



SOUTHERN NEVADA
WATER AUTHORITY

AGENDA

SOUTHERN NEVADA WATER AUTHORITY BOARD OF DIRECTORS

REGULAR MEETING
9:00 A.M. – MAY 17, 2012

BOARD CHAMBERS, SOUTHERN NEVADA WATER AUTHORITY
100 CITY PARKWAY, SEVENTH FLOOR, LAS VEGAS, NEVADA
(702) 258-3100

Board of Directors

Shari Buck, Chair
Mary Beth Scow, Vice Chair
Sam Bateman
Bob Coffin
Tom Collins
Duncan McCoy
Steve Sisolak

Patricia Mulroy,
General Manager

A sign language interpreter or TDD may be made available with 48-hour advance request; phone (702) 258-3939, TDD (702) 385-7486, or Relay Nevada toll-free (800) 326-6868 TT/TDD.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED IN THE FOLLOWING LOCATIONS:

City of Boulder City, City Hall
401 California Street
Boulder City, Nevada

City of Henderson, City Hall
240 Water Street
Henderson, Nevada

City of North Las Vegas, City Hall
2250 Las Vegas Boulevard North
North Las Vegas, Nevada

City of Las Vegas, City Hall
495 South Main Street
Las Vegas, Nevada

Clark County Government Center
500 S. Grand Central Parkway
Las Vegas, Nevada

Clark County Water Reclamation District
5857 E. Flamingo Road
Las Vegas, Nevada

Southern Nevada Water Authority
100 City Parkway, Suite 700
Las Vegas, Nevada

Las Vegas Valley Water District
1001 S. Valley View Boulevard
Las Vegas, Nevada

All items on the agenda are for action by the Board of Directors, unless otherwise indicated. Items may be taken out of order. The board may combine two or more agenda items for consideration, and the board may remove an item from the agenda or delay discussions relating to an agenda item at any time.

CALL TO ORDER

COMMENTS BY THE GENERAL PUBLIC

NO ACTION MAY BE TAKEN: This is a period devoted to comments by the general public pertaining to items on this agenda. If you wish to speak to the Board about items within its jurisdiction, but not appearing on this agenda, you must wait until the "Comments by the General Public" period listed at the end of this agenda. Please limit your comments to three minutes or less. No action may be taken upon a matter not listed on the posted agenda.

ITEM NO.

1. *For Possible Action:* Approve agenda with the inclusion of tabled and/or reconsidered items, emergency items and/or deletion of items, and approve the minutes of the regular meeting of April 15, 2012, and the special meetings of March 15, 2012, and April 15, 2012.
2. *For Possible Action:* Receive a presentation from the SNWA Youth Advisory Council and direct staff accordingly.
3. *For Possible Action:* Conduct a Public Hearing on the Tentative Budget for the Southern Nevada Water Authority and subsequently adopt a Final Budget for fiscal year 2012/2013.
4. *For Possible Action:* Adopt the 2012 Revenue Refunding Bond Resolution, authorizing the issuance of the SNWA Revenue Refunding Bonds, Series 2012, and delegating to the Treasurer of the Authority the ability to fix certain terms and conditions of the sale.
5. *For Possible Action:* Approve a two-year lease agreement between Faiss Foley Warren and the Authority for 3,000 square feet of office space in the Molasky Corporate Center, with an option to extend the lease for additional two-year terms.

6. *For Possible Action:* Approve Change Order No. 7 to Contract No. 070F 02 C2, Intake No. 3 – Connector Tunnel, and extend the final completion date by 219 calendar days.

BUSINESS AGENDA

7. *For Possible Action:* Approve and authorize the General Manager to sign a Programmatic Agreement, in substantially the same form, among the Department of the Interior, Bureau of Land Management, the Nevada State Historic Preservation Officer, the Advisory Council on Historic Preservation, and the Authority regarding National Historic Preservation Act Section 106 Compliance for the Groundwater Development Project in Clark, Lincoln, and White Pine Counties, Nevada.
8. *For Possible Action:* Make appointments to the Citizens Advisory Committee for integrated resource planning in Southern Nevada.
9. *For Possible Action:* Approve and authorize the General Manager to sign an agreement, in substantially the same form, between CDM Smith, Inc., and the Authority for facilitation services.
10. *For Information Only:* Receive an update from staff on water resources including, but not limited to, drought conditions in the Colorado River Basin, the results of the implementation of the Authority's Water Resource and Conservation Plans, activities on the Colorado River, and on the development of in-state water resources.

COMMENTS BY THE GENERAL PUBLIC

NO ACTION MAY BE TAKEN: At this time, the Board of Directors will hear general comments from the public on matters under the jurisdiction of the Southern Nevada Water Authority. Please limit your comments to three minutes or less. No action may be taken upon a matter not listed on the posted agenda.

Visit our website at <http://www.snwa.com/apps/agenda/snwa/index.cfm>
for Southern Nevada Water Authority Agenda Postings and Approved Minutes

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
APRIL 19, 2012
MINUTES**

CALL TO ORDER 9:10 a.m., SNWA Board Chambers, Southern Nevada Water Authority
100 City Parkway, Seventh Floor, Las Vegas, Nevada

BOARD MEMBERS PRESENT Shari Buck, Chair
Mary Beth Scow, Vice Chair
Sam Bateman (Present for items 5-7)
Bob Coffin
Tom Collins
Duncan McCoy
Steve Sisolak

BOARD MEMBERS ABSENT None

STAFF PRESENT Pat Mulroy, John Entsminger, Brian Chally, Rick Holmes, Phil Speight,
Thomas Borland, Marc Jensen, Julie Wilcox

OTHERS PRESENT Guy Hobbs

Unless otherwise indicated, all members present voted in the affirmative.

Item number 5 was considered out of order.

COMMENTS BY THE GENERAL PUBLIC

None

1. Approval of Agenda & Minutes

FINAL ACTION: A motion was made by Director Sisolak to approve the agenda for this meeting and the minutes of the regular meeting of March 15, 2012. The motion was approved.

2. Award Bid No. 2204-12, Medium Voltage Air-Cooled Variable Frequency Drive, to Grove Madsen Industries with the option to purchase one additional variable frequency drive unit contingent on approved budget appropriations or take other action as appropriate.

Director Sisolak asked if the vendor was guaranteeing the price of the additional unit for the following year. Thomas Borland stated that the additional unit will be repriced if or when the Authority makes the purchase in the following year.

FINAL ACTION: A motion was made by Director Sisolak to follow staff's recommendation. The motion was approved.

3. Authorize the General Manager to negotiate and approve an agreement, in substantially the same form, with Hobbs, Ong & Associates, Inc., and Public Financial Management, Inc., for independent financial advisory services.

Director Sisolak asked if participation in the upcoming resource planning process was included within the agreement for financial advisory services. Pat Mulroy indicated that it was included; the agreement covers any services not bond-related.

FINAL ACTION: A motion was made by Director Sisolak to follow staff's recommendation. The motion was approved.

4. Receive a staff report on the Request for Qualifications for Bond Counsel and Disclosure Counsel, make a selection for bond counsel, and, if it desires, appoint disclosure counsel.

Pat Mulroy reported that it is staff's recommendation to retain Swendseid & Stern as Bond Counsel and appoint Greenberg Traurig LLP as Disclosure Counsel. She reported that the Las Vegas Valley Water District's (LVVWD) Board of Directors also appointed the same firms for Bond Counsel and Disclosure Counsel. Given unstable economic conditions, Ms. Mulroy indicated that it would be in the Authority's best interest to retain separate firms for bond and disclosure counsel, but those firms be the same firms who represent the LVVWD as bond and disclosure counsel.

FINAL ACTION: A motion was made by Director Sisolak to select Swendseid & Stern as Bond Counsel and Greenberg Traurig LLP as Disclosure Counsel. The motion was approved.

6. Approve the Interlocal Agreement between the City of Boulder City and the Authority regarding Boulder City's share of capital costs.

Director Coffin asked Ms. Mulroy to provide the history of cost sharing for capital costs between the Authority and the City of Boulder City. Ms. Mulroy reported that the Authority's initial capital plan was driven by growth. Because the City of Boulder City had no plans for any immediate short or long-term growth, and because the facilities that were brought online did not benefit the city in terms of reliability or supplies, the City of Boulder City opted out of sharing the costs and chose to only buy into facilities as unanticipated conditions dictated a need. With the onset of the drought, Boulder City and the Authority entered into an agreement to pay for pieces of the system that provide a benefit to the city such as the second intake and laterals that provided drought protection.

FINAL ACTION: A motion was made by Director McCoy to follow staff's recommendation. The motion was approved.

5. Adopt a resolution requesting the Clark County Board of Commissioners to take the necessary steps toward the issuance of bonds in the approximate principal amount of \$90,000,000 to refinance certain outstanding bonds for the Authority.

Director Coffin asked for the interest rate on the bonds. Guy Hobbs responded that when current interest rates allow the Authority to refinance the debt for a savings, bond counsel moves forward with a refunding. Mr. Hobbs indicated that the present value of savings for this refunding is nearly \$8.5 million. Mr. Hobbs estimates the interest rate to be better than 5 percent.

FINAL ACTION: A motion was made by Vice Chair Scow to follow staff's recommendation. The motion was approved.

7. Discuss and authorize the establishment of a stakeholder process regarding integrated resource planning, and direct staff to initiate related resource planning process activities.

Director Sisolak asked if there were any concerns that members of the advisory committee would be representing organizations/agencies of varying sizes. Pat Mulroy replied that she had no concerns, as the Authority's board makeup does not give preferential treatment to members who represent larger constituent bases. Vice Chair Scow asked if the committee makeup was similar to the makeup of previous Authority stakeholder processes, to which Ms. Mulroy responded in the affirmative. The committee's broad makeup allows for individuals to fit into different sectors, as Director Collins noted. Director Collins asked if the areas of the Las Vegas Valley, such as Moapa, would be included in the process, Ms. Mulroy clarified that the process is intended for only those within the SNWA service area.

Director Coffin asked more questions about the make-up of the proposed 21-member stakeholder committee, including how the sectors were chosen and if 21 members was enough for a successful committee. Ms. Mulroy indicated that a 21-member committee has worked well for the SNWA in past processes. Responding to ongoing debate about the number of committee members of represented sectors, she went on to suggest that the Board amend the motion to allow flexibility in the number of committee members if the Board felt the committee needed additional representation from another sector.

Director Coffin asked if the committee was subject to any rules. Ms. Mulroy responded that they are subject to strict rules, which are defined and outlined by the facilitator during the first meeting. He also asked if board members were allowed to place items on the committee's agenda. Ms. Mulroy indicated that advisory committee meetings are not a discussion forum; instead, the committee's agenda is subject-driven. She confirmed that the Board would be able to include a subject or topic in the committee's education if a board member found there was a subject they felt was worth the committee's attention, but it is unlikely that a board member will have the ability to add a specific agenda item as it is not the intention of the stakeholder process.

Director Sisolak noted the significant commitment required by the members. He asked if it would be possible for a committee member to select an alternate in the event they were not able to attend a meeting. Ms. Mulroy indicated that the alternate would have to attend every meeting, as each meeting builds upon the education received at the previous meeting and all the education received will lend itself to developing recommendations. For this reason, it will be unlikely that alternates will be used.

Julie Wilcox, director of SNWA Public Services, noted that a number of issues including ground rules, meeting dates and committee activities are issues that will be handled by the external facilitator to ensure the process is progressing as it is intended. Following the Board's selection of the facilitator and committee, the facilitator will meet individually with each committee member to receive input on subject matter, and outline responsibilities and time commitment prior to any kickoff meeting.

Director Collins stated that there will always be sectors of the community that will not be represented on a 21-member advisory committee, but noted it is the Board's responsibility to recommend individuals to fill committee slots that could double as a representative of another category, such as selecting a small contractor that might also be a member of the Asian community.

Before asking for a motion, Chair Buck asked if there were any members of the public wishing to speak on the proposed stakeholder planning process. There were no members of the public wishing to speak.

FINAL ACTION: A motion was made by Director Collins to follow staff's recommendation and authorize the establishment of a stakeholder process, but allow for Board discretion to add additional advisory committee members as needed. The motion was approved.

8. Receive an update from staff on water resources including, but not limited to, drought conditions in the Colorado River Basin, the results of the implementation of the Authority's Water Resource and Conservation Plans, activities on the Colorado River, and on the development of in-state water resources.

John Entsminger, Senior Deputy General Manager, provided the Board with an update. A copy of his presentation is included with these minutes. Director Coffin asked if there was a website available to view the snowpack monitoring information. Mr. Entsminger replied that the Natural Resource Conservation Services (NRCS) collects and manages this data and the information is provided on their website.

Director Bateman asked how a year of decreased inflows affects the Colorado River Basin users. Ms. Mulroy responded that years of low flows is a cause of concern for the Basin States, especially as Lake Mead water levels approach shortage levels.

Marc Jensen provided an update on the construction of the third intake. A copy of his presentation is included with these minutes.

Director Sisolak noted a concrete truck with California plates featured in Mr. Jensen's video and asked staff to confirm the use of local labor on the intake project.

NO ACTION REQUIRED

Public Comment

None

Adjournment

There being no further business to come before the board, the meeting adjourned at 10:18 a.m.

APPROVED:

Shari Buck, Chair

Patricia Mulroy, General Manager

Copies of all original agenda items and minutes, including all attachments, are on file in the General Manager's office at the Las Vegas Valley Water District, 1001 South Valley View Boulevard, Las Vegas, Nevada.

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
SPECIAL MEETING: BUDGET WORKSHOP
APRIL 19, 2012
MINUTES**

CALL TO ORDER 10:25 a.m., Grand Canyon Conference Rooms, Southern Nevada Water Authority, 100 City Parkway, Seventh Floor, Las Vegas, Nevada

BOARD MEMBERS PRESENT Shari Buck, Chair
Mary Beth Scow, Vice Chair
Sam Bateman
Bob Coffin
Tom Collins
Duncan McCoy
Steve Sisolak

BOARD MEMBERS ABSENT None

STAFF PRESENT Pat Mulroy, John Entsminger, Brian Chally, Rick Holmes, Phil Speight, Bill Fox, Zane Marshall

OTHERS PRESENT None

Unless otherwise indicated, all members present voted in the affirmative.

COMMENTS BY THE GENERAL PUBLIC

None

1. Approval of Agenda

FINAL ACTION: A motion was made by Director Sisolak to approve the agenda for this meeting. The motion was approved.

2. Receive an overview on and discuss the Fiscal Year 2012/2013 Tentative Budget.

Pat Mulroy gave a presentation on the Southern Nevada Water Authority's Fiscal Year 2012/2013 Tentative Budget. A copy of the presentation is included with these minutes.

Director Collins asked if the Las Vegas Valley's groundwater basin has experienced any impacts from the lack of artificial recharge. Ms. Mulroy reported that there have been no impacts reported to date, as the SNWA has made an effort to recharge responsibly throughout the valley. She noted that sufficient recharge exists to benefit local groundwater users.

Ms. Mulroy reported that lower than expected debt costs on the Silverhawk Generating Station and refinancing on old Southern Nevada Water System debt allowed the Authority to not seek an increase in the Wholesale Delivery Charge.

Ms. Mulroy reminded the Board of a goal discussed during the rate setting process was to maintain a \$280 million reserve and noted some discussion over whether or not to have a Rate Stabilization Fund. She suggested having the newly-formed integrated resource planning advisory committee evaluate and discuss Rate Stabilization Fund during their meetings. Director Sisolak asked if it was Hobbs Ong's recommendation to have a Rate Stabilization Fund; Ms. Mulroy recalled that their recommendation was to have the committee evaluate the possibility of establishing such fund. Director Coffin verbalized his concern that the community should not raise water rates in an effort to establish a fund.

A portion of the presentation discussed activities at the SNWA's northern resources properties. Director Coffin asked if the SNWA has deferred any costs (operating, maintenance, etc) related to the operation of these properties. Ms. Mulroy replied that the SNWA is saving money through other means including the use of more efficient technologies and utilizing the homes on the properties to lodge staff working at the properties rather than paying for hotel rooms.

**MINUTES – SOUTHERN NEVADA WATER AUTHORITY
SPECIAL MEETING: BUDGET WORKSHOP – APRIL 19, 2012 – PAGE TWO**

Director Sisolak asked what was being done with the \$260,000 net profit from the ranch properties. Ms. Mulroy responded that amount is put into the reserves of the New Expansion Debt Service. Director Sisolak recommended segregating that amount to eventually pay off the Huntsman note. Ms. Mulroy indicated that the SNWA will ensure this amount is accounted for separately and used to fund ranch-related debt.

Director Collins complimented the SNWA's ranch operation and noted the challenges associated with operating not-for-profit ranch properties in a way that provides value to the surrounding community and ratepayers. Zane Marshall provided an overview on recent hay operations including evaluating new opportunities for revenue, such as different grades of hay for sale and use on the properties. He outlined current ranch priorities which include streamlining operations to reduce costs and losses and identify new revenue streams to increase net income.

NO ACTION REQUIRED

COMMENTS BY THE GENERAL PUBLIC

None

APPROVED:

Shari Buck, Chair

Patricia Mulroy, General Manager

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**SOUTHERN NEVADA WATER AUTHORITY
COMMITTEE OF THE WHOLE
SPECIAL MEETING
MARCH 15, 2012
MINUTES**

CALL TO ORDER 9:17 a.m., Colorado River Conference Room 2, Southern Nevada Water Authority, 100 City Parkway, Seventh Floor, Las Vegas, Nevada

BOARD MEMBERS PRESENT Shari Buck, Chair
Mary Beth Scow, Vice Chair
Sam Bateman
Bob Coffin
Tom Collins
Duncan McCoy
Steve Sisolak

BOARD MEMBERS ABSENT None

STAFF PRESENT Pat Mulroy, John Entsminger, Brian Chally, Rick Holmes, Phil Speight, Pat Maxwell

OTHERS PRESENT None

Unless otherwise indicated, all members present voted in the affirmative.

COMMENTS BY THE GENERAL PUBLIC

None

1. Approval of Agenda

FINAL ACTION: A motion was made by Director McCoy to approve the agenda for this meeting. The motion was approved.

2. Receive a presentation on the General Manager's performance, evaluate future goals or take other action deemed appropriate.

Pat Mulroy gave a presentation on SNWA history and milestones. Throughout the presentation, the board held brief discussions on SNWA-related topics including funding models, conservation and administrative efficiencies. Following her presentation, the Board provided comments on Ms. Mulroy's activities as general manager.

NO ACTION REQUIRED

COMMENTS BY THE GENERAL PUBLIC

None

APPROVED:

Shari Buck, Chair

Patricia Mulroy, General Manager

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SOUTHERN NEVADA WATER AUTHORITY

Integrated Resource Planning Process

John Entsminger
Senior Deputy General Manager

April 19, 2012

Background

Since its formation in 1991, the Southern Nevada Water Authority (SNWA) has actively engaged the public in its decision making processes through integrated resource planning.



IWPAC, 2004

Integrated Resource Planning

Integrated resource planning processes is a comprehensive form of planning that helps tie all of the individual elements of water resources planning together.

Successful integrated resource planning includes:

- Equal consideration to demand management and new supply development
- Consideration of risk and reliability
- Extensive public participation
- Consideration of environmental impacts, financing and cost-effectiveness

Integrated Resource Planning

Key components to Integrated Resource Planning:

- Clear goals and policy objectives adopted by utility management
- A defined planning horizon
- An interdisciplinary process: consideration not just engineering details but also a range of key policy objectives
- Equal consideration of supply and demand-side options
- Facility needs, costs and construction timelines
- Consideration of supply reliability
- Finance consideration and rate modeling
- An open process with extensive public participation

Integrated Resource Planning

The SNWA has a long track record of public engagement - it is the concrete and tangible results of these efforts that are the true measure of its success.

The SNWA's commitment extends beyond the duration of the committee, as evidenced by the continued influence of past recommendations on SNWA actions today.

Integrated Resource Planning Processes

The SNWA often utilizes citizen advisory committees to influence policy decisions and program directives:

- Integrated Resource Plan Advisory Committee (1994-96)
- Advisory Committee for Groundwater Management (1997-present)
- Water Quality Citizens Advisory Committee (1997-98)
- Las Vegas Wash Coordination Committee (1998-present)
- Drought Citizens Advisory Committee (2003)
- Integrated Water Planning Advisory Committee (2004-05)



IRPAC

The IRPAC process was launched in 1994 to assist the SNWA in developing an Integrated Resource Plan for regional water resources.

Based on IRPAC recommendations, the SNWA:

- Developed a water resource plan to project future demands and resources available to meet those demands over time.
- Implemented a water facilities program that is phased and expandable to respond to future uncertainties.
- Expanded treatment and transmission capacity and constructed a new treatment and transmission facility to improve system reliability.
- Implemented a conservation goal and incentive programs.
- Utilized diverse funding sources, based on a "growth-pays-for-growth" philosophy and incorporated sales tax as a revenue source.



IWPAC

In 2004, IWPAC was formed to develop recommendations on how to integrate in-state resources into the SNWA's overall water planning and management activities due to unprecedented growth and drought concerns.

Based on IWPAC recommendations, the SNWA:

- Adopted a new, more aggressive conservation goal.
- Permanently implemented major Drought Alert reduction tools including landscape watering restrictions, landscape development codes, golf course water budgets and increased water waste fines and enforcement.
- Worked with the seven basin states on development of the Interim Guidelines, which allows Nevada to develop and use pre-Compact water rights.
- Continue to pursue development of all resource options.



2012 Integrated Resource Planning Process

In response to changing economic and hydrologic conditions, the SNWA is re-evaluating current funding models and business operations to ensure it can continue to fund mission-critical activities and programs over the short and long-term.

At this time, staff recommends a 2012 integrated resource planning process be initiated to evaluate present conditions and develop recommendations for presentation to the SNWA Board for consideration.



2012 Integrated Resource Planning Process

In order to develop recommendations, committee members will participate in education and work sessions to evaluate existing SNWA programs and discuss alternatives.

Work Session Areas of Review

- Planning
- Resources (development and management)
- Conservation
- Water quality
- Facilities (construction and maintenance)
- Funding



2012 Integrated Resource Planning Process

Like previous integrated planning processes, the 2012 process will include multi-agency stakeholders at all levels.

- SNWA management and technical staff
- Member agency management and technical staff
- External facilitation



2012 Integrated Resource Planning Process

Public involvement is critical to the success of an integrated planning process. Beyond committee activities, the SNWA will seek community input and provide information through established methods of communication:

- Outreach materials including bill inserts, newsletters, etc.
- SNWA.com
- Public meeting notices
- Community meetings
- Speakers bureau

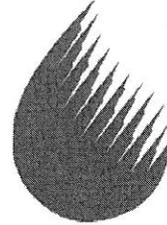


2012 Integrated Resource Planning Process

A diverse citizens advisory committee representing Southern Nevada's various sectors, industries and businesses is critical to the overall success of the process.

