

# AGENDA

## **SOUTHERN NEVADA WATER AUTHORITY BOARD OF DIRECTORS**

**REGULAR MEETING  
9:00 A.M. – APRIL 21, 2022**

**COLORADO RIVER CONFERENCE ROOM, SNWA  
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: April 14, 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). Public comment received through April 20, 2022, will be included in the meeting's minutes.

### **ITEM NO.**

1. *For Possible Action:* Approve agenda with the inclusion of tabled and/or reconsidered items, emergency items and/or deletion of items, and approve the minutes from the regular meeting of March 17, 2022.

### **BUSINESS AGENDA**

2. *For Possible Action:* Approve and authorize the General Manager to sign agreements for the Authority's purchase of shares in irrigation companies that own water rights in the Virgin River or Muddy River for an amount not to exceed \$71,010.34 per share of the Bunkerville Irrigation Company, \$60,549.88 per share of the Mesquite Irrigation Company, \$51,600 per share of the Muddy Valley Irrigation Company, and \$8,600 per acre-foot for other pre-1929 Virgin or Muddy River water rights; and authorize the General Manager to sign ministerial documents necessary to effectuate such transactions.
3. *For Information Only:* Receive an overview and discuss the Fiscal Year 2022/2023 Tentative Budget.

### **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  
MARCH 17, 2022  
MINUTES**

CALL TO ORDER 9:02 a.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, Dave Johnson, Doa Ross, Kevin Bethel, 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](http://snwa.com/apps/snwa-agendas/index.cfm)*

Ed Uehling spoke concerning item 5 to increase the Wholesale Delivery Charge. He said that he thought a business impact statement should be required before the Wholesale Delivery Charge was increased.

Bob Coffin spoke concerning item 5. He said he was concerned with the Authority's plan to build the Horizon Lateral. He said that he did not think it appropriate to raise additional money to move more water to some areas of the Valley at a time when the Authority was also telling the public that watering some applications of grass was illegal. He did not think it was appropriate to build additional infrastructure when there was not water to put in the infrastructure.

**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 February 17, 2022.

FINAL ACTION: Vice Chair Stewart made a motion to approve the agenda for this meeting, and to approve the minutes from the regular meeting of February 17, 2022. The motion was approved.

**BUSINESS AGENDA**

2. ***For Possible Action:*** Approve and authorize the General Manager to sign an interlocal agreement among the Clark County Water Reclamation District, Clark County, the City of Las Vegas, and the Authority, establishing funding allocations for the Clark County Aerial LiDAR Project through March 31, 2023, and authorize the Authority's contribution for an amount not to exceed \$88,980.

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

3. ***For Possible Action:*** Approve and authorize the General Manager to sign the Federal Demonstration Partnership Cost Reimbursement Subaward Agreement between the Authority and the University of Nevada, Las Vegas, for the Southern Nevada Wastewater Surveillance Program for High-Risk and Underserved Populations project and accept funds for an amount not to exceed \$908,381.

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

4. ***For Possible Action:*** Adopt the 2022 Revenue Refunding Bond Resolution, providing for the issuance of its "Southern Nevada Water Authority Water, Revenue Refunding Bonds, Series 2022," in the maximum principal amount of \$85,000,000 to refinance certain outstanding Authority Bonds held by the Clark County municipal bond bank.

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

5. ***For Possible Action: Approve an increase to the Wholesale Delivery Charge of 6.8 percent, effective July 1, 2022, and authorize an increase to the ceiling for future annual adjustments from 4.5 percent to 7.0 percent.***

John Entsminger, General Manager, said that the Wholesale Delivery Charge funds Authority operations to treat and deliver water to the purveyoy members. The charge funds the purchase of chemicals to treat the water, electricity to operate the pumps, and salaries for staff that operate the treatment plants. The Wholesale Delivery Charge is not charged to customers. The purveyors, including the Las Vegas Valley Water District, City of North Las Vegas, City of Henderson and City of Boulder City, pay the charge. Therefore, there is no Business Impact Statement required since there is not a direct impact to customers.

