

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
APRIL 21, 2022
MINUTES**

CALL TO ORDER 9:05 a.m.

BOARD MEMBERS PRESENT Marilyn Kirkpatrick, Chair
Dan Stewart, Vice Chair
Scottt Black
Cedric Crear
Justin Jones

BOARD MEMBERS ABSENT James Adams, Jim Gibson

STAFF PRESENT John Entsminger, Colby Pellegrino, 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

Ed Uehling commented on the March Board Meeting minutes and thanked staff for the accurate summary of his comments. He also spoke concerning item 3 and requested that the Board insert an item into the budget for an outside party to evaluate the efficiency of the Authority.

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.***

Director Crear said he would be abstaining on the item since he did not attend the March 17, 2022, meeting.

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 March 17, 2022. The motion was approved with Director Crear abstaining.

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 acrefoot for other pre-1929 Virgin or Muddy River water rights; and authorize the General Manager to sign ministerial documents necessary to effectuate such transactions.***

John Entsminger, General Manager, said that the Authority had been buying Muddy River water rights since 2001 and Virgin River water rights since 2006. Due to the passage of the Interim Surplus Guidelines, the Authority is able to wheel these water rights through Lake Mead and take the water out through its Lake Mead facilities. Although the Authority is not actively looking to purchase additional water rights, smaller buyers sometime approach staff with an offer to sell small amounts of rights. This item would allow staff to complete those small transactions when willing sellers approach the Authority.

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

3. ***For Information Only: Receive an overview and discuss the Fiscal Year 2022/2023 Tentative Budget.***

Mr. Entsminger gave an overview presentation on the Fiscal Year 2022/2023 Tentative Budget. A copy of his presentation is attached to these minutes.

Director Crear asked if the Authority was required by any state or federal regulations to keep a certain level of financial reserves. Mr. Entsminger said that there were not any requirements for reserves.

Director Jones asked if the Horizon Lateral alignment had been determined. Mr. Entsminger said that the right-of-way permitting work was still underway and a final alignment had not yet been approved.

NO ACTION REQUIRED

Public Comment

Edward Couture provided written comments for the record. He spoke concerning the Las Vegas Valley Water District's service rule change regarding refusing water service to new construction on parcels without a connection to a municipal sewer system. He said that water used for dust control on construction projects uses too much water.

Ed Uehling spoke in favor of staff's efforts to separate the reporting of the operating and capital budgets. He also said that the Authority is allocating 40,000 gallons of water per month to homes on the westside of Las Vegas while transferring water from residents living on the eastside of the city.

Adjournment

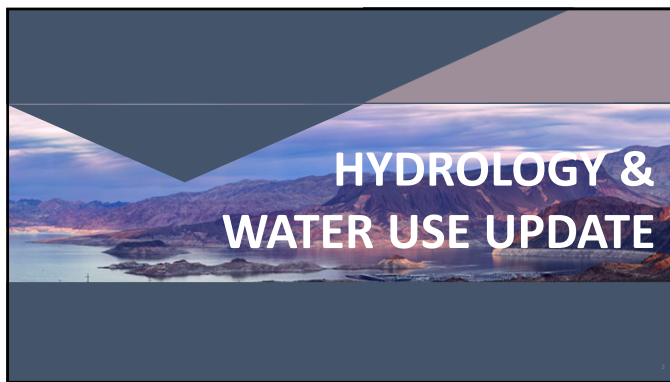
There being no further business to come before the Board, the meeting adjourned at 9:44 a.m.

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.

