian restoration activities at the Las Vegas Wash. If awarded, the Authority would provide matching funds in an amount not to exceed \$314,272 in the form of internal labor costs.

If this proposal is accepted by Reclamation, a funding agreement will be brought before the Board for approval at a future meeting.

This resolution is being entered into pursuant to NRS 277.180 and Section 6(j) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved the resolution.

RESOLUTION IN SUPPORT OF APPLICATION FOR WATERSMART ENVIRONMENTAL WATER  
RESOURCES PROJECTS GRANT FUNDING TO THE UNITED STATES BUREAU OF RECLAMATION

WHEREAS, the U.S. Bureau of Reclamation's (Reclamation) WaterSMART Environmental Water Resources Projects grant program is soliciting proposals and may provide financial assistance to irrigation districts, water districts, and other eligible organizations to implement projects that will result in environmental benefits that have been developed as part of a collaborative process to help carry out an established strategy to increase the reliability of water resources; and

WHEREAS, the WaterSMART Environmental Water Resources Projects grant program specifically allows for project proposals for watershed management or restoration projects benefitting ecological values that have a nexus to water resources or water resources management; and

WHEREAS, the Southern Nevada Water Authority (Authority) has adopted a Regional Water Quality Plan and works with the Las Vegas Wash Coordination Committee to implement the Comprehensive Adaptive Management Plan, which outline strategies in support of the proposed project; and

WHEREAS, the Authority will benefit significantly from financial assistance to support environmental protection efforts in Southern Nevada.

NOW, THEREFORE, BE IT RESOLVED that the Southern Nevada Water Authority Board of Directors agrees, authorizes, and verifies:

1. That, if awarded, the Authority's General Manager, John J. Entsminger, upon Board approval, has the authority to enter into a grant, assistance agreement, or similar agreement on behalf of the Authority with Reclamation for WaterSMART Environmental Water Resources Projects grant program funding.
2. That the Authority's application requesting \$900,500 to support its proposed project, Las Vegas Wash Riparian Restoration Project, has been reviewed and approved by appropriate Authority staff, and the Board supports its submission to Reclamation's WaterSMART Environmental Water Resources Projects grant program.
3. That the application includes a funding plan that outlines the Authority's ability to contribute up to \$314,272 in the form of staff salary and that, if awarded, the Authority has the financial capability to provide the matching contribution, as specified in the funding plan.
4. That, if awarded, the Authority will work with Reclamation to meet established deadlines for entering into a grant or assistance agreement or other similar type of agreement.

Introduced and passed this 20<sup>th</sup> day of January 2022.

Attest:

Southern Nevada Water Authority

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John J. Entsminger, Secretary

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Marilyn Kirkpatrick, Chair



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Gregory J. Walch, General Counsel

**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Cooperative Agreement

**Petitioner:**

Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**

That the Board of Directors approve and authorize the General Manager to sign a cooperative agreement between the Nevada Department of Wildlife and the Authority for the Fish Hatchery Pipeline Preliminary Design and Permitting and accept funds in an amount not to exceed \$400,000.

**Fiscal Impact:**

If the above recommendation is approved, the Nevada Department of Wildlife will provide an amount not to exceed \$400,000 to the Authority for the Fish Hatchery Pipeline Preliminary Design and Permitting.

**Background:**

The Lower Colorado River Multi-Species Conservation Program (LCR-MSCP) was created to provide Endangered Species Act compliance for the use of Colorado River water resources while conserving native species and their habitats. A portion of the program includes a commitment to produce 1.2 million native fish to augment existing populations, and the Nevada Department of Wildlife (NDOW) Lake Mead Fish Hatchery is critical to maintaining that commitment. Unfortunately, as soon as 2022, projected low water levels in Lake Mead may prevent the hatchery's current raw-water intake from supplying water. To continue to operate and fulfil LCR-MSCP commitments, the Lake Mead Fish Hatchery needs a new water source.

The proposed project will construct a new water pipeline to convey raw (untreated) Lake Mead water from the Authority's existing intake facilities. The Authority's intakes are at deeper Lake Mead elevations, and thus provide a water source that is more reliable and of better quality (lower temperature), which improves conditions for fish rearing. Water used by the fish hatchery is returned to Lake Mead, so the project will not impact water availability and will not lead to increased consumptive use.

Phase 1 of the project consists of preliminary design and permitting for which NDOW will pay \$400,000. The Authority will use its best efforts to complete Phase 1 by December 31, 2022. Phase 2 of the project will entail final design, construction of the pipeline, identification of the water purveyor, and payment by NDOW of connection and other applicable fees. NDOW is securing funding for Phase 2 of the project. A separate agreement for Phase 2 will be brought to the Board at the appropriate time.

This agreement is being entered into pursuant to NRS 277.180 and Section 6(j) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved the agreement.

JJE:CNP:ZLM:PJJ;nsh

Attachments: Cooperative Agreement, Exhibits

AGENDA  
ITEM #

**4**

**COOPERATIVE AGREEMENT BETWEEN SOUTHERN NEVADA WATER AUTHORITY  
AND  
NEVADA DEPARTMENT OF WILDLIFE  
FOR FISH HATCHERY PIPELINE PRELIMINARY DESIGN AND PERMITTING**

This Cooperative Agreement for Fish Hatchery Pipeline Preliminary Design and Permitting (“Agreement”) is made and entered into by the Southern Nevada Water Authority, a political subdivision of the State of Nevada (“Authority”), and the Nevada Department of Wildlife, a \_\_\_\_\_ (“NDOW”), this \_\_\_\_ day of \_\_\_\_\_ 202\_\_ The Authority and NDOW are sometimes hereinafter referred to individually as “Party” and collectively as the “Parties.” The term “AUTHORITY” also refers to staff of AUTHORITY acting within their designated authority and duties. The “Effective Date” is the date of last signature on this Agreement and shall be inserted into this preamble upon execution.

**RECITALS**

WHEREAS, the Authority is a joint-powers agency and political subdivision of the state of Nevada engaged in, among other things, the delivery of Colorado River water from Lake Mead and the design and construction of water conveyance systems;

WHEREAS, NDOW is an agency of the state of Nevada with responsibilities such as the restoration and management of fish and wildlife resources, which entails the operation of fish hatcheries, including fish hatcheries at Lake Mead;

WHEREAS, by using Colorado River water and conducting operations at Lake Mead, the Parties are participants in the Lower Colorado River Multi-Species Conservation Program (“LCR-MSCP”), which provides Endangered Species Act (“ESA”) compliance for the Parties relevant operations;

WHEREAS, NDOW engages in native fish augmentation and conservation efforts conducted through a network of fish hatcheries, including the Lake Mead Fish Hatchery (“Hatchery”), which are an important component of the LCR-MSCP;

WHEREAS, the Hatchery’s continued operation is critical to the LCR-MSCP and the success of augmenting native fish, including the bonytail chub and razorback sucker, which are listed as “endangered” under the ESA;

WHEREAS, extreme and persistent drought in the Colorado River Basin has dramatically lowered Lake Mead’s water elevations to a level where the Hatchery’s current raw-water supply at Lake Mead may soon become unable to deliver the necessary water, thereby compromising the Hatchery’s viability and its role in the LCR-MSCP;

WHEREAS, the Authority owns and operates existing water facilities at Lake Mead, including raw-water intakes positioned at deeper water levels (“Authority Intakes”) than the Hatchery’s current source of supply, making the Authority’s intakes a more reliable source of raw water for the Hatchery;

WHEREAS, the Parties have discussed the feasibility of utilizing the Authority’s existing infrastructure at the Alfred Merritt Smith Water Treatment Facility to deliver raw water to the Hatchery through construction of a new pipeline (the “Project”) and identified two options, which are further described in **Exhibit A** attached hereto and incorporated by this reference;

WHEREAS, because both Project options follow routes primarily located within Lake Mead National Recreation Area, as depicted in **Exhibit B**, attached hereto and incorporated by this reference,



managed by the National Park Service (“NPS”), the Parties must consult with NPS, conduct necessary environmental reviews and obtain applicable permits to determine the Project option to be constructed;

WHEREAS, the Project will benefit the LCR-MSCP and will not impact the consumptive use of Colorado River water because any water conveyed to the Hatchery will be returned to Lake Mead;

WHEREAS, due to its urgent nature, the Parties intend to complete the Project in two phases, wherein “Phase 1” will include the Authority’s provision of initial or preliminary design schematics, environmental compliance, permitting and right-of-way acquisitions for a cost of \$400,000, while “Phase 2” will entail the Project’s final design, contract bidding and award, and construction, which will be the subject of a separate agreement or amendment of this Agreement; and

WHEREAS, pursuant to NRS 277.180, the Parties are authorized and desire to engage in this Agreement to complete Phase 1 of the Project.

NOW, THEREFORE, in exchange for the mutual promises and conditions set forth in this Agreement, and for other good and valuable consideration the sufficiency of which is hereby acknowledged, the Parties agree as follows:

## **AGREEMENT**

1. **Recitals.** The Recitals to this Agreement are acknowledged by the Parties to be accurate in all respects and such Recitals are hereby incorporated into this Agreement by reference.

2. **Purpose.** This Agreement sets forth the conditions and establishes the Parties’ responsibilities with respect to the work necessary to complete Phase 1 of the Project, which shall include preliminary Project design, pipeline alignment, schematics, other design requirements, environmental processes, and permitting necessary prior to construction of the Project. Work, fees, and costs that are not included within Phase 1 include the Project’s final design, contract bidding and award, and construction, which will be the subject of a separate agreement for Phase 2.

3. **The Authority’s Work for Phase 1.** As of the Effective Date, the Authority, in cooperation with NDOW, shall begin work on Phase 1 of the Project, which shall include surveying, geotechnical work, preliminary pipeline design, schematics, environmental compliance, right-of-way acquisitions and other permitting necessary prior to constructing the Project.

- a. The Authority will use its best efforts to complete Phase 1 by December 31, 2022. The Parties, however, acknowledge that Phase 1 shall require consultation with federal agencies and compliance with federal environmental review that may prevent the Authority from completing its Phase 1 obligations and therefore agree that a failure to complete Phase 1 due to delays reasonably resulting from necessary federal agency consultations or environmental reviews, by December 31, 2022, shall not be deemed a breach of this Agreement.
- b. The Authority will provide a preliminary project schedule to NDOW within 30 days of execution of the agreement.

4. **Costs.** NDOW agrees to pay the Authority \$400,000 for work, fees, and costs required to complete Phase 1 of the Project, as provided in **Exhibit C**, attached hereto and incorporated by this reference.

- a. Within 30 days of this Agreement’s Effective Date, NDOW shall reimburse the Authority up to \$400,000 for work required to complete Phase 1 of the Project.
- b. At NDOW’s request, the Authority will submit quarterly updates on the progress of Phase 1.
- c. The Parties acknowledge and understand that Project costs may vary depending on the route selected from the options described in Exhibits A and B and upon the outcome of

environmental reviews and permitting processes subject to federal decisions.

- d. NDOW acknowledges and agrees that the Authority requires payment of a regional connection charge and that such charge shall be in addition to the cost estimates in Exhibit A. Payment for the Authority's regional connection charge shall be included as an additional cost in the agreement for Phase 2 of the Project.
- e. NDOW further acknowledges that the Project option ultimately selected based on the completion of Phase 1, and related pipeline route, will depend on the results of environmental reviews and decisions of the federal government.

5. **Cooperation.** The Parties agree that their officers, agents and employees will cooperate in the performance of the work necessary to complete Phase 1 and will be available for consultation at reasonable times with advance notice. NDOW shall further assist the Authority in obtaining data and documents from public officers or agencies, and from private citizens and/or business firms, whenever such material is necessary for the Authority to complete Phase 1.

6. **Termination.** This Agreement may be terminated by either Party prior to completion of Phase 1, provided that a termination shall not be effective until 30 days after a Party has served written notice upon the other Party. This Agreement may also be immediately terminated upon the Parties' mutual consent. The Parties expressly agree that this Contract shall be terminated immediately if NDOW and/or federal funding is withdrawn, limited, or impaired.

7. **Notices.** All notices required to be given pursuant to this Agreement shall be in writing and shall be deemed effective and delivered when sent to the addresses below: (i) if hand or courier delivered, upon personal delivery to the Party to whom addressed; (ii) if mailed, three business days following deposit in the U.S. Mail, provided such mailing is mailed registered or certified, return receipt requested, postage prepaid; and (iii) via electronic means.

To NDOW:

Nevada Department of Wildlife  
Attn: Jack Robb, Deputy Director  
6980 Sierra Center Pkwy, Ste 120  
Reno, NV 89511  
jrobb@ndow.org

With copy to:

Nevada Attorney General's Office  
Attn: Craig M. Burkett  
100 North Carson Street  
Carson City, NV 89701  
cmburkett@ag.nv.gov

To the Authority:

Southern Nevada Water Authority  
Attn: Zane L. Marshall, Director of Water Resources  
1001 S. Valley View Blvd. MS 110  
Las Vegas, NV 89153  
zane.marshall@snwa.com

With copy to:

Southern Nevada Water Authority  
Legal Services  
Attn: Steven C. Anderson  
1001 S. Valley View Blvd. MS 475  
Las Vegas, NV 89153

A Party may designate a new contact person under this provision for notices or change the address indicated above by notifying the other Party in writing.

8. **Indemnification.** Neither Party waives any right or defense to indemnification that may exist in law or equity.

9. **INSPECTION & AUDIT**

- a. **Books and Records.** The Parties agree to keep and maintain under general accepted accounting principles full, true and complete records, agreements, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all State and federal regulations and statutes.
- b. **Inspection & Audit.** The Parties agree that the relevant books, records (written, electronic, computer related or otherwise), including but not limited to relevant accounting procedures and practices of the party, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location where such records may be found, with or without notice by the State Auditor, Employment Security, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives.
- c. **Period of Retention.** All books, records, reports, and statements relevant to this Contract must be retained a minimum three years and for five years if any federal funds are used in this Contract. The retention period runs from the date of termination of this Contract. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. **Breach – Remedies.** Failure of either Party to perform any obligation of this Agreement shall be deemed a breach. Except as otherwise provided for by law or this Agreement, the rights and remedies of the Parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including but not limited to actual damages, and to a prevailing party reasonable attorneys' fees and costs.

11. **LIMITED LIABILITY.** The Parties will not waive and intend to assert available NRS Chapter 41 liability limitations in all cases. The Parties' contractual liability shall not be subject to punitive damages. Actual damages for any breach shall not exceed the amount of funds which have been appropriated for payment under this Agreement, but not yet paid, for the fiscal year budget at the time of the breach.

12. **FORCE MAJEURE.** Neither Party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations due to strikes, failure of public transportation, civil or military authority, acts of public enemy, acts of terrorism, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such cases the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

13. **PUBLIC RECORDS.** Pursuant to NRS 239.010, information or documents may be open to public inspection and copying. The Parties will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests.

14. **CONFIDENTIALITY**. Each Party shall keep confidential all information, in whatever form, produced, prepared, observed or received by that Party to the extent that such information is confidential by law or otherwise required by this Agreement.

15. **No Third-Party Beneficiaries**. This Agreement shall not be deemed to be for the benefit of any entity or person who is not a party to this Agreement, and this Agreement does not create any rights, benefits, or causes of action for any other person, entity, or member of the general public.

16. **Integration and Amendment**. This Agreement represents the entire understanding of the Parties and can only be amended in a writing duly executed by both Parties and approved with the same formalities as this Agreement.

17. **Severability**. Should any part of this Agreement be rendered void, invalid, or unenforceable by any court of competent jurisdiction for any reason, such determination shall not render void, invalid, or unenforceable, any other part of this Agreement, and the Parties agree to replace such void, invalid, or unenforceable provision with an enforceable provision that has as nearly as possible the same effect.

18. **Choice of Law; Venue**. This Agreement is governed by the laws of the State of Nevada, and the exclusive and mandatory venue for any judicial proceeding arising from this Agreement shall be in the state or federal courts of Clark County, Nevada.

19. **Waiver**. The failure of either Party to enforce any of the provisions of this Agreement at any time, or to require performance by the other Party of any of the provisions of this Agreement at any time, is not a waiver of any other provisions of this Agreement, or of the same provision in the future, and will not in any way affect the validity of this Agreement or the right of either Party to enforce each and every provision of this Agreement in the future.

20. **No Joint Venture**. No joint venture is contemplated or established by this Agreement, and neither of the Parties shall be deemed to be the agent of the other for any purpose by virtue of this Agreement.

21. **Internal Authority**. Each Party represents and covenants with the other Party that they have full authority to enter into this Agreement, that in entering into this Agreement they have taken all internal actions required to have the authority to enter into this Agreement, and that the terms of this Agreement do not violate any laws, ordinances, or regulations binding such Party, or the provisions of any contracts affecting such Party.

22. **Signature Authority**. The signatories for each Party hereby represent and warrant to the other Party that such signatories have all required internal authority to execute this Agreement and bind the Party for which it is signing.

23. **Neutral Interpretation**. Each Party acknowledges and agrees that it materially participated in the drafting and negotiation of this Agreement. This Agreement shall not be construed against any Party solely because the initial draft of this Agreement was drafted as a convenience by one of the Parties, and each Party hereby waives the right to assert any applicable rule of construction that ambiguities in this Agreement shall be enforced against the Party primarily responsible for the drafting of this Agreement or any specific provision of this Agreement.

24. **Execution in Counterparts; DocuSign**. This Agreement may be executed in electronic form by DocuSign and/or in one or more counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

**SOUTHERN NEVADA WATER AUTHORITY**

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

\_\_\_\_\_  
John J. Entsminger  
General Manager

\_\_\_\_\_  
Steven C. Anderson  
Deputy Counsel – Legal Services

**NEVADA DEPARTMENT OF WILDLIFE**

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jack Robb  
Deputy Director

\_\_\_\_\_  
Craig M. Burkett  
Deputy Attorney General

## Exhibit A

### OPTION A

#### Pipeline from IPS-2 Raw Water Lateral at AMS to the Fish Hatchery

Provide 2 MGD - 12" Pipeline and Meter				
Description	Size (in)	Quantity (LF, LS)	Unit Cost	Total Cost
Pipeline	12"	7,920	\$ 204	\$ 1,615,680
Wet Tap	108"	1	\$ 250,000	\$ 250,000
Venturi Meter and Appurtenances	12"	LS	\$ 1,185,000	\$ 1,185,000
<b>Construction Cost</b>				<b>\$ 3,050,680</b>
Design Cost	% of construction cost		18%	\$ 549,000
Contingency	% of construction cost		40%	\$ 1,220,000
Construction Management	% of construction cost		7%	\$ 214,000
<b>Construction Total</b>				<b>\$ 5,100,000</b>
SNWA RCC for 12-inch Venturi Meter				\$ 2,401,204
<b>Total Cost</b>				<b>\$ 7,510,000</b>

### OPTION B

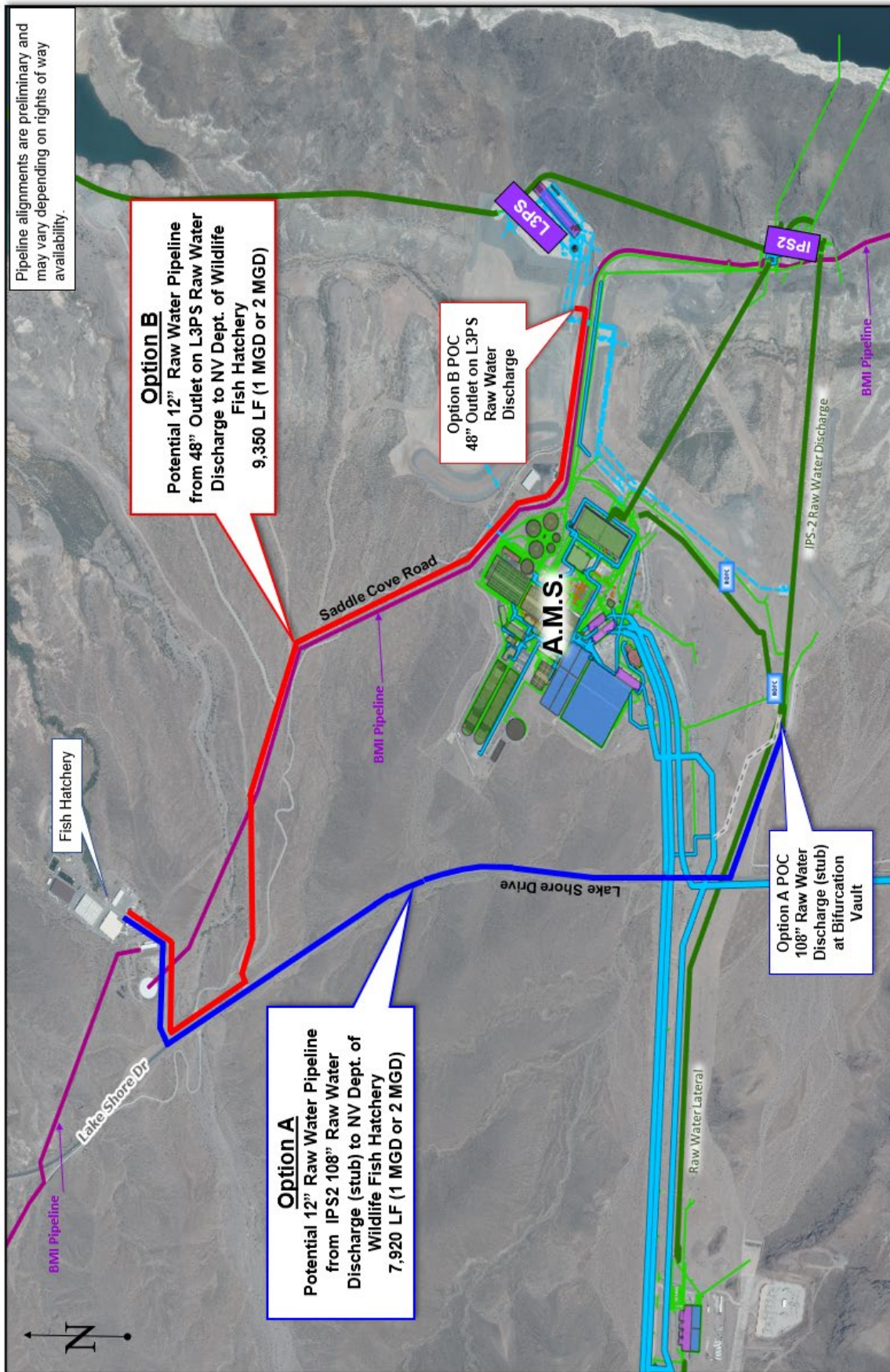
#### Pipeline from L3PS Raw Water Aqueduct at AMS to the Fish Hatchery

Provide 2 MGD - 12" Pipeline and Meter				
Description	Size (in)	Quantity (LF, LS)	Unit Cost	Total Cost
Pipeline	12"	9,350	\$ 204	\$ 1,907,400
Wet Tap	48"	1	\$ 250,000	\$ 250,000
Venturi Meter and Appurtenances	12"	LS	\$ 1,185,000	\$ 1,185,000
<b>Construction Cost</b>				<b>\$ 3,342,400</b>
Design Cost	% of construction cost		18%	\$ 602,000
Contingency	% of construction cost		40%	\$ 1,337,000
Construction Management	% of construction cost		7%	\$ 234,000
<b>Construction Total</b>				<b>\$ 5,600,000</b>
SNWA RCC for 12-inch Venturi Meter				\$ 2,401,204
<b>Total Cost</b>				<b>\$ 8,010,000</b>

Note: Costs are preliminary and are for rough budgeting and discussion purposes only



## Exhibit B



## EXHIBIT C

### PHASE 1

<b>BUDGET</b>	<b>COSTS TO NDOW</b>
Survey	\$25,000
Geotechnical	\$25,000
Preliminary pipeline alignment, schematics and design requirements	\$290,000
ROW / NEPA / Environmental permitting	\$60,000
<b>TOTAL</b>	<b>\$400,000</b>



**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Subaward Agreement

**Petitioner:**

David L. Johnson, Deputy General Manager, Operations

**Recommendations:**

That the Board of Directors approve and authorize the General Manager to sign the Federal Demonstration Partnership Cost Reimbursement Subaward Agreement between the University of Michigan and the Authority for participation in a project that will identify water quality treatment parameters to reliably estimate virus removal and inactivation during wastewater treatment and accept funds for an amount not to exceed \$330,258.

**Fiscal Impact:**

If the above recommendation is approved, the Authority will receive funds from the University of Michigan in the amount of \$330,258. There is no cost share or match requirement.

**Background:**

The University of Michigan (Michigan) is conducting a project, *Developing Surrogate-Based Crediting Frameworks for Virus Control Through Water Recycling Facilities* (Project), funded through the Environmental Protection Agency. This Project, which will be conducted over a three-year period, will identify water quality treatment parameters to reliably estimate virus removal and inactivation during wastewater treatment. The water quality treatment parameters will allow for a more accurate characterization of public health risk in systems using recycled water.

If approved, this Federal Demonstration Partnership Cost Reimbursement Subaward Agreement (Agreement) provides the terms and conditions necessary for the Authority to participate in the Project through its highly sophisticated water quality laboratory. Through participation in this three-year Project, the Authority will gain valuable knowledge that will assist in augmenting our water reuse knowledge and water supply quality. The Authority has no monetary or cost-share obligations for this Project.

This Agreement is entered pursuant to NRS 277.180 and Section 6(j) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved this item.

## FDP Cost Reimbursement Subaward

<b>Federal Awarding Agency:</b> Environmental Protection Agency (EPA)			
<b>Pass-Through Entity (PTE):</b>		<b>Subrecipient:</b>	
Regents of the University of Michigan		Southern Nevada Water Authority	
PTE PI: Krista Wigginton		Sub PI: Daniel Gerrity	
PTE Federal Award No: 84025601		Subaward No: SUBK00014801	
Project Title: Developing Surrogate-Based Crediting Frameworks For Virus Control Through Water Recycling Facilities			
<b>Subaward Budget Period:</b>		<b>Amount Funded This Action (USD):</b> \$ 330,258.00	
Start: 08/01/2021 End: 07/31/2024			
<b>Estimated Period of Performance:</b>		<b>Incrementally Estimated Total (USD):</b> \$ 330,258.00	
Start: 08/01/2021 End: 07/31/2024			
<b>Terms and Conditions</b>			
<p>1. PTE hereby awards a cost reimbursable subaward, (as determined by 2 CFR 200.331), to Subrecipient. The Statement of Work and budget for this Subaward are as shown in Attachment 5. In its performance of Subaward work, Subrecipient shall be an independent entity and not an employee or agent of PTE.</p> <p>2. Subrecipient shall submit invoices not more often than monthly and not less frequently than quarterly for allowable costs incurred. Upon the receipt of proper invoices, the PTE agrees to process payments in accordance with this Subaward and 2 CFR 200.305. All invoices shall be submitted using Subrecipient's standard invoice, but at a minimum shall include current and cumulative costs (including cost sharing), breakdown by major cost category, Subaward number, and certification, as required in 2 CFR 200.415(a). Invoices that do not reference PTE Subaward number shall be returned to Subrecipient. Invoices and questions concerning invoice receipt or payments shall be directed to the party's Financial Contact, shown in Attachment 3A.</p> <p>3. A final statement of cumulative costs incurred, including cost sharing, marked "FINAL" must be submitted to PTE's Financial Contact, as shown in Attachment 3A, not later than 60 days after the final Budget Period end date. The final statement of costs shall constitute Subrecipient's final financial report.</p> <p>4. All payments shall be considered provisional and are subject to adjustment within the total estimated cost in the event such adjustment is necessary as a result of an adverse audit finding against the Subrecipient.</p> <p>5. Matters concerning the technical performance of this Subaward shall be directed to the appropriate party's Principal Investigator as shown in Attachments 3A and 3B. Technical reports are required as shown in Attachment 4.</p> <p>6. Matters concerning the request or negotiation of any changes in the terms, conditions, or amounts cited in this Subaward, and any changes requiring prior approval, shall be directed to the PTE's Administrative Contact and the Subrecipient's Authorized Official Contact shown in Attachments 3A and 3B. Any such change made to this Subaward requires the written approval of each party's Authorized Official as shown in Attachments 3A and 3B.</p> <p>7. The PTE may issue non-substantive changes to the Budget Period(s) and Budget Bilaterally. Unilateral modification shall be considered valid 14 days after receipt unless otherwise indicated by Subrecipient when sent to Subrecipient's Authorized Official Contact, as shown in Attachment 3B.</p> <p>8. Each party shall be responsible for its negligent acts or omissions and the negligent acts or omissions of its employees, officers, or directors, to the extent allowed by law.</p> <p>9. Either party may terminate this Subaward with 30 days written notice. Notwithstanding, if the Awarding Agency terminates the Federal Award, PTE will terminate in accordance with Awarding Agency requirements. PTE notice shall be directed to the Authorized Official Contact, and Subrecipient notice shall be directed to the Authorized Official Contact as shown in Attachments 3A and 3B. PTE shall pay Subrecipient for termination costs as allowable under Uniform Guidance, 2 CFR 200, or 45 CFR Part 75 Appendix IX, as applicable.</p> <p>10. By signing this Subaward, including the attachments hereto which are hereby incorporated by reference, Subrecipient certifies that it will perform the Statement of Work in accordance with the terms and conditions of this Subaward and the applicable terms of the Federal Award, including the appropriate Research Terms and Conditions ("RTCs") of the Federal Awarding Agency, as referenced in Attachment 2. The parties further agree that they intend this subaward to comply with all applicable laws, regulations, and requirements.</p>			
<b>By an Authorized Official of the PTE:</b>		<b>By an Authorized Official of the Subrecipient:</b>	
<div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="display: flex; justify-content: space-between;"> <span>Name: Ashley K. Tyler</span> <span>Date: <div style="border: 1px solid black; width: 80px; height: 20px;"></div></span> </div> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="display: flex; justify-content: space-between;"> <span>Title: Contract Administration Senior</span> <span></span> </div>		<div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="display: flex; justify-content: space-between;"> <span>Name: <div style="border: 1px solid black; width: 100px; height: 20px;"></div></span> <span>Date: <div style="border: 1px solid black; width: 80px; height: 20px;"></div></span> </div> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="display: flex; justify-content: space-between;"> <span>Title: <div style="border: 1px solid black; width: 150px; height: 20px;"></div></span> <span></span> </div>	

## Attachment 1

### Certifications and Assurances

Subaward Number:

SUBK00014801

#### **Certification Regarding Lobbying (2 CFR 200.450)**

By signing this Subaward, the Subrecipient Authorized Official certifies, to the best of his/her knowledge and belief, that no Federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement in accordance with 2 CFR 200.450.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or intending to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Subrecipient shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," to the PTE.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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#### **Debarment, Suspension, and Other Responsibility Matters (2 CFR 200.214 and 2 CFR 180)**

By signing this Subaward, the Subrecipient Authorized Official certifies, to the best of his/her knowledge and belief that neither the Subrecipient nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, in accordance with 2 CFR 200.213 and 2 CFR 180.

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#### **Audit and Access to Records**

Subrecipient certifies that it will provide PTE with notice of any adverse findings which impact this Subaward. Subrecipient certifies compliance with applicable provisions of 2 CFR 200.501-200.521. If Subrecipient is not required to have a Single Audit as defined by 200.501, Awarding Agency requirements, or the Single Audit Act, then Subrecipient will provide notice of the completion of any required audits and will provide access to such audits upon request. Subrecipient will provide access to records as required by parts 2 CFR 200.337 and 200.338 as applicable.

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#### **Program for Enhancement of Contractor Employee Protections (41 U.S.C 4712)**

Subrecipient is hereby notified that they are required to: inform their employees working on any federal award that they are subject to the whistleblower rights and remedies of the program; inform their employees in writing of employee whistleblower protections under 41 U.S.C §4712 in the predominant native language of the workforce; and include such requirements in any agreement made with a subcontractor or subgrantee.

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The Subrecipient shall require that the language of the certifications above in this Attachment 1 be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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#### **Use of Name**

Neither party shall use the other party's name, trademarks, or other logos in any publicity, advertising, or news release without the prior written approval of an authorized representative of that party. The parties agree that each party may use factual information regarding the existence and purpose of the relationship that is the subject of this Subaward for legitimate business purposes, to satisfy any reporting and funding obligations, or as required by applicable law or regulation without written permission from the other party. In any such statement, the relationship of the parties shall be accurately and appropriately described.

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#### **Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment**

Pursuant to 2 CFR 200.216, Subrecipient will not obligate or expend funds received under this Subaward to: (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services (as described in Public Law 115-232, section 889) as a substantial or essential component of any system, or as a critical technology as part of any system.

## Attachment 2

### Federal Award Terms and Conditions

Subaward Number

SUBK00014801

#### Required Data Elements

The data elements required by Uniform  
Guidance are incorporated as entered.

Awarding Agency Institute (If Applicable)

Federal Award Issue Date	FAIN	Assistance Listing No.
08/25/21	84025601	66.509

Assistance Listing Program Title (ALPT)

Science to Achieve Results (STAR) Program

Key Personnel Per NOA

Refer to attached NOA

#### This Subaward Is:



Research &amp; Development



Subject to FFATA

#### General Terms and Conditions

By signing this Subaward, Subrecipient agrees to the following:

1. To abide by the conditions on activities and restrictions on expenditure of federal funds in appropriations acts that are applicable to this Subaward to the extent those restrictions are pertinent. This includes any recent legislation noted on the Federal Awarding Agency's website:

<https://www.epa.gov/grants/introduction-regulations-policies-and-guidance-epa-grants>

2. 2 CFR 200

3. The Federal Awarding Agency's grants policy guidance, including addenda in effect as of the beginning date of the period of performance or as amended found at:

<https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-november-12-2020-or-later>

4. Research Terms and Conditions, including any Federal Awarding Agency's Specific Requirements found at:

<https://www.nsf.gov/awards/managing/rtc.jsp>

except for the following :

- a. No-cost extensions require the written approval of the PTE. Any requests for a no-cost extension shall be directed to the Authorized Official Contact shown in Attachment 3A, not less than 30 days prior to the desired effective date of the requested change.
- b. Any payment mechanisms and financial reporting requirements described in the applicable Federal Awarding Agency Terms and Conditions and Agency-Specific Requirements are replaced with Terms and Conditions (1) through (4) of this Subaward; and
- c. Any prior approvals are to be sought from the PTE and not the Federal Awarding Agency.
- d. Title to equipment as defined in 2 CFR 200.1 that is purchased or fabricated with research funds or Subrecipient cost sharing funds, as direct costs of the project or program, shall vest in the Subrecipient subject to the conditions specified in 2 CFR 200.313.
- e. Prior approval must be sought for a change in Subrecipient PI or change in Key Personnel (defined as listed on the NOA).

5. Treatment of program income: Additive

#### Special Terms and Conditions:

##### Data Sharing and Access:

Subrecipient agrees to comply with the Federal Awarding Agency's data sharing and/or access requirements as reflected in the NOA or the Federal Awarding Agency's standard terms and conditions as referenced in General Terms and Conditions 1-4 above.