Beyond the inflationary impacts from the pandemic on the supply chain, the Authority is seeing other impacts that are driving the proposed Wholesale Delivery Charge increase. The Authority expects to see its chemical costs increase by \$5 million in the next year. As an example, the chemical cost increases were being driven by manufacturing disruptions in China, Europe, Utah and Texas. The Authority also expects its energy costs to increase by \$10 million next year. While increasing the Wholesale Delivery Charge by 6.8 percent this year will help mitigate inflationary challenges, the increase will not completely offset the operational cost increases the Authority anticipates.

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

6. ***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.***

Mr. Entsminger gave an update on water resources and conservation initiatives. A copy of his presentation is attached to these minutes.

Director Jones asked what impact a new 2,000 square-foot single-family residence with minimal landscaping would have on Southern Nevada's water resources. Mr. Entsminger said that the consumptive use impact could be calculated by taking the drip-irrigated, water smart landscaping area of the home and multiplying that by 17 gallons per square foot. Other wise, the indoor uses of the home would be recycled, as long as the home was connected to a municipal sewer system and not on a septic system.

Chair Kirkpatrick asked what was driving the higher use numbers (by percentage) in North Las Vegas and Henderson. Mr. Entsminger said that he did not have details explaining the increases, but he thought the increases could be the result of construction in those jurisdictions. He said that because those areas make up less of the overall usage in Southern Nevada, the percentage of usage will increase as their service areas expand. He said that the Las Vegas Valley Water District had 9,000 new connections in 2021, while North Las Vegas and Henderson combined also had 9,000 new connections in 2021, demonstrating that those areas were currently growing faster than the rest of the Valley.

NO ACTION REQUIRED

#### **Public Comment**

Bob Coffin said that he was concerned about the construction of a new lateral in the south part of the Valley and the costs associated to tunnel and construct the lateral. He was concerned about the potential impact to rate payers from a new, large capital project. He questioned the need for the new project.

Ed Uehling expressed appreciation for the explanation of why a Business Impact Statement was not required to increase the Wholesale Delivery Charge. He also said that while climate change was evaporating more ocean water and increasing river flows in the world by 30 percent, climate change was reducing flows in the Colorado River Basin. He said that the Basin had two options: Either reduce diversions or connect to the Snake River or Missouri River to increase flows. He said that instead of spending \$15 billion on a pipeline from eastern Nevada, as the Authority had once proposed, Southern Nevada should spend that money on connecting the Coloardo River to the Snake River.

Chair Kirkpatrick asked Mr. Entsminger to give some background on the Horizon Lateral project. Mr. Entsminger said that the Authority Board approved a feasibility study for the project in 2019 to be performed by Black&Veatch. The project was also part of a proposed capital program that was reviewed and discussed in detail by the Integrated Resouce Planning Advisory Committee (IRPAC). Ultimately, the IRPAC members recommended that the project be included in the Authority's capital program, which included other projects such as the Apex water and wastewater system, and the cooperative water recycling project in Southern California. The IRPAC also discussed and developed funding

