

Laughlin Big Bend Water District

Water Moratorium*

LEDC Chronology @ July 2023



2023 Date	Contents	Page
Current	Purpose, History & Timeline	2
Mar 25	"Water Moratorium Dampens Laughlin's Growth."	3-10
Mar 27	LEDC Letter Transmittal of above to LVVWD.	11
Mar 28	LEDC Email Transmittal of Letter & Review.	12
Mar 30	LVVWD General Counsel Email Response to above.	13
May 2	LEDC Email Reply to above LVVWD Response.	14-16
May 16	LVVWD General Counsel Email Response to above.	17
May 24	LEDC Email Reply to above LVVWD Response.	18
Jun 20	LTAB Meeting Discussions regarding Moratorium.	19-20

NOTE: *The word "Moratorium," as used herein, by definition refers to "a temporary prohibition of an activity," which clearly describes the current LVVWD mandated and documented prohibition of any material Laughlin residential or commercial development until such time as, by whatever method, sufficient potable water is made available. However, in spite of the afore mandate and without any explanation or justification, LVVWD and other County Agencies refuse to acknowledge or accept any use of the word "Moratorium" in that context.

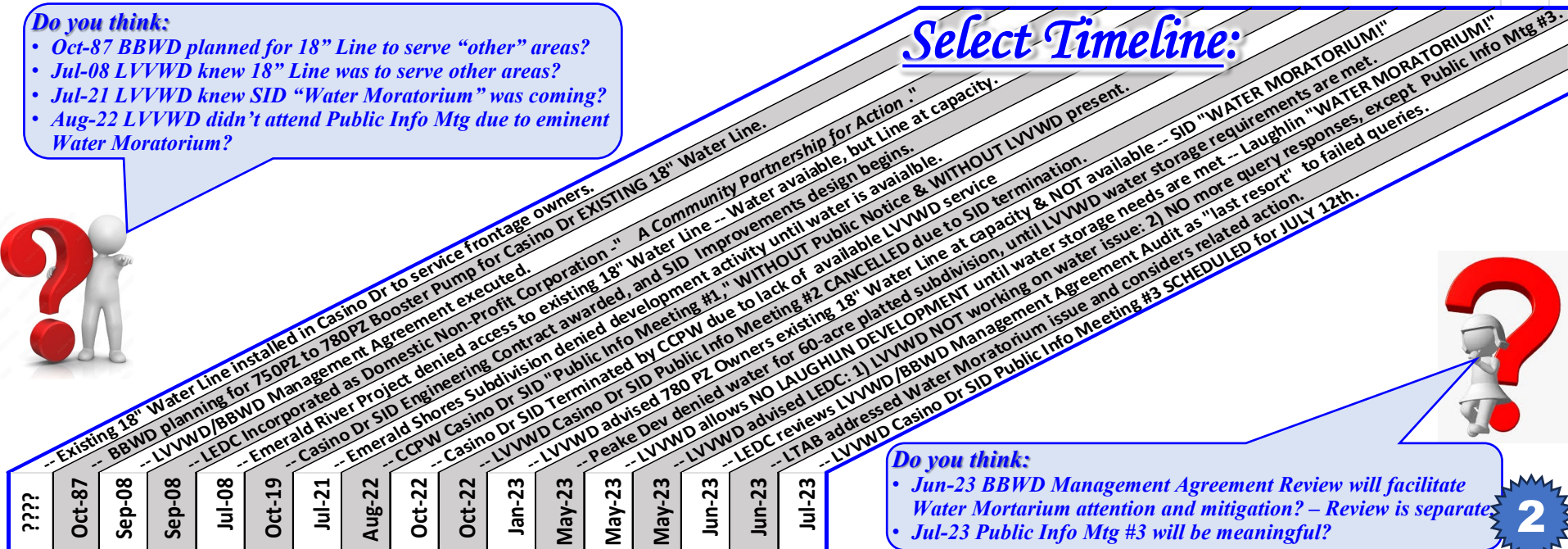
Purpose: *The purpose of this Chronology is to highlight, inform and query Stakeholders, Government Agencies and Interested Parties regarding issues, impacts and possible mitigation of the current Laughlin Water Moratorium.*

Brief History: True to its “Mission,” some 10 years ago LEDC initiated a forum for individual property owners to join in requesting needed enhancement of South Casino Drive development opportunities and capabilities – simple as it sounds, that’s how this all started – an effort to facilitate roadway and utility improvements to South Casino Drive (the southern “*entrance to Laughlin entertainment*”), at the frontage owner’s expense via a Private Special Improvement District, in accordance with the County’s stated policy of “*Growth pays for Growth.*” Finally, 3½ years ago things got serious and Public Works executed an engineering contract with GCW, Inc. for the design of the SID improvements and began Agency preparations for bond financing. HOWEVER, as things moved forward, certain elements got increasingly bogged down with seemingly unsurmountable “*issues,*” such as: i) the Casino Dr roadway could NOT be redesigned from the current 20-35 mph (*aka, “Speed Trap”*) to 45 mph posted speeds (*as it was nearly 15 years ago by PBS&J engineers?*); ii) costs for an updated SID water system, designed to the District’s criteria of some 35,000 *future dwelling units* (*now have 6,000!*) mysteriously went from \$20M to \$40M; iv) the SID was terminated due to disclosed insufficient water storage facilities, effectively creating an SID Area Water Moratorium; and, v) finally, a newly disclosed total Laughlin water treatment/storage/distribution deficiency resulted in a general Laughlin Water Moratorium, with NO solution or communications in the works, (*except for a July 12th “Public Information Meeting”!!!* – LEDC did NOT plan for this! – it’s NOT something that happened over night, but rather grew over years -- so here we are, and here we go, trying with the assistance of anyone willing and able, to make things right!

Do you think:

- Oct-87 BBWD planned for 18” Line to serve “other” areas?
- Jul-08 LVVWD knew 18” Line was to serve other areas?
- Jul-21 LVVWD knew SID “Water Moratorium” was coming?
- Aug-22 LVVWD didn’t attend Public Info Mtg due to eminent Water Moratorium?

Select Timeline:



Do you think:

- Jun-23 BBWD Management Agreement Review will facilitate Water Mortarium attention and mitigation? – Review is separate
- Jul-23 Public Info Mtg #3 will be meaningful?

Executive Summary

The Purpose of this presentation is to identify the cause and effect of the "Water Moratorium*" on South Laughlin, and possibly the entire Community, and seek a mutually acceptable timely resolution.




