



AGENDA
BIG BEND WATER DISTRICT
BOARD OF TRUSTEES

Board of Trustees
Steve Sisolak, Chair
Susan Brager, Vice Chair
Larry Brown
Jim Gibson
Chris Giunchigliani
Marilyn Kirkpatrick
Lawrence Weekly

SPECIAL MEETING
9:00 A.M. – NOVEMBER 7, 2017

Date Posted: October 31, 2017

COMMISSION CHAMBERS
CLARK COUNTY GOVERNMENT CENTER
500 S. GRAND CENTRAL PARKWAY, LAS VEGAS, NEVADA
(702) 258-3100

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

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

Clark County Government Center
500 South Grand Central Parkway
Las Vegas, Nevada

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

Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada

Regional Government Center
101 Civic Way
Laughlin, Nevada

Big Bend Water District
1520 Thomas Edison Drive
Laughlin, Nevada

Laughlin Library
2840 Needles Highway
Laughlin, Nevada

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

Visit our website at http://www.lvvwd.com/apps/agenda/big_bend/index.cfm or main office at 1001 S. Valley View Boulevard, Las Vegas, Nevada for Big Bend Water District agenda postings, copies of supporting material and approved minutes. To receive meeting information, including supporting material, contact the BBWD Agenda Coordinator at (702) 258-3939 or agendas@lvvwd.com.

CALL TO ORDER

COMMENTS BY THE GENERAL PUBLIC

NO ACTION MAY BE TAKEN: At this time, the Board of Trustees will hear general comments from the public on items listed 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.

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 of the meeting of June 6, 2017.
2. *For Possible Action:* Consider the Business Impact Statement and determine whether the proposed changes to water rates and service charges are likely to impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business, and direct the General Manager, or his designee, to certify the statement.
3. *For Possible Action:* Set a Public Hearing for December 5, 2017, to consider and adopt the recommendations made by a citizens advisory committee, which include increases to water rates and fees, or take other action as appropriate.

COMMENTS BY THE GENERAL PUBLIC

NO ACTION MAY BE TAKEN: At this time, the Board of Trustees will hear general comments from the public on matters under the jurisdiction of the Big Bend Water District. Please limit your comments to three minutes or less.

**BIG BEND WATER DISTRICT
BOARD OF TRUSTEES MEETING
JUNE 6, 2017
MINUTES**

CALL TO ORDER 9:24 a.m., Commission Chambers, Clark County Government Center,
500 South Grand Central Parkway, Las Vegas, Nevada

TRUSTEES PRESENT Steve Sisolak, Chair
Susan Brager, Vice Chair
Larry Brown
Chris Giunchigliani
Marilyn Kirkpatrick
Mary Beth Scow
Lawrence Weekly

TRUSTEES ABSENT None

STAFF PRESENT John Entsminger, Julie Wilcox, Dave Johnson, 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 www.lvvwd.com/apps/agenda/big_bend/index.cfm

There were no speakers.

- 1. Approve agenda with the inclusion of tabled and/or reconsidered items, emergency items and/or deletion of items, and approve the minutes of the special meetings of March 7, 2017, April 24, 2017, and May 15, 2017.**

FINAL ACTION: A motion was made by Trustee Brown to approve the meeting's agenda and minutes of the special meetings of March 7, 2017, April 24, 2017, and May 15, 2017. The motion was approved.

- 2. Establish a citizens advisory committee to evaluate funding of future capital improvements and system maintenance of the Big Bend Water District and make appointments to the advisory committee.**

John Entsminger, General Manager, presented staff's recommendations to appoint the following individuals to the citizens advisory committee: Kathy Ochs, Bruce Henry, Carrie Larsen, Pam Tyler, Fred Doten, Felicia Yates, Deborah Murray, Frank Pilje, Danny Laughlin, Ashlyn Bilbray, and Sean Hammond as an alternate.

FINAL ACTION: A motion was made by Trustee Giunchigliani to follow staff's recommendation. The motion was approved.

COMMENTS BY THE GENERAL PUBLIC

For full public comment visit www.lvvwd.com/apps/agenda/big_bend/index.cfm

There were no speakers.

APPROVED:

Steve Sisolak, Chair

John J. Entsminger, Secretary

Adjournment

There being no further business to come before the Board, the meeting adjourned at 9:27 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.

