CLARK COUNTY WATER RECLAMATION DISTRICT
BOARD OF TRUSTEES
AGENDA ITEM

| Petitioner: | Thomas A. Minwegen, General Manager, Clark County Water Reclamation District |

**Recommendation:**
That the Clark County Water Reclamation District Board of Trustees approve, adopt, and authorize the Chairman to sign Resolution 18-008, "A Resolution in Support of Removing the Sunset Provision of the Quarter-Cent Sales Tax for Water and Wastewater Infrastructure Projects; or take other action as appropriate. (For possible action)"

**FISCAL IMPACT:**

<table>
<thead>
<tr>
<th>Fund #:</th>
<th>CCWRD Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Center:</td>
<td>CCWRD Funds</td>
</tr>
<tr>
<td>Description:</td>
<td>Resolution 18-008</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Name:</th>
<th>General Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funded Pgm/Grant:</td>
<td>N/A</td>
</tr>
<tr>
<td>Amount:</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**BACKGROUND:**

Communities rely on stable water resources and the infrastructure necessary to develop, treat, and convey water from sources to customers. Water and wastewater systems represent a vital component to communities; however, they are built, operated, and maintained at a significant cost to municipal governments. In order to keep rates affordable for customers, diverse funding sources need to be maintained.

In 1997, the Nevada Legislature approved a bill that would authorize all counties to increase the sales tax by up to one-quarter of 1 percent to pay for infrastructure. Only Clark County’s collection of the sales tax is limited with by a sunset provision providing for the tax to expire in 2025 or when $2.3 billion has been collected, whichever occurs first. In 1998, 72 percent of Clark County voters approved an advisory question supporting the imposition of the tax, and then the Clark County Board of Commissioners voted to implement the quarter-cent sales tax for water and wastewater infrastructure.

To date, the tax has generated more than $1.4 billion of revenue to fund water and wastewater improvements in the community. These collections have been vital in funding infrastructure that offers reliability and security for Southern Nevada’s water and wastewater facilities, including pumping stations, reservoirs, water and wastewater treatment plants, and intake systems.

Revenue generated from the quarter-cent sales tax comprises approximately 10% of the District's total annual sources. As such, should the sales tax be allowed to expire, the District (along with other agencies) would be required to find other sources to replace the sales tax revenue.

In 2011, the Nevada Legislature voted overwhelmingly to allow Clark County to remove the sunset if the Board of Clark County Commission determined by a two-thirds vote that cessation of the sales tax is not advisable.

Cleared for Agenda

12/4/2018
Agenda Item #
The District's Wastewater Rates and Charges Citizens Advisory Committee recently voted unanimously in support of removing the sunset on this sales tax.

At this time, the Board of Trustees is being asked to approve a resolution supporting the notion that cessation of the sales tax is not advisable. If approved by the Board of County Commissioners, sales tax is not increased; rather the action merely removes the tax expiration's clause and allows a continuation of the status quo, thereby maintaining an important revenue stream for those agencies responsible for constructing, operating, and maintaining water and wastewater infrastructure.

This agenda item has been reviewed and approved by the District General Counsel.

Respectfully submitted,

Thomas A. Minwegen
General Manager

December 4, 2018
TM:DJS