Residential Area
Hotel/Casino Area

**Former Mohave
Generating Station
Site**

HARRAH'S HOTEL

NEEDLES HWY

CASINO DR SID —



Water Moratorium* Area

Laughlin Pressure Zone Map

Big Bend Water Treatment Plant

+\$181.25M* Task 629.35
Water Treatment Plant
Increase 15MGD to 25 MGD

+\$104.4M* Task 629.30
18 MG Tank on New (?) Site

750 PZ



\$8.7M*
Task 629.31 750 PZ
2 MG Storage Tank

11



Contents

Page

Water Moratorium Stymies

South Laughlin Growth (1)

It's All About the Water! (2)

Casino Drive Water SID

Cost Estimates..... 3-5

Laughlin Pressure Zone

Map..... 6

Water District Q! & A?..... (7)

- *Since Mar 2021 the Water District: i) increased SID Cost Estimates from \$19M to \$40M; ii) added \$320M of Non-SID Costs; and, iii) thereby caused the SID Termination and Water Moratorium.*

- *"Current Zoning" design criteria computes to be 26 du/ac (31,000 du), NOT the Water District's 33 du/ac (39,000 du) -- but adjusting down to 31,000 SID Area dwelling units is still unreasonable.*

- *\$255,000 Reduced Tax Revenues* are already on the Assessor's Laughlin Tax Rolls (*\$45k lost last year & \$210k to be lost this year!*) as a result of the Moratorium's related reduced property values – the Assessor's Office assures Tax Revenues will reduce further each year until water is available – *"no water = reduced Tax Revenues & Property Value Taking!"*

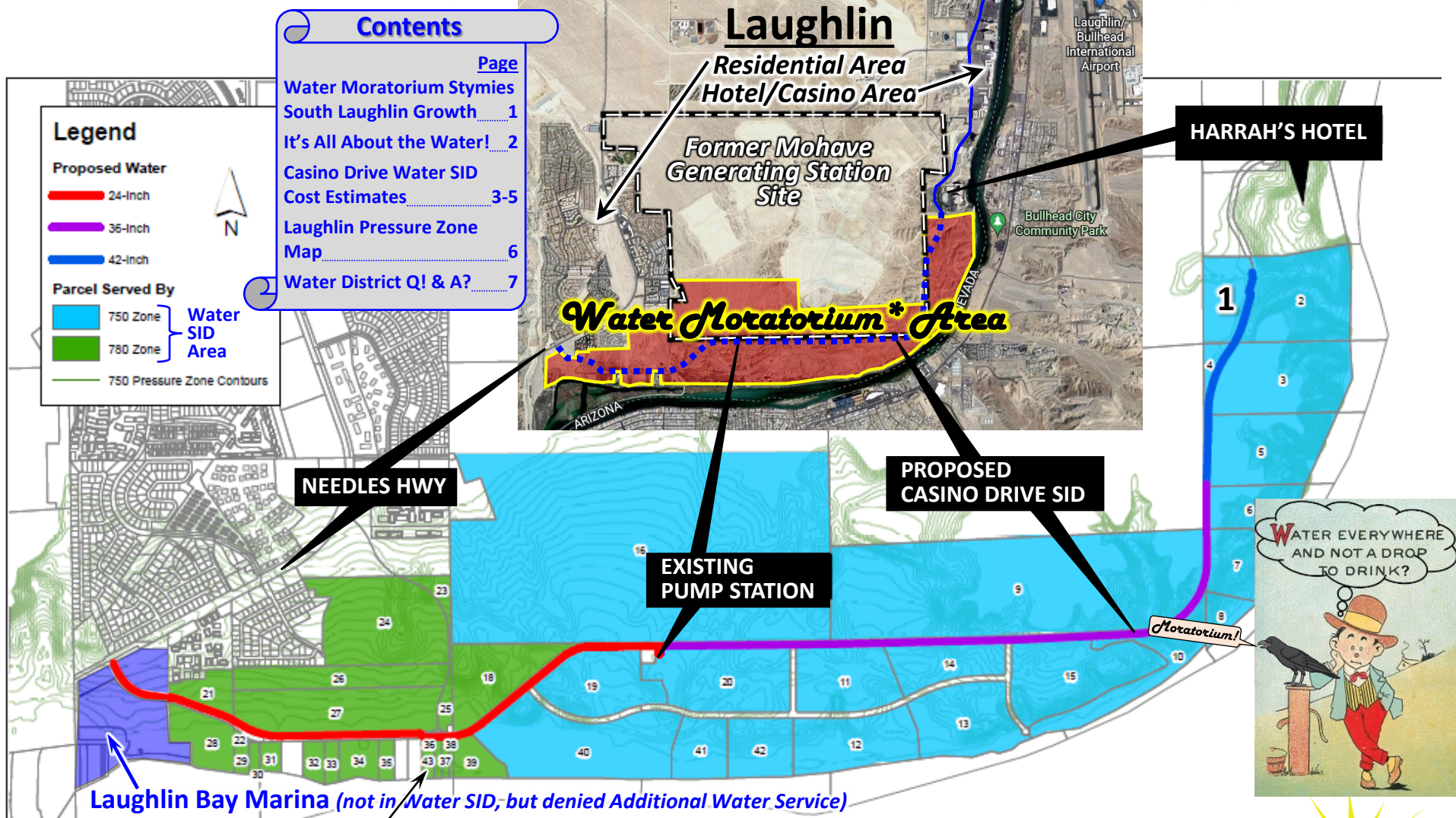
- *The Water District needs to actively pursue solutions* to the SID Area water issue, and participate with SID Area property owners and their representatives in attempts to reasonably and mutually resolve this matter – if so, who is the Water District contact person for efforts? – and, *IF NOT, WHAT'S NEXT?*

3

23-0325a CASINO DRIVE WATER SID REVIEW.p

Water Moratorium* Stymies South Laughlin Growth

NO Water → NO Casino Drive SID → NO Road Improvements → NO Development → NO new Hookup Fees or Rate Payers → Reduced Property Values & Tax Revenues



Note: ***Moratorium** is defined as **"a temporary prohibition of an activity"** -- this presentation addresses the **temporary** (no timeline or solution!) prohibition of an **activity** (development!) for lack of available potable water for development along Casino Drive from Harrah's to Needles Highway! -- and possibly for much of the Laughlin community?

It's All About the Water!