Subject to the Board's discretion, a 21-member committee is recommended from the following categories:

- | | |
|--|----------------------------|
| Industrial/Commercial Business (1) | Labor Union (1) |
| Small Industrial/Commercial Business (1) | Education (1) |
| Hospitality/Gaming (1) | Development (1) |
| Las Vegas Chamber (1) | General Contractors (1) |
| North Las Vegas Chamber (1) | Homeowners Association (1) |
| Henderson Chamber (1) | Golf Course (1) |
| Latin Chamber (1) | Financial Industry (2) |
| Building Trades (1) | Environmental (1) |
| Restaurants (1) | Senior Citizen (1) |
| Southern Nevada Resident (2) | |



Precipitation and Inflow Forecast – Lake Powell

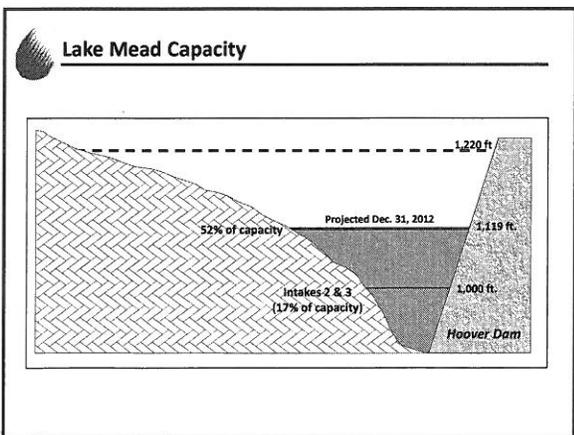
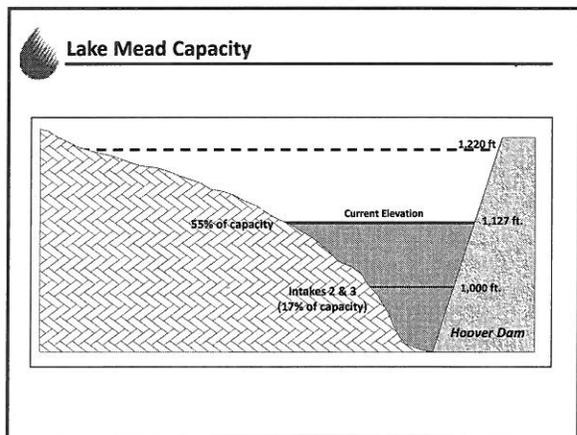
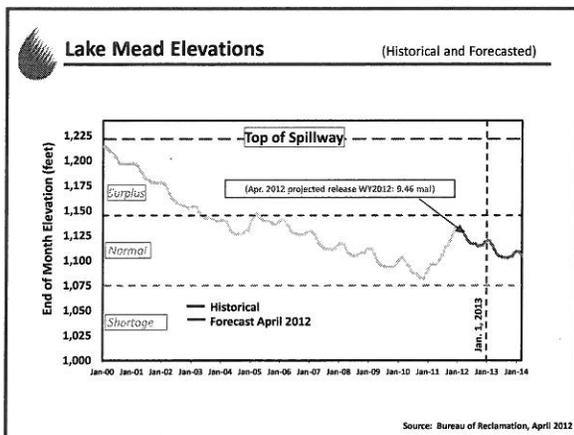
2011 Water Year			2012 Water Year	
Month	Actual Precipitation	Inflows Forecast	Actual Precipitation	Inflows Forecast
Jan	140%	110%	75%	79%
Feb	127%	105%	84%	78%
Mar	119%	105%	86%	80%
Apr	118%	111%	78%	63%
May	125%	128%		
Jun	126%	138%		
Jul	128%	139%		
Aug	125%	142%		
Sept	123%	140%		
Actual	120%	139%		

Source: Bureau of Reclamation, Lower Colorado Water Supply Reports

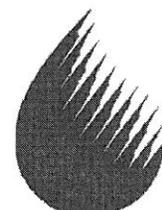
Lake Powell Elevations

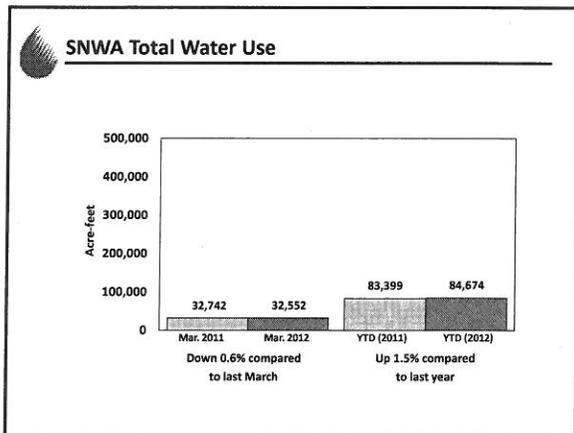
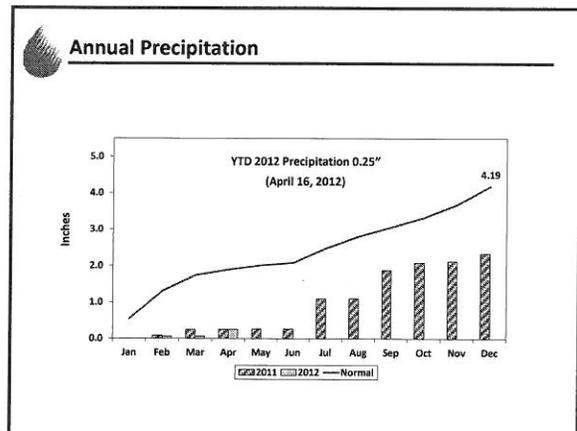
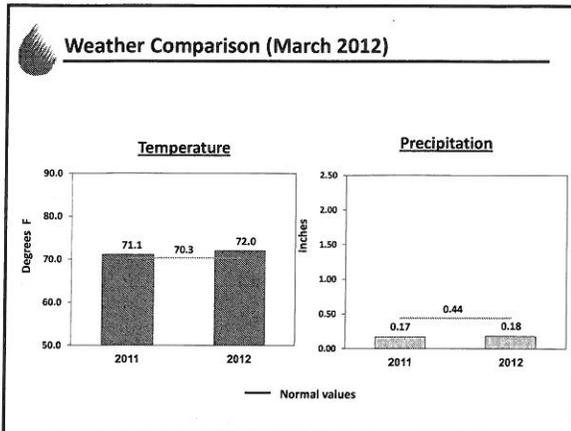
March 2012 Calendar Year End Forecast:
3,640 feet

April 2012 Calendar Year End Forecast:
3,628 feet



SNWA Water Use





Groundwater Rights in Spring, Cave, Dry Lake and Delamar Valleys

Valley	Requested in Proposed Rulings	Amount Granted 2012 Rulings	Amount Granted in Prior Rulings	% Change 2012 / Prior
Spring Valley	76,931	61,127	60,000	1.88%
Cave Valley	9,798	5,235	4,678	11.91%
Dry Lake Valley	11,584	11,584	11,584	0.00%
Delamar Valley	6,541	6,042	2,493	142.36%
TOTAL	104,854	83,988	78,755	6.64%

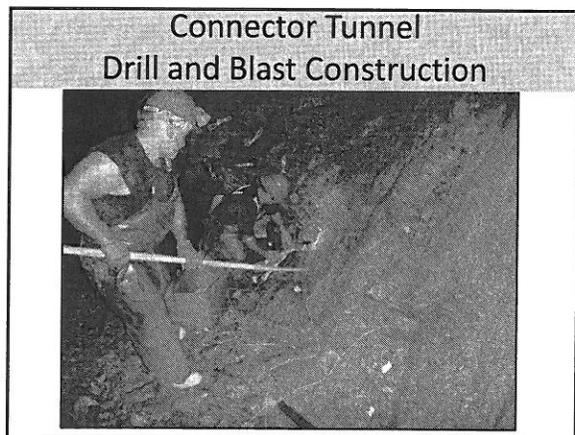
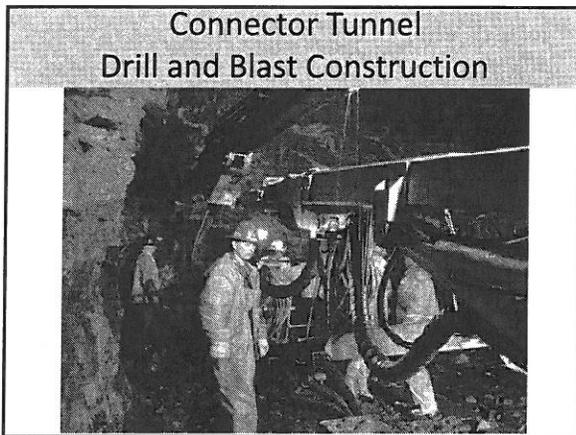
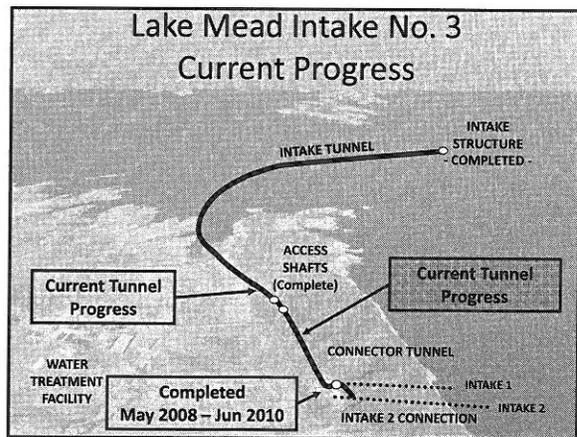
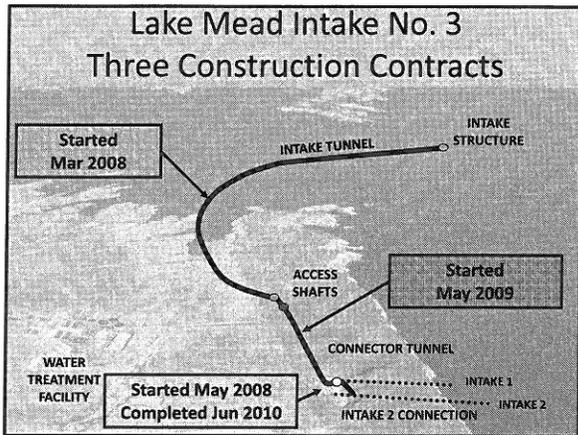
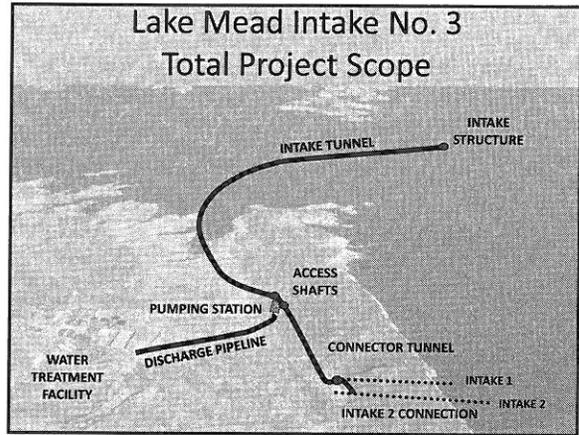
Questions?



Lake Mead Intake No. 3

SNWA Board of Directors
Progress Report

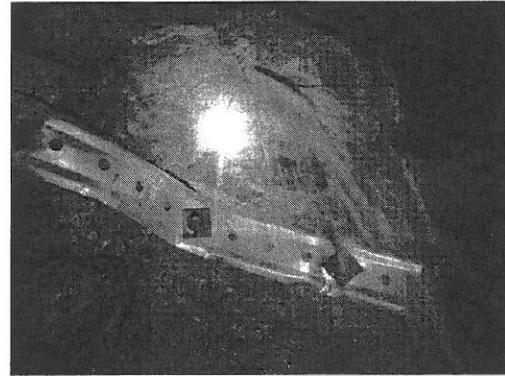
19 April 2012



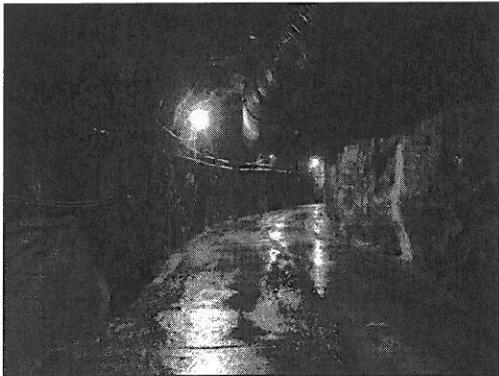
Water Inflow



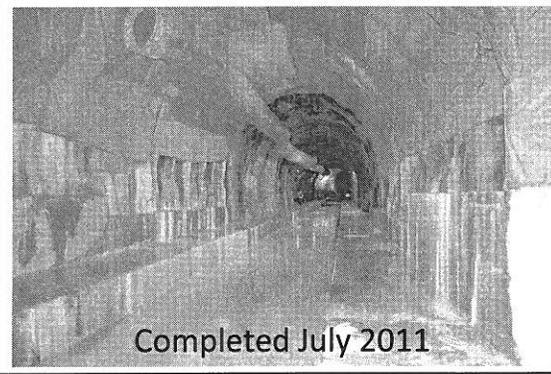
Water Inflow and Rock Bolts



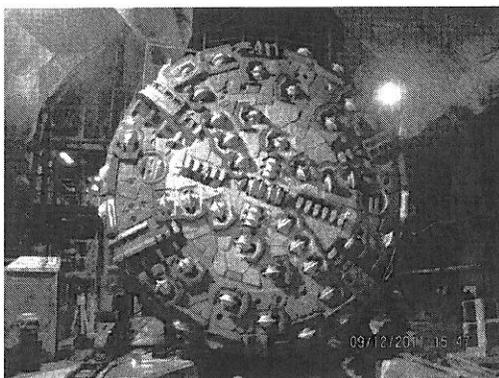
Completed Connector Tunnel



Intake 3 TBM Starter Tunnel

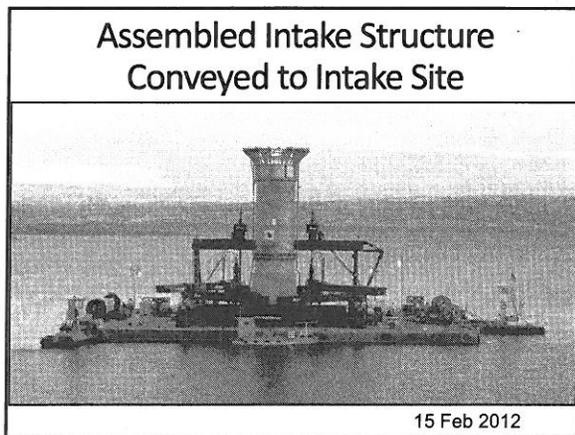
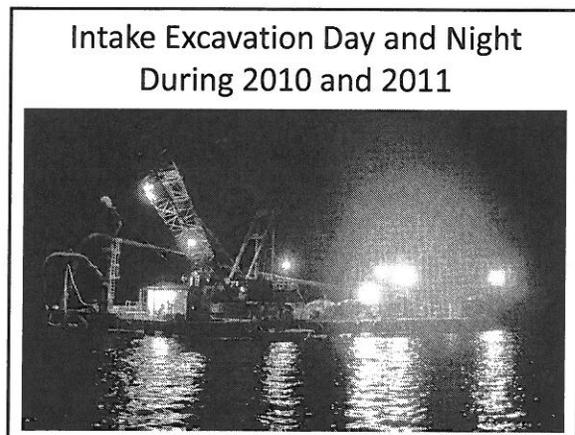
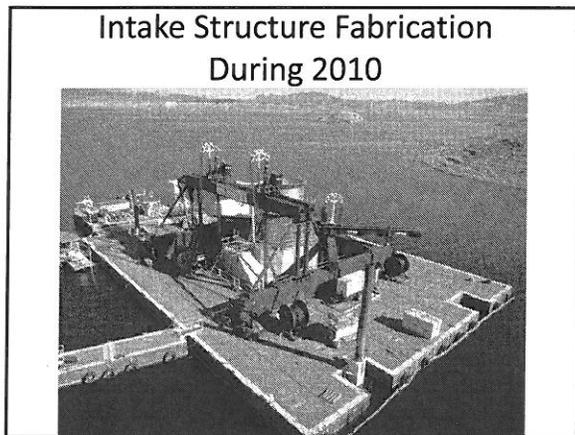
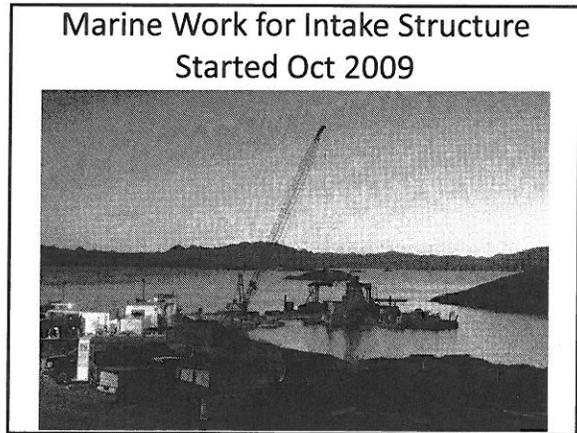


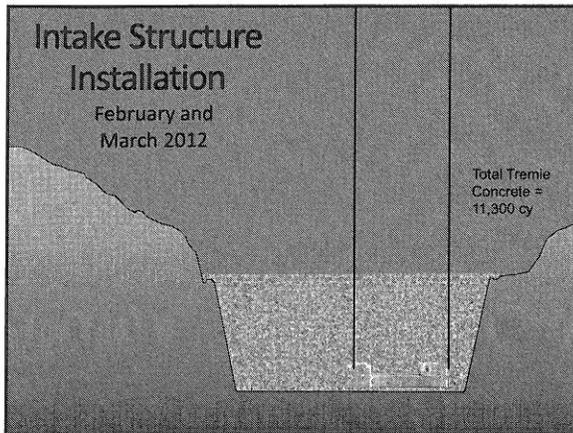
400 Ft Excavated by TBM – Mar 2012



Open Mode Muck Conveyor System







SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM
May 17, 2012

Subject: SNWA Youth Advisory Council	Director's Backup
Petitioner: Patricia Mulroy, General Manager	
Recommendations: That the Board of Directors receive a presentation from the SNWA Youth Advisory Council and direct staff accordingly.	

Fiscal Impact:

None by approval of the above recommendation.

Background:

In 1999, the Authority's first Youth Advisory Council (YAC) was formed at the request of the Board of Directors. Now completing its 13th year, the YAC provides a forum for Clark County high school juniors and seniors to learn about water issues of importance to the Authority and the community. As part of the program, students are asked to think critically and present recommendations to the Board regarding local and regional water issues and topics.

In 2011, the YAC began their tenure with an educational course on local water issues. The students learned about drought, water quality, conservation, resources, and the history of water in southern Nevada. Following the educational component, the students discussed the issues and challenges associated with water and determined how they could offer valuable advice and input from their unique perspective.

The educational component provided the foundation for two committee projects. In an effort to identify regional environmental issues facing our community, the students developed and executed a Youth Environmental Summit for their peers. The summit, held at the Springs Preserve, consisted of five workshops featuring different topics related to the environment. Additionally, the students worked with Cirque Du Soleil to coordinate activities at the World Water Day event held at the Springs Preserve.

At this time, the Board is being asked to receive a presentation from the 2011-2012 YAC and to direct staff accordingly.

This action is authorized by Article 21(5) of the Authority's Cooperative Agreement. The office of the General Counsel has reviewed and approved this item.

Respectfully submitted:



Patricia Mulroy, General Manager
PM:PDS:JAW:AF:CM

AGENDA
ITEM #

2

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM
May 17, 2012**

Subject: Conduct Public Hearing	Director's Backup
Petitioner: Philip D. Speight, Deputy General Manager, Administration	
Recommendations: That the Board of Directors conduct a Public Hearing on the Tentative Budget for the Southern Nevada Water Authority and subsequently adopt a Final Budget for fiscal year 2012/2013.	

Fiscal Impact:

The approval of a Final Budget will establish revenue and expenditure levels for the Authority for fiscal year 2012/2013.

Background:

Pursuant to Nevada Revised Statutes (NRS) 354, the Authority filed a Tentative Budget with the State Department of Taxation by April 15, 2012. On April 19, 2012, the Board conducted a budget workshop which was open to the public. The Tentative Budget has been reviewed by the Department of Taxation for compliance with State law, regulations, and guidelines. A delineation of budget components was provided to the Board of Directors in General Manager's Information Report No. 34.

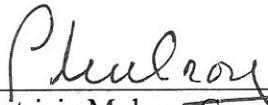
NRS requires that the Authority conduct a Public Hearing on the Tentative Budget on the third Thursday in May (May 17, 2012). Notice of this hearing has been published in the *Las Vegas Sun* and the *Las Vegas Review-Journal* in accordance with the law.

Subsequent to conducting the Public Hearing, the Board may adopt a Final Budget for the Authority. The Final Budget for fiscal year 2012/2013 must be sent to the Nevada Department of Taxation no later than June 1, 2012.

The Board is being asked to conduct a Public Hearing on the Authority's Tentative Budget and, after the Public Hearing is closed, adopt a Final Budget for fiscal year 2012/2013.

These actions are in accordance with NRS 354. The office of the General Counsel has reviewed and approved this agenda item.

Respectfully submitted:


 Patricia Mulroy, General Manager
 PM:PDS:WFF:kah
 Attachment

AGENDA ITEM #	3
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SOUTHERN NEVADA WATER AUTHORITY GENERAL MANAGER'S INFORMATION REPORT

DATE: April 19, 2012

No. 34

SUBJECT: SOUTHERN NEVADA WATER AUTHORITY TENTATIVE OPERATING
AND CAPITAL BUDGET FOR FISCAL YEAR 2012/2013

Attached for your review is the Tentative Operating and Capital Budget of the Southern Nevada Water Authority (SNWA) for fiscal year 2012/2013, which was submitted on April 16, 2012, to the State of Nevada Department of Taxation.

EXECUTIVE SUMMARY

Despite last year's above-normal hydrologic conditions within the Colorado River Basin and optimism that Lake Mead's water level would continue to increase, drought conditions along the Colorado River continue. If these conditions persist, available water supplies could be restricted and operating challenges associated with lower Lake Mead water levels could occur. As a result, the SNWA continues to implement safeguards and initiatives to help conserve and diversify available water supplies, and protect Southern Nevada's existing and future water users.

In addition, the SNWA is working to ensure the organization's financial stability due to prolonged poor economic conditions. Significant budget reductions and deferrals have been made while efforts continue to manage and secure SNWA reserves. Several measures are currently being implemented to alleviate the strain on the SNWA's overall finances which will ensure that funding continues for critical water infrastructure.

The 2012/2013 fiscal year budget reflects these objectives, as well as additional efforts to maintain a safe and reliable water supply for Southern Nevada.

Drought and Water Resources

The Colorado River provides 90 percent of Southern Nevada's water supply. Although 2011 was a wet water year-inflows to Lake Powell were 139 percent of average-reservoir storage levels within the Colorado River system have been impacted by more than a decade of below-average runoff. Lake Mead water levels remain approximately 80 feet lower than water levels recorded in 2000. Projections indicate that below-average conditions will continue in 2012. The challenges associated with decreased Lake Mead water levels are water quality and potential water shortage declarations. Strategies are being implemented to address both of these concerns.

The 2012/2013 fiscal year budget includes continued construction of Intake No. 3, designed to provide access to better water quality and long-term protection of Southern Nevada's primary water-storage supply. This project represents the majority of the SNWA's capital commitments for the upcoming fiscal year and is scheduled for completion in 2014. In addition, the 2012/2013 fiscal year budget allows for the continuation of the environmental and permitting process associated with the proposed Clark, Lincoln and White Pine Counties Groundwater Development Project. Although these costs represent a minimal portion of the overall budget, the work being performed is critical to ensuring that the Groundwater Development Project is prepared to move forward should extended drought conditions warrant that the project progress. The Groundwater Development Project involves the use of renewable groundwater supplies in east-central Nevada and is designed to diversify Southern Nevada's available water resources.

The SNWA is responsible for the acquisition, treatment and delivery of reliable water supplies to Southern Nevada and will continue to operate and maintain regional facilities to treat and deliver water resources, work with its partners along the Colorado River to ensure Southern Nevada's issues are addressed, and ensure that water quality meets or exceeds all federal and state drinking-water standards.

Financial Considerations/Capital Funding

Southern Nevada has been particularly hard hit during the downturn in the national economy. The current financial climate has contributed to the declines in many of the organization's key funding sources:

- Sales tax collections, which peaked in calendar year 2006, declined 23 percent in the three subsequent years before slightly rebounding in calendar year 2010. Collections for calendar year 2011 are 6.3 percent more than for calendar year 2010, but still lag the peak year by 18.1 percent.
- SNWA regional connection charges plummeted 98 percent from more than \$188 million in fiscal year 2006 to \$10.7 million in fiscal year 2011.
- Revenue from the Southern Nevada Public Land Management Act dropped from \$80 million in calendar year 2004 to only \$0.1 million in calendar year 2011.

Fortunately, during the years prior to the economic downturn, the SNWA was able to build a fund balance that has provided operating revenue for the organization during these trying times. Proper management of these funds has enabled the SNWA to maintain its strong financial rating.

In addition, the SNWA has worked to extend existing revenues beyond originally established timeframes. In 2011, the Nevada State Legislature approved the continuation of a quarter-cent sales tax to help pay for water and wastewater system improvements. The original legislation established a sunset for the tax at \$2.3 billion or June 30, 2025, whichever comes first. Senate Bill 432 allows the Clark County Commission to continue the sales tax beyond the sunset. The bill also authorized 40-year financing for water and wastewater projects, and a 15-year window before local governments have to start paying down Capital Appreciation Bonds. Since implementation, the quarter-cent sales tax has provided more than \$896 million to Clark County for water and wastewater system improvements in Southern Nevada.

To ensure continued financial and operational integrity, the SNWA achieved budget reductions and implemented cost-saving measures. The following is a recap of those measures:

- Reduced operational costs by \$56 million. Since 2009, the SNWA has reduced workforce expenditures by \$26 million (25 percent) and reduced 226 staff.
- Deferred more than \$395 million in new capital projects.
- Negotiated a modified payment schedule with the Arizona Water Bank, deferring \$125 million in payments, and extending the payment schedule without incurring any additional costs or interest obligations.
- Renegotiated leases for Virgin and Muddy River water for years 2012-2014 at a price 40 percent lower than the existing lease price, saving \$4.73 million.
- Debt refinancing activity is providing approximately \$103 million in cash-flow relief through fiscal year 2011/2012. An additional \$191 million in cash-flow relief will be realized in future years.
- Amended the Water Smart Landscape program to ease cash requirements, deferring approximately \$57 million.

Even with these actions, a shortage remained between projected revenues and SNWA's financial obligations due primarily to debt service and capital expenditures. In 2011, the SNWA Board of Directors hired an independent firm to review existing revenue streams and develop rate options for critical water infrastructure projects. Those options were presented in a Rate Analysis Report to the SNWA Board in January 2012. After the completion of a public-outreach process, a new fixed-rate infrastructure surcharge, based on meter size and type, was adopted by the Board on February 29, 2012.

