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
APRIL 26, 2021
MINUTES

CALL TO ORDER	10:01 a.m., Colorado River Conference Rooms, Southern Nevada Water Authority 100 City Parkway, Las Vegas, Nevada
DIRECTORS PRESENT	Marilyn Kirkpatrick, President Jim Gibson, Vice President Justin Jones William McCurdy II Ross Miller Michael Naft Tick Segerblom
STAFF PRESENT	John Entsminger, Kevin Bethel, Doa Ross, Greg Walch

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.cfml

Ed Uehling provided comment and expressed disapproval about how the District's budget is funded and balanced.

ITEM NO.

1. Approval of Agenda

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

2. Las Vegas Valley Water District: Receive an overview and discuss the Fiscal Year 2021/2022 Tentative Budget

John Entsminger, General Manager, presented the District's Fiscal Year 2021-2022 tentative budget. A copy of his presentation is attached to these minutes.

Mr. Entsminger began by providing highlights from the 2020-2021 Fiscal Year, including the growth in new customer accounts, near completion of the first phase of the Las Vegas Boulevard pipeline project, the launch of a new mobile, interactive app, increased water waste enforcement, and refunding activities that saved the District millions of dollars. He also reported on the District's pandemic response and gave an update on capital projects. He gave an overview of the 2021-2022 budget, highlighting the total sources and uses of funds, as well as an outlook of the District's financial reserves.

Director McCurdy asked about the recent news declaring a potential water shortage and what mitigation efforts are in place to ensure the community continues to have a safe and reliable water system. Mr. Entsminger stated that a formal shortage declaration by the federal government in the lower Colorado River is highly probable and will likely be triggered during the August 24-month study by the Bureau of Reclamation. This study will likely project that on January 1, 2022, Lake Mead's elevation will be below 1,075 feet, and the declared shortage will result in Nevada's legal entitlement to Colorado River water be reduced from 300,000 acre-feet to 280,000 acre-feet per year, noting that the community used 250,000 acre-feet of water in 2020, an increase from the previous year. He mentioned that the Authority has been preparing for 20 years, but that the community cannot sustain usage increases and that is why the Authority has enacted multiple conservation initiatives. He also reported that the Nevada Legislature is considering a bill that would require the removal of existing non-functional turf in Southern Nevada by 2026, which if enacted, will save approximately 30,000 acre-feet of water.

Vice President Gibson asked how the federal declaration would affect banked water resources. Mr. Entsminger said that it won't affect the quantity and that the Drought Contingency Plan removed shortage provisions from temporary resources.

Director McCurdy asked how the federal declaration and the shortage affect the ability to generate electricity at Hoover Dam. Mr. Entsminger stated that over the years, the Bureau of Reclamation has been replacing the Dam's generators to be more efficient at a lower lake level, but the simple fact is that the lower the lake levels, the less head pressure to generate hydropower, resulting in a gradual decline. He also stated that representatives from the seven Basin States are reinitiating consultation, as most rules governing the lower Colorado River water expire December 31, 2026.

Director Segerblom asked if the budget allows for $3 per square foot of turf removed under the Water Smart Landscaping program to remove all additional non-functional turf in the community. Mr. Entsminger stated that if the Authority were to pay for all remaining non-functional turf, the cost would be more than $500 million. He stated that the legislation anticipates forming a citizens advisory committee to provide input on how the SNWA could support the legislation.

President Kirkpatrick referenced District's fiber optic project and asked if it would help improve communication across the valley. Doa Ross, Deputy General Manager of Engineering, stated that historically the SCADA's communication was done by radio towers. By installing fiber optic, the District is hardwiring its facilities to each other, which allows for prompt and seamless updates, enhanced security, and removes reliance on communication signals or radio tower disruptions. She stated that this is a coordinated effort with the city and county.

3. Coyote Springs Water Resources District: Receive an overview and discuss the Fiscal Year 2021/2022 Tentative Budget

John Entsminger, General Manager, presented the District's Fiscal Year 2021-2022 tentative budget. A copy of his presentation is attached to these minutes.

4. Big Bend Water District: Receive an overview and discuss the Fiscal Year 2021/2022 Tentative Budget

John Entsminger, General Manager, presented the District's Fiscal Year 2021-2022 tentative budget. A copy of his presentation is attached to these minutes.

