

**JOINT MEETING OF THE
LAS VEGAS VALLEY WATER DISTRICT BOARD OF DIRECTORS
COYOTE SPRINGS WATER RESOURCES DISTRICT BOARD OF TRUSTEES
BIG BEND WATER DISTRICT BOARD OF TRUSTEES
SPECIAL MEETING
MAY 18, 2020
MINUTES**

CALL TO ORDER 9:46 a.m., meeting conducted via teleconference

DIRECTORS PRESENT Marilyn Kirkpatrick, President
VIA PHONE: Jim Gibson, Vice President
Larry Brown
Justin Jones
Michael Naft
Tick Segerblom (entered at item #3)
Lawrence Weekly (entered at item #3)

STAFF PRESENT John Entsminger, Dave Johnson (via phone), Julie Wilcox (via phone),
Greg Walch (via phone), Kevin Bethel (via phone)

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/lvvwd/index.cfm

There were no comments provided in advance by the public.

ITEM NO.

1. Approval of Agenda & Minutes

FINAL ACTION: A motion was made by Vice President Gibson to approve the agenda for this meeting. The motion was approved.

2. Conduct a Public Hearing on the Tentative Budget for the Las Vegas Valley Water District and subsequently adopt a Final Budget for Fiscal Year 2020/21.

John Entsminger, General Manager, presented the District's Fiscal Year 2020-2021 tentative budget. A copy of his presentation is attached to these minutes.

Mr. Entsminger began by providing some highlights from the 2019-2020 Fiscal Year, including progress of the 10-year Capital Improvements Plan (CIP), an increased number of Water Waste Investigations from the previous year, installation of a renewable energy-producing solar photovoltaic carport at the LVVWD campus, easier payment options for customers, reception of awards from both national and international organizations and the saving of \$4 million due to bond refunding.

Mr. Entsminger stated that the Proposed Final Budget, in response to the pandemic, projects a \$57.6 million deficit, but that the District has the tools and resources available to substantially reduce the deficit as circumstances warrant. He provided a brief summary of the District's pandemic response and stated that continuing to provide safe drinking water to the community while meeting all safety standards under difficult circumstances is worthy of praise. He also presented the District's water use for March and April, showing large decreases initially, compared to previous years, but as the temperatures have increased in late April, so has the community's water use.

Upcoming and ongoing CIP-related infrastructure projects, including Las Vegas Boulevard improvements, construction of Cougar Reservoir and multiple pipeline replacements throughout the valley were also presented to the Board. Mr. Entsminger stated that these projects need to be completed to continue to ensure a safe and reliable water system, but also allows the District to contribute to the Southern Nevada economy during this extraordinary time.

He gave an overview of the 2020-2021 budget sources and uses and showed potential impacts from Covid-19, including projected revenue decreases. He also presented potential cost saving opportunities including the deferment of capital projects, reduction of some operating costs, implementation of hiring restrictions and the introduction of a Voluntary Separation Plan that will be presented to the Board in June.

President Kirkpatrick requested that staff review the budget at least quarterly with the Board. Vice President Gibson asked about the status of the District's pipeline replacement work on Las Vegas Boulevard. Mr. Entsminger stated that the District continues to work in conjunction with Clark County and the City of Las Vegas as their projects along that corridor move forward.

President Kirkpatrick opened the Public Hearing. As there were no members wishing to speak, she closed the hearing.

FINAL ACTION: A motion was made by Vice President Gibson to approve the tentative budget for the Las Vegas Valley Water District. The motion was approved.

3. Conduct a Public Hearing on the Tentative Budget for the Coyote Springs Water Resources District and subsequently adopt a Final Budget for Fiscal Year 2020/21.

Mr. Entsminger presented the Coyote Springs Water Resources District's Fiscal Year 2020-2021 tentative budget. A copy of his presentation is attached to these minutes. He noted that this District is 100 percent developer funded.