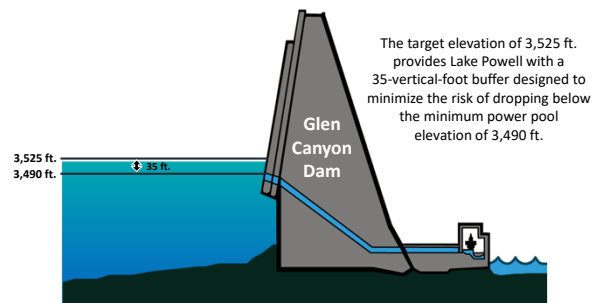


2021-22 HIGHLIGHTS

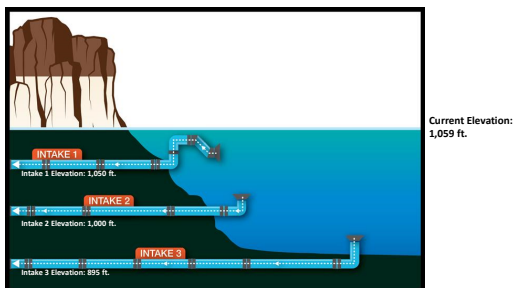
- New Water Resource Plan approved that outlines water conservation initiatives
- New 86 GPCD conservation goal approved
- AB 356 signed into law; NTRAC convened and provided recommendations for non-functional turf
- Amended water conservation programs to make more efficient uses of water
- Participated in Basin-wide actions/agreements to protect Lake Mead elevations
- Continued progress on the SNWA's Major Capital Improvement Program
- Submitted for and received more than \$600,000 in grant funding; nearly \$4 million in additional requests pending
- 2021 refunding activities will save \$92.0 million for a total cumulative savings of \$479.4 million since 2015



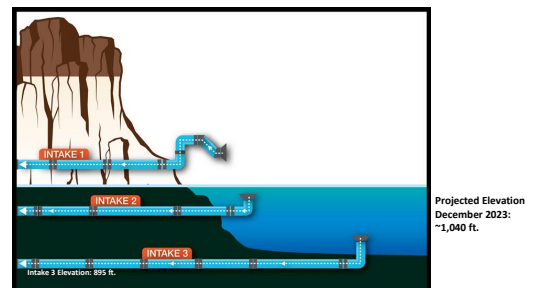
LAKE POWELL



LAKE MEAD ELEVATION PROJECTIONS



LAKE MEAD ELEVATION PROJECTIONS



CONSERVATION

Current hydrological projections underscore the need to prioritize water conservation and water demand management activities.

- **Reducing existing consumptive uses in the community**
 - Seeking full compliance with AB 356
 - Cool season to warm season turf retrofits
 - Converting septic systems to sewer
 - Reducing golf course water budgets
- **Eliminating consumptive uses in new development**
 - Evaporative cooling
 - No new turf
 - Limit pool sizes
 - Large water users

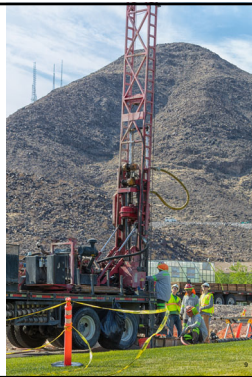
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CAPITAL PROJECT UPDATE

HORIZON LATERAL

- Continuing stakeholder engagement to refine preferred and alternative alignments
- Meeting with individual tunneling contractors
- Pursuing rights-of-way in public, private and federal lands
- Initiating contracts for design
- Full design of common project components to be complete in late 2022; construction scheduled to be completed in 2030.

FY 22/23 Budget: \$86.0 million
Total Project: \$ 1.6 billion



GARNET VALLEY WATER AND WASTEWATER SYSTEM

- Major project components:
- Water System
 - Wastewater System

Water System:

Status: Water System remains in predesign
Facilities: Pumping Station, Reservoir, pipeline
Goal Startup: 2028

Wastewater System:

Status: Las Vegas Boulevard Interceptor heading into final design;
Out of Valley is in predesign
Facilities: Wastewater lift stations, mains, sewer trunk lines
Goal Startup: 2028

FY 22/23 Budget: \$8.4 million
Total Project: \$250 million



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OZONE EQUIPMENT UPGRADE

- The ozone systems at River Mountains and Alfred Merritt Smith treatment facilities are both nearing the end of their 20-year life cycle
- A contractor was selected to evaluate both systems and provide recommendations that will deliver reliable service
- Currently evaluating a scope for a design services contract
- Design will kick-off this year and start-up and commissioning is planned for 2025

FY 22/23: \$2.4 million
Total Project: \$38.5 million



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SOLAR PHOTOVOLTAIC PROJECT

- 10-mile expansion to SNWA's existing transmission system, interconnecting a new solar PV system that will convey SNWA's 113 MW portion
- Project will help SNWA meet Nevada's Renewable Portfolio Standard
- Power Purchase Agreement is finalized, and procurement is proceeding
- Scheduled to be online in 2024

FY 22/23 Budget: \$12 million
Total Project: \$20.8 million



Google Earth

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LOWER LAS VEGAS WASH

Design for Weir 5 and Geotech Road from Weirs 6 to 9 is currently underway.