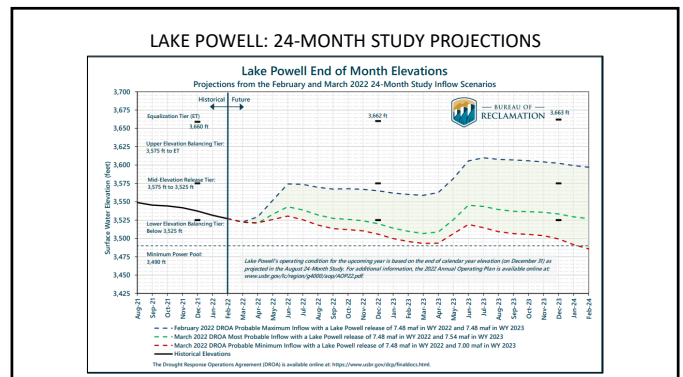
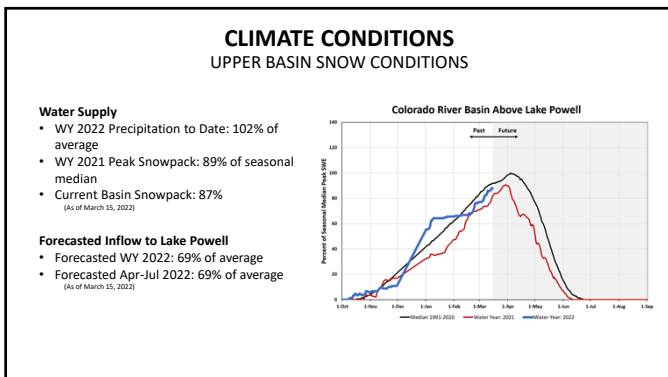
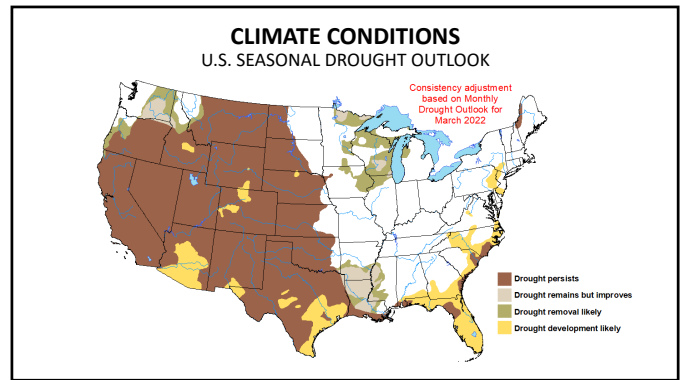
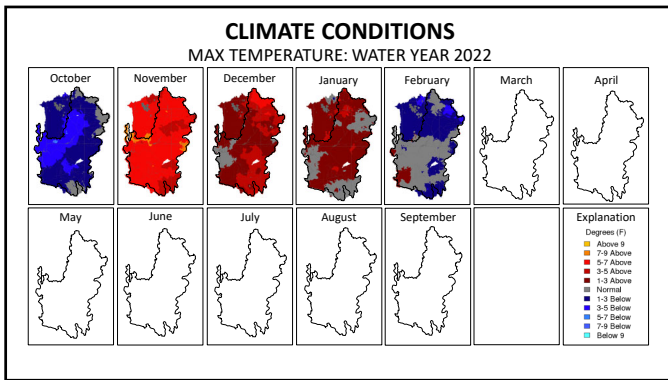
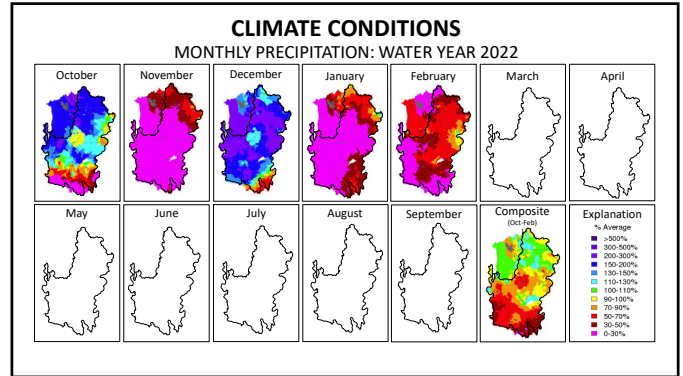
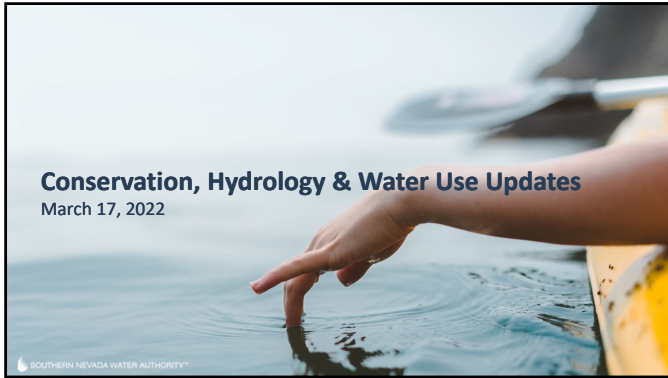
recommendations for the capital program. After the Authority approved the IRPAC's recommendations and the capital program, the respective member agency boards also approved the Authority's capital program.