Coyote Springs Water Resources District Board of Trustees President Kirkpatrick opened the public hearing. Emilia Cargill, Coyote Springs Nevada, LLC, provided a letter in advance of the meeting for public comment referencing the General Manager's Information Report, noting a mischaracterization of water availability and inaccuracies related to the existing water infrastructure in Coyote Springs. With no additional members of the public wishing to be heard, President Kirkpatrick closed the public hearing.

FINAL ACTION: A motion was made by Vice President Gibson to approve the tentative budget for the Coyote Springs Water Resources District. The motion was approved.

4. Conduct a Public Hearing on the Tentative Budget for the Big Bend Water District and subsequently adopt a Final Budget for Fiscal Year 2020/21.

Mr. Entsminger presented the Big Bend Water District's Fiscal Year 2020-2021 tentative budget. A copy of his presentation is attached to these minutes. He stated that Big Bend Water District's budget is capital intensive and includes a Motor Control Center replacement and tank rehabilitation. He continued by stating that the Big Bend Water District is in good shape and has seen a lot of system improvements over the last five years.

Big Bend Water District Board of Trustees Chairman Justin Jones opened the public hearing. As there were no members of the public wishing to provide comment, he closed the hearing.

FINAL ACTION: A motion was made by Trustee Weekly to approve the tentative budget for the Big Bend Water District. The motion was approved.

COMMENTS BY THE GENERAL PUBLIC

There were no members of the public who called in wishing to speak.

Adjournment

There being no further business to come before the board, the meeting adjourned at 10:07 a.m.

Fiscal Year 2020-21 Budget Hearing



LAS VEGAS VALLEY
WATER DISTRICT™



2019-20 Highlights

- Continued progress on Board-approved 10-year Capital Improvements Plan (CIP)
- Doubled the number of Water Waste Investigations as compared to previous year
- New solar photovoltaic carport covers installed on LVVWD campus; expected to produce more than 4,200 megawatt hours in renewable energy
- Easier payment options added for customers: new payment kiosk installed in Customer Service lobby
- Received Oracle's *Sustainability Award* for LVVWD's Excessive Leak Monitoring Program
- Bond refunding activities have saved \$4 million to date and take advantage of low interest rates

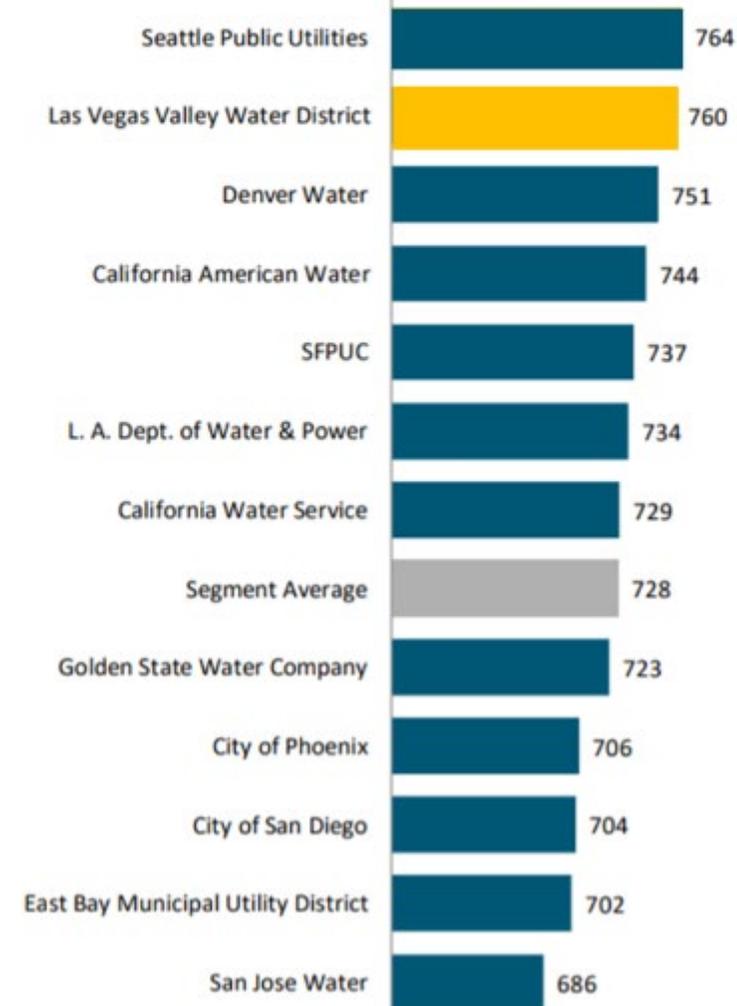
Released in early May, the J.D. Power's 2020 Water Utility Satisfaction Survey gathers residential customer perceptions of water service and ranks 90 utilities (400,000+ customers) based on region by customer satisfaction.