Because regional economic indicators continue to lag slightly behind national trends, the SNWA will continue its conservative approach in planning, forecasting and budgeting, as demonstrated in the 2012/2013 fiscal year budget.

Conservation

Promoting efficient water use continues to be a top priority of the SNWA. The organization administers one of the nation's most aggressive and comprehensive water conservation programs. Since the early 1990s, local city and county governments, as well as individual water providers, have adopted a variety of land-use codes and water-use ordinances to promote water-smart practices. Today, a number of permanent conservation measures have been implemented to maximize water efficiency, including landscape watering restrictions, limits on the amount of lawn allowed at residential and commercial properties, golf course water budgets, restrictions on vehicle washing, mist systems and ornamental water features, and water waste fees.

Residents are offered a variety of resources, services, and incentive programs to help them meet conservation goals and live more sustainably. Community compliance with conservation measures and participation in water-efficiency programs have resulted in a dramatic water use decline. Between 2002 and 2010, Southern Nevada's annual water consumption decreased by nearly 32 billion gallons, despite a population increase of 400,000 during that span and millions of annual visitors.

The SNWA continues to make progress toward its existing conservation goal of 199 gallons per capita per day (GPCD) by 2035. In 2010, the community decreased water use to 223 GPCD. In addition, the SNWA continues to witness participation in the Water Smart Landscapes Rebate Program. Since program inception, \$176 million has been rebated to program participants and more than 157 million square feet of turf has been converted to water-smart landscaping. This achievement resulted in a savings of more than 50 billion gallons of water.

WHOLESALE DELIVERY OPERATIONS

The Wholesale Delivery Operations sub fund has an opening balance of \$20.6 million forecast for the beginning of fiscal 2012/2013. This is the amount remaining from previous years' collection of wholesale delivery charges less expenses incurred in those years. The 2012/2013 budget projects that operational revenues will cover the year's expenses, plus improve the Wholesale Delivery Operations balance \$4.4 million by fiscal year end.

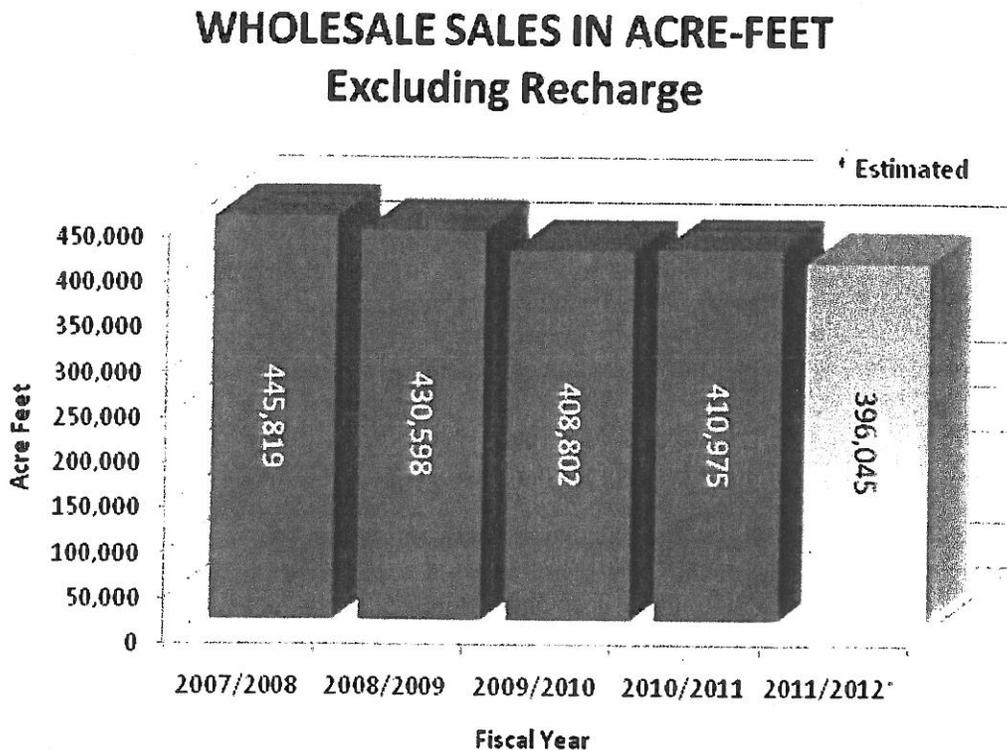
Wholesale Delivery Charge

As part of last year's budget process, the Board approved an increase of \$10 to the Wholesale Delivery Charge. This was driven by an anticipated spike in the debt costs for the Silverhawk Power Station (Silverhawk) and a significant spike in the debt service for the Southern Nevada Water System (SNWS). Since then, there have been reductions in both. The debt costs for Silverhawk were lower than expected,

and the refunding and restructuring of the SNWS debt softened the anticipated spike. For these reasons, the planned increase of \$10 will not be necessary. This budget, therefore, includes no increase and retains the current rate of \$293 per acre-foot.

Water Deliveries

Water deliveries continue to decline as the following chart shows:



Estimated sales of 396,045 acre-feet are 28,027 acre-feet (-6.6%) lower than budgeted for the fiscal 2011/2012 fiscal year. The reduction of 18,027 acre-feet is the result of lower water demands by SNWA Purveyor Members and 10,000 acre-feet is a result of budgeted additions to the SNWA in-valley recharge program being temporarily suspended.

Water deliveries, including return flow credits, in fiscal year 2012/2013 are estimated at 402,084 acre-feet, which is 21,988 acre-feet (-5.2%) lower than last year's budget but slightly above estimated sales for the current fiscal year. The budgeted amount assumes that no in-valley recharge additions will be made in fiscal 2012/2013. If deliveries do not allow the SNWA to use its full 300,000 acre-foot annual allocation of Colorado River water during this year, the SNWA will use all other means possible to store the unused water for future use.

Energy

Energy continues to be the single largest expense in the wholesale delivery charge. The energy program used by the SNWA provides a stable energy price that reduces price volatility. The SNWA's "model clearing price" program established a price of \$63/megawatt hour (MWh) as the average price the SNWA will pay for energy through 2014. The \$63 rate, which has been in place since 2004, covers actual power costs, including debt service for the partial acquisition of the Silverhawk Power Station, the Pioneer energy portfolio, and other renewable generation assets. In addition, the \$63 rate pays for operating expenses of the SNWA Energy Management Department and also pays a portion of the Colorado River Commission of Nevada's operations that are directly attributable to the SNWA's energy management function.

The SNWA has a 25-percent interest in the Silverhawk Power Station (managed by NV Energy on behalf of the SNWA) which provides the SNWA with 75 megawatts (MW) of firm delivered power through June 1, 2013, further stabilizing long-term prices. The SNWA also utilizes approximately 20 MW of Nevada's Colorado River hydropower rights at a fully-loaded cost of about \$35/MWh through the Colorado River Commission.

Fiscal 2012/2013's power costs are expected to decrease \$5.7 million (11.9%) when compared to fiscal year 2011/2012. The reduction is primarily due to lower power demands because of the drop in water sales.

The SNWA is committed to incorporating renewable energy resources into its power portfolio whenever feasible and continues to investigate renewable energy projects using wind, solar, biodiesel and geothermal resources to meet longer-term energy needs.

NEW EXPANSION DEBT SERVICE

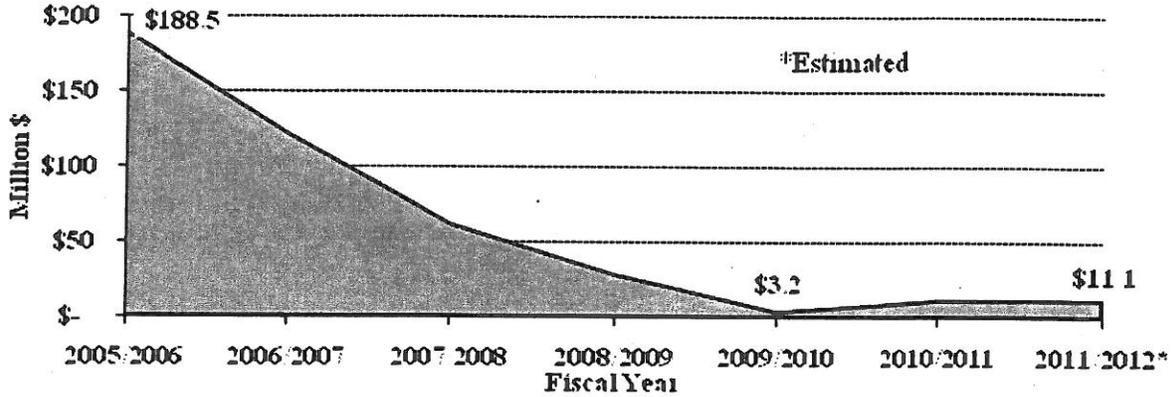
The SNWA New Expansion Debt Service sub fund is projected to have a beginning balance of \$228.4 million. This balance is the result of revenue generated and unspent in the early part of the past decade (primarily from the collection of regional connection charges). The fund balance provides the SNWA with the capacity to meet existing debt service requirements and maintain a debt coverage ratio consistent with bond covenants.

Revenue for the New Expansion Debt Service Fund comes from the SNWA Regional Connection Charge, SNWA Infrastructure Surcharge, SNWA Commodity Charge, SNWA Reliability Surcharge, and sales tax proceeds.

SNWA Regional Connection Charge

Net collections of the SNWA Regional Connection Charge plunged in recent years, as illustrated in the following chart:

**CONNECTION CHARGE COLLECTIONS
 By Fiscal Year in Million Dollars**



While significantly down from its peak in fiscal 2005/2006, connection charge collections have leveled off in the last two fiscal years. The projection for fiscal 2012/2013 follows the current trend. SNWA Connection Charge revenues are budgeted at \$12.0 million for fiscal 2012/2013 which is only \$0.9 million (8.1%) higher than estimated collections for the current fiscal year.

SNWA Infrastructure Surcharge

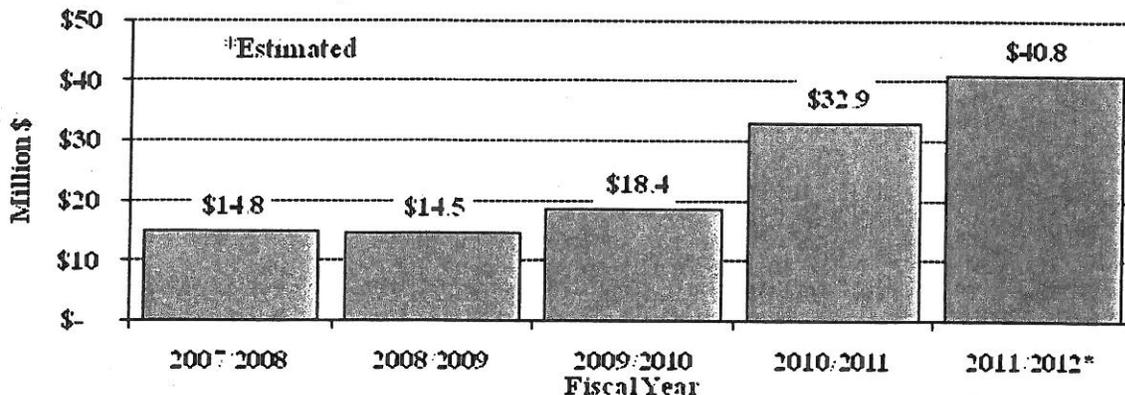
As mentioned previously, the SNWA Board approved a new fixed-rate SNWA Infrastructure Surcharge on February 29, 2012. This new revenue source provides needed financial relief for the significant decline in SNWA Connection Charge collections.

According to projections from the SNWA's independent consulting firm, the surcharge is projected to supply \$92.9 million in revenues for fiscal 2012/2013.

SNWA Regional Commodity Charge & SNWA Reliability Surcharge

Collection of SNWA Regional Commodity Charges improved in recent years, due in large part to rate increases enacted in calendar 2010 and 2011. Fiscal 2011/2012 was the first full fiscal year where the entire twelve month revenue benefit of those increases could be felt.

**COMMODITY CHARGE COLLECTIONS
 By Fiscal Year in Million Dollars**



The fiscal 2012/2013 budget projects SNWA Commodity Charge collections to be \$40.8 million. This amount is in line with previous year's projections.

The SNWA Reliability Surcharge is based on a customer's total water bill. In fiscal 2012/2013 this source of revenue is projected to be flat at \$4.7 million reflecting continued lower unit sales per customer and virtually no growth in the number of customer accounts.

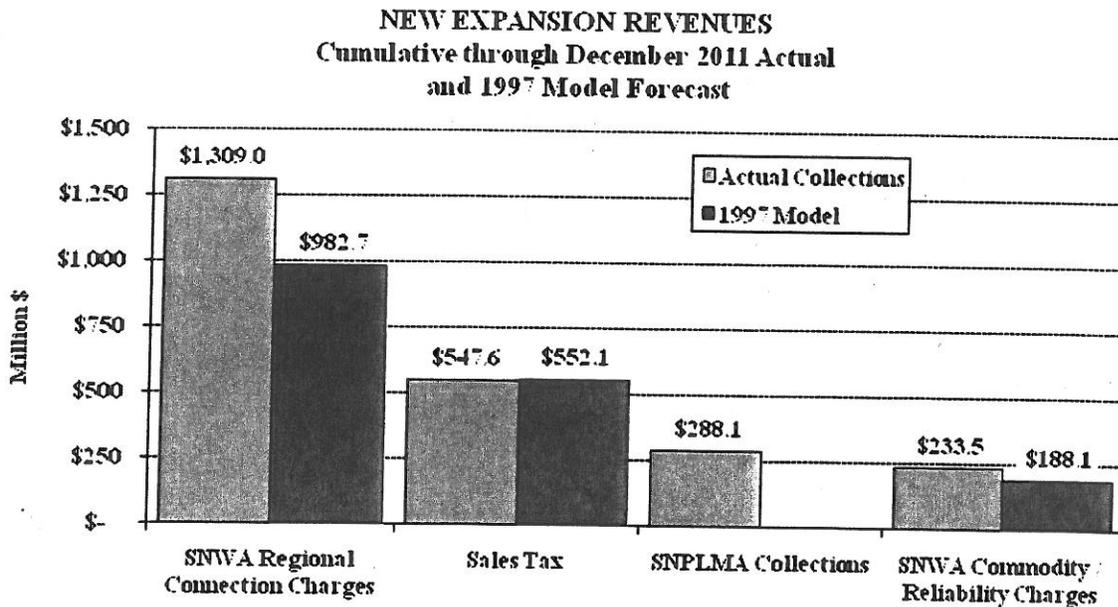
Sales Tax Collections

Sales tax revenues are improving but are still down from peak amounts. When comparing recent collections to previous periods, sales tax revenues have increased in 17 of the last 18 months. While this trend is encouraging, the SNWA still takes a conservative approach in forecasting future revenue from sales tax. The fiscal 2012/2013 budget projects \$44.4 million in sales tax collections for the New Expansion Debt Service Fund. This amount is \$3.3 million higher than fiscal 2011/2012 budget projections and more closely reflects the current collection trend.

Cumulative Revenue Trends

Despite present-day challenges in predicting regional revenues, total collections to date continue to exceed long-term projections originally developed fifteen years ago. Connection charge revenues are 26.3 percent ahead of 1997 projections, primarily due to greater-than-expected growth in the Las Vegas Valley during the first ten years of the plan. In addition, the \$287 million in revenue received from the Southern Nevada Public Lands Management Act (SNPLMA) was not part of the original forecast.

The following chart compares the 1997 forecast with the amount of New Expansion revenues actually collected to date.



The 1997 forecast assumed that the Las Vegas Valley would grow at a rate of approximately 2-3 percent each year. Instead, the Valley maintained consistent growth in the range of 5-6 percent per year from 1997 to 2005. In addition, the 1997 forecast assumed that each residential connection would use about

0.85 acre-feet of water per year. Actual use declined to approximately half that amount, or about 0.45 acre-foot per year per residential connection. Declines continue due to smaller lot sizes, regional conservation activities, and economic factors.

The 1997 forecast also did not include some major capital expenditures that the SNWA has encountered during the past 15 years due to the prolonged drought. Conservation expenses, the acquisition of additional water rights, and Intake No. 3 were not foreseen nor included in the original forecast. However, these large capital expenses have been partially funded by the revenues that exceeded original projections.

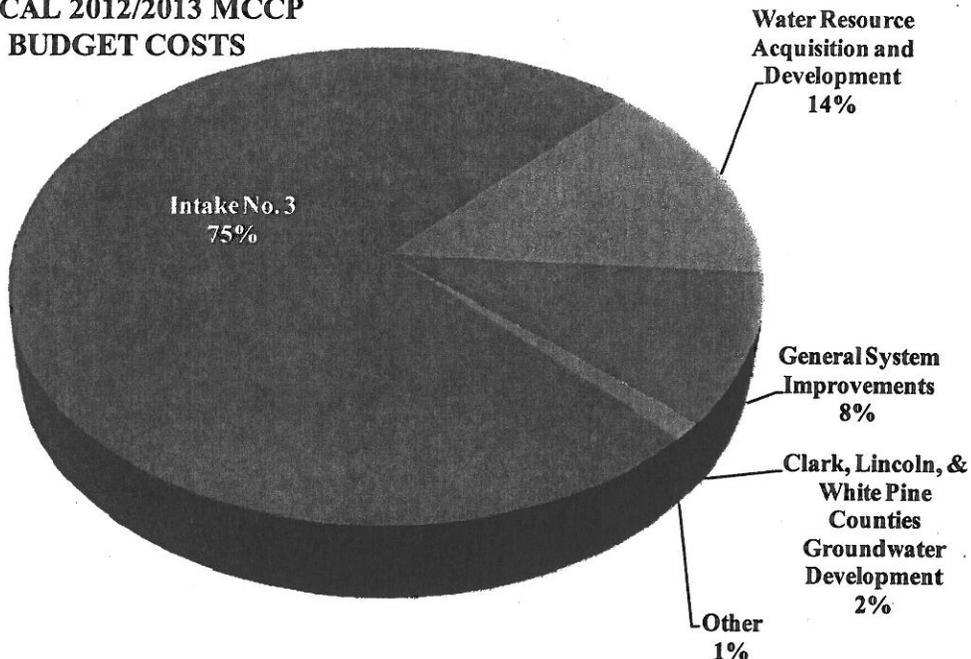
MAJOR CONSTRUCTION AND CAPITAL PLAN

The MCCP sub fund is projected to have a beginning balance of \$0.0 million. This subfund had to make an interfund draw between itself and the New Expansion Debt Service subfund starting in April 2012. When the proceeds from the \$360 million bond issue are received in July 2012, the MCCP subfund will repay their borrowings pursuant to the Board's approved Request Resolution on February 29, 2012. Proceeds from the debt issue should be sufficient to meet capital improvements cash requirements for at least a 24-month period.

Construction and related expenditures for the MCCP in fiscal year 2012/2013 are projected to be \$209.4 million, which is funded from bond proceeds.

For fiscal year 2012/2013, the SNWA will continue construction of Intake No. 3 and dedicate funds for securing additional water resources for future use. The following chart shows the major projects that will be funded by the MCCP sub fund in fiscal year 2012/2013.

**FISCAL 2012/2013 MCCP
BUDGET COSTS**



LAS VEGAS VALLEY GROUNDWATER MANAGEMENT PROGRAM

The Las Vegas Valley Groundwater Management Program sub fund is projected to have a beginning fund balance of \$1.1 million. This is the amount remaining from collection of groundwater fees, less expenses incurred in previous years. During the 2012/2013 fiscal year, it is estimated that the beginning balance and fee collections will be sufficient to support the annual projects and expenses of the Groundwater Management Program, projected at \$1.2 million.

LAS VEGAS WASH

The Las Vegas Wash sub fund will have a beginning balance of \$0.8 million. During the fiscal year, the fund is projected to receive \$3.1 million in sales tax proceeds and \$1.1 million from various grants. These monies will be used to partially fund \$9.3 million in capital projects in the Las Vegas Wash. An additional \$5.1 million will be available through a temporary interfund loan from the New Expansion Debt Service Fund. Also, \$0.8 million in Las Vegas Wash program fees are projected to be received during the fiscal year. These fees and the existing fund balance will be used to pay the projected \$1.5 million net operating expenses.

FINANCIAL SUMMARY

The chart on the following page shows beginning and ending balances, and summarizes sources and uses of funds of the SNWA by activity, for fiscal year 2012/2013.

Southern Nevada Water Authority
Budget Summary
Fiscal 2012 / 2013
In Million Dollars

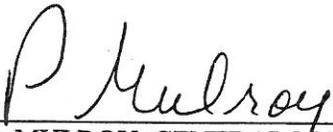
	Sub fund					Total
	Wholesale Delivery Operations	New Expansion Debt Service	Major Construction and Capital Plan	Las Vegas Valley Groundwater Management Program	Las Vegas Wash	
Beginning Balance (July 1, 2012)	\$ 20.6	\$ 228.4	\$ -	\$ 1.1	\$ 0.8	\$ 250.9
Bond Proceeds			360.0			360.0
Repayment of Interfund Loan		39.6	(39.6)			-
Balance after Bond Issuance	\$ 20.6	\$ 268.0	\$ 320.4	\$ 1.1	\$ 0.8	\$ 610.9
Sources of Funds						
Wholesale Delivery Charge	\$ 117.5	\$ -	\$ -	\$ -	\$ -	\$ 117.5
Regional Connection Charge	-	12.0	-	-	-	12.0
Infrastructure Charge	-	92.9	-	-	-	92.9
Regional Commodity Charge	-	40.8	-	-	-	40.8
Reliability Surcharge	-	4.7	-	-	-	4.7
Sales Tax	-	44.4	-	-	3.1	47.5
Groundwater Program Fees	-	-	-	0.9	-	0.9
LV Wash Program Fees	(0.3)	-	-	-	0.8	0.5
Intra Fund Loans	-	(5.1)	-	-	5.1	-
Interest Income	0.1	0.8	0.9	0.0	0.0	1.8
Other Revenues	0.3	4.3	-	-	1.1	5.7
Total Sources of Funds	\$ 117.5	\$ 194.9	\$ 0.9	\$ 0.9	\$ 10.1	\$ 324.3
Uses of Funds						
Energy	\$ 39.3	\$ -	\$ 3.2	\$ -	\$ -	\$ 42.5
Payroll	35.6	21.3	9.8	0.4	1.6	68.6
Operating Capital and Expenses	24.7	7.6	27.8	0.8	1.5	62.4
Cap/Const Expenditures	-	-	168.7	-	7.7	176.5
Debt Service	13.5	135.8	-	-	-	149.3
Total Uses of Funds	\$ 113.2	\$ 164.6	\$ 209.4	\$ 1.2	\$ 10.8	\$ 499.3
Fiscal Year Net Change	4.4	30.2	(208.5)	(0.2)	(0.7)	(174.9)
Ending Balance (June 30, 2013)	\$ 25.0	\$ 298.2	\$ 111.9	\$ 0.9	\$ 0.1	\$ 436.0

Amounts may be slightly off due to rounding

Budgeted reductions and deferrals described previously, as well as the addition of the new SNWA Infrastructure Surcharge, are helping the New Expansion Debt Service Fund reserves to remain sufficient. Healthy reserves are crucial in maintaining a favorable bond rating, which contributes to lower overall debt costs and ensures that funds can be procured to complete essential projects.

APPROVAL

The public hearing for this budget is scheduled for 9:00 a.m., Thursday, May 17, 2012, in the SNWA Board Chambers, 100 City Parkway, Seventh Floor, Las Vegas, Nevada.