No additional requirements

##### Data Rights:

Subrecipient grants to PTE the right to use data created in the performance of this Subaward solely for the purpose of and only to the extent required to meet PTE's obligations to the Federal Government under its PTE Federal Award.

##### Copyrights:

Subrecipient Grants to PTE an irrevocable, royalty-free, non-transferable, non-exclusive right and license to use, reproduce, make derivative works, display, and perform publicly any copyrights or copyrighted material (including any computer software and its documentation and/or databases) first developed and delivered under this Subaward solely for the purpose of and only to the extent required to meet PTE's obligations to the Federal Government under its PTE Federal Award.

Subrecipient grants to PTE the right to use any written progress reports and deliverables created under this Subaward solely for the purpose of and only to the extent required to meet PTE's obligations to the Federal Government under its Federal Award.

##### Promoting Objectivity in Research (COI):

Subrecipient must designate herein which entity's Financial Conflicts of Interest policy (COI) will apply: Subrecipient

If applying its own COI policy, by execution of this Subaward, Subrecipient certifies that its policy complies with the requirements of the relevant Federal Awarding Agency as identified herein: EPA

Subrecipient shall report any financial conflict of interest to PTE's Administrative Representative or COI contact, as designated on Attachment 3A. Any financial conflicts of interest identified shall, when applicable, subsequently be reported to Federal Awarding Agency. Such report shall be made before expenditure of funds authorized in this Subaward and within 45 days of any subsequently identified COI.

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**Work Involving Human or Vertebrate Animals** (Select Applicable Options)

☒ No Human or Vertebrate Animals

This section left intentionally blank.

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**Human Subjects Data** (Select One) Not Applicable

This section left intentionally blank

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This section left intentionally blank

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**Additional Terms**

1. The PTE Federal Award terms and conditions are applicable to this Subaward; the Notice of Award ("NOA") is provided within Attachment 6.
2. Grants.gov Proposal # WS00612041, as submitted in response to Funding Opportunity Number EPA-G2021-STAR-A1, is incorporated herein by reference, as applicable.

**Attachment 3A**  
**Pass-Through Entity (PTE) Contacts**

Subaward Number:

SUBK00014801

**PTE Information**

Entity Name: Regents of the University of Michigan

Legal Address: 3003 South State Street  
Ann Arbor, Michigan 48109

Website: <https://umich.edu>

**PTE Contacts**

Central Email: subcontracts@umich.edu

Principal Investigator Name: Krista Wigginton

Email: kwigg@umich.edu

Telephone Number: 734-763-9661

Administrative Contact Name: Ashley K. Tyler, Contract Administration Senior

Email: tyleras@umich.edu

Telephone Number: 734-764-8256

COI Contact email (if different to above):

Financial Contact Name: Office of Contract Administration, Accounting Team

Email: subcontracts.accounting@umich.edu

Telephone Number: 734-763-3193

Email invoices? ☒ Yes ☐ No Invoice email (if different): subcontract.invoices@umich.edu

Authorized Official Name: Peter J. Gerard, Contract Administration Assistant Director

Email: subcontracts@umich.edu

Telephone Number: 734-763-3193

**PI Address:**

Civil & Environmental Engineering  
181 EWRE  
Ann Arbor, MI 48109-2125

**Administrative Address:**

Sponsored Programs - Office of Contract Administration  
5000 Wolverine Tower  
3003 South State Street  
Ann Arbor, Michigan 48109-1287

**Invoice Address:**

Email Only: subcontract.invoices@umich.edu

## Attachment 3B

### Subrecipient Contacts

Subaward Number:

SUBK00014801

#### Subrecipient Information for [FFATA](#) reporting

Entity's DUNS Name:

EIN No.:  Institution Type:

DUNS:  Currently registered in SAM.gov: ☐ Yes ☐ No

Exempt from reporting executive compensation: ☐ Yes ☐ No (if no, complete 3Bpg2)

Parent DUNS:  **This section for U.S. Entities:** Zip Code [Look-up](#)

Place of Performance Address Congressional District:  Zip Code+4:

#### Subrecipient Contacts

Central Email:

Website:

Principal Investigator Name:

Email:  Telephone Number:

Administrative Contact Name:

Email:  Telephone Number:

Financial Contact Name:

Email:  Telephone Number:

Invoice/Payment Email:

Authorized Official Name:

Email:  Telephone Number:

#### Legal Address:

#### Administrative Address:

#### Payment Address:

**Attachment 3B-2**  
**Highest Compensated Officers**

Subaward Number:

SUBK00014801

**Subrecipient:**

Institution Name: Southern Nevada Water Authority

PI Name: Daniel Gerrity

**Highest Compensated Officers**

The names and total compensation of the five most highly compensated officers of the entity(ies) must be listed if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. See FFATA § 2(b)(1) Internal Revenue Code of 1986.

Officer 1 Name:

Officer 1 Compensation:

Officer 2 Name:

Officer 2 Compensation:

Officer 3 Name:

Officer 3 Compensation:

Officer 4 Name:

Officer 4 Compensation:

Officer 5 Name:

Officer 5 Compensation:



## Attachment 4

### Reporting and Prior Approval Terms

Subaward Number:

SUBK00014801

Subrecipient agrees to submit the following reports (PTE contacts are identified in Attachment 3A):

#### Technical Reports:

- ☐ Monthly technical/progress reports will be submitted to the PTE's Administrative Contact within 15 days of the end of the month.
- ☐ Quarterly technical/progress reports will be submitted within 30 days after the end of each project quarter to the PTE's Administrative Contact.
- ☐ Annual technical / progress reports will be submitted within 60 days prior to the end of each budget period to the PTE's Administrative Contact. Such report shall also include a detailed budget for the next Budget Period, updated other support for key personnel, certification of appropriate education in the conduct of human subject research of any new key personnel, and annual IRB or IACUC approval, if applicable.
- ☐ A Final technical/progress report will be submitted to the PTE's Administrative Contact within 60 days of the end of the Project Period or after termination of this award, whichever comes first.
- ☒ Technical/progress reports on the project as may be required by PTE's Principal Investigator in order for the PTE to satisfy its reporting obligations to the Federal Awarding Agency.

#### Prior Approvals:

Carryover:

Carryover is automatic

#### Other Reports:

- ☒ In accordance with 37 CFR 401.14, Subrecipient agrees to notify both the Federal Awarding Agency via iEdison and PTE's Financial Contact within 60 days after Subrecipient's inventor discloses invention(s) in writing to Subrecipient's personnel responsible for patent matters. The Subrecipient will submit a final invention report using Federal Awarding Agency specific forms to the PTE's Financial Contact within 60 days of the end of the Project Period to be included as part of the PTE's final invention report to the Federal Awarding Agency.

A negative report is required: Yes

- ☒ Property Inventory Report (only when required by Federal Awarding Agency), specific requirements below.

#### Additional Technical and Reporting Requirements:

Closeout documents: The closeout documents provided within Attachment 6 must to be completed and returned along with the Final Invoice.

Invoicing Instructions: Invoices shall be e-mailed to [subcontract.invoices@umich.edu](mailto:subcontract.invoices@umich.edu) for processing. In addition to the invoicing terms and conditions identified on the face page of the Subaward each invoice must include the following:

- a. PO Number: 3006740161
- b. A unique invoice number: Each payment request must be identified by a unique invoice number, which can only be used one time regardless of the number of Michigan contracts or orders held by an organization.
- c. Invoice period: The period for which the expenditures apply
- d. Remittance address
- e. Per face page, each invoice must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."

Sufficient detail must be provided to allow for PTE review of invoices. Additional detail or supporting documentation, requested on an as-needed basis, will be made available upon request.

**Attachment 5**  
**Statement of Work, Cost Sharing, Indirects & Budget**

Subaward Number:

SUBK00014801

**Statement of Work**

☒ Below ☐ Attached,  pages

If award is FFATA eligible and SOW exceeds 4000 characters, include a *Subrecipient Federal Award Project Description*

Dr. Daniel Gerrity will lead the research efforts at the Southern Nevada Water Authority (SNWA) and will be the direct supervisor for the SNWA senior personnel and student researchers working on the EPA STAR grant. SNWA will provide general support for all aspects of the research and will assist with dissemination of research results, including preparation of annual/final reports to EPA, presentations, publications, and other outputs. SNWA intends to have at least one representative participate in all project-related meetings, including engagement with the Regulatory Advisory Committee. With respect to the technical approach, SNWA will lead the literature review and laboratory-scale experiments related to secondary biological wastewater treatment. This includes conducting experiments with laboratory-scale sequencing batch reactors and analyzing the corresponding samples for microbiological targets and general water quality parameters (i.e., potential surrogates). SNWA will also provide experimental/analytical support for the conventional treatment experiments (i.e., coagulation, flocculation, sedimentation, biologically active filtration, and granular activated carbon adsorption). SNWA will also coordinate collection and analysis of samples from the pilot-scale ozone-biofiltration system at the Clark County Water Reclamation District.

**Budget Information**

**Indirect Information** Indirect Cost Rate (IDC) Applied

%

**Cost Sharing**

Rate Type:

If Yes, include Amount: \$

**Budget Details**

☐ Below ☒ Attached,  pages

By signing this Subaward, Subrecipient has voluntarily waived reimbursement for allowable indirect costs for the duration of this Project.

Subrecipient is responsible for making sure that costs incurred/charged are allowable in accordance with the terms and conditions of the Federal award.

**Budget Totals**

Direct Costs \$

Indirect Costs \$

Total Costs \$

*All amounts are in United States Dollars*

Cumulative

CATEGORIES	YEAR ONE	YEAR TWO	YEAR THREE	TOTAL PROJECT
a. Personnel Costs				
Senior Personnel				
PI D.Gerrity (0.3 month)	2,876	2,963	3,051	8,890
PI 2 (XX month)	0	0	0	0
b. Other Personnel				
Research Microbiologist (1.5 months)	13,330	13,730	14,142	41,202
Post-Doc (3.0 months)	21,985	22,645	23,324	67,954
Students (50% effort per calendar year)	0	0	0	0
<b>TOTAL PERSONNEL COSTS</b>	<b>38,191</b>	<b>39,338</b>	<b>40,517</b>	<b>118,046</b>
c. Fringe Benefits				
=40%	15,277	15,735	16,206	47,218
<b>TOTAL FRINGE BENEFITS</b>	<b>15,277</b>	<b>15,735</b>	<b>16,206</b>	<b>47,218</b>
d. Equipment	0	0	0	0
<b>TOTAL EQUIPMENT COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
e. Travel-Domestic	5,998	5,998	5,998	17,994
Travel-Foreign	0	0	0	0
<b>TOTAL TRAVEL COSTS</b>	<b>5,998</b>	<b>5,998</b>	<b>5,998</b>	<b>17,994</b>
f. Participant Support Costs	0	0	0	0
<b>TOTAL PARTICIPANT COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
f. Contracts	0	0	0	0
<b>TOTAL CONTRACTUAL COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
g. Other Direct Costs				
1. Materials & Supplies	10,000	10,000	10,000	30,000
2. Publications	4,000	4,000	4,000	12,000
3. Consultant Services	0	0	0	0
4. Computer Services	0	0	0	0
5. Subawards	0	0	0	0
6. Other-(Tuition)	35,000	35,000	35,000	105,000
<b>TOTAL OTHER COSTS</b>	<b>49,000</b>	<b>49,000</b>	<b>49,000</b>	<b>147,000</b>
h. TOTAL DIRECT COSTS				
(sum of a-g)	<b>108,466</b>	<b>110,071</b>	<b>111,721</b>	<b>330,258</b>
BASE for IC (Total direct minus equipment & tuition)	73,466	75,071	76,721	225,258
i. INDIRECT COSTS/CHARGES				
0% less tuition and equipment	0	0	0	0
j. TOTAL PROJECT COSTS				
(sum of h & i)	<b>108,466</b>	<b>110,071</b>	<b>111,721</b>	<b>330,258</b>
k. TOTAL FUNDS REQUESTED FROM SPONSOR	<b>108,466</b>	<b>110,071</b>	<b>111,721</b>	<b>330,258</b>

**Collaborating Organization:** Southern Nevada Water Authority (SNWA)  
**Co-PI:** Dr. Daniel Gerrity, Principal Research Microbiologist  
**Authorized Official at SNWA:** John Entsminger, General Manager  
**Administrator at SNWA:** Jennifer Fuel, Water Quality R&D Administrative Secretary

## SNWA Budget Justification

### PERSONNEL

**Dr. Daniel Gerrity – Principal Research Microbiologist, Co-PI:** We are requesting 0.3 months per year (2.4%) of Dr. Gerrity’s time based on a 12-month salary of \$119,653. A 3% cost of living increase is included for years 2 and 3. The total cost for Dr. Gerrity’s time is \$8,890 over the 3-year duration of the research. Dr. Gerrity will oversee all research performed by SNWA, including supervision of senior personnel and student researchers, and he will be the primary point of contact between SNWA and the other institutions collaborating on this project. Dr. Gerrity will be responsible for communicating research results, including preparation of annual and final reports to EPA.

**Research Microbiologist, Senior Personnel:** We are requesting 1.5 months per year (12.5%) of a Research Microbiologist’s time based on a 12-month salary of \$106,642. A 3% cost of living increase is included for years 2 and 3. The total cost for the Research Microbiologist’s time is \$41,202 over the 3-year duration of the research. The Research Microbiologist will provide oversight of laboratory operations and will specifically be responsible for maintaining cell lines, bacteriophage hosts, and virus stocks. The Research Microbiologist will also perform all molecular analyses and will assist other personnel with culture-based analyses related to the proposed experiments.

**Postdoctoral Scholar, Senior Personnel:** We are requesting 3 months per year (25%) of postdoctoral scholar time based on a 12-month salary of \$87,940. A 3% cost of living increase is included for years 2 and 3. The total cost for the postdoctoral scholar’s time is \$67,954 over the 3-year duration of the research. The postdoctoral researcher will be responsible for final design and implementation of the proposed experiments and will also mentor/supervise the graduate student(s) working on the project.

***The total cost for personnel salary is \$118,046 over the 3-year duration of the research.***

Position/Title	Annual Salary	% Time Allocated to Project	Year 1	Year 2 <sup>a</sup>	Year 3 <sup>a</sup>	Total
Principal Res. Microbiol.	\$119,653	2.4%	\$2,876	\$2,963	\$3,051	\$8,890
Research Microbiol.	\$106,642	12.5%	\$13,330	\$13,730	\$14,142	\$41,202
Postdoctoral Scholar	\$87,940	25.0%	\$21,985	\$22,645	\$23,324	\$67,954
<b>Total Personnel</b>	--	--	<b>\$38,191</b>	<b>\$39,338</b>	<b>\$40,517</b>	<b>\$118,046</b>

<sup>a</sup>Includes a 3% annual cost of living adjustment

### FRINGE BENEFITS

SNWA uses a rate of 40% of direct labor for fringe benefits for professional staff.

***The total project cost for fringe benefits is \$47,218 over the 3-year duration of the research.***

Position/Title	Base Fringe % Rate	Year 1	Year 2 <sup>a</sup>	Year 3 <sup>a</sup>	Total
Principal Res. Microbiol.	40.0%	\$1,151	\$1,185	\$1,221	\$3,556
Research Microbiol.	40.0%	\$5,332	\$5,492	\$5,657	\$16,481
Postdoctoral Scholar	40.0%	\$8,794	\$9,058	\$9,330	\$27,181
<b>Total Fringe</b>	--	<b>\$15,277</b>	<b>\$15,735</b>	<b>\$16,207</b>	<b>\$47,218</b>

## EQUIPMENT

No funding is requested for equipment.

## TRAVEL

We are requesting travel support in the amount of \$5,998 per year. The travel funds are intended to cover the costs for the Co-PI to attend the annual 3-day/2-night EPA STAR progress review or final workshop workshop and an annual domestic conference relevant to the research. The travel estimates are based on registration costs for the domestic conference (\$500/person-trip), typical round trip airfare (\$500/person-trip), GSA lodging for the D.C. area (\$258/person-night), GSA meals and incidentals for the D.C. area (\$76/person-day), airport parking (\$100/person-trip), and transportation (\$50/person-day). The applicant will not use EPA funds for foreign travel without approval by EPA.

*The total cost for travel is \$17,994 over the 3-year duration of the research.*

Purpose of Travel	Location	Line Item	Computation	Cost
Annual Progress Reviews and Final Workshop	D.C.	Lodging (\$258/night)	1 person x 2 nights x 3 trips	\$1,548
		Airfare (\$500/RT)	1 RT airfare x 3 trips	\$1,500
		Per Diem (\$76/day)	1 person x 3 days x 3 trips	\$684
		Parking (\$100/trip)	1 person x 3 trips	\$300
		Transportation (\$50/day)	1 person x 3 days x 3 trips	\$450
Domestic Conferences (e.g., WateReuse Symposium or AWWA International Symposium on Potable Reuse)	TBD (based on D.C. rates)	Registration (\$500/person)	2 persons x 3 trips	\$3,000
		Lodging (\$258/night)	2 persons x 3 nights x 3 trips	\$4,644
		Airfare (\$500/RT)	2 RT airfares x 3 trips	\$3,000
		Per Diem (\$76/day)	2 persons x 3 days x 3 trips	\$1,368
		Parking (\$100/trip)	2 persons x 3 trips	\$600
		Transportation (\$50/day)	2 persons x 3 days x 3 trips	\$900

<b>Total</b>	--	--	--	<b>\$17,994</b>
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#### OTHER DIRECT COSTS

**Materials and Supplies:** We are requesting \$10,000 per year to cover the costs of consumables related to the experimental setups and sample processing/analysis. These estimates are based on recent experience with similar research activities in the SNWA Research Microbiology Laboratory. Consumables are expected to include peristaltic tubing, timers, PVC pipes/valves/fittings, and other construction materials for the sequencing batch reactors and laboratory-scale filter columns. Sample processing/analysis is expected to require dialysis filters, Centricon centrifugal ultrafilters, nucleic acid extraction/purification kits, cDNA synthesis kits, primers, probes, standards, mastermixes, qPCR trays, etc. Other general consumables will include reagent-grade chemicals/media, pipet tips, conical tubes, dilution tubes, culture plates, etc. *The total amount requested for materials and supplies is \$30,000 over the 3-year duration of the research.*

**UNLV CIGA:** We are requesting funding in the amount of \$35,000 per year for one Ph.D. student to participate in the University of Nevada Las Vegas (UNLV) Community Internship Graduate Assistantship (CIGA) Program. According to UNLV—a Minority-Serving Institution—this is the estimated contribution from a community partner (i.e., SNWA) to cover all costs for a Ph.D. student to engage in industry research. *The total amount requested for the UNLV CIGA program is \$105,000 over the 3-year duration of the research.*

**Publication Costs:** We are requesting funding to cover costs (e.g., open access fees) associated with publishing two manuscripts per year (\$2,000 per manuscript x 2 manuscripts/year = \$4,000/year). *The total amount requested for publication costs is \$12,000 over the 3-year duration of the research.*

*The total for other direct costs is \$147,000 over the 3-year duration of the research.*

#### INDIRECT COSTS

No funding is requested for indirect costs.

#### TOTAL

The total funding request for SNWA is \$330,258 over the 3-year duration of the research.


<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>
\$108,466	\$110,071	\$111,721	\$330,258

**Attachment 6****Notice of Award (NOA) and any additional documents**

The following pages include the NOA and if applicable any additional documentation referenced throughout this Subaward.



Not incorporating the NOA or any additional documentation to this Subaward.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b> <b>Grant Agreement</b>		<b>GRANT NUMBER (FAIN):</b> 84025601 <b>MODIFICATION NUMBER:</b> 0 <b>PROGRAM CODE:</b> RD	<b>DATE OF AWARD</b> 08/25/2021	
			<b>TYPE OF ACTION</b> New		<b>MAILING DATE</b> 09/01/2021
			<b>PAYMENT METHOD:</b> ASAP		<b>ACH#</b> 0014
			<b>RECIPIENT TYPE:</b> State Institution of Higher Learning		<b>Send Payment Request to:</b> Contact EPA RTPFC at: rtpfc-grants@epa.gov
<b>RECIPIENT:</b> Regents of the University of Michigan 3003 South State St, Room 1006 Ann Arbor, MI 48109-1274 <b>EIN:</b> 38-6006309			<b>PAYEE:</b> Director of Sponsored Programs Regents of the University of Michigan 3003 South State St, Room 1062 Ann Arbor, MI 48109-1274		
<b>PROJECT MANAGER</b> Krista Wigginton Dept. of Civil & Environmental Engineering 1351 Beal Ave. EWRE 181 Ann Arbor, MI 48109-2125 <b>E-Mail:</b> kwigg@umich.edu <b>Phone:</b> 734-763-9661		<b>EPA PROJECT OFFICER</b> Sarah Ludwig-Monty 1200 Pennsylvania Ave NW, 8104R Washington, DC 20460 <b>E-Mail:</b> Ludwig-Monty.Sarah@epa.gov <b>Phone:</b> 202-566-1072		<b>EPA GRANT SPECIALIST</b> Hazeletta Burgess 1200 Pennsylvania Ave NW Washington DC 20460, 3903R <b>E-Mail:</b> Burgess.Hazeletta@epa.gov <b>Phone:</b> 202-564-1533	
<b>PROJECT TITLE AND DESCRIPTION</b> Developing Surrogate-Based Crediting Frameworks For Virus Control Through Water Recycling Facilities  The purpose of this research is to expand the current understanding of virus fate during wastewater treatment and develop surrogate-based crediting frameworks for unit processes that have largely been uncredited or under-credited in nonpotable and potable reuse applications. Deliverables will elucidate potential relationships between culture and molecular data for human enteric viruses, surrogate bacteriophages, and fecal indicator viruses. Outcomes of the research include surrogate-based predictive models and regulatory crediting frameworks that can be readily adopted by states and the water industry. Direct beneficiaries of this program include residents of communities in Nevada, Virginia, and Florida served by CBAT facilities covered by the study, wastewater operators, state and local regulators, and the general public. Subawardee Southern Nevada Water Authority will conduct laboratory-scale sequencing batch reactors and analyze the corresponding samples for microbiological targets and general water quality parameters. Subawardee Drexel University will work on mathematical model development.					
<b>BUDGET PERIOD</b> 08/01/2021 - 07/31/2024	<b>PROJECT PERIOD</b> 08/01/2021 - 07/31/2024	<b>TOTAL BUDGET PERIOD COST</b> \$1,239,980.00	<b>TOTAL PROJECT PERIOD COST</b> \$1,239,980.00		
<b>NOTICE OF AWARD</b>  Based on your Application dated 01/13/2021 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$1,239,980.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$1,239,980.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.					
<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>		<b>AWARD APPROVAL OFFICE</b>			
<b>ORGANIZATION / ADDRESS</b> Grants and Interagency Agreement Management Division 1200 Pennsylvania Ave, NW Mail code 3903R Washington, DC 20460		<b>ORGANIZATION / ADDRESS</b> Environmental Protection Agency ORD - Office of Research and Development 1200 Pennsylvania Ave, NW Washington, DC 20460			
<b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b>					
<b>Digital signature applied by EPA Award Official for</b> Jill Young - Chief - Grants Management Branch LaShaun Phillips - Associate Award Official				<b>DATE</b> 08/25/2021	



## EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$1,239,980	\$1,239,980
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$1,239,980	\$1,239,980

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.509 - Science to Achieve Results (STAR) Program	Clean Water Act: Sec. 104 Safe Drinking Water Act: Sec. 1442	2 CFR 200, 2 CFR 1500, 40 CFR 33 and 40 CFR 40

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	212631M061	2021	C	2631000	000FK7XR4	4141	-	26A6A	\$700,000
-	212631M061	2122	C	2631000	000FK7XR4	4141	-	26A6A	\$139,980
-	212631M061	2021	C	2631000	000FK7XR3	4141	-	26A6A	\$400,000
									\$1,239,980

## Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$190,245
2. Fringe Benefits	\$39,177
3. Travel	\$12,402
4. Equipment	\$0
5. Supplies	\$35,340
6. Contractual	\$290,500
7. Construction	\$0
8. Other	\$507,953
9. Total Direct Charges	\$1,075,617
10. Indirect Costs: 26.00 % Base MTDC	\$164,363
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$1,239,980
12. Total Approved Assistance Amount	\$1,239,980
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$1,239,980
15. Total EPA Amount Awarded To Date	\$1,239,980

## **Administrative Conditions**

### **A. General Terms and Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-november-12-2020-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

### **B. Correspondence Condition**

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and ***[burgess.hazeletta@epa.gov](mailto:burgess.hazeletta@epa.gov)***
- MBE/WBE reports (EPA Form 5700-52A): ***Suzanne Hersh, DBE Coordinator;***  
***[mbe.wbe@epa.gov](mailto:mbe.wbe@epa.gov)***
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: ***[Ludwig-Monty.Sarah@epa.gov](mailto:Ludwig-Monty.Sarah@epa.gov)***
- Payment requests (if applicable): ***[Ludwig-Monty.Sarah@epa.gov](mailto:Ludwig-Monty.Sarah@epa.gov)***
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: ***[Ludwig-Monty.Sarah@epa.gov](mailto:Ludwig-Monty.Sarah@epa.gov)***

### **C. Prompt Payment Act**

In accordance with Section 2(d) of the Prompt Payment Act (P.L. 97-177), Federal funds may not be used by the recipient for the payment of interest penalties to contractors when bills are paid late nor may interest penalties be used to satisfy cost sharing requirements. Obligations to pay such interest penalties will not be obligations of the United States.

### **D. No Feds**

The recipient understands that none of the funds for this project (including funds contributed by the recipient as cost sharing) may be used to pay for the travel of Federal employees or for other costs associated with Federal participation in this project. Except however, if a Federal agency is selected through the recipient's procurement process to carry out some of

the work as a contractor to the recipient, funds may be used to allow necessary Federal travel and other costs associated with Federal participation in this project.

#### **E. Payment to Consultants**

EPA participation in the salary rate (excluding overhead) paid to individual consultants retained by recipients or by a recipient's contractors or subcontractors shall be limited to the maximum daily rate for a Level IV of the Executive Schedule (formerly GS-18), to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2021, the limit is \$661.23 per day and \$82.65 per hour. This rate does not include transportation and subsistence costs for travel performed (the recipient will pay these in accordance with their normal travel reimbursement practices). Subagreements with firms for services which are awarded using the procurement requirements in Subpart D of 2 CFR 200, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 2 CFR 1500.9

## **Programmatic Conditions**

**A.** This award is subject to EPA's set of standard terms and conditions for research awards: <https://www.epa.gov/grants/grant-terms-and-conditions#office>

**B.** Competency of Organizations Generating Environmental Measurement Data In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency Funded Assistance Agreements, Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/measurements-modeling/ensuring-measurement-competency> or a copy may also be requested by contacting the EPA project officer for this award.

Organizations performing activities involving the use or generation of environmental data under covered assistance agreements shall provide the PO within 60 days of award: Quality documentation such as a quality management plan (QMP), and/or other documentation that demonstrates conformance to U.S. EPA quality program requirements found at [www.epa.gov/quality](http://www.epa.gov/quality) ; and Demonstration of competency in the field(s) of expertise. Demonstration of competency may include (but not be limited to): Current participation in accreditation or certification programs that are applicable to the environmental data generated under the Agency-funded assistance; Ongoing participation by the organization in proficiency testing (PT) or round robin programs conducted by external organizations; Ongoing U.S. EPA accepted demonstrations and audits/assessments of proficiency; and Other pertinent documentation that demonstrates competency (e.g., past performance to similar statement of work [SOW]).

The recipient must also provide acceptable quality assurance and quality control documentation for each project under the assistance agreement to the EPA Project Officer within 90 days of award of this agreement. Acceptable documentation will be a Quality Assurance Project Plan (QAPP). Specific requirements for writing QAPPs may be found at <https://www.epa.gov/quality/epa-qar-5-epa-requirements-quality-assurance-project-plans>. Additional EPA Quality Guidance for Assistance Agreements may be found at <https://www.epa.gov/quality/agency-wide-quality-system-documents#guidance>.

The EPA Project Officer will provide the recipient with the EPA QA contact's information upon request for pre-submittal questions. The recipient will copy the PO on any communication with the EPA QA contact.

**C.** Cybersecurity Grant Condition for Other Recipients, Including Intertribal Consortia (a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State or Tribal law cybersecurity requirements. (b) (1) EPA must ensure that any connections between the

recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) no later than 90 days after the date of this award and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data. (2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

#### **D. Subaward Reporting**

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.331(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

Prime Grant /Award No.	
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(For Grant or Award)

- through

*original effective date*

*date of termination*

NAME OF INVENTOR	TITLE OF INVENTION	DATE REPORTED TO UMich
(Use continuation sheet if necessary)		

Title		Name and Mailing Address of Institution
Typed Name		
Signature	Date	

**PROPERTY CLEARANCE FORM**

**Reference:** Research Subaward/Subcontract # \_\_\_\_\_ from the University of Michigan.

The following information is required for Property Clearance on the above referenced Subaward/Subcontract:

- 1) There was ☐ was not ☐ fabricated equipment of a permanent and useful nature generated under this agreement. If so, describe briefly:

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- 2) There was ☐ was not ☐ residual inventory of unused supplied and other expendable property exceeding \$5,000 in total aggregate value remaining upon termination or completion of the project. If so, describe briefly:

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- 3) List any and all items of equipment acquired under this Subaward/Subcontract:

<u>Equipment</u>	<u>Manufacturer's Name &amp; Model #</u>	<u>Date Acquired</u>	<u>Purchase Price</u>	<u>Serial #</u>

Subrecipient/Subcontractor: \_\_\_\_\_

AUTHORIZED SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_



**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Nonfunctional Turf Removal Advisory Committee Recommendations

**Petitioner:**

Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**

That the Board of Directors receive a presentation on the Nonfunctional Turf Removal Advisory Committee process and accept the report.

**Fiscal Impact:**

None by approval of the above recommendation.

**Background:**

In June 2021, the Nevada Legislature enacted Assembly Bill (AB) 356, which directed the Authority's Board of Directors to develop a plan for the removal of nonfunctional turf in the Las Vegas Valley. The Legislature also created the Nonfunctional Turf Removal Advisory Committee (NTRAC) and directed the Board to appoint nine community stakeholders who would then convene to collaborate with the Authority to develop its plan to identify and facilitate the removal of existing nonfunctional turf. In July 2021, the Board appointed individuals representing commercial and industrial properties, homeowners' associations, golf courses, multifamily properties, environmental interests and municipalities to the NTRAC.

From August 2021 to November 2021, the committee met four times to formulate its recommendations. The committee's process included a review of existing drought conditions, the development of definitions for "functional turf" and "nonfunctional turf," and development of a process to apply for and obtain a waiver or exemption from the nonfunctional turf definition. On November 17, 2021, the NTRAC reviewed and approved its final recommendations report to be submitted to the Board.

At this time, the Board is being asked to accept NTRAC's recommendations report, which includes definitions for functional and nonfunctional turf and a waiver process, and which Authority staff will use to assist member agencies with language to be incorporated into their service rules and other regulatory language, such as ordinances and codes.

This action is authorized pursuant to Section 6(p) of the SNWA 1995 Amended Cooperative Agreement and Sections 39(2) and 41 of Assembly Bill 356 (2021). The office of the General Counsel has reviewed and approved this item.

SOUTHERN NEVADA WATER AUTHORITY

**NONFUNCTIONAL TURF REMOVAL  
ADVISORY COMMITTEE**

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RECOMMENDATIONS  
REPORT

NOVEMBER 2021



SOUTHERN NEVADA WATER AUTHORITY™

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SOUTHERN NEVADA WATER AUTHORITY

**NONFUNCTIONAL TURF REMOVAL  
ADVISORY COMMITTEE**

RECOMMENDATIONS REPORT

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## **EXECUTIVE SUMMARY**

The Southern Nevada Water Authority (SNWA) has a history of seeking public input through citizens advisory committees to evaluate major organizational initiatives.

In June 2021, the Nevada Legislature enacted Assembly Bill (AB) 356, which directed the SNWA Board of Directors to develop a plan for the removal of nonfunctional turf in the Las Vegas Valley. The Legislature also created the Nonfunctional Turf Removal Advisory Committee to be appointed by the SNWA Board of Directors to help the SNWA develop its plan for removal of nonfunctional turf. The committee was comprised of the following nine voting members, representing office parks, businesses, industrial or commercial facilities, golf courses, common-interest communities (x2), multi-family housing facilities, environmental organizations, and local governments:

- |  |  |
|--|--|
| - Mauricia Baca<br><i>Environmental Organization</i> | - Larry Fossan<br><i>Common-interest Community</i> |
| - Scott Black<br><i>Local Government</i>             | - Dale Hahn<br><i>Golf Course</i>                  |
| - Stephanie Bressler<br><i>Multifamily Housing</i>   | - David Strickland<br><i>Industrial/Commercial</i> |
| - Thomas Burns<br><i>Business</i>                    | - Brian Walsh<br><i>Common-interest Community</i>  |
| - Tena Cameron<br><i>Office Park</i>                 |  |

From August 2021 to November 2021, the committee met four times to formulate recommendations to the SNWA Board of Directors on defining “functional turf” and “nonfunctional turf,” and outlining a process for waivers to the nonfunctional turf removal requirements.

This report summarizes the activities and results of the committee process. Section I is an overview of the issue and AB 356, Section II reviews the NTRAC scope and discussion topics, and Section III summarizes the committee’s recommendations.

## **I. OVERVIEW OF ISSUE AND AB 356**

Southern Nevada relies on the Colorado River for 90 percent of its water supply. The Colorado River system is facing the worst drought in the river basin's recorded history. The water level of Lake Mead, which serves as one of the river's primary water storage reservoirs, has dropped approximately 130 feet since January 2000.

Because of low water levels at Lake Mead, the federal government issued a water shortage declaration on the Colorado River, reducing the amount of water Southern Nevada can withdraw from Lake Mead beginning in January 2022. Combined with existing voluntary contributions outlined in the Drought Contingency Plan, the declared shortage will cut Southern Nevada's annual water allocation by nearly 7 billion gallons in 2022, which equates to enough water to serve more than 40,000 households for a year. Should Lake Mead's water level continue to decline, additional cuts will follow.

For 20 years, the Southern Nevada Water Authority (SNWA) has been taking proactive actions to respond to the drought and prepare for potential water cuts. The SNWA's Water Resource Plan details how it plans to meet the community's water needs, both in the short term and for the next half-century, including reducing outdoor water demands.

Nearly all the water Southern Nevada uses indoors is recycled. However, water used outside evaporates and cannot be recycled. Approximately 60 percent of Southern Nevada's water is used outdoors. For this reason, the Authority's conservation rebates and programs focus on reducing water use outdoors.