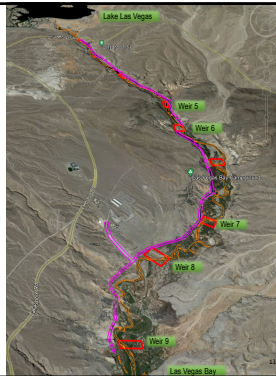
Upcoming milestones:

- Weir 5 Construction
- Weirs 6 & 7 design

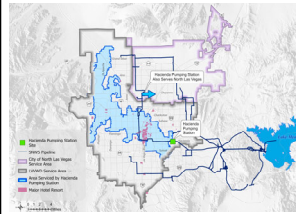
Requested federal funding through federal appropriations

Construction estimated to be completed in 2029

FY 22/23 Budget: \$6.5 million
Total Project: \$122.5 million



STAGE II: RELIABILITY UPGRADES



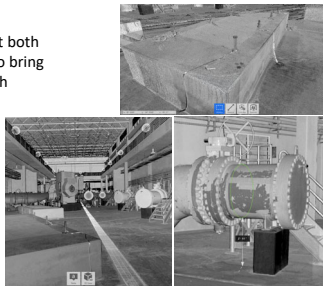
- Proposed 90 MGD Pumping Station, 4MG Forebay, and electrical Substation located at the existing LVVWD Campbell Reservoir site
- 2 miles of 66-inch pipeline to provide supplemental and redundant inter-connection between the existing Whitney and Pittman laterals
- Preliminary Design Report (30%) prepared and submitted by contractor, currently undergoing SNWA review
- Design completion end of 2023, construction completion estimated summer 2026

FY 22/23 Budget: \$4.8 million
Total Project: \$61 million (Stage II upgrades total)

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STAGE II: SLOAN/LAMB PUMP STATION EXPANSIONS

- Scope: Installation of four new pumps at both Lamb and Sloan Pumping Station sites to bring them to full buildout capacity, along with electrical upgrades
- Current Status: Scoping Design
- Estimated Construction Start: Late 2023



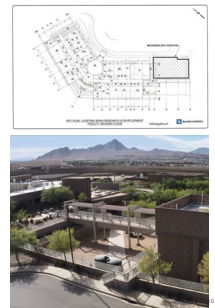
FY 22/23 Budget: \$2.8 million
Total Project: \$61 million (Stage II upgrades total)

All images are produced by Lidar scans

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MICROBIOLOGY RESEARCH LAB EXPANSION

- Expands existing Microbiology Laboratory capacity by expanding into existing courtyard
- Approximately 5,500 square feet of combined office and Biosafety Level Two (BSL-2) Laboratory space
- Feasibility Study completed, currently negotiating with contractor for design and construction support services
- Design completion estimated Summer 2023, construction completion estimated Spring 2026



FY 22/23 Budget: \$4.3 million
Total Project: \$16 million

VIRGIN AND MUDDY RIVER

- SNWA's Virgin and Muddy River water rights amount to approximately 14,800 AFY of Intentionally Created Surplus (ICS) credits
- These water rights help support efforts to protect Lake Mead water levels
- 123 acre-feet purchased in FY 21-22



FY 22/23 Budget: \$2.5 million
Total Project: \$98.5 million

MWD RECYCLING PROJECT



Full-scale program expected to recover 168,000 AFY.

In 2020, Letter of Intent established working relationship and \$6 million funding agreement signed to support environmental and engineering services.

In 2021, Sen. Cortez Masto introduced bill to help fund large scale recycling projects.