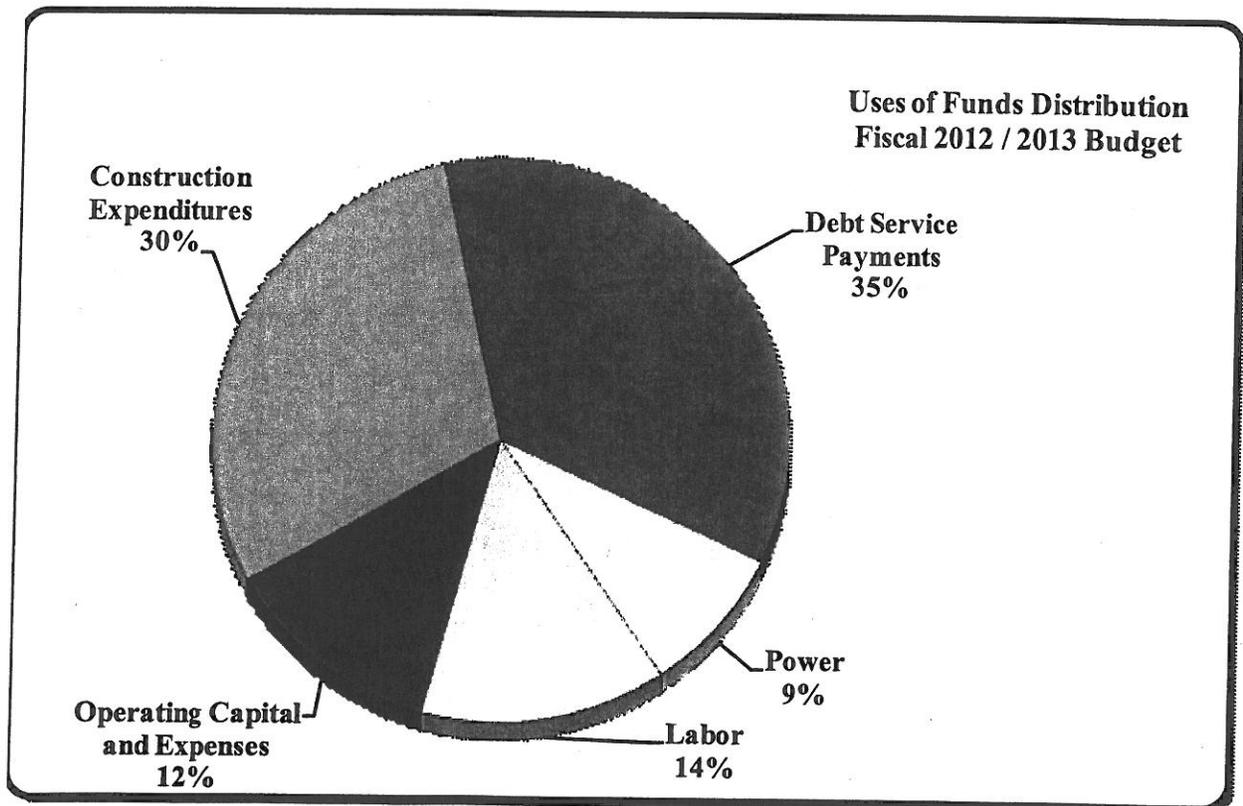
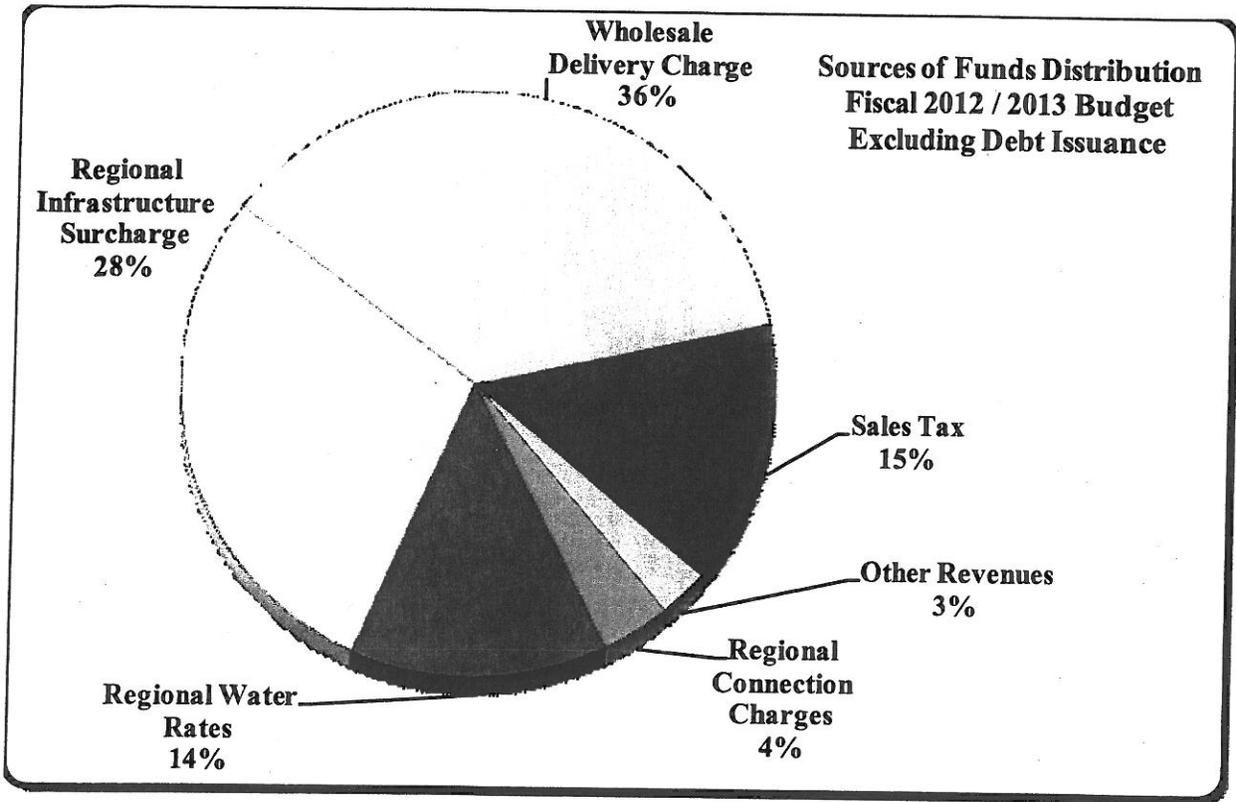
PATRICIA MULROY, GENERAL MANAGER

SOUTHERN NEVADA WATER AUTHORITY
2012 / 2013 BUDGET
COMPARISON WITH 2011 / 2012 BUDGET
In Million Dollars

	<u>Budget</u> <u>2011 / 2012</u>	<u>Budget</u> <u>2012 / 2013</u>	<u>Increase</u> <u>(Decrease)</u>
<u>SOURCES OF FUNDS</u>			
Wholesale Delivery Charge	\$ 123.9	\$ 117.5	\$ (6.4)
Regional Connection Charge	7.0	12.0	5.0
Regional Commodity Charge	41.4	40.8	(0.6)
Regional Infrastructure Surcharge		92.9	92.9
Regional Reliability Surcharge	4.5	4.7	0.2
Sales Tax	43.7	47.5	3.8
Interest Income	1.6	1.8	0.2
Groundwater Management Fees	0.8	0.9	0.1
Las Vegas Wash Program Fees	0.9	0.5	(0.4)
Other Sources	12.4	5.7	(6.7)
Total Sources before Debt Proceeds	\$ 236.4	\$ 324.3	\$ 88.1
Debt Issuance Proceeds	410.0	360.0	(50.0)
TOTAL SOURCES OF FUNDS	\$ 646.4	\$ 684.3	\$ 38.1
<u>USES OF FUNDS</u>			
Energy	\$ 48.2	\$ 42.5	\$ (5.7)
Labor	69.1	68.6	(0.5)
Operating Capital & Expenses	63.4	62.4	(0.9)
Construction Expenditures	163.3	176.5	13.2
Debt Service Payments	144.2	149.3	5.1
Recharge Purchases	3.6	-	(3.6)
TOTAL USES OF FUNDS	\$ 491.8	\$ 499.2	\$ 7.4
TOTAL SOURCES IN EXCESS OF (LESS THAN) TOTAL USES	\$ 154.6	\$ 185.1	\$ 30.7

Amounts may be slightly off due to rounding

Fiscal 2012 / 2013 total sources in excess of total uses exceeds the amount shown in the previous charge by \$360 million. This is the amount of debt proceeds projected for fiscal 2012 / 2013. Debt issue shown in the fiscal 2011 / 2012 budget did not materialize.





STATE OF NEVADA
DEPARTMENT OF TAXATION

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BRIAN SANDOVAL
Governor
ROBERT R BARENGO
Chair, Nevada Tax Commission
DINO DICIANNO
Executive Director

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Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7921

Southern Nevada Water Authority herewith submits the (TENTATIVE) (FINAL) budget for the
fiscal year ending June 30, 2013

This budget contains 0 funds, including Debt Service, requiring property tax revenues totaling \$ 0

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits,
the tax rate will be increased by an amount not to exceed 0 If the final computation requires, the tax rate will be
lowered.

This budget contains 0 governmental fund types with estimated expenditures of \$ 0 and
1 proprietary funds with estimated expenses of \$ 243,647,363

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local
Government Budget and Finance Act).

CERTIFICATION

I William F. Fox
(Printed Name)
Chief Financial Officer
(Title)

certify that all applicable funds and financial
operations of this Local Government are
listed herein

Signed [Signature]

Dated: 4/16/2012

APPROVED BY THE GOVERNING BOARD

Shari Buck, Chairwoman

Mary Beth Scow, Vice Chairwoman

Sam Bateman

Bob Coffin

Tom Collins

Duncan McCoy

Steve Sisolak

SCHEDULED PUBLIC HEARING:

Date and Time Thursday, May 17, 2012, at 9:00 AM Publication Date 5-6-12

Place: Molasky Corporate Center, 100 City Parkway, Suite 700, Las Vegas, Nevada

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 06/30/11	ESTIMATED CURRENT YEAR ENDING 06/30/12	BUDGET YEAR ENDING 06/30/13
General Government			
Judicial			
Public Safety			
Public Works			
Sanitation			
Health			
Welfare			
Culture and Recreation			
Community Support			
TOTAL GENERAL GOVERNMENT			
Utilities	502.00	514.92	496.14
Hospitals			
Transit Systems			
Airports			
Other			
TOTAL	502.00	514.92	496.14

POPULATION (AS OF JULY 1)	1966630	2047000	2097000
SOURCE OF POPULATION ESTIMATE*	Clark County Comprehensive Planning	Center for Business & Econ Research UNLV	Center for Business & Econ Research UNLV
Assessed Valuation (Secured and Unsecured Only)			
Net Proceeds of Mines			
TOTAL ASSESSED VALUE			
TAX RATE			
General Fund			
Special Revenue Funds			
Capital Projects Funds			
Debt Service Funds			
Enterprise Fund			
Other			
TOTAL TAX RATE			

* Use the population certified by the state in March each year. Small districts may use a number developed per the instructions (page 6) or the best information available.

Southern Nevada Water Authority
(Local Government)

PROPRIETARY FUND	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/13	
	ACTUAL PRIOR YEAR ENDING 6/30/2011	ESTIMATED CURRENT YEAR ENDING 6/30/2012	TENTATIVE APPROVED	FINAL APPROVED
OPERATING REVENUE				
Wholesale Delivery Charge	\$ 119,457,411	\$ 123,909,056	\$ 117,498,863	
Groundwater Program Revenue	894,502	827,962	913,359	
Purveyor Administration Cost Billings	362,263	290,662	301,584	
Las Vegas Wash Revenues	397,408	866,349	496,759	
Other Operating Revenue	2,950,612	2,597,273	1,099,750	
Total Operating Revenue	\$ 124,062,196	\$ 128,491,302	\$ 120,310,315	
OPERATING EXPENSE				
Personnel and Related	\$ 42,491,203	\$ 35,247,482	\$ 37,618,172	
Electric Power	36,013,713	46,862,060	39,311,358	
Other	33,994,589	31,975,886	28,991,833	
Depreciation/Amortization	73,724,984	69,500,000	76,000,000	
Total Operating Expense	\$ 186,224,489	\$ 183,585,428	\$ 181,921,363	
Operating Income or (Loss)	\$ (62,162,293)	\$ (55,094,126)	\$ (61,611,048)	
NONOPERATING REVENUES				
Interest Earned	\$ 1,024,158	\$ 1,682,481	\$ 1,762,923	
Property Taxes				
Subsidies				
Consolidated Tax				
Capital Contributions	93,092,191	96,789,839	197,998,278	
other				
Total Nonoperating Revenues	\$ 94,116,349	\$ 98,472,320	\$ 199,761,201	
NONOPERATING EXPENSES				
Interest Expense	\$ 67,676,313	\$ 70,740,741	\$ 61,726,000	
Amortization of Refunding Costs	1,079,554			
Amortization of Debt Issuance Costs	1,684,555			
Total Nonoperating Expenses	\$ 70,440,422	\$ 70,740,741	\$ 61,726,000	
Net Income before Operating Transfers	\$ (38,486,366)	\$ (27,362,547)	\$ 76,424,153	
Operating Transfers (Schedule T)				
In				
Out				
Net Operating Transfers				
NET INCOME	\$ (38,486,366)	\$ (27,362,547)	\$ 76,424,153	

Southern Nevada Water Authority
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET INCOME

FUND _____ Enterprise

PROPRIETARY FUND	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/13	
	ACTUAL PRIOR YEAR ENDING 6/30/2011	ESTIMATED CURRENT YEAR ENDING 6/30/2012	TENTATIVE APPROVED	FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
General and Administrative/Resources Charges	\$ 1,621,960	\$ 2,887,935	\$ 1,401,334	
Groundwater Management Fees	894,502	827,962	913,359	
Las Vegas Wash Revenues	397,408	866,349	496,759	
Wholesale Delivery Charges	120,812,772	123,909,056	117,498,863	
Other Revenues	1,565,342			
Cash Payments to Suppliers of Goods and Services	(114,214,862)	(127,062,357)	(105,921,363)	
a. Net cash provided by (or used for) operating activities	\$ 11,077,122	\$ 1,428,945	\$ 14,388,952	
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
b. Net cash provided by (or used for) noncapital financing activities				
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase or Construction of Capital Assets	\$ (155,843,410)	\$ (163,299,884)	\$ (209,448,410)	
Proceeds from Disposal of Property and Equipment	68,134			
Proceeds of Debt Issuance	2,492,531,901	410,000,000		
Principal Paid on Debt	(2,513,310,278)	(1,584,086)	(15,715,006)	
Interest Paid on Debt	(146,012,000)	(151,465,198)	(133,579,234)	
Capital Contributions	83,592,104	96,789,839	197,998,278	
Credit Payment Income	10,867,007	10,867,007	10,867,007	
c. Net cash provided by (or used for) capital and related financing activities	\$ (228,106,542)	\$ 201,307,678	\$ (149,877,365)	
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of Investment Securities	\$ (26,679,520)	\$ (700,000,000)	\$ (175,000,000)	
Proceeds from Sales or Maturities of Investment Securities	20,000,000	185,676,357	493,667,956	
Investment Earnings	1,237,670	1,682,481	1,762,923	
d. Net cash provided by (or used in) investing activities	\$ (5,441,850)	\$ (512,641,162)	\$ 320,430,879	
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	\$ (222,471,270)	\$ (309,904,539)	\$ 184,942,466	
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	597,433,343	374,962,073	65,057,534	
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	\$ 374,962,073	\$ 65,057,534	\$ 250,000,000	

Southern Nevada Water Authority
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

FUND _____ Enterprise

ALL EXISTING OR PROPOSED
GENERAL OBLIGATION BONDS, REVENUE BONDS,
MEDIUM-TERM FINANCING, CAPITAL LEASES AND
SPECIAL ASSESSMENT BONDS

- * - Type
- 1 - General Obligation Bonds
- 2 - G.O. Revenue Supported Bonds
- 3 - G.O. Special Assessment Bonds
- 4 - Revenue Bonds
- 5 - Medium-Term Financing
- 6 - Medium-Term Financing - Lease Purchase
- 7 - Capital Leases
- 8 - Special Assessment Bonds
- 9 - Mortgages
- 10 - Other (Specify Type)
- 11 - Proposed (Specify Type)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
NAME OF BOND OR LOAN List and Subtotal By Fund	*	TERM	ORIGINAL AMOUNT OF ISSUE	ISSUE DATE	FINAL PAYMENT DATE	INTEREST RATE	BEGINNING OUTSTANDING BALANCE 7/1/2012	INTEREST PAYABLE	PRINCIPAL PAYABLE	TOTAL
SNWA 0798 Bonds	2	30 Years	\$300,000,000.00	7/9/1998	5/15/2028	5.17%	\$21,350,000.00	\$1,067,500.00		\$1,067,500.00
State Revolving fund Loan 1	2	20 Years	\$12,269,695.00	12/30/1999		3.61%	\$5,975,555.44	\$209,842.74	\$656,819.84	\$866,662.58
State Revolving Fund Loan 2	2	20 Years	\$10,000,000.00	6/29/2001	7/1/2021	3.46%	\$5,602,012.84	\$189,477.72	\$507,463.47	\$686,941.19
LVVWD 2005F Refunding Bonds	2	21 Years	\$249,365,000.00	5/1/2005	12/1/2026	5.00%	\$173,520,000.00	\$8,676,000.00		\$8,676,000.00
LVVWD 2005H Refunding Bonds	2	22 Years	\$36,130,000.00	4/15/2005	6/30/2027	4.75%	\$31,620,000.00	\$1,501,950.00		\$1,501,950.00
LVVWD 2005I Refunding Bonds	2	24 Years	\$65,300,000.00	4/15/2005	9/15/2029	4.81%	\$47,755,000.00	\$2,266,937.50		\$2,266,937.50
SNWA 2008 Refunding Bonds	2	24 Years	\$242,880,000.00	5/1/2006	6/1/2030	4.74%	\$210,210,000.00	\$9,806,468.76		\$9,806,468.76
CRC 2008D Refunding Bonds	2	18 Years	\$111,840,000.00	7/15/2006	7/1/2024	4.96%	\$66,200,000.00	\$3,270,762.50		\$3,270,762.50
SNWA 1108 Bonds	2	30 Years	\$604,140,000.00	11/1/2006	11/1/2036	4.41%	\$533,020,000.00	\$23,702,162.50		\$23,702,162.50
LVVWD 2008B Refunding Bonds	2	20 Years	\$171,720,000.00	6/1/2008	12/1/2028	4.57%	\$116,335,000.00	\$5,623,931.28		\$5,623,931.28
SNWA 2008 Bonds	2	30 Years	\$400,000,000.00	7/2/2008	6/1/2038	5.00%	\$362,155,000.00	\$18,107,750.00		\$18,107,750.00
SNWA 2008 Clean Energy	2	15 Years	\$6,440,000.00	7/30/2008	12/15/2022	1.17%	\$5,060,000.00	\$56,511.00	\$460,000.00	\$516,511.00
LVVWD TECP Notes	2	Variable	\$400,000,000.00	3/10/2004	N/A	2.00%	\$400,000,000.00	\$9,000,000.00	\$400,000,000.00	\$408,000,000.00
LVVWD 2009A Bonds	2	30 Years	\$90,000,000.00	8/10/2009	6/1/2039	7.10%*	\$90,000,000.00	\$4,153,500.00		\$4,153,500.00
LVVWD 2009B Bonds	2	30 Years	\$10,000,000.00	8/10/2009	6/1/2039	4.73%	\$10,000,000.00	\$473,312.50		\$473,312.50
SNWA 2009 Refunding	2	20 Years	\$50,000,000.00	11/10/2009	6/1/2030	5.00%	\$50,000,000.00	\$2,500,000.00	\$1,780,000.00	\$4,280,000.00
SNWA 2009 Water Rev Bond	4	20 Years	\$2,750,000.00	11/10/2009	7/1/2030	0.00%	\$2,214,457.20		\$110,722.86	\$110,722.86
LVVWD 2009C Bonds	2	30 Years	\$348,115,000.00	12/23/2009	6/1/2039	7.08%*	\$348,115,000.00	\$16,028,085.10		\$16,028,085.10
LVVWD 2009D Bonds	2	21 Years	\$71,965,000.00	12/23/2009	6/1/2030	4.99%	\$71,965,000.00	\$3,592,737.50	\$2,780,000.00	\$6,372,737.50
CRC 2010B Bonds	2	10 Years	\$7,405,000.00	6/24/2010	6/1/2020	3.63%	\$7,405,000.00	\$273,614.76		\$273,614.76
LVVWD 2011A Bonds	2	16 Years	\$58,110,000.00	5/20/2011	6/1/2026	4.88%	\$58,110,000.00	\$2,705,754.56		\$2,705,754.56
LVVWD 2011B Bonds	2	27 Years	\$129,650,000.00	10/19/2011	6/1/2037	5.56%	\$129,650,000.00	\$5,277,078.20		\$5,277,078.20
LVVWD 2011C Bonds	2	19 Years	\$267,815,000.00	10/19/2011	6/1/2030	7.10%	\$267,815,000.00	\$12,859,062.50	\$8,820,000.00	\$21,679,062.50
SNWA 2012A Refunding	2	20 Years	\$77,425,000.00	6/26/2012	6/1/2032	5.00%	\$77,425,000.00	\$3,236,795.14	\$600,000.00	\$3,836,795.14
TOTAL ALL DEBT SERVICE			\$3,723,319,695.00				\$3,091,502,025.48	\$133,579,234.26	\$415,715,006.17	\$549,294,240.43

Operating Interest	\$ 61,726,000.26
Capitalized Interest	71,853,234.00
Total Interest	\$133,579,234.26

Southern Nevada Water Authority Budget Fiscal Year 2012-2013
(Local Government)

SCHEDULE C-1 - INDEBTEDNESS

LOBBYING EXPENSE ESTIMATE

Pursuant to NRS 354.600 (3), each (emphasis added) local government budget must obtain a separate statement of anticipated expenses relating to activities designed to influence the passage or defeat of legislation in an upcoming legislative session.

Nevada Legislature: 77th Session: February 4, 2013 to June 4, 2013

1. Activity	<u>Legislature 2013 - Southern Nevada Water Authority</u>	
2. Funding Source:	<u>Operating Revenues</u>	
3. Transportation		\$ <u>20,000</u>
4. Lodging and meals		\$ <u>30,000</u>
5. Salaries and Wages		\$ <u>60,000</u>
6. Compensation to lobbyists		\$ <u>10,000</u>
7. Entertainment		\$ _____
8. Supplies, equipment & facilities; other personnel and services spent in Carson City		\$ <u>5,000</u>
Total		\$ <u><u>125,000</u></u>

Entity: Southern Nevada Water Authority

Budget Year 2012-2013

Page: 7

Form 30

12/8/2011

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM
May 17, 2012**

Subject: 2012 Revenue Refunding Bond Resolution	Director's Backup
Petitioner: Philip D. Speight, Deputy General Manager, Administration	
Recommendations: That the Board of Directors adopt the 2012 Revenue Refunding Bond Resolution, authorizing the issuance of the SNWA Revenue Refunding Bonds, Series 2012, and delegating to the Treasurer of the Authority the ability to fix certain terms and conditions of the sale.	

Fiscal Impact:

The Authority will be obligated to make debt service payments from revenues. The Authority will receive funds to make these payments from the beneficiaries of the facilities.

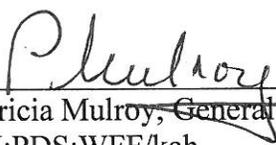
Background:

The Authority was duly formed and operates pursuant to the SNWA Cooperative Agreement, originally effective as of July 25, 1991, and subsequently amended. Pursuant to the SNWA Cooperative Agreement and the SNWA Facilities and Operations Agreement, the Board of Directors has the ability to issue revenue and other bonds, notes and obligations, and incur liabilities secured by revenues of the Southern Nevada Water System.

Nevada law provides that the Authority may issue revenue bonds directly to the municipal marketplace or through such programs as the Clark County Bond Bank. The 2012 Revenue Refunding Bond Resolution authorizes the issuance of up to \$90,000,000 in bonds for the purpose of refunding the 2001 and 2002 Bonds (Refunded Bonds), which were originally issued by the Authority for the purpose of financing infrastructure projects for its water system. The bond proceeds will be used to refinance the Authority's Refunded Bonds to reduce existing debt service obligations. The Clark County Bond Bank will purchase the 2012 Revenue Refunding Bonds from the Authority through the issuance of its bonds.

The County Bond Bank program under which these bonds will be issued is authorized by Chapter 244A of the Nevada Revised Statutes. The office of the General Counsel has reviewed and approved this agenda item.

Respectfully submitted:


Patricia Mulroy, General Manager
PM:PDS:WFF/kah

AGENDA
ITEM #

4

Summary - a resolution authorizing the issuance by the Southern Nevada Water Authority of its Water Revenue Refunding Bonds, Series 2012 and providing other matters relating thereto.