Nonfunctional turf provides no recreational value, is largely decorative, or not safe to access and use. It is found throughout Southern Nevada, within business complexes and neighborhoods, schools, parks, government facilities, along community streets, and in traffic circles and medians.

The unused grass in Southern Nevada soaks up about 12 billion gallons of water every year; the equivalent of more than 10 percent of Nevada's entire allocation of water from the Colorado River.

In June 2021, the Nevada Legislature enacted AB 356, which directed the SNWA Board of Directors to develop a plan for the removal of nonfunctional turf in the Las Vegas Valley. The legislation prohibits the use of Colorado River water to irrigate the nearly 4,000 acres of nonfunctional turf on properties that are not zoned exclusively for single-family residences after January 1, 2027.

The Legislature also created the Nonfunctional Turf Removal Advisory Committee to help the SNWA define functional and nonfunctional turf. In July 2021, the SNWA Board of Directors appointed nine individuals representing commercial and industrial properties, homeowners' associations, golf courses, multifamily properties, environmental interests and municipalities to the Nonfunctional Turf Advisory Committee.

## II. COMMITTEE SCOPE AND DISCUSSION

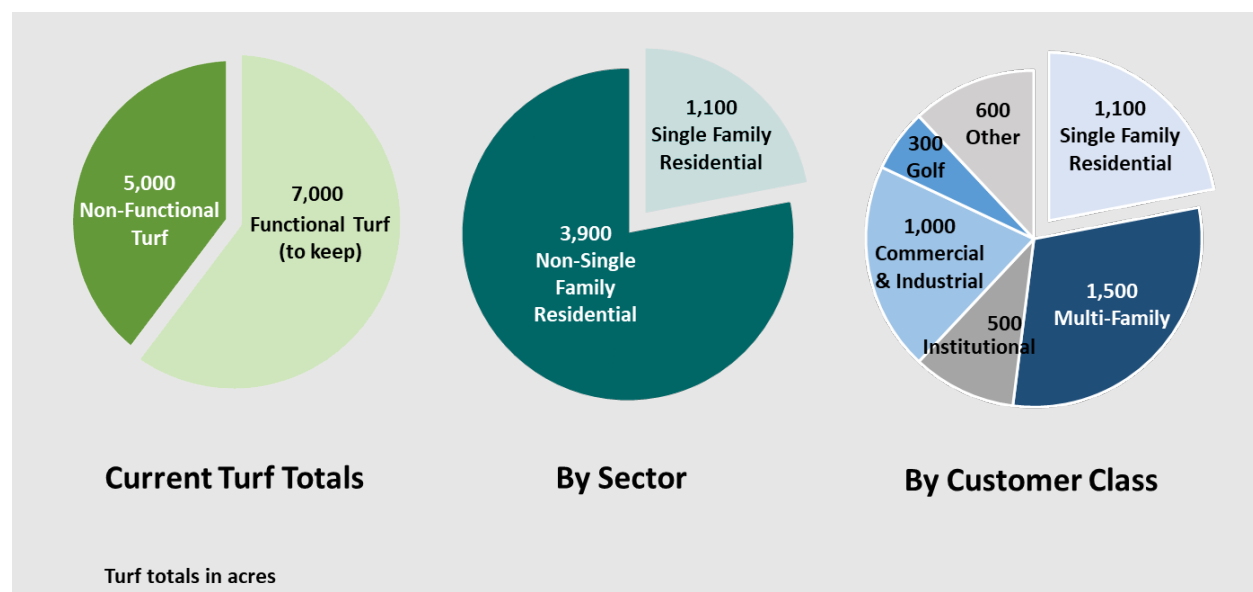
When the Nevada Legislature passed AB 356, creating the Nonfunctional Functional Turf Removal Advisory Committee (NTRAC), it outlined the committee’s responsibilities, which include discussing issues related to the use and removal of nonfunctional turf by each water use sector and providing written recommendations to the SNWA Board of Directors regarding the plan to remove nonfunctional turf in Southern Nevada. The bill also provided for a waiver process, but it did not define the process.

From August 2021 to November 2021, the committee met four times to formulate recommendations to the SNWA Board of Directors on defining “functional turf” and “nonfunctional turf,” and outlining a process for waivers to the nonfunctional turf removal requirements.

Beginning with its first meeting, NTRAC heard from SNWA staff regarding the water challenges facing the community, including the unprecedented drought in the Colorado River basin. Additionally, NTRAC reviewed the Authority’s conservation programs.

Since 2002, Southern Nevada has made considerable conservation gains; however, conservation progress has stalled in recent years. With the need for additional conservation, a previous citizens advisory committee recommended several conservation-related initiatives, including efforts to reduce existing nonfunctional turf in the valley.

Most of the nonfunctional turf in Southern Nevada (approximately 3,900 acres) exists in non-single family residential sectors:



By removing this nonfunctional turf, Southern Nevada can save about 9.5 billion gallons or 29,150 acre-feet of water per year.

## **FUNCTIONAL VS. NONFUNCTIONAL TURF**

Over the next meetings, NTRAC focused on defining functional and nonfunctional turf to address the existing nonfunctional turf installations in Southern Nevada. In July 2019, the SNWA Board approved the SNWA's Nonfunctional Turf Resolution, which established parameters for new installations of turf, ensuring that it is accessible, provides recreational value and can be watered efficiently. More specifically, the resolution limited new grass installations to programmed recreational areas at parks and schools, ensured new grass installations were large enough to provide meaningful active recreation, ensured safety and access, and limited slopes to prevent inefficient watering practices.

While municipal development codes in Southern Nevada have been updated to reflect these requirements, the committee discussed how nonfunctional turf exists within existing major sectors, such as commercial, multifamily, municipal, public services, religious institutions, and common-interest communities. The committee considered how some of the Nonfunctional Turf Resolution's principles could be incorporated into the definitions of functional and nonfunctional turf and applied through different sectors. The results of the committee's discussions are defined within the "recommendations" section of this report.

## **WAIVERS**

While AB 356 provided for a waiver process, it did not define the process. The committee discussed the need for a waiver process since some nonfunctional turf applications might substantially conform with the functional turf definition or provide a recreational benefit to the community despite their sector application. The committee discussed the application, review and appeal processes. The results of the committee's discussions are defined within the "recommendations" section of this report.

## **SUMMARY**

At the committee's October meeting, it finalized a set of sample definitions for functional and nonfunctional turf by sector. The committee also discussed the details of a waiver process. Following the meeting, a draft recommendations report was compiled by staff and provided to the committee. At the November 17, 2021 meeting, the committee approved its final recommendations and recommendations report.



### III. RECOMMENDATIONS

After evaluation of the issue of nonfunctional turf in Southern Nevada, the committee reached consensus on the following recommendations, which will be transmitted to the SNWA Board of Directors for consideration and approval:

#### 1. **Define Nonfunctional Turf as:**

**“Nonfunctional Turf”** means irrigated lawn grass area not meeting the below definition of Functional Turf, including without limitation, such areas in the following locations:

- Streetscape Turf: Except as otherwise specified, turf located along public or private streets, streetscape sidewalks, driveways and parking lots, including but not limited to turf within community, park and business streetscape frontage areas, medians and roundabouts.
- Frontage, Courtyard, Interior and Building Adjacent Turf: Turf in front of, between, behind or otherwise adjacent to a building or buildings located on a property not zoned exclusively as a single-family residence, including but not limited to maintenance areas and common areas.
- Certain HOA-Managed Landscape Areas: Turf managed by a homeowner association that does not provide a recreational benefit to the community or that otherwise does not qualify as Functional Turf, regardless of the property zoning.

#### 2. **Define Functional Turf as:**

**“Functional Turf”** means an irrigated lawn grass area that provides a recreational benefit to the community and is:

(a) located at least 10 feet from a street (except as otherwise specified), installed on slopes less than 25 percent, and not installed within street medians, along streetscapes or at the front of entryways to parks, commercial sites, neighborhoods or subdivisions; and

(b) Active/Programmed Recreation Turf, Athletic Field Turf, Designated Use Area Turf, Golf Course Play Turf, Pet Relief Turf, Playground Turf or Resident Area Turf, as these terms are further defined and qualified below.

**“Active/Programmed Recreation Turf”** means irrigated lawn grass in an active/programmed recreation area on homeowner association-owned or managed property or at a public park or water park (excluding park streetscape and community frontage areas).

Active/programmed recreation turf at existing properties must be:

- 1,500 contiguous square feet or greater
- Co-located with facilities, including but not limited to trash bins, benches, tables, walking paths and/or other recreational amenities
- Located at least 10 feet from a public or private street or interior facing parking lot unless:
  - The contiguous turf area is at least 30 feet in all dimensions; or
  - The turf is immediately adjacent to an athletic field

**“Athletic Field Turf”** means irrigated lawn grass used as a programmed sports field or for physical education and intermural use that is 1,500 contiguous square feet or greater, not less than 30 feet in any dimension, and located at a school, daycare, youth recreation center, senior center, public park, private park, water park or religious institution. Athletic Field Turf may be located less than 10 feet from a public or private street or interior-facing parking lot if the contiguous turf area is at least 30 feet in all dimensions.

**“Designated Use Area Turf”** means irrigated lawn grass designated for special use at cemeteries and mortuaries.

**“Golf Course Play Turf”** means irrigated lawn grass at a golf course in driving ranges, chipping and putting greens, tee boxes, greens, fairways and rough.

**“Pet Relief Turf”** means irrigated lawn grass at a property providing commercial and retail services for pets that is designated for pet use (such as veterinarians or boarding facilities). Pet Relief Turf may not exceed 200 square feet.

**“Playground Turf”** means irrigated lawn grass in designated play areas with playground amenities, including but not limited to slides, swings and climbing structures on homeowner association-owned or managed property or at a public park, water park, school, daycare, youth recreation center, senior center or religious institution. Playground Turf may be located less than 10 feet from a public or private street if fenced.

**“Resident Area Turf”** means up to 150 square feet of irrigated lawn grass per dwelling unit at multi-family residential properties, single-family attached properties, commercial/multi-family mixed use properties, extended stay hotels/motels, or assisted living and rehabilitation centers used by tenants for recreation and leisure. Resident Area Turf must be in areas reasonably accessible for active use by residents and therefore may not be located in streetscape frontages, parking lots, roundabouts, medians, driveways and other non-accessible or exclusive-use areas such as commercial courtyards.

**3. *Establish a waiver process for non-single family residential properties for turf that is not permitted under the current definitions.***

Any establishment can apply for a waiver. Waiver applicants must demonstrate that the turf substantially complies with the Functional Turf definition as indicated by conditions, such as activity type, activity appropriate dimensions, number of persons served, frequency of use, location in proximity to similar turf areas, public access, presence of facilities and/or other recreational amenities, and irrigation efficiency.

The process should also include an opportunity for an applicant to appeal staff decisions to the Authority’s General Manager and the SNWA Board of Directors.

The following quick reference table summarizes irrigated turf areas by sector that may be considered functional per the definitions. The turf areas that are not identified as being functional may be considered for a waiver upon application.

Quick Reference Table

ESTABLISHMENT TYPE	Resident Area Turf	Golf Course Play Turf	Pet Relief Area Turf	Active / Programmed Recreation Turf	Athletic Field & Playground Turf	Designated Use Area Turf
Schools & Daycares					Functional	
Youth Recreation & Senior Centers					Functional	
Homeowner Associations				Functional	Functional	
Government Facilities (excluding Parks)						
Commercial & Retail Services			Functional <sup>1</sup>			
Multi-Family Residential	Functional					
Commercial/Multi-Family Mixed Use	Functional					
Public Parks, Private Parks & Water Parks				Functional	Functional	
Golf Courses		Functional				
Cemeteries & Mortuaries						Functional
Religious Institutions					Functional	
Hospitals & Medical Offices						
Assisted Living & Rehabilitation Centers	Functional					
Commercial & Industrial Office Parks						
Hotels, Motels & Resorts						

<sup>1</sup> Applies to businesses exclusively serving pets (veterinarians, pet boarding facilities, etc.)

**4. Reconvene the Nonfunctional Turf Removal Advisory Committee as needed to discuss other issues pertaining to the implementation of AB 356.**

The committee noted the potential for budgetary and timeline challenges for some establishments to remove large areas of nonfunctional turf. As staff monitors the community's progress in removing nonfunctional turf, NTRAC should be reconvened in the future to address implementation issues.

**5. Conduct outreach activities with non-single-family residential property owners and managers to support implementation of AB 356.**

The committee recommends that staff conduct extensive outreach activities to support the implementation of AB 356, including marketing efforts, online tools, and staff site evaluations.

## **APPENDIX A**

### **Meeting Summaries**



## NONFUNCTIONAL TURF REMOVAL ADVISORY COMMITTEE MEETING SUMMARY

*August 18, 2021, 3:00 p.m.*

*Colorado River Conference Rooms, Southern Nevada Water Authority  
100 City Parkway, 7th Floor, Las Vegas, Nevada*

NTRAC members present:	David Strickland	Tena Cameron
	Larry Fossan	Scott Black
	Brian Walsh	Mauricia Baca
	Stephanie Bressler	Tom Burns

NTRAC members absent:	Dale Hahn
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Staff present:	John Entsminger	Colby Pellegrino
	Zane Marshall	Katie Horn
	Tabitha Simmons	Mitch Bishop

### **PUBLIC COMMENT**

Maryann Goodsell, a representative from the Peccole Ranch Homeowners Association (HOA), asked if definitions will be addressed during the committee process. She also stated that the paseos are a greenbelt area controlled by flood channels and asked if considerations will be made to accommodate unique properties such as the Paseos. John Entsminger, General Manager, noted that one of the committee's main charges will be to define nonfunctional turf. He added that he couldn't presuppose where future committee discussions will lead, but informed Ms. Goodsell that the meetings are also being streamed on the internet and invited her to monitor them to see how discussions progress.

### **SUMMARY OF ACTIVITIES**

The Southern Nevada Water Authority's (Authority) Nonfunctional Turf Removal Advisory Committee (NTRAC) met on Wednesday, August 18, 2021. The meeting began at 3 p.m.

#### *#1 Approve agenda.*

Scott Black moved to approve the meeting agenda. The agenda was approved.

#### *#2 Welcome and introductions.*

Mr. Entsminger introduced himself and staff. Committee introductions were made.

#### *#3 Receive an overview of Nevada's Open Meeting Law.*

Tabitha Simmons, Director of Legal Services, provided an overview of Nevada Open Meeting Law, which ensures that decisions affecting the public are made through transparent, public processes. She noted the main components of the law, including posting procedures, public comment, conducting activities in the public, and quorums.

#### *#4 Receive an overview of the SNWA's background and Colorado River Basin drought status.*

Colby Pellegrino, Deputy General Manager of Resources, provided an overview of the Authority and its core responsibilities, which include water resource planning, infrastructure, conservation, water quality and stewardship. Ms. Pellegrino also provided information on Southern Nevada's reliability on the

Colorado River, drought and climate change impacts, current and projected Lake Mead water elevations, banked water resources and return-flow credits. She also talked about the recent federally mandated water shortage declaration and the probability of future shortages if Lake Mead water levels continue to decline.

*#5 Receive an overview of SNWA's conservation initiatives.*

Ms. Pellegrino provided a history of the Authority's water conservation and drought response efforts since 2002, which include:

- Drought planning
- Landscape development codes
- Golf course water budgets
- Mandatory watering schedules
- Water waste enforcement
- Tiered water rates
- Incentive and rebate programs
- Evaporative cooling studies

She stated these initiatives have resulted in significant water savings over the past 20 years, but progress has stalled.

Ms. Pellegrino also provided information on additional actions that the Authority has taken to protect the community's water supply. These include the construction of a third intake and pumping station at Lake Mead; banked water resources in Arizona, California and Nevada; and a 50-year water resource plan.

Ms. Pellegrino then talked about the recommendations made by the Integrated Resources Planning Advisory Committee in 2020, one of which was the reduction of existing nonfunctional turf throughout Southern Nevada. She explained that there are currently 5,000 acres of nonfunctional turf throughout the community that, if removed, would save approximately 12 billion gallons of water annually. She then provided information on the Nevada Assembly Bill 356 (AB) legislation, which prohibits the use of Colorado River water for unused grass and calls for the formation of this committee.

*#6 Receive an overview of the committee process and administrative items relating to the committee.*

Zane Marshall, Director of Water Resources, reviewed the scope of the NTRAC. He reminded the committee that recommendations are made on a consensus basis and do not require unanimous agreement, and that the goal of the committee is to make mutually beneficial recommendations regarding non-functional turf removal to present to the SNWA Board of Directors. He also reviewed committee member and SNWA commitments as well as future meeting dates.

David Strickland asked whether the committee will be generating language or examples of nonfunctional turf. Mr. Marshall responded that the goal is to develop definitions that can be used broadly throughout the community, which will inform recommendations for the SNWA Board's consideration.

Tena Cameron asked if the committee will be developing a recommendation on a process for waivers. Mr. Marshall confirmed that it will.

Brian Walsh asked how a committee member can introduce a topic to be discussed at a future meeting. Mr. Entsminger responded that committee members can make topics known to staff ahead of time, so that they can be included on the agenda for discussion, per Nevada Open Meeting Law. Mr. Walsh noted that a review of AB 356 would be helpful in understanding the committee's charges.

Stephanie Bressler asked if the committee will be able to make recommendations to change existing programs and incentives. Mr. Entsminger responded that this committee has a narrow charge to comply with the legislation that appointed the committee. He added that feedback outside the scope of committee discussion can be recorded by staff for future consideration.

#### **PUBLIC COMMENT**

John Musik complimented the work the Authority has done over the years, specifically the information provided in various reports that have been generated by staff. He asked if committee meeting materials will be made available to the public and if a “data room” will be provided for the public to retrieve Authority reports or make recommendations on specific topics. Mr. Entsminger responded that NTRAC meetings will be broadcast and that all materials will be available to the public. He added that materials or comments can be made available to the committee members. Ms. Pellegrino added that the Authority’s Water Resource Plan and Water Conservation plan are both available at [snwa.com](http://snwa.com).

Lisa Parry asked how members of the public can submit ideas and comments, especially pertaining to unique neighborhoods. Katie Horn, Management Service Manager, responded that members of the public can send comments to [publiccomment@snwa.com](mailto:publiccomment@snwa.com).

Leslie Weller asked if backyards can be grandfathered in under the current requirement of no more than 50 percent of grass allowed in backyards. She also asked if the seasonal watering schedule can be made mandatory. Mr. Entsminger responded that the development codes limiting backyards to 50 percent grass was put in place in 2002, so it is effective for homes constructed after that date. He added that the seasonal water schedules are mandatory and that people are breaking law by not abiding by them.

#### **ADJOURNMENT**

The meeting was adjourned at 4:23 p.m.



## **NONFUNCTIONAL TURF REMOVAL ADVISORY COMMITTEE MEETING SUMMARY**

*September 22, 2021, 3:00 p.m.*

*Colorado River Conference Rooms, Southern Nevada Water Authority  
100 City Parkway, 7th Floor, Las Vegas, Nevada*

NTRAC members present:	David Strickland	Tena Cameron
	Larry Fossan	Scott Black
	Brian Walsh	Mauricia Baca
	Dale Hahn	

NTRAC members absent:	Stephanie Bressler	Tom Burns
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Staff present:	Colby Pellegrino	Zane Marshall
	Tabitha Simmons	Katie Horn
	Mitch Bishop	

### **PUBLIC COMMENT**

There were no members from the public wishing to speak.

### **SUMMARY OF ACTIVITIES**

The Southern Nevada Water Authority's (Authority) Nonfunctional Turf Removal Advisory Committee (NTRAC) met on Wednesday, September 22, 2021. The meeting began at 3:00 p.m.

#### *#1 Approve agenda and minutes from the August 18, 2021 meeting.*

Scott Black moved to approve the meeting agenda and the minutes from the August 18, 2021 meeting. The motion was approved.

#### *#2 Receive a presentation on Assembly Bill 356 and the Nonfunctional Turf Removal Advisory Committee.*

Colby Pellegrino, Deputy General Manager of Resources, provided an overview of Assembly Bill 356 that was signed into law by Governor Sisolak in June 2021. This law states that on and after January 1, 2027, the waters of the Colorado River distributed by the Authority or one of the member agencies of the Authority may not be used to irrigate nonfunctional turf on any property that is not zoned exclusively for a single-family residence. She stated that the bill also set forth a number actions and responsibilities to the Authority board which are to define "functional turf" and "nonfunctional turf" and promulgate the definitions in the service rules of member agencies, and to develop a plan to identify and facilitate the removal of nonfunctional turf that establishes phases for the removal of it, based on categories of water users, and establishes deadlines for removing it. Ms. Pellegrino also stated that the bill established the NTRAC, outlined its responsibilities, and put forth provisions related to turf removal. This also includes an undefined waiver or extension process. She also discussed the differences between NTRAC's responsibilities and the Authority's other conservation-related programs. She concluded by giving an overview of the NTRAC process and next steps.

#### *#3 Receive a presentation on functional and nonfunctional turf in Southern Nevada.*

Ms. Pellegrino gave background information on Southern Nevada's growth in the 1980s and 1990s and how the drought, which began in the early 2000s, forced the community to rethink its growth and



development, specifically as it related to water efficient principles. In 2004, turf restrictions were put into municipal codes and limited turf in both residential and commercial applications, and while those new codes helped, existing unusable turf remained from prior development. Because of this, the Authority focused its efforts on incentivizing the removal of unused turf. Ms. Pellegrino discussed the turf removal rebate increases throughout the years and how they impacted conservation program participation. She stated that Southern Nevada needs to continue to make progress in removing unused turf since water usage is increasing and drought conditions continue, adding that incentives are no longer effective and thus the need for AB356. Dale Hahn asked what year the Water Smart Landscape easement began, to which Ms. Pellegrino responded that the Authority began placing easements in 2009 on properties that participated in its conservation programs.

Ms. Pellegrino discussed how nonfunctional turf is handled in the community for new development, highlighted the following conditions and gave specific examples of each:

- The installation of turf on public and private parks and schools is limited to active or programmed recreation areas such as sport fields
- Turf should not be installed in areas less than 1,500 contiguous square feet
- Turf cannot be less than 30 feet in any dimension
- Turf cannot be installed closer than 10 feet to a street
- Turf cannot be installed in front of entryways to residential neighborhoods or subdivisions where other recreational amenities do not exist
- The maximum slope of a turf area will not exceed 25 percent and turf areas should be graded to prevent runoff, except in designated drainage areas

She stated that most of the grass that exists today would not be installed under today's codes and that NTRAC will develop recommendations to implement AB356 in a three-part process: 1) consider and develop definitions by sector (commercial, multifamily, municipal, public services, churches, HOAs, etc.); 2) waivers; and 3) reviewing the plan and recommendations.

#### *#4 Discuss defining functional and nonfunctional turf.*

Zane Marshall, Director of Resources, led the discussion on defining functional and nonfunctional turf. He began by defining what the Authority considers as functional turf, which includes the following:

- Used on a near daily basis
- People are actively using it for recreation (not walking through it)
- Safe and easy to access
- Large enough to irrigate efficiently
- Offers multipurpose use (sport fields excluded)
- Adjacent to other amenities (benches, restrooms, shade)

Mr. Marshall then defined what the Authority considers as nonfunctional turf, which includes the following:

- Not being used in a recreational application
- Too small to offer meaningful benefit
- Located adjacent to streets or thoroughfares that affect its use
- Located in areas difficult to access or limited access
- Difficult to irrigate efficiently (sloped, oddly shaped)
- Without nearby amenities

Larry Fossan asked about dog walking areas and if current areas would need to be modified to meet the standards and definitions set forth by the committee. Mr. Marshall confirmed that is correct. Ms. Pellegrino added that there will be a waiver process, but the goal is to be uniform and consistent. Tena Cameron asked if there will be an extension waiver for those who need more than the five years to remove turf. Ms. Pellegrino responded that the legislation states that nonfunctional turf cannot be irrigated after 2027; so, while there may be extensions, it will be easier and more cost effective to do it early and altogether rather than waiting or phasing it.

Tabitha Simmons, Director of Legal Services, discussed some goals for the committee to help create a regulatory framework in drafting definitions. These goals include consistency in the application of the law, clear definitions that can be applied uniformly and objectively, and thorough definitions that inform whether turf will or will not be permitted under the law.

Mr. Marshall continued the definition discussion by giving several sample definitions and citing specific examples. He highlighted the following functional turf types:

- Active/Programmed Recreation Turf means irrigated lawn grass in an active/programmed recreation area on homeowner association-owned or managed property or at a public park or water park (excluding park streetscape and community frontage areas).
- Athletic Field Turf means irrigated lawn grass used as a programmed sports field or for physical education and intermural use that is 1,500 contiguous square feet or greater, not less than 30 feet in any dimension, and located at a school, daycare, youth recreation center, senior center, public park, private park, water park or religious institution.
- Designated Use Area Turf means irrigated lawn grass designated for special use at cemeteries and mortuaries.
- Golf Course Play Turf means irrigated lawn grass at a golf course in driving ranges, chipping and putting greens, tee boxes, greens, fairways and rough.
- Pet Relief Turf means irrigated lawn grass in a property providing commercial and retail services for pets that is designated for pet use (such as veterinarians or boarding facilities); may not exceed 200 square feet.
- Playground Turf means irrigated lawn grass in designated play areas with playground amenities, including but not limited to slides, swings and climbing structures on homeowner association-owned or managed property or at a public park, water park, school, daycare, youth recreation center, senior center or religious institution.
- Resident Area Turf means up to 150 square feet of irrigated lawn grass per dwelling unit at multi-family residential properties or assisted living and rehabilitation centers used by tenants for recreation and leisure.

Mauricia Baca spoke about existing properties and their ability to establish the use of turf as functional. Mr. Marshall responded that something like that would be part of a waiver process. He added that it is important to define the use so that there is an established criterion and mentioned that longevity of use is not necessarily a component of the criteria. Ms. Pellegrino added that the waiver would be separate from the definition and the waiver would need a set of factors that would need to be defended. Scott Black asked about future conversion projects and if the Authority or NTRAC will have a consultative approach where recommendations can be made. He gave an example of a high school soccer field with a slope near the bleachers on the outside of the field. Ms. Pellegrino said staff would be willing to look at any examples but are trying to make these definitions with a broad stroke, realizing that not every circumstance will be covered under the definitions. Ms. Baca asked if this is just for existing athletic turf or for future development. Ms. Pellegrino stated that the definitions under NTRAC's purview are for

existing properties and that municipal codes already exist for future development. Regarding the Pet Relief Turf definition, Mr. Hahn stated that 200 square feet is not enough turf for those facilities to care for pets. Ms. Pellegrino stated that this is informed by what is seen in the community today, as many of these facilities have 200 square feet or less and many utilize artificial turf. Mr. Hahn then asked if there is any restriction on sprinklers for artificial turf, primarily for cleaning. Mr. Marshall said there is nothing prohibiting sprinklers on artificial turf and said that it is common to have some spray irrigation for cleaning and maintenance of artificial turf. He added that the amount of water used for this is still far less than what is used for regular turf. Regarding the definition for Residential Area Turf, Larry Fossan clarified the formula for calculating turf allocation. Mr. Marshall added that the turf must be in areas reasonably accessible for active use by residents and not located in streetscapes, parking lots, roundabouts, medians, etc.

Mr. Marshall then presented the definition for nonfunctional turf which means irrigated lawn grass area not meeting the definition of Functional Turf, including without limitation, such areas as streetscape turf, frontage, courtyard, interior and building adjacent turf and certain HOA-managed landscape areas. Tena Cameron spoke about office parks and properties, stating that there are turfed areas next to a building where employees actively go to eat lunch or spend time outdoors on their break. Mr. Marshall stated that particular use is not currently defined as functional but may be part of a waiver process. He recommended that other ways be considered to give employees a nice outdoor experience without the use of turf.

David Strickland commented that many older office parks in the valley need to differentiate themselves from the newer ones, which create amenities inside, to compete for tenants, and they create outdoor spaces for employees to gather for health and well-being. He indicated that a nice grass area plays a large role in creating that space and experience. He later suggested that perhaps the structure of these office parks can be set up much like the multifamily residential where a formula per unit could be used to determine turf allotment. Ms. Cameron stated that many of these areas are an extension of the workplace and are functional in that regard. She added that she hopes there are some exceptions to this definition or ways to show an active use of these spaces.

Mr. Fossan commented that these conversions will have a large economic impact on many of these sectors and costs will likely be passed on to the tenants and residents. Ms. Pellegrino stated that the Authority is sensitive to the economic impact and while it is not the intent of the NTRAC to look at a potential incentive structure, Authority staff will need to re-evaluate some of the conservation program requirements. She added that there is a lot of work that needs to happen in the land use planning sector related to water supply.

Mr. Hahn asked if the committee would help define irrigation efficiencies. Ms. Pellegrino stated that the Authority has an existing program and incentive for cool season to warm season conversions and that irrigation efficiency definitions will not be the purview of the NTRAC. Mr. Black commented that from a governmental oversight standpoint, it is important to adhere to the three guiding principles for these definitions mentioned earlier about consistency in the application of the law, clear definitions that can be applied uniformly and objectively, and thorough definitions that inform whether turf will or will not be permitted under the law.

The next meeting is scheduled for Wednesday, October 27<sup>th</sup>.

**PUBLIC COMMENT**

Three members from the public, Robert Gibson, Stacy Standley and Anabel Najarro, submitted written comment in advance of the meeting. Their comments are attached to this meeting summary.

**ADJOURNMENT**

The meeting was adjourned at 4:37 p.m.

# WRITTEN PUBLIC COMMENT SUBMITTED FOR THE RECORD

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**From:** Robert Gibson <hoot@hootrjgibson.com>  
**Sent:** Friday, September 17, 2021 12:23 PM  
**To:** &PublicComment  
**Cc:** Mitch Bishop SNWA  
**Subject:** {EXTERNAL} Nonfunctional Turf designations

I am a full time Las Vegas resident with two Golden Retrievers. My wife and I walk our dogs nearly everyday along the strip of grass which adjoins the community wall between Innisbrook Ave and Hacienda St. This strip of grass has two dog waste stations with "poop bags" for the residents' use.

During the hot months( about 5 months of each year) the asphalt street and concrete sidewalk are too hot and would burn the dogs' paws. Thus, this grass is essential for our dogs' exercise ( as well as following my cardiologist's orders for my 75 year old heart). Replacing the grass with decorative stone will not avoid this danger.

The availability of this grass for our walks was an important factor in our decision to purchase our home.

I am greatly concerned about the SNWA being overly aggressive in determining what is actually "nonfunctional" turf. For example, it is reported that SNWA has used aerial photography to determine the amount of nonfunctional turf to be removed. I don't recall seeing any aircraft overhead when I walk our dogs.

Consequently, I am writing to encourage the Advisory Committee and SNWA to adopt a common sense approach in defining functional turf to protect the grass used by residents, like my wife, our dogs and me.

Also, there needs to be a user friendly method for residents to challenge any adverse findings without having to hire expensive lawyers.

Thank you for your consideration in saving our very functional grass.

Robert Gibson  
43 Innisbrook Ave  
Las Vegas, NV

Sent from my iPad

# WRITTEN PUBLIC COMMENT SUBMITTED FOR THE RECORD

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**From:** ANABEL NAJARRO <anabel.najarro@gmail.com>  
**Sent:** Tuesday, September 21, 2021 9:14 AM  
**To:** &PublicComment  
**Subject:** {EXTERNAL} Nonfunctional Turf

Good morning, my comments and question are as follows:

We live in a 55+ HOA that owns a "maintenance easement" on all the front yards of 179 single family residential units. The HOA owns the grass, the trees, the bushes and the irrigation. We, the individual homeowners, don't control or pay for the water used and wasted on the front yards.

Our CCRs state that the front yards are for the visual enjoyment of the HOA and for the exclusive use of the unit's owner. The grass is only walked on when the landscapers are mowing it and it is only used when people bring their dogs to pee and poop on it even though they are not supposed to according to our CCRs. The grass on the front yards is not used for sports, play, picnics, or other recreation purposes. **It is only to look at and it belongs to the association.**

Doesn't this grass on the front yards qualify as nonfunctional?

In our last HOA meeting, the board announced that they would allow homeowners who want to convert to desert landscaping to do so if the homeowner pays for the conversion and hooks up the irrigation to their own water.

My husband and I want to convert to desert landscaping but we don't think that it is equitable to pay for the conversion and the water to maintain it, when the HOA is paying to replace the rest of the homeowners' useless grass and the water to maintain it even when the homeowners don't care about water waste. We feel like we are being penalized for wanting to convert to desert landscaping in order to conserve water.

Thanks for your attention and I hope that you will take our unique situation into consideration when defining non functional turf.

Anabel Najarro

## WRITTEN PUBLIC COMMENT SUBMITTED FOR THE RECORD

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**From:** stacy standley <stacystandley@hotmail.com>  
**Sent:** Sunday, September 19, 2021 5:06 PM  
**To:** &PublicComment  
**Subject:** {EXTERNAL} Questions and points to address for the NFTRC  
**Attachments:** QUESTIONS for\_Non-Functional Turf Removal Advisory Committee\_NTRAC\_9\_5\_2021.pdf

Please find attached my thoughts and questions on AB356, I will look forward to hearing the response during the meeting on Wed.

Thank you

702-443-1302

# Non-Functional Turf Removal Advisory Committee (NTRAC)

Comments for consideration by NTRAC

submitted on behalf of

Clark County

**“Common-interest Community”**

with Non-Functional Turf subject to removal by 2027

## SNWA water use and sources.

Today SNWA only uses a little more than its 2020 yearly 234,000-acre feet per year (AFY) of its allocation of 276,205 AFY of the Nevada 300,000 AFY allocation from the Colorado River water because since 2000 water use goes down 47% from 211 gallons per capita per day (GPCD) to 101 GPCD and consumption goes down 23% while population increased by 52% ... and water use is projected to be 98 GPCD by 2035 while there will be new growth of 820,000 people.

The SNWA also created a new Colorado River water supply from “Return Flow Credits”, “Water Reuse”, “Flood Control Surplus”, “Domestic Surplus”, plus over 2.1 MAF of new water supply from “Intentionally Created Surplus” (ICS, actually a variety of surplus categories), “Water Banks”, reuse recycling agreements with MWD and irrigation water created by cooperative agreements for fallowing Colorado River irrigation. <https://www.snwa.com/assets/pdf/water-resource-plan-2020.pdf>

The SNWA and LVVWD (and the other local Clark Country water suppliers) have accumulated about **49,961 AFY of local Nevada groundwater supplies** that are **not Colorado River water** subject to the annual Nevada cap of 300,000 AFY agreed to by Nevada under the “Law of the River”, and **importantly also not subject to AB 356 compelling removal of Non-Functional Turf by 2027.**

Yes, commendation for SNWA and its 7 local water suppliers is certainly in order for excellent leadership.



## Now comes the hard part for SNWA and NTRAC!

Clark County's population is projected to grow from 2,347,920 today to reach approximately 3.02 million by 2035 and nearly 3.38 million by 2060.