The Purpose of this review is to identify the cause and effect of the Water Moratorium on South Laughlin (see above Exhibit), and possibly the entire Community, and seek a mutually acceptable timely resolution. More specifically, this review addresses facility needs and related cost estimates of the Las Vegas Valley Water District ("Water District") in conjunction with the Casino Drive SID Water Unit 3 Area from Harrah's to Needles Highway. At issue is understanding **extraordinary 112% increases in Water SID Area Cost Estimates (\$18.7M to \$39.5M per Exhibit below)** from March 2021 to January 2023 estimates, along with **an additional \$320M of water storage costs** seemingly associated with areas of Laughlin **NOT in the SID Area**. It's assumed the SID Roadway Unit 1 and Sewer Unit 2 Cost Estimates have not increased materially. But one "effect" of the above water cost increases was **the October 5, 2022, termination the entire SID, thus continuing indefinitely the current lack of water services to all, and sewer services to many, SID Area properties!**

In that context, it's noted that the wet utilities **design demand criteria of 33 Dwelling Units ("DU") per gross acre ("du/ac")** has NOT changed from the beginning (possibly referred to by the Water District as "Full-Use Capacity" herein). It's further noted that **the source of that criteria has NOT been disclosed!** However, in November 2022 the Water District mandated, that **"until the developer of each parcel (in the SID Water District) has an approved development plan that would indicate any other type of density for their respective parcels, we must size the water facilities based on the potential demand for the current zoning."**

Notwithstanding the confusion of what "current zoning" density is, it's impossible to anticipate ever satisfying the need for 43 simultaneously approved development plans, before the SID could proceed with a lesser water demand criteria! In perspective, the February, 2021, Engineer's "SID Water Analysis" computes a Casino Dr SID Water District acreage of 1,194 acres, which at the

current 33 du/ac design criteria would service 39,402 additional dwelling units in the Water SID Area alone! That's 6 1/2 times Laughlin's current 6,000 total dwelling unit count, since Laughlin's founding almost 60 years ago in 1964! **That's impossible to imagine as a reasonable design criteria!**

"Current Zoning" for the 1,194-acre Water SID Area is observed to be as follows: i) **M-2 allows NO DUs (480 acres of former Power Plant Parcels 9 & 16)**; ii) **C-2 allows NO DUs (3.5-acre Parcel 4)**; iii) **R-U allows 0.5 du/ac (170.5 acres of Parcels 2-3, 5-8, 37-38 & 43)**; iv) **R-1 allows 5 du/ac (1.24-ac Parcel 36)**; R-4 allows 25 du/ac (16.94-ac Parcel 1); and, v) **H-1 allows 50 du/ac (522.14 acres of remaining Water SID Area Parcels)**. If an equivalent gallons-per-minute-per-acre (9 du/ac) is substituted for the above Parcels 4, 9 & 16 with no residential allowance, **the "Current Zoning" overall computes to be 26 du/ac -- NOT 33 du/ac, per the Water District. However, adjusting to 31,044 additional Water SID Area DUs serviced is still unreasonable.** Therefore, it seems reasonable to anticipate, instead, that if potable water is ever to be available to South Laughlin there must be a viable alternative (*beside private well systems!*) to the above Water District "Simultaneous Development Plans" solution!




\$320M of Non-SID Water Storage Facilities added to the SID cost estimates, without Water District explanation, is "noteworthy" – such additional water storage facilities outlined herein can only suggest the Water District may currently be unable to fully service Laughlin, and **the Water Moratorium may actually extend well beyond the SID Area.**

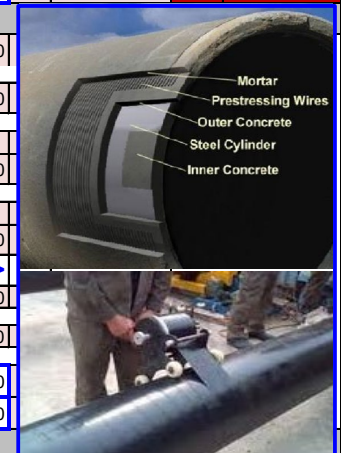
\$255,000 Reduced Tax Revenues are already on the Assessor's Laughlin Tax Rolls (*\$45k lost last year & \$210k lost this year!*) as a result of the Water SID Moratorium's related reduced property values. And, the Assessor's Office assures Tax Revenues will reduce further each year until water is available – **"no water = reduced Tax Revenues & Property Value Taking!"**



23-0312 Casino Dr-Needles Hwy to Harrah's Hotel-30% & 60% Cost Estimate -Reformatted



CASINO DRIVE WATER SID				30% COST ESTIMATES @ 21-0318 (3)(4)(5)(6)						60% COST ESTIMATES @ 23-0124 (3)(4)							
						SID WATER PIPELINE		SID WATER STORAGE		(Full-Use Capacity) (10)		SID WATER PIPELINE		SID WATER STORAGE		NON-SID WATER ELEMENTS	
Task Item (1)(2)	Description			Unit	Unit Price (9)	#	Amount	#	Amount	Unit	Unit Price (9)	#	Amount	#	Amount	#	Amount
GRAND TOTAL CONSTRUCTION EST.						\$13,471,250		\$5,200,051				\$28,361,661		\$11,138,912		\$320,243,732	
TOTAL SID AREA CONSTRUCTION EST.						\$18,671,301		>> 212% >>				\$39,500,573					
TOTAL LAUGHLIN AREA CONSTRUCTION EST.						\$18,671,301		>> 1927% >>				\$359,744,305					
START-UP COSTS										<<< 3.36% Pro-Rata 96.64% >>>							
109.01	CONSTRUCTION CONFLICTS AND ADDITIONAL WORK			LS	SEE ITEM	1	\$150,000			LS	SEE ITEM	1	\$150,000	1	\$67,227	1	\$1,932,773
109.02	HISTORICAL OWNER CAUSED DELAY ALLOWANCE			DAY	\$500	5	\$2,500		>> 400% >>	DAY	\$2,000	5	\$10,000	5	\$336	5	\$9,664
109.03	ADDITIONAL AMOUNT OVER \$500.00/DAY AS DETERMINED BY BIDDER			DAY	\$1,000	5	\$5,000		>> 200% >>	DAY	\$2,000	5	\$10,000	5	\$336	5	\$9,664
200.01	MOBILIZATION			LS	SEE ITEM	1	\$930,000		>> 223% >>	LS	SEE ITEM	1	\$2,074,500	1	\$403,361	1	\$11,596,639
WATER PIPING																	
629.09	18-INCH DUCTILE IRON PIPE			LF	\$280	500	\$140,000		>> 125% >>	LF	\$350	500	\$175,000				
629.10	24-INCH DUCTILE IRON PIPE			LF	\$300	8,500	\$2,550,000		>> 133% >>	LF	\$400	8,500	\$3,400,000				
629.11a	36-INCH DUCTILE IRON PIPE			LF	\$400	9,450	\$3,780,000										
629.11b	36-INCH MLTCP*							>> 163% >>	LF	\$650	9,450	\$6,142,500					
629.12a	42-INCH DUCTILE IRON PIPE			LF	\$500	3,100	\$1,550,000										
629.12b	42-INCH MLTCP*							>> 150% >>	LF	\$750	3,100	\$2,325,000					
NOTE: *Why switch 36" & 42" from "Ductile Iron Pipe" to "Motar Lined and Coated, Tape Wrapped Steel Pipe"? >>>>>																	
629.14b	42-INCH PIPE CASING									LF	\$600	273	\$163,800				
629.17b	42-INCH PIPE CASING (JACK AND BORE)									LF	\$2500	104	\$260,000				
629.15b	54-INCH PIPE CASING							>> No 54" Pipe? >>	LF	\$800	102	\$81,600					
629.16b	60-INCH PIPE CASING							>> No 60" Pipe? >>	LF	\$1000	25	\$25,000					
MISCELLANEOUS FITTINGS & ACCESSORIES																	
629.19b	27-INCH TAPPING SLEEVE (24-INCH VALVE)									EA	\$60,000	1	\$60,000				
629.15a	VACUUM AIRE RELIEF VALVE ASSEMBLY			EA	\$5,000	6	\$30,000		>> 1467% >>	EA	\$22,000	20	\$440,000				
629.20b	VACUUM AIR RELIEF VALVE ASSEMBLY																
629.16a	BLOW-OFF ASSEMBLY			EA	\$5,000	5	\$25,000		>> 720% >>	EA	\$15,000	12	\$180,000				
629.21b	BLOW-OFF ASSEMBLY																
629.22	36-INCH BUTTERFLY VALVE									EA	\$50,000	5	\$250,000				
629.23	42-INCH BUTTERFLY VALVE									EA	\$50,000	1	\$50,000				



