

**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 15, 2023
MINUTES**

CALL TO ORDER 9:46 a.m., Commission Chambers,
Clark County Government Center
500 S. Grand Central Parkway, Las Vegas, Nevada

DIRECTORS PRESENT Marilyn Kirkpatrick, President
Jim Gibson, Vice President
Justin Jones
William McCurdy II
Ross Miller
Michael Naft (via phone)

DIRECTORS ABSENT Tick Segerblom

STAFF PRESENT John Entsminger, Dave Johnson, Doa Ross, Greg Walch, Kevin Bethel

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 members of the public wishing to speak.

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. Conduct a Public Hearing on the Tentative Budgets for the Las Vegas Valley Water District, the Coyote Springs Water Resources District, and the Big Bend Water District and subsequently adopt a Final Budget for those water systems for Fiscal Year 2023/24.

John Entsminger, General Manager, addressed the Board of Directors, sitting as all three boards, and presented the District's Fiscal Year 2023-2024 tentative budgets. A copy of his presentation is attached to these minutes.

Mr. Entsminger began by providing highlights from the 2022-2023 Fiscal Year which included conservation-related updates to the LVVWD Service Rules, implementation of the excessive use charge, completion of the advanced metering infrastructure project, continued water waste investigations, and organizational recognitions. He gave an overview of the 2023-2024 budget, highlighting the total sources and uses of operating funds, as well as an outlook of the District's positive financial reserve balance.

Mr. Entsminger presented the Big Bend Water District's Fiscal Year 2023-2024 tentative budget. A copy of his presentation is attached to these minutes. He mentioned that the Big Bend Water District system is in a financial deficit and the organization will need to engage with the community to find solutions to help increase revenues, as the system's operating costs are not being met by the current rate structure.

Mr. Entsminger presented the Coyote Springs Water Resources District's Fiscal Year 2023-2024 tentative budget. A copy of his presentation is attached to these minutes.

President Kirkpatrick opened the Public Hearing for the Tentative Budgets for the Las Vegas Valley Water District, the Coyote Springs Water Resources District, and the Big Bend Water District. As there were no members wishing to speak, she closed the hearing.

Vice President Gibson made a motion to adopt the final budgets for the Las Vegas Valley Water District, the Coyote Springs Water Resources District, and the Big Bend Water District for fiscal year 2023/24. The motion was approved.

COMMENTS BY THE GENERAL PUBLIC

Laura McSwain, 2727 Ashby Ave., president of the McNeil Estates neighborhood association, provided comment and expressed concern about the District's excessive use charge. She stated that customers were not given adequate information about the excessive use charge before it was voted on by the board. She also stated that the allotted threshold for summer watering is not enough to maintain her large property and mature landscape, even with increased conservation efforts. She stated that by not maintaining the mature tree canopy, property values and quality of life will be negatively impacted. She added that charging people more money for water does not solve the fundamental problem of water shortages.

Tim O'Roarke, 2000 Palm Canyon Ct., stated the excessive use charge is extreme, citing that last month, 30 percent of his bill was due to the excessive use charge. He added that the fee was implemented too quickly and did not allow residents time to plan and adjust.

Christopher Allen, 1125 Cahlan Dr., provided comment on the excessive use charge. Understanding that he needs to continue to do his part to conserve water, he stated that time, research, money, and resources are needed to care for a property properly and adequately. He added that instead of spending money on fines, it could be spent on compliance and conservation.

Alicia Revzin, 3017 Ashby Ave., provided comment on the excessive use charge. She stated that her family chose to live where they live because of the trees and the cooler temperatures and better air quality that their canopies provide. She stated that imposing these fees quickly has not allowed property owners time to plan and adjust, and these fees are taking money away from family and other needs. She stated that the original Mesquite trees on her property will be in danger with less water, negatively impacting the ecosystem. She requested a pause in the excessive use charge until more research and discussion can take place.

Michelle Benda, McNeil Estates, provided comment and expressed concern about the District's excessive use charge. She stated that residents need more time to plan for water efficient conversions and invited the board members to visit some of the properties talked about today.

Shaily Jain, 2700 Ashby Ave., provided written comment. Her comments are attached to these minutes.

Adjournment

There being no further business to come before the board, the meeting adjourned at 10:06 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, Las Vegas, Nevada.

