

**Southern Nevada Water Authority**  
**CAPITALIZED LABOR BY FUNDING SOURCE**  
**Fiscal 2014 to 2020**

	<u>2014 (1)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Expenses							
Payroll in MCCP	\$ 5,613,441.00	\$ 5,005,580.94	\$ 5,222,044.96	\$ 5,428,777.23	\$ 5,689,170.27	\$ 5,941,903.40	\$ 6,218,540.19
Operating Capital and Expenses	10,308,000.00	10,617,000.00	10,936,000.00	11,264,000.00	11,601,000.00	11,950,000.00	12,308,000.00
In Valley Recharge		3,123,000.00	3,201,000.00	3,281,000.00	3,361,000.00	3,434,000.00	3,508,000.00
<b>Total Operating Expenses</b>	<b>\$ 15,921,441.00</b>	<b>\$ 18,745,580.94</b>	<b>\$ 19,359,044.96</b>	<b>\$ 19,973,777.23</b>	<b>\$ 20,651,170.27</b>	<b>\$ 21,325,903.40</b>	<b>\$ 22,034,540.19</b>
Labor Formerly Paid by Bond Fund							
Per MCCP Analysis	\$ 20,587,768.44	\$22,470,037.42	\$22,052,663.76	\$22,503,152.74	\$22,293,716.14	\$23,353,592.66	\$24,479,662.74
Less Labor Already Pd by New Expansion	5,613,441.00	5,005,580.94	5,222,044.96	5,428,777.23	5,689,170.27	5,941,903.40	6,218,540.19
<b>Total Labor Formerly Paid by Bond Fund</b>	<b>\$ 14,974,327.44</b>	<b>\$ 17,464,456.48</b>	<b>\$ 16,830,618.80</b>	<b>\$ 17,074,375.51</b>	<b>\$ 16,604,545.86</b>	<b>\$ 17,411,689.26</b>	<b>\$ 18,261,122.55</b>
<b>TOTAL</b>	<b>\$ 30,895,768.44</b>	<b>\$ 36,210,037.42</b>	<b>\$ 36,189,663.76</b>	<b>\$ 37,048,152.74</b>	<b>\$ 37,255,716.14</b>	<b>\$ 38,737,592.66</b>	<b>\$ 40,295,662.74</b>

(1) Source: 2014 Budget and SNWA Engineering Cash Flow.

(2) Includes payroll for the ranch and conservation divisions as well as an allocated portion of payroll from various divisions that charge a portion of their time to either ranch or conservation. Ratios from the approved fiscal 2014 budget were used to provide this allocation.

**Southern Nevada Water Authority**  
**COMPARISON OF MCCP COSTS TO HOBBS, ONG MODEL**

	<b>Payroll Costs</b>						
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Hobbs, Ong Model --							
Operating Expenses Capital	\$ 5,613,000.00	\$ 5,782,000.00	\$ 5,955,000.00	\$ 6,134,000.00	\$ 6,318,000.00	\$ 6,508,000.00	\$ 6,703,000.00
Capitalized Labor	16,832,000.00	17,337,000.00	17,857,000.00	18,393,000.00	18,945,000.00	19,513,000.00	20,099,000.00
<b>Total Hobbs, Ong Labor</b>	<b>\$ 22,445,000.00</b>	<b>\$ 23,119,000.00</b>	<b>\$ 23,812,000.00</b>	<b>\$ 24,527,000.00</b>	<b>\$ 25,263,000.00</b>	<b>\$ 26,021,000.00</b>	<b>\$ 26,802,000.00</b>
<b>Total MCCP Labor</b>	<b>\$ 20,587,768.44</b>	<b>\$ 22,470,037.42</b>	<b>\$ 22,052,663.76</b>	<b>\$ 22,503,152.74</b>	<b>\$ 22,293,716.14</b>	<b>\$ 23,353,592.66</b>	<b>\$ 24,479,662.74</b>
<b>Annual Difference</b>	<b>\$ 1,857,231.56</b>	<b>\$ 648,962.58</b>	<b>\$ 1,759,336.24</b>	<b>\$ 2,023,847.26</b>	<b>\$ 2,969,283.86</b>	<b>\$ 2,667,407.34</b>	<b>\$ 2,322,337.26</b>