23-0312 Casino Dr-Needles Hwy to Harrah's Hotel-30% & 60% Cost Estimate -Reformatted



CASINO DRIVE WATER SID		30% COST ESTIMATES @ 21-0318 ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾						60% COST ESTIMATES @ 23-0124 ⁽³⁾⁽⁴⁾									
				SID WATER PIPELINE		SID WATER STORAGE		(Full-Use Capacity) ⁽¹⁰⁾				NON-SID WATER ELEMENTS					
Task Item ⁽¹⁾⁽²⁾	Description	Unit	Unit Price ⁽⁹⁾	#	Amount	#	Amount	Unit	Unit Price ⁽⁹⁾	#	Amount	#	Amount	#	Amount		
629.24	24-INCH DIRECT BURIED GATE VALVE WITH BYPASS							EA	\$50,000	4	\$200,000						
629.25	18-INCH GATE VALVE							EA	\$25,000	20	\$500,000						
629.26	36-INCH WATER VAULT							EA	\$150,000	5	\$750,000						
629.27	42-INCH WATER VAULT							EA	\$165,000	1	\$165,000						
629.28	CATHODIC PROTECTION							LS	\$1,000,000	1	\$1,000,000						
655.01	FIBER OPTIC CONDUIT (2-4-INCH)							LF	\$40.00	22,000	\$880,000						
655.02	FIBER OPTIC PULLBOX							EA	\$8,000.00	30	\$240,000						
EXISTING FACILITY UPGRADES																	
629.18	INSTALL 2 MG STORAGE TANK ON EXISTING SITE	LS	\$4,000,000			1	\$4,000,000										
629.31	INSTALL 2 MG STORAGE TANK ON EXISTING SITE						>> 150% >>	LS	\$6,000,000			1	\$6,000,000				
629.17a	PUMP STATION UPGRADES	LS	\$500,000	1	\$500,000												
629.29	750 PZ STATION UPGRADES (CASINO DRIVE)						>> 100% >>	LS	\$500,000			1	\$500,000				
629.19a	INSTALL PUMP STATION BACK UP POWER GENERATOR	LS	\$160,000	1	\$700,000		>> 100% >>										
629.32	INSTALL PUMP STATION BACK UP POWER GENERATOR							LS	\$700,000			1	\$700,000				
NON-SID ELEMENTS																	
629.30	INSTALL 18 MG STORAGE TANK ON NEW SITE							LS	\$72,000,000					1	\$72,000,000		
629.33	1000 PZ PUMPING STATION							LS	\$5,000,000					1	\$5,000,000		
629.34	1000 PZ BOOSTER PUMP UPGRADES AT 850 TANK (NEEDLES HWY)							LS	\$5,000,000					1	\$5,000,000		
629.35	WATER TREATMENT PLANT INCREASE FROM 15 MGD TO 25 MGD							LS	\$125,000,000					1	\$125,000,000		
SUBTOTAL BASE COSTS				\$10,362,500		\$4,000,039						\$19,532,400		\$7,671,261		\$220,548,740	
30% CONTINGENCY				\$3,108,750		\$1,200,012						\$3,906,480		\$1,534,252		\$44,109,748	
												\$23,438,880		\$9,205,513		\$264,658,489	
												\$4,922,165		\$1,933,158		\$55,578,283	
												\$616		\$242		\$6961	
GRAND TOTAL -- 30% CONSTRUCTION COST ESTIMATE				\$13,471,250		\$5,200,051		60% CONST. COST EST.				\$28,361,661		\$11,138,912		\$320,243,732	
				\$18,671,301				>> 212% >>				\$39,500,573					

23-0312 Casino Dr-Needles Hwy to Harrah's Hotel-30% & 60% Cost Estimate -Reformatted



CASINO DRIVE WATER SID		30% COST ESTIMATES @ 21-0318 ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾						60% COST ESTIMATES @ 23-0124 ⁽³⁾⁽⁴⁾ (Full-Use Capacity) ⁽¹⁰⁾					
Task Item ⁽¹⁾⁽²⁾	Description			SID WATER PIPELINE		SID WATER STORAGE				SID WATER PIPELINE	SID WATER STORAGE	NON-SID WATER ELEMENTS	
		Unit	Unit Price ⁽⁹⁾	#	Amount	#	Amount	Unit	Unit Price ⁽⁹⁾	#	Amount	#	Amount

NOTE: (1) Task Numbers that are NOT applicable to either 30% or 60% Plans Estimates have been "hidden" for clarity in this analysis.

- (2) Task Numbers apply to both 30% & 60% Plans Estimates -- However, if different tasks were assigned to the same Task Number, those marked "a" apply to 30% Plans & "b" apply to 60% Plans.
- (3) Cost estimate does not include costs for right-of-way acquisition.
- (4) 30% Plans Cost estimate does not include costs for sewer and water plant capacity upgrades which may be needed before full build out of adjacent properties. Costs to be paid for by future CIP or agreements with developers.
- (5) The LVVWD stated in meeting held 11/17/2020 that if the project is built in a phased approach, a 2 MG Storage tank and a generator is recommended to be included in the initial phase. An additional 3 MG tank will be required as demand increases.
- (6) The LVVWD stated that approx. 4 to 6 MG of water is available before plant and further improvements are necessary to serve higher demand. Note the proposed 30% Plans demand based on zoning is approx. 2.5 times existing Laughlin demands.
- (7) CCWRD letter (12/23/20) stated the SID is not a guarantee of the provision of sewer service by the CCWRD as other limitations and impediments to obtaining sewer service from CCWRD may exist, including but not limited to, capacity and logistical constraints in current infrastructure serving the SID parcels and/or the greater area of Laughlin.
- (8) Laughlin Lift Station #2 sewer improvements/upgrades are not included in the SID, however, once capacity is reached, they will be required to handle additional flows created by subsequent developments on a first-come-first serve basis.
- (9) Unit prices are anticipated to be 10% to 30% higher than Las Vegas due to higher mobilization costs, transporting materials, and higher employee costs (i.e. lodging and per diem).
- (10) "Full-Use Capacity" in the 60% Cost Estimates is NOT defined, but initially presumed to mean 33 du/ac for all Water SID District properties -- HOWEVER, further analysis raises the question about 750 PZ Storage Tank and Pump improvements (in Blue on the Pressure Zone Map) being limited to only the Water District SID Area when the 750 PZ also serves ALL the Hotels and other residential/commercial areas -- further, there are questions regarding the water demand criteria used for all the Non-SID Storage Tanks and Pump improvements (in Red on the Pressure Zone Map) in Pressure Zones 750, 780, 890 & 1100 outside of the Water SID Area.