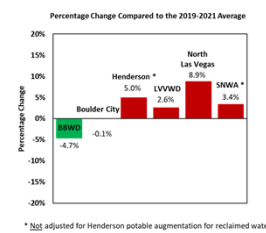
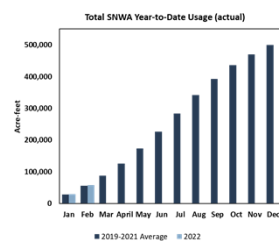
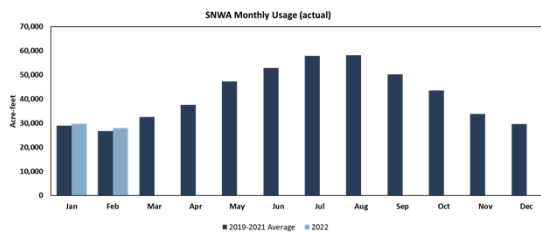
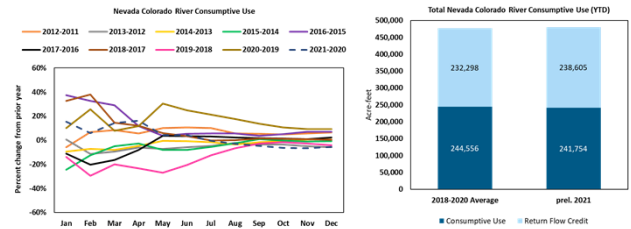
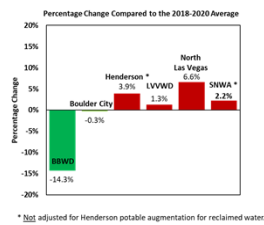
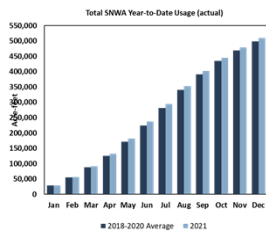
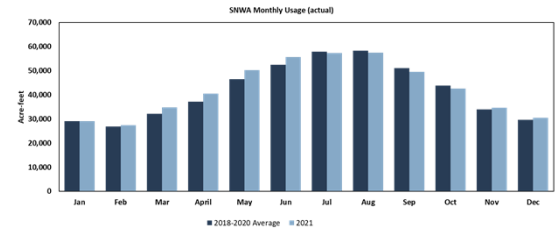
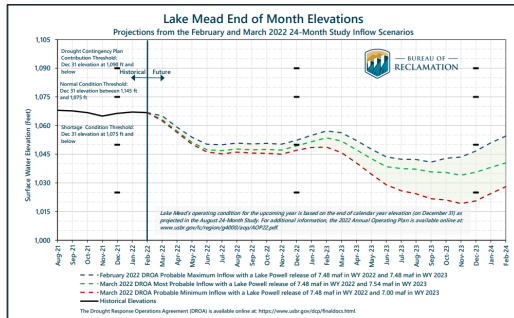
Vice Chair Stewart expressed the need for the Horizon Lateral to provide water security for the southern Valley, and to pursue the proposed tunneling alignment to reduce traffic and business impacts in Henderson.

**Adjournment**

There being no further business to come before the Board, the meeting adjourned at 9:45 a.m.

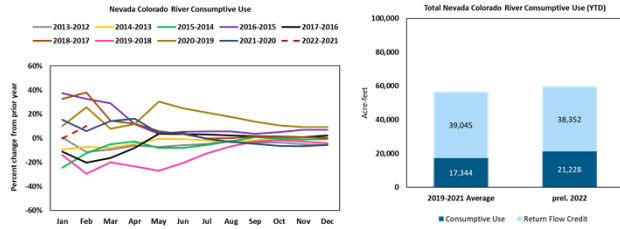
**Copies of all original agenda items and minutes, including all attachments, are on file in the General Manager's office at the Las Vegas Valley Water District, 1001 South Valley View Boulevard, Las Vegas, Nevada.**





## NEVADA COLORADO RIVER USE

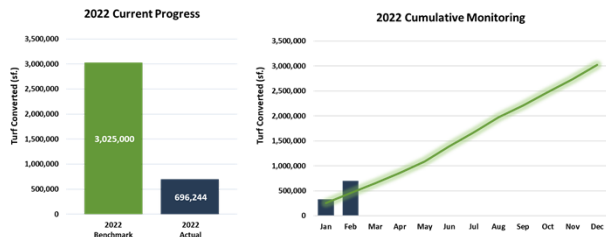
January - February 2022 Colorado River consumptive use is above the 3-year average.