**Southern Nevada Water Authority**  
**PAYROLL PAID BY NEW EXPANSION DEBT SERVICE FUND - BY PROJECT**

Project #	Project Description	2014	2015	2016	2017	2018	2019	2020
090B	Virgin and Muddy Rivers Water Resource Acquisition	\$ 133,178.80	\$55,566.39	\$196,852.52	\$199,567.29	\$206,210.78	\$93,578.90	\$93,961.67
090F	Water Resource Acquisition and Development	8,515,180.83	\$9,027,789.68	\$11,140,179.57	\$11,504,319.72	\$11,983,311.20	\$12,472,919.13	\$12,934,996.13
090G	In-state Project Groundwater Development	7,052,343.07	\$7,535,821.05	\$8,825,996.71	\$9,373,478.27	\$10,002,457.10	\$10,694,560.99	\$11,356,893.23
360C	Electric Power Transmission Facilities	78,324.83	\$2,438,610.73	\$1,887,862.10	\$1,343,429.72	\$0.00	\$0.00	\$0.00
360M	Renewable Energy Project Development	394.39	\$488.17	\$1,772.86	\$82,357.74	\$101,737.05	\$92,533.63	\$93,811.71
070F	Intake No 3	2,543,015.20	\$2,754,816.77					
	All Other	2,265,331.31	\$656,944.63					
	<b>Total</b>	<b>\$ 20,587,768.44</b>	<b>\$22,470,037.42</b>	<b>\$22,052,663.76</b>	<b>\$22,503,152.74</b>	<b>\$22,293,716.14</b>	<b>\$23,353,592.66</b>	<b>\$24,479,662.74</b>
<i>Memo -- Payroll Breakdown</i>								
	<i>In Operating Expenses</i>	\$ 5,613,441.00	\$ 5,005,580.94	\$ 5,222,044.96	\$ 5,428,777.23	\$ 5,689,170.27	\$ 5,941,903.40	\$ 6,218,540.19
	<i>Payroll Originally Paid by Bond Funds</i>	\$ 14,974,327.44	\$ 17,464,456.48	\$ 16,830,618.80	\$ 17,074,375.51	\$ 16,604,545.86	\$ 17,411,689.26	\$ 18,261,122.55

**Southern Nevada Water Authority  
OPERATING CAPITAL AND EXPENSES  
BUDGETED TO NEW EXPANSION DEBT SERVICE SUB FUND  
Fiscal 2014**

<u>Type</u>	<u>Amount</u>
Professional & Technical Services	\$ 4,025,000
Ranch Operating Expenses	2,162,300
LVVWD Administrative Charge	1,304,000
Ranch Capital	910,000
28 Other Line items (average @ \$6,854)	1,906,462
<b>Total Operating Capital And Expenses</b>	<b><u><u>\$ 10,307,762</u></u></b>

## Southern Nevada Water Authority - New Expansion Debt Service Fund

Projected Funding Requirements Capped Connection Fee Revenue

Version 8/9/2013

(in Thousands)

Fiscal Year	2012 Actual	2013 Estimated	2014 Estimated	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Operating Expenses										
Payroll	(4,090)	(4,005)	(5,613)	(5,006)	(5,222)	(5,429)	(5,689)	(5,942)	(6,219)	(6,405)
Operating Capital and Expenses	(7,517)	(10,773)	(10,308)	(10,617)	(10,936)	(11,264)	(11,601)	(11,950)	(12,308)	(12,677)
In-valley Recharge				(3,123)	(3,202)	(3,281)	(3,361)	(3,434)	(3,508)	(3,548)
Operating Expenses	(\$11,607)	(\$14,778)	(\$15,921)	(\$18,746)	(\$19,359)	(\$19,973)	(\$20,652)	(\$21,326)	(\$22,034)	(\$22,630)
Capitalized Labor previously paid from bonds		(14,055)	(14,974)	(17,464)	(16,831)	(17,074)	(16,605)	(17,412)	(18,261)	(18,809)
Total Operating Expenses	(\$11,607)	(\$28,833)	(\$30,896)	(\$36,210)	(\$36,190)	(\$37,048)	(\$37,256)	(\$38,737)	(\$40,296)	(\$41,439)
Total Debt Service	(137,397)	(132,234)	(137,003)	(164,684)	(216,733)	(238,512)	(238,406)	(238,322)	(238,229)	(236,502)
<b>Total Funding Requirement</b>	<b>(\$149,004)</b>	<b>(\$161,067)</b>	<b>(\$167,898)</b>	<b>(\$200,895)</b>	<b>(\$252,923)</b>	<b>(\$275,559)</b>	<b>(\$275,662)</b>	<b>(\$277,059)</b>	<b>(\$278,525)</b>	<b>(\$277,941)</b>
Expected Revenues (Base case)										
Infrastructure Surcharge	\$16,193	\$77,877	\$76,823	\$78,677	\$78,982	\$79,340	\$79,698	\$80,056	\$80,481	\$81,009
Regional Connection Charge	13,791	19,032	16,087	16,087	16,087	16,087	16,087	16,087	16,087	16,087
Regional Commodity Charge	40,666	40,796	40,796	40,853	41,087	41,419	42,136	42,845	43,530	44,207
Reliability Surcharge	4,598	4,654	4,783	4,884	4,912	4,951	5,035	5,118	5,198	5,278
Sales Tax	45,131	45,708	47,993	50,393	52,660	54,767	56,684	58,384	59,844	61,041
Other Revenues	(669)	2,539	1,607	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Boulder City share of common cost		547	577	597	615	633	652	672	692	713
Interest Income	478	78	3,223	6,682	9,313	7,581	5,541	3,506	1,451	
<b>Total Expected Revenue</b>	<b>\$120,188</b>	<b>\$191,230</b>	<b>\$191,889</b>	<b>\$200,472</b>	<b>\$205,955</b>	<b>\$207,077</b>	<b>\$208,132</b>	<b>\$208,968</b>	<b>\$209,583</b>	<b>\$210,635</b>
<b>Total Funding Gap</b>	<b>(\$28,816)</b>	<b>\$30,163</b>	<b>\$23,991</b>	<b>(\$422)</b>	<b>(\$46,967)</b>	<b>(\$68,482)</b>	<b>(\$67,530)</b>	<b>(\$68,091)</b>	<b>(\$68,942)</b>	<b>(\$67,306)</b>
Beginning Fund Balance (Without New Revenues)	\$308,990	\$280,174	\$310,337	\$334,328	\$333,905	\$286,938	\$218,456	\$150,926	\$82,834	\$13,893
Ending Fund Balance (Without New Revenues)	\$280,174	\$310,337	\$334,328	\$333,905	\$286,938	\$218,456	\$150,926	\$82,834	\$13,893	(\$53,414)
New Commodity Charge Revenue			\$2,697	\$8,083	\$14,785	\$22,172	\$25,878	\$26,313	\$26,734	\$27,150
Implicit Add. Reliability Surcharge Revenue			30	90	165	247	289	294	298	303
New Infrastructure Revenue			2,656	8,336	14,830	22,462	26,750	26,984	27,263	27,608
Estimated Price Elasticity			(129)	(393)	(714)	(1,079)	(1,277)	(1,298)	(1,319)	(1,339)
Implicit Add. Interest Earnings			26	269	1,103	2,246	3,768	5,465	7,235	8,478
Ending Fund Balance (With New Revenues)			\$339,609	\$355,572	\$338,774	\$316,340	\$304,217	\$293,884	\$285,152	\$280,045
Difference between baseline connection fee revenues				\$4,388	\$5,449	\$9,023	\$10,405	\$10,088	\$9,213	\$8,926