KEY QUESTIONS

1. What is the source for Jan '23 Water SID unit costs, and why are they up 112% from Mar '21?
2. What is the source & basis for the Water SID Area 33 du/ac demand (@ 1,194ac = 39,402 du!)?
3. What Water demand is anticipated/planned for 1000, 890 & Non-SID portions of 780 & 750 PZs?
4. What is the unit cost source for the additional \$320M Non-SID Treatment Plant, Tank & Pump improvements, required, and does that mean the Water Moratorium currently extends beyond the SID Area to the entire Laughlin community?

Laughlin Pressure Zone Map

LVVWD WATER TANK & PUMP BUDGET FOR LAUGHLIN WATER SID

WATER DISTRIBUTION SYSTEM WITH PRESSURE ZONES

*Note: *\$320M Non-SID Tank & Pump Jan '23 Costs Include Start-Up + 45% Add-Ons (Contingency, Engineering & Fees).*

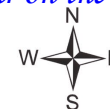
LEGEND

- Pump Stations
- Storage Tanks
- Water Lines

Pressure Zones

- 780/750
- 890
- 1000
- 1130
- 1250
- 1370
- 1490

Note: Pressure Zones are approximate and illustrative only, since some demarcations are unclear on the base map.



*Note: *\$39.5M SID Water Pipeline, Tank & Pump Jan '23 Costs (up 112% since Mar '21?) Include Start-Up + 45% Add-Ons (Contingency, Engineering & Fees).*



Map created May 16, 2006

Map created May 16, 2006

Aerial photos taken Fall 2006

2006 Water District Pressure Zone Map @ 23-0305.pptx

9

6 of 7

Water District Q! & A?

- Why did the Water SID Estimated Costs:
 - increase overall by 112% from March 2021 to January 2023?
 - switch from 36" & 42" DIP to the 50%-63% more expensive MLTCP?
 - include 54" & 60" Pipe Casings when there is *NO* 54" or 60" Pipe?
- What is the source and basis for the 33 du/ac wet utility demand criteria? – and how can anyone justify currently designing the SID Area for 31,000- 39,000 additional dwelling units in Laughlin? – and who is in a position to alter that criteria with reasonable justification?
- Why is the \$320M additional Non-SID Area Water Storage and Pump expenses added to the Water SID Area Cost Estimates? – and what is the demand basis for those facilities? – and does anyone believe that's a reasonable allocation of costs? – and with a \$285M need for Treatment Plant capacity increases and a related Storage Tank, does that mean the entire Community is actually facing a Water Moratorium until that need is met?
- Is anyone surprised that the Assessor's Office is reducing SID-Area Taxable Values, and thereby Tax Revenues, due to the "*temporary*" unavailability of potable water? – and is it understood that initial reductions are based on the possibility that this issue may be resolved within the next year? – and that additional more significant value reductions will be justifiable each subsequent year, as the likelihood of a timely solution diminishes? – and is it recognized that this unresolved increasing value reduction has serious financial implications to County Tax Revenues and property owner's land asset values? – and that it may constitute a "*taking*" by the County?
- What is the Water Districts position on Private Well Systems as a solution to the above problem? – and what is the process for property owners to pursue that solution? – and who is the contact person for such pursuit?
- Is the Water District actively pursuing solutions to the SID Area water issue? – and will the Water District participate with, and seriously entertain input from, SID Area property owners and their representatives in attempts to reasonably and mutually resolve this matter? – and, if so, who is the Water District contact person for such efforts? – and, if not, what's next?



♪ There's a hole in the Bucket ... ♪



10

Moratorium!



“Community Partnership for Action”

P.O. Box 33702

Laughlin, Nevada 89028

laughlinedc@laughlinedc.org

Mr. Dave Johnson
Deputy General Manager
Las Vegas Valley Water District
1001 S. Valley View Blvd.
Las Vegas, NV 89153

March 27, 2023

RE: Laughlin Water Service Concerns

The Laughlin Economic Development Corporation, after repeated unreturned phone calls to Las Vegas Valley Water District staff, is reaching out to you for assistance in reopening water service discussions that ceased in conjunction with the October 5, 2022, termination of the Casino Drive SID. The purpose of the subject attachment is to identify the issues, concerns, causes and effects of the current lack of available potable water for property owners within the former South Laughlin Casino Drive Water SID Area (and possibly much of the Community outside of the SID Area), and lay the groundwork for timely discussions and a mutually acceptable resolution. While there are some issues and concerns regarding other elements of the SID, water service is clearly seen as the reason for the SID termination and the key issue needing resolution before there can be any reasonable hope for Laughlin growth.

We understand that this is a complicated matter that's been under consideration since the SID program began three years ago. Further, we believe there are some County policy issues, Water District design parameters, County financial effects, property owner asset effects, and legal opinions that need to be openly and collectively considered on the way to any reasonable solution. That said, neither one or two of the above parties can solve this puzzle without the full participation and cooperation of the other parties. And we believe all parties will benefit from a timely resolution.

The LEDC is requesting you facilitate the Water District's review of the subject attachment and join with the LEDC in addressing the issues and concerns identified, and timely bringing in the other parties as the program goes forward. We believe there is nothing that can't be overcome in the spirit of the "best interest of all involved."

Please contact the LEDC Strategic Development Advisor, Mr. Robert Bilbray, for further discussion and to develop a path forward.