RESOLUTION

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN NEVADA WATER AUTHORITY DESIGNATED BY THE SHORT TITLE "2012 REVENUE REFUNDING BOND RESOLUTION"; PROVIDING FOR THE ISSUANCE OF ITS WATER REVENUE REFUNDING BONDS, SERIES 2012; PROVIDING THAT THE BONDS MAY BE EVIDENCED BY A SINGLE BOND; FIXING THE TERMS AND CONDITIONS THEREOF AND COVENANTS RELATING TO THE PAYMENT OF SAID BONDS; SECURING THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE SOUTHERN NEVADA WATER SYSTEM; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF SAID BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, the Southern Nevada Water Authority, Nevada (the "Authority"; or the "SNWA") was duly organized and is operating in accordance with the provisions of an interlocal agreement dated July 25, 1991, as amended (the "SNWA Cooperative Agreement") entered into pursuant to the provisions of NRS 277.080 to 277.180, inclusive, as amended (the "Authority Act"); and

WHEREAS, the Board of Directors (the "Board") of the Authority, in Clark County, Nevada (the "County" and the "State" respectively) has the authority to issue revenue and other bonds, notes and other obligations and incur liabilities for the purposes of refunding a portion of the 2001 Bonds and the 2002 Bonds, as set forth in the Certificate of the Treasurer (the "Refunded Bonds; or the "Project"); and

WHEREAS, pursuant to the SNWA Cooperative Agreement and the SNWS Operating Agreement (hereinafter defined), the Board is authorized to issue revenue bonds secured by revenues of the SNWS Water System (hereinafter defined); and

WHEREAS, the members of the Authority have contracted with the Authority in the SNWS Operating Agreement to make payments from the revenues of the water systems of the

members of the Authority, which in the aggregate are fully sufficient to pay the Bond Requirements of the Bonds (as hereinafter defined); and

WHEREAS, the Board has determined and does hereby declare that it is necessary and for the best interests of the Authority to complete the Project and to issue the revenue bonds of the Authority for such purpose; and

WHEREAS, the Treasurer of the Authority (the "Treasurer") requested the County to issue its bonds pursuant to the provisions of NRS 244A.013 to 244A.065 (the "Bond Bank Act"), to make a loan to the Authority by purchasing bonds of the Authority (the "Municipal Securities") in the aggregate principal amount necessary to effect the Project (the "Lending Project"); and

WHEREAS, the Municipal Securities are to be issued for the Project; and

WHEREAS, the Board of County Commissioners adopted a bond ordinance authorizing the issuance of its bonds to defray the cost of the Lending Project (the "County Bonds"); and

WHEREAS, the Authority intends to hereby authorize the issuance of Municipal Securities, such Municipal Securities to bear interest at the same rates as the issue of County Bonds for the purpose of providing funds, among other things, to purchase the Municipal Securities; and

WHEREAS, the Bond Bank Act permits Municipal Securities to be sold at private sale to the County; and

WHEREAS, after private negotiation pursuant to the Bond Bank Act, the Board has determined to sell its "Southern Nevada Water Authority, Nevada, Water Revenue Refunding Bonds, Series 2012" (the "Bonds") to the County upon the terms provided below if the Treasurer of the Authority determines that interest rate savings or other economies will be effected, and hereby authorizes the Treasurer to accept the offer of the County to purchase the Bonds by executing a certificate on or before the date of delivery of the Bonds, setting forth the aggregate principal amount of the Bonds (not to exceed the amount necessary to effect the Project), the principal amount of the Bonds maturing in each year and the interest rates therefor (the "Certificate of the Treasurer"); and

WHEREAS, the Bonds may be evidenced by a single registered bond, and the term "Bonds" herein shall, unless the context otherwise requires, refer to such single registered bond; and

WHEREAS, the effective interest rate on the Bonds may not exceed by more than 3% the "Index of Revenue Bonds" which was most recently published in The Bond Buyer before a negotiated offer herein is accepted for the Bonds; and

WHEREAS, the Board hereby elects to have the provisions of Chapter 348 of NRS (the "Supplemental Bond Act") apply to the Bonds; and

WHEREAS, the Board has determined and hereby declares:

A. It is necessary and for the best interests of the Authority that it issue the Bonds; and

B. Each of the limitations and other conditions to the issuance of the Bonds in the SNWA Agreements (hereinafter defined), the Supplemental Bond Act and in any other relevant act of the State of Nevada or the United States has been met.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SOUTHERN NEVADA WATER AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER:

SECTION 1. Short Title. This Resolution shall be known and may be cited as the "2012 Revenue Refunding Bond Resolution."

SECTION 2. Definitions. In addition to the terms defined elsewhere in this Resolution, the terms in this Section defined shall have the meanings herein specified unless the context by clear implication otherwise clearly requires:

(1) "Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, as such principal, premiums and interest become due at maturity or on a redemption date, or otherwise.

(2) "2009 Bonds" means the "Southern Nevada Water Authority, Nevada, Water Revenue Refunding Bonds, Series 2009" issued by the Authority.

(3) "2008 Bonds" means the "Southern Nevada Water Authority, Nevada, Water Revenue Bonds, Series 2008" issued by the Authority.

(4) "2006 Bonds" means the "Southern Nevada Water Authority, Nevada, Water Revenue Bonds, Series 2006" issued by the Authority.,000.

(5) "2006 Refunding Bonds" means the "Southern Nevada Water Authority, Nevada, Water Revenue Refunding Bonds, Series 2006" issued by the Authority.

(6) "2002 Bonds" means the "Southern Nevada Water Authority, Nevada, Water Revenue Bonds, Series 2002" issued by the Authority.

(7) "2001 Bonds" means the "Southern Nevada Water Authority, Nevada, Water Revenue Bonds, Series 2001" issued by the Authority.

(8) "Cost of the Project" means all or any part designated by the Board for the cost of the Project (as such Project is defined in the preambles above), or interest therein, which cost, at the option of the Board, except as limited by law, may include all or any part of the incidental costs relating to the Project, including, without limitation, all other expenses necessary or desirable and appertaining to the Project, as estimated or otherwise ascertained by the Board including rebates to the United States under Section 148 of the Tax Code.

(9) "CRC Power Bond Issuance Agreement" means collectively the Bond Issuance Agreements between SNWA and the Colorado River Commission of Nevada relating to the CRC Power Bonds.

(10) "CRC Power Bonds" means the means the State of Nevada Colorado River Commission General Obligation (Limited Tax) (Revenue Supported) Power Delivery Project Refunding Bonds, Series 2005I (the "2005 CRC Power Bonds"), and any bonds issued on a parity with the 2005 CRC Power Bonds.

(11) "District" means the Las Vegas Valley Water District, Nevada or any successor thereto.

(12) "Federal Securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

(13) "General Taxes" means general (ad valorem) taxes levied by the members of the Authority as required by NRS 350A.152.

(14) "LVVWD Bond Repayment Agreement" means, collectively, the SNWA/LVVWD Master Bond Repayment Agreement dated as of June 1, 1996, as amended by the Master Bond Repayment Amendment dated July 1, 2012 and the agreements dated as of January 15, 1995 and April 15, 1995 between the District and SNWA, both as amended by the SNWA/LVVWD Bond Repayment Agreements Amendment dated as of January 1, 1996.

(15) "LVVWD Bonds" means the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) Additionally Secured by SNWA Pledged Revenues) Refunding Bonds, Series 2003B, the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) Commercial Paper Notes, Series A (SNWA Revenue Supported), Series 2004A and Series 2004B, the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Refunding Bonds, Series 2008B, Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Bonds, Series 2009A, Series 2009B, Series 2009C and Water and Refunding Bonds, Series 2009D, the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Refunding Bonds, Series 2011A, Series 2011B and Series 2011C, and any other securities of the District issued on behalf of the Authority superior to, on a parity with or subordinate to any of the LVVWD Bonds.

(16) "Operation and maintenance expenses," or any phrase of similar import, means all reasonable and necessary current expenses of the Authority, paid or accrued, of operating, maintaining and repairing the SNWS Water System or of any other designated facility in connection with which such term is used; and the term includes, at the option of the Authority, except as limited by law, without limitation:

A. Engineering, auditing, reporting, legal and other overhead expenses of the various departments of the Authority directly related and reasonably allocable to the administration, operation and maintenance of the SNWS Water System;

B. Fidelity bond and property and liability insurance premiums relating to the SNWS Water System, or a reasonably allocable share of a premium of any blanket bond or policy relating to the SNWS Water System;

C. Payments to pension, retirement, health and hospitalization funds, and other insurance, and to any self-insurance fund as insurance premiums not in excess of the premiums which would otherwise be required for such insurance;

D. Any general taxes, assessments, excise taxes or other charges which may be lawfully imposed on the Authority, the SNWS Water System, revenues therefrom, or the Authority's income from or operations of any properties under its control and relating to the SNWS Water System, or any privilege in connection with the SNWS Water System or their operation;

E. The reasonable charges of any depository bank relating to the Bonds and any other securities payable from the Pledged Revenues or otherwise relating to the SNWS Water System;

F. Contractual services, professional services, salaries, other administrative expenses, and costs of materials, supplies, repairs and labor, relating to the SNWS Water System or to the issuance of the Bonds or any other securities relating to the SNWS Water System, including, without limitation, the expenses and compensation of any trustee, receiver or other fiduciary;

G. The costs incurred by the Authority in the collection and any refunds of all or any part of the Pledged Revenues;

H. Any costs of utility services furnished to the SNWS Water System by the Authority or otherwise;

I. Any lawful refunds of any Pledged Revenues;

J. All other administrative, general and commercial expenses relating to the SNWS Water System; but

(a) Excluding any allowance for depreciation;

(b) Excluding any costs of extensions, enlargements, betterments and other improvements (or any combination thereof);

(c) Excluding any reserves for major capital replacements (other than normal repairs);

(d) Excluding any reserves for operation, maintenance or repair of the SNWS Water System;

(e) Excluding any allowance for the redemption of any Bond or other security evidencing a loan or other obligation, or the payment of any interest thereon, or any prior redemption premium due in connection therewith;

(f) Excluding any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing SNWS Water System (or any combination thereof) relating to the SNWS Water System, or otherwise; and

(g) Excluding any liabilities incurred by the Authority as the result of its negligence in the operation of the SNWS Water System or any other ground of legal liability not based on contract.

(17) "Parity lien obligations", "parity securities" or "parity bonds" means obligations, bonds or securities which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds, the 2009 Bonds, the 2008 Bonds, the 2006 Bonds, the 2006 Refunding Bonds, the 2002 Bonds and the 2001 Bonds, including the LVVWD Bonds, the CRC Power Bonds and any additional obligations, bonds or securities which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds.

(18) "Pledged Revenues" means all revenues from the SNWS Water System, including revenues, charges or fees for commodities and services rendered by or through the SNWA System, including, without limitation, connection fees, tap fees, flat fees, meter charges and all other charges made for services, water or other commodities furnished by the SNWS Water System however denominated, and including, without limitation, the charges designated as the "Connection Charge", "Commodity Charge", "Wholesale Delivery Charge", as described in the SNWS Operating Agreement, and "Assessments" provided in Section 6.2.6 thereof, and all other amounts received, directly or indirectly, under the SNWS Operating Agreement.

(19) "Purchaser" means Clark County, Nevada, through the municipal bond bank of the County.

(20) "Paying Agent" means the Authority's Treasurer, Las Vegas, Nevada, or any successor serving as paying agent for the Bonds.

(21) "Registered owner" means the person in whose name a Bond shall be registered on the records of the Authority kept for that purpose by the Registrar in accordance with the provisions of this Resolution.

(22) "Registrar" means the Authority's Treasurer, Las Vegas, Nevada, or any successor serving as registrar for the Bonds.

(23) "Regular Record Date" means the fifteenth day of the calendar month next preceding each interest payment date.

(24) "Single Bond" means the single registered, negotiable water revenue refunding bond issued hereunder in lieu of serial bonds.

(25) "SNWA Agreements" means the SNWA Cooperative Agreement dated July 25, 1991, as amended, and the SNWS Operating Agreement effective as of January 1, 1996, as amended.

(26) "SNWA Parity Bonds" means the Outstanding 2009 Bonds, the 2008 Bonds, the 2006 Bonds, the 2006 Refunding Bonds, the 2002 Bonds and the 2001 Bonds.

(27) "SNWS Operating Agreement" means the SNWA Facilities and Operating Agreement effective as of January 1, 1996.

(28) "SNWS Water System" means, without limitation, the Southern Nevada Water System as defined in the SNWS Operating Agreement, and all additions, improvements and extensions to any part of the SNWS Water System.

(29) "Special Record Date" means a special date fixed by the Paying Agent to determine the names and addresses of registered owners of the Bonds for the payment of any defaulted interest on any Bonds, as further provided in Section 14 hereof.

(30) "State" means the State of Nevada.

(31) "Subordinate lien obligations," "subordinate securities" or "subordinate bonds" means obligations, bonds or securities which have a lien on the Pledged Revenues that is subordinate to the lien thereon of the Bonds, including the Southern Nevada Water Authority, Nevada Water Revenue Bonds, Series 2009, the Southern Nevada Water Authority, Nevada Water Revenue Refunding Bonds, Series 2005, the Southern Nevada Water Authority,

Nevada Water Revenue Bonds, Series July 1, 1998; the obligations of SNWA to the State of Nevada pursuant to the State of Nevada Drinking Water Revolving Fund Loan Contract, Contract No. SNWA-1, approved by the Board on August 19, 1999, authorizing a loan in the aggregate principal amount of not exceeding \$12,296,695 and Contract No. SNWA-2, approved by the Board on April 19, 2001, authorizing a loan in the aggregate principal amount of not exceeding \$10,000,000; the Southern Nevada Water Authority, Nevada Revenue Bonds (Clean Renewable Energy), Series 2008; and any additional obligations, bonds or securities hereafter issued which have a lien on the Pledged Revenues that is subordinate to the lien of the Bonds.

(32) "Superior lien obligations," "superior securities" or "superior bonds" means all of the following whether presently outstanding or issued or incurred in the future:

(A) Payments to the Federal Government for the cost of the construction of the facilities allocated by the Secretary of the Interior for reimbursement pursuant to any contracts therefor;

(B) Payments of compensation and expenses of SNWA and all other obligations incurred through performance by SNWA of the duties designated in sections 2 and 7 of Chapter 393, Statutes of Nevada 1995;

(C) Payments of the principal, interest and any other charges related to any obligations incurred to refund any general obligations of the State issued for the acquisition, construction, improvement or equipment of the Federal facilities or the State facilities, including, but not limited to, the "Bond Obligation Agreement" dated as of December 15, 1997 between the State and SNWA;

(D) Payments of the principal, interest and any other charges related to any obligations which have a lien on the Pledged Revenues superior to the lien thereon of the Bonds incurred by SNWA for the acquisition, construction, improvement or equipment of the Federal facilities or the State facilities or other facilities designed to provide water to southern Nevada; and

(E) Any obligations issued to refund all or any portion of any of the foregoing.

SECTION 3. Sale of Bonds. The sale of the Bonds to the Purchaser on the terms and conditions provided herein is hereby approved.

SECTION 4. Ratification. All action heretofore taken by the Board, the officers of the Authority and SNWA directed toward the Project and toward the issuance, sale and delivery of the Bonds is ratified, approved and confirmed.

SECTION 5. Estimated Life of Facilities. The Board, on behalf of the Authority and SNWA, has determined and does hereby declare:

A. The estimated life or estimated period of usefulness of the Project to be financed with the Bonds is not less than 25 years; and

B. The Bonds shall mature at such time or times not exceeding such estimated life or estimated period of usefulness.

SECTION 6. Necessity of Project and Bonds. It is necessary and in the best interests of the Board, SNWA, its officers, and the inhabitants of the County that the Authority effect the Project and defray wholly or in part the cost thereof by the issuance of the Bonds; and it is hereby so determined and declared.

SECTION 7. Authorization of Project. The Board hereby authorizes the Project.

SECTION 8. Resolution to Constitute Contract. In consideration of the purchase and the acceptance of the Bonds by those who shall own the same from time to time, the provisions hereof shall be deemed to be and shall constitute a contract between the Authority and the registered owners from time to time of the Bonds.

SECTION 9. Bonds Equally Secured. The covenants and agreements herein set forth to be performed shall be for the equal benefit, protection and security of the registered owners of any and all of the outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction except as otherwise expressly provided in or pursuant to this Resolution.

SECTION 10. Special Obligations. All of the Bonds, as to the Bond Requirements, shall constitute special obligations of the Authority, which hereby pledges its Pledged Revenues for their payment. The Bonds are payable solely from the Pledged Revenues, and do not constitute outstanding indebtedness of the Authority, nor exhaust its debt-incurring power under any debt limitation. None of the covenants, agreements, representations and warranties contained in this Resolution shall ever impose or be construed as imposing any liability, obligation or charge against the Authority (except the Pledged Revenues) or against the general credit of the Authority, payable

out of the general fund of the Authority, or out of any funds derived from taxation, except General Taxes.

SECTION 11. Limitations upon Security. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the Authority and no property of the Authority shall be liable to be forfeited or taken in payment of the Bonds; but the payment of the Bonds is secured by the Pledged Revenues hereinafter pledged for the payment of the Bonds.

SECTION 12. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon this Resolution authorizing their issuance or any other instrument relating thereto, against any individual member of the Board or any officer or other agent of the Board, the Authority, past, present or future, either directly or indirectly through the Board, the Authority or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as a part of the consideration of their issuance specially waived and released.

SECTION 13. Authorization of Bonds. For the purpose of providing funds to pay all or a portion of the Cost of the Project, the Authority shall issue the "Southern Nevada Water Authority, Nevada, Water Revenue Refunding Bonds, Series 2012" in the aggregate principal amount as set forth in the Certificate of the Treasurer (not to exceed the principal amount necessary to effect the Project). The County has requested, and the Authority has agreed, that the obligation of the Authority hereunder shall be represented in the form of a single, registered, negotiable water revenue bond, i.e., the Single Bond. The registered owner thereof shall have the right to convert said Single Bond to serial registered Bonds, at its own expense. The Single Bond shall be in the form substantially as set forth in Section 28 hereof. The serial Bonds shall be in the form substantially as set forth in Section 26 hereof.

SECTION 14. Bond Details. The Bonds shall be issued in fully registered form. The Bonds shall be dated initially as of the date of delivery thereof to the County, and except as otherwise provided in Section 19 hereof shall be issued in denominations of \$5,000 or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual Bond will be issued with more than one maturity). The Bonds shall be numbered from 1 upward. The Bonds shall bear interest (calculated

on the basis of a 360-day year of twelve 30-day months) from their date until their respective maturity dates (or, if redeemed prior to maturity as provided below, their redemption dates) at the respective rates set forth in a certificate to be executed by the Treasurer or his designee on or after the date of the sale of the County Bonds and on or before the date of closing on the Bonds (the "Certificate of the Treasurer"), payable semiannually on December 1 and June 1 of each year commencing on December 1, 2012; provided that those Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates shown below from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds. Notwithstanding the foregoing, so long as the County is the registered owner of the Bonds, interest payments on the Bonds shall be made by depositing an amount sufficient to make the payment then due by wire transfer to the County Treasurer in immediately available funds, not later than one day before each interest payment date. If the County is still the registered owner of the Bonds, such payment not later than one day before each interest payment date, shall continue to be required if an escrow or trust has been established as provided in Section 47 hereof to make such payments, unless the Chief Financial Officer of the County otherwise agrees. The Bonds shall mature on the dates and the amounts of principal as designated in the Certificate of the Treasurer (not to exceed 25 years).

The principal and redemption premium, if any, on any Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar, upon maturity or prior redemption thereof and upon presentation and surrender at the principal office of the Paying Agent or at such other office as shall be designated by the Paying Agent. Notwithstanding the foregoing, so long as the County is the registered owner of the Bonds, all principal payments shall be made by depositing with the County Treasurer, in immediately available funds, an amount sufficient to make the payment then due, not later than one day before each principal payment date. If the County is still the registered owner of the Bonds, such payment not later than one day before each principal payment date shall continue to be required if an escrow or trust has been established as provided in Section 47 hereof to make such payment, unless the Chief Financial Officer of the County otherwise agrees.

If any Bond shall not be paid upon such presentation and surrender at or after maturity or prior redemption, it shall continue to draw interest at the interest rate borne by the Bond until the

principal thereof is paid in full, except while the County is the owner of the Bonds, it shall draw interest on the amount not paid on time at a rate per annum equal to the sum of the prime rate as quoted in the Wall Street Journal (or average thereof, if more than one prime rate is quoted), plus one percent. Except as provided herein with respect to payments while the County is the owner of the Bonds and except as provided in Section 19, payment of interest on any Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day) to the registered owner thereof at his or her address as shown on the registration records kept by the Registrar as of the close of business on the Regular Record Date; but any such interest not so timely paid shall cease to be payable to the registered owner thereof as shown on the registration records of the Registrar as of the close of business on the Regular Record Date and shall be payable to the registered owner thereof at his or her address as shown on the registration records of the Registrar as of the close of business on the Special Record Date. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than ten days prior thereto by first-class mail to each such registered owner as shown on the Registrar's registration records as of a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent. All such payments shall be made in lawful money of the United States without deduction for any service charges of the Paying Agent or Registrar.

SECTION 15. Prior Redemption or Prepayment Option.

A. Optional Redemption or Prepayment. Bonds, or portions thereof (\$5,000 or any integral multiple), or, if a Single Bond is issued as provided herein, installments of principal, maturing on or after the date set forth in the Certificate of the Treasurer shall be subject to redemption prior to their respective maturities, at the option of the Authority, on and after the date set forth in the Certificate of the Treasurer, in whole or in part at any time from any maturities selected by the Authority and by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), at a price equal to the principal amount of each Bond, or portion

thereof, so redeemed, accrued interest thereon to the redemption date, and a premium, if any, as set forth in the Certificate of the Treasurer.

If a Single Bond is issued to evidence the Bonds as herein provided, installments of principal due on and after the date set forth in the Certificate of the Treasurer shall be subject to prepayment on and after the date set forth in the Certificate of the Treasurer, or in part, at any time in amounts of \$5,000 or any multiple thereof and from any maturities as are selected by the Authority, at the same prices and terms as if such Single Bond were evidenced by the \$5,000 denomination Bonds designated above.

B. Partial Redemption. In the case of Bonds in a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. In the case of a partial redemption of Bonds of a single maturity pursuant to subsection (A) hereof, the Paying Agent shall select the Bonds to be redeemed by lot at such time as directed by the Authority (but at least 30 days prior to the redemption date), and if such selection is more than 60 days before a redemption date, shall direct the Registrar to appropriately identify the Bonds so called for redemption by stamping them at the time any Bond so selected for redemption is presented to the Registrar for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Registrar, and any Bond or Bonds issued in exchange for, or to replace, any Bond so called for prior redemption shall likewise be stamped or otherwise identified.

SECTION 16. Notice of Redemption. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Registrar on behalf of and on direction of the Board (which direction shall be given to the Registrar and Paying Agent in writing not less than 60 days prior to the redemption date), by mailing a copy of an official redemption notice by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the registration records of the Registrar or at such other address as is furnished in writing by such registered owner to the Registrar. If at the time of any redemption the County owns all of the then outstanding Bonds, such notice shall be given to the County Treasurer at least 75 days before the date fixed for redemption. Actual receipt of mailed notice by any owner of Bonds shall

not be a condition precedent to redemption of such Bond or Bonds. Failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bonds. A certificate by the Registrar that such notice has been given as herein provided shall be conclusive against all parties.

All official notices of redemption shall be dated and shall state:

- A. the redemption date,
- B. the redemption prices,
- C. if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed (or, if a Single Bond evidences the Bonds, the installments of principal to be repaid),
- D. that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption (or installments of principal to be repaid), and that interest thereon shall cease to accrue from and after said date, and
- E. the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent (accrued interest to the redemption date being payable by mail or as otherwise provided in this Resolution).

Prior to or on any redemption date, the Authority shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Notwithstanding the provisions of this Section, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent, on or before the date fixed for redemption, of funds sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

SECTION 17. Negotiability. Subject to the registration and payment provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purpose of the Uniform Commercial Code - Investment Securities and each registered owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code - Investment Securities.

SECTION 18. Registration, Transfer and Exchange of Bonds. Except as otherwise provided in Section 19 hereof:

A. Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the registered owner or his or her attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations, as provided in Section 14 hereof. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. For every exchange or transfer of Bonds requested by the registered owner thereof, the Registrar may make a sufficient charge to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and may charge a sum sufficient to pay the cost of preparing and authenticating a new Bond. No such charge shall be made in the case of an exchange resulting from an optional prior redemption of a Bond.

B. The Registrar shall not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business 15 days before the

date of mailing by the Registrar of a notice of prior redemption of Bonds and ending at the close of business on the date of such mailing, or (ii) any Bond after the mailing of notice calling such Bond, or any portion thereof, for redemption as herein provided.

C. The person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of payment and for all other purposes (except to the extent otherwise provided in ' 14 hereof with respect to interest payments); and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the Authority may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for redemption, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

E. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the Board, upon request.

F. The Registrar shall maintain at his office so long as the Bonds are evidenced by a Single Bond, a registration record for the Single Bond showing the name and address of the registered owner, the amounts and dates of any principal prepayments on the Single Bond, and the dates of any transfers of the Single Bond. The Registrar shall permit at all reasonable times the transfer of ownership of the Single Bond on presentation of the Single Bond at his office together with a written request for transfer signed by the registered owner or his attorney duly authorized in writing in a form satisfactory to the Registrar. Any such transfer shall be noted on the registration record and on the registration panel on the back of the Single Bond. No transfer shall be permitted

within 30 days of any principal or interest payment date nor within 75 days of any date on which the Authority is prepaying all or any portion of the principal of the Single Bond.

G. Upon written request of the registered owner of the Single Bond or his attorney duly authorized in writing, in form satisfactory to the Paying Agent, the Authority shall issue at the registered owner's expense and within 60 days from the date of such request, definitive negotiable registered bonds in the form provided by Section 26 and in the denominations of \$5,000 each or any integral multiple thereof, requested by the registered owner, in an aggregate principal amount equal to the amount of unpaid principal of the Single Bond and of like tenor and date, and with the maturities, interest rates and terms otherwise prescribed by this Resolution for such Bonds.

SECTION 19. Use of Depository.