### Assumptions:

2013 numbers reflect SNWA's unaudited year end estimates as of July 2013. 2014 numbers reflect SNWA's adopted 2014 budget with the exceptions described below.

Payroll and Capitalized Labor previously paid through bond proceeds is based on SNWA's 5-year CIP. The 2021 projections are based on a 3% increase of the 2020 estimate.

In-valley Recharge is based on the estimated Wholesale Delivery Charge as provided by SNWA and purchasing 8,000 acre-feet per year beginning in 2015.

The 2014 Connection Charge revenue reflects the midpoint between budgeted 2014 revenue of \$13.1 million and the unaudited estimated year end 2013 revenues of \$19.0 million.

The 2014 Commodity Charge revenue equals 2013 unaudited estimated year end revenue.

Operating Capital and Expenses increase at 3% per year, beginning in 2015.

Debt service costs are based on existing debt and 3.5% interest cost for the SNWA's commercial paper program.

Regional Connection Charges assume that new connections reflect population growth, with no change in connection fees.

Commodity Charge Revenue is based on SNWA water sales projections through 2017 and then grows at the same rate as population.

Sale Tax revenues are assumed to grow at 5% in 2014 and 2015, and decreases by 0.5% each year to 2% by 2021

Existing Infrastructure Surcharge revenues are based on the 2012 adopted rates, net of fire meter credit using the meter count as of April 2013.

Water Sales (acre-feet) are based on SNWA forecast through 2017 and then grow at same rate as population.

Interest earnings rates are assumed at 1% in 2014, 2% in 2015 and 3% thereafter.

# Southern Nevada Water Authority - New Expansion Debt Service Fund

## Projected Funding Requirements

Version 8/4/2013

(in Thousands)