## WATER CONSERVATION UPDATE

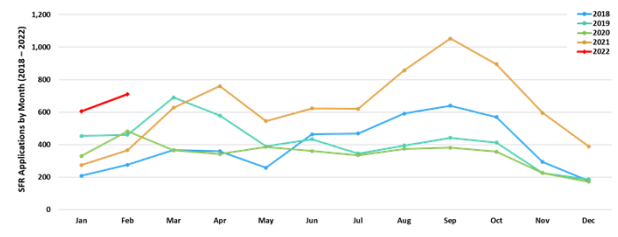
## WATER SMART LANDSCAPES

Homeowners converted nearly 700,000 sf. of turf in 2022, saving an estimated 38.8 million gallons of water annually.



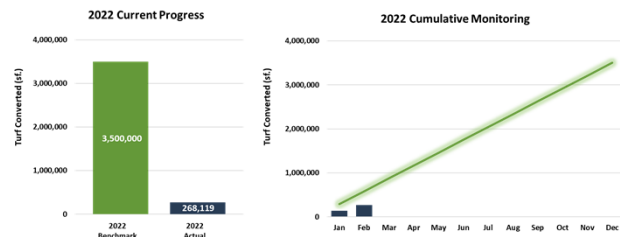
## WATER SMART LANDSCAPES

Single Family Residential WSL applications continue to outpace progress in recent prior years.



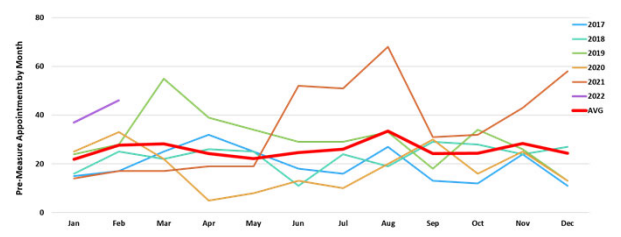
## WATER SMART LANDSCAPES

Non-SFR customers have converted more than 268,000 million sf. of turf in 2022, saving more than an estimated 14.9 million gallons of water annually.



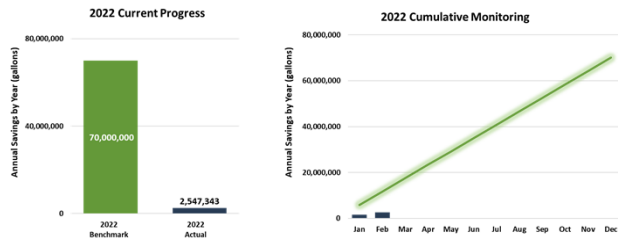
## WATER SMART LANDSCAPES

Program interest among the Non-SFR water users continues to outpace prior recent years.



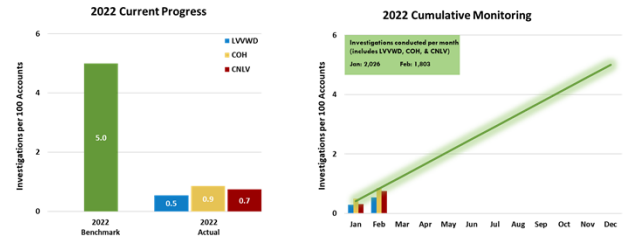
## WATER EFFICIENT TECHNOLOGIES

WET program participants completed 10 projects in 2022, saving an estimated 2.5 million gallons of water.



## WATER WASTE INVESTIGATIONS

Water waste investigations are on track.



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

April 21, 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 agreements for the Authority's purchase of shares in irrigation companies that own water rights in the Virgin River or Muddy River for an amount not to exceed \$71,010.34 per share of the Bunkerville Irrigation Company, \$60,549.88 per share of the Mesquite Irrigation Company, \$51,600 per share of the Muddy Valley Irrigation Company, and \$8,600 per acre-foot for other pre-1929 Virgin or Muddy River water rights; and authorize the General Manager to sign ministerial documents necessary to effectuate such transactions.