<https://files.clarkcountynv.gov/clarknv/2021%20CBER%20Population%20Forecasts.pdf?t=1623772343737&t=1623772343737>

Much of that new population growth will be on about 30,633 acres of Bureau of Land Management (BLM) land sold to land developers for housing an additional 820,000 people if the Southern Nevada Economic Development and Conservation Act (SNEDCA) proposed as S. 567 by Senator Cortez-Masto (D.-NV) becomes law.

About 29,150 AFY of water supply needed for that new growth is projected to be supplied by removal of 3,900 acres of Non-Functional Turf by Clark County **"Common-interest Community"**, and other businesses.

**Will this be: "Robbing Peter's Well to Pay Paul's Well ... Until Both Wells Run Dry".**

**Without a doubt, every current resident in Clark County "Common-interest Community" would do anything in their power to reduce water use for the benefit of their fellow citizens in desperate time of need.**

But one wonders if they would do that for 820,000 new people who will be using the water **every current resident in Clark County "Common-interest Community"** stops using for irrigation of Non-Functional Turf ... and without any significant compensation for the millions of dollars existing residents have been paying since at least 1985 for improving and expanding and enhancing the Clark County water systems and making their local housing developments the beautiful pride of the desert.

It looks like only the land developers actually benefit from all of this sacrifice by existing residents for future new residents.

How much do the land developers stand to make: billions if not tens of billions no doubt.

How much do the existing homes owners stand to lose, equal hundreds of millions if not billions no doubt.

This is wealth transfer plain and simple.

But not wealth from existing homeowners to new homeowners, instead more wealth is transferred to land developers ... which developers also contribute money to politicians ... and developers also pay fees to SNWA and the 7 local water suppliers so these agencies can prosper!

## Consider what local homebuilders actually say:

Conservation frees water, reduces per capita consumption and strengthens builders' arguments that the desert can accommodate more growth, Walker said for Southern Nevada Homebuilders' Association. "And the benefits are the ability to keep doing what we do, which is building homes."

Las Vegas, for example, mostly ignores toilets, showers and dishwashers because the water authority is able to treat and recycle indoor wastewater and let it flow through a natural wash into Lake Mead — the Colorado River reservoir behind Hoover Dam. It is filtered again for reuse.

Las Vegas needs to drastically reduce the 5,000 acres of "non-functional turf grass" in Las Vegas at the cost of the homeowners and HOA's and give the water supply and treated water capacity to new growth.

<https://www.reviewjournal.com/news/politics-and-government/2021-legislature/with-water-shortage-likely-snwa-targets-decorative-grass-2325788/>

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## Will removing Non-Functional Turf actually reduce water use over the long haul?

SNWA says yes.

The General Assembly of the State of Nevada says yes.

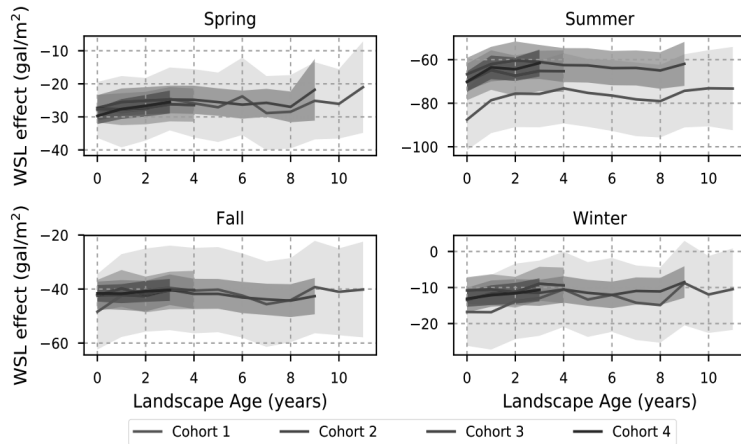
The land developers say yes.

The NTRAC will now need to say yes or maybe or no or grant waivers or ?

But what do independent experts say?

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**“Rebound effect” shows water reduction by “xeric” landscaping declines over time.**  
**OAK RIDGE NATIONAL LAB REPORT ON SNWA INDICATES WATER SAVINGS OF ONLY 18%**  
**NOT THE SNWA’S PROJECTED 50% FROM TRUF REMOVAL**



Smart Are ‘Water Smart Landscapes’?” provides an independent Turf grass (Mesic means humid region grass) and replacing it (hic”). The conclusion is there is an unintentional “rebound down to only about 18% instead of the projected 50% or more

Figure 6: Regression results showing the relationship between the age of a WSL conversion and the water savings generated.

## Whose water is it after all?

As we said above, the SNWA has accumulated about 49,961 AFY of local groundwater supplies that are not Colorado River water subject to the annual cap of 300,000 AFY agreed to by Nevada under the “Law of the River”. (according to SNWA’s Water Resource plan 2020)

The local groundwater supplies (i.e.. wells) stated above were created by the legal beneficial use of Nevada groundwater under Nevada Water Law from about 1985 to 2021.

Who created that 49,961 AFY of groundwater rights?

They were created by new growth from about 1985 to 2021 which included residential homes in “Common-interest Community”.

Clark County approvals mandated the installation of the cold weather turf grass (“Mesic” plants) for “functional” and “non-functional” turf grass in yards, parks, amenities, open space, homes and surrounding areas using the 49,961 AFY of local groundwater.

Thus, no water is currently applied to “non-functional” turf in any “Common Interest Communities” between 1985-2021 from the Colorado River and thus, is not subject to the new AB 356 law requiring the removal of “non-functional turf” irrigated by Colorado River water. ( **non function turf is 4,000 ac, water use on non function turf is 29,000 ac ft, and ground water is 49,961 ac ft, thus no Colorado River Water is used for non-functional turf**)

Therefore, the “Non-functional Turf Removal Advisory Committee” shall recommend a waiver of removal of any non-functional turf for such “Common Interest Communities” created from 1985-2021 because they were not and are not using Colorado River water for “non-functional turf” which is prohibited by AB 356.

## Other important considerations for NTRAC.

The use of “Netafin” and other similar irrigation water use reduction management systems are not successful in actual practice.

New growth contributes to traffic congestion, CO2 emissions, dust PM2.5 emissions, health impacts, reduction in quality of life, unnecessary water usage, higher ambient temperature, and generally is not a net benefit to Las Vegas or Nevada.

The reduction in non-functional turf creates a heat island where temperatures will rise well over 7 degrees (with some evidence of up to 31 degrees) CO2, and also adversely impacts mature trees which add cooling and cleansing of CO2 emissions.

Leaks in the SNWA and 7 local water suppliers' systems are excessive exceeding more water than could be saved from removal of non-functional turf, and leaks are not a good beneficial use of valuable water, and, thus, more water can be saved from loss and waste by an aggressive leak prevention program instead of non-functional turf removal.

Water fees and charges in the Las Vegas area by SNWA and the 7 local water suppliers are far too low compared to other growth cities ... and SNWA has lost too much revenue since 2015 due to low fees ... and all water related fees and charges must be brought up to higher competitive levels befitting a city in a desert.

<https://www.bluefieldresearch.com/download/29913>

SNWA should simply set a water reduction goal for each “Common-interest Community” and let them figure out how to achieve the goal, like SNWA does for the local golf courses and public parks already. Most “Common-interest Community” have already been leaders in all forms of best practices for water use reduction. Encourage success.

## IN SUMMARY

- About 29,150 AFY of water supply needed for new growth is projected to be supplied by removal of 3,900 acres of Non-Functional Turf by Clark County “**Common-interest Community**”, and other businesses.

**Will this be: “Robbing Peter’s Well to Pay Paul’s Well ... Until Both Wells Run Dry”?**

- The 820,000 new people who will be using the water **every current resident in Clark County “Common-interest Community”** stops using for irrigation of Non-Functional Turf ... and without any significant compensation for the millions of dollars existing residents have been paying since at least -1985 for improving and expanding and enhancing the Clark County water systems- **WHERE IS THE EQUITY IN THIS?**
- This is wealth transfer plain and simple-and may well be an illegal “taking”-\$3 psf is not compensation please defend this!
- Conservation frees water, reduces per capita consumption and strengthens builders’ arguments that the desert can accommodate more growth, Walker said for Southern Nevada Homebuilders’ Association. “And the benefits are the ability to keep doing what we do, which is building homes.” Why should C-I Cs give up water to land developers, and suffer depreciation of their home values?
- **Will removing Non-Functional Turf actually reduce water use over the long haul?** A report by Oak Ridge National Laboratory entitled “How Smart Are ‘Water Smart Landscapes’?” concluded “there is an unintentional “rebound effect” that over time significantly reduces savings of water down to only about 18% instead of the projected 50% or more by SNWA” So the real impact of 4,000 AC turf removal is not 36,000 ac feet annually but only 12,900 ac feet annually, enough water to support 25,000 homes or 100,000 people. Where is the water for the other projected 720,000 people going to come from? (720,000/4=180,000 homes/2 homes/ac ft=90,000 ac ft of H<sub>2</sub>O)

- **IN CONCLUSION:**

- **Whose water is it after all? Since no Colorado River Water is used for non-functional turf, AB356 is a moot point and it cannot require the removal of non-functional turf.**



## MEETING SUMMARY

*October 20, 2021, 1:00 p.m.*

*Colorado River Conference Rooms, Southern Nevada Water Authority  
100 City Parkway, 7th Floor, Las Vegas, Nevada*

NTRAC members present:	David Strickland	Tena Cameron
	Larry Fossan	Scott Black
	Brian Walsh	Mauricia Baca
	Stephanie Bressler	Dale Hahn

NTRAC members absent: Tom Burns

Staff present:	Colby Pellegrino	Zane Marshall
	Mitch Bishop	JC Davis
	Tabitha Simmons	

### PUBLIC COMMENT

There were no members from the public wishing to speak; however, Colby Pellegrino, Deputy General Manager of Resources, acknowledged written comment received from David Gray, which were provided to the committee members and are included herein.

### SUMMARY OF ACTIVITIES

The Southern Nevada Water Authority's (Authority) Nonfunctional Turf Removal Advisory Committee (NTRAC) met on Wednesday, October 20, 2021. The meeting began at 1:05 p.m.

*#1 Approve agenda and minutes from the September 22, 2021 meeting.*

Scott Black moved to approve the meeting agenda and the minutes from the September 22, 2021 meeting. The motion passed.

*#2 Discuss defining functional and nonfunctional turf at non-single family residential properties, including potential waiver eligibility and criteria.*

Ms. Pellegrino provided a review of the committee's draft definition of nonfunctional turf, which includes streetscape turf; frontage courtyard, interior and building adjacent turf; and certain HOA-managed landscape areas.

She also discussed the working definition of functional turf, which has been revised based on the committee's input to mean: *an irrigated lawn grass area that provides a recreational benefit to the community and is:*

- (a) Located at least 10 feet from a street (except as otherwise specified), installed on slopes less than 25%, and not installed within street medians, along streetscapes or at the front of entryways to parks, commercial sites, neighborhoods or subdivisions; and*

*(b) Active/Programmed Recreation Turf, Athletic Field Turf, Designated Use Area Turf, Golf Course Play Turf, Pet Relief Turf, Playground Turf or Resident Area Turf, as these items are further defined and qualified.*

Ms. Pellegrino then provided the definitions for the various types of functional turf, based on committee feedback, as follows:

**Active/Programmed Recreation Turf:** Irrigated lawn grass in an active/programmed recreation area on homeowner association-owned or managed property at a public park or water park (excluding park streetscape and community frontage areas). Turf on these properties must be 1,500 contiguous square feet or greater; and co-located with facilities, including but not limited to trash bins, benches, tables, walking paths and/or other recreational amenities. The turf must be located at least 10 feet from a public or private street or interior facing parking lot unless the contiguous turf areas at least 30 feet in all dimensions or the turf is immediately adjacent to an athletic field.

Ms. Pellegrino explained that the original definition of active/programmed recreation turf required the turf to be fenced, mainly with regards to schools. This requirement was removed because fenced turf at schools already met the other criteria in the definition.

**Athletic Field Turf:** Irrigated lawn grass used as a programmed sports field or for physical education or intramural use that is 1,500 contiguous square feet or greater, not less than 30 feet in any dimension, and located at a school, daycare, youth recreation center, senior center, public park, private park, water park or religious institution. Athletic field turf may be located less than 10 feet from a public or private street or interior facing parking lot if the contiguous turf area is less than 30 feet in all dimensions.

**Designated Use Turf Area:** Irrigated lawn grass designated for special use at cemeteries and mortuaries.

**Golf Course Play Turf:** Irrigated lawn grass at a golf course in driving range is chipping and putting greens comma tee boxes comma greens comma fairways and rough.

**Pet Relief Turf:** Irrigated lawn grass in a property providing commercial and retail services for pets that is designated for pet use (such as veterinarians or boarding facilities). Pet relief turf may not exceed 200 square feet.

**Playground Turf:** Irrigated lawn grass in designated play areas with playground amenities, including but not limited to slides, swings and climbing structures on homeowner association owned or managed property or at a public park, water park, school, daycare, youth recreation center, senior center or religious institution. Playground turf may be located less than 10 feet from a public or private street if fenced.

**Resident Area Turf:** Up to 150 square feet of irrigated lawn grass per dwelling unit at multi-family residential properties, commercial/multi-family mixed use properties, extended stay hotels/motels, or assisted living and rehabilitation centers used by tenants for recreation and leisure. Resident area turf must be in areas reasonably accessible for active use by residents and therefore may not be located in streetscape frontages, parking lots, roundabouts, medians, driveways and other non-accessible or exclusive use areas such as commercial courtyards.

Ms. Pellegrino explained that this definition was amended to include extended stay hotels/motels, as they are generally used as a housing option as opposed to an amenity for tourists. Turf at mixed use properties,

such as turf at an office park where people also live, was also included as a result of feedback from the committee. This turf must be accessible by residents and not solely used by commercial tenants.

David Strickland asked if a business hotel would fit into this category. Ms. Pellegrino responded that there are very few of these types of properties, where, for example, an apartment is next to a hotel with adjacent turf, but that the turf must be appropriate for the people living there.

Ms. Pellegrino then provided information on functional turf waiver eligibility and the waiver process.

Brian Walsh asked if a programmable area attached to a commercial property, such as the turf fields at Downtown Summerlin, would require a waiver. Ms. Pellegrino acknowledged that it isn't possible to craft definitions to cover every instance, but that this particular property would require a waiver.

Dale Hahn referenced wedding lawns at golf courses and asked if they might fall under "Designated Use Area Turf." Ms. Pellegrino responded that those types of areas have been discussed and will require a waiver. She added that the waiver eligibility would depend largely upon how often the turf in the area is used.

Scott Black commented that many parks have incorporated pet parks, which are also used for pet relief, and asked if the pet relief definition should be considered functional within a public park. Ms. Pellegrino responded that pet relief areas are limited to 200 square feet and are intended for use at veterinary offices, while dog parks would fall within "active/programmed recreation turf."

Ms. Pellegrino then discussed waiver applications, the review process, and reconsideration and appeal in the instance that an entity is not satisfied with staff's decision. She indicated that anyone could apply for a waiver for functional turf that provides a recreational benefit to the community and meets the functional turf definition.

Tena Cameron asked if there would be considerations for time extensions if a non-functional turf conversion project cannot be completed within the five-year timeframe. Ms. Pellegrino responded that the AB356 legislation does not require the committee to make a recommendation regarding extensions of time, but it does give the Authority Board the ability to approve or deny such extensions.

Zane Marshall, Director of Resources, led a discussion covering several properties illustrating various examples of functional and nonfunctional turf, the reasons for certain turf areas being defined as nonfunctional, and the square footage of nonfunctional turf at each property. He discussed examples at the following types of properties, which can be found in the presentation included with these minutes:

- Hospitals and medical offices
- Commercial and retail centers
- Hotels, motels and resorts
- Golf courses
- Government facilities
- Homeowners' associations
- Religious institutions
- Cemeteries and mortuaries
- Schools and daycares
- Youth recreation and senior centers
- Multi-family residential
- Assisted living and rehabilitation centers
- Parks
- Commercial and industrial office parks

Mr. Marshall also discussed potential waiver considerations for the different property types.

Dale Hahn said that when TPC participated in the Authority's turf removal program, they were required to do a technical drainage study, and that any turf within a drainage plain was required to be kept. He asked if drainage control should be addressed, and whether it would be subject to a waiver or handled up front. Ms. Pellegrino responded that those instances would be best handled through the waiver process because it is a site-specific issue as to whether there is another alternative for that turf. She added that the Regional Flood Control District has provided a map of the areas in which turf is required for flood control, and that most of it is, by definition, functional turf.

Dale Hahn asked if a cemetery that removes nonfunctional turf, but then wants to expand in the future would be able to do so. Ms. Pellegrino responded that cemeteries install turf as they develop a unit, and that it would still be considered functional. Mr. Marshall added that if they have relinquished a conservation easement as part of the Water Smart Landscapes Program, that easement can be removed through reimbursement at a later date.

Ms. Pellegrino then asked the committee if there was anything else that needed to be discussed before moving forward with recommendations.

David Strickland commented that an office park that would need to completely relandscape its property, to comply with AB356, could incur significant costs. Ms. Pellegrino acknowledged that certain projects would require significant capital costs and added that at last legislative session, the Authority worked to make water efficiency improvements eligible for Property Assessed Clean Energy Program (PACE) loans, which will allow property owners to make water efficiency improvements with a low interest loan tied to the property.

David Strickland thanked Authority staff for taking him to the Springs Preserve and educating him on sustainable and aesthetically pleasing alternatives to non-functional turf.

Mauricia Baca said that people have reached out to her about the potential impact that turf removal could have on wildlife. She said that there is an educational opportunity that comes with turf removal, and planting replacement species that are both desert appropriate and promote wildlife outcomes.

Ms. Pellegrino said that a draft of recommendations will be ready for discussion at the committee's November 17 meeting, with the goal of the Authority Board considering the recommendations on January 20, 2022.

Larry Fossan stated that committee members would need to take this information to their constituents and asked if the Authority would be able to provide maps (such as those in the presentation) of functional turf, as well as non-functional turf removal opportunities. Mr. Marshall responded that staff has the capacity to produce such maps.

David Strickland asked if there is consideration of non-functional turf alternatives that don't use any water. Ms. Pellegrino discussed an incentive program in which parks can remove turf and put in a sporting facility or something similar.

Scott Black commented that this process lays the foundation for a successful future, but that it's complex because the community is being asked to do something completely new and different than what has been done historically. He asked if a sample financial illustration from each category could be provided, covering the turf removal process from beginning to end, including project and rebate costs. Ms. Pellegrino responded that the Authority has data from past conversions that could be shared. J.C. Davis, Enterprise



Conservation Division Manager, said that on approximately one-third of turf removal projects, the Water Smart Landscapes rebate has covered the entire cost, and that for the remainder of the projects, the rebate has generally covered about 75 percent of the project cost.

Larry Fossan said that these turf replacements will not only result in water savings but will also yield significant savings in maintenance costs.

Brian Walsh reiterated said that this isn't a question of if we choose to comply, but that it is something that must be done.

The next meeting is scheduled for Wednesday, November 17.

**PUBLIC COMMENT**

There were no members from the public wishing to speak.

**ADJOURNMENT**

Meeting was adjourned at 2:45 pm.

## WRITTEN PUBLIC COMMENT SUBMITTED FOR THE RECORD

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**From:** David Gray <davidgray414@aol.com>  
**Sent:** Tuesday, October 19, 2021 4:35 PM  
**To:** &PublicComment  
**Subject:** {EXTERNAL} Fwd: Considerations For Possible Future Turf Waiver & Exemption Requests

Sent from my iPad

Begin forwarded message:

**From:** David Gray <[davidgray414@aol.com](mailto:davidgray414@aol.com)>  
**Date:** October 19, 2021 at 3:47:37 PM PDT  
**To:** [publiccomment@snwa.com](mailto:publiccomment@snwa.com)  
**Cc:** stacy standley <[StacyStandley@hotmail.com](mailto:StacyStandley@hotmail.com)>, [lisam@spanishtrail.net](mailto:lisam@spanishtrail.net), Debra George <[dgeorgecpa@aol.com](mailto:dgeorgecpa@aol.com)>  
**Subject:** Considerations For Possible Future Turf Waiver & Exemption Requests

To: Nonfunctional Turf Removal Advisory Committee

For over 15 years I have had the privilege and joy of living in one of the unique communities in the Las Vegas Valley - Spanish Trail. What makes it so unique and desirable is the way it was designed and landscaped over 35 years ago as an "oasis in the desert". Yes - this was done before the seriousness of our ongoing drought but over the years the community has done its part proactively in terms of turf reduction and water management. To date, we have removed over 500,000 square feet of turf and received an award from SNWA for our water conscious landscaping (which we proudly display in our HOA office). Having been President of one of the HOA Boards I was personally involved and participated in many of the decisions that were made.

I realize the dire drought situation we are in and know that the various Sub Associations along with our Master Board are drawing up plans for additional "nonfunctional" turf removal to comply with the law that is in place. Because of the way our community is designed - I hope the committee will give careful consideration to any future waivers and exemptions that any of our Boards may request for the reasons noted below:

- IMPACT ON OUR MATURE TREES: We have literally thousands of 35 year old trees surrounded by grass that are conditioned for certain sprinkler watering patterns. A very elaborate drip irrigation system in a grid network would need to be installed to mitigate any damage and stress to the trees. An arborist tells me that for the first few years there would be very little water savings as the drip system would have to run excessively to insure deep watering while avoiding stress to the tree. Even at that - there is no guarantee that the tree would not go into shock, catch a disease and potentially die with the need for removal.

- GREENBELTS - OUR BACKYARDS: Again, our community was designed so that many homes face very large park-like areas that are consistently used for rest and relaxation - including dog walking, playing frisbee / catch or just taking in the wonderful views and vistas that we enjoy. Much like the backyards of individual homes that are apparently exempt - these greenbelts are the backyards for our townhome communities.

- PROPERTY VALUES AND FINANCIAL IMPACT: I realize the goal of turf reduction is to save water however again, because of the design of our community, we are also subject to the possibility of a significant financial impact due to: the possible loss and cost of removing diseased / dying mature trees, the cost of installing an elaborate drip system to maintain them, the cost of premium drought tolerant landscape to maintain our landscape standards and the possible effect on property values due to a huge esthetic change - an environment quite different from the one that drove many homeowners to purchase here.

- IMPACT TO OUR FINE FEATHERED FRIENDS: Our community, as well as most of Las Vegas, is in the Pacific Flyway - the path that migratory birds take when flying North to South. Over the years, our community has become home to a large flock of geese that regularly feed on our plentiful grassy areas along with our permanent duck population.

I am sure our community will step forward with what we feel is appropriate for the next phase of nonfunctional turf reduction. However, I am hoping for the reasons stated above a close look will be given to the special circumstances and effect on Spanish Trail should any of our Boards make that request.

Thank you for your time and consideration.

David Gray  
7211 Mission Hills Drive

Sent from my iPad



## NONFUNCTIONAL TURF REMOVAL ADVISORY COMMITTEE MEETING SUMMARY

*November 17, 2021, 1:00 p.m.*

*Colorado River Conference Rooms, Southern Nevada Water Authority  
100 City Parkway, 7th Floor, Las Vegas, Nevada*

NTRAC members present:	David Strickland	Tena Cameron
	Larry Fossan	Scott Black
	Brian Walsh	Tom Burns
	Dale Hahn	Mauricia Baca ( <i>via phone</i> )

NTRAC members absent:	Stephanie Bressler
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Staff present:	Colby Pellegrino	Zane Marshall
	Doa Ross	Katie Horn
	Mitch Bishop	

### **PUBLIC COMMENT**

Robert Gibson, 43 Innisbrook Ave., provided a letter to the committee prior to the meeting and summarized it during public comment. His letter is attached to this summary.

Ed Uehling, Las Vegas, commented that the proposed plan to remove non-functional turf is a re-distribution of wealth from the east side of the valley to the west side. He provided written comment to the committee, which is attached to this summary.

Andrew Kerr, Las Vegas, provided a letter to the committee prior to the meeting and read it during public comment. His letter is attached to this summary.

### **SUMMARY OF ACTIVITIES**

The Southern Nevada Water Authority's (Authority) Nonfunctional Turf Removal Advisory Committee (NTRAC) met on Wednesday, November 17, 2021. The meeting began at 1:01 p.m.

*#1 Approve agenda and minutes from the October 20, 2021 meeting.*

Brian Walsh motioned to approve the meeting agenda and the minutes from the October 20, 2021 meeting. The motion was approved.

*#2 Review draft recommendations, including definitions for functional and nonfunctional turf, and make any changes or additions to the recommendations.*

Colby Pellegrino, Deputy General Manager of Resources, stated that a Recommendations Report was shared with the committee and posted online, and includes an overview of the members, process, discussion and issues. The report seeks to formalize the functional and nonfunctional turf definitions, the waiver process and future committee convening and outreach efforts. Ms. Pellegrino reviewed the draft Recommendation #1, which is the definition for non-functional turf and the draft Recommendation #2, which is the definition of all functional turf types, including: Active/Programmed Recreation Turf, Athletic Turf, Designated Use Area Turf, Golf Course Play Turf, Pet Relief Turf, Playground Turf and Resident Area Turf. Ms. Pellegrino went into more detail for the Resident Area Turf definition as it came

up as part of public comment. Dale Hahn asked if the definition should specifically include “townhome and duplexes.” Ms. Pellegrino responded that their zoning classification is a multi-family residential property, but if desired, the committee can include more specific language. Doa Ross, Deputy General Manager of Engineering, stated that the term “townhome” is not in statute and is not a legal term, adding that “single-family attached” is the correct language and is how it gets mapped. After discussion, the committee’s consensus was to add “single-family attached properties” to the Resident Area Turf definition. Larry Fossan asked about large limited common areas within townhome HOAs that the HOA maintains and was deeded to them. Ms. Pellegrino stated that the area that is deeded to the HOA to maintain is not considered single-family residential, and the language in the statute is exclusively for the use of a single-family residence and would be subject to the non-functional turf definitions.

Ms. Pellegrino stated that Recommendation #3 is to establish a waiver process for non-single family residential properties for turf that is not permitted under the current definitions. She presented a quick reference table that includes all the functional turf definitions, and then noted the waiver eligibility and the review process. She also gave an overview of the reconsideration and appeal process if a customer is not satisfied with the waiver application decision. Tena Cameron stated that the schedule for the waiver process is not included in the Recommendations Report and suggested that it be added. Ms. Pellegrino stated that it will be added to report.

Ms. Pellegrino stated that Recommendation #4 is to reconvene the NTRAC as needed to discuss other issues pertaining to the implementation of AB356. There was no discussion on this recommendation.

Ms. Pellegrino stated that Recommendation #5 is to conduct outreach activities with non-single family residential property owners and managers to support implementation of AB356. There was no discussion on this recommendation.

Mr. Hahn asked about a property mentioned in opening public comment and how it specifically might relate to the waiver process. Ms. Pellegrino stated that if a property does not meet the functional turf definition and requirements, the waiver process is intended to catch those properties that don’t fit squarely in the definitions. David Strickland asked what managed property means as it relates to the Active/Programmed Recreation Turf definition and asked if it included the commercial side. Ms. Pellegrino stated that the definition is intended to be homeowner association or managed property and does not include anything in the commercial or retail sectors. Ms. Cameron stated that the definition might lead to some confusion because there is nothing specific as it relates to the commercial sector and suggested that the report specifically state that commercial property turf is not considered functional in any way. Zane Marshall stated that if an area is not defined as functional turf in the definitions, then it is non-functional turf and suggests taking that approach, adding that it would prove difficult to have a definition for every case for non-functional turf that occurs across the valley. There was some discussion within the committee, and it was determined that the definition remain unchanged.

*#3 Discuss, finalize and, if appropriate, approve the Recommendations Report and submit the report for consideration by the Southern Nevada Water Authority Board of Directors.*

Scott Black made a motion to approve the Recommendation Report with the addition of “single-family attached property” under the Resident Area Turf definition and including the Quick Reference Table. The motion was approved.

*#4 Review the Plan for Removal of Nonfunctional Turf, and direct staff accordingly.*

Ms. Pellegrino stated that Assembly Bill (AB356) requires the SNWA to develop an implementation plan for the removal of nonfunctional turf to be approved by the SNWA Board of Directors. A draft plan was presented to the committee and posted online incorporate their draft definitions and recommendations. Mr. Black asked that an overview of the plan and its components be presented for the record. Ms. Pellegrino stated that the plan highlights how the SNWA has managed the use of Colorado River Water and how AB356 fits into water management. The implementation of the plan gives a high-level overview of the nonfunctional and functional turf definitions, the waiver process and community outreach. Mr. Black stated that this plan is straightforward and reflects what the committee has done over the past several months, with the focus on conserving water resources in the Las Vegas valley. He added that the outreach and consultative approach is a valuable piece to the implementation of this plan.

Mr. Black made a motion to approve the Implementation Plan for the Removal of Nonfunctional Turf in Southern Nevada. The motion was approved.

*#5 Discuss next steps in the committee process and community outreach.*

Ms. Pellegrino stated that the SNWA recognizes that many properties in Southern Nevada will be affected by the legislation and definitions and gave an overview of the outreach efforts and opportunities to communicate to the Southern Nevada community. SNWA staff outreach efforts include, but are not limited to:

- Web pages that include the definitions and examples
- Speakers bureau, tailored to industry
- Direct mail to property owners
- Stakeholder briefings
- Targeted outreach to professional associations and business groups
- Water bill insert information
- *Water Smart Living* homeowner newsletter information
- Social media
- Vegas Valley H2O segment
- Springs Preserve tours of water smart landscaping
- Dedicated conservation staff to handle call volume, inquiries and program management

Mr. Fossan recommended that staff reach out specifically to the landscape market and their water management group, to help correct some bad industry habits and help find other ways to save water. Ms. Pellegrino stated that this effort will be added to the list and recommendations. Mr. Walsh added that this effort is for the committee and the SNWA to help identify what is and is not functional turf, as it relates to the legislation, and NOT that the SNWA, as an organization, is responsible for removing all nonfunctional turf in the valley. While a nuance, he stated that it is important to clarify, to which Ms. Pellegrino agreed and added that communication will become more targeted as time goes on. Mr. Strickland recommended the inclusion of commercial managers and property owners in the outreach efforts, and Tom Burns volunteered the resources of the various Chambers as another outreach opportunity. Ms. Pellegrino stated that targeted outreach to professional associations and business groups will be a key piece in this effort.

Ms. Pellegrino stated that today's meeting was to discuss and finalize recommendations and that the SNWA Board will consider the committee's Recommendations Report at their January 20, 2022 meeting. She stated that public outreach will begin following that Board meeting and approval of the report and

added that the NTRAC may reconvene as needed to discuss other issues pertaining to the implementation of AB356. Ms. Pellegrino concluded by thanking the committee members for their time, resources, and education on their specific industries.

#### **PUBLIC COMMENT**

Robert Gibson stated that under the Nevada constitution, it is an illegal and wrongful action to not allow the use of water for irrigation and that such action requires payment to the owners for their loss of property value in addition to the loss of use. He stated that while there is a \$3 water smart landscape rebate for turf removal, that amount does not cover costs for turf removal and new landscaping, not to mention potential property value loss.

Ed Uehling continued his comment about a re-distribution of wealth from the east side of the valley to the west side, adding that many homes, especially on the east side of the valley have lost property value due to the removal of turf, and how existing customers have subsidized the pumping of water to the west side of the valley for new construction. Ms. Pellegrino stated that there is more nonfunctional turf in the more affluent areas of the community than in the less affluent areas of the community.

Kam Brian, COO for Par 3 Landscape, stated that their company has more than 400 customers in the valley and many are anxious about how this legislation will affect their communities. He stated that these broad definitions have unintended consequences and stated that Par 3 Landscape wants to be part of a solution, as they have removed more than one million square feet of turf across the valley. He commented on the waiver process and recommended that there be the ability to come to the committee and offer a different method to achieve the same water savings goal, even if it falls outside the definitions made by the committee.

Lisa Perry, Las Vegas, asked for clarification on the limited common use element for associations that water single-family residential turf.

Along with Robert Gibson, Andrew Kerr and Ed Uehling, Kathi Meci submitted written comment in advance of the meeting. Their comments are attached to this meeting summary.

#### **ADJOURNMENT**

The meeting was adjourned at 2:16 p.m.



**WRITTEN PUBLIC COMMENT SUBMITTED FOR THE RECORD**



Enjoying our dog walk area on Innisbrook Ave.



TO: Public Comment, SNWA

CC: Mitch Bishop, SNWA

RE: Nonfunctional Turf Designation

Based on the published and oral comments by the SNWA it is apparent that the definition of “nonfunctional turf” and its application to HOAs will be arbitrary, capricious, an abuse of discretion and unconstitutional.

- A. Adequate non-Colorado River water sources exist to maintain the turf which SNWA has targeted for removal.

The SNWA website provides the following: “about 10% of Southern Nevada’s municipal water supplies come from Las Vegas Valley groundwater”; total Las Vegas water use per day is 489 million gallons; and projected savings from turf removal is 9.6 billion gallons a year.

Ten percent of 489 million gallons = 48.9 million gallons per day from ground water. This adds up to 17,848,500,000 gallons per year of ground water used. Turf to be removed uses 9,600,000,000 gallons per year. This is approximately 53.7% of the groundwater available annually.

Thus, using SNWA’s own facts, there is more than adequate ground water available for the turf targeted for removal. No Colorado River water needs to be used for the targeted turf. The SNWA’s refusal to acknowledge this conclusive fact renders all removal orders arbitrary, capricious, and an abuse of discretion.

As Mark Twain once stated, “Figures don’t lie, but liars do figure”.

- B. The proposed cutting water and resultant removal or killing of turf constitutes an unconstitutional taking of private property without just compensation in violation of the Nevada and United States Constitutions.

The SNWA will compensate a maximum of \$3/sf for some turf removal and landscape replacement. No one claims that this meager amount covers the true cost of turf removal, replacement with desert landscaping, and replacement of existing irrigation systems. Thus, unless the SNWA will compensate owners of turf the actual costs to be incurred, any actions by the SNWA to limit or cut off the historical water supply to owners of turf will constitute an unlawful “taking”.

- C. In many HOAs there are mature trees with turf covering the root systems to eliminate evaporation. Nobody disputes the importance of trees to help clean the air and lower temperatures in the Las Vegas Valley. In fact, the goal of the Las Vegas Urban Forestry Initiative is to “double the average tree canopy of 10 percent coverage to 20 percent by 2035”. Therefore, it is essential that the existing mature trees be maintained and watered. It is easily shown that in neighborhoods with a significant number of mature trees, the water currently being used is only the amount necessary to

maintain and permit growth of the trees. Thus, to require removal of the turf covering the root systems (which limits the evaporation of water) will not save water and is not justified and is an abuse of discretion.