J.D. Power 2020 U.S. Water Utility Residential Customer Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

West — Large



2020-21 Budget Overview

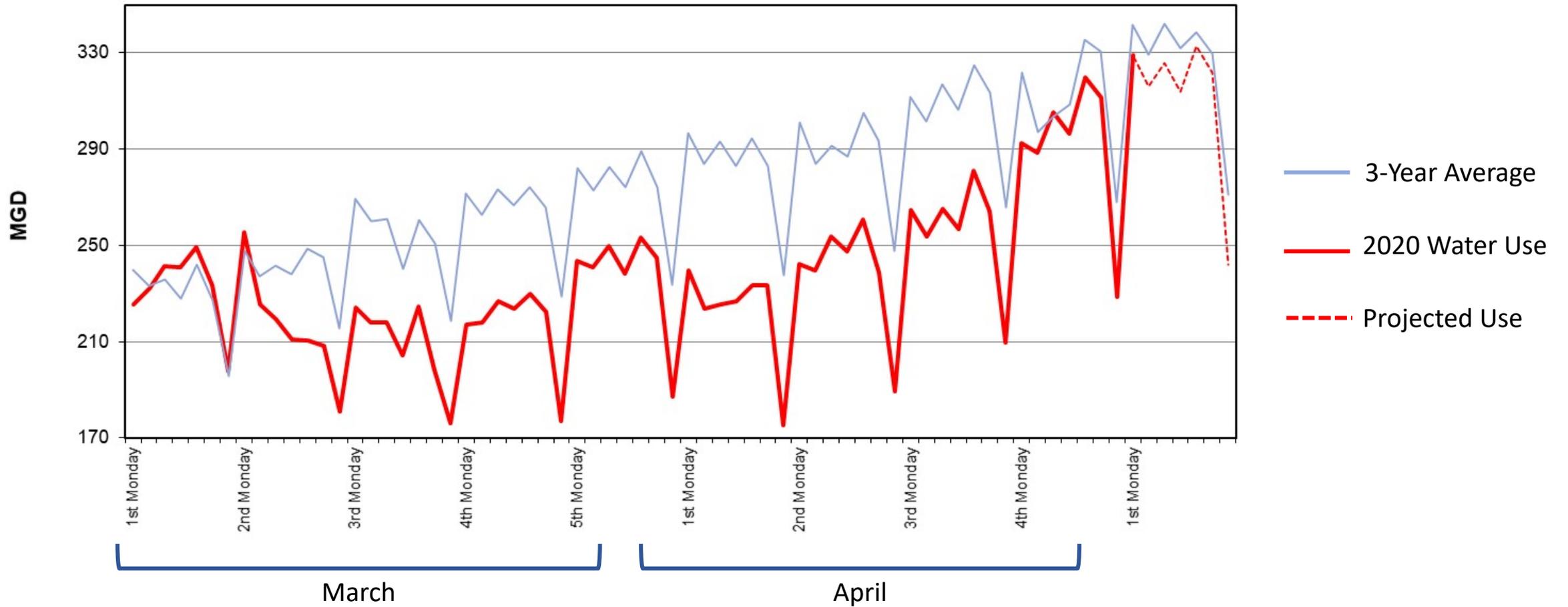
- The LVVWD submitted a *Tentative Budget* by April 15 – before the impacts of COVID-19 were finalized
- The LVVWD prepared a *Proposed Final Budget* in response to the COVID-19, which projects declines in revenues compared to the *Tentative Budget*
- Total Budget: \$554.1 million; capital expenditures represent 26% of the total budget
- The Proposed Budget projects a \$57.6 million deficit
- LVVWD Reserves and prudent management of expenditures will help support the organization through this period of uncertainty

