OVERVIEW OF THE HISTORY AND STRUCTURE OF THE LAS VEGAS VALLEY WATER DISTRICT AND SOUTHERN NEVADA WATER AUTHORITY

Prepared by the Research Division of the Legislative Counsel Bureau

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The following is a brief overview of the history and structure of water development and distribution in southern Nevada. It was compiled by the Research Division of the Legislative Counsel Bureau from several publications, memorandums, and files held by the Division.

Early Water Distribution and Water Supply in the Las Vegas Valley

The Las Vegas Land and Water Company, an affiliate of the San Pedro, Los Angeles, and Salt Lake Railroad Company (later called the Union Pacific Railroad), established a water distribution system when Las Vegas was created in 1905, and continued to provide water for more than four decades. It acquired franchises from Clark County and the City of Las Vegas, and a Certificate of Convenience and Necessity from the Public Service Commission (PSC, which later became the Public Utilities Commission of Nevada) to operate the water system in the Las Vegas townsite. The Company declined to extend service beyond those boundaries despite requests from local property owners. It also "wholesaled" water to land developers, who installed their own distribution lines and meters at the point of delivery. As a result, private wells were drilled and small water distribution companies were organized.

Prior to importation of water from Lake Mead in 1955, the Las Vegas Valley relied primarily on groundwater. The first well was drilled in Las Vegas Valley in 1907; by 1915, there were 100 wells in the valley. As more and more wells were drilled, the water level in wells receded. Subsidence in some areas resulted from lowering the groundwater table. The largest increase in the number of wells drilled took place during the construction of Hoover Dam and the subsequent increases in population and new housing. The sharpest increase in withdrawal from the groundwater table occurred from 1936 to 1944, when the number of wells had risen to 450.

For years, Las Vegas had one of the highest rates of water use in the nation, averaging about 600 gallons per capita per day. For much of the history of the Las Vegas Land and Water Company, residents paid only \$2 a month no matter how much water they used. Despite urging by the Water Company to conserve water, residents largely believed the supply of water was limitless and had no idea that they were depleting the natural resource upon which the community was built.

ŗ	EXHIBIT J Washoe	Document consists of 5 pages
	☑ Entire document provided.☑ Due to size limitations, pages	provided.
	A copy of the complete document is available through the Research Library (775/684-6827 or e-mail library@lcb.state.nv.us). Meeting Date: January 19 , 2006	

This attitude ended in 1944, when State Engineer Alfred Merritt Smith told the Chamber of Commerce that "Las Vegas is running out of water." He was of the opinion that a new source of water must be found or the growth of the community would end. The only other source was Lake Mead, where an ample supply was close by, but far enough away to involve major expenses in delivery. The State Engineer warned that if a plan was not begun immediately to bring Lake Mead water into the Valley, he would feel justified in restricting further well drilling in the area.

Despite tremendous population growth in southern Nevada, the Water Company had been recalcitrant in extending its distribution lines, and was unwilling and unable to commit the capital necessary to build the needed water system that would supply water from Lake Mead. Calls within the community for an improved and expanded water system increased.

Formation of the Las Vegas Valley Water District

In response to Mr. Smith's warning and the Water Company's position, the Chamber of Commerce appointed a committee to study the problem, to confer with the State Engineer, and to bring back a proposal for meeting the water problem in southern Nevada. The final report recommended forming a Water District, which would need Legislative approval.

In 1947, the State Legislature passed an Enabling Act to create a special purpose district to provide for the water needs of the Las Vegas Valley. The Enabling Act required that a formal proposal bearing the signatures of 5 percent of the owners of real property within the proposed district be presented to the Clark County Commissioners for approval. A mass meeting of residents was held to initiate the necessary proposal and petition. The Clark County Board of Commissioners received sufficient signatures and voted for the plan to go forward. By decree of the County Commission, the official name of the Las Vegas Valley Water District (LVVWD) was adopted. A special election gave voters an opportunity to vote on organization of the District; it passed overwhelmingly. Voters also supported a necessary bond measure.

In the Enabling Act, the LVVWD was given power to acquire necessary property through purchase, lease, or condemnation. The primary objective of this power was to acquire the existing distribution system and the water rights held by the Las Vegas Land and Water Company and its parent corporation, the Union Pacific Railroad. It took seven years of negotiations and a number of controversial rate and extension cases with the PSC before the Water Company was purchased by the LVVWD.