- D. At the October 20, 2021 meeting, Mr. Marshall spoke of allowing resident area turf of up to 150 sf per dwelling unit in multi-family residential properties. This unqualified exclusion is not supported in A.B.356. This conclusive fact and the fact that an equal amount of “resident area turf” is not being granted to HOAs again demonstrates the arbitrary and capricious actions of the SNWA.
- E. Several of the illustrations provided at the October 20<sup>th</sup> meeting blindly categorized turf as nonfunctional simply because it was “sloped turf” or “streetscape” turf. Communities have designed watering systems for, “sloped turf”, that does not have street runoff. Most HOA communities utilize, “streetscape” and “sloped turf” for pet walking, owner exercise and other useful activities. The committee has provided no factual basis for its illogical 10-foot rule. As show in the photo included above, I frequently walk our dogs on grass within 10 feet of a private road. In other words, “streetscape” and “slope turf” can be functional. Yet, by making these two categories automatically “nonfunctional” the SNWA is acting in an arbitrary and capricious manner.
- F. It has become clear that the SNWA had blindly rushed to categorize virtually all turf that is not on a single-family residential lot as being nonfunctional. In doing so, it is acting arbitrarily and capriciously, abusing its discretion and is in violation of the Nevada and United States Constitutions.

Robert J. Gibson

43 Innisbrook Ave.

Las Vegas, NV 89113

## WRITTEN PUBLIC COMMENT SUBMITTED FOR THE RECORD

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**From:** Andrew Kerr <Andrew\_Kerr@outlook.com>  
**Sent:** Tuesday, November 16, 2021 4:42 PM  
**To:** &PublicComment; &Agendas  
**Subject:** {EXTERNAL} Public Comment for Nov. 17, 2021 NTRAC Meeting

Dear NTRAC Staff members:

I am a longtime resident who lives in a Las Vegas community that was designed and built in the 1980s.

I am concerned that the draft definitions of “functional” and “nonfunctional” AB356 do not envision my type of townhome sub-association community. I am concerned the implementation of AB356 will unequally harm my community. AB356 leaves alone the grass in yards of single family homes but does not seem to provide the same treatment for townhome communities. Both are residences where individuals and families live. Both use and enjoy the grass areas surrounding their homes in the same types of functions. They both should be protected equally.

The “functional” and “nonfunctional” definitions of AB356 do not seem to envision a townhome community like ours. We do not have grass areas by our homes that are 30 by 30 feet. We have many smaller spaces that are used and enjoyed throughout the day and every day.

Our private streets are within a walled private residential community so time spent on these grass areas is quiet, peaceful and safe with little traffic. This is far different than the busy Las Vegas Valley streets (as seen in your slides) by which the judgement seemed to have been made that no one would use grass within 10 feet of a road. In our community, these grass areas are enjoyed by elderly people, disabled people in wheelchairs and walkers, busy people taking their dogs out briefly as a break during their workdays and for longer walks in the evenings, teenagers and young children enjoying time on the grass, mallard ducks, geese, and other wildlife resting and foraging in the grass. Removing this grass would make our community much hotter and less comfortable for everyone, especially for the five hot months of the year. It is not practical to think the residents will be able to go 0.5 miles away to a larger grass area with the same frequency as they use the grass around them now. Taking away this grass certainly will negatively impact their time outside, will mean less exercising, and may contribute to poorer health and well-being and certainly so for their dogs as well.

Our common areas were carefully designed in 1985 and built in 1987 to have smaller and pinpointed strips of grass so that 142 townhome owners could live in a dense residential community yet still enjoy private grass areas by their individual homes. We have a nice quality of life in big part because of this forward thinking design where small areas of grass and trees were designed so that each of us have places of privacy and closeness to nature yet all in a small footprint. Our grass absolutely helps keep it cooler and more comfortable for walking, gardening, and spending time outside in nature. This is a big part of our home values and what makes our community a desirable place to live.

Our community of 142 homes shares one common swimming pool. By contrast, AB356 allows for new housing developments to have individual swimming pools for each single family home without restriction. I can understand wanting a swimming pool, but it is neither fair nor equitable to diminish the quality of life and home values of an established 142 townhome community by removing our grass while allowing for the

construction of new single family homes each with private swimming pools. That sends a poor message about shared sacrifice, equity, and the need for water conservation. My community is already doing its part by sharing these resources and living with a small footprint.

On its website and in the media, the SNWA says that AB356 is just removing “useless” grass that no one will miss. It speaks of traffic medians and business parks. Again, my community is much different than this. It is a dense community of townhome residences, each enjoying small grass areas around their homes and sharing common areas where many residents garden, talk, walk their dogs and enjoy time outside in their community. Please make sure that your final definition of “functional” grass includes grass that is being used and enjoyed by the many residents living in townhome communities.

Thank you for your time and consideration,

Andrew Kerr

## WRITTEN PUBLIC COMMENT SUBMITTED FOR THE RECORD

**From:** Southern Nevada Water Authority <[donotreply@snwa.com](mailto:donotreply@snwa.com)>

**Sent:** Saturday, November 13, 2021 7:10 AM

**To:** ContactSNWA <[Contact.SNWA@lvvwd.com](mailto:Contact.SNWA@lvvwd.com)>

**Subject:** SNWA - Email us: General comments/questions



SOUTHERN NEVADA  
WATER AUTHORITY

## SNWA - Email us: General comments/questions

### Customer information

First name: Kathi

Last name: Meci

Address 1:

Address 2:

City: North Las Vegas

State/province: Nevada

ZIP code: 89086

Phone:

Email: [kmeciv@yahoo.com](mailto:kmeciv@yahoo.com)

Comments/questions: If my question for the committee has previously been addressed, will you kindly advise me of where to read the answer? If not, I would like to request that my question be presented to the NTRAC at the 17 Nov 2021 meeting. Given that our Southern Nevada water shortage is of interest to the State of Nevada and certain Southern Nevada Counties and Municipalities, what, if anything, is being done by government entities to curtail all the new construction that is increasing our population and thus, water requirements, during our worst drought in recorded history? Thank you for considering my question.

**Please note:** This email is automatically generated. Please do not reply to this email as this mailbox is not monitored.

A Not-For-Profit Water Agency

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## **APPENDIX B**

### **January 20, 2022 SNWA Board Agenda Item**

**SOUTHERN NEVADA WATER AUTHORITY  
BOARD OF DIRECTORS  
AGENDA ITEM  
January 20, 2022**

<b>Subject:</b> Nonfunctional Turf Removal Advisory Committee Recommendations
<b>Petitioner:</b> Colby N. Pellegrino, Deputy General Manager, Resources
<b>Recommendations:</b> That the Board of Directors receive a presentation on the Nonfunctional Turf Removal Advisory Committee process and accept the report.

**Fiscal Impact:**

None by approval of the above recommendation.

**Background:**

In June 2021, the Nevada Legislature enacted Assembly Bill (AB) 356, which directed the Authority's Board of Directors to develop a plan for the removal of nonfunctional turf in the Las Vegas Valley. The Legislature also created the Nonfunctional Turf Removal Advisory Committee (NTRAC) and directed the Board to appoint nine community stakeholders who would then convene to collaborate with the Authority to develop its plan to identify and facilitate the removal of existing nonfunctional turf. In July 2021, the Board appointed individuals representing commercial and industrial properties, homeowners' associations, golf courses, multifamily properties, environmental interests and municipalities to the NTRAC.

From August 2021 to November 2021, the committee met four times to formulate its recommendations. The committee's process included a review of existing drought conditions, the development of definitions for "functional turf" and "nonfunctional turf," and development of a process to apply for and obtain a waiver or exemption from the nonfunctional turf definition. On November 17, 2021, the NTRAC reviewed and approved its final recommendations report to be submitted to the Board.

At this time, the Board is being asked to accept NTRAC's recommendations report, which includes definitions for functional and nonfunctional turf and a waiver process, and which Authority staff will use to assist member agencies with language to be incorporated into their service rules and other regulatory language, such as ordinances and codes.

This action is authorized pursuant to Section 6(p) of the SNWA 1995 Amended Cooperative Agreement and Sections 39(2) and 41 of Assembly Bill 356 (2021). The office of the General Counsel has reviewed and approved this item.

JJE:CNP:ZLM:AMB:KH:mdb  
Attachments: NTRAC Recommendations Report

AGENDA  
ITEM #

**6**

**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Implementation Plan for the Removal of Nonfunctional Turf in Southern Nevada

**Petitioner:**

Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**

That the Board of Directors approve the Implementation Plan for the Removal of Nonfunctional Turf in Southern Nevada.

**Fiscal Impact:**

None by approval of the above recommendation.

**Background:**

In June 2021, the Nevada Legislature enacted Assembly Bill (AB) 356, which directed the Authority's Board of Directors to develop a plan for the removal of nonfunctional turf in the Las Vegas Valley. The Legislature also created the Nonfunctional Turf Removal Advisory Committee (NTRAC) and directed the Board to appoint nine community stakeholders who would convene to collaborate with the Authority to develop its plan to identify and facilitate the removal of existing nonfunctional turf. In July 2021, the SNWA Board of Directors appointed nine individuals representing commercial and industrial properties, homeowners' associations, golf courses, multifamily properties, environmental interests and municipalities to the NTRAC. The NTRAC recommendations form the basis of the implementation plan and represent significant work and consideration by a group of individuals committed to maintaining a sustainable future for Southern Nevada.

The implementation plan asks that the Board consider taking the following actions:

- Accept the NTRAC-recommended definitions of functional turf and nonfunctional turf to be adopted by each of the purveyor member jurisdictions
- Approve a waiver process as authorized by AB 356 and as recommended by NTRAC, including an authorization for staff to approve or deny waiver applications pursuant to established criteria; provided, however, that any disposition by the General Manager and/or his designee on an appeal to the General Manager shall constitute the final action on the matter for purposes of judicial review
- Accept the December 31, 2026 deadline set by AB 356 for turf removal for all sectors
- Do not authorize any extensions to the deadline
- Do not establish any phases that would require a sector to remove turf earlier than the deadline
- Conduct outreach to affected sectors based on NTRAC recommendations and the adoption of this implementation plan

At this time, the Board is being asked to approve the implementation plan and direct staff to take action necessary to execute the plan. Implementation will require significant effort from property owners, property managers, landscape professionals, local governments and Authority staff; their support and help in this effort will reduce water consumption and help keep Southern Nevada a

sustainable community. As the plan is implemented, staff may provide updates on progress to the Board, and the Board may elect to alter or modify this plan at a future public meeting.

This action is authorized pursuant to Section 6(p) of the SNWA 1995 Amended Cooperative Agreement and Sections 39(2) and 41 of Assembly Bill 356 (2021). The office of the General Counsel has reviewed and approved this item.

JJE:CNP:ZLM:AMB:KH:mdb  
Attachments: Implementation Plan



**SOUTHERN NEVADA WATER AUTHORITY**

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IMPLEMENTATION PLAN FOR  
THE REMOVAL OF  
NONFUNCTIONAL TURF IN  
SOUTHERN NEVADA

**JANUARY 2022**



SOUTHERN NEVADA WATER AUTHORITY™

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SOUTHERN NEVADA WATER AUTHORITY

**IMPLEMENTATION PLAN FOR THE  
REMOVAL OF NONFUNCTIONAL TURF  
IN SOUTHERN NEVADA**

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## **I. EXECUTIVE SUMMARY**

Southern Nevada relies on the Colorado River to meet approximately 90 percent of its water demands. For the past 20 years, the Colorado River has been subject to persistent drought conditions and a hotter, drier climate, leading to significant declines in Lake Mead. Given the federally declared shortage on the Colorado River, Southern Nevada continues to pursue initiatives to reduce consumptive use and conserve water resources.

One of its principal focuses in reducing consumptive use is the reduction of nonfunctional turf within the community. Nonfunctional turf provides no recreational value, is decorative or is not safe to access and use. It is found throughout Southern Nevada, within business complexes and neighborhoods, schools, parks, government facilities, along community streets, and in traffic circles and medians.

The unused grass in Southern Nevada soaks up about 12 billion gallons of water every year; the equivalent of more than 10 percent of Nevada's entire allocation of water from the Colorado River. Removal of this large water waster is paramount to meeting Southern Nevada's future demands.

In June 2021, the Nevada Legislature enacted Assembly Bill (AB) 356, which prohibits the use of Colorado River water to irrigate the nearly 4,000 acres of nonfunctional turf on properties that are not zoned exclusively for single-family residences on and after January 1, 2027. The legislation also directed the SNWA Board of Directors to develop a plan for the removal of nonfunctional turf in the Las Vegas Valley; this plan serves to meet the requirements of the legislation and sets forth a strategy for the removal of Southern Nevada's nonfunctional turf.

The Legislature also created the Nonfunctional Turf Removal Advisory Committee (NTRAC) to help the SNWA define functional and nonfunctional turf. In July 2021, the SNWA Board appointed nine individuals representing commercial and industrial properties, homeowners' associations, golf courses, multifamily properties, environmental interests and municipalities. The recommendations put forward by this committee are incorporated into this plan and represent significant work and consideration by a group of individuals committed to maintaining a sustainable future for Southern Nevada.

The implementation plan is comprised of the following actions by the SNWA Board:

- Accept the NTRAC-recommended definitions of functional turf and nonfunctional turf to be adopted by each of the purveyor member jurisdictions
- Authorize a waiver process as authorized by AB 356 and recommended by NTRAC
- Accept the December 31, 2026 deadline set by AB 356 for turf removal for all sectors
- Do not authorize any extensions to the deadline
- Do not establish any phases that would require a sector to remove turf earlier than the deadline
- Conduct outreach to affected sectors based on NTRAC recommendations and the adoption of this implementation plan

## **IMPLEMENTATION PLAN**

The need to remove nonfunctional turf in Southern Nevada is critically important. Nearly 4,000 acres of nonfunctional turf remain in non-single family residential sectors throughout Southern Nevada. Each year, this unused turf wastes 9.5 billion gallons of water and its irrigation often yields additional unintended consequences such as unsafe driving and play surfaces, degradation to sidewalks and retaining walls, and ongoing maintenance costs.

While Southern Nevada has made considerable progress in encouraging businesses and non-single family residential water users to voluntarily remove nonfunctional turf through incentive programs, hold outs remain. AB 356 represents one of the most progressive pieces of legislation in the United States relating to landscape efficiency, and with the impending resource constraints, implementation must start now.

### **DEFINITIONS**

For nearly six months, the Nonfunctional Turf Removal Advisory Committee considered how nonfunctional turf and functional turf should be defined for the community. Clear, transparent and objectively applicable definitions are important to ensure enactment of the legislation and reduce ambiguity and time-consuming clarifications. General definitions were developed for specific uses within the community. The committee considered how turf was being used within each sector and developed definitions that identified grass providing safe, accessible recreational value.

As part of this implementation plan, the SNWA Board accepts the Committee-approved definitions, which are included in Appendix A of this plan. Upon approval by the SNWA Board of Directors, these definitions must be adopted by SNWA purveyor members and incorporated into their respective service rules and codes. In each purveyor member jurisdiction, Colorado River resources may not be used to irrigate turf meeting the Nonfunctional Turf on or after the deadline established in the legislation.

### **WAIVERS**

While AB 356 provided for a waiver process, it did not define the process. The committee discussed the need for a waiver process since some turf applications might substantially conform with the functional turf definition or provide a recreational benefit to the community but not meet the specific criteria to be considered functional. The committee discussed the application, review and appeal processes for waivers. Ultimately, they supported a waiver process that allows an applicant an opportunity to demonstrate that the turf substantially complies with the functional turf definition.

While any water user can apply for a waiver, not every waiver will be granted. The waiver process is outlined in Appendix C, which includes a process for appeals. It is important to note that the waiver and appeal processes are governed by SNWA and not its purveyor members pursuant to AB 356.

## EXTENSIONS

While the legislation permits the SNWA Board to consider implementation of extensions, it is premature at this juncture to consider a process for extensions. The SNWA feels strongly that properties affected by the implementation of AB 356 with nonfunctional turf should act immediately in response to shortage conditions on the Colorado River and take advantage of the rebate programs currently offered. The SNWA recognizes that many properties have a significant amount of turf to remove, and the entire five-year period might be necessary to accomplish large turf removal projects.

## DEADLINES AND PHASES

With the enactment of the legislation, the SNWA recognizes the significant increase in workload required from its conservation staff to support nonfunctional turf conversions in the community. Establishing phases and deadlines among sectors at the time of implementation could potentially lead to unintended consequences, such as discouraging immediate action. At this time, staff is recommending that all sectors be given until December 31, 2026 to discontinue irrigation of nonfunctional turf.

Deadlines and phases may be more prudent in the future, but upon approval of this plan, they are not recommended.

## OUTREACH

Nonfunctional turf exists in nearly every corner of Southern Nevada and the number of property owners affected by AB 356 is large. As such, the SNWA will undertake significant outreach efforts to explain the intent of AB 356 and offer resources to help property owners comply with the law.

Recognizing that outreach cannot be a one-size-fits-all approach, the SNWA will utilize a myriad of tools to reach property owners and customers. These include, but are not limited to:

- *Direct Mail:* Together with its member agencies, the SNWA will issue direct mail to owners/customers with targeted information about nonfunctional turf and how they can begin their conversion.
- *Web Information:* SNWA will develop web pages that include definitions and examples, with links to helpful resources such as plant lists, sample landscapes and Water Smart Landscapes program information.
- *Social Media:* SNWA maintains many active social media accounts, including Instagram, Twitter, Facebook and YouTube. Relevant content will be featured and partners invited to reshare to increase awareness.
- *Speakers Bureau:* Presentations will be tailored to affected sectors and industries.
- *Stakeholder Briefings:* Briefings will be scheduled with professional and civic associations, community leaders and local governments.
- *Water Bill Information:* SNWA will work with its member agencies to include specific messaging about AB 356 and where to find more information.

- *Vegas Valley H2O*: The SNWA's public access TV show has and will produce short segments about the legislation and how property owners can access more information.
- *Springs Preserve Tours*: With more than 8 acres of water efficient landscaping, the Springs Preserve will offer regular tours for property owners, landscape managers and customers who are interested in learning more about selecting plants and native landscapes.

## **CONCLUSION**

The implementation of AB 356 will require significant effort from property owners, property managers, landscape professionals, local governments and SNWA conservation personnel. Their support and help in this effort will reduce water consumption and keep Southern Nevada a beautiful and sustainable community. The SNWA Board has the authority to alter or modify this plan at any time at a future public meeting.

## **APPENDIX A**

### Nonfunctional Turf Removal Advisory Committee Recommendations:

#### **1. Define Nonfunctional Turf as:**

**“Nonfunctional Turf”** means irrigated lawn grass area not meeting the below definition of Functional Turf, including without limitation, such areas in the following locations:

- Streetscape Turf: Except as otherwise specified, turf located along public or private streets, streetscape sidewalks, driveways and parking lots, including but not limited to turf within community, park and business streetscape frontage areas, medians and roundabouts.
- Frontage, Courtyard, Interior and Building Adjacent Turf: Turf in front of, between, behind or otherwise adjacent to a building or buildings located on a property not zoned exclusively as a single-family residence, including but not limited to maintenance areas and common areas.
- Certain HOA-Managed Landscape Areas: Turf managed by a homeowner association that does not provide a recreational benefit to the community or that otherwise does not qualify as Functional Turf, regardless of the property zoning.

#### **2. Define Functional Turf as:**

**“Functional Turf”** means an irrigated lawn grass area that provides a recreational benefit to the community and is:

a located at least 10 feet from a street (except as otherwise specified), installed on slopes less than 25 percent, and not installed within street medians, along streetscapes or at the front of entryways to parks, commercial sites, neighborhoods or subdivisions; and

Active/Programmed Recreation Turf, Athletic Field Turf, Designated Use Area Turf, Golf Course Play Turf, Pet Relief Turf, Playground Turf or Resident Area Turf, as these terms are further defined and qualified below.

**“Active/Programmed Recreation Turf”** means irrigated lawn grass in an active/programmed recreation area on homeowner association-owned or managed property or at a public park or water park (excluding park streetscape and community frontage areas).

Active/programmed recreation turf at existing properties must be:

- 1,500 contiguous square feet or greater
- Co-located with facilities, including but not limited to trash bins, benches, tables, walking paths and/or other recreational amenities
- Located at least 10 feet from a public or private street or interior facing parking lot unless:
  - The contiguous turf area is at least 30 feet in all dimensions; or
  - The turf is immediately adjacent to an athletic field



**“Athletic Field Turf”** means irrigated lawn grass used as a programmed sports field or for physical education and intermural use that is 1,500 contiguous square feet or greater, not less than 30 feet in any dimension, and located at a school, daycare, youth recreation center, senior center, public park, private park, water park or religious institution. Athletic Field Turf may be located less than 10 feet from a public or private street or interior-facing parking lot if the contiguous turf area is at least 30 feet in all dimensions.

**“Designated Use Area Turf”** means irrigated lawn grass designated for special use at cemeteries and mortuaries.

**“Golf Course Play Turf”** means irrigated lawn grass at a golf course in driving ranges, chipping and putting greens, tee boxes, greens, fairways and rough.

**“Pet Relief Turf”** means irrigated lawn grass at a property providing commercial and retail services for pets that is designated for pet use (such as veterinarians or boarding facilities). Pet Relief Turf may not exceed 200 square feet.

**“Playground Turf”** means irrigated lawn grass in designated play areas with playground amenities, including but not limited to slides, swings and climbing structures on homeowner association-owned or managed property or at a public park, water park, school, daycare, youth recreation center, senior center or religious institution. Playground Turf may be located less than 10 feet from a public or private street if fenced.

**“Resident Area Turf”** means up to 150 square feet of irrigated lawn grass per dwelling unit at multi-family residential properties, single-family attached properties, commercial/multi-family mixed use properties, extended stay hotels/motels, or assisted living and rehabilitation centers used by tenants for recreation and leisure. Resident Area Turf must be in areas reasonably accessible for active use by residents and therefore may not be located in streetscape frontages, parking lots, roundabouts, medians, driveways and other non-accessible or exclusive-use areas such as commercial courtyards.

**3. *Establish a waiver process for non-single family residential properties for turf that is not permitted under the current definitions.***

Any establishment can apply for a waiver. Waiver applicants must demonstrate that the turf substantially complies with the Functional Turf definition as indicated by conditions, such as activity type, activity appropriate dimensions, number of persons served, frequency of use, location in proximity to similar turf areas, public access, presence of facilities and/or other recreational amenities, and irrigation efficiency.

The process should also include an opportunity for an applicant to appeal staff decisions to the Authority’s General Manager and the SNWA Board of Directors.

The following quick reference table summarizes irrigated turf areas by sector that may be considered functional per the definitions. The turf areas that are not identified as being functional may be considered for a waiver upon application.

Quick Reference Table

ESTABLISHMENT TYPE	Resident Area Turf	Golf Course Play Turf	Pet Relief Area Turf	Active / Programmed Recreation Turf	Athletic Field & Playground Turf	Designated Use Area Turf
Schools & Daycares					Functional	
Youth Recreation & Senior Centers					Functional	
Homeowner Associations				Functional	Functional	
Government Facilities (excluding Parks)						
Commercial & Retail Services			Functional <sup>1</sup>			
Multi-Family Residential	Functional					
Commercial/Multi-Family Mixed Use	Functional					
Public Parks, Private Parks & Water Parks				Functional	Functional	
Golf Courses		Functional				
Cemeteries & Mortuaries						Functional
Religious Institutions					Functional	
Hospitals & Medical Offices						
Assisted Living & Rehabilitation Centers	Functional					
Commercial & Industrial Office Parks						
Hotels, Motels & Resorts						

<sup>1</sup> Applies to businesses exclusively serving pets (veterinarians, pet boarding facilities, etc.)

**4. Reconvene the Nonfunctional Turf Removal Advisory Committee as needed to discuss other issues pertaining to the implementation of AB 356.**

The committee noted the potential for budgetary and timeline challenges for some establishments to remove large areas of nonfunctional turf. As staff monitors the community's progress in removing nonfunctional turf, NTRAC should be reconvened in the future to address implementation issues.

**5. Conduct outreach activities with non-single-family residential property owners and managers to support implementation of AB 356.**

The committee recommends that staff conduct extensive outreach activities to support the implementation of AB 356, including marketing efforts, online tools, and staff site evaluations.

## **APPENDIX B**

**AB 356**

Assembly Bill No. 356–Committee on Ways and Means

CHAPTER.....

AN ACT relating to water; prohibiting, with certain exceptions, the use of water from the Colorado River to irrigate nonfunctional turf on certain property; requiring the Board of Directors of the Southern Nevada Water Authority to develop a plan for the removal of nonfunctional turf on certain property; creating and setting forth the duties of the Nonfunctional Turf Removal Advisory Committee; requiring the Legislative Committee on Public Lands to conduct a study concerning water conservation; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes public agencies to enter into cooperative agreements to perform any governmental service, activity or undertaking which the public agency is authorized to perform under law and, pursuant to which, the Southern Nevada Water Authority was created. (NRS 277.080-277.180) **Section 39** of this bill prohibits, with certain exceptions, the waters of the Colorado River that are distributed by the Southern Nevada Water Authority or one of the member agencies of the Southern Nevada Water Authority from being used to irrigate nonfunctional turf on any property that is not zoned exclusively for a single-family residence on and after January 1, 2027. **Section 39** also requires the Board of Directors of the Southern Nevada Water Authority to: (1) define nonfunctional and functional turf for the purposes of this prohibition; and (2) develop a plan to identify and facilitate the removal of nonfunctional turf within the service area of the Southern Nevada Water Authority on property that is not zoned exclusively for a single-family residence before December 31, 2026, in phases based on the categories of water users. **Section 39** further authorizes the Board of Directors to approve an extension or waiver from: (1) the prohibition on the use of waters from the Colorado River to irrigate nonfunctional turf; and (2) the provisions of the plan developed by the Board of Directors for the removal of nonfunctional turf.

**Section 40** of this bill creates the Nonfunctional Turf Removal Advisory Committee. **Section 41** of this bill sets forth the duties of the Advisory Committee.

**Sections 37 and 38** of this bill define certain terms for the purposes of **sections 36-41** of this bill.

Under existing law, the Legislative Committee on Public Lands is authorized to review and comment on laws, regulations and policies relating to the use, allocation and management of water in this State. (NRS 218E.525) **Section 42** of this bill requires the Legislative Committee on Public Lands to conduct a study concerning water conservation and to submit a report of its findings and any recommendations for legislation to the 82nd Session of the Nevada Legislature.



EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Sections 1-35.** (Deleted by amendment.)

**Sec. 36.** As used in sections 36 to 41, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 37 and 38 of this act have the meanings ascribed in those sections.

**Sec. 37.** “Board of Directors” means the Board of Directors of the Southern Nevada Water Authority.

**Sec. 38.** “Southern Nevada Water Authority” means the political subdivision of the State of Nevada created on July 25, 1991, by a cooperative agreement entered into on that date pursuant to the provisions of NRS 277.080 to 277.180, inclusive.

**Sec. 39.** 1. Except as otherwise provided in this section, on and after January 1, 2027, the waters of the Colorado River distributed by the Southern Nevada Water Authority or one of the member agencies of the Southern Nevada Water Authority may not be used to irrigate nonfunctional turf on any property that is not zoned exclusively for a single-family residence.

2. The Board of Directors shall:

(a) Define “functional turf” and “nonfunctional turf” for the purposes of subsection 1 and promulgate the definitions in the service rules of the member agencies of the Southern Nevada Water Authority; and

(b) Develop a plan to identify and facilitate the removal of existing nonfunctional turf within the service area of the Southern Nevada Water Authority on property that is not zoned exclusively for a single-family residence. The plan must, without limitation:

(1) Establish phases for the removal of nonfunctional turf based on categories of water users; and

(2) Establish deadlines within the service area of the Southern Nevada Water Authority for existing customers to remove nonfunctional turf on property that is not zoned exclusively for a single-family residence before December 31, 2026.

3. The Board of Directors may approve an extension or a waiver from:

(a) The prohibition set forth in subsection 1; and

(b) The provisions of the plan developed pursuant to subsection 2.

4. The provisions of this section do not prohibit a person from:



(a) Complying with any requirement adopted by the governing body of a county or city pursuant to chapter 278 of NRS to maintain open space or drought tolerant landscaping on any property that is not zoned exclusively for a single family residence; or

(b) Using alternative sources of water to irrigate nonfunctional turf on and after January 1, 2027, on any property that is not zoned exclusively for a single-family residence.

**Sec. 40.** 1. The Nonfunctional Turf Removal Advisory Committee is hereby created. The Advisory Committee consists of the following nine voting members appointed by the Board of Directors:

(a) One member who represents an office park with existing nonfunctional turf at the time the member is appointed;

(b) One member who represents an organization representing businesses;

(c) One member who represents an industrial or commercial business with existing nonfunctional turf at the time the member is appointed;

(d) Two members who represent a common-interest community with existing nonfunctional turf at the time the member is appointed;

(e) One member who represents multi-family housing with existing nonfunctional turf at the time the member is appointed;

(f) One member who represents an environmental organization;

(g) One member who represents a local government with existing nonfunctional turf at the time the member is appointed; and

(h) One member who represents a golf course with existing nonfunctional turf at the time the member is appointed.

2. Members of the Advisory Committee serve without compensation.

**Sec. 41.** The Nonfunctional Turf Removal Advisory Committee:

1. Shall discuss issues related to the use and removal of nonfunctional turf by each water use sector, including, without limitation, issues relating to the plan developed pursuant to section 39 of this act to identify and remove nonfunctional turf; and

2. May provide written recommendations to the Board of Directors regarding the plan developed pursuant to section 39 of this act, including, without limitation, any recommendations for waivers or exemptions to the provisions of section 39 of this act. Any recommendation made by the Advisory Committee must be approved by a majority vote of all of the voting members of the Advisory Committee. Any dissenting opinion of a member of the



Advisory Committee to a recommendation must be fully documented and included with the recommendation to the Board of Directors.

**Sec. 42.** 1. The Legislative Committee on Public Lands shall conduct a study during the 2021-2022 interim concerning water conservation in this State. The study must include, without limitation, an examination of:

- (a) The management of water resources in this State; and
- (b) Programs and policies to promote water conservation in this State that also protect and support existing water rights.

2. In addition to any report required by NRS 218E.525, the Committee shall, on or before February 1, 2023, submit a report of its findings and any recommendations for legislation to the Director of the Legislative Counsel Bureau for transmittal to the 82nd Session of the Nevada Legislature.

**Sec. 43.** 1. This section and sections 36 to 39, inclusive, of this act become effective upon passage and approval.

2. Sections 1 to 35, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On July 1, 2021, for all other purposes.

3. Sections 40 and 41 of this act become effective:

(a) Upon passage and approval; and

(b) Expire by limitation on December 31, 2026.

4. Section 42 of this act becomes effective on July 1, 2021.



## **APPENDIX C**

### **WAIVER PROCESS**

#### **REVIEW PROCESS:**

1. SNWA staff will review applications to determine if the turf substantially complies with the functional turf definitions and if the turf provides a recreational benefit to the community.
2. SNWA staff may condition any waiver approval on prescribed irrigation efficiency, presence of public use facilities, accessibility, proximity to roadways, and overall turf acreage (based on recreational use and number of persons served) and any other requirements that ensure turf remains functional.
3. SNWA staff will document all decisions and correlate outcomes to the established functional/non-functional turf definitions.

#### **RECONSIDERATION AND APPEAL:**

If an entity is not satisfied with the staff decision, it may file a written notice of appeal to the SNWA General Manager within 10 calendar days. The General Manager shall conduct and complete a review of staff's decision and issue a written decision affirming, modifying, or reversing staff's decision within 30 calendar days of receipt. The General Manager's review and decision shall constitute SNWA's final action on the matter for purposes of judicial review.



**SOUTHERN NEVADA WATER AUTHORITY  
BOARD OF DIRECTORS  
AGENDA ITEM**

January 20, 2022

**Subject:**

Construction Award

**Petitioner:**

Doa J. Ross, Deputy General Manager, Engineering

**Recommendations:**

That the Board of Directors award a contract for the reconstruction of two existing erosion control structures at the Las Vegas Wash, including work in the wash channel, to Las Vegas Paving Corporation for the amount of \$4,400,000, authorize a change order contingency amount not to exceed \$440,000, and authorize the General Manager to sign the construction agreement.

**Fiscal Impact:**

Funds requested for current year expenditures are available in the Authority's Capital Budget. Funds for future year expenditures will be budgeted accordingly.

**Background:**

Contract No. 2297S, Final Weir Modifications (Contract), provides for the clearing, site preparation, excavating, grading, permitting and re-construction of the existing erosion control structures at the Pabco and Three Kids weirs. The work further includes the removal of debris, sediment and vegetation in the wash channel within the areas of Pabco, Three Kids and Rainbow Gardens weirs at the Las Vegas Wash.