LVVWD Pandemic Response

- **Closed Springs Preserve on March 16; closed offices on March 17**
- **Moved staff to working remotely except those performing critical functions onsite**
- **All LVVWD facilities and construction sites taking extra measures to ensure sanitation and employee safety**
- **Shifted developer submittal process to accommodate social distancing**
- **Maintained employee working status and Collective Bargaining Agreements**
- **Donated 50,000 N95 masks to first responders**
- **Suspended customer shut offs for delinquent and/or non-payments**
- **Maintained the communities water service while meeting all safety standards under difficult circumstances**

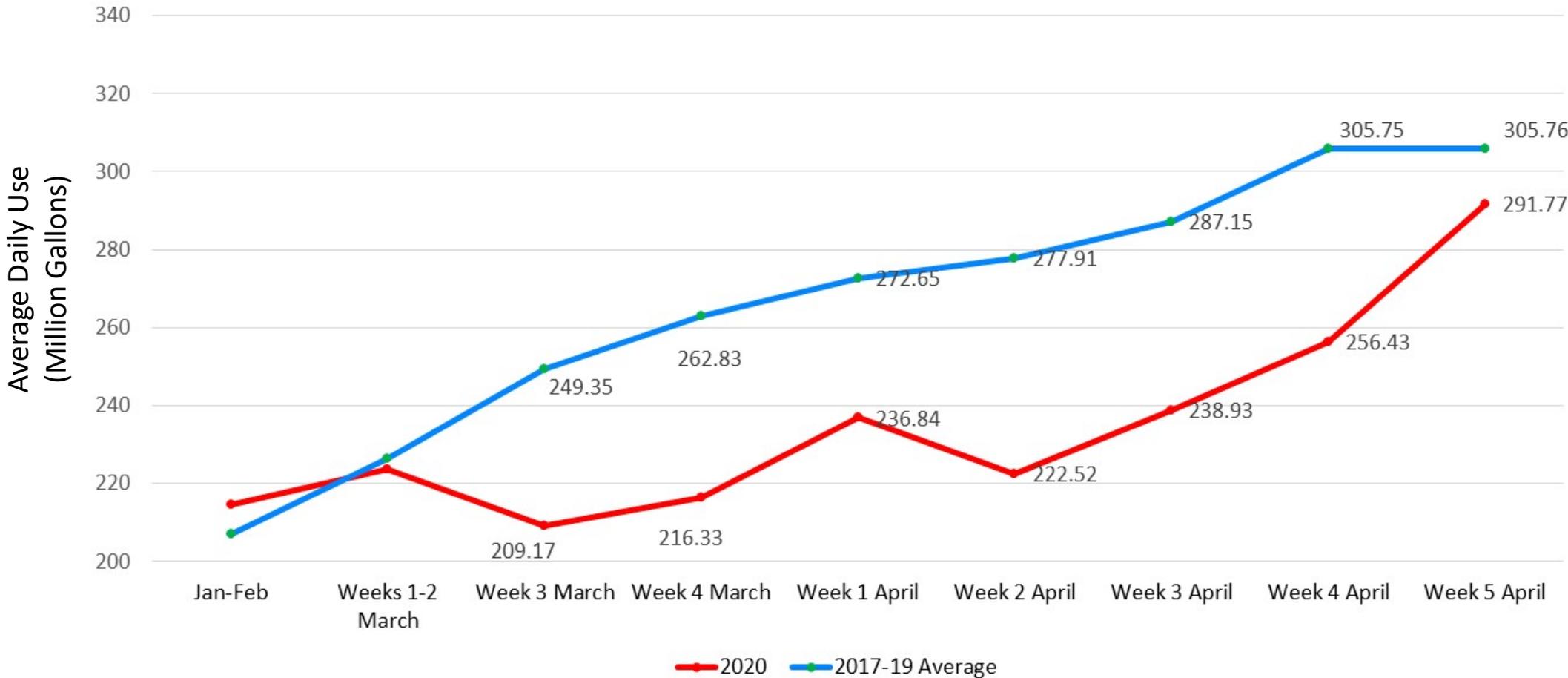
LVVWD Water Use

March - April



LVVWD Average Daily Use

March - April





LVVWD Capital Improvements Plan: **LV Boulevard Improvements**

Projects will increase the reliability of the water service through the replacement of aging and inaccessible infrastructure.

Performed alongside City and County projects to reduce impacts.

Project Components:

- Installation of a 24-inch water line from Sahara to Spring Mountain (replaces a pipeline installed in 1955)
- Design of 36-inch pipeline from 215 to Russell (replaces pipeline installed in 1963)
- Installation of new 16-inch pipeline from Sahara to Stewart (replaces pipeline installed in 1955 and moves services out of alleys)
- Design of pipeline improvements from Stewart to Bonanza
- Includes future phase from Russell to Spring Mountain

LVVWD Capital Improvements Plan: **Cougar Reservoir**



6 RENDERED VIEW - OPTION C
SCALE: 1/4"=1'-0"

When completed, the Cougar Reservoir will be a 10-million-gallon reservoir that will provide additional capacity for the 3090 Pressure Zone.

Located on Blue Diamond Road, near State Route 159 intersection.

Project Status:

- Project is at 60% Design
- Construction slated to begin in March 2021
- Project should be completed in April 2022



5 RENDERED VIEW - OPTION C
SCALE: 1/4"=1'-0"

LVVWD Capital Improvements Plan: **Pipeline Replacements**



These pipelines have experienced previous breaks and are categorized as “extreme risk”.

Contract No. C1511 (\$1.8 million)

Pipeline replacement in Bourbon and Cameron streets installed in the 1960s – 1970s

Contract No. C1513 (\$1.6 million)

Pipeline replacement in Decatur Boulevard (installed 1959) and pipeline in Warm Springs Road (installed 1971)

Contract No. C1530 (\$6.2 million)