Sincerely,
Martin Knauss
Martin Knauss
President – LEDC

Enclosed: 23-0325 CASINO DRIVE WATER SID REVIEW

From: Martin Knauss <laughlinedc@laughlinedc.org>

Sent: Tuesday, March 28, 2023 11:32 AM

To: Dave Johnson <dave.johnson@lvvwd.com>

Cc: Thomas Burns <tjburns@goed.nv.gov>; Denis Cederburg <dlc@clarkcountynv.gov>; Louise Steeps <Louise.Steeps@clarkcountynv.gov>; Jim Gibson <ccdistsg@clarkcountynv.gov>; Michael Naft <ccdista@clarkcountynv.gov>; Tick Segerblom <ccdiste@clarkcountynv.gov>; Marilyn Kirkpatrick <ccdistsb@clarkcountynv.gov>; William McCurdy II <ccdistsd@clarkcountynv.gov>; Justin Jones <ccdistsf@clarkcountynv.gov>; Ross Miller <ccdistsc@clarkcountynv.gov>; Melanie Sheldon <msheldon@goed.nv.gov>; Kris Sanchez <Ksanchez@diversifynevada.com>; Catherine Cortez-Masto <ccm@catherinecortezmasto.com>; Zach Zaragoza <Zach_Zaragoza@cortezmasto.senate.gov>; Susie Lee <Susie.Lee@mail.house.gov>; Dina Titus <cong.dinatitus.public@mail.house.gov>; Shani Coleman <shani.coleman@clarkcountynv.gov>; Jacky Rosen <jackysrosen1@gmail.com>; Kathleen Hoss <khoss70@gmail.com>; Tammy Harris <Tammy.Harris@clarkcountynv.gov>; Mark Moskowitz <mark.moskowitz@clarkcountynv.gov>

Subject: Laughlin Water Service Review

Dear Mr. Johnson:

The Laughlin Economic Development Corporation is requesting you facilitate the Water District's review of the attached comprehensive document pertaining to the Laughlin Water Service system. The LEDC would like to participate with the Water District in addressing the issues and concerns identified.

We understand that this is a complicated matter that's been under consideration since the Casino Drive SID program began three years ago. Further, we believe there are some County policy issues, Water District design parameters, County financial effects, property owner asset effects, and legal opinions that need to be openly and collectively considered on the way to any reasonable solution.

Please contact the LEDC Strategic Development Advisor, Mr. Robert Bilbray, for further discussion and to develop a path forward.

Thank you for your time and consideration.

Martin Knauss - President

Laughlin Economic Development Corporation

"Community Partnership for Action"

(725) 867-8190

www.laughlinedc.org

Attachments: 23-0325 Casino Drive Water SID Review.pdf & 2023 Laughlin Water Service Review.pdf

March 30, 2023

Via email (laughlinedc@laughlinedc.org) and U.S. Mail

Martin Knauss
President
Laughlin Area Development Corporation
P.O. Box 33702
Laughlin, NV 89028-3702

Re: Water Service Within Laughlin, Nevada

Dear Mr. Knauss:

I am in receipt of a copy of your March 27, 2023, letter to Mr. Dave Johnson, Deputy General Manager of the Las Vegas Valley Water District, regarding the above-referenced matter (Letter). I am writing to correct certain misstatements contained in the attachment to your letter entitled "23-0325 Casino Drive Water SID Review" (Attachment) because both your Letter and the Attachment have been posted, at a minimum, on LEDC's website, Twitter, and Facebook.

The Attachment makes several erroneous references to a "Water Moratorium" impacting Laughlin development. There is now, and never has been, a water (development) moratorium in place at Big Bend Water District (BBWD). Because no such moratorium exists, there is no "Water Moratorium Area" as depicted on Attachment Figure 4, and growth anywhere within Laughlin has not been "dampen[ed]" or "stymie[d]" as asserted on pages 1 and 2 of the Attachment as a result.

The Attachment further states that BBWD (through its operator Las Vegas Valley Water District), is responsible for having "caused" a water moratorium by estimating certain facilities costs. Attachment, page 1. To be sure, a moratorium is not "caused" because facilities necessary to safely and efficiently deliver water are becoming more and more expensive. A moratorium would exist if, for example, despite a developer's willingness to construct and dedicate to BBWD any necessary facilities, BBWD would not authorize a new connection for the developer because it had previously taken action to limit development. That's not the case here.

Here, development within BBWD's service territory may occur, including that along Casino Drive, as provided in BBWD's duly adopted Service Rules. Those rules require that facilities be sized according to applicable zoning. See Section 1.8 (Projected Water Usage). If a developer (or group of developers) in Laughlin desires a water commitment from BBWD, water remains available for such commitment(s) by compliance with the process outlined in Service Rules Section 1.2.

District staff has had numerous communications, both phone calls and face to face meetings, with Mr. Bilbray. While the County's SID process described in your Letter may have terminated, District staff remains open to discussing any ideas you or area property owners may have to move forward on Casino Drive development consistent with the Service Rules and in keeping with the premise that neither the Las

Vegas Valley Water District nor the relatively small number of existing BBWD customers can be asked to, or will, subsidize such development.

Please let me know if you have any questions.

Sincerely,



Gregory J. Walch
General Counsel



"Community Partnership for Action"

P.O. Box 33702
Laughlin, Nevada 89028
Laughlinedc@laughlinedc.org
www.laughlinedc.org

May 2, 2023

Via email (greg.walch@lvvwd.com)

Gregory J. Walch
General Counsel
Las Vegas Valley Water District
1001 South Valley View Boulevard
Las Vegas, NV 89153

Dear Mr. Walch:

Thank you for your review and comments regarding the subject matter in response to our distribution of the "Attachment" ("23-0325 CASINO DRIVE WATER SID REVIEW.pdf"), specifically, regarding the subject matter. For ease of reference, we've included a copy of your letter at the end of this letter. I apologize for the delayed response, but we needed time to find the best way to meaningfully address your issues.

Most noteworthy is our observation that your last paragraph is our first priority. Notwithstanding the questionable productivity of our past related encounters with Water District Staff, you have seemingly addressed our last Question on Page 7 of the attachment – apparently the LVVWD ("*Water District*") is *NOT* actively pursuing solutions, but "*remains open to discussing any ideas you or area property owners may have.*" We believe if that's truly the case, three things need to happen:

- 1) A "Point Person" for the effort needs to be identified by the Water District to coordinate with Robert P. Bilbray, LEDC Strategic Development Advisor, and arrangements need to be initiated to facilitate near-term understandings, communications and meetings;
- 2) Water District active participation in attempts to find solutions will be required and, in that context, we'll need to "*get up to speed*" with a full understanding of the District's position on the problem issues by mutually addressing the matters identified in the Attachment; and,
- 3) The parties need to look realistically and reasonably at the specific situations and, if the *Service Rules* seemingly require designing for maximum allowable zoning and being able to service 31,000 to 39,000 additional dwelling units in the 1,200-acre Water SID Area along Casino Drive, we need to "*stop & think,*" -- *NOT* just throw up our hands and say "*the ~~Devil~~ Service Rules made me do it!*"
 - a. The above imposed 33 du/ac potable water design demand criteria for the SID Area has seemingly been a real deterrent to feasibility, more from a future availability of water viewpoint than pipe sizing. Now the fact that we're just learning that considerable increases in the Laughlin treatment facilities will be required to serve the future Community demand outside the SID Area is of further concern.