Sealed bids were received and publicly opened on December 7, 2021. The sole bid received is listed below:

Las Vegas Paving Corporation

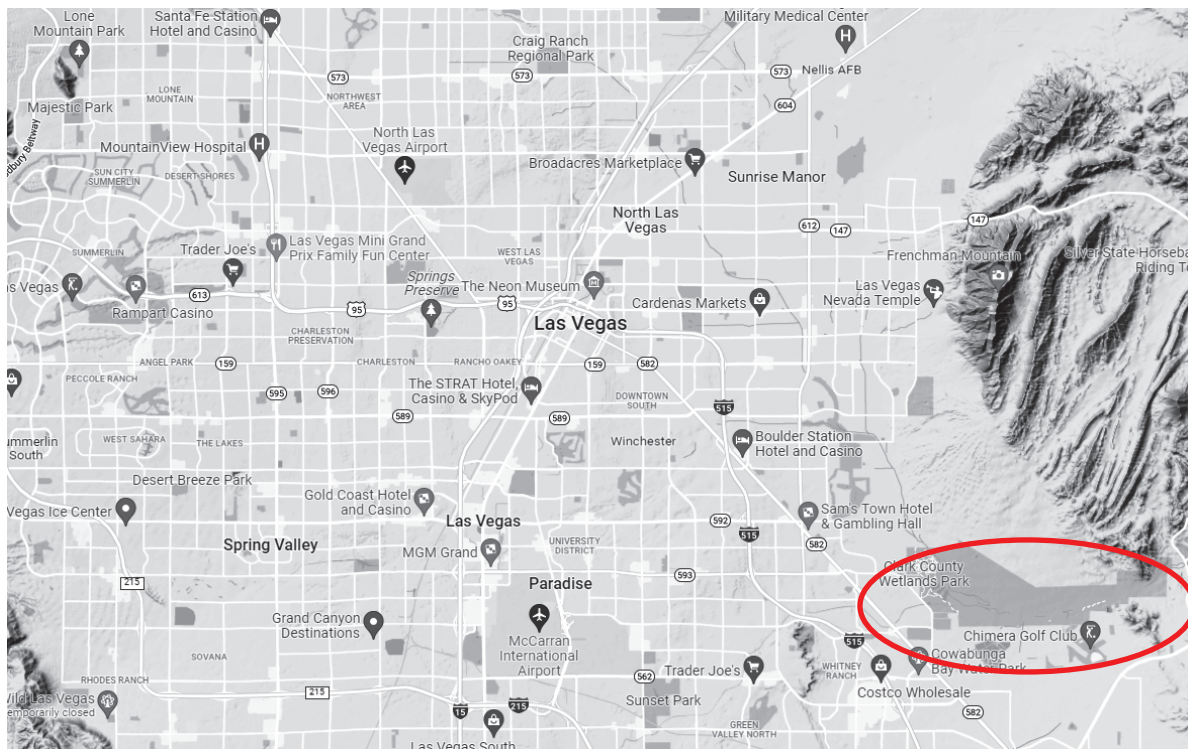
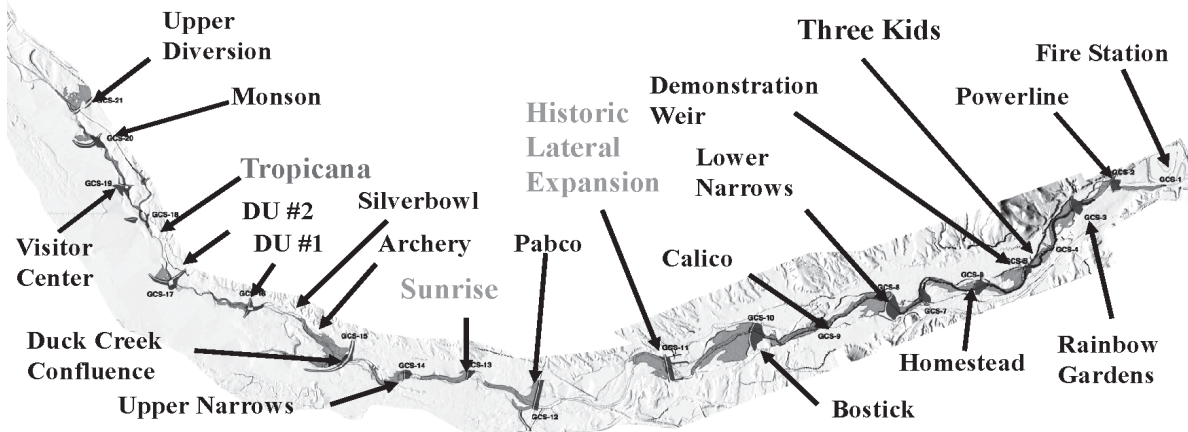
\$4,400,000

The Las Vegas Paving Corporation (LVPC) proposal is considered to be the best bid received as defined by NRS 338.1389. This bid is reasonable due to current market conditions. The attached agreement provides for LVPC to accept and agree to all Contract terms. LVPC is a Nevada corporation located in Las Vegas, Nevada.

This action is authorized pursuant to NRS 338.1389 and Sections 6(e) and 6(j) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved this agenda item.

SNWA BOARD OF DIRECTORS  
AGENDA ITEM

CONTRACT NO. 2297S\_009575  
FINAL WEIR STRUCTURE MODIFICATIONS





Las Vegas Valley Water District  
Southern Nevada Water Authority  
Springs Preserve™

## LVVWD/SNWA/SSEA DISCLOSURE OF OWNERSHIP/PRINCIPALS

### Business Entity Information

<b>Business Entity Type:</b>	Trust
<b>Business Designation Group:</b>	
<b>Number of Clark County Residents Employed:</b>	925
<b>Corporate/Business Entity Name:</b>	Las Vegas Paving Corporation
<b>Doing Business As:</b>	
<b>Street Address:</b>	4420 S. Decatur Blvd.
<b>City, State, and Zip Code</b>	Las Vegas, Nevada 89103
<b>Website:</b>	www.lasvegaspaving.com
<b>Contact Name:</b>	Darren Keser
<b>Contact Email:</b>	darren.keser@lasvegaspaving.com
<b>Telephone No:</b>	702-251-5800
<b>Fax No:</b>	702-251-4891

### Nevada Local Business Information (if applicable)

<b>Local Street Address:</b>	
<b>City, State, and Zip Code</b>	, NV
<b>Local Website:</b>	
<b>Local Contact Name:</b>	
<b>Local Contact Email:</b>	
<b>Telephone No:</b>	
<b>Fax No:</b>	

### Disclosure of Relationship/Ownership

Do any business/corporate entity members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a LVVWD, SNWA, or SSEA full-time employee(s) and/or appointed/elected official(s)?
No
Are any LVVWD, SNWA, or SSEA employee(s) and/or appointed/elected official(s) an individual member, partner, owner or principal involved in the business entity?
No

## BUSINESS ENTITY OWNERSHIP LIST

All entities, with the exception of *publicly-traded corporations* and *non-profit organizations*, must list the names of individuals, either directly or indirectly, holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board of Directors. *(If no parties own more than five percent (5%), then a statement relaying that information should be included in lieu of listing the parties)*

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

**Publicly-traded corporations and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest.

**No Ownership More than Five Percent (5%) Statement:** *(if applicable)*

### Listed Disclosures Below:

*(additional supplemental information may be attached, if necessary)*

<b>Additional Supplemental Information to be Attached?</b>	More than ten Board members/officers?		More than ten Owners?	No
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### Names, Titles and Percentage Owned:

<b>Full Name</b>	<b>Title</b>	<b>% Owned</b> (Not required for Publicly Traded Corporations/Non-profit organizations)
Mendenhall Family Trust	Trust	100
Paula Mendenhall	Trustee	100

## DISCLOSURE OF RELATIONSHIPS

### Disclosure of Employee Relationships: *(List any disclosures below)*

Business Owner/Principal relationships to any Employee and/or Official of LVVWD, SNWA or SSEA must be listed whether that relationship is by blood "Consanguinity" or by marriage "Affinity". "Degree of consanguinity", first or second, of *blood* relatives is as follows:

Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)

Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

NAME OF BUSINESS OWNER/PRINCIPAL	LVVWD/SNWA/SSEA EMPLOYEE/OFFICIAL AND JOB TITLE	BUSINESS OWNER/OFFICIAL RELATIONSHIP TO LVVWD/SNWA/SSEA EMPLOYEE/OFFICIAL	LVVWD/SNWA/SSEA EMPLOYEE'S/OFFICIAL'S DEPARTMENT

### Disclosure of Employee Ownership/Involvement: *(List any disclosures below)*

NAME OF BUSINESS OWNER/PRINCIPAL	LVVWD/SNWA/SSEA EMPLOYEE/OFFICIAL AND JOB TITLE	BUSINESS OWNER/OFFICIAL RELATIONSHIP TO LVVWD/SNWA/SSEA EMPLOYEE/OFFICIAL	LVVWD/SNWA/SSEA EMPLOYEE'S/OFFICIAL'S DEPARTMENT

### Authorized Signature

By providing an electronic signature in the indicated area below, *the signatory acknowledged and agreed to sign documents and contracts electronically and to receive by electronic delivery documents, contracts, notices, communications, and legally-required disclosures. Signatory also* certified, under penalty of perjury, that all of the information provided herein is current, complete, and accurate and that signatory is authorized to sign. Signatory also understands that the LVVWD/SNWA/SSEA Board of Directors will not take action on any item without the completed disclosure form.

<b>Signer Name:</b>	Darren Keser
<b>Signer Title:</b>	Project Manager
<b>Signer Email:</b>	darren.keser@lasvegaspaving.com
<b>Signed Date:</b>	2021-12-13

## LVVWD/SNWA/SSEA Review

This section to be completed and signed by the LVVWD/SNWA/SSEA Authorized **Department** Representative.

☐ **No** Disclosure or Relationship is noted above or the section is not applicable.

☐ Disclosure or Relationship **IS** noted above (complete the following):

☐ Yes ☐ No – Is the LVVWD/SNWA/SSEA representative listed above involved in the contracting/selection process for this item?

☐ Yes ☐ No – Is the LVVWD/SNWA/SSEA representative listed above involved in any way with the business in performance of the contract?

**Additional Comments or Notes:**

By signing below, I confirm that I have reviewed this disclosure form and that it is complete and correct to the best of my knowledge.

Shannon O'Connell

Signature

Shannon O'Connell Construction  
Division Manager

Print Name/Title

12/20/21  
Date

AGREEMENT

THIS AGREEMENT, made and entered into, by and between Southern Nevada Water Authority, hereinafter referred to as Owner, and Las Vegas Paving Corporation,  
hereinafter referred to as Contractor, with both Owner and Contractor collectively referred to as the Parties,

WITNESSETH: That the Parties do mutually agree as follows:

1. Owner has awarded to Contractor the Contract for:

Contract Title: FINAL WEIR STRUCTURE MODIFICATIONS

Contract No: 2297S\_009575

Public Works Project Identifying Number: CL-2022-89

2. For and in consideration of the payments and agreements hereinafter mentioned to be made and performed by said Owner, Contractor agrees to perform and complete in a good and workmanlike manner Work as defined in the Contract Documents and to furnish materials and tools and labor necessary to properly perform and complete the Work ready for use in strict accordance with the Contract Documents and under the penalty expressed in the attached bonds, which are hereby declared and accepted as essential parts of this Agreement and to accept as full compensation therefor the Contract Price as defined in the Contract Documents.
3. The Contractor hereby certifies that the Contractor has read and understands every provision contained in the Contract Documents. Contractor shall be bound and shall comply with each and every term, condition, and covenant set forth in the Contract Documents.
4. For performing all Work and furnishing materials and labor necessary thereto, Owner will pay and Contractor shall receive in full compensation the Contract Price, in the manner and upon the conditions set forth in the Contract Documents.
5. Contract Documents which comprise the entire agreement between the Owner and Contractor for the performance of Work consist of the following:
  - a. Addenda
  - b. General Requirements
  - c. Supplementary Conditions
  - d. General Conditions
  - e. Agreement
  - f. Drawings
  - g. Technical Specifications
  - h. Permits
  - i. Bidder Statement of Authority to Submit Bid Form and accompanying Documents, including without limitation, Affidavit Pertaining to Preference Eligibility



- j. Bid Form
- k. Bonds
- l. Instructions to Bidders
- m. Invitation to Bid and Legal Notice
- n. Notice of Award
- o. Final Notice to Proceed

6. Affirmative Agreement to Arbitrate. By the signing of this Agreement, Contractor expressly authorizes Article 16 of the General Conditions and affirmatively agrees to settle all disputes, claims, or questions by binding arbitration.

IN WITNESS WHEREOF: The Contractor has caused this agreement to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

[CONTRACTOR'S NAME]

\_\_\_\_\_  
Las Vegas Paving Corporation

By: \_\_\_\_\_  
Signatory Empowered to Bind Contractor

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Official Title

THIS AGREEMENT shall be in full force and effect as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, when it was duly signed by the proper officer of the Southern Nevada Water Authority.

SOUTHERN NEVADA WATER AUTHORITY

By: \_\_\_\_\_  
John J. Entsminger  
General Manager

Approved as to Form:

\_\_\_\_\_  
Attorney for Southern Nevada Water Authority

END OF DOCUMENT



**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Agreement

**Petitioner:**

Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**

That the Board of Directors approve and authorize the General Manager to sign an Agreement for the Purchase and Sale of Shares in the Bunkerville Irrigation Company between SJD Farm LLC and the Authority for an amount not to exceed \$497,072.38 and authorize the General Manager to sign ministerial documents necessary to effectuate the transaction.

**Fiscal Impact:**

The requested \$497,072.38 is available in the Authority's Capital Budget.

**Background:**

On December 13, 2007, the U.S. Secretary of the Interior issued a Record of Decision for the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead (Guidelines). The Guidelines allow the Authority to create and divert Intentionally Created Surplus (ICS) by conveying its pre-1929 Muddy and Virgin River water rights to Lake Mead. More recently, due to consistently low runoff and flow variability in the Colorado River Basin, technical workgroups concluded that 500,000 or more acre-feet per year of additional reductions in water use or augmentation of system water may be required to prevent Lake Mead elevations from dropping below 1,030 feet (500K+ Plan). In response, the Board of Directors approved an agenda item on November 18, 2021, authorizing the General Manager to negotiate agreements and take appropriate action in cooperation with the Bureau of Reclamation, Central Arizona Water District, and the Metropolitan Water District of Southern California to achieve these additional reductions. On December 15, 2021, those parties executed a Memorandum of Understanding to achieve these results.

To supplement the Authority's ICS and potentially support the 500K+ Plan, the Authority seeks to acquire additional rights to Virgin River water. SJD Farm LLC owns seven (7) shares of Bunkerville Irrigation Company (BIC) capital stock through Certificate Nos. A-195, A-197 and A-199. These shares represent the right to use approximately 64.84 acre-feet annually (afa), of which 54.74 afa is deemed "pre-1929" water that may be stored in Lake Mead for ICS credit. If approved, the Authority will purchase the shares for \$497,072.38, or \$71,010.34 per share. The Authority's rights obtained through the acquisition will be held by Muddy River Water Holdings, Inc., a non-profit corporation authorized by the Board on December 15, 1999, to facilitate the holding of water rights represented by shares in irrigation companies.

This agreement is being entered into pursuant to Sections 6(a) and 6(j) of the SNWA 1995 Amended Cooperative Agreement. The Office of the General Counsel reviewed and approved the Agreement.

JJE:CNP:SA:df

Attachments: Agreement

AGENDA  
ITEM #

**9**

**AGREEMENT FOR THE PURCHASE AND SALE OF SHARES IN THE  
BUNKERVILLE IRRIGATION COMPANY**

This Agreement for the Purchase and Sale of Shares in the Bunkerville Irrigation Company (“Agreement”) is made and entered into this \_ day of \_\_\_\_\_ 2022, by and between the SOUTHERN NEVADA WATER AUTHORITY, a political subdivision of the State of Nevada (“Buyer”), and SJD FARM LLC, a Nevada limited liability company (“Seller”). Buyer and Seller may be individually referred to as a “Party” and collectively as the “Parties.”

**RECITALS**

**WHEREAS**, the Colorado River basin began suffering from a meaningfully warmer and drier climate more than twenty years ago, leading to substantially diminished inflows into the system and decreased water elevation levels in Lake Mead and Lake Powell;

**WHEREAS**, Nevada implemented the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (“2007 Interim Guidelines”) to, among other things, provide incentives and tools for the storage of water in Lake Mead and for Lake Mead elevation dependent shortages reducing annual allocations to the States of Arizona and Nevada beginning at 1075 feet;

**WHEREAS**, in 2019, SNWA became a party to the Lower Basin Drought Contingency Plan Agreement that further incentivized conservation and storage in Lake Mead and established elevation dependent contributions to Lake Mead, including required contributions by each Lower Basin State (i.e. Nevada, Arizona, and California). The Colorado River Drought Contingency Plan Authorization Act, Pub. L. No. 116-14 (2019) directed the Secretary of the Department of the Interior to implement a number of agreements, including specifically an agreement applicable in the Lower Basin that implemented a Lower Basin Drought Contingency Operations rule set known as the LBOps;

**WHEREAS**, recognizing the recent history of low runoff conditions and the variability of flows in the Colorado River Basin and without predetermining what additional measures may be appropriate or necessary through 2026, generally, technical workgroups concluded that

500,000 or more acre-feet per year of additional reductions in water use or augmentation of system water may be required to avoid Lake Mead elevations dropping below 1,030 feet;

**WHEREAS**, on November 18, 2021, Buyer's Board of Directors approved an agenda item authorizing the General Manager to negotiate agreements and take appropriate action in cooperation with the Bureau of Reclamation, Central Arizona Water District, and the Metropolitan Water District of Southern California to achieve these additional reductions;

**WHEREAS**, Buyer currently creates a significant portion of its ICS through ownership or control of water rights on the Virgin and Muddy rivers and additional ownership of such water rights can be used to augment system water to help meet the 500,000 acre-foot goal;

**WHEREAS**, Seller owns 7 shares of stock in the Bunkerville Irrigation Company ("BIC"), as represented by Certificate Nos. A-197 and A-199, entitling the owner to the right to use approximately 64.84 afa of which 54.74 afa is deemed "pre-1929" water, which Buyer can use for ICS purposes;

**WHEREAS**, Buyer intends to acquire BIC Certificate Nos. A-195, A-197 and A-199 and the right to use the corresponding water to help augment water elevations at Lake Mead by allowing the water to flow to the lake instead of being consumed through its historic use; and

**WHEREAS**, pursuant to the terms of this Agreement, Buyer desires to purchase from Seller and Seller desires to sell to Buyer the 7 shares represented in BIC Certificate Nos. A-195, A-197 and A-199.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. Additional Defined Terms.**

1.1. BIC Water. Use of the term "BIC Water" in this Agreement shall refer to the water and the right to use the water from the 7 shares represented in BIC Certificate Nos. A-195, A-197 and A-199, which Seller has agreed to sell, and Buyer has agreed to buy pursuant to the terms and conditions of this Agreement.

1.2. Good Standing. Use of the term “Good Standing” in this Agreement shall refer to the condition that exists when a water right’s legal status under Nevada law and Federal law entitles the owner of that right to use the right in the same quantity, for the same manner of use, on the same place of use, and from the same point of diversion that is described in the official files of the Nevada State Engineer’s office.

1.3. Historic Use. Use of the term “Historic Use” in this Agreement shall refer to the place and manner in which the BIC Water has, historically, been put to beneficial use.

1.4. Purchase Price. Use of the term “Purchase Price” in this Agreement shall refer to the amount of \$497,072.38, which is the agreed upon price for Buyer’s purchase of the BIC Water from Seller, represented by Certificate Nos. A-195, A-197 and A-199.

## **2. Purchase and Sale of Shares.**

2.1. Sale and Transfer of Shares. Subject to the terms of this Agreement, Seller agrees to sell to Buyer the BIC Water, together with the right to beneficially use the water of the Virgin River represented by such shares.

2.2. Purchase Price. Subject to the terms of this Agreement, Buyer agrees to pay, and Seller agrees to accept \$71,010.34 per share for the BIC Water. The Purchase Price for the shares in Certificate Nos. A-195, A-197 and A-199 is therefore \$497,072.38.

2.3. Conveyance of Shares by Seller. Subject to the terms of this Agreement, at Closing, as further described in Section 4 below, Seller shall convey and transfer all right, title, and interest in and to the BIC Water to Buyer in exchange for the Purchase Price.

## **3. Change Applications.**

Seller acknowledges that Buyer may seek state or federal regulatory approvals to change the place of use of the subject BIC Water, and that the Buyer may also request that the manner of use be changed. Seller agrees not to protest said requests for regulatory approvals and to cooperate with Buyer in the approval process by providing information and written testimony regarding the BIC Water, including the Historic Use, that Buyer may maintain, control, and use in its sole discretion. This obligation shall survive Closing indefinitely.

**4. Closing.**

4.1. Time and Place. The Closing shall occur on or before February 3, 2022, or on such other date as may be agreed to by the Parties in their sole discretion.

4.2. Procedure. At Closing, Seller shall sell, assign, convey, and transfer to Buyer all of Seller's right, title, and interest in and to the BIC Water. Effective as of Closing, Seller appoints the General Manager of MIC as transfer agent to transfer such shares on BIC's records. Seller shall provide BIC with any additional documentation necessary to effectuate such transfer to Buyer.

4.3. Occurrences. At Closing, the Parties agree that the following shall occur: (1) Seller shall endorse Certificate Nos. A-195, A-197 and A-199 for the BIC Water for transfer to Buyer's designee, Muddy River Water Holdings Inc.; (2) Seller shall deliver to Buyer a completed and signed copy of a W-9, as required by the Internal Revenue Service; (3) Seller shall submit to Buyer a certification (a form of which is attached hereto as Exhibit A), signed by BIC, verifying that Seller is the record owner of the BIC Water and that Certificate Nos. A-195, A-197 and A-199 are not encumbered by any liens, options, security interests, collateral assignments, rights of first refusal, or other encumbrances that would prevent or restrict Seller from executing this sale and/or prevent or hinder Buyer from acquiring the BIC Water and utilizing the water to its full extent; (4) documentation from the Secretary of State for the state of Nevada establishing Guy Seeklus as Manager or Managing Member of Seller; and (5) if applicable, a release of security interest form signed by any lender, which authorizes the filing of a statement amendment to release the BIC Water from any security interest in favor of lender.

4.4. Payment of the Purchase Price. Upon Seller's compliance with its obligations, Buyer shall deliver the Purchase Price to Seller.

4.5. Buyer's Obligation. At Closing, Buyer shall deliver to Seller by check or wire transfer, the Purchase Price as payment in full for the BIC Water.

4.6. Representations and Warranties True at Closing. All representations and warranties set forth in this Agreement by Seller and Buyer shall also be true and correct as of the Closing as if the same were made at that date.

**5. Conditions Precedent to Buyer's Obligations.**

Seller acknowledges that Buyer is not bound by any express or implied obligation under this Agreement unless and until the following conditions precedent are first satisfied.

5.1. Seller's Ownership Status. Buyer determines that Seller is the record and beneficial owner of the BIC Water, and that Seller owns the Certificate Nos. A-197 and A-199 free and clear of all encumbrances (including unpaid BIC assessments), liens, restrictions and claims of any kind by any third party. Seller shall provide appropriate documentation to Buyer, upon Buyer's reasonable request, to assist Buyer in making this determination.

5.2. Good Standing of Water Rights. Buyer determines that the BIC Water is in Good Standing and not encumbered in any manner. Seller shall provide such documentation to Buyer, upon Buyer's reasonable request, to assist Buyer in making this determination.

5.3. Organization and Good Standing. Buyer determines that the Seller and those entities acting on its behalf are duly organized, validly existing, and in good standing under the laws of the jurisdiction of their formation, incorporation, or organization, as applicable, and are qualified to do business in the State of Nevada. Seller agrees to provide appropriate documentation to Buyer, upon reasonable request by Buyer, to assist Buyer in making this determination.

5.4. Authorization, Execution, Enforceability, and No Conflicts. Buyer determines that: (1) Seller and those acting on its behalf have all requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; (2) execution, delivery and performance of this Agreement have been duly and validly authorized by Seller; (3) the Agreement constitutes a valid and legally binding

obligation of the Seller, enforceable against Seller in accordance with its terms; and (4) no action from any third party is necessary to permit Seller to perform under this Agreement in accordance with its terms. Seller shall provide such documentation to Buyer, upon Buyer's reasonable request, to assist Buyer in making these determinations.

**6. Representations and Warranties of Seller.**

6.1. Ownership. Seller represents and warrants that Seller, at all times material hereto, has been and is the record and beneficial owner of the BIC Water, and Seller owns Certificate Nos. A-197 and A-199 free and clear of all encumbrances (including unpaid BIC assessments), liens, restrictions, and claims of any kind by any third party. The BIC Water represents all the BIC shares, certificates, and related securities that Seller owns. Seller represents that no other options, rights of first refusal, revisionary interests, agreements, or other rights exist in any other person or entity to purchase or otherwise acquire the BIC Water. Seller represents that said BIC Water is not subject to any restrictions upon transfer or outstanding loans, pledges, collateral assignments, or security interests. Seller is selling the BIC Water for its own benefit and not for the account of any third party or as part of any distribution by BIC.

6.2. Historic Use. The Historic Use of the BIC Water has been for irrigating crops on approximately 12 acres of land on the following assessor parcel numbers: 002-34-601-002, 002-34-601-003, and 002-34-601-004.

6.3. Legal Proceedings. Seller represents that it is not aware of any pending or threatened legal or governmental actions, suits or proceedings, at law or equity, which threaten the value, ownership status, or Good Standing of the BIC Water, or the utilization of the water rights associated with such shares.

6.4. Good Standing of Water Rights. Seller represents and warrants that the BIC Water is in Good Standing and Seller has maintained the water rights in Good Standing by complying with all relevant local, state, and federal law governing the BIC Water.

6.5. Authority. Seller represents and warrants that: (1) Seller has all necessary right, power, legal capacity, and authority to enter into, and perform Seller's obligations under, this Agreement; and, specifically, Seller has all necessary right and authority to sell the BIC Water and transfer the same to Buyer, and any all necessary authorizations to effectuate such sale have been obtained; (2) Guy Seeklus is the Managing Member of Seller and is acting on behalf of Seller; (3) Guy Seeklus has all necessary power and authority to execute and deliver this Agreement on behalf of Seller, to bind Seller to perform Seller's obligations hereunder, and to consummate the transactions contemplated herein; and (4) Guy Seeklus has all necessary power and authority to execute and deliver this Agreement and any other documents in connection with the transactions contemplated under this Agreement.

6.6. Consents. Seller has obtained all necessary agreements and consents from any third parties to allow for the consummation of the transaction contemplated by this Agreement, or otherwise pertaining to the matters covered by this Agreement.

6.7. Full Disclosure. Seller represents and warrants that, to Seller's actual knowledge, no statement furnished by Seller, or any other person acting on behalf of Seller, contains or will contain any untrue statement of material fact, or omit any material fact the omission of which would be misleading. Seller has had an opportunity to discuss BIC's business, management and financial affairs with BIC and to ask and have answered to the Seller's satisfaction all questions relevant to the Seller's decision to sell the BIC Water. Seller is not relying on any representations of Buyer with respect to the BIC's prospects, the likelihood of any particular outcome of BIC's business, or any greater or lesser value that Seller may or may not have realized had it not sold the BIC Water to Buyer under the terms of this Agreement.

6.8. Representation by Counsel. Seller represents and warrants that Seller has had an opportunity to seek independent legal counsel with respect to the transactions contemplated by this Agreement and the documents pertaining thereto.



7. **Representations and Warranties of Buyer.** Buyer has the power and authority to execute and deliver this Agreement, to perform the obligations hereunder, and to consummate the transaction contemplated herein.

8. **Agreement of Seller to Cooperate and Indemnify.**

8.1. **Agreement to Cooperate.** Seller represents and warrants that if, after Closing, any third-party challenges, in a judicial or non-judicial fashion, the validity or Good Standing of the BIC Water, or Buyer's title to the BIC Water, or with respect to any other matter related to this Agreement, Seller will cooperate with Buyer's efforts to maintain the validity and Good Standing of the BIC Water, or Buyer's title to the BIC Water, or any such related matter. Such cooperation shall include, but not be limited to, providing any documents pertaining to the BIC Water to Buyer that are in the possession of Seller, and the execution of any affidavits or declarations that Buyer may reasonably request.

8.2. **Indemnification.** From and after the Closing, Seller shall indemnify and hold harmless Buyer and its respective directors, officers, employees, and agents, and each of the heirs, executors, successors, and assigns of any of the foregoing (collectively, the "Buyer Indemnified Parties") from and against all losses, costs, liabilities, damages, penalties, fines, judgments, claims, or expenses (including reasonable attorneys' fees) incurred by or asserted against any of the Buyer Indemnified Parties in connection with or arising from any material breach by Seller of its covenants, representations, warranties, and agreements contained in this Agreement.

**9. Survivability of Representations and Warranties.** Each of the representations and warranties made by Buyer and Seller in this Agreement shall indefinitely survive the Closing. Neither Party shall have a duty of inquiry or be deemed to be on constructive or inquiry notice of any facts or circumstances not expressly stated in this Agreement or the documents delivered pursuant to this Agreement. Notwithstanding any actual knowledge of facts determined by any Party, each Party shall have the right to fully rely on the representations, covenants, and warranties of the other Party contained in this Agreement.

**10. Brokerage.** The Parties represent, warrant, and covenant to and with each other that, to the extent that the transactions evidenced by this Agreement were initiated, negotiated, or completed by any broker, dealer, agent, or finder, the Parties will each bear and cover the costs, commissions, and finders' fees of their own respective brokers, dealers, agents, or finders. Under no circumstance will either Party be required to pay the costs or commissions of the other's broker, dealer, agent, or finder. Each Party hereby indemnifies and holds the other harmless from and against all liabilities, costs, expenses, and attorneys' fees incurred by each other in connection with any claim or demand by a person or entity for any broker's, finder's, or other commission or fee in connection with the indemnifying party's entry into this Agreement and consummation of the transactions contemplated hereby.

**11. General Provisions.**

11.1. Integration. The Parties hereto agree that this Agreement represents the final and complete understanding and Agreement of the Parties with respect to the subject matter of this Agreement. This Agreement supersedes all previous conversations, negotiations, and representations of the Parties and in no event shall any claim be brought by any Party other than in accordance with this written Agreement. No addition to or modification of this Agreement shall be binding unless executed in writing by the Parties.

11.2. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to its choice of law provisions. Any and all legal proceedings to enforce this Agreement, or to

enforce or vacate any judgment or award rendered therein, whether in contract, tort, equity or otherwise, shall be brought in the state or federal courts sitting in Clark County, Nevada, the Parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each Party hereby agrees that any such court shall have in personam jurisdiction over it, consents to service of process in any manner authorized by Nevada law, and agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner specified by applicable law.

11.3. Notices. All correspondence between the Parties shall be in writing, sent by either U.S. Express mail or a nationally-recognized courier service, and shall be sent to the following locations (as the same may be changed by a Party upon written notice to the other Party from time to time):

**If to the Buyer:**

Southern Nevada Water Authority  
Attn: General Manager  
PO Box 99956  
Las Vegas, NV 89193-9956

With a copy to:

Southern Nevada Water Authority  
Attn: General Counsel  
1001 S. Valley View Blvd.  
Las Vegas, Nevada 89153

**If to the Seller:**

SJD Farm LLC  
Attn: Guy Seeklus  
P.O. BOX 1140  
Mesquite, Nevada 89024

11.4. Assignment. Except as otherwise provided in this Agreement, the Parties hereto may not assign their respective rights, or delegate their respective obligations, without the express written consent of the other Party, which consent shall not be unreasonably withheld.

11.5. Successors. This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their successors and permitted assigns.

11.6. Time of the Essence. The Parties specifically declare and agree that time is of the essence in the performance of this Agreement.

11.7. No Third-Party Beneficiaries. No third party not a signatory to this Agreement shall be a beneficiary to its provisions or be otherwise entitled to enforce any provision contained herein.

11.8. No Waiver of Rights. The failure to enforce or delay in enforcement of any provision of this Agreement by a Party hereto, or the failure of any Party to exercise any right hereunder, shall in no way be construed to be a waiver of such provision or right (or of any provision or right of a similar or dissimilar nature) unless such Party expressly waives such provision or right in writing.

11.9. Construction. This Agreement is the result of negotiations between the Parties and has been reviewed by each of the Parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of each of the Parties hereto, and no ambiguity shall be construed in favor of or against either of the Parties hereto, and each Party hereby irrevocably waives any rule or presumption to the contrary.

11.10. Specific Performance. Each Party's obligations under this Agreement are unique, and the subject matter of this Agreement ultimately relates to water rights, which are considered real property under the laws of the State of Nevada. The Parties each acknowledge that if either Party should default in its obligation under this Agreement it would be extremely impracticable or impossible to measure the resulting damages; accordingly, the non-defaulting Party, in addition to any other available rights or remedies, may sue in equity for specific performance, and the Parties each expressly waive the defense that a remedy in damages will be adequate.

11.11. Counterparts as Originals. This Agreement may be executed in any number of counterparts; each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same Agreement.

[signature page follows]

IN WITNESS WHEREOF, each Party has executed this Agreement as of the date first written above.

**SELLER:**  
**SJD FARM LLC**

By: \_\_\_\_\_  
Guy Seeklus, Manager

**BUYER:**  
**SOUTHERN NEVADA WATER AUTHORITY**

By: \_\_\_\_\_  
John J. Entsminger, General Manager

Approved as to form:

\_\_\_\_\_  
Gregory J. Walch, General Counsel

**EXHIBIT A**

**BUNKERVILLE IRRIGATION COMPANY CERTIFICATION - REQUIRED**

The Bunkerville Irrigation Company ("BIC") hereby certifies that SJD Farm LLC is the only record owner of stock Certificate Numbers A-195, A-197 and A-199, which represents 6 shares of BIC capital stock, and which are being offered for sale to the Southern Nevada Water Authority ("SNWA") in the *Agreement for the Purchase and Sale of Shares in the Bunkerville Irrigation Company*. BIC further certifies that the stock certificate does not reflect any liens or encumbrances on such shares that would prevent SJD Farm LLC from executing this sale and/or prevent or hinder SNWA from becoming the record owner of stock Certificate Numbers A-195, A-197 and A-199 and utilizing the associated water to its full extent upon transfer of ownership. BIC shall notify SNWA in the event of a change in certificate number listed above.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

BUNKERVILLE IRRIGATION COMPANY

By: \_\_\_\_\_

Its: \_\_\_\_\_

**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Agreement

**Petitioner:**

Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**

That the Board of Directors approve and authorize the General Manager to sign an Agreement for the Purchase and Sale of Shares in the Bunkerville Irrigation Company between Peri Hardy and the Authority for an amount not to exceed \$284,041.36 and authorize the General Manager to sign ministerial documents necessary to effectuate the transaction.

**Fiscal Impact:**

The requested \$284,041.36 is available in the Authority's Capital Budget.

**Background:**

On December 13, 2007, the U.S. Secretary of the Interior issued a Record of Decision for the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead (Guidelines). The Guidelines allow the Authority to create and divert Intentionally Created Surplus (ICS) by conveying its pre-1929 Muddy and Virgin River water rights to Lake Mead. More recently, due to consistently low runoff and flow variability in the Colorado River Basin, technical workgroups concluded that 500,000 or more acre-feet per year of additional reductions in water use or augmentation of system water may be required to prevent Lake Mead elevations from dropping below 1,030 feet (500K+ Plan). In response, the Board of Directors approved an agenda item on November 18, 2021, authorizing the General Manager to negotiate agreements and take appropriate action in cooperation with the Bureau of Reclamation, Central Arizona Water District, and the Metropolitan Water District of Southern California to achieve these additional reductions. On December 15, 2021, those parties executed a Memorandum of Understanding to achieve these results.

To supplement the Authority's ICS and potentially support the 500K+ Plan, the Authority seeks to acquire additional rights to Virgin River water. Peri Hardy owns four (4) shares of Bunkerville Irrigation Company (BIC) capital stock through Certificate No. A-198. These shares represent the right to use approximately 37.04 acre-feet annually (afa), of which 31.28 afa is deemed "pre-1929" water that may be stored in Lake Mead for ICS credit. If approved, the Authority will purchase the shares for \$284,041.36, or \$71,010.34 per share. The Authority's rights obtained through the acquisition will be held by Muddy River Water Holdings, Inc., a non-profit corporation authorized by the Board of Directors on December 15, 1999, to facilitate the holding of water rights represented by shares in irrigation companies.

This agreement is being entered into pursuant to Sections 6(a) and 6(j) of the SNWA 1995 Amended Cooperative Agreement. The Office of the General Counsel reviewed and approved the Agreement.