Following the agenda items, Director Segerblom asked about the plans for the water pipeline to supply the Ivanpah airport. Mr. Entsminger stated that for the District to provide water service to the I-15 corridor and the Ivanpah airport, a water pipeline will need to run from the District's existing Bermuda facility to the airport. He mentioned that the District has reserved 20 million gallons per day at the Bermuda facility for the provision of that water, but that the Authority does not need new facilities to provide water to the airport. The Horizon Lateral will be built for redundancy and to provide water service to other southern portions of valley. Mr. Entsminger stated that the District has not been asked to begin designing facilities at the airport, noting that it will take approximately five years to design and build them.

COMMENTS BY THE GENERAL PUBLIC

Ed Uehling provided comment on Las Vegas' water security and the need for an improved tiered pricing system.

Adjournment

There being no further business to come before the board, the meeting adjourned at 10:46 a.m.

LAS VEGAS VALLEY WATER DISTRICT

Fiscal Year 2021-22
BUDGET WORKSHOP

1

2020-21 HIGHLIGHTS

- Since July, 3,675 new customer accounts added
- Nearly completed first phase of major pipeline replacements within Las Vegas Boulevard
- Launched mobile app that gives customers a new way to interact with the LVVWD
- Returned water waste enforcement efforts to pre-pandemic levels
- Updated LVVWD Service Rules with conservation-related initiatives
- Continued to maintain service during ongoing pandemic
- 2021 refunding activities will save $6.6 million for a total cumulative savings of $101.5 million since 2015

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LVVWD PANDEMIC RESPONSE

- Approximately one-half of staff remain in a telecommute status
- Safety remains top priority; employees are masked and socially distant when possible
- Customer service lobby remains closed; all customer and developer processes facilitated electronically
- Most capital projects remain on schedule
- Springs Preserve reopened to the public on March 18 with limited hours

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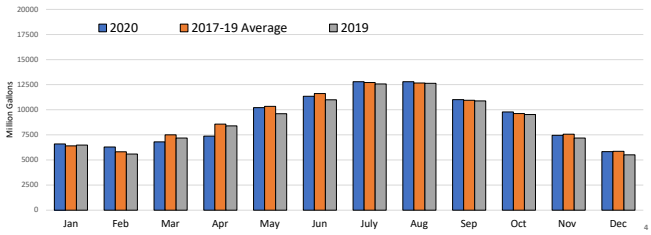
WATER USE

With the exception of the lockdown months of March and April, monthly water use in 2020 typically exceeded prior years.



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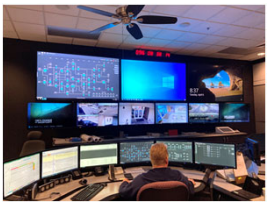
SCADA UPGRADE

The District's existing SCADA system is outdated - efficiency, maintenance and repairs are becoming increasingly difficult

The new system will support one SCADA platform across LVVWD, the SNWA, and the Big Bend Water District

Project estimated to be completed by 2024



FY 21/22 Budget: $100,000
Total Project: $462,930

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FIBER OPTICS COMMUNICATIONS NETWORK BUILD OUT

A fiber-optic network is an essential step to maintaining water operations and securing the water system.

- Allows Operations and Security teams to control and monitor remote sites using real time data
- Allows LVVWD's Maintenance Engineering teams to manage assets and troubleshoot site conditions without the need to drive to the site
- Project scheduled to be completed by June 2022

FY 21/22 Budget: $250,000
Total Project: $8,440,358

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LVVWD CAMPUS – COOLING SYSTEM

- The West Administration Building's water-cooled chiller system was purchased in 1994, and the system has reached the end of its life cycle
- New equipment will utilize water conservation technologies, forced air cooled chillers and thermal storage
- Intended to be used as a cooling pilot technology for other large properties, such as resorts or office buildings
- Project expected to be completed this year

FY 21/22 Budget: $300,000
Total Project: $300,000

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CENTENNIAL 2635 ZONE RESERVOIR AND 2745 ZONE PUMPING STATION

- 5 million-gallons reinforced concrete reservoir and a 38 million gallons per day pumping station
- Located in the northwest part of valley (Fort Apache and Centennial)
- Design is completed; bids are anticipated early summer
- Construction scheduled to be completed by end of 2022

FY 21/22 Budget: $21,518,119
Total Project: $33,917,417

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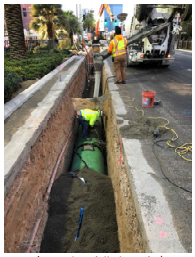
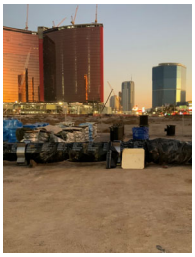
LAS VEGAS BOULEVARD IMPROVEMENTS