A. In the event the Bonds are issued as serial Bonds as provided in Section 26 hereof, the Authority may provide for the Bonds to be issued in book entry only form in which case the Bonds shall be evidenced by one Bond for each year in which the principal of the Bonds comes due, in a denomination equal to the amount of principal coming due in that year. Such Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) To any successor of The Depository Trust Company or its nominee which successor must be both a "clearing corporation" as defined in NRS 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended;

(2) Upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this Subsection A or a determination by the Board that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions and the designation by the Board of another depository institution, acceptable to the Board which must be both a "clearing corporation" as defined in NRS 104.8102 and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

B. Upon the resignation of The Depository Trust Company or a successor depository or new depository under clause (1) or (2) of this Subsection A or a determination by the Board that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions and the failure by the Board, after reasonable investigation, to locate another qualified depository institution acceptable to the Board under clause (2) to carry out the functions of The Depository Trust Company or such successor or new depository. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of subsection A hereof or in the case of designation of a new depository pursuant to clause (2) of subsection A hereof upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a single new Bond shall be issued to such successor or new depository, as the case may be, for each maturity of the Bonds then outstanding, registered in the name of such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a determination under clause (3) of subsection A hereof and the failure, after reasonable investigation to locate another depository institution for the Bonds acceptable to the Board and upon receipt of outstanding Bonds by the Registrar together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 14 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The Authority shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes of this resolution and any applicable laws notwithstanding any notice to the contrary received by the Registrar or the Authority and the Authority shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to subsection A hereof.

D. The Authority and the Registrar shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of subsection A hereof in effectuating payment of the Bond Requirements of the Bonds by arranging for

payment in such a manner that funds representing such payments are available to the depository on the day they are due.

SECTION 20. Execution and Authentication.

A. If facsimile signatures will be used on the Bonds, prior to the execution of any Bonds, pursuant to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Chairman of the Authority (the "Chairman"), the Authority Treasurer and the Authority Secretary (the "Secretary") shall each file with the Secretary of State of Nevada his or her manual signature certified by him or her under oath.

B. The Bonds shall be approved, signed and executed in the name of and on behalf of the Authority with the manual or facsimile signature of the Chairman, shall be countersigned and executed with the manual or facsimile signature of the Treasurer and shall bear a manual impression or a facsimile of an impression of the official seal of the Authority attested with the manual or facsimile signature of the Secretary.

C. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided or, in the case of a Single Bond, the registration panel, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Resolution, the Registrar shall be deemed to have assented to all of the provisions of this Resolution.

SECTION 21. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of the execution of the Bonds shall be valid and binding obligations of the Authority, notwithstanding that before their delivery any or all of the persons who executed them shall have ceased to fill their respective offices. The Chairman, the Treasurer and the Secretary, at the time of the execution of a signature certificate relating to the Bonds, may each adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds.

SECTION 22. Recital of Authority to Issue the Bonds. The Bonds are issued in conformance with the SNWA Agreements and the Authority Act, and the members of the Authority have contracted with the Authority in the SNWS Operating Agreement to make payments from the revenues of the water systems of the members of the Authority, which in the aggregate are fully sufficient to pay the Bond Requirements of the Bonds; and therefore, the Board is authorized to issue the Bonds.

SECTION 23. Additional Security. The Bonds are additionally secured as provided in the second and third sentences of NRS 350A.152(1)(b).

SECTION 24. Bond Execution. The Chairman, the Treasurer and the Secretary are hereby authorized and directed to prepare and to execute the Bonds as herein provided.

SECTION 25. Registration. The Registrar shall maintain the registration records of the Authority for the Bonds, showing the name and address of the owner of each Bond authenticated and delivered, the date of authentication, the maturity of the Bond, and its interest rate, principal amount and Bond number.

SECTION 26. Serial Bond Form. Subject to the provisions of this Resolution, the serial Bonds shall be in substantially the following form with such omissions, insertions, endorsements and variations as may be required by the circumstances, be required or permitted by this Resolution, or be consistent with this Resolution and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Serial Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**SOUTHERN NEVADA WATER AUTHORITY, NEVADA
WATER REVENUE REFUNDING BOND
SERIES 2012**

No. _____

\$ _____

Interest Rate
_____ %

Maturity Date
_____ 1, _____

Dated As of

CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The Southern Nevada Water Authority, Nevada, a public corporation in Clark County, in the State of Nevada (the "Authority" and the "State", respectively) for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, on the Maturity Date specified above (unless called for earlier redemption) and to pay interest thereon on December 1 and June 1 of each year, commencing on December 1, 2012, at the Interest Rate per annum specified above, until the principal sum is paid or payment has been provided for. This Bond shall bear interest from the most recent interest payment date to which interest has been paid or, if no interest has been paid, from the date of this Bond. The principal on this Bond is payable upon presentation and surrender hereof at the principal office of the Authority's paying agent (the "Paying Agent") or at such other office as may be designated by the Paying Agent, presently the Authority's Treasurer, in Las Vegas, Nevada, who is also now acting as the Authority's Registrar (the "Registrar"). Interest on this Bond will be paid on each interest payment date (or, if such date is not a business day, on the next succeeding business day) by check or draft mailed to the person in whose name this Bond is registered (the "registered owner") in the registration records of the Authority maintained by the Registrar, at the address appearing thereon, as of the close of business on the fifteenth day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the registered owner as of the close of business on the Regular Record Date and shall be payable to the person who is the registered owner as of the close of business on a special record date for the payment of any defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owner not less than ten (10) days prior thereto. If the payment of any installment of principal of this Bond is not made when due, interest on such installment shall continue at the interest rate for such installment referred to above until such principal installment is paid in full. All such payments shall be made in lawful money of the United States without deduction for any service charges of the Paying Agent or Registrar.

This Bond may not be exchanged or transferred except in circumstances specified in the resolution of the Board of Directors of the Authority (the "Board") authorizing the issuance of the Bonds of the series of which this Bond is one (the "Bonds") and designated in Section 1 thereof as the "2012 Revenue Refunding Bond Resolution" (the "Resolution") and only at the times and subject to payment of the charges specified in the Resolution.

The Authority, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Resolution with respect to Regular and Special Record Dates for the payment of interest.

The Bonds maturing on and after the date set forth in the Certificate of the Treasurer are subject to redemption prior to their respective maturities at the option of the Authority on and after the date set forth in the Certificate of the Treasurer in whole or in part (\$5,000 or any integral multiple thereof) at any time from such maturity or maturities selected by the Board, and by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), at a price equal to the principal amount of each Bond, or portion thereof, so redeemed and accrued interest thereon to the redemption date, plus a premium, if any, as set forth in the Certificate of the Treasurer.

Notice of redemption, unless waived, will be given by the Registrar by mailing a redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption addressed to the registered owner of the Bond or Bonds to be redeemed at the address shown on the registration records kept by the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions thereof so called for redemption and for which payment has been provided shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions thereof shall cease to bear interest.

This Bond must be registered in the name of the registered owner as to both principal and interest on the registration records kept by the Registrar in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Resolution. No transfer of this Bond shall be valid unless made on the registration records maintained at the principal office of the Registrar by the registered owner or his or her attorney duly authorized in writing.

The Bonds are issued by the Authority upon its behalf and upon the credit thereof for the purpose of defraying the Cost of the Project as defined in the Resolution (the "Project"), all as more fully described in the Resolution, under the authority of and in full compliance with the Constitution and laws of the State and pursuant to the Resolution.

It is hereby certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the Authority in the issuance of this Bond. This Bond is issued pursuant to the interlocal agreements described in the Resolution entered into pursuant to the provisions of Chapter 277 (the "Authority Act") of the Nevada Revised Statutes ("NRS"), as amended and supplemented and pursuant to NRS Chapter 348.

Payment of the principal and interest on the Bonds (the "Bond Requirements") is secured by a pledge of revenues, (herein, the "Pledged Revenues") derived by the Authority, as more specifically provided in the Resolution.

The Bonds are equally and ratably secured by such pledge of the Pledged Revenues, and such pledge constitutes an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues, subject to the superior and parity liens of any obligations issued superior to or on a parity with the Bonds. Additional securities and other obligations may be issued, incurred and made payable from Pledged Revenues having a lien thereon superior to, subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Resolution.

This Bond is also secured as provided in the second and third sentences of NRS 350A.152(1)(b).

Reference is made to the Resolution for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the Authority, and other rights and remedies of the owners of this Bond.

To the extent and in the respects permitted by the Resolution, the provisions of the Resolution may be amended or otherwise modified by action of the Authority taken in the manner and subject to the conditions and exceptions prescribed in the Resolution. The pledge of Pledged Revenues under the Resolution may be discharged at or prior to the respective maturities or prior redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Resolution or other instrument pertaining thereto against any individual member of the Board, or any officer or other agent of the Authority, past, present, or future, either directly or indirectly through the Board, or the Authority or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the Board of Directors of the Southern Nevada Water Authority in the County of Clark and State of Nevada, on behalf of the Southern Nevada Water Authority, has caused this Bond to be executed in its name with the manual or facsimile signature of the Chairman of its Board of Directors, to be attested, signed and executed with a manual or facsimile signature of the Secretary of the Board of Directors, has caused a manual or facsimile impression of the seal of the Authority to be affixed hereon, and has caused this Bond to be countersigned with the manual or facsimile signature of the Authority Treasurer, all as of _____, 2012.

SOUTHERN NEVADA WATER AUTHORITY

By: (Manual or Facsimile Signature)
Chairman, Board of Directors
Southern Nevada Water Authority
Clark County, Nevada

Countersigned:

(MANUAL OR FACSIMILE
AUTHORITY SEAL)

Attest:

(Manual or Facsimile Signature)
Authority Treasurer
Southern Nevada Water Authority
Clark County, Nevada

(Manual or Facsimile Signature)
Secretary, Board of Directors
Southern Nevada Water Authority
Clark County, Nevada

(End of Form of Bond)

(Form of Prepayment Panel)

The following installments of principal (or portions thereof) of this Bond have been prepaid by the Authority, in accordance with the terms of the Resolution authorizing the issuance of this Bond.

<u>Date of Prepayment</u>	<u>Principal</u>	<u>Signature of Authorized Representative of DTC</u>

(End of Form of Prepayment Panel)

(Form of Assignment for Serial Bond)

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the record kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Date Guaranteed:

Name of Transferee:

Address of Transferee:

Social Security or other tax
identification number of
Transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

(End of Form of Assignment)

SECTION 27. Use of Single Bond. Notwithstanding the foregoing provision, the Bonds shall be initially evidenced by a single registered Bond, numbered R-1, which Single Bond shall be manually signed and executed in the name of and on behalf of the Authority by the Chairman, countersigned and manually subscribed by the Treasurer, with the seal of the Authority affixed thereto and attested and manually signed by the Secretary. The principal installments, interest and any prior redemption premiums on the Single Bond shall be paid by check, draft or warrant made to the order of the registered owner of the Single Bond and mailed to the address of the registered owner shown on the Bond registration records of the Paying Agent on or before such payment date, or if such payment date is not a business day, on or before the next succeeding business day. Notwithstanding the foregoing, so long as the County is the registered owner, such payment shall be made by depositing by wire transfer to the County Treasurer, in immediately available funds, an amount sufficient to make the payment then due, not later than one day before each payment date. If the County is still the registered owner of the Bonds, such payment not later than one day before each payment date shall continue to be required if an escrow or trust has been established as provided in Section 47 hereof to make such payment, unless the Chief Financial Officer of the County otherwise agrees.

The final installment of principal on the Single Bond shall be made only upon surrender of the Single Bond at the office of the Paying Agent. The Single Bond shall mature in installments of principal, bear interest and be subject to prepayments of installments of principal, substantially as provided in Sections 14 through 25 hereof. If a portion of principal of the Single Bond is called for prior redemption, no payment of the principal or redemption price or interest on the Single Bond, due on or after the date fixed for redemption shall be made unless the Single Bond is presented to the Paying Agent and notation of the installments of principal so called for prior redemption is made on such Single Bond. The Single Bond must be registered in the name of its owner and may be assigned by the registered owner in the manner and with the effect set forth in the provisions for registration contained in the form thereof hereinafter set forth. The Authority shall pay to the County such amounts as are necessary to pay the Authority's share of the County's cost of paying the County Bonds which are issued to fund the Bonds, including without limitation the Authority's share of paying agent fees.

SECTION 28. Form of Single Bond. The Single Bond shall be in substantially the following form, said form to be completed with necessary or appropriate variations, insertions, omissions, or endorsements consistent with the provisions of this Resolution:

(Form of Single Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**SOUTHERN NEVADA WATER AUTHORITY, NEVADA
WATER REVENUE REFUNDING BOND
SERIES 2012**

No. R-1

\$ _____

The Southern Nevada Water Authority (the "Authority"), a public corporation in Clark County, (the "County"), in the State of Nevada (the "State") for value received hereby acknowledges itself to be indebted and promises to pay to Clark County, Nevada, c/o the County Treasurer, Clark County Bond Bank, or registered assigns, the original principal sum of

_____ **DOLLARS AND 00/100**

in installments of principal in the amounts and years as provided in the resolution authorizing the issuance of the Bonds adopted by the Board of Directors of the Authority (the "Board") and designated in section 1 thereof as the "2012 Revenue Refunding Bond Resolution" (the "Resolution") in lawful money of the United States of America, together with interest on the unpaid installments of principal from the date of delivery of this Bond appearing below until payment of such installments of principal shall have been discharged as provided in the Resolution, at the interest rates designated in the Resolution and the Certificate of the Treasurer for such installments appearing in the Resolution, said interest being payable on December 1 and June 1 of each year commencing on December 1, 2012, and said installments of principal bearing interest at the rates, and being payable on June 1 of the years and in amounts as designated in the Resolution and the Certificate of the Treasurer.

The principal of, interest on and any prior redemption premiums due in connection with this Bond (the "Bond Requirements") are payable by check, draft or warrant made to the order of the registered owner hereof and mailed by the Treasurer of the Authority or any successor thereto as paying agent for this Bond (the "Paying Agent") to the address shown for the registered owner on the registration records of the Treasurer of the Authority or any successor thereto as registrar for the Bond (the "Registrar"). Notwithstanding the foregoing, so long as the County is the registered owner, such payment shall be made by depositing with the County Treasurer, not later than one day before each payment date, an amount sufficient to make the payment then due. If the County is still the registered owner of the Bonds, such payment not more than one day before such payment date shall continue to be required if an escrow or trust has been established as provided in Section 47 of the Resolution to make such payment, unless the Chief Financial Officer of the County otherwise agrees. If any payment date is not a business day, payment may be made on or before the next succeeding business day. If payment of any installment of principal of this Bond is not made when due, interest on such installment shall continue at the interest rate per annum equal to the sum of the prime rate as quoted in the Wall Street Journal (or average thereof, if more than one prime rate is quoted) plus one percent, until such principal installment is paid in full. The final installment of

principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is one of a duly authorized issue of bonds of the Authority (the "Bond") to defray, in part the Cost of the Project, as defined in the Resolution (the "Project"), as more fully described in the Resolution, under the authority of and in full compliance with the constitution and laws of the State, and pursuant to the Resolution.

This Bond is issued pursuant to the interlocal agreements described in the Resolution entered into pursuant to the provisions of Chapter 277 (the "Authority Act"), Nevada Revised Statutes, as amended and supplemented; Nevada Revised Statutes ("NRS") chapter 348 (the "Supplemental Bond Law").

Installments of principal of the Bonds maturing on or before the date set forth in the Certificate of the Treasurer are subject to payment prior to their due dates, at the option of the Authority on and after the date set forth in the Certificate of the Treasurer, in whole or in part, at any time in amounts of \$5,000 or any multiple thereof from any maturities selected by the Authority, at a price equal to the principal amount prepaid, accrued interest to the prepayment date, and a premium, if any, as set forth in the Certificate of the Treasurer.

Prepayment shall be made on not less than 30 days' prior mailed notice in the manner and upon the conditions provided in the Resolution; provided, however, if Clark County, Nevada is the owner hereof not less than 75 days prior mailed notice of any prepayment shall be given. If a prepayment is made on the Bond as specified in the Resolution, interest shall cease to accrue on the amount prepaid from and after the date fixed for prepayment. If a portion of the principal of the Bond is called for prepayment, no payment of the principal of, interest on or prior redemption premium due in connection with the Bond due on and after the prepayment date shall be made unless this Bond is presented to the Paying Agent and notation of the installments of principal so called for prepayment panel appended hereto.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the Authority in the issuance of this Bond. Payment of the principal of and interest on this Bond (the "Bond Requirements") is secured by a pledge of the revenues (herein called the "Pledged Revenues") derived by the Authority, as more specifically provided in the Resolution.

The Bonds are equally and ratably secured by such pledge of the Pledged Revenues, and such pledge constitutes an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues, subject to the superior and parity liens of any obligations issued superior to or on a parity with the Bonds. Additional securities and other obligations may be issued, incurred and made payable from Pledged Revenues having a lien thereon superior to, subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Resolution.

This Bond is also secured as provided in the second and third sentences of NRS 350A.152(1)(b).

Reference is made to the Resolution for an additional description of the nature and extent of the security for the Bonds, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights, duties, immunities, and obligations of the Authority, and other rights and remedies of the owners of the Bonds.

To the extent and in the respects permitted by the Resolution, the provisions of the Resolution may be amended or otherwise modified by action of the Authority taken in the manner and subject to the conditions and exceptions prescribed in the Resolution. The pledge of Pledged Revenues under the Resolution may be discharged at or prior to the respective maturities or prior redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

This Bond shall not be entitled to any benefits under the Resolution, or be valid or obligatory for any purpose until the registration panel appended hereto shall have been manually signed on behalf of the Registrar.

This Bond is fully transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolution, and upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Any such transfer shall be noted in the registration records of the Authority maintained by the Registrar and noted on the registration panel appended hereto. The Registrar shall not be required to register the transfer of this Bond during the seventy-five days next preceding any date fixed for the prepayment of principal installments or during the thirty days next preceding any date for the payment of principal of or interest on this Bond.

On written request of the registered owner hereof or his attorney duly authorized in writing in a form satisfactory to the Registrar, the Authority shall issue, at the registered owner's expense and within 60 days from the date of such request, negotiable, registered bonds in the denomination of \$5,000 each or any multiple thereof in an aggregate principal amount equal to the amount of unpaid principal of this Bond, such Bonds maturing at the same times as, and bearing interest at the same interest rates, and otherwise containing such terms, limitations and conditions prescribed in and being in the form provided in the Resolution.

No transfer of this Bond shall be valid unless made on the registration records maintained at the principal office of the Registrar by the registered owner or his or her attorney duly authorized in writing.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Resolution, against any individual member of the Board, or any officer or other agent of the Authority or, past, present or future, either directly or indirectly through the Board, the Authority, or otherwise, whether by virtue of any constitution,

statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

IN WITNESS WHEREOF, the Board of Directors of the Southern Nevada Water Authority, Clark County, Nevada, on behalf of the Southern Nevada Water Authority, has caused this Bond to be executed in its name by the manual or facsimile signature of the Chairman of the Board and by the manual or facsimile signature of its Authority Treasurer, and attested by the manual or facsimile signature of its Board Secretary and has caused the seal of the Authority to be reproduced hereon, all as of _____, 2012, i.e., the date of delivery of the Bond.

SOUTHERN NEVADA WATER AUTHORITY
CLARK COUNTY, NEVADA

By _____ (Manual or Facsimile Signature)
Chairman, Board of Directors
Southern Nevada Water Authority

Countersigned:

(SEAL)

By _____ (Manual or Facsimile Signature)
Authority Treasurer
Southern Nevada Water Authority

Attest:

(Manual or Facsimile Signature)
Secretary
Board of Directors
Southern Nevada Water Authority

(End of Form of Single Bond)

(Form of Registration Panel for Single Bond)

MANDATORY REGISTRATION FOR PAYMENT
AS TO PRINCIPAL AND INTEREST

The within single bond is registered in the office of the Authority Treasurer, as Registrar in the name of the last owner listed below, and the principal amount of the bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Resolution.

<u>Date of Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
_____	Clark County, Nevada, c/o County Treasurer, Clark County Bond Bank	County Treasurer, 500 South Grand Central Parkway, Las Vegas, Nevada 89106	_____
_____	_____	_____	_____
_____	_____	_____	_____

(End of Form of Registration Panel)

(Form of Principal Prepayment Panel on Single Bond)

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Single Bond have been prepaid by the Southern Nevada Water Authority, Clark County, Nevada, in accordance with the terms of the within-mentioned Resolution.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof)</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(End of Form of Principal Prepayment Panel)

(Form of Assignment for Single Bond)

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the record kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Date Guaranteed:

Name of Transferee:

Address of Transferee:

Social Security or other tax
identification number of
Transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

(End of Form of Assignment)

SECTION 29. Delivery of the Single Bond; Deposit of Proceeds. When the Single Bond has been duly executed, the Treasurer shall deliver it to the County upon receipt of evidence that the prepayment panels on the applicable Refunded Bonds reflect the principal amounts of any of the 2001 Bonds and the 2002 Bonds being refunded, as stated in the Certificate of the Treasurer, plus the amount of the costs of issuance agreed upon by the Treasurer. The Treasurer shall register the Single Bond in the name of the County on the Bond registration records of the Registrar and make notation of such registration on the registration panel appended to the Single Bond. The Treasurer shall cause the proceeds of the Bonds to be deposited into the Costs of Issuance Account, hereinafter created. Moneys in the Costs of Issuance Account shall be used solely to defray wholly or in part the Cost of the Project, which the Board hereby determines are necessary and desirable and appertain to the Project. After the Project is complete and after all expenses have been paid or adequate provision therefor is made, any unexpended balance of Bond proceeds (or, unless otherwise required by law, any other moneys) remaining in the Costs of Issuance Account shall be deposited into the Bond Fund hereinafter created to be used to pay the principal of and interest on the Bonds.

SECTION 30. Permitted Investments; Use of Investment Gain. Monies deposited in any fund or account created by this Resolution may be invested in any investments permitted under State law, as amended. Any gain from any investment and any reinvestment of any moneys accounted for in a fund pursuant to this Resolution, shall be deposited promptly upon the receipt of such gain at any time or from time to time into the Bond Fund, the Costs of Issuance Account, the Rebate Account (hereafter created) or the Authority=s general fund as directed by the Board or the Treasurer.

SECTION 31. Prevention of Bond Default. The Treasurer shall use any Bond proceeds credited to the Costs of Issuance Account, without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys otherwise available therefor are insufficient for that purpose, unless such Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The Treasurer shall promptly notify the Board of any such use.

SECTION 32. Purchaser Not Responsible. The validity of the Bonds shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the Project, or any part thereof, or to the proper completion of the Project. The Purchaser of the Bonds, any

associate thereof, and any subsequent registered owner of any Bond shall in no manner be responsible for the application or disposal by the Authority or by any of their officers, agents and employees of the proceeds derived from the sale of the Bonds or of any other moneys herein designated.

SECTION 33. Creation of SNWA Funds. There are hereby created or continued separate accounts to be held by the Treasurer of the Authority designated respectively as the:

(1) "Southern Nevada Water Authority, Nevada, Water Revenue Refunding Bonds, Series 2012, Costs of Issuance Account" (the "Costs of Issuance Account");

(2) "Southern Nevada Water Authority, Nevada, Water Revenue Refunding Bonds, Series 2012 Bond Fund" (the "Bond Fund");

(3) "Southern Nevada Water Authority, Nevada, Operation and Maintenance Fund" (the "O & M Fund");

(4) "Southern Nevada Water Authority, Nevada, Water Revenue Refunding Bonds, Series 2012 Rebate Account (the "Rebate Account"); and

(5) "Southern Nevada Water Authority, Nevada, Water Revenue Fund" (the "Revenue Fund").

SECTION 34. Pledge of Revenues. Subject only to the right of the Authority to cause amounts to be withdrawn to pay the Cost of the Project as provided herein, the Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any fund or account under this Resolution, excluding, however, those funds held in the Rebate Account, are hereby pledged to secure the payment of the Bond Requirements of the Bonds; and this pledge shall be valid and binding from and after the date of the first delivery of any Bonds, and the moneys, as received by the Authority and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Authority, except for the superior lien obligations; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority (except as herein otherwise provided) irrespective of whether such parties have notice thereof. The lien of this pledge for the Bonds, the parity bonds and any parity

bonds hereafter authorized shall be equally and ratably secured by the pledge of the Pledged Revenues hereunder, and the Bonds, the parity bonds and any parity bonds hereafter issued are not entitled to any priority one over the other in the application of Pledged Revenues.

SECTION 35. Revenue Fund. All Pledged Revenues received by the Authority from the sale or distribution of water, connection charges or otherwise derived from the SNWS Water System, shall be paid into the Revenue Fund, and no disbursements shall be made from the Revenue Fund except as provided in this Resolution.

SECTION 36. Operation and Maintenance Fund. First, payments shall be made, as necessary, from the Revenue Fund to the O & M Fund. The necessary and reasonable costs of the operation and maintenance expenses of the SNWS Water System shall be paid from the revenues prior to the payment of principal and interest on the superior lien obligations and the sums for other funds as provided in this Resolution. Moneys required for said operation and maintenance expenses shall from time to time be set aside from the Revenue Fund and transferred to the O & M Fund. The maintenance and operation expenses of the Authority shall be paid from the O & M Fund.