**Fiscal Impact:**

Purchases will be made subject to available funding in the Authority's Capital Budget.

**Background:**

The Authority may create and divert Intentionally Created Surplus (ICS) by conveying pre-1929 Muddy River and Virgin River water rights to Lake Mead pursuant to the December 13, 2007, *Record of Decision for the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead* (Guidelines). Consistently low runoff and flow variability in the Colorado River Basin have caused water elevations at Lake Mead to drop. Experts determined 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 (500K+ Plan). On November 18, 2021, the Board of Directors approved an agenda item authorizing the General Manager to negotiate agreements and take appropriate action in cooperation with other Lower Basin partners to achieve these additional reductions. On December 15, 2021, those parties executed a Memorandum of Understanding to achieve these results.

Beginning in 2008, the Authority executed a series of cooperative and management agreements with the Bunkerville, Mesquite, and Muddy River irrigation companies (Irrigation Companies) through which willing shareholders could offer to lease or sell their shares to the Authority. These agreements have been beneficial to all parties and allowed the Authority to create substantial ICS credits. Recently, several shareholders from the Irrigation Companies have expressed interest in selling shares to the Authority. Purchasing additional shares will bolster the Authority's ICS or support the 500K+ Plan. If approved, the Authority will purchase the shares using a purchase agreement in substantially the same form as the attached. Any purchased shares will be held by Muddy River Water Holdings, Inc., a non-profit corporation the Board authorized on December 15, 1999, to allow for the holding of shares in the Irrigation Companies.

This agreement is authorized by Sections 6(a) and 6(j) of the SNWA 1995 Amended Cooperative Agreement. The Office of the General Counsel reviewed and approved the agreement.

**AGREEMENT FOR THE PURCHASE AND SALE OF SHARES IN THE [-----  
-----] IRRIGATION COMPANY**

This Agreement for the Purchase and Sale of Shares in the \_\_\_\_\_ 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 [\_\_\_\_\_] , 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 1,075 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; and provide future water supply to the buyer;

**WHEREAS**, Seller owns [ ] shares of stock in the [ ] Irrigation Company ("\_\_\_"), as represented by Certificate No. [ ], entitling the owner to the right to use approximately [ ] acre-feet annually ("afa") and of which [ ] afa is deemed "pre-1929" water, which Buyer can use for ICS purposes;

**WHEREAS**, Buyer intends to acquire [Irrigation Company] Certificate No. [ ] and the right to use the corresponding water to help augment water elevations at Lake Mead and provide future water supply to the buyer 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 [ ] shares represented in Certificate No. [ ].

**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. [Irrigation Co.] Water. The term "[ ] Water" in this Agreement shall refer to the water and the right to use the water from the [# Irrigation Co.] shares

represented in Certificate No. [\_\_\_\_], 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. 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. The term “Historic Use” in this Agreement shall refer to the place and manner in which the [\_\_\_\_] Water has, historically, been put to beneficial use.

1.4. Purchase Price. The term “Purchase Price” in this Agreement shall refer to the amount of [\$\_\_\_\_], which is the agreed upon price for Buyer’s purchase of the [\_\_\_\_] Water from Seller, represented by Certificate No. [\_\_\_\_].

## **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 [\_\_\_\_] Water, together with the right to beneficially use the water of the Virgin River or Muddy 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 [\$\_\_\_\_] per share for the [\_\_\_\_] Water. The Purchase Price for Certificate No. [\_\_\_\_] is therefore [\$\_\_\_\_].

