



AGENDA AND NOTICE OF PUBLIC HEARING

BIG BEND WATER DISTRICT

BOARD OF TRUSTEES

SPECIAL MEETING

9:45 A.M. – MAY 21, 2018

COMMISSION CHAMBERS

CLARK COUNTY GOVERNMENT CENTER

**500 S. GRAND CENTRAL PARKWAY, LAS VEGAS, NEVADA
(702) 258-3100**

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

Date Posted: May 14, 2018

A sign language interpreter or TDD may be made available with 48-hour advance request; phone (702) 870-2011, TDD (702) 385-7486, or Relay Nevada toll-free (800) 326-6868 TT/TDD.

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.

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.
2. *For Possible Action:* Conduct a Public Hearing on the Tentative Budget for the Big Bend Water District and subsequently adopt a Final Budget for Fiscal Year 2018/19.

Copies of the Budget, which have been prepared on forms in such detail as prescribed by the Nevada Department of Taxation, are on file for public inspection at the Las Vegas Valley Water District, 1001 S. Valley View Boulevard, Las Vegas, Nevada.

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 DIRECTORS
AGENDA ITEM**

May 21, 2018

Subject: Conduct Public Hearing	Director's Backup
Petitioner: John J. Entsminger, General Manager	
Recommendations: That the Board of Trustees conduct a Public Hearing on the Tentative Budget for the Big Bend Water District and subsequently adopt a Final Budget for Fiscal Year 2018/19.	

Fiscal Impact:

The approval of a Final Budget will establish revenue and expenditure levels for the Big Bend Water District (BBWD) for Fiscal Year 2018/19.

Background:

Pursuant to NRS 354.596, the BBWD filed a Tentative Budget with the State of Nevada Department of Taxation on or before April 15, 2018. The Tentative Budget has been reviewed by the Department of Taxation for compliance with state statutes, regulations, and guidelines. A delineation of budget components was provided to the Big Bend Water District Board of Trustees (Board) in General Manager's Information Report Number 10. A budget workshop was held to review the Tentative Budget on April 23, 2018.

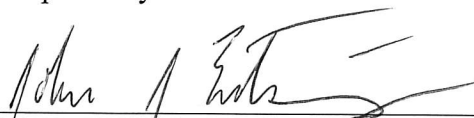
NRS 354.596 requires that the Board conduct a Public Hearing on the Tentative Budget, and the hearing may be consolidated with all local government budgets administered by the Board of County Commissioners on the third Monday in May (May 21, 2018). Notice of this hearing has been published in the *Las Vegas Review-Journal* in accordance with law.

Subsequent to conducting the Public Hearing, NRS 354.598 requires the Board to adopt a Final Budget for the BBWD no later than June 1, 2018, and transmit it to the Department of Taxation.

The Board is being asked to conduct a Public Hearing on the BBWD's Tentative Budget and adopt a Final Budget for Fiscal Year 2018/19.

This action is authorized pursuant to NRS 354.596, NRS 354.598, and NRS 318.080(2). The office of the General Counsel has reviewed and approved this agenda item.

Respectfully submitted:



John J. Entsminger, General Manager
JJE:BT:MC:nf
Attachment

AGENDA
ITEM #

2

BIG BEND WATER DISTRICT

GENERAL MANAGER'S INFORMATION REPORT

DATE: April 17, 2018

NO. 10

SUBJECT: BIG BEND WATER DISTRICT
PROPOSED OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2018-19

The Tentative Operating and Capital Budget of the Big Bend Water District (BBWD) for fiscal year 2018-19 was submitted by April 15, 2018, to the State of Nevada Department of Taxation in accordance with NRS 354.596. Attached for your review is the General Manager's Information Report.

Executive Summary

The BBWD is a General Improvement District, created in 1983 to provide municipal water service to the town of Laughlin, NV, which is located on the Colorado River about 100 miles south of Las Vegas. Through an agreement with the BBWD Board of Trustees, the Las Vegas Valley Water District (LVVWD) assumed BBWD operations from the Clark County Water Reclamation District in September 2008. The current operating agreement is for 20 years with one automatic 10-year renewal period.

The community of Laughlin has approximately 9,500 residents and the BBWD provides municipal water to approximately 2,200 active accounts. In addition to serving residents, the BBWD also provides municipal water to meet the needs of the hotels and casinos along the Colorado River.

The BBWD has an advanced water treatment facility with capacity of 15 million gallons per day and water storage capacity of 6 million gallons. The management and operation of this water system is conducted by the LVVWD, including seven full-time on-site staff.

In 2017, a capital improvement plan (CIP) was developed which identified approximately \$9.2 million (in 2017 dollars) in capital improvements needed over a 10-year planning horizon to continue delivering quality drinking water and reliable water service to the area. In addition, while water rates have remained the same since 2006, operating costs have increased over the past decade.

The BBWD's reserve balances ending fiscal year 2016-17 were approximately \$2 million and would continue to decline without changes in revenues. It was projected that reserves would be exhausted within 2 years without revenue increases.

