

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
APRIL 20, 2023
MINUTES**

CALL TO ORDER 9:02 a.m.

BOARD MEMBERS PRESENT Marilyn Kirkpatrick, Chair
Dan Stewart, Vice Chair
Scottt Black
Olivia Diaz
Jim Gibson
Justin Jones
Steve Walton

BOARD MEMBERS ABSENT None

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

OTHERS PRESENT None

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

COMMENTS BY THE GENERAL PUBLIC

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

There were no speakers.

ITEM NO.

1. ***For Possible Action: Approve agenda with the inclusion of tabled and/or reconsidered items, emergency items and/or deletion of items.***

FINAL ACTION: Director Gibson made a motion to approve the agenda for this meeting. The motion was approved.

2. ***For Information Only: Receive an overview and discuss the Fiscal Year 2023/2024 Tentative Budget.***

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

Chair Kirkpatrick asked if chemical prices had started to come down since increasing significantly during the pandemic. Dave Johnson, Deputy General Manager – Operations, said that chemical prices were not increasing as rapidly as they did during the pandemic, but the prices continued to rise.

NO ACTION REQUIRED

Public Comment

There were no speakers.

Adjournment

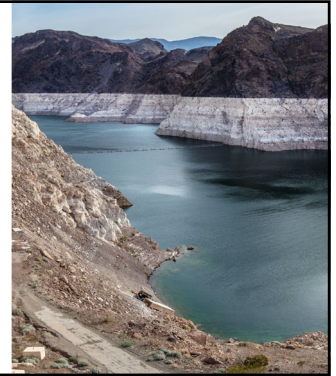
There being no further business to come before the Board, the meeting adjourned at 9:18 a.m.

**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.**



2022-23 Highlights

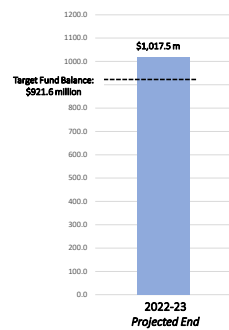
- Cash defeasance of **\$21.7 million**, as supported by IRPAC recommendations
- Entered into **conservation MOU** among urban municipalities within the Colorado River Basin
- Worked with member agencies to **approve and adopt conservation** regulations to further reduce consumptive water uses, including golf course water budget reductions, pool size limits and an evaporative cooling moratorium
- Received approximately **\$40.7 million in grant funding**, approximately \$9.7 million pending
- Chaired committee to develop and provide **water-related recommendations** to incoming Governor Lombardo
- The **Wall Street Journal** recognized Southern Nevada as "one of the most water-minded places on Earth"



SNWA Unrestricted 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% of depreciable assets



Horizon Lateral

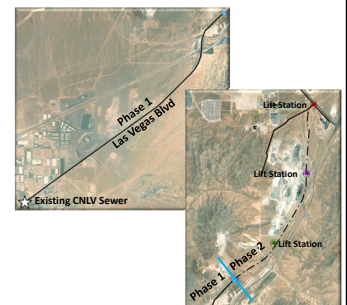
- The existing South Valley Lateral lacks interconnection with the rest of the SNWA water system and increases the risk on water supply in the event of an emergency or outage
- The Horizon Lateral will improve reliability and flexibility of water delivery for existing customers in the southern portion of the Las Vegas Valley
- Feasibility began 2019



FY 23/24 Budget: \$18.2 million
Total Project: \$2.9 billion

Garnet Valley Wastewater System

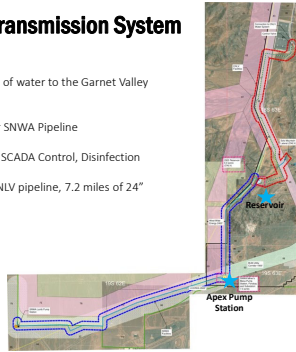
- Backbone sewer infrastructure to return wastewater from the Garnet Valley (Apex) area to the City of North Las Vegas' wastewater plan for return flow credits
- Phase 1 (Design, Bid, Build): 8 miles of 36-42" diameter gravity sewer line
- Phase 2 (CMAR): 3 Lift Stations, 5.7 miles of 14-24" dual force mains, 4 miles of 8-18" gravity sewer line
- Phase 1 construction to begin early 2024, Phase 2 construction to begin late 2025



FY 23/24 Budget: \$26 million
Total Project: \$286 million

Garnet Valley Water Transmission System

- Transmission and distribution system to deliver 20 MGD of water to the Garnet Valley (Apex) area
- Package 1 (Design, Bid, Build): 8.3 miles of 36" diameter SNWA Pipeline
- Package 2 (CMAR): Pump Station, Reservoir, Substation, SCADA Control, Disinfection
- Package 3 (Design, Bid, Build): 1 mile of 36" diameter CNLV pipeline, 7.2 miles of 24" diameter CNLV pipeline
- Currently in the design and planning phase