Fiscal Year	2012 Actual	2013 Estimated	2014 Estimated	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Operating Expenses										
Total Operating Expenses	(\$11,607)	(\$28,833)	(\$32,754)	(\$36,836)	(\$37,918)	(\$39,031)	(\$40,174)	(\$41,340)	(\$42,540)	(\$43,763)
Total Debt Service	(137,397)	(132,234)	(137,003)	(164,684)	(216,733)	(238,512)	(238,406)	(238,322)	(238,229)	(236,502)
<b>Total Funding Requirement</b>	<b>(\$149,004)</b>	<b>(\$161,067)</b>	<b>(\$169,756)</b>	<b>(\$201,521)</b>	<b>(\$254,651)</b>	<b>(\$277,542)</b>	<b>(\$278,581)</b>	<b>(\$279,662)</b>	<b>(\$280,769)</b>	<b>(\$280,264)</b>
Expected Revenues (Base case)										
Infrastructure Surcharge	\$16,193	\$77,877	\$76,823	\$78,677	\$78,982	\$79,340	\$79,698	\$80,056	\$80,481	\$81,009
Regional Connection Charge	13,791	19,032	16,087	20,475	21,536	25,110	26,492	26,175	25,300	25,013
Regional Commodity Charge	40,666	40,796	40,796	40,853	41,087	41,419	42,136	42,845	43,530	44,207
Reliability Surcharge	4,598	4,654	4,783	4,906	4,933	4,972	5,056	5,139	5,220	5,300
Sales Tax	45,131	45,708	47,993	50,393	52,660	54,767	56,684	58,384	59,844	61,041
Other Revenues	(669)	2,539	1,607	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Boulder City share of common cost		547	577	597	615	633	652	672	692	713
Interest Income	478	78	3,214	6,683	9,428	7,864	6,055	4,265	2,453	
<b>Total Expected Revenue</b>	<b>\$120,188</b>	<b>\$191,230</b>	<b>\$191,880</b>	<b>\$204,882</b>	<b>\$211,541</b>	<b>\$216,405</b>	<b>\$219,073</b>	<b>\$219,836</b>	<b>\$219,820</b>	<b>\$219,582</b>
<b>Total Funding Gap</b>	<b>(\$28,816)</b>	<b>\$30,163</b>	<b>\$22,123</b>	<b>\$3,361</b>	<b>(\$43,110)</b>	<b>(\$61,138)</b>	<b>(\$59,508)</b>	<b>(\$59,826)</b>	<b>(\$60,949)</b>	<b>(\$60,682)</b>
Beginning Fund Balance (Without New Revenues)	\$308,990	\$280,174	\$310,337	\$332,460	\$335,822	\$292,712	\$231,575	\$172,067	\$112,241	\$51,291
Ending Fund Balance (Without New Revenues)	\$280,174	\$310,337	\$332,460	\$335,822	\$292,712	\$231,575	\$172,067	\$112,241	\$51,291	(\$9,391)
New Commodity Charge Revenue			\$2,026	\$6,745	\$12,138	\$18,882	\$23,242	\$23,633	\$24,011	\$24,385
Implicit Add. Reliability Surcharge Revenue			23	75	135	211	259	264	268	272
New Infrastructure Revenue			2,300	7,219	12,779	19,179	22,744	22,943	23,180	23,473
Estimated Price Elasticity			(102)	(332)	(596)	(918)	(1,120)	(1,139)	(1,157)	(1,175)
Implicit Add. Interest Earnings			21	225	927	1,896	3,210	4,691	6,235	8,483
<b>Ending Fund Balance (With New Revenues)</b>			<b>\$336,727</b>	<b>\$354,021</b>	<b>\$336,295</b>	<b>\$314,407</b>	<b>\$303,235</b>	<b>\$293,801</b>	<b>\$285,388</b>	<b>\$280,143</b>

### Assumptions:

2013 numbers reflect SNWA's unaudited year end estimates as of July 2013. 2014 numbers mainly reflect SNWA's adopted 2014 budget with exceptions described below.

The 2014 Connection Charge revenue reflects the midpoint between budgeted 2014 revenue of \$13.1 million and the unaudited estimated year end 2013 revenues of \$19.0 million.

The 2014 Commodity Charge revenue equals 2013 unaudited estimated year end revenue.

Projections assume a 3% increase of operating expense. Operating expenses also assume cost for recharge of groundwater basin of 10,000 Acre-Feet from 2015 on.

Debt service costs are based on existing debt and 3.5% interest cost for the Authority's commercial paper program.

Regional Connection Charges assume that new connections reflect population growth, with no change in connection fees.

Commodity Charge Revenue is based on SNWA water sales projections through 2017 and then grows with population.

Sale Tax revenues are assumed to grow at 5% in 2014 and 2015, and decreases by 0.5% to 2% by 2021

Existing Infrastructure Surcharge revenues are based on the 2012 adopted rates, net of fire meter credit using the meter count as of April 2013.

Water Sales (acre-feet) are based on SNWA forecast through 2017 and then grow at same rate as population.

Interest earnings rates are assumed at 1% in 2014, 2% in 2015 and 3% thereafter.