SECTION 37. Superior Lien Obligations. Second, payments shall be made, as required, from the Revenue Fund for the superior lien obligations, including any reserves therefor, together with any amounts required to be paid to the United States in compliance with Section 148(f) of the Tax Code for the superior lien obligations.

SECTION 38. Bond Fund. Third, and concurrently with the transfers to the bond funds created with respect to the parity bonds and any parity lien obligations outstanding and hereafter issued, the following transfers shall be made to the Bond Fund:

A. Monthly, commencing on the fifteenth day of the month immediately succeeding the delivery of any of the Bonds, an amount in equal monthly installments necessary together with any other moneys from time to time available therefor from whatever source to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds then outstanding; and

B. Monthly, commencing on the fifteenth day of the month immediately succeeding the delivery of any of the Bonds, an amount in equal monthly installments necessary,

together with any other moneys from time to time available therefor from whatever source to pay the next maturing installment of principal of the Bonds then outstanding, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of principal of the Bonds then outstanding.

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds as such Bond Requirements become due.

SECTION 39. Rebate Account. Fourth, and concurrently with transfers to the rebate accounts created with respect to the parity lien obligations and any parity lien obligations hereafter issued there shall be credited to the Rebate Account and any rebate account created for the parity lien obligations, such amounts as are required to be deposited in each and to the Rebate Account such amounts as are required to be deposited therein to meet the Authority's obligations under Covenant 10 contained in Section 46, hereof, in accordance with Section 148(f) of the Tax Code. Such deposits shall be made at such times as are required by Section 148(f) of the Tax Code and amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein may be withdrawn therefrom and deposited into the Revenue Fund.

SECTION 40. Termination of Deposits; Defraying Delinquencies.

A. No payment need be made into the Bond Fund if the amounts in the Bond Fund equal a sum at least equal to the entire amount of the outstanding Bonds as to all Bond Requirements to their respective maturities both accrued and not accrued, in which case moneys in such fund in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used, together with any such gain from such investments, solely to pay such Bond Requirements as the same become due.

B. If at any time the Authority shall for any reason fail to pay into the Bond Fund or the Rebate Account the full amount above stipulated from the Pledged Revenues, then an amount shall be paid first into the Bond Fund and second into the Rebate Account at such time equal to the difference between that paid from the Pledged Revenues and the full amount so

stipulated, from the first Pledged Revenues available therefor. If securities (other than the Bonds) are outstanding, the payment of which are secured by a lien on the Pledged Revenues which lien is on a parity with the lien hereon of the Bonds, and if the proceedings authorizing issuance of those securities require the replacement of moneys in a bond fund, reserve fund or rebate account therefor, then the moneys replaced in such bond fund, reserve fund or rebate account shall be replaced on a pro rata basis related to the principal amount of the then outstanding Bonds and the then outstanding other parity securities, as moneys become available therefor, first into all of such bond and reserve funds and second into all such rebate accounts.

SECTION 41. Use of Remaining Revenues. After the payments hereinabove required to be made, any remaining Pledged Revenues in the Revenue Fund may be used for the payment of any other securities payable from the Pledged Revenues, for any one or any combination of lawful purposes relating to the SNWS Water System, or otherwise, as the Authority may from time to time determine, including, without limitation, the payment of any bond requirements of any bonds or other securities relating to the SNWS Water System, including, any subordinate lien obligations.

SECTION 42. Lien of the Bonds. The SNWA's obligation to make payments of debt service on the Bonds is a special obligation of the SNWA, payable from and secured solely by a lien on the Pledged Revenues. The lien of the Bonds on Pledged Revenues is a lien (but not necessarily exclusive lien) subject only to and after the prior liens on the Pledged Revenues to pay the obligations described in clauses (a), (b), (c), (d) of subsection 1 of Section 3 of Chapter 393, Statutes of Nevada, 1995 (the "Transfer Act"). The lien of the Bonds and the SNWA Parity Bonds on the Pledged Revenues is on a parity with the lien on Pledged Revenues which has been granted to the Las Vegas Valley Water District ("LVVWD") pursuant to the LVVWD Bond Repayment Agreement to secure the payment of LVVWD Bonds heretofore issued and issued in the future for the benefit of SNWA; and is on a parity with the lien on Pledged Revenues which has been granted to the Colorado River Commission of the State of Nevada ("CRC") pursuant to the CRC Power Bond Issuance Agreement to secure the payment of CRC Power Bonds heretofore issued and issued in the future for the benefit of SNWA.

SECTION 43. Issuance of Superior Lien Obligations or Parity Lien Obligations. This Resolution does not limit the SNWA's ability to incur additional obligations with a lien on

Pledged Revenues that is superior to the lien thereon of the Bonds and the SNWA Parity Bonds if the additional obligations are described in clauses (a), (b) or (c) of subsection 1 of Section 3 of the Transfer Act, nor does this Resolution limit the SNWA's ability to issue or incur additional parity obligations pursuant to the LVVWD Master Bond Repayment Agreement. In addition, nothing herein prevents the incurrence by the SNWA of other additional obligations which have a lien on Pledged Revenues that is superior to or on a parity with the lien thereon of the Bonds and the SNWA Parity Bonds, subject to the following:

A. If the County is then the owner of all of the then outstanding Bonds and the SNWA Parity Bonds, the written consent of the County to the issuance of such obligations is obtained; or

B. If the County is not then the owner of all of the then outstanding Bonds and the SNWA Parity Bonds:

(1) At the time of the adoption of the resolution authorizing the incurrence of the other additional obligations, the SNWA shall not be in default in making any payments required to be made with respect to the Bonds and the SNWA Parity Bonds; and

(2) Either:

(a) The Pledged Revenues (subject to adjustment as hereinafter provided) derived in the fiscal year immediately preceding the date of incurrence of the additional obligations shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements of the outstanding Bonds and any other outstanding superior lien obligations and parity lien obligations, and the obligations proposed to be incurred; or

(b) The Pledged Revenues (subject to adjustment as hereinafter provided) projected by the SNWA's general manager or an independent accountant or consulting engineer to be derived in the later of (i) the fiscal year immediately following the fiscal year in which the additional obligations

are issued or (ii) the first fiscal year in which no interest has been capitalized for the payment of the additional obligations, will be sufficient to pay at least an amount equal to the principal and interest requirements (to be paid during that fiscal year) of the Bonds, any other outstanding parity lien obligations and superior lien obligations and the obligations proposed to be incurred.

(3) In any determination of whether or not other additional obligations may be incurred in accordance with the foregoing earnings test, the respective annual principal (or redemption price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

(4) A written certification or written opinion based upon estimates, as provided above, that the Pledged Revenues when adjusted as above provided are sufficient to pay the amounts as provided above, shall be conclusively presumed to be accurate in determining the right of the SNWA to authorize and incur such other additional obligations.

C. In connection with the authorization of any such other additional obligations the Board may on behalf of the SNWA adopt any additional covenants or agreements with the holders of such additional obligations; provided, however, that no such covenant or agreement may be in material conflict with the covenants and agreements of the SNWA herein. Any finding of the Board to the effect that the foregoing requirements are met shall, if made in good faith, conclusively establish that the requirements of this Subsection C have been met.

D. The SNWA may also incur other additional obligations that have a lien on Pledged Revenues that is superior to or on a parity with the lien thereon of the Bonds and the SNWA Parity Bonds without complying with the requirements of Subsections A or B hereof for the purpose of refunding any outstanding obligations that are secured by a lien on Pledged Revenues if:

(1) The refunding obligations do not increase for any fiscal year the aggregate principal and interest requirements evidenced by the refunding obligations and by the outstanding obligations not refunded on and before the last maturity date or last redemption date, if any, whichever is later, of the bonds; and

(2) The lien of any refunding obligations on the Pledged Revenues is not raised to a higher priority than the lien thereon of the obligations thereby refunded.

SECTION 44. Subordinate Obligations Permitted. Nothing herein prevents the Authority from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds and the SNWA Parity Bonds.

SECTION 45. Issuance of Refunding Securities. At any time after the Bonds, or any part thereof, are issued and remain outstanding, if the Authority shall find it desirable to refund any outstanding Bonds or other outstanding parity or superior securities, such Bonds or other securities, or any part thereof, may be refunded if one or more of the tests described in Section 43 herein are met.

SECTION 46. Protective Covenants. The Authority hereby particularly covenants and agrees with the registered owners of the Bonds and makes provisions which shall be a part of its contract with such registered owners to the effect and with the purposes set forth in the following provisions of this Section:

Covenant 1. Completion of Project. Simultaneously with the delivery of the Bonds, the Authority shall deposit Bond proceeds in the Costs of Issuance Account as provided in Section 29 herein, and proceed to complete the Project with all due diligence.

Covenant 2. Enforcement of SNWA Agreements. The Authority shall enforce the terms of the SNWA Agreements, and shall not consent to an amendment of those agreements which would reduce or delay the receipt of Pledged Revenues by the Authority.

Covenant 3. Operation of Water Facilities. The Authority shall at all times operate the SNWS Water System in a sound and economical manner and shall maintain, preserve and keep the same, with appurtenances and every part and parcel thereof, properly or cause the same

to be so maintained, preserved and kept, in good repair, working order and condition, and will from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the SNWS Water System may be properly and advantageously conducted.

Covenant 4. Sale or Encumbrances. The works and properties of the Authority shall not be sold or leased or otherwise disposed of as a whole, or substantially as a whole, unless such sale, lease or other disposition be so arranged as to provide for a continuance of payments into the Bond Fund at least sufficient in amount to provide the sums required for such Bond Fund under the terms of this Resolution.

Covenant 5. Insurance. To the extent the Authority determines it is economically feasible to do so, the Authority shall at all times self-insure or maintain with responsible insurers all such insurance or other appropriate protection as is customarily maintained with respect to works and properties of like character against loss of or damage to such works or properties and against public or other liability to the extent reasonably necessary to protect the interest of the Authority and the registered owners of the Bonds. In determining the adequacy of its insurance, the Authority may take into account any federal programs that would be available to the Authority in the event of a loss. If any useful part of the works and properties of the Authority shall be damaged or destroyed, the Authority shall repair or replace the damaged works or properties so as to restore the same to use if necessary in order to produce revenues sufficient to comply with the Covenant 8, Rates and Charges, below. The proceeds of any insurance policies covering any such loss or damage shall be payable to the Authority, and shall be applied to the Authority's reasonable and necessary reconstruction costs and, to the extent not so applied, shall be paid into the Revenue Fund and used in the same manner as other moneys in said fund.

Covenant 6. Records and Accounts. The Authority will keep proper books of record and account, in accordance with sound accounting practice, in which complete and correct entries shall be made of its works and properties and the revenues received therefrom; which, together with all other books, papers and properties of the Authority shall at all times be subject to the reasonable inspection of the registered owner or owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding or their representatives duly authorized in writing. The Authority will cause its books and accounts to be audited annually by an independent certified

public accountant and will make available for inspection by the registered owners of such Bonds, at the office of the Authority Treasurer in Las Vegas, Nevada, a copy of the report of such accountant, and will also upon payment of a reasonable charge furnish a copy thereof upon request to the registered owner of any Bond.

Covenant 7. No Free Service. No water or other service from the works or properties of the Authority may be furnished or rendered by the Authority to any city, town, county, public corporation or political subdivision of the State free, nor shall any such service be rendered at lower rates than those charged other persons for similar services; provided, however, that water may be furnished for fire protection purposes to such cities, towns, counties, public corporations or political subdivisions at lower rates, but no such rate or rates shall be less than the cost of the service, including reasonable overhead. Buildings or other property of the Authority shall not be furnished free or at any rate or charge less than the reasonable rental thereof, and shall not be sold at less than the reasonable value thereof, as determined by the Authority.

Covenant 8. Rates and Charges. The Board shall from time to time fix and collect from all users thereof, rates and charges for the connection, service, facilities and water of the Authority which will be sufficient, after making allowances for contingencies and error in the estimates, together with any funds of the Authority available to make the payments listed in A through C below which are not otherwise encumbered, to pay the following items of cost and expense in the following order:

- A. The operation and maintenance expenses of the SNWS Water System;
- B. All payments due on all superior lien obligations of the Authority and any reserves therefor, as the same fall due, and the payments required to be made into any sinking fund for superior lien obligations including any obligations hereafter issued on a parity with such superior lien obligations; and
- C. The principal of and interest on all other parity lien obligations of the Authority and any reserves therefor, as the same fall due, and the payments required to be made into any sinking fund for parity lien obligations including the Bonds and any obligations hereafter issued on a parity with such parity lien obligations.

In calculating the amount due on any obligation for the purposes of the foregoing covenant, the Authority may take into account the expected net payments (positive or negative) on any interest rate

exchange agreement entered into as a hedge with respect to a particular obligation and any expected refundings, including rollovers of commercial paper. In the case of obligations that bear interest at a variable interest rate, the Treasurer shall estimate the rate of interest on the obligations for purposes of this covenant.

Covenant 9. No General Fund or General Tax Priorities. The Authority will not issue any obligations having a priority over the Bonds and the SNWA Parity Bonds for payment of principal and interest from General Taxes and the other sources specified in the second and third sentences of NRS 350A.152(1)(b).

Covenant 10. Tax Covenant. The Authority covenants for the benefit of the registered owners of the County Bonds that it will not take any action or omit to take any action with respect to the County Bonds, the proceeds thereof, any other funds of the Authority or any facilities refinanced with the proceeds of the County Bonds if such action or omission (i) would cause the interest on the County Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the County Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the County Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Tax Code have been met.

SECTION 47. Defeasance. When all Bond Requirements of any Bond have been duly paid, the pledge, the lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be outstanding within the meaning of this Resolution. There shall be deemed to be such due payment when the Authority has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount may be initially invested wholly or in part) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond, or upon any redemption date as of which the Authority shall have exercised or shall have obligated itself to exercise its prior redemption option. The Federal Securities shall become due before the respective times on which the proceeds thereof shall

be needed, in accordance with a schedule established and agreed upon between the Authority and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For the purpose of this section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof. When such defeasance is accomplished the Paying Agent shall mail written notice of the defeasance to the registered owners of the Bond at the addresses last shown on the registration records for the Bond maintained by the Registrar.

SECTION 48. Remedies for Enforcement. In addition to all other remedies provided by law or in equity, any registered owner of a Bond of the Authority, including a trustee for such registered owners, shall have the right, subject to any contractual limitation binding upon such registered owners or trustee, and subject to the prior or superior rights of others:

A. By mandamus or other suit, action or proceedings, at law or in equity, to enforce his or her right against the Authority and the Board, including the right to require the Authority and the Board to fix and collect rates and charges adequate to carry out any agreement as to, or pledge of, the revenues produced by such rates or charges, and to require the Authority and the Board to carry out any other covenants and agreements with the registered owners of the Bonds and to perform its and their duties pursuant to law.

B. By action or suit in equity to enjoin any acts or things which may be unlawful or a violation of the rights of the registered owners of the Bonds.

C. By action or suit in equity to require the Authority to act as if it were the trustee of an express trust for the registered owners of the Bonds.

D. By suit, action or proceeding in court exercising equitable jurisdiction to obtain the appointment of a receiver of the enterprise in which the Authority is engaged or any part or parts thereof, who may enter and take possession of such utility or any part or parts thereof, including all property, land, property rights, easements and other adjuncts of the utility, and such receiver may operate and maintain the same, and collect and receive all revenues thereafter arising therefrom in the same manner as the Authority itself might do, and shall deposit all such moneys in a separate account or accounts and apply the same in accordance with the obligations of the Authority as the court shall direct,

provided, however, no registered owner of a Bond of the Authority, including a trustee for such registered owners, shall have the right to accelerate the principal of or interest on a Bond before its due date.

SECTION 49. Consents of Bondholders. No consent or notice to the registered owners of the Bonds is required for an amendment which cures any ambiguity, formal defect or omission herein, or which is not materially adverse to the Bondholders' interests, both as determined by the Authority, which determination is conclusive absent fraud or gross abuse of discretion. The consents of the registered owners of the Bonds provided for in the remainder of this section and Sections 50 to 57 inclusive hereof shall relate solely to the amendment, waiver or modification of covenants and provisions specified herein except as provided in Section 56 hereof and in the first sentence of this section. Any act relating to the amendment, waiver or modification of any of the said covenants or provisions consented to by the registered owners of the Bonds owning at least fifty-one percent (51%) in aggregate principal amount of outstanding Bonds, exclusive of Bonds, if any, owned by the Authority, shall be binding upon the registered owners of all of the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after such consent relating to such specified matters has been given, no registered owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the Board or any officer of the Authority from taking any action pursuant thereto.

SECTION 50. Calling Bondholders' Meeting. If the Board shall desire to obtain any such consent it shall duly adopt a resolution calling a meeting of the registered owners of the Bonds for the purpose of considering the action, the consent to which is desired.

SECTION 51. Notice of Meeting. Notice specifying the purpose, place, date and hour of such meeting shall be mailed by registered mail to each registered owner of the Bonds, such mailing to be not less than 60 days and not more than 90 days prior to the date fixed for the meeting. Such notice shall set forth the nature of the proposed action, consent to which is desired. The place, date and hour of holding such meeting and the date of mailing such notice shall be determined by the Board, in its discretion. The actual receipt by any registered owner of notice of any such meeting shall not be a condition precedent to the holding of such meeting and failure to receive such notice

shall not affect the validity of the proceedings thereat. A certificate by the Secretary, approved by resolution of the Board, that the meeting has been called and that notice thereof has been given as herein provided shall be conclusive as against all parties and it shall not be open to any registered owner to show that he or she failed to receive notice of such meeting.

SECTION 52. Voting Qualifications. The person in whose name a Bond is registered shall be conclusively deemed the owner thereof for the purpose of voting.

SECTION 53. Issuer-Owned Bonds. The Board covenants that it will present at the meeting a certificate, signed and verified by the Registrar and by the Treasurer, stating the maturities of all Bonds owned by, or held for account of, the Authority, directly or indirectly. No person shall be permitted at the meeting to vote or consent with respect to any Bond appearing upon such a certificate, or any Bond which it shall be established at or prior to the meeting is owned by the Authority, directly or indirectly, and no such Bond (in this Resolution referred to as a "issuer-owned Bond") shall be counted in determining whether a quorum is present at the meeting.

SECTION 54. Quorum and Procedure. A representation of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then outstanding (exclusive of issuer-owned Bonds) shall be necessary to constitute a quorum at any meeting of the registered owners, but less than a quorum may adjourn the meeting, from time to time, and the meeting may be held as so adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The Board shall, by an instrument in writing, appoint a temporary chairman of the meeting, and the meeting shall be organized by the election of a permanent chairman and a secretary. At any meeting each registered owner shall be entitled to one vote for every \$5,000 principal amount of Bonds with respect to which he or she shall be entitled to vote as aforesaid, and such vote may be given in person or by proxy duly appointed by an instrument in writing presented at the meeting. The Board, by its duly authorized representative, may attend any meeting of the registered owners, but shall not be required to do so.

SECTION 55. Vote Required. At any such meeting held as aforesaid there shall be submitted for the consideration and action of the registered owners a statement of proposed action, consent to which is desired, and if such action shall be consented and approved by registered owners holding at least fifty-one percent (51%) in aggregate amount of the Bonds then outstanding (exclusive of issuer-owned Bonds) the chairman and the secretary of the meeting shall so certify in

writing to the Board, and such certificate shall constitute complete evidence of consent of the registered owners under the provisions of this Resolution. A certificate signed and verified by the chairman and the secretary of any such meeting shall be conclusive evidence and the only competent evidence of matters stated in such certificate relating to proceedings taken at such meeting.

SECTION 56. Amendments Prohibited. No such resolution shall permit without the consent of the registered owners of all Bonds adversely affected thereby:

A. A change in the maturity or in the terms of redemption of the principal or any installment thereof of any outstanding Bond or any installment of interest thereon; or

B. A reduction in the principal amount of any Bond, redemption premium, if any, or the rate of interest thereon; or

C. reduction of the principal amount or percentages or otherwise affecting the description of Bonds the consent of the registered owners of which is required for any modification or amendment; or

D. The establishment of priorities as between Bonds issued and outstanding under the provisions of this Resolution; or

E. The modification of or otherwise materially and prejudicially affecting the rights or privileges of the registered owners of less than all of the Bonds then outstanding.

SECTION 57. Consent of All Owners. Notwithstanding anything contained in the foregoing provisions hereof, the terms and the provisions of this Resolution or of any instrument amendatory hereof or supplemental hereto and the rights and the obligations of the Authority and of the registered owners of the Bonds hereunder may be modified or amended in any respect upon the adoption by the Authority and upon the filing with the Secretary of an instrument to that effect and with the consent of the registered owners of all the then outstanding Bonds.

SECTION 58. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Board shall reasonably determine that the Registrar or Paying Agent has become incapable of performing its duties hereunder, the Board may, upon notice mailed to each registered owner of the Bonds at his or her address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same person or institution serve as both Registrar and Paying Agent hereunder,

but the Authority shall have the right to have the same person or institution serve as both Registrar and Paying Agent.

Any successor corporation or association into which the Registrar or Paying Agent may be converted or merged, or with which they may be consolidated, or to which they may sell or transfer their corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, to which they are a party, shall be and become the successor Registrar or Paying Agent under this Resolution, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything in this ordinance to the contrary notwithstanding.

SECTION 58. Delegated Powers. The officers of the Authority are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limitation:

- A. The printing of the Bonds;
- B. The execution of such certificates as may be reasonably required by the Purchaser, relating, inter alia,
 - (1) the signing of the Bonds,
 - (2) the tenure and identity the officials of the Authority,
 - (3) the exemption of interest on the Bonds from federal income taxation,
 - (4) the delivery of the Bonds and the receipt of the Bond purchase price, and
 - (5) if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bonds;
- C. The completion and execution of the Certificate of the Treasurer;
- D. The assembly and dissemination of financial and other information concerning the Authority and the Bonds.

SECTION 58. Continuing Disclosure Undertaking. The Authority covenants for the benefit of the holders and beneficial owners of the Bonds and the County Bonds to comply with the provisions of the final Continuing Disclosure Certificate in substantially the form now on file with

the Treasurer, which is hereby authorized to be executed by the Treasurer and delivered in connection with the delivery of the Bonds.

SECTION 60. Resolution Irrepealable. After any of the Bonds are issued, this Resolution shall constitute an irrevocable contract between the Authority and the registered owners of the Bonds and shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged, as herein provided.

SECTION 61. Repealer. All resolutions, bylaws and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, bylaw or order, or part hereof, heretofore repealed.

SECTION 62. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 63. Effective Date. This Resolution shall be effective upon its adoption.

INTRODUCED, ADOPTED AND APPROVED with the approval of each board member appointed by an SNWS purveyor member (as defined in the SNWS Operating Agreement) on this May 17, 2012.

[AUTHORITY SEAL]

Attest:

Secretary,
Southern Nevada Water Authority

Chairman,
Southern Nevada Water Authority

STATE OF NEVADA)
)
COUNTY OF CLARK) ss.
)
SOUTHERN NEVADA)
WATER AUTHORITY)

I, Patricia Mulroy, the duly chosen and qualified Secretary of the Southern Nevada Water Authority (the "Authority"), do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution designated in Section 1 thereof by the short title "2012 Revenue Refunding Bond Resolution" adopted by the Board of Directors of the Authority (the "Board") on May 17, 2012.

2. The original of the resolution has been approved and authenticated by the signatures of the Chairman of the Authority and the Board and myself as Secretary of the Authority and the Board, and sealed with the seal of the Authority, and has been recorded in the minute book of the Board kept for that purpose in my office which record has been duly signed by such officers and properly sealed.

3. All of the members of the Board present at the meeting voted on the passage of the resolution as follows:

Those Voting Aye:

Sam Bateman
Shari Buck
Bob Coffin
Tom Collins
Duncan McCoy
Mary Beth Scow
Steve Sisolak

Those Voting Nay:

Those Abstaining:

Those Absent:

4. All members of the Board were given due and proper notice of the meeting.

5. Pursuant to NRS 241.020, written notice of the meeting was given by 9:00 a.m. at least three working days before the meeting, including in the notice the time, place, location and agenda of the meeting:

(a) By mailing a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the Authority's website; at the principal office of the Board, or if there is no principal office, at the building in which the meeting is to be held; and at least three other separate, prominent places within the jurisdiction of the Board, to wit:

(i) Las Vegas Valley Water District
1001 South Valley View
Las Vegas, Nevada 89153

(ii) Clark County Government Center
500 South Grand Central Parkway
Las Vegas, Nevada 89106

(iii) City Hall, City of Henderson
240 Water Street
Henderson, Nevada 89104

(iv) City Hall, City of Las Vegas
495 S. Main Street
Las Vegas, Nevada 89101

and

(c) By giving a copy of the notice to each person, if any, who has requested notice of the meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

6. A copy of the notice so given of the meeting of the Board is attached hereto as Exhibit A.

7. Upon request, the governing body provides, at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the members of the governing body for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the Southern Nevada Water Authority in Clark County, Nevada, this May 17, 2012.