Replacement of approx. 30,000 feet of water lines between Sahara Avenue and the CC-215 Beltway

Project is being designed and constructed in 5 phases

- 1: Sahara and Spring Mountain is nearly complete
- 2: Russell Road and 215 has completed design
- 3: Tropicana to Flamingo will bid in early 2022
- 4: Russell to Tropicana is scheduled to bid this summer
- 5: Flamingo to Spring Mountain will bid in 2023

FY 21/22 Budget (all phases): $18,373,769
Total Project (all phases): $83,455,218

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2021-22 BUDGET OVERVIEW

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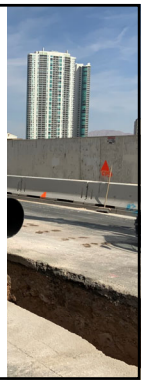
2021-22 BUDGET OVERVIEW

Budget uses of funds reflect ongoing capital needs

Revenue from water sales recognizes increase in water use community wide

Budget reflects the District's effort to conserve water throughout the service area:

- Pipeline replacements to reduce non-revenue water losses
- Water waste enforcement
- Investments in customer service infrastructure



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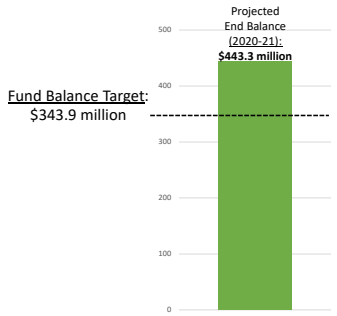
RESERVE BALANCE

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 percent of depreciable assets



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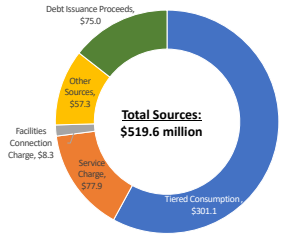
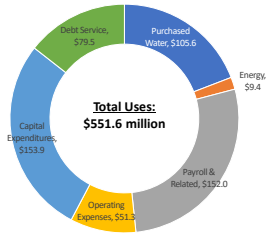
2021-22 SOURCES & USES SUMMARY





Amounts in million dollars. Totals are rounded.

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2021-22 SOURCES OF FUNDS

	Actual 2019-20	Budget 2020-21	Budget 2021-22	Budget-to-Budget Variance $
Sources				
Tiered Consumption	$ 267.9	$ 276.7	$ 301.1	$ 24.4
Service Charge	74.0	76.9	77.9	1.0
Backflow Charge	12.2	12.2	12.5	0.3
Reclaimed Water	7.7	6.9	7.3	0.4
Other Water Bill Charges	6.8	9.7	5.3	(4.4)
Facilities Connection Charge	17.6	4.3	8.3	4.0
Application & Inspection Fees	3.1	0.7	1.0	0.3
Investment Income	20.9	6.0	5.4	(0.6)
Springs Preserve	2.0	3.1	1.9	(1.2)
Other Sources	9.4	-	23.9	23.9
Subtotal	421.6	396.5	444.6	48.0
Debt Issuance Proceeds	7.9	100.0	75.0	(25.0)
LVVWD Sources	**$ 429.5**	**$ 496.5**	**$ 519.6**	**$ 23.0**

Amounts in million dollars. Totals are rounded.

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2021-22 USES OF FUNDS

	Actual 2019-20	Budget 2020-21	Budget 2021-22	Budget-to-Budget Variance $
Uses				
Purchased Water	$ 101.8	$ 97.1	$ 105.6	$ 8.6
Energy	8.4	10.0	9.4	(0.7)
Payroll & Related	136.8	155.8	152.0	(3.8)
Operating Expenses	39.7	67.3	51.3	(16.0)
Capital Expenditures	97.5	147.6	153.9	6.3
Debt Service	67.6	76.3	79.5	3.1
LVVWD Uses	$ 451.8	$ 554.1	$ 551.6	$ (2.5)

Amounts in million dollars. Totals are rounded.