- b. A quick review of the BBWD Service Rules Section 1.2.a, Development Approval, says that *"The BBWD will process development approvals on a first come, first served basis as the requirements of the water commitment process listed below are fulfilled, and as long as water is available to commit pursuant to these Service Rules."* This is very encouraging when considering solutions to the longer-term issue of having enough water capacity in the future IF development exceeds service capabilities.
- c. The above first come, first served basis is also consistent with the CCWRD's stated policy for dealing with such matters with regard to the Sewer SID Area properties.
- d. The matter of committing water service for +/- 35,000 additional Water SID Area dwelling units literally *"forever"* (which seems to be an SID concern?) raises another issue – are there time limits on such commitments? A case in point is the Emerald River partially completed 1,200 room hotel/casino *"Tower."* In the late 1980s the developer received approvals (*infrastructure docs signed by James Fonnesbeck*) for a 12" water hookup to the existing 18" Casino Drive water main, and began construction. Now, some years later, will the County still honor that water commitment, or will it have somehow expired? If it has expired, then that suggests that the Water District won't have to honor a commitment for 35,000 additional Water SID Area dwelling units forever!
- e. We look forward to discussing our ideas with the designated Water District Point Person.

Also noteworthy is our observation that the main focus of your correspondence seems to be to *"correct certain misstatements"* and address *"erroneous references"* in the Attachment. We certainly apologize for any such occurrences, and assure you that they were unintentional. However, while certain aspects may be subject to interpretation, we have been deeply involved in this project for well over three years and, thereby, feel somewhat confident in our factual interpretations and conveyances.

An alleged development moratorium resulting from the lack of sufficient available potable water service (aka alleged *"Water Moratorium"*), appears to be your primary focus. It's unclear to us as to whether the "fact of" or the "word for" the problem is at issue:

- The facts are, without going into painfully detailed explanations, that both public and private encounters, directly and/or indirectly, regarding development opportunities in the Water SID Area have been met with "According to LVVWD, this system is at capacity and cannot provide additional services but may be able to provide service for very small developments or single-family residences on a case-by-case basis." (*"Restrictions"*) (Source: GCW SID Water Analysis, dated Feb 11, 2021).
- The Word, "Moratorium" appears to be seriously at issue, for reasons heretofore never revealed. Moratorium is defined in the Attachment as *"a temporary prohibition of an activity."* "Synonyms for moratorium," per www.thesaurus.com, include ban, delay, freeze, halt, pause, or postponement, all of which describe the Water District's quoted *Restrictions*.

Notwithstanding the above, we have the following additional comments:

- Your 2nd paragraph claims that *"there is [not] now, and never has been, a water (development) moratorium ... and growth anywhere within Laughlin has not been dampened or stymied."* In that context: 1) how is the word "Moratorium" defined? -- and

2) how is the additional \$360M requested by the Water District for local service needs (\$40M for the SID area & \$320M for other areas) explained and/or justified?

- Your 3rd paragraph seems to bring in the BBWD as part of this matter when, in fact, LVVWD has completely managed their operations and affairs, and it's our observation over the years that BBWD management has nothing to do with this matter, other than define a Laughlin water service area. In any event, now we have another word "caused" at issue – can we say "was responsible for?" Initially the Water District element of the SID was \$20M; then without explanation, it went to \$360M and the County "pulled the plug!" – all along standing by their above quoted Restrictions, being "caused by" or "responsible for" relatively no development. The paragraph goes on to describe an example of what a moratorium would look like, which is commented on in our review of your 4th paragraph below.
- Your 4th paragraph is a puzzlement, in that it's NOT factual:
 - One of the Emerald River Parcels in the Water SID Area was recently mapped for nine smaller Lots. In later 2021, despite the owner's willingness to install required offsites, a very clear "condition" of the mapping was/is that *NO DEVELOPMENT*, offsite or onsite, is allowed by the County until such unspecified time as sufficient potable water service is made available -- one of the "painful details" referenced above.
 - The Laughlin Bay Marina's adjacent residential parcel, fronting on Casino Drive, was recently being processed for development by the owner and, it's our understanding (*via GC Wallace, their consultant on the project*), that the County denied water service and the use of related fire hydrants until such unspecified time as sufficient potable water service is made available – another "painful detail."
 - Could either/both of the above be described as a moratorium or any of the synonyms above?
- "Call it what you will!" – It's noted that the Assessor's Office recognizes the above *Restrictions* as "deterrents to development" imposed on certain effected property owners and thereby a diminution of their Taxable Values, resulting in reduced County Tax Revenues until such time as water is again made available – possibly some would say the result of a Moratorium?

Please let me know if we have adequately addressed your perception and understanding of the Attachment, or if you would like additional (*painful*) detail and explanation. In any event, we would greatly appreciate any guidance and/or assistance you might provide regarding the "next steps" outlined in our 2nd paragraph above at your earliest convenience.

Sincerely,

Martin Knauss

Martin Knauss
President, - LEDC

Confidentiality Statement: This e-mail contains confidential information which also may be privileged. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, disclose or distribute the e-mail message or any information contained in the message. If you have received the email message in error, please advise the sender by replying to this e-mail message or by telephone and then promptly delete it.

NOTE: Pages 4 & 5 of 5 are omitted, since they contained the Mar 30th LVVWD General Counsel previous Response

From: **Greg Walch** <greg.walch@lvvwd.com>
Date: Tue, May 16, 2023 at 9:55 AM
Subject: RE: {External} LEDC Response to LVVWD Letter -- May 2, 2023
To: Martin Knauss <laughlinedc@laughlinedc.org>
Cc: Dave Johnson <dave.johnson@lvvwd.com>

Hi Martin,

Thanks for the reminder. I did receive your May 2, 2023, letter. Because the Big Bend Water District's position on development within Laughlin is adequately covered in my March 30, 2023, correspondence, there's no need to repeat, debate, or add anything to those points in response to positions outlined in your letter. You also asked that we identify a point person for further discussions regarding area development. Bronson Mack (Bronson.mack@lvvwd.com) has had frequent communications with Laughlin community leaders for several years on a variety of issues, including just last week when he spoke with Mr. Bilbray, and will remain the District's point person for further discussions regarding community-scale infrastructure. Water commitments for development of specific parcels are handled through the Water Commitment process outlined in Section 1 of the Big Bend Water District Service Rules (effective January 1, 2023) on pages 16-21.

Please let me know if you have any questions or need additional information.