Project Schedule:

- 2021-2024: Environmental Planning
- 2024-2031: Design and Construction
- 2032: Start-up and Operations

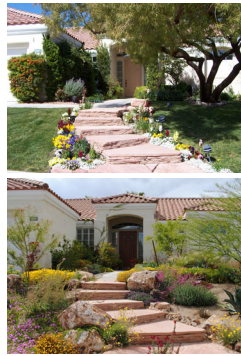
FY 22/23 Budget: \$5 million
Total Project: \$587.7 million

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WSL PROGRAM

Program participation increases expected as a result of AB356

In the first 9 months of Fiscal Year 2022, the WSL Program has completed more conversions than in the entirety of FY21, rebating nearly 4.2 million square feet for more than 3,100 customers at a total cost of \$11.5 million.



FY 22/23 Budget: \$25.3 million

2022-23 BUDGET OVERVIEW

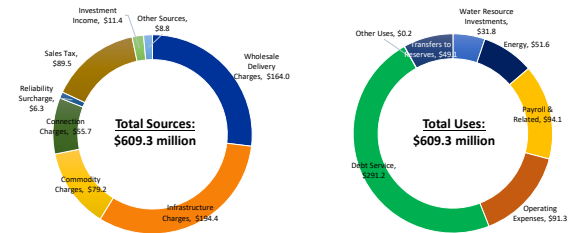
2022-23 BUDGET OVERVIEW

This year's budget is presented as an Operating and Capital budget.

- SNWA Operating Budget reflects increases to treatment and energy costs, and increases in water resource expenditures (500+ Plan)
- Payroll expenses remain relatively flat
- Capital expenses up 50 percent, reflecting increasing work efforts on major construction activities including Horizon Lateral Project
- SNWA Reserves remain healthy and stable

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SNWA OPERATING 2022-23 SOURCES AND USES SUMMARY



Amounts in million dollars. Totals are rounded.

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SNWA OPERATING 2022-23 SOURCES OF FUNDS

Sources	Actual 2020-21	Budget 2021-22	Budget 2022-23	Variance \$
Wholesale Delivery Charge	\$ 150.8	\$ 150.3	\$ 164.0	\$ 13.7
Infrastructure Charge	171.1	175.2	194.4	19.2
Commodity Charge	71.8	73.6	79.2	5.6
Connection Charge	104.0	35.6	55.7	20.0
Reliability Surcharge	5.9	6.0	6.3	0.2
Sales Tax	71.2	75.4	89.5	14.0
Investment Income	1.2	9.8	11.4	1.6
Other Sources	9.2	7.3	8.8	1.6
Total Operating Sources	\$ 585.1	\$ 533.2	\$ 609.3	\$ 76.1

Amounts in million dollars. Totals are rounded.

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SNWA OPERATING 2022-23 USES OF FUNDS

Uses	Actual 2020-21	Budget 2021-22	Budget 2022-23	Variance \$
Water Resource Investments	\$ 4.7	\$ 14.6	\$ 31.8	\$ 17.2
Energy	38.6	41.6	51.6	10.0
Payroll & Related	73.9	91.9	94.1	2.2
Operating Expenses	62.9	73.0	91.3	18.2
Debt Service	265.4	298.1	291.2	(6.9)
Other Uses	2.1	2.5	0.2	(2.2)
Transfers To Reserves	137.5	11.5	49.1	37.6
Total Operating Uses	\$ 585.1	\$ 533.2	\$ 609.3	\$ 76.1

Amounts in million dollars. Totals are rounded.

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SNWA CAPITAL 2022-23 SOURCES AND USES SUMMARY



Amounts in million dollars. Totals are rounded.

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SNWA CAPITAL 2022-23 SOURCES OF FUNDS

	Actual 2020-21	Budget 2021-22	Budget 2022-23	Variance \$
Grant Funds	\$ 0.0	\$ 2.7	\$ 10.0	\$ 7.3
Debt Issuance Proceeds	0.0	348.8	0.0	(348.8)
Other Sources	0.8	0.0	0.0	0.0
Transfers From Reserves	58.5	0.0	260.3	260.3
Total Capital Sources	\$ 59.3	\$ 351.5	\$ 270.3	\$ (81.2)

Amounts in million dollars. Totals are rounded.