**Southern Nevada Water Authority**  
**CAPITALIZED LABOR BY FUNDING SOURCE**  
**Fiscal 2014 to 2020**

	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Expenses									
Payroll in MCCP	\$ 4,090,276.32	\$ 4,005,470.57	\$ 5,613,441.00	\$ 5,005,580.94	\$ 5,222,044.96	\$ 5,428,777.23	\$ 5,689,170.27	\$ 5,941,903.40	\$ 6,218,540.19 (2)
Operating Capital and Expenses	\$ 7,516,327.64	\$ 10,772,568.47	10,308,000.00	10,617,000.00	10,936,000.00	11,264,000.00	11,601,000.00	11,950,000.00	12,308,000.00
In Valley Recharge				3,123,000.00	3,201,000.00	3,281,000.00	3,361,000.00	3,434,000.00	3,508,000.00
<b>Total Operating Expenses</b>	<b>\$ 11,606,603.96</b>	<b>\$ 14,778,039.04</b>	<b>\$ 15,921,441.00</b>	<b>\$ 18,745,580.94</b>	<b>\$ 19,359,044.96</b>	<b>\$ 19,973,777.23</b>	<b>\$ 20,651,170.27</b>	<b>\$ 21,325,903.40</b>	<b>\$ 22,034,540.19</b>
Labor Formerly Paid by Bond Fund									
Per MCCP Analysis	N/A (3)	\$ 18,060,290.20	\$ 20,587,768.44	\$22,470,037.42	\$22,052,663.76	\$22,503,152.74	\$22,293,716.14	\$23,353,592.66	\$24,479,662.74
Less Labor Already Pd by New Expansion	N/A	\$ 4,005,725.64	5,613,441.00	5,005,580.94	5,222,044.96	5,428,777.23	5,689,170.27	5,941,903.40	6,218,540.19
<b>Total Labor Formerly Paid by Bond Fund</b>	<b>N/A</b>	<b>\$ 14,054,564.56</b>	<b>\$ 14,974,327.44</b>	<b>\$ 17,464,456.48</b>	<b>\$ 16,830,618.80</b>	<b>\$ 17,074,375.51</b>	<b>\$ 16,604,545.86</b>	<b>\$ 17,411,689.26</b>	<b>\$ 18,261,122.55</b>
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 28,832,603.60</b>	<b>\$ 30,895,768.44</b>	<b>\$ 36,210,037.42</b>	<b>\$ 36,189,663.76</b>	<b>\$ 37,048,152.74</b>	<b>\$ 37,255,716.14</b>	<b>\$ 38,737,592.66</b>	<b>\$ 40,295,662.74</b>

(1) Source: 2014 Budget and SNWA Engineering Cash Flow.

(2) Includes payroll for the ranch and conservation divisions as well as an allocated portion of payroll from various divisions that charge a portion of their time to either ranch or conservation. Ratios from the approved fiscal 2014 budget were used to provide this allocation.

(3) The Hobbs Ong model only projects on a go-forward basis and does not include historical MCCP Payroll costs

**Southern Nevada Water Authority  
COMPARISON OF MCCP COSTS TO HOBBS, ONG MODEL**

	<b>Payroll Costs</b>						
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Hobbs, Ong Model --							
Operating Expenses Capital	\$ 5,613,000.00	\$ 5,782,000.00	\$ 5,955,000.00	\$ 6,134,000.00	\$ 6,318,000.00	\$ 6,508,000.00	\$ 6,703,000.00
Capitalized Labor	16,832,000.00	17,337,000.00	17,857,000.00	18,393,000.00	18,945,000.00	19,513,000.00	20,099,000.00
Total Hobbs, Ong Labor	\$ 22,445,000.00	\$ 23,119,000.00	\$ 23,812,000.00	\$ 24,527,000.00	\$ 25,263,000.00	\$ 26,021,000.00	\$ 26,802,000.00
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Annual Difference	\$ 1,857,231.56	\$ 648,962.58	\$ 1,759,336.24	\$ 2,023,847.26	\$ 2,969,283.86	\$ 2,667,407.34	\$ 2,322,337.26

**Southern Nevada Water Authority**  
**PAYROLL PAID BY NEW EXPANSION DEBT SERVICE FUND - BY PROJECT**

Project	Project Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
090B	Virgin & Muddy Rivers Water Resource Acquisition	\$ -	\$ -	\$ 133,178.80	\$ 55,566.39	\$ 196,852.52	\$ 199,567.29	\$ 206,210.78	\$ 93,578.90	\$ 93,961.67
090F	Water Resource Acquisition & Development	4,090,276.32	6,221,104.91	8,515,180.83	\$ 9,027,789.68	\$ 11,140,179.57	\$ 11,504,319.72	\$ 11,983,311.20	\$ 12,472,919.13	\$ 12,934,996.13
090G	In-state Project Groundwater Development		6,486,555.61	7,052,343.07	\$ 7,535,821.05	\$ 8,825,996.71	\$ 9,373,478.27	\$ 10,002,457.10	\$ 10,694,560.99	\$ 11,356,893.23
360C	Electric Power Transmission Facilities			78,324.83	\$ 2,438,610.73	\$ 1,887,862.10	\$ 1,343,429.72	\$ 0.00	\$ 0.00	\$ 0.00
360M	Renewable Energy Project Development			394.39	\$ 488.17	\$ 1,772.86	\$ 82,357.74	\$ 101,737.05	\$ 92,533.63	\$ 93,811.71
070F	Intake No 3		2,631,521.12	2,543,015.20	\$ 2,754,816.77					
	All Other		2,721,108.56	2,265,331.31	\$ 656,944.63					
	<b>Total</b>	<b>\$ 4,090,276.32</b>	<b>\$ 18,060,290.20</b>	<b>\$ 20,587,768.44</b>	<b>\$ 22,470,037.42</b>	<b>\$ 22,052,663.76</b>	<b>\$ 22,503,152.74</b>	<b>\$ 22,293,716.14</b>	<b>\$ 23,353,592.66</b>	<b>\$ 24,479,662.74</b>
	<i>Memo -- Payroll Breakdown</i>									
	<i>In Operating Expenses</i>	\$ 4,090,276.32	\$ 4,005,470.57	\$ 5,613,441.00	\$ 5,005,580.94	\$ 5,222,044.96	\$ 5,428,777.23	\$ 5,689,170.27	\$ 5,941,903.40	\$ 6,218,540.19
	<i>Payroll Originally Paid by Bond Funds</i>		\$ 14,054,564.56	\$ 14,974,327.44	\$ 17,464,456.48	\$ 16,830,618.80	\$ 17,074,375.51	\$ 16,604,545.86	\$ 17,411,689.26	\$ 18,261,122.55