The LVVWD became operational in 1954 with the purchase of the existing Las Vegas Land and Water Company. Plans were also made to increase the pumping facilities, lay a pipeline, and install pumping and storage facilities for the Lake Mead water to be delivered and distributed to Las Vegas. The first Lake Mead water was officially delivered to Las Vegas in 1955.

As southern Nevada's population grew in the ensuing years, a major expansion project was planned to bring more Lake Mead water to Las Vegas. The Southern Nevada Water Project was an ambitious effort by the Colorado River Commission (CRC) and U.S. Bureau of Reclamation (BOR) to develop a water delivery and treatment system. However, because Nevada was not financially prepared to fund the project, the CRC entered into an agreement with the BOR to build the delivery portion of the new system as a federal water project. The State of Nevada built and paid for the treatment facility. In 1971, the Southern Nevada Water System began delivering water to Las Vegas; in 1982, the second phase of the System was completed to increase treatment and transmission capacity.

Southern Nevada Water Authority

The Southern Nevada Water Authority (SNWA) was formed by cooperative agreement in 1991, with membership from seven water and wastewater agencies in the Las Vegas Valley. It was created out of a shared interest among member entities that water resources should be developed and managed to ensure a sufficient water supply in southern Nevada. Additionally, these entities agreed on the need for a coordinated water management and conservation program for municipal, industrial, and domestic water use in the region.

The main objectives of the SNWA are to address water issues on a regional basis, secure additional water resources, construct regional water facilities, and promote conservation. The SNWA is a political subdivision of the State of Nevada. By agreement, the LVVWD provides staff support to the SNWA.

With formation of the SNWA, the parties agreed to work together to develop and maintain supplies of water for the benefit of southern Nevada and the mutual benefit of the areas served. In 1994, SNWA began preparing a regional Capital Improvements Program (CIP) to enhance the reliability and quality of the existing water treatment and delivery system. Implementation of the CIP began in 1995, funded by a variety of sources including regional connection charges, a quarter-penny sales tax, and a reliability surcharge.

The federal government transferred ownership of its portion of the Southern Nevada Water System to the SNWA in 2001.

SNWA Membership and Structure

The SNWA is governed by a seven-member Board of Directors, with an elected official serving from each member agency. Member entities of the SNWA are:

Big Bend Water District City of Boulder City City of Henderson City of Las Vegas City of North Las Vegas Clark County Sanitation District Las Vegas Valley Water District

Board Approvals

A list of documents that must be approved by various Governing Boards or the SNWA Board of Directors is attached.

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Southern Nevada Water Authority - A Brief Overview

Background

The Southern Nevada Water Authority was formed by cooperative agreement in 1991, with membership from all the water and wastewater agencies in the Las Vegas Valley. The Authority's main objectives are to secure additional water resources, construct regional water facilities and promote conservation.

Governing Board

The Authority is governed by a seven-member board of directors, with one elected official serving from each member agency.

The following elected officials currently sit on the Board of Directors:

Amanda Cyphers, Chair

City of Henderson

• Rory Reid, Vice Chair

Big Bend Water District

Andrea Anderson

City of Boulder City

Shari Buck

City of North Las Vegas

Lynette Boggs McDonald

Clark County Water Reclamation District

• Steve Wolfson

City of Las Vegas

Myrna Williams

Las Vegas Valley Water District

By agreement, the Las Vegas Valley Water District provides staff support to the Authority.

Board Approvals

The following documents must be approved by the governing boards of all member agencies:

- Amendments to the Cooperative Agreement
- Water Management or Conservation Plans
- Cost Sharing Plans

The following documents must be approved by the governing boards of the water agencies:

- Capital Improvement Plans
- Capital Improvement Assessments
- Shortage Sharing Plans

The following documents must be approved by a two-thirds vote of the Board of Directors:

- Acquisition or Disposal of Water Rights and Water Supplies
- Contracts with Water Users
- Water Budget
- Water Resource Plan
- Conservation Plan
- Rates, Charges & Fees
- Budgets and Assessments