2023-24

BUDGET HEARINGS

LAS VEGAS VALLEY WATER DISTRICT
BIG BEND WATER DISTRICT
COYOTE SPRINGS WATER RESOURCES DISTRICT

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2022-23 Highlights

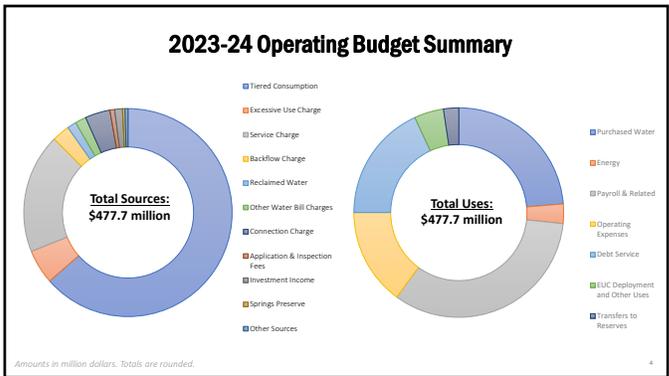
- Updated the LVVWD Services Rules with a number of conservation initiatives:
 - Pool size limits
 - Reduced golf course water budgets
 - Prohibited evaporative cooling
- Implemented the Excessive Use Charge to address the top 10 percent of single-family residential water users
- Completed the AMI project, which provides valuable customer water use data to support conservation-related efforts
- Conducted nearly 30,000 water waste investigations and fined 43 instances of water theft
- Recognized by Forbes Magazine as one of America's best mid-size employers (2022)

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LVVWD Budget Overview

- Sources of funds reflect approved inflationary increases
- Indexed rate adjustments continue to use a conservative 25-year average (well below experienced inflation adjustments)
- Capital expenditures flat vs. current year budget, but higher compared to historical spending, reflecting increasing work efforts on major projects
- Budget includes \$230 million new money debt issuance to help fund the elevated planned capital spending
- Operating budget represents a new funding source - Excessive Use Charge revenue

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Operating Sources of Funds

	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
SOURCES				
Tiered consumption	\$ 293.0	\$ 304.3	\$ 303.7	\$ (0.6)
Excessive use charge (EUC)	-	-	25.5	25.5
Service charge	79.9	80.8	88.8	8.0
Backflow charge	12.7	12.6	13.1	0.4
Reclaimed water	7.2	6.9	6.7	(0.2)
Other water bill charges	7.3	10.0	8.1	(1.9)
Connection charge	23.6	10.6	18.6	8.0
Application and inspection fees	3.8	1.9	3.5	1.6
Investment income	(23.5)	6.4	5.7	(0.7)
Springs Preserve	1.7	1.6	1.9	0.3
Other sources	2.7	1.9	2.2	0.3
LVVWD SOURCES	\$ 408.5	\$ 437.0	\$ 477.7	\$ 40.7

Amounts in million dollars. Totals are rounded.

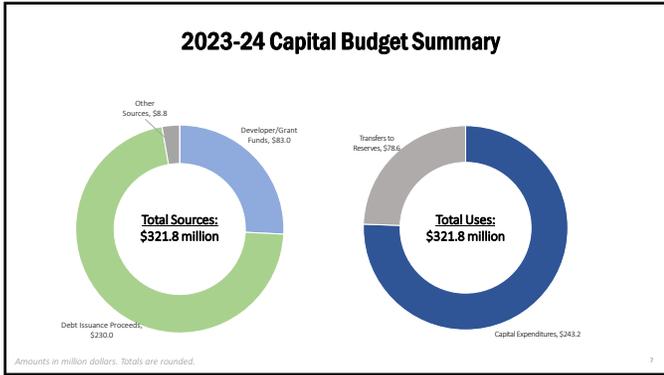
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Operating Uses of Funds

	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
USES				
Purchased water	\$ 100.3	\$ 110.6	\$ 113.2	\$ 2.6
Energy	10.0	10.3	14.3	4.0
Salaries and benefits	125.2	150.8	159.6	8.8
Operating expenses	39.4	58.4	71.3	12.8
Debt service	73.8	84.6	86.6	1.9
EUC deployment and other uses	1.0	0.8	21.6	20.7
Transfers to reserves	58.8	21.4	11.2	(10.2)
LVVWD USES	\$ 408.5	\$ 437.0	\$ 477.7	\$ 40.7

Amounts in million dollars. Totals are rounded.

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Capital Sources of Funds

SOURCES	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
Developer/grant funds	\$ 16.6	\$ 39.7	\$ 83.0	\$ 43.3
Debt issuance proceeds	75.6	80.0	230.0	150.0
Other sources	-	-	8.8	8.8
Transfers from reserves	19.0	119.9	-	(119.9)
LVVWD SOURCES	\$ 111.1	\$ 239.7	\$ 321.8	\$ 82.1

Amounts in million dollars. Totals are rounded.