*Before implementation of the Infrastructure Charge in July 2012, the New Expansion Debt Service fund only funded projects within 090F - Water Resource Acquisition and Development. After its implementation, at the direction of the SNWA Board, NEDS funded all capitalized labor costs, less SNWA Engineering.*

**Southern Nevada Water Authority  
OPERATING CAPITAL AND EXPENSES  
BUDGETED TO NEW EXPANSION DEBT SERVICE SUB FUND**

<u>Type</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Professional & Technical Services	\$ 2,316,109	\$ 4,547,303	\$ 4,025,000
Ranch Operating Expenses	3,770,588	3,588,070	2,162,300
LVVWD Administrative Charge*	726,299	1,349,477	1,304,000
Ranch Capital	264,709	612,659	910,000
28 Other Line items (average @ \$6,854)	439,376	675,470	1,906,462
<b>Total Operating Capital And Expenses</b>	<b><u>\$ 7,517,081</u></b>	<b><u>\$ 10,772,980</u></b>	<b><u>\$ 10,307,762</u></b>

*\*For FY2013, the LVVWD Administrative fee was updated to more accurately reflect actual costs.*

## Southern Nevada Water Authority - New Expansion Debt Service Fund

### Projected Funding Requirements

Version 8/20/2013

(in Thousands)

Fiscal Year	2012 Actual	2013 Estimated	2014 Estimated	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Operating Expenses										
Payroll	(4,090)	(4,005)	(5,613)	(5,006)	(5,222)	(5,429)	(5,689)	(5,942)	(6,219)	(6,405)
Operating Capital and Expenses	(7,516)	(10,773)	(10,308)	(10,617)	(10,936)	(11,264)	(11,601)	(11,950)	(12,308)	(12,677)
In-valley Recharge				(3,123)	(3,202)	(3,281)	(3,361)	(3,434)	(3,508)	(3,548)
Operating Expenses	(\$11,607)	(\$14,778)	(\$15,921)	(\$18,746)	(\$19,360)	(\$19,974)	(\$20,651)	(\$21,326)	(\$22,034)	(\$22,630)
Capitalized Labor previously paid from bonds		(14,055)	(14,974)	(16,464)	(14,831)	(15,074)	(14,605)	(15,412)	(16,261)	(16,749)
Total Operating Expenses	(\$11,607)	(\$28,833)	(\$30,896)	(\$35,210)	(\$34,190)	(\$35,048)	(\$35,256)	(\$36,738)	(\$38,296)	(\$39,379)
Total Debt Service	(137,397)	(132,234)	(137,003)	(164,684)	(216,733)	(238,512)	(238,406)	(238,322)	(238,229)	(236,502)
<b>Total Funding Requirement</b>	<b>(\$149,004)</b>	<b>(\$161,067)</b>	<b>(\$167,899)</b>	<b>(\$199,895)</b>	<b>(\$250,923)</b>	<b>(\$273,560)</b>	<b>(\$273,662)</b>	<b>(\$275,060)</b>	<b>(\$276,525)</b>	<b>(\$275,881)</b>
Expected Revenues (Base case)										
Infrastructure Surcharge	\$16,193	\$77,877	\$76,823	\$78,677	\$78,982	\$79,340	\$79,698	\$80,056	\$80,481	\$81,009
Regional Connection Charge	13,791	19,032	16,087	20,475	21,536	25,110	26,492	26,175	25,300	25,013
Regional Commodity Charge	40,666	40,796	40,796	40,853	41,087	41,419	42,136	42,845	43,530	44,207
Reliability Surcharge	4,598	4,654	4,783	4,884	4,912	4,951	5,035	5,118	5,198	5,278
Sales Tax	45,131	45,708	47,993	50,393	52,660	54,767	56,684	58,384	59,844	61,041
Other Revenues	(669)	2,539	1,607	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Boulder City share of common cost		547	577	597	615	633	652	672	692	713
Interest Income	478	78	3,223	6,737	9,592	8,150	6,484	4,851	3,192	1,530
<b>Total Expected Revenue</b>	<b>\$120,188</b>	<b>\$191,230</b>	<b>\$191,889</b>	<b>\$204,914</b>	<b>\$211,684</b>	<b>\$216,669</b>	<b>\$219,481</b>	<b>\$220,401</b>	<b>\$220,537</b>	<b>\$221,091</b>
<b>Total Funding Gap</b>	<b>(\$28,816)</b>	<b>\$30,164</b>	<b>\$23,991</b>	<b>\$5,020</b>	<b>(\$39,239)</b>	<b>(\$56,891)</b>	<b>(\$54,181)</b>	<b>(\$54,659)</b>	<b>(\$55,988)</b>	<b>(\$54,790)</b>
Beginning Fund Balance (Without New Revenues)	\$308,990	\$280,174	\$310,338	\$334,328	\$339,348	\$300,109	\$243,218	\$189,037	\$134,378	\$78,390
Ending Fund Balance (Without New Revenues)	\$280,174	\$310,338	\$334,328	\$339,348	\$300,109	\$243,218	\$189,037	\$134,378	\$78,390	\$23,600
New Commodity Charge Revenue			\$2,026	\$6,078	\$10,806	\$16,904	\$20,573	\$20,919	\$21,254	\$21,585
Implicit Add. Reliability Surcharge Revenue			23	68	121	189	230	233	237	241
New Infrastructure Revenue			2,100	6,540	11,493	17,070	20,125	20,301	20,511	20,770
Estimated Price Elasticity			(98)	(300)	(532)	(819)	(989)	(1,006)	(1,022)	(1,038)
Implicit Add. Interest Earnings			20	207	841	1,707	2,875	4,187	5,555	6,981
Ending Fund Balance (With New Revenues)			\$338,399	\$356,012	\$339,500	\$317,660	\$306,293	\$296,269	\$286,815	\$280,563