The BBWD Board of Trustees appointed a Citizens Advisory Committee (CAC) in June 2017 to offer community perspectives on how best to fund the CIP. Nine individuals representing a broad spectrum of community interests served on the committee and met five times between July and September 2017. Their perspectives and ideas helped shape six recommendations to help guide the Board of Trustees' decisions on how to meet revenue deficiencies and support a reliable water system.

The CAC recommended 9.4 percent annual rate increases for four consecutive years, with annual inflation-based increases thereafter to fund the CIP. The committee also recommended staff continue to pursue grant funding to offset capital costs, periodically

Big Bend Water District
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2019

evaluate revenue needs, and adjust rates if additional funding sources are secured.

Ultimately, the CAC recommended two different funding scenarios to be considered and voted on by the Laughlin Town Advisory Board (LTAB). The LTAB, and subsequently the BBWD Board of Trustees, approved a funding plan increasing a typical monthly household water bill by approximately \$2.50 in 2018, 2019, 2020, and 2021, with annual inflation-indexed rate increases in the years following. In conjunction with the rate modifications, the LVVWD and BBWD will continue working to secure grants and low-interest loans to help fund necessary capital improvements and mitigate needed rate increases.

Financial Summary

Sources

The BBWD service rules provide for a monthly service charge and a two-tiered water consumption rate structure. From 2002 through 2006, there was a cumulative water rate increase of 39 percent. After that, water rates remained unchanged until the CAC's recommended water rate adjustments were implemented in January 2018.

Water revenues and interest earnings projections for the fiscal year 2018-19 Budget Plan are based on current trends, coupled with the recent water rate adjustments. System development charges are projected to increase over 50 percent compared to the 2017-18 budget based on recent experience.

The BBWD receives a proportional share of the ¼-cent sales tax assessed by the State of Nevada in Clark County to pay for water and

wastewater infrastructure and related debt service. The amount of the sales tax received by the BBWD is the ratio of the assessed value of property in the BBWD service area as compared to the assessed value of property in all of Clark County. In fiscal year 2016-17, total sales tax received was \$393,976. In fiscal year 2018-19, sales tax receipts are projected to be \$416,456.

Uses

Energy costs are budgeted to decrease by \$25,000, or 6 percent, from the fiscal year 2017-18 Adopted Budget Plan. Payroll and related costs are projected to increase by \$249,666, or 13 percent. Operating expenses consist of materials & supplies, maintenance & repairs, and overhead allocations. These expenses are projected to decrease by \$341,804, or 19 percent.

Capital expenditures are projected to be \$2,049,710, which is a significant increase over the \$248,000 projected in the fiscal year 2017-18 Adopted Budget Plan. The increase in capital expenditures aligns with the implementation of the 10-year CIP. Debt service is expected to increase based on a new State Revolving Fund loan projected to be issued to provide funding for the CIP. The projected State Revolving Fund loan is projected to add \$109,812 in debt service costs as compared to the 2017-18 Adopted Budget Plan.

The table on the following page contains a summary of sources and uses of funds for the BBWD's fiscal years 2016-17, 2017-18 and 2018-19.

Big Bend Water District
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2019

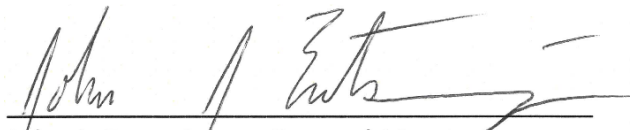


Budget Summary

	Actual 2016-17	Budget 2017-18	Tentative Budget 2018-19	Budget-to-Budget Variance	
				\$	%
Sources					
Water Charges	\$ 3,304,097	\$ 3,195,438	\$ 3,667,997	\$ 472,560	15%
Interest Income	17,118	8,874	27,398	18,525	209%
System Development Charges	335,925	129,150	196,227	67,077	52%
Sales Tax	393,976	395,685	416,456	20,770	5%
Other Revenues	-	-	300,000	300,000	
Subtotal	\$ 4,051,116	\$ 3,729,147	\$ 4,608,078	\$ 878,932	24%
Debt Issuance Proceeds	-	-	1,977,455	-	
Total Sources	\$ 4,051,116	\$ 3,729,147	\$ 6,585,533	\$ 878,932	24%
Uses					
Energy	\$ 369,736	\$ 425,000	\$ 400,000	\$ (25,000)	-6%
Payroll & Related	1,390,541	1,937,078	2,186,745	249,666	13%
Operating Expenses	1,394,867	1,766,454	1,424,650	(341,804)	-19%
Capital Expenditures	-	248,000	2,049,710	1,801,710	726%
Debt Service	517,424	517,423	627,235	109,812	21%
BBWD Uses	\$ 3,672,569	\$ 4,893,955	\$ 6,688,339	\$ 1,794,384	37%
BBWD Net Surplus/(Deficit)	\$ 378,547	\$ (1,164,808)	\$ (102,806)		

Approval

The public hearing on the BBWD's 2018-19 Tentative Budget, and adoption of the Final Budget, is scheduled for 9:45 a.m., Monday, May 21, 2018. The public hearing will be held in the Clark County Commission Chambers of the Clark County Government Center at 500 South Grand Central Parkway, Las Vegas, Nevada.


John J. Entsminger, General Manager