JJE:CNP:SA:df

Attachments: Agreement

AGENDA  
ITEM #

**10**



## **AGREEMENT FOR THE PURCHASE AND SALE OF SHARES IN THE BUNKERVILLE IRRIGATION COMPANY**

This Agreement for the Purchase and Sale of Shares in the Bunkerville Irrigation Company (“Agreement”) is made and entered into this \_ day of \_\_\_\_\_ 2022, by and between the SOUTHERN NEVADA WATER AUTHORITY, a political subdivision of the State of Nevada (“Buyer”), and PERI HARDY, an individual (“Seller”). Buyer and Seller may be individually referred to as a “Party” and collectively as the “Parties.”

### **RECITALS**

**WHEREAS**, the Colorado River basin began suffering from a meaningfully warmer and drier climate more than twenty years ago, leading to substantially diminished inflows into the system and decreased water elevation levels in Lake Mead and Lake Powell;

**WHEREAS**, Nevada implemented the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (“2007 Interim Guidelines”) to, among other things, provide incentives and tools for the storage of water in Lake Mead and for Lake Mead elevation dependent shortages reducing annual allocations to the States of Arizona and Nevada beginning at 1075 feet;

**WHEREAS**, in 2019, SNWA became a party to the Lower Basin Drought Contingency Plan Agreement that further incentivized conservation and storage in Lake Mead and established elevation dependent contributions to Lake Mead, including required contributions by each Lower Basin State (i.e. Nevada, Arizona, and California). The Colorado River Drought Contingency Plan Authorization Act, Pub. L. No. 116-14 (2019) directed the Secretary of the Department of the Interior to implement a number of agreements, including specifically an agreement applicable in the Lower Basin that implemented a Lower Basin Drought Contingency Operations rule set known as the LBOPs;

**WHEREAS**, recognizing the recent history of low runoff conditions and the variability of flows in the Colorado River Basin and without predetermining what additional measures may

be appropriate or necessary through 2026, generally, technical workgroups concluded that 500,000 or more acre-feet per year of additional reductions in water use or augmentation of system water may be required to avoid Lake Mead elevations dropping below 1,030 feet;

**WHEREAS**, on November 18, 2021, Buyer’s Board of Directors approved an agenda item authorizing the General Manager to negotiate agreements and take appropriate action in cooperation with the Bureau of Reclamation, Central Arizona Water District, and the Metropolitan Water District of Southern California to achieve these additional reductions;

**WHEREAS**, Buyer currently creates a significant portion of its ICS through ownership or control of water rights on the Virgin and Muddy rivers and additional ownership of such water rights can be used to augment system water to help meet the 500,000 acre-foot goal;

**WHEREAS**, Seller owns 4 shares of stock in the Bunkerville Irrigation Company (“BIC”), as represented by Certificate No. A-198, entitling the owner to the right to use approximately 37.04 acre-feet annually (“afa”) and of which 31.28 afa is deemed “pre-1929” water, which Buyer can use for ICS purposes;

**WHEREAS**, Buyer intends to acquire BIC Certificate No. 1-198 and the right to use the corresponding water to help augment water elevations at Lake Mead by allowing the water to flow to the lake instead of being consumed through its historic use; and

**WHEREAS**, pursuant to the terms of this Agreement, Buyer desires to purchase from Seller and Seller desires to sell to Buyer the 4 BIC shares represented in Certificate No. A-198.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. Additional Defined Terms.**

1.1. BIC Water. Use of the term “BIC Water” in this Agreement shall refer to the water and the right to use the water from the 4 BIC shares represented in Certificate No. A-198, which Seller has agreed to sell, and Buyer has agreed to buy pursuant to the terms and conditions of this Agreement.

1.2. Good Standing. Use of the term “Good Standing” in this Agreement shall refer to the condition that exists when a water right’s legal status under Nevada law and Federal law entitles the owner of that right to use the right in the same quantity, for the same manner of use, on the same place of use, and from the same point of diversion that is described in the official files of the Nevada State Engineer’s office.

1.3. Historic Use. Use of the term “Historic Use” in this Agreement shall refer to the place and manner in which the BIC Water has, historically, been put to beneficial use.

1.4. Purchase Price. Use of the term “Purchase Price” in this Agreement shall refer to the amount of \$284,041.36, which is the agreed upon price for Buyer’s purchase of the BIC Water from Seller, represented by Certificate No. A-198.

## **2. Purchase and Sale of Shares.**

2.1. Sale and Transfer of Shares. Subject to the terms of this Agreement, Seller agrees to sell to Buyer the BIC Water, together with the right to beneficially use the water of the Virgin River represented by such shares.

2.2. Purchase Price. Subject to the terms of this Agreement, Buyer agrees to pay, and Seller agrees to accept \$71,010.34 per share for the BIC Water. The Purchase Price for Certificate No. A-198 is therefore \$284,041.36.

2.3. Conveyance of Shares by Seller. Subject to the terms of this Agreement, at Closing, as further described in Section 4 below, Seller shall convey and transfer all right, title, and interest in and to the BIC Water to Buyer in exchange for the Purchase Price.

## **3. Change Applications.**

Seller acknowledges that Buyer may seek state or federal regulatory approvals to change the place of use of the subject BIC Water, and that the Buyer may also request that the manner of use be changed. Seller agrees not to protest said requests for regulatory approvals and to cooperate with Buyer in the approval process by providing information and written testimony regarding the BIC Water, including the Historic Use, that Buyer may maintain, control, and use in its sole discretion. This obligation shall survive Closing indefinitely.

#### 4. Closing.

4.1. Time and Place. The Closing shall occur on or before February 3, 2022, or on such other date as may be agreed to by the Parties in their sole discretion.

4.2. Procedure. At Closing, Seller shall sell, assign, convey, and transfer to Buyer all of Seller's right, title, and interest in and to the BIC Water. Effective as of Closing, Seller appoints the General Manager of MIC as transfer agent to transfer such shares on BIC's records. Seller shall provide BIC with any additional documentation necessary to effectuate such transfer to Buyer.

4.3. Occurrences. At Closing, the Parties agree that the following shall occur: (1) Seller shall endorse Certificate No. A-198 for the BIC Water for transfer to Buyer's designee, Muddy River Water Holdings Inc.; (2) Seller shall deliver to Buyer a completed and signed copy of a W-9, as required by the Internal Revenue Service; (3) Seller shall submit to Buyer a certification (a form of which is attached hereto as Exhibit A), signed by BIC, verifying that Seller is the record owner of the BIC Water and that Certificate No. A-198 is not encumbered by any liens, options, security interests, collateral assignments, rights of first refusal, or other encumbrances that would prevent or restrict Seller from executing this sale and/or prevent or hinder Buyer from acquiring the BIC Water and utilizing the water to its full extent; and (4) if applicable, a release of security interest form signed by any lender, which authorizes the filing of a statement amendment to release the BIC Water from any security interest in favor of lender.

4.4. Payment of the Purchase Price. Upon Seller's compliance with its obligations, Buyer shall deliver the Purchase Price to Seller.

4.5. Buyer's Obligation. At Closing, Buyer shall deliver to Seller by check or wire transfer, the Purchase Price as payment in full for the BIC Water.

4.6. Representations and Warranties True at Closing. All representations and warranties set forth in this Agreement by Seller and Buyer shall also be true and correct as of the Closing as if the same were made at that date.

## **5. Conditions Precedent to Buyer's Obligations.**

Seller acknowledges that Buyer is not bound by any express or implied obligation under this Agreement unless and until the following conditions precedent are first satisfied.

5.1. Seller's Ownership Status. Buyer determines that Seller is the record and beneficial owner of the BIC Water, and that Seller owns the Certificate No. A-198 free and clear of all encumbrances (including unpaid BIC assessments), liens, restrictions and claims of any kind by any third party. Seller shall provide appropriate documentation to Buyer, upon Buyer's reasonable request, to assist Buyer in making this determination.

5.2. Good Standing of Water Rights. Buyer determines that the BIC Water is in Good Standing and not encumbered in any manner. Seller shall provide such documentation to Buyer, upon Buyer's reasonable request, to assist Buyer in making this determination.

5.3. Organization and Good Standing. Buyer determines that the Seller and those entities acting on its behalf are duly organized, validly existing, and in good standing under the laws of the jurisdiction of their formation, incorporation, or organization, as applicable, and are qualified to do business in the State of Nevada. Seller agrees to provide appropriate documentation to Buyer, upon reasonable request by Buyer, to assist Buyer in making this determination.

5.4. Authorization, Execution, Enforceability, and No Conflicts. Buyer determines that: (1) Seller and those acting on its behalf have all requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; (2) execution, delivery and performance of this Agreement have been duly and validly authorized by Seller; (3) the Agreement constitutes a valid and legally binding obligation of the Seller, enforceable against Seller in accordance with its terms; and (4) no action from any third party is necessary to permit Seller to perform under this Agreement in accordance with its terms. Seller shall provide such

documentation to Buyer, upon Buyer's reasonable request, to assist Buyer in making these determinations.

**6. Representations and Warranties of Seller.**

6.1. Ownership. Seller represents and warrants that Seller, at all times material hereto, has been and is the record and beneficial owner of the BIC Water, and Seller owns Certificate No. A-198 free and clear of all encumbrances (including unpaid BIC assessments), liens, restrictions, and claims of any kind by any third party. The BIC Water represents all the BIC shares, certificates, and related securities that Seller owns. Seller represents that no other options, rights of first refusal, revisionary interests, agreements, or other rights exist in any other person or entity to purchase or otherwise acquire the BIC Water. Seller represents that said BIC Water is not subject to any restrictions upon transfer or outstanding loans, pledges, collateral assignments, or security interests. Seller is selling the BIC Water for its own benefit and not for the account of any third party or as part of any distribution by BIC.

6.2. Historic Use. The Historic Use of the BIC Water has been for agriculture on the following assessor parcel numbers: 002-34-601-002, 002-34-601-003, and 002-34-601-004.

6.3. Legal Proceedings. Seller represents that it is not aware of any pending or threatened legal or governmental actions, suits or proceedings, at law or equity, which threaten the value, ownership status, or Good Standing of the BIC Water, or the utilization of the water rights associated with such shares.

6.4. Good Standing of Water Rights. Seller represents and warrants that the BIC Water is in Good Standing and Seller has maintained the water rights in Good Standing by complying with all relevant local, state, and federal law governing the BIC Water.

6.5. Authority. Seller represents and warrants that: (1) Seller has all necessary right, power, legal capacity, and authority to enter into, and perform Seller's obligations under, this Agreement; and, specifically, Seller has all necessary right and authority to

sell the BIC Water and transfer the same to Buyer, and any all necessary authorizations to effectuate such sale have been obtained; (2) Peri Hardy, as owner of the BIC Water is acting on her own and individual behalf; (3) Peri Hardy has all necessary power and authority to execute and deliver this Agreement on behalf of Seller, to bind Seller to perform Seller's obligations hereunder, and to consummate the transactions contemplated herein; and (4) Peri Hardy has all necessary power and authority to execute and deliver this Agreement and any other documents in connection with the transactions contemplated under this Agreement.

6.6. Consents. Seller has obtained all necessary agreements and consents from any third parties to allow for the consummation of the transaction contemplated by this Agreement, or otherwise pertaining to the matters covered by this Agreement.

6.7. Full Disclosure. Seller represents and warrants that, to Seller's actual knowledge, no statement furnished by Seller, or any other person acting on behalf of Seller, contains or will contain any untrue statement of material fact, or omit any material fact the omission of which would be misleading. Seller has had an opportunity to discuss BIC's business, management and financial affairs with BIC and to ask and have answered to the Seller's satisfaction all questions relevant to the Seller's decision to sell the BIC Water. Seller is not relying on any representations of Buyer with respect to the BIC's prospects, the likelihood of any particular outcome of BIC's business, or any greater or lesser value that Seller may or may not have realized had it not sold the BIC Water to Buyer under the terms of this Agreement.

6.8. Representation by Counsel. Seller represents and warrants that Seller has had an opportunity to seek independent legal counsel with respect to the transactions contemplated by this Agreement and the documents pertaining thereto.

7. **Representations and Warranties of Buyer.** Buyer has the power and authority to execute and deliver this Agreement, to perform the obligations hereunder, and to consummate the transaction contemplated herein.

8. **Agreement of Seller to Cooperate and Indemnify.**

8.1. **Agreement to Cooperate.** Seller represents and warrants that if, after Closing, any third-party challenges, in a judicial or non-judicial fashion, the validity or Good Standing of the BIC Water, or to the Buyer's title to the BIC Water, or with respect to any other matter related to this Agreement, Seller will cooperate with Buyer's efforts to maintain the validity and Good Standing of the BIC Water, or Buyer's title to the BIC Water, or any such related matter. Such cooperation shall include, but not be limited to, providing any documents pertaining to the BIC Water to Buyer that are in the possession of Seller, and the execution of any affidavits or declarations that Buyer may reasonably request.

8.2. **Indemnification.** From and after the Closing, Seller shall indemnify and hold harmless Buyer and its respective directors, officers, employees, and agents, and each of the heirs, executors, successors, and assigns of any of the foregoing (collectively, the "Buyer Indemnified Parties") from and against all losses, costs, liabilities, damages, penalties, fines, judgments, claims, or expenses (including reasonable attorneys' fees) incurred by or asserted against any of the Buyer Indemnified Parties in connection with or arising from any material breach by Seller of its covenants, representations, warranties, and agreements contained in this Agreement.



**9. Survivability of Representations and Warranties.** Each of the representations and warranties made by Buyer and Seller in this Agreement shall indefinitely survive the Closing. Neither Party shall have a duty of inquiry or be deemed to be on constructive or inquiry notice of any facts or circumstances not expressly stated in this Agreement or the documents delivered pursuant to this Agreement. Notwithstanding any actual knowledge of facts determined by any Party, each Party shall have the right to fully rely on the representations, covenants, and warranties of the other Party contained in this Agreement.

**10. Brokerage.** The Parties represent, warrant, and covenant to and with each other that, to the extent that the transactions evidenced by this Agreement were initiated, negotiated, or completed by any broker, dealer, agent, or finder, the Parties will each bear and cover the costs, commissions, and finders' fees of their own respective brokers, dealers, agents, or finders. Under no circumstance will either Party be required to pay the costs or commissions of the other's broker, dealer, agent, or finder. Each Party hereby indemnifies and holds the other harmless from and against all liabilities, costs, expenses, and attorneys' fees incurred by each other in connection with any claim or demand by a person or entity for any broker's, finder's, or other commission or fee in connection with the indemnifying party's entry into this Agreement and consummation of the transactions contemplated hereby.

**11. General Provisions.**

11.1. Integration. The Parties hereto agree that this Agreement represents the final and complete understanding and Agreement of the Parties with respect to the subject matter of this Agreement. This Agreement supersedes all previous conversations, negotiations, and representations of the Parties and in no event shall any claim be brought by any Party other than in accordance with this written Agreement. No addition to or modification of this Agreement shall be binding unless executed in writing by the Parties.

11.2. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to its choice of law provisions. Any and all legal proceedings to enforce this Agreement, or to

enforce or vacate any judgment or award rendered therein, whether in contract, tort, equity or otherwise, shall be brought in the state or federal courts sitting in Clark County, Nevada, the Parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each Party hereby agrees that any such court shall have in personam jurisdiction over it, consents to service of process in any manner authorized by Nevada law, and agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner specified by applicable law.

11.3. Notices. All correspondence between the Parties shall be in writing, sent by either U.S. Express mail or a nationally-recognized courier service, and shall be sent to the following locations (as the same may be changed by a Party upon written notice to the other Party from time to time):

**If to the Buyer:**

Southern Nevada Water Authority  
Attn: General Manager  
PO Box 99956  
Las Vegas, NV 89193-9956

With a copy to:

Southern Nevada Water Authority  
Attn: General Counsel  
1001 S. Valley View Blvd.  
Las Vegas, Nevada 89153

**If to the Seller:**

Peri Hardy  
PO Box 7396  
Bunkerville Nevada 89007

11.4. Assignment. Except as otherwise provided in this Agreement, the Parties hereto may not assign their respective rights, or delegate their respective obligations, without the express written consent of the other Party, which consent shall not be unreasonably withheld.

11.5. Successors. This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their successors and permitted assigns.

11.6. Time of the Essence. The Parties specifically declare and agree that time is of the essence in the performance of this Agreement.

11.7. No Third-Party Beneficiaries. Any third party not a signatory to this Agreement shall not be a beneficiary to its provisions or be otherwise entitled to enforce any provision contained herein.

11.8. No Waiver of Rights. The failure to enforce or delay in enforcement of any provision of this Agreement by a Party hereto, or the failure of any Party to exercise any right hereunder, shall in no way be construed to be a waiver of such provision or right (or of any provision or right of a similar or dissimilar nature) unless such Party expressly waives such provision or right in writing.

11.9. Construction. This Agreement is the result of negotiations between the Parties and has been reviewed by each of the Parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of each of the Parties, and no ambiguity shall be construed in favor of or against either of the Parties hereto, and each Party hereby irrevocably waives any rule or presumption to the contrary.

11.10. Specific Performance. Each Party's obligations under this Agreement are unique, and the subject matter of this Agreement ultimately relates to water rights, which are considered real property under the laws of the State of Nevada. The Parties each acknowledge that if either Party should default in its obligation under this Agreement it would be extremely impracticable or impossible to measure the resulting damages; accordingly, the non-defaulting Party, in addition to any other available rights or remedies, may sue in equity for specific performance, and the Parties each expressly waive the defense that a remedy in damages will be adequate.

11.11. Counterparts as Originals. This Agreement may be executed in any number of counterparts; each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same Agreement.

[signature page follows]

IN WITNESS WHEREOF, each Party has executed this Agreement as of the date first written above.

**SELLER:**  
**PERIHARDY**

By: \_\_\_\_\_  
Peri Hardy

**BUYER:**  
**SOUTHERN NEVADA WATER AUTHORITY**

By: \_\_\_\_\_  
John J. Entsminger, General Manager

Approved as to form:

\_\_\_\_\_  
Gregory J. Walch, General Counsel

**EXHIBIT A**

**BUNKERVILLE IRRIGATION COMPANY CERTIFICATION - REQUIRED**

The Bunkerville Irrigation Company (“BIC”) hereby certifies that Peri Hardy is the only record owner of stock Certificate Number A-198, which represents 4 shares of BIC capital stock, and which are being offered for sale to the Southern Nevada Water Authority (“SNWA”) in the *Agreement for the Purchase and Sale of Shares in the Bunkerville Irrigation Company*. BIC further certifies that the stock certificate does not reflect any liens or encumbrances on such shares that would prevent Peri Hardy LLC from executing this sale and/or prevent or hinder SNWA from becoming the record owner of stock Certificate Number A-198 and utilizing the associated water to its full extent upon transfer of ownership. BIC shall notify SNWA in the event of a change in certificate number listed above.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

BUNKERVILLE IRRIGATION COMPANY

By: \_\_\_\_\_

Its: \_\_\_\_\_

**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Agreement

**Petitioner:**

Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**

That the Board of Directors approve and authorize the General Manager to sign an Agreement for the Purchase and Sale of Shares in the Mesquite Irrigation Company between Obsidian Real Estate, LLC and the Authority for an amount not to exceed \$181,649.64 and authorize the General Manager to sign ministerial documents necessary to effectuate the transaction.

**Fiscal Impact:**

The requested \$181,649.64 is available in the Authority's Capital Budget.

**Background:**

On December 13, 2007, the U.S. Secretary of the Interior issued a Record of Decision for the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead (Guidelines). The Guidelines allow the Authority to create and divert Intentionally Created Surplus (ICS) by conveying its pre-1929 Muddy and Virgin River water rights to Lake Mead. More recently, due to consistently low runoff and flow variability in the Colorado River Basin, technical workgroups concluded that 500,000 or more acre-feet per year of additional reductions in water use or augmentation of system water may be required to prevent Lake Mead elevations from dropping below 1,030 feet (500K+ Plan). In response, the Board approved an agenda item on November 18, 2021, authorizing the General Manager to negotiate agreements and take appropriate action in cooperation with the Bureau of Reclamation, Central Arizona Water District, and the Metropolitan Water District of Southern California to achieve these additional reductions. On December 15, 2021, those parties executed a Memorandum of Understanding to achieve these results.

To supplement the Authority's ICS and potentially support the 500K+ Plan, the Authority seeks to acquire additional rights to Virgin River water. Obsidian Real Estate, LLC, owns three (3) shares of Mesquite Irrigation Company (MIC) capital stock through Certificate No. 430. These shares represent the right to use 21.54 acre-feet annually (afa) of Virgin River water, of which 21.12 afa is deemed "pre-1929" that may be stored in Lake Mead for ICS credit. If approved, the Authority will purchase the shares for \$181,649.64, or \$60,549.88 per share. The Authority's rights obtained through the acquisition will be held by Muddy River Water Holdings, Inc., a non-profit corporation authorized by the Board of Directors on December 15, 1999, to facilitate the holding of water rights represented by shares in irrigation companies.

This agreement is being entered into pursuant to Sections 6(a) and 6(j) of the SNWA 1995 Amended Cooperative Agreement. The Office of the General Counsel reviewed and approved the Agreement.

JJE:CNP:SA:df

Attachments: Agreement

AGENDA  
ITEM #

**11**

## **AGREEMENT FOR THE PURCHASE AND SALE OF SHARES IN THE MESQUITE IRRIGATION COMPANY**

This Agreement for the Purchase and Sale of Shares in the Mesquite Irrigation Company (“Agreement”) is made and entered into this \_\_\_ day of \_\_\_\_\_ 2022, by and between the SOUTHERN NEVADA WATER AUTHORITY, a political subdivision of the State of Nevada (“Buyer” or “Authority”), and OBSIDIAN REAL ESTATE, LLC, a Utah limited liability company (“Seller”). Buyer and Seller may be individually referred to as a “Party” and collectively are referred to as “the Parties.”

### **RECITALS**

**WHEREAS**, the Colorado River basin began suffering from a meaningfully warmer and drier climate more than twenty years ago, leading to substantially diminished inflows into the system and decreased water elevation levels in Lake Mead and Lake Powell;

**WHEREAS**, Nevada implemented the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (“2007 Interim Guidelines”) to, among other things, provide incentives and tools for the storage of water in Lake Mead and for Lake Mead elevation dependent shortages reducing annual allocations to the States of Arizona and Nevada beginning at 1075 feet;

**WHEREAS**, in 2019, SNWA became a party to the Lower Basin Drought Contingency Plan Agreement that further incentivized conservation and storage in Lake Mead and established elevation dependent contributions to Lake Mead, including required contributions by each Lower Basin State (i.e. Nevada, Arizona, and California). The Colorado River Drought Contingency Plan Authorization Act, Pub. L. No. 116-14 (2019) directed the Secretary of the Department of the Interior to implement a number of agreements, including specifically an agreement applicable in the Lower Basin that implemented a Lower Basin Drought Contingency Operations rule set known as the LBOPs;

**WHEREAS**, recognizing the recent history of low runoff conditions and the variability of flows in the Colorado River Basin and without predetermining what additional measures may



be appropriate or necessary through 2026, generally, technical workgroups concluded that 500,000 or more acre-feet per year of additional reductions in water use or augmentation of system water may be required to avoid Lake Mead elevations dropping below 1,030 feet;

**WHEREAS**, on November 18, 2021, Buyer's Board of Directors approved an agenda item authorizing the General Manager to negotiate agreements and take appropriate action in cooperation with the Bureau of Reclamation, Central Arizona Water District, and the Metropolitan Water District of Southern California to achieve these additional reductions;

**WHEREAS**, Buyer currently creates a significant portion of its ICS through ownership or control of water rights on the Virgin and Muddy rivers and additional ownership of such water rights can be used to augment system water to help meet the 500,000 acre-foot goal;

**WHEREAS**, Seller owns 3 shares of stock in the Mesquite Irrigation Company ("MIC"), as represented by Certificate No. 430, entitling the owner to the right to use approximately 21.54 acre-feet annually ("afa") and of which 21.12 afa is deemed "pre-1929" water, which Buyer can use for ICS purposes;

**WHEREAS**, Buyer intends to acquire MIC Certificate No. 430 and the right to use the corresponding water to help augment water elevations at Lake Mead by allowing the water to flow to the lake instead of being consumed through its historic use; and

**WHEREAS**, pursuant to the terms of this Agreement, Buyer desires to purchase from Seller and Seller desires to sell to Buyer the 3 MIC shares represented in Certificate No. 430.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. Additional Defined Terms.**

1.1. MIC Water. Use of the term "MIC Water" in this Agreement shall refer to the water and the right to use the water from the 3 MIC shares represented in Certificate No. 430, which Seller has agreed to sell, and Buyer has agreed to buy pursuant to the terms and conditions of this Agreement.

1.2. Good Standing. Use of the term “Good Standing” in this Agreement shall refer to the condition that exists when a water right’s legal status under Nevada law and Federal law entitles the owner of that right to use the right in the same quantity, for the same manner of use, on the same place of use, and from the same point of diversion that is described in the official files of the Nevada State Engineer’s office.

1.3. Historic Use. Use of the term “Historic Use” in this Agreement shall refer to the place and manner in which the MIC Water has, historically, been put to beneficial use.

1.4. Purchase Price. Use of the term “Purchase Price” in this Agreement shall refer to the amount of \$181,649.64, which is the agreed upon price for Buyer’s purchase of the MIC Water from Seller, represented by Certificate No. 430.

## **2. Purchase and Sale of Shares.**

2.1. Sale and Transfer of Shares. Subject to the terms of this Agreement, Seller agrees to sell to Buyer the MIC Water, together with the right to beneficially use the water of the Virgin River represented by such shares.

2.2. Purchase Price. Subject to the terms of this Agreement, Buyer agrees to pay, and Seller agrees to accept \$60,549.88 per share for the MIC Water. The Purchase Price for Certificate No. 430 and its corresponding 3 shares is therefore \$181,649.64.

2.3. Conveyance of Shares by Seller. Subject to the terms of this Agreement, at Closing, as further described in Section 4 below, Seller shall convey and transfer all right, title, and interest in and to the MIC Water to Buyer in exchange for the Purchase Price.

## **3. Change Applications.**

Seller acknowledges that Buyer may seek state or federal regulatory approvals to change the place of use of the subject MIC Water, and that the Buyer may also request that the manner of use be changed. Seller agrees not to protest said requests for regulatory approvals and to cooperate with Buyer in the approval process by providing information and written testimony regarding the MIC Water, including the Historic Use, that Buyer may maintain, control, and use in its sole discretion. This obligation shall survive Closing indefinitely.

**4. Closing.**

4.1. Time and Place. The Closing shall occur on or before February 3, 2022, or on such other date as may be agreed to by the Parties in their sole discretion.

4.2. Procedure. At Closing, Seller shall sell, assign, convey, and transfer to Buyer all of Seller's right, title, and interest in and to the MIC Water. Effective as of Closing, Seller appoints the General Manager of MIC as transfer agent to transfer such shares on MIC's records. Seller shall provide MIC with any additional documentation necessary to effectuate such transfer to Buyer.

4.3. Occurrences. At Closing, the Parties agree that the following shall occur: (1) Seller shall endorse Certificate No. 430 for the MIC Water for transfer to Buyer's designee, Muddy River Water Holdings Inc.; (2) Seller shall deliver to Buyer a completed and signed copy of a W-9, as required by the Internal Revenue Service; (3) Seller shall submit to Buyer a certification (a form of which is attached hereto as Exhibit A), signed by MIC, verifying that Seller is the record owner of the MIC Water and that Certificate No. 430 is not encumbered by any liens, options, security interests, collateral assignments, rights of first refusal, or other encumbrances that would prevent or restrict Seller from executing this sale and/or prevent or hinder Buyer from acquiring the MIC Water and utilizing the water to its full extent; and (4) documentation from the Secretary of State for the state of Utah establishing that Peri Hardy is the Manager of Seller; and (5) if applicable, an executed release of security interest form signed by any lender, which form authorizes the filing of a statement amendment to release the MIC Water from any security interest in favor of lender.

4.4. Payment of the Purchase Price. Upon Seller's compliance with its obligations, Buyer shall deliver the Purchase Price to Seller.

4.5. Buyer's Obligation. AT Closing, Buyer shall deliver to Seller by check or wire transfer, the Purchase Price as payment in full for the MIC Water.

4.6. Representations and Warranties True at Closing. All representations and warranties set forth in this Agreement by Seller and Buyer shall also be true and correct as of the Closing as if the same were made at that date.

**5. Conditions Precedent to Buyer's Obligations.**

Seller acknowledges that Buyer is not bound by any express or implied obligation under this Agreement unless and until the following conditions precedent are first satisfied.

5.1. Seller's Ownership Status. Buyer determines that Seller is the record and beneficial owner of the MIC Water, and that Seller owns the Certificate No. 430 free and clear of all encumbrances (including unpaid MIC assessments), liens, restrictions and claims of any kind by any third party. Seller shall provide appropriate documentation to Buyer, upon Buyer's reasonable request, to assist Buyer in making this determination.

5.2. Good Standing of Water Rights. Buyer determines that the MIC Water is in Good Standing and not encumbered in any manner. Seller shall provide such documentation to Buyer, upon Buyer's reasonable request, to assist Buyer in making this determination.

5.3. Organization and Good Standing. Buyer determines that the Seller and those entities acting on its behalf are duly organized, validly existing, and in good standing under the laws of the jurisdiction of their formation, incorporation, or organization, as applicable, and are qualified to do business in the State of Nevada. Seller agrees to provide appropriate documentation to Buyer, upon reasonable request by Buyer, to assist Buyer in making this determination.

5.4. Authorization, Execution, Enforceability, and No Conflicts. Buyer determines that: (1) Seller and those acting on its behalf have all requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; (2) execution, delivery and performance of this Agreement have been duly and validly authorized by Seller; (3) the Agreement constitutes a valid and legally binding obligation of the Seller, enforceable against Seller in accordance with its terms; and (4)

no action from any third party is necessary to permit Seller to perform under this Agreement in accordance with its terms. Seller shall provide such documentation to Buyer, upon Buyer's reasonable request, to assist Buyer in making these determinations.

**6. Representations and Warranties of Seller.**

6.1. Ownership. Seller represents and warrants that Seller, at all times material hereto, has been and is the record and beneficial owner of the MIC Water, and Seller owns Certificate No. 430 free and clear of all encumbrances (including unpaid MIC assessments), liens, restrictions, and claims of any kind by any third party. The MIC Water represents all the MIC shares, certificates, and related securities that Seller owns. Seller represents that no other options, rights of first refusal, revisionary interests, agreements, or other rights exist in any other person or entity to purchase or otherwise acquire the MIC Water. Seller represents that said MIC Water is not subject to any restrictions upon transfer or outstanding loans, pledges, collateral assignments, or security interests. Seller is selling the MIC Water for its own benefit and not for the account of any third party or as part of any distribution by MIC.

6.2. Historic Use. The Historic Use of the MIC Water has been for irrigating real property associated with the following assessor parcel numbers: 001-07-401-031, 001-18-101-034, 001-07-301-048, 001-07-301-049, 001-07-701-028, 001-07-601-004 and 001-07-711-007.

6.3. Legal Proceedings. Seller represents that it is not aware of any pending or threatened legal or governmental actions, suits or proceedings, at law or equity, which threaten the value, ownership status, or Good Standing of the MIC Water, or the utilization of the water rights associated with such shares.

6.4. Good Standing of Water Rights. Seller represents and warrants that the MIC Water is in Good Standing and Seller has maintained the water rights in Good Standing by complying with all relevant local, state, and federal law governing the MIC Water.

6.5. Authority. Seller represents and warrants that: (1) Seller has all necessary right, power, legal capacity, and authority to enter into, and perform Seller's obligations under, this Agreement; and, specifically, Seller has all necessary right and authority to sell the MIC Water and transfer the same to Buyer, and any all necessary authorizations to effectuate such sale have been obtained; (2) Peri Hardy, as Manager of Seller, is the principal representing Seller in this Agreement; (3) Peri Hardy has all necessary power and authority to execute and deliver this Agreement on behalf of Seller, to bind Seller to perform Seller's obligations hereunder, and to consummate the transactions contemplated herein; and (4) Peri Hardy has all necessary power and authority to execute and deliver this Agreement and any other documents in connection with the transactions contemplated under this Agreement.

6.6. Consents. Seller has obtained all necessary agreements and consents from any third parties to allow for the consummation of the transaction contemplated by this Agreement, or otherwise pertaining to the matters covered by this Agreement.

6.7. Full Disclosure. Seller represents and warrants that, to Seller's actual knowledge, no statement furnished by Seller, or any other person acting on behalf of Seller, contains or will contain any untrue statement of material fact, or omit any material fact the omission of which would be misleading. Seller has had an opportunity to discuss MIC's business, management and financial affairs with MIC and to ask and have answered to the Seller's satisfaction all questions relevant to the Seller's decision to sell the MIC Water. Seller is not relying on any representations of Buyer with respect to the MIC's prospects, the likelihood of any particular outcome of MIC's business, or any greater or lesser value that Seller may or may not have realized had it not sold the MIC Water to Buyer under the terms of this Agreement.

6.8. Representation by Counsel. Seller represents and warrants that Seller has had an opportunity to seek independent legal counsel with respect to the transactions contemplated by this Agreement and the documents pertaining thereto.

7. **Representations and Warranties of Buyer.** Buyer has the power and authority to execute and deliver this Agreement, to perform the obligations hereunder, and to consummate the transaction contemplated herein.

8. **Agreement of Seller to Cooperate and Indemnify.**

8.1. **Agreement to Cooperate.** Seller represents and warrants that if, after Closing, any third-party challenges, in a judicial or non-judicial fashion, the validity or Good Standing of the MIC Water, Buyer's title to the MIC Water, or with respect to any other matter related to this Agreement, Seller will cooperate with Buyer's efforts to maintain the validity and Good Standing of the MIC Water, or Buyer's title to the MIC Water, or any such related matter. Such cooperation shall include, but not be limited to, providing any documents pertaining to the MIC Water to Buyer that are in the possession of Seller, and the execution of any affidavits or declarations that Buyer may reasonably request.

8.2. **Indemnification.** From and after the Closing, Seller shall indemnify and hold harmless Buyer and its respective directors, officers, employees, and agents, and each of the heirs, executors, successors, and assigns of any of the foregoing (collectively, the "Buyer Indemnified Parties") from and against all losses, costs, liabilities, damages, penalties, fines, judgments, claims, or expenses (including reasonable attorneys' fees) incurred by or asserted against any of the Buyer Indemnified Parties in connection with or arising from any material breach by Seller of its covenants, representations, warranties, and agreements contained in this Agreement.