### Assumptions:

2013 numbers reflect SNWA's unaudited year end estimates as of July 2013. 2014 numbers reflect SNWA's adopted 2014 budget with the exceptions described below.

Payroll and Capitalized Labor previously paid through bond proceeds is based on SNWA's 5-year CIP with adjusted administrative charges. The 2021 projections are based on a 3% increase of the 2020 estimate.

In-valley Recharge is based on the estimated Wholesale Delivery Charge as provided by SNWA and purchasing 8,000 acre-feet per year beginning in 2015.

The 2014 Connection Charge revenue reflects the midpoint between budgeted 2014 revenue of \$13.1 million and the unaudited estimated year end 2013 revenues of \$19.0 million.

The 2014 Commodity Charge revenue equals 2013 unaudited estimated year end revenue.

Operating Capital and Expenses increase at 3% per year, beginning in 2015.

Debt service costs are based on existing debt and 3.5% interest cost for the SNWA's commercial paper program.

Regional Connection Charges assume that new connections reflect population growth, with no change in connection fees.

Commodity Charge Revenue is based on SNWA water sales projections through 2017 and then grows at the same rate as population.

Sale Tax revenues are assumed to grow at 5% in 2014 and 2015, and decreases by 0.5% each year to 2% by 2021

Existing Infrastructure Surcharge revenues are based on the 2012 adopted rates, net of fire meter credit using the meter count as of April 2013.

Water Sales (acre-feet) are based on SNWA forecast through 2017 and then grow at same rate as population.

Interest earnings rates are assumed at 1% in 2014, 2% in 2015 and 3% thereafter.

## Southern Nevada Water Authority - New Expansion Debt Service Fund

Projected Funding Requirements Capped Connection Fee Revenue

Version 8/20/2013

(in Thousands)