**BIG BEND WATER DISTRICT
BOARD OF TRUSTEES
AGENDA ITEM
November 7, 2017**

Subject: Business Impact Statement	Director's Backup
Petitioner: Julie A. Wilcox, Deputy General Manager, Administration	
Recommendations: That the Board of Trustees consider the Business Impact Statement and determine whether the proposed changes to water rates and service charges are likely to impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business, and direct the General Manager, or his designee, to certify the statement.	

Fiscal Impact:

None by approval of the above recommendation.

Background:

The Big Bend Water District (BBWD) provides water service to more than 9,000 residents and approximately 2 million annual visitors in Laughlin, Nevada. Various components of the Big Bend water system are nearing or in some cases past the end of their useful service life and in need of repair or replacement. Approximately \$9.2 million of water system improvements are needed over the next decade to maintain safe and reliable water delivery service, including the replacement of pipelines and service laterals, water tank refurbishments, and meter replacements.

To address this issue, the Board of Trustees established a citizens advisory committee (Committee) in June 2017. Committee members represented a broad spectrum of community interests and their unique perspectives helped shape recommendations on the most appropriate long-term funding strategy.

On September 14, 2017, the Committee formalized six recommendations, which included an annual 9.4 percent revenue increase implemented over four consecutive years and adjusted annually by the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers in subsequent years. Because the proposed increases will affect customer water bills, the BBWD is required to notify trade associations and businesses of the proposed changes, solicit their input, and evaluate whether the changes would significantly burden or restrict the formation of businesses in a Business Impact Statement (BIS) before adopting the changes.

On October 10, 2017, a notice about the proposed changes to rates and Service Charges was provided to more than 70 local businesses, trade associations and interested parties. The comments received and a summary of anticipated impacts to businesses are summarized within the attached BIS.

If approved at a future public hearing, the proposed increases will be incorporated into customer bills. At this meeting, the Board of Trustees will consider a separate agenda item to set the date, time, and location for the public hearing to consider the rate and fee modifications.

Based on the analysis performed by the Committee, together with the incorporation and evaluation of public comments received during the comment period to the BIS, staff recommends that the Board find that the proposed increases to rates and charges present no direct and significant economic burden, or restriction on the formation, operation or expansion of a business, and direct the General Manager to certify the BIS.

This action is authorized pursuant to NRS 233B.0609, and NRS 318.080(2). The office of the General Counsel has reviewed and approved this item.

Respectfully submitted:



John J. Entsminger, General Manager

JJE:JAW:AMB:KH:kf

Attachment

BIG BEND WATER DISTRICT: BUSINESS IMPACT STATEMENT

Review of the recommended increases to tier rates and Service Charges proposed for adoption.

EXECUTIVE SUMMARY

Nevada law requires that local governments develop a Business Impact Statement (BIS) to gather and evaluate financial information regarding 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.

The Big Bend Water District (BBWD) provides water service to more than 9,000 residents and approximately 2 million annual visitors in Laughlin, Nevada. The BBWD requires continual reinvestment to maintain safe and reliable water delivery service. Because of ongoing proactive maintenance practices, the community’s water system is in a generally stable condition. However, various components are nearing, or in some cases, past the end of their useful service life and in need of replacement or repair. Over the next decade, the water system will require capital expenditures, including pipeline and meter replacements and an emergency well.

In June 2017, the BBWD’s Board of Trustees (Board) established a Citizens Advisory Committee. Through a public process conducted over three months, the committee supported six recommendations, including a water rate increase to support necessary capital improvements.

The committee met five times between July 12, 2017 and September 14, 2017, completing a process that consisted of an overview of the BBWD system, review of the BBWD’s operating and maintenance expenses, analysis of proposed capital improvements projects, evaluation of rate structure scenarios and the formulation of recommendations. The committee recommended a 9.4 percent increase to water rates, and supported two different approaches to setting rates and suggested sending two similar rate structure alternatives to the Laughlin Town Advisory Board (LTAB) for review. On October 10, 2017, a LTAB meeting was held and LTAB members selected a scenario to increase tier water rates and the Service Charge by 9.4 percent annually for the next four years, with subsequent increases equal to the increase in the CPI.