FY 23/24 Budget: \$18.7 million
Total Project: \$332 million

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STAGE II: Sloan/Lamb Pumping Station Expansion

Expansion of the existing Sloan and Lamb pumping stations to provide Hacienda pumping station redundancy

Project includes:

- Addition of 4 pumps and motors at the Sloan/Lamb Pump Station
- Expansion of Sloan electrical system to eliminate restrictions that reduce overall redundancy
- Evaluation of evaporative coolers and replacement if necessary
- Evaluation and potential replacement of Sloan Transformers
- Evaluation of new variable frequency drives at Sloan Pumping Station

Estimated start of construction: October 2024



FY 23/24 Budget: \$28.7 million
Total Project: \$84 million

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STAGE II: Reliability Upgrades

Critical to replace aging facilities in order to provide reliable service in the future.

Project scope includes:

- Constructing a new 90-MGD pumping station at the Campbell 1845 Zone reservoir site
- Installing 2 miles of 66-inch diameter discharge pipeline from new pumping station to Hacienda pumping station
- Design of new Power Substation installed to serve the new Monthill pumping station as well as existing Campbell reservoir and pumping station

Currently in the design phase and CMAR contracted.
Estimated completion: October 2026



FY 23/24 Budget: \$7 million
Total Project: \$146 million

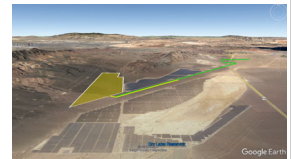
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Boulder Flats Solar PV Project

Project helps SNWA meet renewable energy goals.

May 2021: SNWA signed a Power Purchase Agreement with Boulder Flats Solar

Current Status: Awaiting BLM right of way grants for SNWA; Boulder Flats Solar have received their right-of-way.



RESOURCE COST COMPARISON	2048 with 2%/yr Escalation	
	2024	
Hoover A	\$ 25.86	\$ 41.59
Hoover D (excluding transition costs)	\$ 33.06	\$ 53.17
Market (as of 3-27-23)	\$ 109.00	\$ 175.32
SNWA Solar PPA (25-year fixed price)	\$ 38.15	\$ 38.15

FY 23/24 Budget: \$11.5 million
Total Project: \$20.8 million

Boulder City Wastewater Project

A feasibility study will help identify a solution for Boulder City, whose wastewater is nearly 100% consumptive.

The SNWA will evaluate two alternatives:

- Expanding Boulder City's existing wastewater facility to allow treated wastewater to be directly used on the city's golf courses.
- Treat and return wastewater to Lake Mead through an artificial recharge well.



FY 23/24 Budget: \$5 million

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River Mountains WTF Fluoride Bulk Tanks

- Replacement of 3 fluoride bulk tanks at River Mountains Water Treatment Facility to provide system efficiency and reliability
- Existing tanks have reached the end of their service life
- First tank replaced in FY 22-23, second tank scheduled for replacement in FY 23-24, third scheduled for FY 24-25



FY 23/24 Budget: \$100,000
Total Project: \$340,000

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Water Quality Testing Equipment

- Supports replacement and procurement of analytical equipment to support research on emerging contaminants (i.e., PFAS)
- Many water quality instruments are nearing the end of their 20-year service life and parts are no longer supported
- Beginning 2023 and continuing through 2027

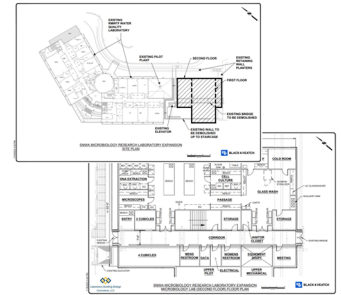


FY 23/24 Budget: \$825,000
Total Project: \$11.8 million

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River Mountains WTF Microbiology Research Lab Expansion

- Design and construction of microbiology research lab building expansion will support efforts to be a leader in the field of microbiology research
- 10,000 sq. ft., two-story building added to the current RMWTF microbiology lab
- Design began in 2022; construction completion set for 2027



FY 23/24 Budget: \$890,000
Total Project: \$19.9 million

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Ozone Equipment Upgrade

- Replacement of existing ozone generation equipment and size new generators at AMS and RMWTF to continue to meet water treatment requirements
- Existing equipment has been in operation for 20 years and potential for failure has increased
- Design began in 2020 and projected completion is 2026



FY 23/24 Budget: \$23.4 million
Total Project: \$65.2 million

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Lower Las Vegas Wash Stabilization

- Las Vegas Wash streambed stabilization is imperative to protecting the existing infrastructure and maintaining water quality
- Project includes constructing additional up to 6 erosion control structures, realignment/reconstruction of Drop 2 structure, and reconstruction of Drop 3 structure
- Construction to begin on Weir 5 in fall 2023; currently working through permitting and environmental compliance for all weirs