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Capital Uses of Funds

USES	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
Capital expenditures	\$ 111.1	\$ 239.7	\$ 243.2	\$ 3.6
Transfers to restricted reserves	-	-	78.6	78.6
LVVWD USES	\$ 111.1	\$ 239.7	\$ 321.8	\$ 82.1

Amounts in million dollars. Totals are rounded.

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Unrestricted 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% of depreciable assets

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- ### LVVWD Budget Summary
- Operating expenses represent increases to infrastructure management spending (increased pipeline inspections, deferred maintenance), materials and supplies, and a new Leak Prevention Program (\$5 million)
 - Operating costs reflect increases in cost of water and materials
 - Excessive Use Charge revenues utilized for conservation-related initiatives
 - The budget reflects the District's ongoing capital initiatives
 - Unrestricted reserves remain above fund balance target
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Big Bend Water District

	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
SOURCES				
Water charges	\$4,196,902	\$4,212,066	\$4,330,446	\$118,381
System development charges	-	1,748	437	(1,311)
Sales tax	371,721	373,715	417,218	43,503
Other sources	607,994	2,538,000	1,341,000	(1,197,000)
Subtotal	5,176,617	7,125,528	6,089,101	(1,036,427)
Debt issuance proceeds	-	-	-	-
BBWD Sources	5,176,617	7,125,528	6,089,101	(1,036,427)
USES				
Energy	350,983	435,000	425,000	(10,000)
Salaries and benefits	1,737,839	2,736,921	2,820,594	83,673
Operating expenses	1,897,594	2,847,801	2,765,414	(82,387)
Capital expenditures	246,751	3,298,000	2,631,205	(666,795)
Debt service	517,423	517,423	517,423	0
BBWD Uses	4,750,590	9,835,145	9,159,636	(675,509)
BBWD NET SURPLUS/(DEFICIT)	\$426,027	(\$2,709,617)	(\$3,070,535)	(\$360,918)

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Coyote Springs Water Resources District

	Actual 2021-22	Budget 2022-23	Budget 2023-24	Variance \$
SOURCES				
Operating revenues	\$ -	\$ -	\$ -	\$ -
Developer contributions ¹	386	50,000	50,000	-
Total Sources	386	50,000	50,000	-
USES				
Operating expenses	-	-	-	-
Invoiced developer costs ²	386	50,000	50,000	-
Total Uses	386	50,000	50,000	-
TOTAL NET SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -

¹ Per contractual agreement, the developer(s) will reimburse any costs not covered by operating revenues

² Based on recent costs billed to the developer(s)

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Public Comment provided by Shaily Jain, received on 5/15/23 and included in the minutes as required by Nevada's Open Meeting Law

I am writing this letter to you to express my deep concern about the upcoming bill AB220 that is scheduled for a senate hearing on Tuesday May 16th, the recent price hikes that went into effect and also wanting more clarification and education on several things in between.

My husband, I and our 10-year-old son live in McNeil Estates and I have owned my home since 2009 and my 3860 sq ft house sits on a 0.62 acre lot which has mature trees that are about 60-70 years old. Every year since we bought our house we have reduced our water consumption with care and consideration. We did pull most of our grass to put desert landscaping up front, fruit trees out back, Astro turf in the middle of the yard and raised vegetable gardens. We put in mesquite trees and sumacs as part of our grass conversion. The only area we left some grass growing was around our mature fruiting mulberry trees as we were told that pulling the grass would adversely affect the micro-ecosystem of these mature. The grass was helpful when our son was a toddler and wanted to explore his backyard and we were grateful for it while we tried to conservatively water it. Our (existing) pool is also covered to reduce water evaporation. But our yard is still big and there is no getting around that.

We understand the need for water conservation and are on board to convert any remaining grass we have, but we want to make sure our trees handle that shock in a manner that gives them the best chance. My clinic has desert landscape (www.cairncenter.com) and we have solar panels for both our home and work. We believe in conservation of our natural resources.