9. **Survivability of Representations and Warranties.** Each of the representations and warranties made by Buyer and Seller in this Agreement shall indefinitely survive the Closing. Neither Party shall have a duty of inquiry or be deemed to be on constructive or inquiry notice of any facts or circumstances not expressly stated in this Agreement or the documents delivered pursuant to this Agreement. Notwithstanding any actual knowledge of facts determined by any Party, each Party shall have the right to fully rely on the representations, covenants, and warranties of the other Party contained in this Agreement.
10. **Brokerage.** The Parties represent, warrant, and covenant to and with each other that, to the extent that the transactions evidenced by this Agreement were initiated, negotiated, or completed by any broker, dealer, agent, or finder, the Parties will each bear and cover the costs, commissions, and finders' fees of their own respective brokers, dealers, agents, or finders. Under no circumstance will either Party be required to pay the costs or commissions of the other's broker, dealer, agent, or finder. Each Party hereby indemnifies and holds the other harmless from and against all liabilities, costs, expenses, and attorneys' fees incurred by each other in connection with any claim or demand by a person or entity for any broker's, finder's, or other commission or fee in connection with the indemnifying party's entry into this Agreement and consummation of the transactions contemplated hereby.
11. **General Provisions.**
- 11.1. **Integration.** The Parties hereto agree that this Agreement represents the final and complete understanding and Agreement of the Parties with respect to the subject matter of this Agreement. This Agreement supersedes all previous conversations, negotiations, and representations of the Parties and in no event shall any claim be brought by any Party other than in accordance with this written Agreement. No addition to or modification of this Agreement shall be binding unless executed in writing by the Parties.
- 11.2. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to its choice of law provisions. Any and all legal proceedings to enforce this Agreement, or to



enforce or vacate any judgment or award rendered therein, whether in contract, tort, equity or otherwise, shall be brought in the state or federal courts sitting in Clark County, Nevada, the Parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each Party hereby agrees that any such court shall have in personam jurisdiction over it, consents to service of process in any manner authorized by Nevada law, and agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner specified by applicable law.

11.3. Notices. All correspondence between the Parties shall be in writing, sent by either U.S. Express mail or a nationally-recognized courier service, and shall be sent to the following locations (as the same may be changed by a Party upon written notice to the other Party from time to time):

**If to the Buyer:**

Southern Nevada Water Authority  
Attn: General Manager  
PO Box 99956  
Las Vegas, NV 89193-9956

With a copy to:

Southern Nevada Water Authority  
Attn: General Counsel  
1001 S. Valley View Blvd.  
Las Vegas, Nevada 89153

**If to the Seller:**

Obsidian Real Estate, LLC  
Attn: Peri Hardy  
162 N 400 E Ste A-204  
St. George, Utah 84770

11.4. Assignment. Except as otherwise provided in this Agreement, the Parties hereto may not assign their respective rights, or delegate their respective obligations, without the express written consent of the other Party, which consent shall not be unreasonably withheld.

11.5. Successors. This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their successors and permitted assigns.

11.6. Time of the Essence. The Parties specifically declare and agree that time is of the essence in the performance of this Agreement.

11.7. No Third-Party Beneficiaries. No third party not a signatory to this Agreement shall be a beneficiary to its provisions or be otherwise entitled to enforce any provision contained herein.

11.8. No Waiver of Rights. The failure to enforce or delay in enforcement of any provision of this Agreement by a Party hereto, or the failure of any Party to exercise any right hereunder, shall in no way be construed to be a waiver of such provision or right (or of any provision or right of a similar or dissimilar nature) unless such Party expressly waives such provision or right in writing.

11.9. Construction. This Agreement is the result of negotiations between the Parties and has been reviewed by each of the Parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of each of the Parties hereto, and no ambiguity shall be construed in favor of or against either of the Parties hereto, and each Party hereby irrevocably waives any rule or presumption to the contrary.

11.10. Specific Performance. Each Party's obligations under this Agreement are unique, and the subject matter of this Agreement ultimately relates to water rights, which are considered real property under the laws of the State of Nevada. The Parties each acknowledge that if either Party should default in its obligation under this Agreement it would be extremely impracticable or impossible to measure the resulting damages; accordingly, the non-defaulting Party, in addition to any other available rights or remedies, may sue in equity for specific performance, and the Parties each expressly waive the defense that a remedy in damages will be adequate.

11.11. Counterparts as Originals. This Agreement may be executed in any number of counterparts; each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same Agreement.

[signature page follows]

**IN WITNESS WHEREOF**, each Party has executed this Agreement as of the date first written above.

**SELLER:**  
**OBSIDIAN REAL ESTATE, LLC**

By: \_\_\_\_\_  
Peri Hardy, Managing Member

**BUYER:**  
**SOUTHERN NEVADA WATER AUTHORITY**

By: \_\_\_\_\_  
John J. Entsminger, General Manager

Approved as to form:

\_\_\_\_\_  
Gregory J. Walch, General Counsel

**EXHIBIT A**

**MESQUITE IRRIGATION COMPANY CERTIFICATION - REQUIRED**

The Mesquite Irrigation Company ("MIC") hereby certifies that Obsidian Real Estate, LLC, is the only record owner of stock Certificate Number 430, which represents 3 shares of MIC capital stock, and which is being offered for sale to the Southern Nevada Water Authority ("SNWA") in the *Agreement for the Purchase and Sale of Shares in the Mesquite Irrigation Company*. MIC further certifies that the stock certificate does not reflect any liens or encumbrances on such shares that would prevent Obsidian Real Estate, LLC from executing this sale and/or prevent or hinder SNWA from becoming the record owner of stock Certificate Number 430 and utilizing the associated water to its full extent upon transfer of ownership. MIC shall notify SNWA in the event of a change in certificate number listed above.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

MESQUITE IRRIGATION COMPANY

By: \_\_\_\_\_  
Kraig Hafen  
Secretary

**SOUTHERN NEVADA WATER AUTHORITY  
BOARD OF DIRECTORS  
AGENDA ITEM**

January 20, 2022

**Subject:**  
Amendment

**Petitioner:**  
Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**  
That the Board of Directors approve Amendment No. 1 to the Professional Services Agreement between R&R Partners, Inc., and the Authority for Integrated Marketing and Strategic Communication Services, to increase the scope of services and the not-to-exceed amount of \$3,000,000 by \$750,000 per contract year.

**Fiscal Impact:**

The requested \$750,000 is available in the Authority's Operating Budget. Future expenditures will be budgeted accordingly.

**Background:**

On May 20, 2021, the Board of Directors approved a Professional Services Agreement (Agreement) with R&R Partners, Inc., (R&R Partners) with a not-to-exceed amount of \$3,000,000 per contract year to provide Integrated Marketing and Strategic Communications Services to develop public education campaigns to promote Southern Nevada's comprehensive water conservation program, including seasonal watering restrictions and the Authority's various incentive programs for residential and commercial water users

In June 2021, the Authority retired its integrated public education campaign featuring professional hockey player Ryan Reaves after the Vegas Golden Knights unexpectedly traded him and the continued use of his likeness would be ineffective in communicating the Authority's conservation message. The situation required the Authority and R&R Partners to develop a new, interim public education campaign on a compressed timeline to promote seasonal watering restrictions for the 2021 fall and winter compliance periods. The compressed schedule resulted in unanticipated expense for production and increased media buys.

The requested amendment will also allow the Authority to develop targeted outreach and communication strategies to support the implementation of AB356 and begin efforts to create an integrated campaign for regional water waste enforcement. If approved, the existing Agreement will be amended to include additional services to develop and implement strategic communication and public education programs; integrated media strategies; creative concepts, production and campaign development to help reduce water consumption and meet conservation goals. The amendment raises the agency fee from \$12,000 to \$15,000 per month, the Agreement's not-to-exceed total amount to \$3,750,000 per contract year, and authorizes increases to the total cost by no more than 10 percent for each renewal term.

This amendment is being entered into pursuant to NRS 332.115.1(b) and Section 6(i) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved the agreement.

**INSTRUCTIONS FOR COMPLETING THE  
DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM**

**Purpose of the Form**

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by either the Las Vegas Valley Water District, Southern Nevada Water Authority, or Silver State Energy Association in determining whether members of the entities' respective boards should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

**General Instructions**

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and the Las Vegas Valley Water District, Southern Nevada Water Authority, or Silver State Energy Association entity. For the remainder of this Form, the term "Entity" shall mean the contracting entity, whether the Las Vegas Valley Water District, the Southern Nevada Water Authority, or the Silver State Energy Association. Failure to submit the requested information may result in a refusal by the Board to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

**Detailed Instructions**

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

**Business Entity Type** – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Privately Held Corporation, Publicly Traded Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

**Non-Profit Organization (NPO)** – Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

**Business Designation Group** – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB). This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed \$2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

**Business Name (include d.b.a., if applicable)** – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

**Corporate/Business Address, Business Telephone, Business Fax, and Email** – Enter the street address, telephone and fax numbers, and email of the named business entity.

**Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email** – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

**Number of Clark County Nevada Residents employed by this firm. (Do not leave blank. If none or zero, put the number 0 in the space provided.)**

**List of Owners/Officers** – Include the full name, title and percentage of ownership of each individual, either directly or indirectly, holding more than five percent (5%) ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

**For All Contracts – (Not required for publicly-traded corporations)**

- 1) Indicate if any individual members, partners, owners or principals involved in the business entity are a full-time employee(s) of any of the above entities, or appointed/elected official(s). If yes, the following paragraph applies.  
In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.
- 2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a full-time employee(s) of any of the above entities, or appointed/elected official(s) (reference form on Page 2 for definition). If YES, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

**Signature and Print Name** – Requires signature of an authorized representative and the date signed.

**Disclosure of Relationship Form** – If any individual members, partners, owners or principals of the business entity is presently an Entity employee, public officer or official, or has a second degree of consanguinity or affinity relationship to an Entity employee, public officer or official, this section must be completed in its entirety.

## DISCLOSURE OF OWNERSHIP/PRINCIPALS

<b>Business Entity Type (Please select one)</b>						
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company	<input checked="" type="checkbox"/> Privately Held Corporation	<input type="checkbox"/> Publicly Held Corporation	<input type="checkbox"/> Trust	<input type="checkbox"/> Non-Profit Organization
<b>Business Designation Group (Please select all that apply)</b>						
<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input type="checkbox"/> SBE	<input type="checkbox"/> PBE	<input type="checkbox"/> VET	<input type="checkbox"/> DVET	<input type="checkbox"/> ESB
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise	Veteran Owned Business	Disabled Veteran Owned Business	Emerging Small Business
<b>Number of Clark County Nevada Residents Employed:</b> 164						
<b>Corporate/Business Entity Name:</b> R&R Partners, Inc.						
<b>(Include d.b.a., if applicable)</b>						
<b>Street Address:</b>		900 South Pavilion Center Dr.		<b>Website:</b> www.rrpartners.com		
<b>City, State and Zip Code:</b>		Las Vegas, Nevada 89144		<b>POC Name:</b> Morgan Baumgartner		
<b>Telephone No:</b>		702-228-0222		<b>Email:</b> morgan.baumgartner@rrpartners.com		
<b>Local Street Address:</b>				<b>Website:</b>		
<b>(If different from above)</b>						
<b>City, State and Zip Code:</b>				<b>Local Fax No:</b>		
<b>Local Telephone No:</b>				<b>Local POC Name:</b>		
				<b>Email:</b>		

All entities, with the exception of publicly-traded corporations and non-profit organizations, must list the names of individuals, either directly or indirectly, holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board of Directors.

Publicly-traded corporations and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest.

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
R&R Group Holdings, Inc.		100%
R&R Group Holdings ownership attached		

**This section is not required for publicly-traded corporations.**

- Are any individual members, partners, owners or principals, involved in the business entity, an Entity full-time employee(s), or appointed/elected official(s)?  
☐ Yes ☒ No (If yes, please note that the employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)
- Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to an Entity full-time employee(s), or appointed/elected official(s)?  
☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the Board will not take action on any item without the completed disclosure form.

E-SIGNED by Morgan Baumgartner  
on 2021-02-18 22:24:00 GMT

Morgan Baumgartner

Signature

Print Name

Executive Vice President, General Counsel

February 18, 2021

Title

Date



## DISCLOSURE OF RELATIONSHIP

List any disclosures below:  
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF ENTITY* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO ENTITY* EMPLOYEE/OFFICIAL	ENTITY* EMPLOYEE'S/OFFICIAL'S DEPARTMENT
n/a			

\* Entity employee means an employee of Las Vegas Valley Water District, Southern Nevada Water Authority, or Silver State Energy Association .

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

**For Entity Use Only:**

If no Disclosure or Relationship is noted above or the section is marked N/A, please check this box.

☒ No Disclosure

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the Entity employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the Entity employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

Andrew M. Belanger  
Andrew M. Belanger (Jan 4, 2022 15:46 PST)  
Signature

\_\_\_\_\_  
Print Name  
Authorized Department Representative

William Vassiliadis	46%
Peter Ernaut	10%
Michon Martin	10%
Fletcher Whitwell	10%
Robert Henrie	7%
Erik Sandhu	7%

**AGREEMENT TO PROVIDE PROFESSIONAL SERVICES  
AMENDMENT NO. 1**

This Amendment No. 1 ("Amendment") to the Agreement to Provide Professional Services ("Agreement"), is made by and between R&R Partners, Inc. ("CONSULTANT") and the Southern Nevada Water Authority, a political subdivision of the State of Nevada ("AUTHORITY"). AUTHORITY and CONSULTANT are sometimes hereinafter referred to individually as "Party" or collectively as "Parties." The "Effective Date" is the date of last signature on this Amendment.

**WITNESSETH:**

WHEREAS, the Parties entered into the original Agreement effective 7/1/2021, Agreement No. 009296, through which CONSULTANT would provide the AUTHORITY with integrated marketing and communication to educate the region's residents and businesses related to water quality and the necessity of ongoing water conservation, and

WHEREAS, the Parties desire to amend the Agreement to increase the Limitation on Costs and revise Exhibit A, Rates and Fees, as stated below.

NOW THEREFOR, in consideration of the promises and mutual covenants contained herein, the Parties hereto agree to this Amendment to the Agreement as follows:

A. Delete Paragraph 4, Limitation on Costs in its entirety and replace with the following:

4. LIMITATION ON COSTS:

The total cost of Services provided under this Agreement shall not exceed \$3,750,000 per contract year (measured from the Agreement's 7/1/2021 Effective Date). The AUTHORITY may increase the total cost of Services by no more than 10 percent for each of the renewal terms.

B. Revise EXHIBIT A, RATES AND FEES, first item listed to read as follows:

Agency Services Fee                      \$15,000/month

All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year last entered below.

**R&R PARTNERS, INC.**

**SOUTHERN NEVADA WATER AUTHORITY**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Business Impact Statement

**Petitioner:**

John J. Entsminger, General Manager

**Recommendations:**

That the Board of Directors determine that the proposed changes to the Authority's Connection Charge, Infrastructure Charge and Commodity Charge 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 charges for February 17, 2022.

**Fiscal Impact:**

None by approval of the above recommendation.

**Background:**

In September 2020, the SNWA Board of Directors adopted 22 recommendations that were developed and submitted by the Integrated Resources Planning Advisory Committee 2020 (IRPAC 2020). These recommendations helped to develop a framework through which the SNWA could comprehensively support mission-critical efforts in the future, including new infrastructure needed to maintain reliable water systems.

The IRPAC 2020 recommendations included inflationary-based rate increases to SNWA charges to fund a proposed amendment to the Authority's Major Construction and Capital Plan (MCCP) totaling \$3.2 billion for infrastructure, facilities, water resources and water conservation initiatives.

In the one year since the recommendations were approved, the Engineering News Record Construction Cost Index (ENR) and the Consumer Price Index (CPI) have increased by 8.4 percent and 5.0 percent, respectively; significantly more than originally projected. Consequently, the gap between the IRPAC 2020-approved inflation rates and actual inflation rates could result in a revenue shortfall of nearly \$152 million over the next 10 years.

In response, IRPAC 2020 was reconvened in December 2021, to discuss and recommend a funding strategy to maintain pace with current and future inflation rates. The funding recommendations included:

- Increasing the 2022 approved Connection, Infrastructure and Commodity Charges;
- Implementing an indexed rate component to the SNWA Infrastructure Charge and Connection Charge (in accordance with the ENR) and Commodity Charge (in accordance with the CPI) annually, effective January 1, 2023; and
- Limiting future increases to the Infrastructure and Commodity Charges to a floor of 1.5 percent and a ceiling of 7.0 percent.

Pursuant to the Business Impact Statement (BIS) statutes set forth in NRS Chapter 237, on December 13, 2021, a notice of the proposed changes to the Authority's charges was published in the *Review-Journal* and provided to 80 local trade associations and interested parties, soliciting their input. The comment period ran through January 5, 2022. The comments received as a result of this notification, as well as anticipated impacts to businesses, were evaluated and are summarized within the attached BIS.

Based on the analysis performed by the committee, together with the incorporation and evaluation of public comments received during the BIS comment period, staff recommends that the Board find that the proposed increases are not likely to present a direct and significant economic burden on, or directly restrict the formation, operation or expansion of a business. Staff further recommends that the Board approve the attached BIS and direct staff to set a public hearing for February 17, 2022, at 9:00 a.m. at the Southern Nevada Water Authority, SNWA Board Chambers, 100 City Parkway, Las Vegas, Nevada, to consider and adopt the proposed increases. If the proposed changes are approved at the public hearing, they will be effective March 1, 2022.

This action is authorized pursuant to NRS 237.030 through 237.150, Section 6(c) of the SNWA 1995 Amended Cooperative Agreement and Article 7 of the SNWA 2019 Amended Facilities and Operations Agreement. The office of the General Counsel has reviewed and approved this agenda item.

JJE:CNP:AMB:KH:JB  
Attachment



## **BUSINESS IMPACT STATEMENT**

**Southern Nevada Water Authority**

***Review of the proposed increase to rates and fees proposed for adoption.***

### **EXECUTIVE SUMMARY**

Nevada law requires that local governments develop a Business Impact Statement (BIS) to gather and evaluate financial information informing whether a proposed rule increasing water rates imposes a direct, significant economic burden on a business, or directly restricts the formation, operation or expansion of a business.

In September 2020, the Southern Nevada Water Authority (SNWA) Board of Directors adopted 22 recommendations that were developed and submitted by the 2020 Integrated Resources Planning Advisory Committee (Committee). These recommendations helped to develop a framework through which the SNWA could comprehensively support mission-critical efforts in the future, including new infrastructure needed to maintain reliable water systems.

The recommendations included inflationary-based rate increases to SNWA charges to fund a proposed amendment to SNWA's Major Construction and Capital Plan (MCCP) for infrastructure, facilities, water resources and water conservation initiatives. Based on average inflation rates over the previous 25 years, the approved rate increases assumed the following annual inflation rates for years 2022-2027 that were to be added to an approved catch-up inflationary rate:

SNWA Connection Charge, based on Engineering News Record (ENR): 3.0%

SNWA Commodity Charge, based on Consumer Price Index (CPI): 2.5%

SNWA Infrastructure Charge, based on ENR: 3.0%

In the one year since the recommendations were approved, the ENR and CPI have increased by 8.4 percent and 5.0 percent, respectively—significantly more than originally projected. Consequently, the gap between the IRPAC-approved inflation rates and actual inflation rates could result in a revenue shortfall of nearly \$152 million over the next 10 years.

In response, the Committee reconvened for two meetings in December 2021 to discuss and recommend a funding strategy to maintain pace with current and future inflationary rates.

### **THE BUSINESS IMPACT STATEMENT**

- A. The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Committee held two publicly posted meetings on December 2 and December 9, 2021 to evaluate a revised funding strategy and formulate a recommendation for SNWA Board consideration.

As a result of the two meetings, the Committee revised two of its original recommendations, which included an increase to SNWA's Connection Charge, Infrastructure Charge and Commodity Charge. These recommendations were included on the SNWA's website during the public comment period.

Pursuant to NRS 237.080, the SNWA published a public notice of the proposed increases on December 13, 2021; sent notices to more than 80 businesses, trade associations and interested parties; and collected comments

through January 5, 2022. Interested persons were able to provide comments to SNWA via telephone, mail and email.

During the public comment period, one response was received from the Southern Nevada Homebuilders Association, voicing support of the proposed rate increase.

To obtain a copy of this document, please e-mail [Jordan.Bunker@snwa.com](mailto:Jordan.Bunker@snwa.com).

**B. The estimated economic effect of the proposed rule on the businesses which it is to regulate, including, without limitation: Both adverse and beneficial effects, and both direct and indirect effects.**

To maintain pace with inflation, the Committee recommended annual increases to SNWA's previously-approved Connection, Commodity and Infrastructure Charges in accordance with the ENR and CPI beginning in March 2022 and adjusting on January 1 of each year thereafter. Indexing future increases in this manner would help provide a long-term sustainable revenue source and avoid additional rate increases that could result in rate shock to customers. Additionally, the Committee recommended that the rates be collared between 1.5 percent and 7.0 percent. The rate components affected by this proposed change are bolded in the table below:

		2022	2023	2024	2025	2026	2027	2028
<b>Connection Charge (ENR)</b>	Catch-up Inflation	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	0.0%
	Current Year Inflation	8.4%	Prior Sept ENR	Prior Sept ENR	Prior Sept ENR	Prior Sept ENR	Prior Sept ENR	Prior Sept ENR
	Total	14.9%	TBD	TBD	TBD	TBD	TBD	Prior Sept ENR
<b>Commodity Charge (CPI)</b>	Catch-up Inflation	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	0.0%
	Current Year Inflation	5.0%	Prior Sept CPI	Prior Sept CPI	Prior Sept CPI	Prior Sept CPI	Prior Sept CPI	Prior Sept CPI
	Total	7.3%	TBD	TBD	TBD	TBD	TBD	Prior Sept CPI
<b>Infrastructure Charge (ENR)</b>	Catch-up Inflation	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	0.0%
	Current Year Inflation	8.4%	Prior Sept ENR	Prior Sept ENR	Prior Sept ENR	Prior Sept ENR	Prior Sept ENR	Prior Sept ENR
	Total	10.0%	TBD	TBD	TBD	TBD	TBD	Prior Sept ENR

If approved, the March 2022 rates would be as follows:

<b>Monthly Commodity Charge</b> <i>(per 1,000 gallons)</i>	<b>Jan. 2022 Approved</b>	<b>March 2022 Proposed</b>
	\$0.50	\$0.52

**Residential Rates**

<b>Daily Infrastructure Charge</b> <i>(Residential)</i>	<b>Jan. 2022 Approved</b>		<b>March 2022 Proposed</b>	
	<b>Daily Charge</b>	<b>30-day Total</b>	<b>Daily Charge</b>	<b>30-day Total</b>
5/8" & 3/4" meter size	\$0.4504	\$13.51	\$0.4737	\$14.21
1" meter size	1.1928	35.78	1.2543	37.63
1.5" meter size	2.3852	71.56	2.5083	75.25
2" meter size	3.8165	114.50	4.0136	120.41
3" meter size	7.6322	228.97	8.0263	240.79
4" meter size	11.9254	357.76	12.5411	376.23
6" meter size	23.8505	715.52	25.0818	752.45

8" meter size	38.1605	1,144.82	40.1305	1,203.92
10" meter size	42.6070	1,278.21	44.8066	1,344.20

#### Non-Residential Rates

Daily Infrastructure Charge (Non-Residential)	Jan. 2022 Approved		March 2022 Proposed	
	Daily Charge	30-day Total	Daily Charge	30-day Total
5/8" & 3/4" meter size	\$0.9402	\$28.21	\$0.9888	\$29.66
1" meter size	1.7810	53.43	1.8730	56.19
1.5" meter size	3.5619	106.86	3.7458	112.37
2" meter size	5.6989	170.97	5.9931	179.79
3" meter size	11.3978	341.93	11.9863	359.59
4" meter size	17.8095	534.29	18.7289	561.87
6" meter size	35.6187	1,068.56	37.4575	1,123.73
8" meter size	56.9895	1,709.69	59.9316	1,797.95
10" meter size	81.9223	2,457.67	86.1516	2,584.55

#### Regional Connection Charge: Residential

Regional Connection Charge (8 units or fewer per acre)	Jan. 2022 Approved	March 2022 Proposed
5/8" & 3/4" meter size	\$5,333	\$5,596
1" meter size	10,523	11,042
1.5" meter size	20,991	22,026
2" meter size	33,595	35,251

Residential rates based on factors other than meter size	Jan. 2022 Approved	March 2022 Proposed
Residential: Individually Metered more than 8 Units per acre & Mobile Homes (per Dwelling Unit)	\$3,723	\$3,907
Residential: Master Metered more than 8 Units per acre & Mobile Homes (per Dwelling Unit)	3,723	3,907



**Regional Connection Charge: Non-Residential**

<b>Rates based on factors other than meter size</b>	<b>Jan. 2022 Approved</b>	<b>March 2022 Proposed</b>
Non-Residential: 6" and Larger, excluding Hotels, Motels, Golf Courses, and Laundries (Based on Annual Usage in 1,000 gallons)	\$31.97	\$33.55
Hotels & Motels (per room)	3,044	3,194
Golf Course (per acre)	49,976	52,440
RV Parks (per space)	1,511	1,586

<b>Regional Connection Charge</b> <i>(Hotels, motels, golf courses and laundries excluded)</i>	<b>Jan. 2022 Approved</b>	<b>March 2022 Proposed</b>
5/8" & 3/4" meter size	\$5,333	\$5,596
1" meter size	10,523	11,042
1.5" meter size	20,991	22,026
2" meter size	70,365	73,385
3" meter size	260,501	273,347
4" meter size	386,645	405,712

**Regional Connection Charge: Laundries**

<b>Regional Connection Charge</b> <i>(8 units or fewer per acre)</i>	<b>Jan. 2022 Approved</b>	<b>March 2022 Proposed</b>
5/8" & 3/4" meter size	\$84,096	\$88,243
1" meter size	165,849	174,028
1.5" meter size	331,730	348,090
2" meter size	530,747	556,920
3" meter size	1,061,493	1,113,841
4" meter size	1,658,586	1,740,379
6" meter size	3,317,149	3,480,735
8" meter size	5,307,443	5,569,180
10" meter size	7,629,456	8,005,703

Identified effects are as follows.

Adverse Effect	The business may not be able to save as much as needed on a monthly basis for expansion, operating and planning goals.
Beneficial Effect	Planned rate increases can be anticipated and managed in the business' annual budget.
Adverse Effect	Conservation caused by higher rates may affect daily business operations and expenses (irrigation, cooking, pool use, vehicle washing).
Beneficial Effect	The business may adjust consumption to balance its annual operating budget.
Beneficial Effect	Smaller rate increases that occur over time avoid rate shock impacts to customers.
Indirect Effect	Developers may pass the increased costs of water connections to home buyers and businesses.
Direct Effect	The cost of doing business may increase as these charges increase pursuant to inflation.
Indirect Effect	The change in rates may lead a business to increase prices to cover additional operating costs.

- C. **The following constitutes a description of the methods that the governing body of the local government or its designee considered to reduce the impact of the proposed rule on businesses and a statement regarding whether the governing body or its designee actually used any of those methods. These methods include: Simplifying the proposed rule; establishing different standards of compliance for a business; and modifying a fee or fine set forth in the rule so that a business is authorized to pay a lower fee or fine.**

Rather than creating a new charge, the committee recommended simply adjusting existing rates and limiting any increase to between 1.5 percent and 7.0 percent. The General Manager and the committee did not establish different standards of compliance for a business or modify a fee or fine set forth in the rule so that a business is authorized to pay a lower fine or fee, as the Committee elected to keep rates equitable across users.

**1. Modifying a fee:**

SNWA's Connection Charge, Commodity Charge and Infrastructure Charge have not increased since 2008, 2017 and 2018, respectively. The previously approved inflationary increases to these charges will continue to catch the existing Connection, Commodity and Infrastructure charges up to what they would be today had they kept pace with inflation. The proposed increases will maintain pace with current inflation, ensuring that buying power isn't reduced.

**2. Phase-in the increases to the Connection Charge, Commodity Charge and Infrastructure charge over a six-year period:**

Tying water rate increases to an indexed rate will provide for a long-term sustainable revenue source and help avoid larger increases in the future

**3. Create equitable rates for all customers:**

Following an evaluation of different funding alternatives, the Committee recommended adjusting charges that are uniformly assessed to residents and businesses because the benefit of having access to water is equal among all customers.

**D. The estimated cost to the local government for enforcement of the proposed rule:**

The proposed rate change will not result in material administrative costs to enforce or implement.

**E. If the proposed rule provides a new fee or increases an existing fee, the total annual amount the local government expects to collect and the manner in which the money will be used is:**

The adjustments to the Connection Charge, Commodity Charge and Infrastructure Charge are estimated to generate approximately \$150 million through year 2030. The revenue collected will be used to fund facilities, water resources and water conservation projects and activities as recommended by the Committee and established within SNWA's MCCP.

**F. If the proposed rule includes provisions that duplicate or are more stringent than federal, state, or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary:**

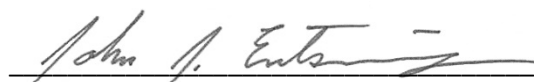
Not applicable.

**G. The reason for the conclusions regarding the impact of the proposed rule on businesses:**

The proposed rate changes do not impose a direct and significant burden on businesses and will likely not restrict the formation, operation or expansion of a business because the revised rate structure will provide for conditions of implementation that address incremental changes in rates and create an equitable rate for all customers. Water rates for businesses remain competitive to western cities of comparable size.

On January 20, 2022 the SNWA Board will consider the BIS prior to setting a Public Hearing to consider implementing the proposed rate adjustments. The BIS is available for public review and comment prior to a final Board decision. Additionally, at the January 20, 2022 Board meeting, staff is recommending that the Board set a Public Hearing for February 17, 2022 as required by NRS 237.090 to consider increases to rates and charges.

I certify that to the best of my knowledge or belief, the information contained in this statement was prepared properly and is accurate.

  
John J. Entsminger, General Manager

## APPENDIX

### COMMENTS RECEIVED DURING PUBLISHED BUSINESS IMPACT STATEMENT COMMENT PERIOD



December 30, 2021

Marilyn Kirkpatrick, Chairwoman  
Board of Directors  
Southern Nevada Water Authority  
100 City Parkway, Suite 700  
Las Vegas, NV 89106

**Re: Notice of Proposed Changes to Southern Nevada Water Authority Water Rates, effective March 1, 2022**

Chair Kirkpatrick and members of the SNWA/LVVWD Board of Directors,

In October 2019, the SNWA Board of Directors established the Integrated Resource Planning Advisory Committee (IRPAC) to evaluate and make recommendations on issues of critical interest to the Authority's long-term planning efforts. The committee is comprised of 11 stakeholders representing a broad spectrum of community interests including business, gaming, development, conservation, and residents. The Southern Nevada Home Builders Association (SNHBA) was one of those stakeholders and would like to extend our appreciation for a continued invitation to these on-going discussions on behalf of our members.

SNHBA, the oldest and largest local trade association representing the residential construction industry in the state of Nevada, represents over 90% of the residential market in Southern Nevada. We have been long supporters of the work the Authority has done to ensure Southern Nevada residents have a reliable, redundant water system. Through the process, as a member of IRPAC, SNHBA was able to directly provide builder feedback on new and redundant infrastructure needed to continue to build homes for the community across the Valley. Although we saw a significant phase-in increase approved in 2020 – 2021 for the next five years, we understood the additional mitigation measures discussed for both new development as well as services for existing homeowners and residents and supported the overall recommendations.

The residential construction industry understands (and has also experienced in the private sector) significant construction supply-chain issues as a result of the COVID-19 pandemic that have impacted construction cost estimates. We understand that without this additional fee increase, there will be major constraints on our ability to continue to fund critical water infrastructure projects and continue to construct homes to meet the growing demand in Southern Nevada.

That being said, like all additional increases, the fee increase before you today puts additional pressure on homebuilders to increase the price of a home because the cost of construction increases. Most of the single-family residential market installs 5/8", 3/4", or 1" meters, and, effective March 1, 2022, we anticipate the connection charges for new homes would increase anywhere from \$726 - \$1,432 above the previous 9% increase year over year.

In order to mitigate as much of this price increase as possible, we appreciate SNWA staff's willingness to continue to look at alternative funding sources at the federal and state levels including public-private-partnerships and grants, as well as implementing, at SNHBA's request, a ceiling and floor to the increase to provide as much predictability as possible to Southern Nevada residents and businesses.

On behalf of our members, we would like to again, thank the SNWA and its staff for their transparency and communication as we contemplate our water infrastructure needs across the Valley over the next 25 years.

Sincerely,

A handwritten signature in dark ink, appearing to read "Nat Hodgson".

Nat Hodgson, CEO  
Southern Nevada Home Builders Association

**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Groundwater Management Fee

**Petitioner:**

Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**

That the Board of Directors conduct a Public Hearing to consider an increase in the annual groundwater management fees.

**Fiscal Impact:**

If approved, the fees will be increased from \$13 to \$20 per year for domestic wells and \$20 per acre-foot of permitted water rights per year.

**Background:**

In 1997, the Nevada Legislature directed the Authority to develop a program to protect and manage the Las Vegas Valley's primary groundwater supply, which resulted in the creation of the Las Vegas Valley Groundwater Management Program (GMP).

To fund activities that protect the Las Vegas groundwater basin, the Nevada Legislature authorized the Authority to impose an annual fee for well users. The current fees are:

- \$13 per year for domestic wells (a well that serves only one home); and
- \$13 per acre-foot of permitted water use per year for all other types of wells.

The fees have not kept pace with inflation. Also, the sustained and severe drought has underscored the need for more groundwater basin protection. A new septic system conversion program is needed to protect the groundwater basin's water resources and water quality. To keep the fees current with inflation, an increase of \$7 is proposed for an annual fee of \$20 per year for domestic wells and \$20 per acre-foot of permitted water rights per year.

Pursuant to NRS Chapter 237, the Authority notified trade associations and businesses of the proposed fee changes and evaluated impacts within a Business Impact Statement (BIS). On November 18, 2021, the Board of Directors determined that the proposed fee changes were not likely to impose a direct and significant burden on or directly restrict the formation, operation or expansion of businesses, and the Board approved the BIS and directed staff to notice a public hearing for January 20, 2022.

This action is authorized pursuant to NRS 237.030 through 237.150, Chapter 572, Statutes of Nevada 1997, and Section 5(p) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved this agenda item.

**SOUTHERN NEVADA WATER AUTHORITY**  
**BOARD OF DIRECTORS**  
**AGENDA ITEM**

January 20, 2022

**Subject:**

Update on Water Resources

**Petitioner:**

Colby N. Pellegrino, Deputy General Manager, Resources

**Recommendations:**

That the Board of Directors 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.

**Fiscal Impact:**

None by approval of the above recommendation.

**Background:**

Since 2000, the Colorado River Basin has been experiencing severe drought conditions, affecting 90 percent of Southern Nevada's water supplies. Persistent drought has led the Authority to launch initiatives and investments in new infrastructure, conservation programming, water resource development, and water banking to provide reliable and safe water supplies for the community.

To keep the Board of Directors apprised of related activities, this agenda item provides for an update from staff on the drought and preparedness activities, conservation programs and initiatives, activities on the Colorado River, and water resource acquisition and development.

The office of the General Counsel has reviewed and approved this agenda item.