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SNWA CAPITAL 2022-23 USES OF FUNDS

	Actual 2020-21	Budget 2021-22	Budget 2022-23	Variance \$
Capital Expenditures	\$ 59.3	\$ 179.7	\$ 270.3	\$ 90.6
Transfers To Reserves	0.0	171.8	0.0	(171.8)
Total Capital Uses	\$ 59.3	\$ 351.5	\$ 270.3	\$ (81.2)

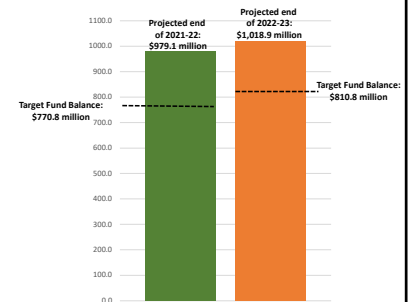
Amounts in million dollars. Totals are rounded.

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RESERVES TARGET

Reserve Policy Elements:

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



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2022-23 BUDGET SUMMARY

- The budget reflects continued progress towards SNWA's Major Capital and Construction Program
- Recent adjustments to SNWA Charges helped mitigate impacts from increasing construction costs and inflation
- SNWA Reserves remain healthy and stable
- Conservation remains a top priority



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2022-23 SNWA INITIATIVES

- Manage operations to accommodate further declines to lake levels
- Implement policies/regulation to support water efficient development
- Seek compliance with AB 356 requirements
- Work with Colorado River Basin states to manage river operations
- Continue progress on MCCP



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Date: 04/21/22

Septic Issues

Thank you for your time and service to our community.

This committee was formed to keep LVVWD in line.

The water LVVWD district has had its troubles with ethics in the past. Just recently settled with a wrongful termination of employees who did have ethic/morals, and were terminated for it.

And as far back as 1990 threw 2002 the application for water rights #54075 and corruption nobody wants to speak about any more.

On this application in year 2002 the lake was running over the flood gates, and it was asking for more water as a prediction 1400000 population by 2020.

Since the population is currently over 3000000 and the lake is severely low.

For the last 20 years LVVWD has not done a good job and I urge you to look harder into the facts they present to you.

I am here today to provide facts to dispute many of LVVWD facts you have been given.

Will serve letters with active water meters being denied water is wrong/a take. Discuss morning sun issues.

To correctly dust control projects in this situation (under construction) will use far more water for dust control then the septic.

Septic's do not ruin ground water scientifically. Discuss Russell & Bolder Hwy Pepcon contamination. chlorites

Vegas valley North Las Vegas treatment water fills channel oct to April not so much in summer if any.

Water Truck Facts

- **2,000 Gal. Water Truck (Small Jobs)**
 - 4 Loads Per Hour = 8,000 Gal.
 - 32 Loads Per 8 Hour Day = 64,000 Gal.
 - 640 Loads Per 20 Day Month Period = 1,280,000 Gal.
 - At these calculations totals are Acre Ft: 3.93 Per Month
 - Times 200 Jobs = 786 Acre Ft Per Month

- **4,000 Gal. Water Truck (Large Jobs)**
 - 4 Loads Per Hour = 16,000 Gal.
 - 32 Loads Per 8 Hour Day = 128,000 Gal.
 - 640 Loads Per 20 Day Month Period = 2,560,000 Gal.
 - At these calculations totals are Acre Ft: 7.87 Per Month
 - Times 150 Jobs = 1,180 Acre Ft Per Month

- **8,000 Gal. Water Pull (Gravel Pits & Mass Grading)**
 - 4 Loads Per Hour = 32,000 Gal.
 - 32 Loads Per 8 Hour Day = 256,000 Gal.
 - 640 Loads Per 20 Day Month Period = 5,120,000 Gal.
 - At these calculations totals are Acre Ft: 15.75 Per Month
 - Times 100 Jobs = 1,575 Acre Ft Per Month

These facts are extremely conservative and the per hour loads could easily be more, and the simple math adjusted accordingly.

Example: Above numbers are in summer months (June, July, August). However in winter months, most jobs that would take 16 loads per day for dust control can be accomplished with 2 to 4 loads. This essentially conserves three quarters of the water consumption used for dust control.

The proper management of construction water is far more suitable for this community than the current abuse of power by the LVVWD in its service rules causing septic to be outlawed.

This new rule is going to cause hundreds of millions of dollars of property to be undevelopable and cause unjust financial hardships on hundreds (possibly thousands) of people within this community.