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	Actual 2019-20	Budget 2020-21	Budget 2021-22	Budget-to-Budget Variance
Sources				
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Service Charge	74.0	76.9	77.9	1.0
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Subtotal	421.6	396.5	444.6	48.0
Debt Issuance Proceeds	7.9	100.0	75.0	(25.0)
LVVWD Sources	**429.5**	**496.5**	**519.6**	**23.0**
Uses				
Purchased Water	101.8	97.1	105.6	8.6
Energy	8.4	10.0	9.4	(0.7)
Payroll & Related	136.8	155.8	152.0	(3.8)
Operating Expenses	39.7	67.3	51.3	(16.0)
Capital Expenditures	97.5	147.6	153.9	6.3
Debt Service	67.6	76.3	79.5	3.1
LVVWD Uses	**451.8**	**554.1**	**551.6**	**(2.5)**
LVVWD Net Surplus/(Deficit) [1]	**$ (22.3)**	**$ (57.6)**	**$ (32.1)**	**$ 25.5**

[1] Any amount of Net Surplus is used to fund reserves while Net Deficit amounts are funded through the use of reserve balances.

Amounts in million dollars. Totals are rounded.

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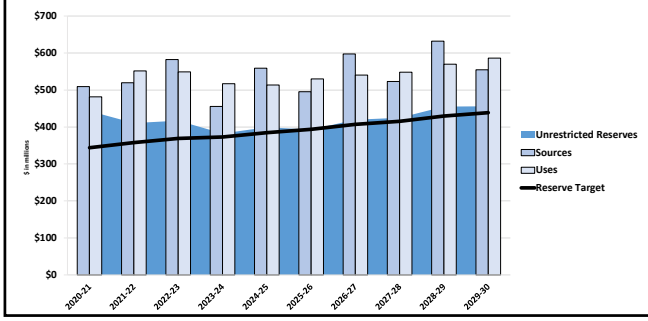
LVVWD RESERVES OUTLOOK



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2021-22 BUDGET SUMMARY

- Uses of funds are down $2.5 million from 2020-21 due to savings from the District's Voluntary Separation Plan and cuts to operating expenses
- Sources of funds represent sustained development within the District's service area
- The budget reflects the District's ongoing capital initiatives
- Conservation remains a top priority
- Funding reserves remain healthy
- The organization is positioned to withstand ongoing impacts from COVID-19

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LAS VEGAS VALLEY WATER DISTRICT

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COYOTE SPRINGS WATER RESOURCES DISTRICT

2021-22 Budget Workshop

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COYOTE SPRINGS WATER RESOURCES DISTRICT 2021-22 BUDGET SUMMARY

	Actual 2019-20	Budget 2020-21	Budget 2021-22	Variance $
Sources				
Operating Revenues	$ -	$ -	$ -	$ -
Developer Contributions[1]	3,231	100,000	50,000	(50,000)
Total Sources	3,231	100,000	50,000	(50,000)
Uses				
Operating Expenses	-	-	-	-
Invoiced Developer Costs[2]	3,231	100,000	50,000	(50,000)
Total Uses	3,231	100,000	50,000	(50,000)
Total Net Surplus/(Deficit)	$ -	$ -	$ -	$ -

[1] Per contractual agreement, the developer(s) will reimburse any cost not covered by operating revenues
[2] Based on recent costs billed to developer(s).

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BIG BEND Water District

2021-22 Budget Workshop

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BIG BEND WATER DISTRICT 2021-22 BUDGET SUMMARY

	Actual 2019-20	Budget 2020-21	Budget 2021-22	Variance $
Sources				
Water Charges	$ 3,638,936	$ 3,938,038	$ 4,218,165	$ 280,128
Interest Income	1,047	1,256	-	(1,256)
System Development Charges	-	6,990	3,495	(3,495)
Sales Tax	311,022	210,077	358,314	148,237
Other Sources	579,834	-	500,000	500,000
Subtotal	4,530,840	4,156,361	5,079,975	923,613
Debt Issuance Proceeds	-	3,700,000	1,000,000	(2,700,000)
Total Sources	4,530,840	7,856,361	6,079,975	(1,776,387)
Uses				
Energy	365,290	400,000	435,000	35,000
Payroll & Related	1,723,384	2,057,574	2,178,124	120,550
Operating Expenses	2,002,969	2,573,972	2,575,513	1,541
Capital Expenditures	2,310,108	2,180,000	1,497,700	(682,300)
Debt Service	517,423	792,426	517,423	(275,003)
BBWD Uses	6,919,173	8,003,971	7,203,760	(800,211)
BBWD Net Surplus/(Deficit)	$ (2,388,334)	$ (147,610)	$ (1,123,786)	$ (976,176)

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LAS VEGAS VALLEY WATER DISTRICT™

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