In October 2022, unbeknownst to us, the Southern Nevada Municipal Water Board voted to impose levies on the valley's biggest water users. The changes, which were approved unanimously by the Las Vegas Valley Water District board, included a new excessive use fee targeted at the top 10 percent of residential water users in the valley and an equalization of current water rate tiers so that all residential customers will pay the same rate per 1,000 gallons, regardless of the size of their properties. The rates were to go into effect on Jan 1st 2023, roughly three months after the rate hikes were approved. We did not even become aware of the water rate hikes until a few weeks ago when a neighbor of ours brought it to our attention. The water district did not send in mailers with big red bold letters saying "water hike 3+ times coming soon for you" or "please check your water bills today and make immediate changes" which might have gotten our attention sooner. No, our regular water bills came and were auto-paid just like before (as we are signed up for payment online). And while the mailers and social media advertising for watering restrictions which we religiously follow came fast and furious thanks to the exceptional advertising by the water district, there were no such corollary educational warnings or letters that had a table with estimators and how they would personally affect our bill this coming summer. Something that says, if your bill was \$600-700 last July, expect it to be \$1800 this July. We receive postcards on every variance that affect us from the planning commission but to my knowledge never received some direct communication or any efforts to engage me or educate me on what I needed to do to be in compliance.

In an article from the RJ that I read recently (<https://www.reviewjournal.com/local/local-las-vegas/plan-to-penalize-valleys-biggest-residential-water-users-approved-2651305/>), John Entsminger, the water district's general manager, said that the rate changes would lead to water bills going up \$200to \$300 for the top 10%. The article states that for the top 1%, who consume

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hundreds of thousands of gallons each month, the increase would likely be in the thousands of dollars. The goal was to encourage those customers to change their behaviors.

There are news stories of the highest water users and wasters like <https://www.8newsnow.com/news/local-news/top-las-vegas-valley-residential-water-users/> from 2021.

And the one more recently about the AB220, like <https://www.8newsnow.com/news/politics/nevada-legislature/shutting-off-water-bill-gives-snwa-power-to-cut-supply-for-las-vegas-valley-residents-who-use-too-much/> which paints a picture of the wealthy families and homes that use thousands of gallons of water.

We are a middle class, single income family that cannot be compared to the Prince of Brunei. What is concerning to me is that instead of notifying or attempting to engage and educate us, it was assumed we were water wasters. Nowhere on my bill has it ever said that I am one of the top 1, 2 or 10% of water users in the valley. In fact, I still do not know where my water usage stands vis-a-vis the community. I do not fall into the folks that will see a bill increase of \$200-\$300 and nor do I fall in the top 1% that would see thousands of dollars increase in their water bill. So you can understand, why I would perhaps not have figured it out until a few weeks ago when my neighbor told me to go to the SNWA website to estimate my July 2023 bill that I realized to my shock and paralysis that my bill was going to go up from \$600-700 range in July 2022 to \$1800 in July 2023.

Please understand that we are very much committed to water conservation. We also understand the value of our urban tree canopy and the beneficial impact it has on reducing the heat island effect. The collapse of this canopy as turf is removed or when we simply have to stop watering because we cannot afford our water bills, will be devastating not only to our neighborhood but the community at large. Not to mention the impacts on our property values, our quality of life, our inability to enjoy the properties we have been the stewards of as we have tried to care for year after year the mature landscape that is part of the neighborhood ecosystem.

Did the water district in their goal to "change behaviors" think about how can any homeowner make drastic changes to their yard in a 3 months time frame to avoid price hikes? Maybe the Prince of Brunei has unlimited funds and personnel to make this his sole mission in life or more likely that he is so wealthy that the "thousands of dollars increase in bill" which by the way was not going to show up and "change behavior" until this summer would not be an existential crisis and could "change behavior" and help him make the changes over a period of a few years to be in compliance and not miss a beat. For my family on the other hand, this is an unsustainable issue that is dominating every waking moment of our life. And we are expected to "change behavior" while paying heavy fees, and pay tens of thousands of dollars (estimates for conversions and tree removals to the tune of \$50k-75k+ just to remove some of our trees and replace with xeriscape trees and all new irrigation) to get in compliance, all within a few months?

Senator Nguyen said she would consider a bill regarding the price hikes in 2025. We appreciate her efforts, but I am not sure me or many of our neighbors can wait until 2025.

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Her proposed amendment for the people with potential sewer conversions is so appreciated by people who are affected as they can see that with 100% cost covered, they can possibly withstand this tsunami of change that they are potentially facing. Sadly, no such consideration has been currently made, proposed or even considered for families like us that have mature trees in our backyard.

It is my understanding that the federal government formally declared a water shortage in Aug 2021, so if AB220 becomes law, its effect would be immediate.