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.**

Eleven individuals¹ were appointed by the BBWD Board to represent a broad spectrum of community interests, including small businesses, gaming, retirees and members of the LTAB. The committee met together at publicly posted meetings.

Pursuant to NRS 237.080, on October 10, 2017, the BBWD sent notices about the proposed rate change to all BBWD commercial accounts and collected comments through October 31, 2017. Customers could submit comments to the BBWD via telephone, mail and email. The Laughlin Chamber of Commerce also forwarded the notification to its members.

¹ The Board of Trustees appointed 10 individuals to serve along with an alternate. Upon appointment, two appointees were unable to serve. Therefore, the committee met as a 9-member committee, which included the appointed alternate.

In addition to the BIS noticing requirements, the BBWD worked to inform and educate the public about the committee's process, recommendations and the proposed rates:

- All committee work was conducted in publicly noticed and posted meetings, with meeting agendas, summaries and committee materials available online at bigbendwaterdistrict.com.
- Committee meetings were attended by the public, including members of the local media. The *Laughlin Times* featured articles about committee activities, its recommendations and how residents would be impacted.
- In October, staff made a presentation to the LTAB, which chronicled the committee process and its recommendations.
- Following the LTAB meeting, a newsletter was issued to all BBWD customers that outlined the committee process, its recommendations, anticipated rate impacts and promotion of the informational public meeting.
- The social media accounts managed by the Las Vegas Valley Water District, which operates the BBWD, featured posts about the BIS process and public meeting.
- The BBWD's website was updated throughout the process with information about the committee and its recommendations. The site also includes a bill estimator to help customers understand how the proposed increase would impact them.

Persons interested in a copy of the summary can contact Chaunsey Chau-Duong at 702-822-8395 or Chaunsey.chau-duong@lvvwd.com.

During the comment period, no responses were received.

B. The estimated economic impact of the proposed rule on businesses which it is to regulate, including, without limitation: Both adverse and beneficial effects, and both direct and indirect effects.

A 9.4 percent increase to BBWD water rates and Service Charge was selected through the committee process and subsequent LTAB review. If approved, four-years of 9.4 percent annual increases would start on January 1, 2018 and conclude in December 2021. Beginning January 2022, annual increases would correlate with CPI.

Tiered Water Rates Per 1,000 gallons					
	CURRENT	2018	2019	2020	2021
Tier 1	\$2.70	\$2.95	\$3.23	\$3.53	\$3.86
Tier 2	3.38	3.70	4.05	4.43	4.85

Monthly Service Charge					
METER SIZE	CURRENT	2018	2019	2020	2021
5/8" & 3/4"	\$7.10	\$7.77	\$8.50	\$9.30	\$10.17
1"	7.45	8.15	8.92	9.76	10.68
1.5"	9.60	10.50	11.49	12.57	13.75
2"	14.05	15.37	16.81	18.39	20.12
3"	16.40	17.94	19.63	21.48	23.50
4"	22.90	25.05	27.40	29.98	32.80
6"	34.00	37.20	40.70	44.53	48.72
8"	53.80	58.86	64.39	70.44	77.06
10"	90.00	98.46	107.72	117.85	128.93
12"	150.00	164.10	179.53	196.41	214.87

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	The business knows what the fixed monthly charges are.
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.
Beneficial Effect	Because the rate increase impacts all tiers, frugal water users will see smaller increases compared to larger water users.
Direct Effect	The cost of doing business will increase on a specific date as rate increases are phased-in over time.
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.

1. *Modifying a fee:*

BBWD tiered rates have not been increased since 2006, largely in response to significant downward economic pressure that affected much of Southern Nevada between 2008 and 2012. Today, the BBWD's water system needs considerable maintenance and repair to continue to provide quality drinking water and reliable water service to the area. Approximately \$9.2 million in capital improvements are needed over the next 10 years to ensure reliable and sufficient service to the community. Based on their discussions, the Committee recommended a 9.4 percent annual increase to tiered rates and the Service Charge.

2. *Phase-in the increase to tiered water rates and Service Charges over a four-year period:*

The Committee recommended phasing in the increases to provide the community time to adjust to the new rates and charges. This recognized that many BBWD ratepayers, including small businesses, will find incremental increases easier to absorb and account for than larger one-time increases. After the tiered rates and Service Charges are brought current, the Committee recommended tying future increases to a Consumer Price Index for a long-term sustainable revenue plan.