FY 23/24 Budget: \$19.3 million
Total Project: \$170 million

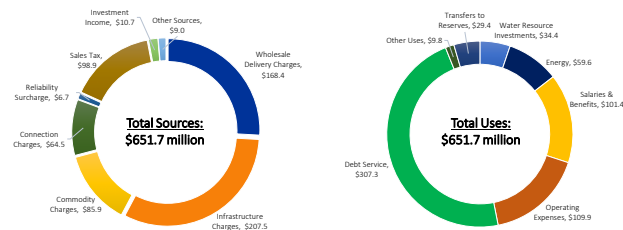
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2023-24 Budget Overview

- Sources of funds reflect IRPAC-approved inflationary-catch up increases
- Capital expenses up 40 percent, reflecting increasing work efforts on major construction activities including those identified within the MCCP
- Indexed rate adjustments continue to use a conservative 25-year average (well below experienced inflation adjustments)
- Sales Tax revenues reflect a return to pre-pandemic levels

SNWA Operating Budget 2023-24 Sources and Uses Summary



Amounts in million dollars. Totals are rounded.

SNWA Operating Budget 2023-24 Sources of Funds

	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
SOURCES				
Wholesale delivery charge	\$ 149.8	\$ 164.0	\$ 168.4	\$ 4.4
Infrastructure charge	180.5	194.4	207.5	13.0
Commodity charge	73.4	79.2	85.9	6.7
Connection charge	111.1	55.7	64.5	8.9
Reliability surcharge	6.2	6.3	6.7	0.4
Sales tax	89.3	89.5	98.9	9.5
Investment income	(40.8)	11.4	10.7	(0.7)
Other sources	13.0	8.8	9.0	0.2
SNWA SOURCES	\$ 582.5	\$ 609.3	\$ 651.7	\$ 42.4

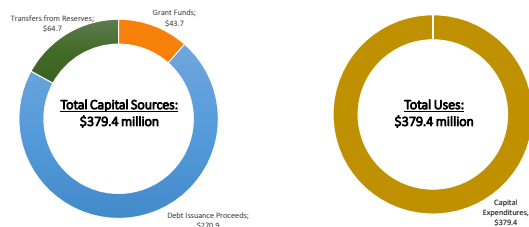
Amounts in million dollars. Totals are rounded.

SNWA Operating Budget 2023-24 Uses of Funds

	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
USES				
Water resource investments	\$ 7.3	\$ 31.8	\$ 34.4	\$ 2.6
Energy	43.9	51.6	59.6	8.0
Salaries and benefits	81.0	94.1	101.4	7.3
Operating expenses	66.3	91.3	109.9	18.6
Debt service	281.9	291.2	307.3	16.1
Other uses	3.9	0.2	9.8	9.6
Transfers to reserves	98.3	49.1	29.4	(19.8)
SNWA USES	\$ 582.5	\$ 609.3	\$ 651.7	\$ 42.4

Amounts in million dollars. Totals are rounded.

SNWA Capital Budget 2023-24 Sources and Uses Summary



Amounts in million dollars. Totals are rounded.

SNWA Capital Budget 2023-24 Sources of Funds

	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
SOURCES				
Grant funds	\$ -	\$ 10.0	\$ 43.7	\$ 33.8
Debt issuance proceeds	351.6	-	270.9	270.9
Other sources	5.2	-	-	-
Transfers from reserves	-	260.3	64.7	(195.6)
SNWA SOURCES	\$ 356.9	\$ 270.3	\$ 379.4	\$ 109.1

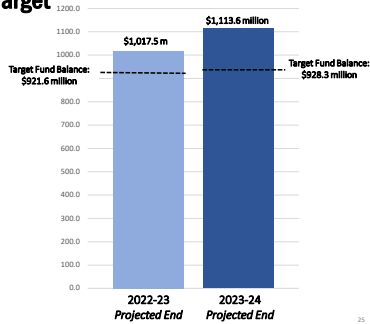
SNWA Capital Budget 2023-24 Uses of Funds

	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
USES				
Capital expenditures	\$ 73.7	\$ 270.3	\$ 379.4	\$ 109.1
Other uses	3.9	-	-	-
Transfers to restricted reserves	279.3	-	-	-
SNWA USES	\$ 356.9	\$ 270.3	\$ 379.4	\$ 109.1

SNWA Unrestricted 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% of depreciable assets



2023-24 Budget Summary

- Fund sources represent the increased availability of federal funding
- Operating expenses represent increases to chemicals, materials and energy costs. Also includes increased conservation-related funding for rebate programs (septic, WET and WSL)
- The capital budget reflects progress on major MCCC projects:
 - Boulder Flats solar project
 - Garnet Valley water and wastewater projects
 - Stage II improvements
 - Ozone equipment upgrades
- Unrestricted reserves remain above fund balance target

2023-24 SNWA Initiatives

- Meet funded grant obligations (WET Cooler rebate programs, Lower Wash obligations, septic conversions)
- Support and implement legislative outcomes, as needed
- Implement a septic conversion program on a larger scale and continue to seek funding
- Continue progress on capital projects
- Support water conservation initiatives to drive down water use