Again, my understanding is based on this following news

story. <https://www.8newsnow.com/news/politics/nevada-legislature/shutting-off-water-bill-gives-snwa-power-to-cut-supply-for-las-vegas-valley-residents-who-use-too-much/>

I want to bring your attention to an aspect of AB220 which is giving me some sleepless nights.

Sec. 38.2. 1. If the Federal Government declares a shortage on the Colorado River for the **upcoming year**, the Board of Directors may limit each single-family residence that uses the waters of the Colorado River distributed by the Southern Nevada Water Authority or a member agency of the Southern Nevada Water Authority to not more than 0.5 acre-feet of water for that upcoming year. Any limitation imposed by the Board of Directors may not go into effect before December 31 of the year before the year for which the shortage is declared.

2. If the Board of Directors limits water usage of single-family residences pursuant to subsection 1, the Southern Nevada Water Authority and the member agencies of the Southern Nevada Water Authority **shall notify all customers** of the action of the Board of Directors to limit water usage **by not later than October 1 of the year before the year** for which the shortage is declared.

I am not a lawyer, but it seems to me that by approving this bill you are subjecting us to the same insane timeline with absolutely no assistance, education or help that the water rate hikes timeline imposed. And this time the consequences would be more than a price hike, it would be our water being shut off. That would mean our yards dying and our property values dropping and our ability to sell our homes compromised as who would want to buy a 0.62 acre lot after the water is shut off and the owner was not able to have enough access to resources and even water so that they could make necessary changes and conversions. New drought friendly trees to replace our mulberry trees for example will also need water and a few years to establish.

We do not believe that the SNWA in good faith has been interested in examining this issue from our point of view. We have an older neighborhood with larger lots and mature trees, but there does not seem to be any consideration of the water usage per acre of land. The one size fit all policy leaves us with no voice, no representation, little choices and massive debt.

It is our understanding from neighbors that have spoken to some water conservation experts, that Legacy neighborhoods should be protected as they protect the broader community from heat island effect. We understand that federal involvement could be drastic, but some of us are concerned why this bill is being pushed through this year and not postponed for 2025? Are we expecting the federal government to intervene sooner? Why can there not be more public hearings on this matter and input from a diverse swath of communities and experts in the field be taken into consideration? Why are we continuing to build newer communities at record pace if we cannot even sustain the communities we have?

Public Comment provided by Shaily Jain, received on 5/15/23 and included in the minutes as required by Nevada's Open Meeting Law

We are in the dark. If this bill will go into effect immediately in 2023 because you expect that by 2025 this water cap will be in effect, then we urge you to **educate us, help us, give us help and expertise**. To make these massive conversions, **we will need assistance of all kinds** including financial and we are deeply skeptical and discouraged given the predicament that we face. The time frame on when these water caps will likely be in effect are important as I am not sure if I am supposed to make fire sale like crisis changes if it is this October or next October that the caps would be approved. Or if this is anticipated in 5 years, or 10, or 15, or 20. How much time do we have?

If you do not anticipate this water cap to be in effect before 2025, why can there not be more public hearings on this matter where families like us can also be fairly represented. Why has this not been a 3-5 year plan instead of a few months plan? Not just for the water cap but also these water price hikes that will adversely affect my neighbors and me this summer. We do not even know which experts to consult? How do I determine which trees to take out and which to keep? Who do you recommend we hire to consult on water conservation issues that will help us get in compliance. Yard conversions are not cheap and more so of an issue when the landscape is distressed. We are also now allowing for the chance for more debate about the adverse effects of losing neighborhoods like ours which sustain the broader community. The narrative of us being water wasters and excessively wealthy to disregard the water conservation needs is FALSE and we feel that our unique needs have been marginalized as the SNWA lumps us with people we do not have a lot in common with. To me this narrative of water wasters and the wealthy elite is deeply offensive and exemplifies a lack of understanding, care or consideration of people who have lived in my neighborhood for generations and have been stewards to this microcosm ecosystem that we call home. We have no voice, no representation and no advocates at this time.

Please consider more public hearings, more education, assistance in offsetting these water rate increases that hamstrings our ability to make changes that we need to our yards, direct us to experts in water conservation that can assess our neighborhoods and the mature trees and give us the best advice, postponing AB220 bill or pushing for amendments that address our concerns like you might be doing for the homeowners with sewer conversions.

Thank you for your consideration and taking the time to read this lengthy email that speaks to the heart of the matter for me, my family and my neighbors.

My apologies for any typos or grammatical errors.

Warmly,
Shaily Jain
Caleb Brooks