



AGENDA AND NOTICE OF PUBLIC HEARING

**BIG BEND WATER DISTRICT
BOARD OF TRUSTEES**

**SPECIAL MEETING
9:45 A.M. – MAY 20, 2019**

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

Board of Trustees
Justin Jones, Chair
Michael Naft, Vice Chair
Larry Brown
Jim Gibson
Marilyn Kirkpatrick
Tick Segerblom
Lawrence Weekly

Date Posted: May 13, 2019

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 2019/20.

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 20, 2019

Subject: Conduct Public Hearing
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 2019/20.

Fiscal Impact:

The approval of a Final Budget will establish revenue and expenditure levels for the Big Bend Water District (BBWD) for Fiscal Year 2019/20.

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, 2019. 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 Board of Trustees in General Manager's Information Report Number 11. The Board conducted a public workshop on the Tentative Budget on April 22, 2019.

NRS 354.596(4) requires that the BBWD conduct a Public Hearing on the Tentative Budget not sooner than the third Monday in May, and not later than the last day in May. The Public Hearing is therefore scheduled for the third Monday in May (May 20, 2019). Notice of this hearing has been published in the *Las Vegas Review-Journal* in accordance with the law.

NRS 354.598 requires that, subsequent to conducting the Public Hearing, the Board adopt a Final Budget for the BBWD not later than June 1, 2019, 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 2019/20.

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:EKB:MC:nf
Attachment

AGENDA
ITEM #

2

BIG BEND WATER DISTRICT

GENERAL MANAGER'S INFORMATION REPORT

DATE: April 17, 2019

NO. 11

SUBJECT: BIG BEND WATER DISTRICT
PROPOSED OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2019-20

The Tentative Operating and Capital Budget of the Big Bend Water District (BBWD) for fiscal year 2019-20 was submitted by April 15, 2019, to the State of Nevada Department of Taxation in accordance with NRS 354.596. Included for your review is the General Manager's Information Report.

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.

Executive Summary

The BBWD is a General Improvement District, created in 1983 to provide municipal water service to the town of Laughlin, Nevada, which is located on the Colorado River about 100 miles south of Las Vegas. Through an agreement with the BBWD Board of Trustees (Board), 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 Laughlin's 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 six million gallons. The management and operation of this water system is conducted by the LVVWD, including eight full-time on-site staff.

The Board 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's 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 evaluate revenue needs, and adjust rates if additional funding sources are secured.

Ultimately, in December 2017, the Board approved the CAC recommendations, which increases 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.

Big Bend Water District
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2020

In conjunction with the rate modifications and the CAC recommendations, the LVVWD and BBWD continue working to secure grants and low-interest loans to help fund necessary capital improvements. In 2018, these efforts proved beneficial as the LVVWD applied for, and received, \$800,000 in total grant funding to support the drilling and equipping of an emergency well for the BBWD. The well will use riverbank filtration as an additional water quality measure during times of significantly increased turbidity in the Colorado River, which is Laughlin's sole water supply.

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, and Board adopted, 9.4 percent water increase implemented in January 2018. A subsequent 9.4 percent increase occurred in January 2019, with additional increases occurring in January 2020 and 2021. An annual inflation-indexed rate increase will occur beginning in January 2022, and each January thereafter.

Water revenues and interest earnings projections for the fiscal year 2019-20 Budget Plan are based on current trends, coupled with the recent water rate adjustments. System development charges are projected to decrease 79 percent compared to the 2018-19 budget based on an expected return to a longer-term historical average compared to heightened amounts in recent years.

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 2017-18, total sales tax received was \$590,061. In fiscal year 2019-20, sales tax receipts are projected to be \$640,931, reflecting the recent increase in BBWD's ratio of the total assessed value of property in Clark County.

Uses.

Energy costs are budgeted to remain level as compared to the fiscal year 2018-19 Adopted Budget Plan. Payroll and related costs are projected to decrease by \$100,294, or five percent. Operating expenses primarily consist of materials and supplies, maintenance and repairs, purchased and professional services, and overhead allocations. These expenses are projected to increase by \$888,910, or 62 percent, mainly due to a projected rise in purchased services costs as operations and maintenance activities increase with the heightened CIP efforts.

Capital expenditures are projected to be \$3,959,455, which is a significant increase over the \$2,049,710 projected in the fiscal year 2018-19 Adopted Budget Plan. The increase in capital expenditures aligns with the continuation 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 expected to add \$184,474 in debt service

Big Bend Water District
Operating and Capital Budget
General Manager's Information Report
 Fiscal Year Ending June 30, 2020

costs as compared to the 2018-19 Adopted Budget Plan.

The table below contains a summary of sources and uses of funds for the BBWD's fiscal years 2017-18, 2018-19 and 2019-20.



Budget Summary

	Actual 2017-18	Budget 2018-19	Tentative Budget 2019-20	Budget-to-Budget Variance	
				\$	%
Sources					
Water Charges	\$ 3,562,193	\$ 3,667,997	\$ 4,018,418	\$ 350,421	10%
Interest Income	32,760	27,398	32,731	5,333	19%
System Development Charges	488,328	196,227	42,158	(154,069)	-79%
Sales Tax	590,061	416,456	640,931	224,475	54%
Other Sources	-	300,000	8,365	(291,635)	-97%
Subtotal	\$ 4,673,342	\$ 4,608,078	\$ 4,742,603	\$ 134,525	3%
Debt Issuance Proceeds	-	1,977,455	3,959,455	1,982,000	
Total Sources	\$ 4,673,342	\$ 6,585,533	\$ 8,702,058	\$ 2,116,525	32%
Uses					
Energy	\$ 378,757	\$ 400,000	\$ 400,000	\$ -	0%
Payroll & Related	1,502,109	2,186,745	2,086,451	(100,294)	-5%
Operating Expenses	1,564,631	1,424,650	2,313,560	888,910	62%
Capital Expenditures	35,521	2,049,710	3,959,455	1,909,745	93%
Debt Service	517,423	627,235	811,709	184,474	29%
Total Uses	\$ 3,998,441	\$ 6,688,340	\$ 9,571,175	\$ 2,882,835	43%
BBWD Net Surplus/(Deficit)	\$ 674,901	\$ (102,807)	\$ (869,117)		

Approval

The public hearing on the BBWD's 2019-20 Tentative Budget, and adoption of the Final Budget, is scheduled for 9:45 a.m., Monday, May 20, 2019. 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