Fiscal Year	2012 Actual	2013 Estimated	2014 Estimated	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Operating Expenses										
Payroll	(4,090)	(4,005)	(5,613)	(5,006)	(5,222)	(5,429)	(5,689)	(5,942)	(6,219)	(6,405)
Operating Capital and Expenses	(7,516)	(10,773)	(10,308)	(10,617)	(10,936)	(11,264)	(11,601)	(11,950)	(12,308)	(12,677)
In-valley Recharge				(3,123)	(3,202)	(3,281)	(3,361)	(3,434)	(3,508)	(3,548)
Operating Expenses	(\$11,607)	(\$14,778)	(\$15,921)	(\$18,746)	(\$19,360)	(\$19,974)	(\$20,651)	(\$21,326)	(\$22,034)	(\$22,630)
Capitalized Labor previously paid from bonds		(14,055)	(14,974)	(16,464)	(14,831)	(15,074)	(14,605)	(15,412)	(16,261)	(16,749)
Total Operating Expenses	(\$11,607)	(\$28,833)	(\$30,896)	(\$35,210)	(\$34,190)	(\$35,048)	(\$35,256)	(\$36,738)	(\$38,296)	(\$39,379)
Total Debt Service	(137,397)	(132,234)	(137,003)	(164,684)	(216,733)	(238,512)	(238,406)	(238,322)	(238,229)	(236,502)
<b>Total Funding Requirement</b>	<b>(\$149,004)</b>	<b>(\$161,067)</b>	<b>(\$167,899)</b>	<b>(\$199,895)</b>	<b>(\$250,923)</b>	<b>(\$273,560)</b>	<b>(\$273,662)</b>	<b>(\$275,060)</b>	<b>(\$276,525)</b>	<b>(\$275,881)</b>
Expected Revenues (Base case)										
Infrastructure Surcharge	\$16,193	\$77,877	\$76,823	\$78,677	\$78,982	\$79,340	\$79,698	\$80,056	\$80,481	\$81,009
Regional Connection Charge	13,791	19,032	16,087	16,087	16,087	16,087	16,087	16,087	16,087	16,087
Regional Commodity Charge	40,666	40,796	40,796	40,853	41,087	41,419	42,136	42,845	43,530	44,207
Reliability Surcharge	4,598	4,654	4,783	4,884	4,912	4,951	5,035	5,118	5,198	5,278
Sales Tax	45,131	45,708	47,993	50,393	52,660	54,767	56,684	58,384	59,844	61,041
Other Revenues	(669)	2,539	1,607	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Boulder City share of common cost		547	577	597	615	633	652	672	692	713
Interest Income	478	78	3,223	6,692	9,374	7,705	5,729	3,762	1,775	
<b>Total Expected Revenue</b>	<b>\$120,188</b>	<b>\$191,230</b>	<b>\$191,889</b>	<b>\$200,482</b>	<b>\$206,017</b>	<b>\$207,201</b>	<b>\$208,321</b>	<b>\$209,223</b>	<b>\$209,907</b>	<b>\$210,635</b>
<b>Total Funding Gap</b>	<b>(\$28,816)</b>	<b>\$30,164</b>	<b>\$23,991</b>	<b>\$588</b>	<b>(\$44,907)</b>	<b>(\$66,359)</b>	<b>(\$65,341)</b>	<b>(\$65,837)</b>	<b>(\$66,618)</b>	<b>(\$65,246)</b>
Beginning Fund Balance (Without New Revenues)	\$308,990	\$280,174	\$310,338	\$334,328	\$334,916	\$290,010	\$223,651	\$158,310	\$92,473	\$25,856
Ending Fund Balance (Without New Revenues)	\$280,174	\$310,338	\$334,328	\$334,916	\$290,010	\$223,651	\$158,310	\$92,473	\$25,856	(\$39,391)
New Commodity Charge Revenue			\$2,698	\$8,084	\$14,789	\$21,525	\$24,555	\$24,968	\$25,367	\$25,762
Implicit Add. Reliability Surcharge Revenue			30	90	165	240	274	279	283	287
New Infrastructure Revenue			2,536	7,976	14,227	21,449	25,442	25,665	25,929	26,258
Estimated Price Elasticity			(126)	(386)	(702)	(1,041)	(1,211)	(1,232)	(1,251)	(1,271)
Implicit Add. Interest Earnings			26	264	1,079	2,188	3,644	5,259	6,942	8,491
Ending Fund Balance (With New Revenues)			\$339,492	\$356,108	\$340,760	\$318,763	\$306,125	\$295,227	\$285,879	\$280,159
Difference between baseline connection fee revenues				\$4,388	\$5,449	\$9,023	\$10,405	\$10,088	\$9,213	\$8,926

### Assumptions:

2013 numbers reflect SNWA's unaudited year end estimates as of July 2013. 2014 numbers reflect SNWA's adopted 2014 budget with the exceptions described below.

Payroll and Capitalized Labor previously paid through bond proceeds is based on SNWA's 5-year CIP with adjusted administrative charges. The 2021 projections are based on a 3% increase of the 2020 estimate.

In-valley Recharge is based on the estimated Wholesale Delivery Charge as provided by SNWA and purchasing 8,000 acre-feet per year beginning in 2015.

The 2014 Connection Charge revenue reflects the midpoint between budgeted 2014 revenue of \$13.1 million and the unaudited estimated year end 2013 revenues of \$19.0 million.

The 2014 Commodity Charge revenue equals 2013 unaudited estimated year end revenue.

Operating Capital and Expenses increase at 3% per year, beginning in 2015.

Debt service costs are based on existing debt and 3.5% interest cost for the SNWA's commercial paper program.

Regional Connection Charges are capped at \$16.1 million reflecting proposed IRPAC recommendation.

Commodity Charge Revenue is based on SNWA water sales projections through 2017 and then grows at the same rate as population.

Sale Tax revenues are assumed to grow at 5% in 2014 and 2015, and decreases by 0.5% each year to 2% by 2021

Existing Infrastructure Surcharge revenues are based on the 2012 adopted rates, net of fire meter credit using the meter count as of April 2013.

Water Sales (acre-feet) are based on SNWA forecast through 2017 and then grow at same rate as population.

Interest earnings rates are assumed at 1% in 2014, 2% in 2015 and 3% thereafter.