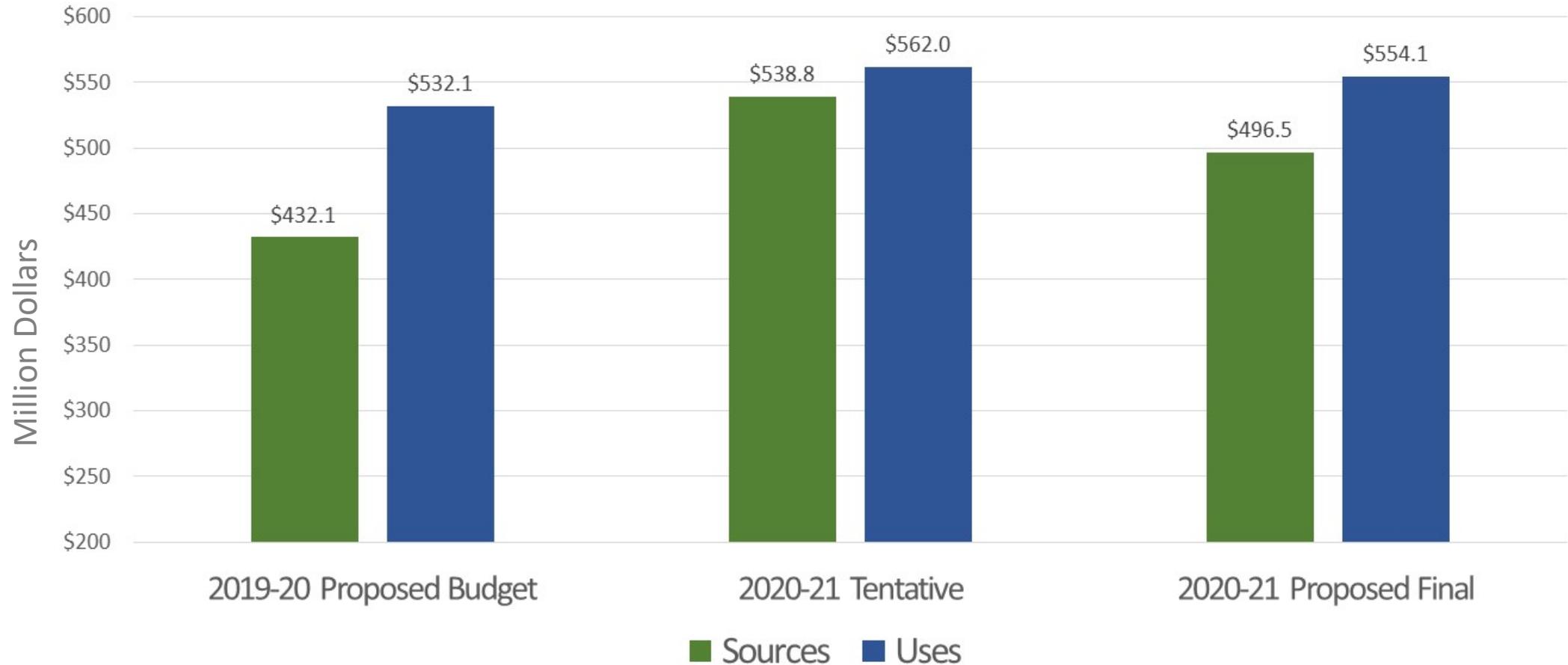
Pipeline replacement in Paradise Road between Twain and Karen (installed in 1969)

Project has been fully designed, but revisions required due to Monorail impacts and required clearances