Greg

From: Martin Knauss <laughlinedc@laughlinedc.org>
Sent: Wednesday, May 24, 2023 8:05 AM
To: Gregory Walch; Bronson Mack
Subject: Laughlin Water Service Review

Greg –

Attachments previously forwarded, for reference herewith:

- "2023 Laughlin Water Service Review - LEDC Response to LVVWD GenCounsel Reply-2.pdf"
- "23-0325a CASINO DRIVE WATER SID REVIEW.pdf"

Thanks for your prompt reply to our reminder. While not the response we were hoping for, and presuming you're conveying the position of the LVVWD, it's helpful to know you both believe that:

1. *"Because the Big Bend Water District's position on development within Laughlin is adequately covered in my March 30, 2023, correspondence, there's no need to repeat, debate, or add anything to those points in response to positions outlined in your letter."*

and,

2. *"Water commitments for development of specific parcels are [reasonably] handled through the Water Commitment process outlined in Section 1 of the Big Bend Water District Service Rules (effective January 1, 2023) on pages 16-21."*

With reference to the above:

1. So much for *"mutually addressing the matters identified in the Attachment[s]"* (LEDC May 2nd letter, #2 *"thing that needs to happen"* on page 1)!
2. *"It ain't what you don't know that gets you into trouble, it's what you know for sure that just ain't so."* (Mark Twain) – on May 9th, Peake Development (Gary Isaac & Carrie Larson) made presentations to the Laughlin Town Advisory Board regarding a May 3rd meeting with LVVWD regarding a current water commitment for their proposed 60-site Cottage Court 4 project – please view the latter portion of the meeting video link below (*beginning @ 1hr.24min*) and reconsider your above comfort level with the current relationship between LVVWD (*not BBWD*) and the *BBWD Service Rules* – seems current water storage requirements of NAC 445A.66745 trump the Service Rules – this is in direct conflict with your two position statements above -- some might consider it a Moratorium!

<https://youtu.be/PLytcvY2Jlc>

It'll be interesting to see how Cottage Court 4 plays out, as we attempt to understand the implications of NAC 445A.66745, and work out a reasonable and mutually agreeable resolution of the water service issue with Mr. Mack.

Thanks again for your time.

Martin Knauss - President
Laughlin Economic Development Corporation
"Community Partnership for Action"
(725) 867-8190
www.laughlinedc.org

Laughlin building permits reportedly on hold due to water pressure issues



Laughlin Town Advisory Board Member Hermon Walker expresses his concern surrounding the apparent building moratorium in Laughlin, suspending new construction permits.

By Jill Ramelot
For the Laughlin Nevada Times
June 21, 2023

Video Still at June 20th Laughlin Town Advisory Board Meeting

LAUGHLIN — Issuance of new construction permits has been halted in Laughlin due to an “edict” from the Southern Nevada Water Authority, according to Laughlin Town Advisory Board Member Hermon Walker. How long this building moratorium will last is an unanswered question, Walker said.

“The Southern Nevada Water Authority has suspended construction permits for Laughlin Township,” Walker said at the LTAB meeting last week. “The thing that really distresses me is the fact that — excuse the indelicacy of my language — that Authority literally castrated Laughlin. They absolutely neutered Laughlin in terms of any construction in this Township. I would like to know the legal authority under which they took such egregious action. I don’t think it exists, and if it exists, I would question its constitutionality.”

Because action on the topic was not on the agenda for the LTAB’s meeting on June 14, Walker made his comments during the time allotted for a report from the Big Bend Water District. Jason Bailey from the BBWD typically presents reports each month, but did not attend the June meeting, so Walker aimed his queries at Clark County Liaison Mark Moskowitz.

“Has anything been done to address the issue?” Walker asked Moskowitz. “I have had any number of individuals since the last meeting contact me, wanting to know what was done, how it was done, where it was done, and how long is it going to last, and I have no information.

“I would like to know how any political subdivision of county government can unilaterally come out and issue this kind of edict, which has all sorts of adverse economic implications for the Township of Laughlin. It never came before this board, which leads me to say, what are we doing here? We’re supposed to be representing the people of Laughlin,” Walker continued. “Was the representative body ever presented with the fact that there was going to be an edict barring development, barring the issuance of permits? No one sitting on the Advisory Board has ever told me that they were consulted about the edict that came down from the Authority. That’s crazy.”

The issue will be addressed at a public information meeting slated for next month, Moskowitz said, explaining he could not speak for the BBWD.

“They (BBWD officials) will be on hand to give updates, information and answer questions about what’s going on with the water districts,” he said. “Big Bend Water District is a part of Las Vegas Valley Water District, so they’re all one. Big Bend Water district is the one that serves Laughlin, so their team will be here, as well as the one that serves Las Vegas Valley Water District.”

The meeting is set for 2:30 p.m. on Wednesday, July 12, at the Laughlin Regional Government Center, located at 101 Laughlin Civic Way just west of Casino Drive. The public is invited.

“I don’t think a meeting on July 12 represents any urgency on behalf of the higher authorities to give this the attention it deserves,” Walker contended. “We have money floating in from all different areas. I’ve had reports that the tank storage of water for the community of Laughlin is not being fully used at the present time. Yet, the Authority said, ‘You don’t have adequate storage to service the area, so we’re not going to issue any permits.’ If we’ve got surplus storage that isn’t being utilized, then something is seriously wrong.”

Other LTBA members wanted to know who determined a building permit moratorium was required, and for what reason.

“There has never been a comment made at any meetings where they said we had a shortage of water, or a shortage of storage space,” said LTAB Member Fred Doten. “We’ve got 15,000 acre-feet (per year), we use about 4- to 5,000, so we’ve got plenty of water. If we have a storage issue, it should have been addressed years ago.”

“In 22 years on this board, this issue has not come before us,” said LTBA Member Kathy Ochs. “As far as the storage (capacity), it creates pressure in the system. So the acre-feet that we have isn’t this issue, it’s the storage creating the pressure so we can make the water serve commercial or residential (users). At this point they’re saying we don’t have enough storage to even do residential.”

Moskowitz said he didn’t have an answer regarding who actually made the decision to limit or stop issuing building permits in Laughlin and insisted Clark County officials have been working hard to address the issue.

“As for the date, we’ve been working with the Big Bend Water District and Las Vegas Valley Water District to find a date when they can have a lot of their executive and top team come down here, that’s why it seems like it’s far out. However, I believe it’s moved very quickly.”

He added that he, Clark County Commissioner Michael Naft — whose district includes Laughlin — and water district officials have held Zoom meetings with Laughlin stakeholders to provide answers to questions about future development.

“We’ve been very proactive; I disagree with saying we’re not. As for saying everything’s been capped, let’s be delicate and say we’re taking it case by case, because a major development could require more water than, say, a single-family home,” Moskowitz said. “That’s all stuff that we’re going to be evaluating during this public information session. This (date) was the earliest we could get everyone together; I think this is a good start.”

Moskowitz invited members of the public who have questions about this or other local government issues to contact his office. The Clark County Laughlin Liaison’s office can be reached at 702-298-0828 or 702-455-6172, or by email at mark.moskowitz@clarkcountynv.gov.

The next Laughlin Town Advisory Board meeting is scheduled for 1:30 p.m. Tuesday, July 11, at the Laughlin Regional Government Center. Agendas are available on the LTAB website, https://www.clarkcountynv.gov/government/departments/administrative_services/laughlin_town_manager/laughlin_tab.php. Meetings are recorded and videos may be viewed on the Laughlin Town YouTube Channel at <https://www.youtube.com/@laughlintown9445>.