3. *Create equitable rates for all customers:*

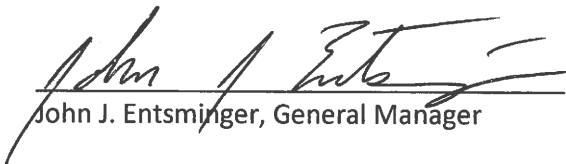
Following an extensive evaluation of different rate scenarios, the Committee suggested that two similar rate models be sent to the LTAB to make a recommendation. Both rate models selected were uniformly

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 first year is anticipated to generate an additional \$290,000 of revenue. Over the course of the full four-year implementation, a cumulative \$3 million of additional revenue is expected. The revenue collected will be used to replace and repair aging infrastructure to ensure system reliability and sufficient service to the community.
- 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 are not likely to 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.

On November 7, 2017, the BBWD's Board will consider the BIS prior to setting a Public Hearing to consider implementing the proposed rates. The BIS is available for public review and comment prior to a final Board decision. Also at the November 7, 2017 Board meeting, staff is recommending that the Board set a Public Hearing for December 5, 2017 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

No comments received.

**BIG BEND WATER DISTRICT
BOARD OF TRUSTEES
AGENDA ITEM
November 7, 2017**

Subject: Set Public Hearing	Director's Backup
Petitioner: Julie A. Wilcox, Deputy General Manager, Administration	
Recommendations: That the Board of Trustees set a Public Hearing for December 5, 2017, to consider and adopt the recommendations made by a citizens advisory committee, which include increases to water rates and fees, or take other action as appropriate.	

Fiscal Impact:

None by approval of the above recommendation.

Background:

On June 6, 2017, the District's Board of Trustees established a citizens advisory committee (Committee) to make recommendations on a funding formula to meet the Laughlin community's capital needs over the next 10 years. The Committee met five times between July and September, completing a process that consisted of information gathering; review of capital and operating costs; evaluation of rate scenarios; and formulation of recommendations for Board consideration.

The Committee evaluated options for funding capital projects, including debt financing and utilizing other funding sources. In total, 17 different rate scenarios were presented to the Committee for their evaluation, each with different approaches to fund the needed improvements. Ultimately, the Committee finalized six recommendations, which outlined how funds should be accessed and revenues increased to fund the community's 10-year capital program and ongoing operating and maintenance costs. The Committee supported accessing grant funding where available and low interest loans, but did not support utilizing money within the Fort Mohave Land Development Fund to pay for capital needs.


The Committee ultimately narrowed the 17 rate alternatives to two approaches to achieve a 9.4 percent annual increase in revenue and recommended the Laughlin Town Advisory Board provide direction on which of the two favored scenarios should be implemented. On October 10, 2017, District staff presented the two similar scenarios to the Laughlin Town Advisory Board (LTAB) and the LTAB supported an increase that is phased in over four years, followed by modest CPI-indexed increases. Under this scenario, a typical residential customer in Laughlin will expect to see a monthly water bill increase of approximately \$2.50 in 2018, with similar annual increases through 2021.

The District has been working to inform and educate the public about the Committee process and recommendations. Customers received direct mail communicating information about the increase, either through a Business Impact Statement notification or a newsletter. The District's website (bigbendwaterdistrict.com) has been continually updated to include information about the Committee process, Committee recommendations, public workshop and Public Hearing. It also includes a bill estimator.

At this time, the Board is being asked to set a Public Hearing for Tuesday, December 5, 2017, at 9:00 a.m. at the Clark County Government Center, Commission Chambers, 500 S. Grand Central Parkway, Las Vegas, Nevada, to consider and adopt the Citizens Advisory Committee's recommendations. Upon Board approval to set the Public Hearing, the District will notice the Public Hearing in the Legal Notices section of the Las Vegas Review-Journal.

This action is authorized pursuant to Sections 9.2 and 16 of the Las Vegas Valley Water District Act, Chapter 167, Statutes of Nevada 1947. The office of the General Counsel has reviewed and approved this item.

Respectfully submitted:



John J. Entsminger, General Manager
JJE:JAW:AMB:KH