2020-21 BUDGET OVERVIEW

Sources and Uses Summary



COVID-19 Projected Impacts

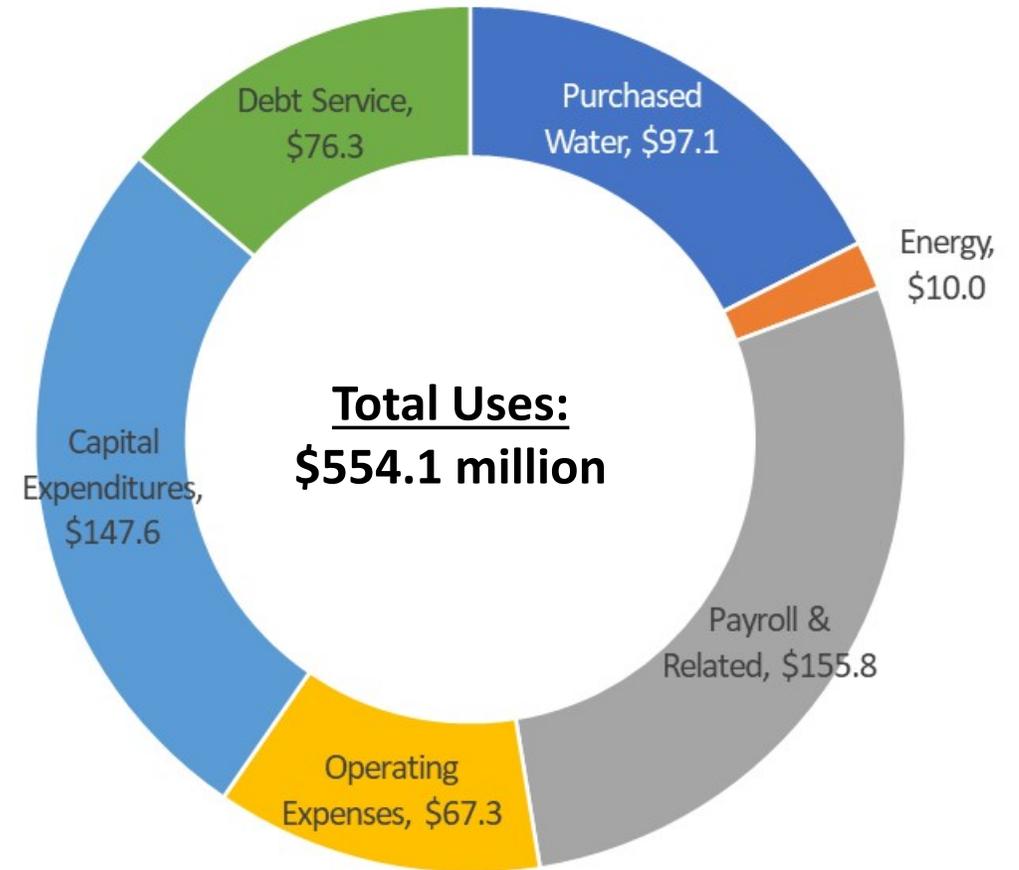
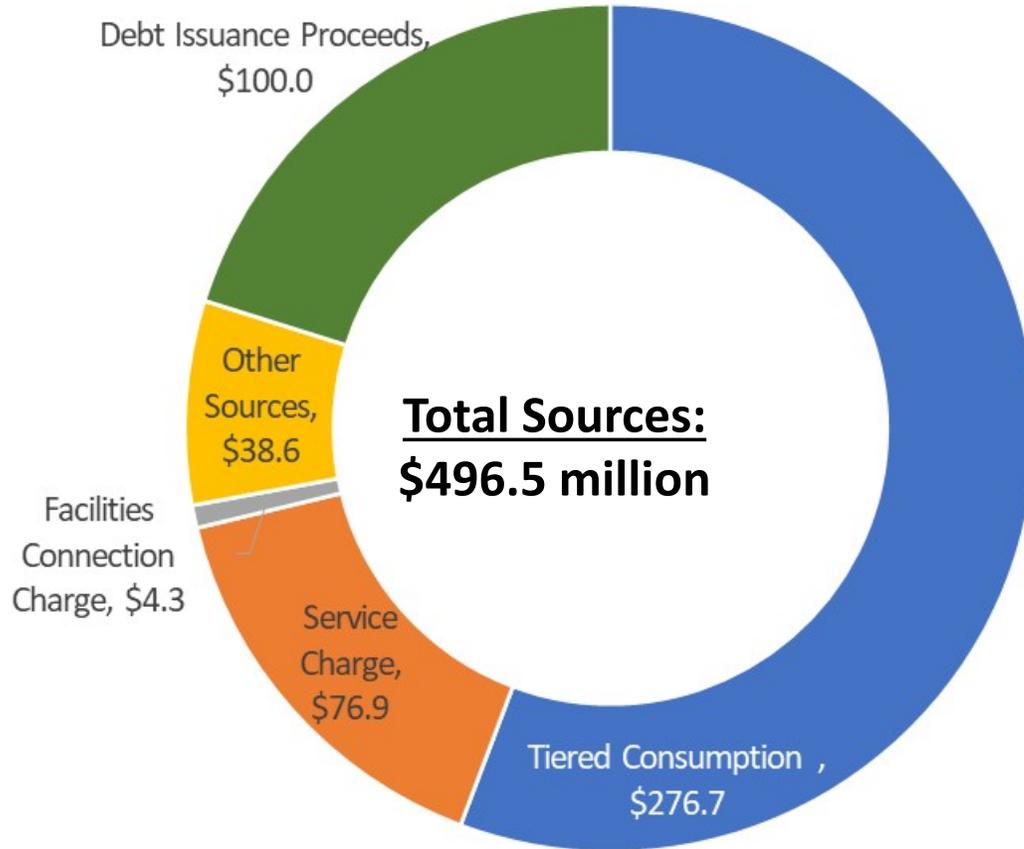
The *Proposed Final Budget* assumes the following impacts to LVVWD revenue sources, as compared to its *Tentative Budget* submitted before COVID-19 response projections:

- Tiered Consumption revenue down 9%
- Reclaimed Water revenues down 8%
- Facilities Connection Charge revenues down 75%
- Application and Inspection Fee revenues down 75%
- Investment Income down 8%

Cost Saving Opportunities

- **Deferral of capital projects**
- **Operating cost reductions**
- **Hiring restrictions**
- **Voluntary Separation Plan**

2020-21 Sources and Uses Overview



Amounts in million dollars. Totals are rounded.

2020-21 Budget Summary

- **Projected sources of funds, excluding debt proceeds, are down 7% due to COVID-19 impacts**
- **Uses of funds are up 4%, partly due to a 11% increase to capital expenditures**
- **Asset management remains a top priority**
- **The organization is deferring capital and reducing operating costs**
- **The organization is positioned to withstand ongoing impacts from COVID-19**



**LAS VEGAS VALLEY
WATER DISTRICT™**

Coyote Springs Water Resources District



COYOTE SPRINGS
NEVADA

Coyote Springs Water Resources District

	Actual 2018-19	Budget 2019-20	Budget 2020-21	Budget-to-Budget Variance \$
Sources				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Developer Contributions ¹	<u>53,089</u>	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
Total Sources	53,089	150,000	100,000	(50,000)
Uses				
Operating Expenses	-	-	-	-
Invoiced Developer Costs ²	<u>53,089</u>	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
Total Uses	53,089	150,000	100,000	(50,000)
Total Net Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -



COYOTE SPRINGS
NEVADA

C l a r k C o u n t y N e v a d a



BIG BEND

Water District

Big Bend Water District

	Actual 2018-19	Budget 2019-20	Budget 2020-21	Budget-to- Budget Variance \$
Sources				
Water Charges	\$ 3,614,705	\$ 4,018,418	\$ 3,938,038	\$ (80,380)
Interest Income	38,386	32,731	1,256	(31,475)
System Development Charges	83,881	42,158	6,990	(35,168)
Sales Tax	475,679	640,931	210,077	(430,854)
Other Sources	-	8,365	-	(8,365)
Subtotal	4,212,651	4,742,603	4,156,361	(586,242)
Debt Issuance Proceeds	-	3,959,455	3,700,000	(259,455)
Total Sources	4,212,651	8,702,058	7,856,361	(845,697)
Uses				
Energy	362,652	400,000	400,000	-
Payroll & Related	1,962,853	2,086,451	2,057,574	(28,877)
Operating Expenses	2,045,688	2,313,560	2,573,972	260,412
Capital Expenditures	1,463,142	3,959,455	2,180,000	(1,779,455)
Debt Service	517,423	811,709	792,426	(19,284)
BBWD Uses	6,351,757	9,571,175	8,003,971	(1,567,204)
BBWD Net Surplus/(Deficit)	\$ (2,139,106)	\$ (869,117)	\$ (147,610)	\$ 721,507

Big Bend Water District: **Motor Control Center Replacement**



Big Bend Water District: **Tank Rehabilitation**



C l a r k C o u n t y N e v a d a



BIG BEND

Water District