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 [\_\_\_\_] 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 [\_\_\_\_] 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 [ ] 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 [\_\_\_\_], 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 [\_\_\_\_] Water. Effective as of Closing, Seller appoints the General Manager of [\_\_\_\_] as transfer agent to transfer such shares on [\_\_\_\_] records. Seller shall provide [Irrigation Co.] 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. [\_\_\_\_] for the [\_\_\_\_] 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 [Irrigation Co.], verifying that Seller is the record owner of the [\_\_\_\_] Water and that Certificate No. [\_\_\_\_] is not subject to 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 [\_\_\_\_] 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 [\_\_\_\_] 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 [\_\_\_\_] 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 [ ] Water, and that Seller owns the Certificate No. [ ] free and clear of all encumbrances (including unpaid 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 [ ] Water is in Good Standing and not encumbered. 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 [ ] Water, and Seller owns Certificate No. [ ] free and clear of all encumbrances (including unpaid assessments), liens, restrictions, and claims of any kind by any third party. The [ ] Water represents all the [ ] 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 [ ] Water. Seller represents that said [ ] Water is not subject to any restrictions upon transfer or outstanding loans, pledges, collateral assignments, or security interests. Seller is selling the [ ] Water for its own benefit and not for the account of any third party or as part of any distribution by [ ].

6.2. Historic Use. Seller further represents that the [ ] Water has, historically, been put to beneficial use. Specifically, the [ ] Water has been used as follows:

[Description of Historic Use]

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 [ ] 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 [ ] 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 [ ] 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 [ ] Water and transfer the same to Buyer, and any all necessary authorizations to effectuate such sale have been obtained; (2) Seller, as owner of the [ ] Water is

acting on its own and individual behalf; (3) Seller 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) Seller 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 [Irrigation Co.'s] business, management and financial affairs with [ ] and to ask and have answered to the Seller's satisfaction all questions relevant to the Seller's decision to sell the [ ] Water. Seller is not relying on any representations of Buyer with respect to the [ ] prospects, the likelihood of any particular outcome of [ ] business, or any greater or lesser value that Seller may or may not have realized had it not sold the [ ] 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 [ ] Water, or to the Buyer's title to the [ ] 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 [ ] Water, or Buyer's title to the [ ] Water, or any such related matter. Such cooperation shall include, but not be limited to, providing any documents pertaining to the [ ] 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 contemplated transactions.

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, a nationally-recognized courier service, or electronic mail 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:**


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:**

[Seller's Name]

By: \_\_\_\_\_

**BUYER:**

**SOUTHERN NEVADA WATER AUTHORITY**

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

Approved as to form:

\_\_\_\_\_  
Gregory J. Walch, General Counsel

**EXHIBIT A**

**[ \_\_\_\_\_ ] IRRIGATION COMPANY CERTIFICATION - REQUIRED**

The [ \_\_\_\_\_ ] Irrigation Company (“[ \_\_\_\_\_ ]”) hereby certifies that [ \_\_\_\_\_ ] is the only record owner of Stock Certificate No. [ \_\_\_\_\_ ], which represents [ \_\_\_\_\_ ] shares of [ \_\_\_\_\_ ] 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 [ \_\_\_\_\_ ] Irrigation Company*. [ \_\_\_\_\_ ] further certifies that the stock certificate does not reflect any liens or encumbrances on such shares that would prevent [ \_\_\_\_\_ ] from executing this sale and/or prevent or hinder SNWA from becoming the record owner of stock Certificate Number [ \_\_\_\_\_ ] and utilizing the associated water to its full extent upon transfer of ownership. [ \_\_\_\_\_ ] shall notify SNWA in the event of a change in certificate number listed above.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

[ \_\_\_\_\_ ] IRRIGATION COMPANY

By: \_\_\_\_\_

Its: \_\_\_\_\_

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

April 21, 2022

**Subject:**

Budget Workshop

**Petitioner:**

John J. Entsminger, General Manager

**Recommendations:**

That the Board of Directors receive an overview and discuss the Fiscal Year 2022/2023 Tentative Budget.

**Fiscal Impact:**

None by approval of the above recommendation.

**Background:**

The Authority conducts annual budget workshops to provide the Board of Directors the opportunity to receive an overview of the upcoming fiscal year budget. The workshop is intended to facilitate discussion regarding the Authority's budget prior to the Authority's Budget Hearing held in May.

At this time, the Board is being asked to receive an overview on the Authority's Fiscal Year 2022/2023 Tentative Budget.

This action is authorized pursuant to NRS Chapter 354 and Section 22 of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved this agenda item.