Secretary, Southern Nevada Water Authority

EXHIBIT A

(Attach Copy of Notice of Meeting)

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM**

May 17, 2012

Subject: Lease Agreement	Director's Backup
Petitioner: Philip D. Speight, Deputy General Manager, Administration	
Recommendations: That the Board of Directors approve a two-year lease agreement between Faiss Foley Warren and the Authority for 3,000 square feet of office space in the Molasky Corporate Center in the amount of \$6,000 per month, with an option to extend the lease for additional two-year terms.	

Fiscal Impact:

The Authority will receive \$72,000 lease rent annually from Faiss Foley Warren.

Background:

In 2007, the Authority exercised its purchase option for five floors at the Molasky Corporate Center. The Authority currently houses many of its scientific and technical staff at the Molasky building; however, given the current economic conditions, there is now some space available for lease. At the February 29, 2012 meeting, the Board directed the Authority to identify underutilized space and explore opportunities to lease it.

Faiss Foley Warren, a public relations and government affairs consulting firm that contracts with the Authority for public relations services, currently has an office in the downtown area, but is looking to expand to a nearby location. The Authority has 3,000 square feet available for use on the 7th floor of the Molasky building that Faiss Foley Warren can utilize for their expansion.

Under the proposed lease, Faiss Foley Warren will pay the Authority \$2.00 per square foot per month for the office space. The proposed lease also allows the Authority to lease the office space to Faiss Foley Warren for a term of two years, with an option to extend for additional two-year terms.

The office space will be leased to Faiss Foley Warren "as is" with no additional improvements, enhancements or upgrades.

At this time, the Board of Directors is being asked to approve the lease agreement for office space between the Authority and Faiss Foley Warren. This action is authorized by Article 6(f) of the Authority's Cooperative Agreement. The office of the General Counsel has reviewed and approved the lease agreement.

Respectfully submitted:



Patricia Mulroy, General Manager
PM:JJE:PDS:JAW:AMB:sss
Attachment

AGENDA
ITEM #

5

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type					
		Limited Liability Company			
Business Designation Group					
	WBE				
	Women-Owned Business Enterprise				
Corporate/Business Entity Name:		FFM LLC			
(Include d.b.a., if applicable)		(d.b.a.) Faiss Foley Warren			
Street Address:		919 E. Bonneville Ave. #200		Website: FFWPR.com	
City, State and Zip Code:		Las Vegas, NV 89101		POC Name and Email: linda@ffwpr.com	
Telephone No:		(702) 933-7777		Fax No: (702) 933-1261	
Local Street Address:		919 E. Bonneville Ave. #200		Website: FFWPR.com	
City, State and Zip Code:		Las Vegas, NV 89101		Local Fax No: (702) 933-1261	
Local Telephone No:		(702) 933-7777		Local POC Name Email: linda@ffwpr.com	
Number of Clark County, Nevada Residents Employed: 12					

All entities, with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the SNWA Board of Directors.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned <small>(Not required for Publicly Traded Corporations/Non-profit organizations)</small>
Linda Faiss	Managing Member	33.4%
Helen Foley	Managing Member	33.3%
Melissa Warren	Managing Member	33.3%

This section is not required for publicly-traded corporations.

1. Are any individual members, partners, owners or principals, involved in the business entity, an SNWA full-time employee(s), or appointed/elected official(s)?
 No (If yes, please note that SNWA employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to an SNWA full-time employee(s), or appointed/elected official(s)?
 No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the SNWA will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.



 Signature



 Print Name
 Linda Faiss

_____ Title: Managing Member

_____ Date May 7, 2012

DISCLOSURE OF RELATIONSHIP

List any disclosures below:
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF SNWA EMPLOYEE OR OFFICIAL AND JOB TITLE	RELATIONSHIP TO SNWA EMPLOYEE OR OFFICIAL	SNWA EMPLOYEE'S/OFFICIAL'S DEPARTMENT
NA			

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

For SNWA Use Only:

If any Disclosure of Relationship is noted above, please complete the following:

Yes No Is the SNWA employee(s) noted above involved in the contracting/selection process for this particular agenda item?

Yes No Is the SNWA employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

Signature

Print Name
Authorized Department Representative

LEASE AGREEMENT FOR OFFICE SPACE

THIS LEASE AGREEMENT ("*Lease*"), effective May 17, 2012, upon approval by the Board of Directors of the Southern Nevada Water Authority, by and between Faiss Foley Warren, a company with its principal offices located in Las Vegas, Nevada ("*Lessee*") and the Southern Nevada Water Authority, a political subdivision of the State of Nevada ("*Lessor*" and together with Lessee, the "*Parties*" and each a "*Party*"), provides as follows.

Lessor warrants and represents that it owns that certain parcel of property located in the City of Las Vegas, Nevada, and identified as Assessor Parcel Number 139-27-410-014 (*Parcel*) and located in the office building commonly referred to as the Molasky Corporate Center (*Building*), 100 City Parkway, Las Vegas, Nevada; and

Lessor wishes to lease to Lessee, and Lessee wishes to lease from Lessor, under the terms and conditions of this agreement, approximately 3,000 square feet of finished office space in the Building (the "*Premises*" or "*Leased Property*");

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The Premises. Lessor hereby agrees to lease to Lessee, and Lessee hereby leases from Lessor, that certain 3,000 square feet of floor space on the 7th floor of the Building, as outlined on Exhibit A, attached hereto and made a part of this Lease for description purposes.

2. Term. The term of this Lease shall commence on the date of Lessee occupation and shall continue for a period of two years thereafter, unless sooner terminated as provided in this Lease. Lessor and Lessee shall execute a memorandum in writing specifying the actual date Lessee occupies the Premises.

3. Renewal. Lessor and Lessee may mutually agree to renew the Lease for additional two year terms by executing a memorandum in writing specifying the renewal at least sixty days prior to the expiration of the current Lease term.

4. Rent. Lessee agrees to pay Lessor a minimum monthly rent during the term of this Lease in the amount of \$2.00 per square foot per month, payable on the first day of each month during the term of this Lease, with payments to be made by personal delivery or mailing by U.S. Mail to Lessor's office (listed below), postmarked no later than the first day of each month during the term of this Lease. If Lessee's initial occupancy is less than a full month, rent for the initial month shall be prorated.

SNWA Comptroller
Mail Stop #320
Southern Nevada Water Authority
1001 S. Valley View Boulevard
Las Vegas, NV 89153

A late charge of 10% shall be paid as additional rental for any rental payment hand delivered or received more than five (5) days after the first day of any calendar month during the term of this Lease. Any checks not paid by the Bank upon first presentment shall not constitute payment of any of the sums due under this Lease.

5. Additional Space and Rent. Lessor and Lessee agree, upon Lessee's request, to consider the lease of additional space. Prior to renewal of a Lease term, Lessor and Lessee agree to assess current market conditions and to agree upon any increase or decrease in rent for the succeeding term.

6. Lease Year. The term "lease year" as used in this Lease means the period of one year between the date of commencement of the term of this Lease and the first anniversary of the commencement, and thereafter the term shall refer to each similar one year period commencing with an anniversary of the date of commencement of this Lease and ending with the last day of the one year period following that date.

7. Taxes. Lessee shall pay all real estate and other taxes assessed in accordance with NRS 361.157 or other statutory provisions.

8. Notice. Wherever in this Lease it is required or permitted that notice or demand be given or served by either Party on the other, such notice or demand shall be deemed given or served when written and hand delivered, or deposited in the United States Mail, certified, return receipt requested, postage prepaid, addressed as follows:

To Lessor at: Southern Nevada Water Authority
Attention: General Manager
100 City Parkway, 8th Floor
Las Vegas, Nevada 89106

To Lessee at: Faiss Foley Warren
Attention: President
100 City Parkway, 7th Floor
Las Vegas Nevada 89106

9. Parking. Lessee, its agents, servants, employees, customers, guests, and invitees, shall have the exclusive right to park without charge, throughout the original term of this Lease and any renewal term, in 15 spaces on the 5th and 6th floor of the parking structure portion of the Building. Lessee agrees not to hinder the use of the remaining parking places, which are reserved for the exclusive use of the tenants of the remaining leased space in the Building.

10. Possession. Lessor promises to place Lessee in peaceful possession of the Premises, and Lessee, by taking possession of the Premises, will have acknowledged that the Premises are in satisfactory and acceptable condition.

11. Use. Lessee shall use the Premises for its normal business purposes and shall not use or permit the Premises to be used for any other purpose. Lessee agrees that no use which consumes abnormally high utility or other service costs shall be permitted in the Premises. The current information technology arrangement is the permitted arrangement.

Lessor and Lessee agree that it is in their mutual best interests that the Building and Premises be operated and maintained in a manner that is environmentally responsible, fiscally prudent, and provides a safe and productive work environment.

To effectuate these goals, Lessor and Lessee desire to maintain energy saving features of the Building and Premises intended to reduce operating costs, to operate the Building and Premises in an environmentally conscious manner and retain LEED certification for the Building.

Lessee will not remove, relocate, modify or tamper with automated lighting controls, HVAC system thermostats, sensors, ducting, registers or returns, interior window treatments and similar devices or installations that help reduce energy consumption, without the express authorization of the Lessor.

Lessee will not operate any cooking or warming devices other than in Lessor installed kitchenettes or break rooms and will not install or operate any supplemental heating or cooling devices.

12. Compliance with Laws. Lessee agrees to observe all laws and governmental regulations applicable to its use of the Premises, together with all reasonable rules and regulations that may be promulgated by Lessor from time to time.

13. Compliance with Rules and Regulations and Declaration of Covenants. Lessee agrees that it will comply with the Building Rules and Regulations attached as Exhibit B and agrees that it will not take or allow to occur any action that could affect Lessor's responsibility to be in full compliance and constant compliance with the Declaration of Covenants. If Lessee is not in compliance with any of these requirements at any time, Lessee will take immediate steps to correct the noncompliance and ensure full compliance.

14. Alterations by Lessee. Lessee will make no alterations to the Premises without the prior written consent of the Lessor.

15. Impermissible Activities. Lessee shall not use the Premises, nor permit them to be used, for any purpose which shall increase the existing rate of insurance upon the Building, or cause the cancellation of any insurance policy covering the Building, or sell or permit to be kept, used, or sold in or about the Premises, any article that may be prohibited by Lessor's or the Molasky Corporate Center Owners' Association insurance policies.

Lessee shall not commit any waste upon the Premises, nor cause any public or private nuisance or other act that may disturb the quiet enjoyment of any other tenant, nor shall Lessee allow the Premises to be used for any improper, immoral, unlawful, or unsafe purpose, including, but not limited to, the storage of any flammable materials.

Lessee shall not use any apparatus, machinery or device in or on said Premises that shall make any noise or cause any vibration that can be detected by other tenants, or that shall in any way be a detriment to the Building.

Lessee will not install or construct within the Premises or Building electrical wires, water or drain pipes, machinery, or other permanently installed devices, including, but not limited to, alarm systems, private music systems, or special ventilation, without the prior written consent of Lessor.

16. Care of the Premises. Lessee agrees to take good care of the Premises and maintain every part of which, in good, first class condition, except that Lessee shall make any repairs or replacements necessitated by damage caused by the Lessee or its employees, agents, invitees, or visitors. Provided, however, if Lessee fails to make any such repairs or replacements promptly, Lessor may, at its sole option, make the repairs or replacements after at least ten (10) days prior written notice to Lessee, and Lessee shall repay the cost of the repairs or replacements to Lessor on demand. Lessee shall leave Premises, excepting reasonable wear and tear, in as good a condition as provided by Lessor upon occupation.

17. Liability and Insurance. Lessee shall not use or occupy, or permit the Leased Property to be used or occupied, in a manner which will increase the rates of insurance for the Leased Property or the Building, or which will make void or voidable any insurance then in force with respect thereto, which would constitute a defense to any action thereon, or which will make it impossible to obtain any insurance with respect thereto. If, by reason of the failure of Lessee to comply herewith, any insurance rates for the Leased Property or the Building become higher than they otherwise would be, Lessee shall reimburse Lessor, on the first day of the calendar month next succeeding notice by Lessor to Lessee of said increase, for that part of all insurance premium thereafter paid by Lessor which shall have been charged because of such failure of Lessee. Any policy of insurance maintained by Lessee insuring against any risk in, upon, about or in any way connected with the Leased Property or Lessee's use thereof shall contain an express waiver of any and all rights of subrogation thereunder whatsoever against Lessor, its officers, agents and employees.

Lessee shall, at all times during the term hereof, at its sole cost and expense, procure and maintain in full force and effect a policy or policies of commercial general public liability insurance issued by an insurer or pursuant to a self-insurance program reasonably approved by Lessor insuring against loss, damage or liability for injury or death to persons and loss or damage to property occurring in connection with the Leased Property or Lessee's use thereof. Such liability insurance should be in the amount of not less than Five Million Dollars (\$5,000,000) (increased every five (5) years by CPI) per occurrence for bodily injury to or death of any person whomsoever and for damage of property of any person whomsoever. Lessor shall be additional insureds under each such policy of insurance which shall provide that Lessor, although named as an additional insured, shall nevertheless be entitled to recovery thereunder for any loss suffered by it, its agents, servants and employees by reason of Lessee's negligence or the negligence of any sub-lessee, contractor or agent of sub-lessee.

Lessee shall, at all times during the term hereof, at its sole cost and expense, procure and maintain in full force and effect all-risk property insurance covering Lessee's property and the personal property of others (including Lessor's) in Lessee's possession in, upon or about the Leased Property. Such insurance shall be in an amount equal to the current replacement value of the property required to be insured. Lessor (and at Lessor's option, any other persons, firms or corporations providing financing with respect to the Building) will be added as a loss payee as their interests may appear under each such policy of insurance. Lessee acknowledges that Lessor is not required to maintain any personal property insurance for Lessee's property.

Lessee will furnish commercial automobile liability insurance coverage for damage due to bodily injury or death of any person, or property damage arising out of the ownership, maintenance, or use of any motor vehicles whether owned, non-owned, hired, or leased. Lessee will maintain limits of not less than One Million Dollars (\$1,000,000.00) combined single limit per accident for bodily injury and property damage. If required of Lessee under state law, Lessee shall obtain and maintain Workers Compensation insurance as required by such state law.

Every policy required pursuant to this Section shall provide that it will not be canceled or modified except after thirty (30) days' written notice to Lessor and that it shall not be invalidated by any neglect of Lessor or Lessee, nor by occupation of the Leased Property for purposes more hazardous than permitted by such policy, nor by any foreclosure or other proceedings relating to the Building, nor by change in title to the Building or Lessor's interest therein.

Lessee shall deliver to Lessor copies of original policies or certificates of insurance (and endorsements, if any), satisfactory to Lessor, evidencing the existence of all insurance which is required to be maintained by Lessee hereunder, fully paid, such delivery to be made (i) promptly after the execution and delivery hereof and (ii) within twenty (20) days prior to the expiration of any then current policies. Lessee shall not obtain or carry separate insurance concurrent in form or contributing in the event of loss with that required by this Section unless Lessor is a named insured therein (and, at Lessor's option, any other person, firms or corporations designated by Lessor shall be additionally named insureds). Lessee shall promptly notify Lessor whenever any

such separate insurance is obtained and shall deliver to Lessor and any Mortgagee the policies or certificates (and endorsements) evidencing the same.

Neither Lessor nor Lessee shall be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other Party for any loss or damage to any building, structure or other tangible property, or any resulting loss of income, or losses under workers' compensation laws and defined benefits, even though such loss or damage might have been occasioned by the negligence of such Party, its agents or employees to the extent such loss or damage is covered by insurance benefitting the Parties suffering such loss or damage or was required to be covered by insurance pursuant to this Lease. If available at commercially reasonable rates, each policy of insurance provided for in this Section shall contain an express waiver of any and all rights of subrogation thereunder whatsoever against Lessor, its officers, agents and employees.

18. Lessor's Right to Inspect. Lessee agrees to permit Lessor and its authorized representatives to enter the Premises at all reasonable times during usual business hours for the purpose of inspection, or for the making of any necessary repairs for which the Lessor is responsible or feels necessary for the safety and preservation of the Premises or for the performance of any work on the Premises that may be necessary to comply with any laws or regulations of any public authority.

19. Fixtures and Personal Property. Any trade fixtures, equipment, or personal property permanently installed in or permanently attached to the Premises, Building, or Parcel by or at the expense of Lessee shall be and remain the property of Lessee and Lessor agrees that Lessee shall have the right to remove any and all of such property prior to the expiration or termination of this Lease Agreement, so long as no default exists under this Lease. Lessee agrees that it will, at its expense, repair any damage occasioned to the Premises by reason of the removal of any of its trade fixtures, equipment, or other permanently affixed personal property as described above.

20. Utilities. Lessor agrees to provide, in accordance with Building Rules and Regulations, the Declaration of Covenants, Building operation procedures, and at its expense, to or for the Premises, adequate heat, electricity, water, air conditioning, replacement light tubes, and sewage disposal service, in such quantities and at such times as is necessary to Lessee's comfortable and reasonable use of the Premises. Lessee shall provide its own janitorial service. Lessee's cleaning responsibilities regarding carpets are limited to regular vacuuming and spot cleaning. Lessee is prohibited from using wet extraction carpet cleaning methods. Lessor's contractor will perform regularly scheduled dry powder cleaning of carpets at Lessor's expense.

21. Interruptions. In the event of any interruption or malfunction for any reason of any utility or service to the Premises or Building, Lessor shall use reasonable diligence to restore the utility or service. However, any such interruption or malfunction, if restored within a reasonable time, shall not entitle Lessee to be relieved from any of its obligations under this Lease, or grant Lessee the right of set-off or recoupment of rent, or be considered a breach by Lessor, or entitle

Lessee to any damages. Should any of the equipment or machinery break down, or for any cause beyond the reasonable control of Lessor cease to function properly, Lessor shall use reasonable diligence to repair the machinery or equipment promptly, but Lessee shall have no claim for rebate of rent or damages on account of any interruptions in service occasioned by or resulting from any such breakdown or cessation for the length of time reasonably required for repair.

22. Destruction of Premises. If at any time during the term of this Lease, the Premises or any part of the Building or Parcel shall be damaged or destroyed by fire, earthquake, or other catastrophic event in a way that does not render the Premises unfit for the conduct of Lessee's business or that does not injure Lessee's business, Lessor shall promptly and through the exercise of reasonable diligence repair the damage and restore the Premises, at Lessor's expense, to the condition in which the Premises existed immediately prior to the damage or destruction. In such case there shall be no abatement of rent.

23. Eminent Domain. As used in this section, the word "condemned" shall include (a) receipt of written notice of the intent to condemn from an entity having the power of eminent domain, (b) the filing of any action or proceeding for condemnation by any such entity, and (c) the conveyance of any interest in the Premises by the Lessor or the Lessee to a public or quasi public authority having the power of eminent domain with respect to the Premises as a result of the authority's express written intent to condemn.

In the event any part of or interest in the Premises is condemned, this Lease shall terminate at the option of either Lessor or Lessee as of the date title or actual possession vests in the condemnor, whichever first occurs, and rent under this Lease shall be payable only to that date. Lessor shall return to Lessee any rent paid beyond that date.

Lessor shall give Lessee written notice promptly after receiving notice of any contemplated condemnation and Lessee shall have thirty (30) days after receipt of the notice to terminate this Lease, provided the contemplated condemnation will render the Premises unfit for use by Lessee in the ordinary conduct of its business or will in Lessee's opinion injure Lessee's business.

24. Assignment and Subletting. Lessee may not sublet or assign its interest under this Lease without the written consent of Lessor, except to a business entity that is owned or controlled by Lessee or that is the survivor of any merger, acquisition, or corporate reorganization in which Lessee's shareholders control the survivor.

If permission is granted, Lessee may assign its interest in this Lease, provided Lessee remains personally liable for the performance of its obligations under this Lease through the remainder of the original term, together with all extensions, expansions, and renewals that may have been executed by Lessee and Lessor prior to any such assignment.

25. Default by Lessee. Should Lessee at any time be in default with respect to payment of rent for a period of ten (10) days after written notice from Lessor; or should Lessee be in

default in the performance of any other of its obligations under this Lease for thirty (30) days after written notice from Lessor specifying the particulars of the default; or should Lessee vacate and abandon the Premises; or if a petition in bankruptcy or other insolvency proceeding is filed by or against Lessee, without dismissal within thirty (30) days of filing; or if Lessee makes any general assignment for the benefit of creditors or composition; or if a petition or other proceeding is instituted by or against the Lessee for the appointment of a trustee, receiver, or liquidator of Lessee or of any of Lessee's property pursuant to laws for the benefit of creditors; or if a proceeding is instituted by any governmental authority for the dissolution or liquidation of Lessee; then and in any such events, Lessor, in addition to other rights or remedies it may have, shall have the immediate right of reentry in the Premises, and after five (5) days prior written notice to Lessee, may remove all persons and property from the Premises. The property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, Lessee.

Should Lessor elect to reenter, this Lease shall be deemed terminated; provided, however, that Lessor shall be entitled as against Lessee to the measure of damages provided by law, namely the difference between the rent for the balance of the term of this Lease following the day of reentry and the amount of rent Lessor receives during that period from any subsequent tenant of the Premises. Lessor shall in such event have no obligation to relet the Premises.

26. Damages. Should Lessor at any time terminate this Lease under Lessor's express rights set forth in this Lease for any breach, Lessor may, in addition to any other remedy it may have, recover from Lessee all damages incurred by reason of the breach, including the cost of recovering the Premises.

27. Redelivery of Premises. Lessee agrees to redeliver to Lessor the physical possession of the Premises at the end of the term of this Lease, or any extension of this Lease, in good condition, excepting reasonable wear and tear, and damage by fire or from any other cause not attributable to the willful or negligent act of the Lessee, or its employees, agents, invitees, or visitors.

28. Holding Over. Any holding over after the expiration of the term of this Lease shall be deemed to constitute a tenancy from month to month only, and shall be on the same terms and conditions as specified in this Lease, so far as applicable, and at a monthly rental equal to twice the rentals and other charges stated in this Lease for the primary term of this Lease.

29. Attorneys' Fees. If either Party is required to place the enforcement of all or any part of this Lease, the recovery of possession of the Premises, or damages in the hands of an attorney, or if legal proceedings are commenced by either Party against the other Party to protect or enforce rights or obligations under this Lease, the prevailing Party, whether as Plaintiff or Defendant, shall be entitled to recover its reasonable attorneys' fees and costs.

30. Time of Essence. Time is of the essence in this Lease.

31. Mutuality. All covenants and conditions in this Lease are mutually dependent.

32. Refurbishment. Lessor shall not be responsible for repainting the Premises or for replacement of the carpeting unless repainting or replacement is made necessary by the negligence of Lessor or its agents, employees, servants, contractors, or subcontractors, or by the breach of any other obligation of Lessor under this Lease.

33. Real Estate Commission. Lessee acknowledges that Lessee contacted Lessor directly, and that no real estate commission is due or payable from Lessor. Lessee will hold Lessor and owners harmless from any claim made for a real estate commission. Lessor agrees that this covenant and indemnity shall be mutual.

34. Subordination. This Lease is subject and subordinate to all mortgages and deeds of trust which may now or hereafter encumber the Building, Parcel, or any appurtenances thereto, or any leases, renewals or modifications related thereto. This clause shall be self operative and no further instruments of subordination shall be required in order for this clause to be effective. Lessee hereby agrees to execute, within ten (10) days of a request, any and all reasonable instruments in writing required by Lessor or any lender to subordinate Lessee's rights acquired by this Lease in accordance with this clause.

35. Transfer By Lessor. The term "Lessor" shall mean only the owner for the time being of the Parcel, and in the event of a transfer by that owner of its interest in the Building or Parcel, the owner shall be released and discharged from all covenants and obligations of the Lessor thereafter accruing, but such covenants and obligations shall be binding during the Lease term on each new owner, and their successors and assigns for the duration of this Lease.

36. Landlord's Lien. Lessor shall have at all times a valid lien for all rentals and other sums of money becoming due under this Lease from Lessee, subject to any purchase money liens or security interests outstanding from time to time to third parties, on all goods, wares, equipment, fixtures, furniture, and other personal property of Lessee, other than Lessee's lighted sign, situated on and in the Premises, and after notice of default is given by Lessor such property shall not be removed from the Premises without the consent of Lessor until all arrearages in rent as well as any and all other sums of money then due to Lessor under this Lease shall first have been paid and discharged.

Lessee hereby grants a security interest, subject to any purchase money liens or security interests executed by Lessee outstanding from time to time to third parties, in that personal property, and the lien hereby granted may be foreclosed in the manner and in the form provided by law for foreclosure of a security interest under the Uniform Commercial Code of the State of Nevada, or in any other manner and form provided by law.

The statutory lien for rent is not hereby waived, but the express contractual lien herein granted is in addition and supplemental thereto.

37. Counterparts. This Lease is effective as of the above date and may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The partially executed signature page of any counterpart of this Lease may be attached to any other partially executed counterpart of this Lease without impairing the legal effect of the signature(s) on such signature page. Fax and electronically scanned copies of the executed signature pages of this Lease shall be effective and binding upon the Parties as if such signatures were original signatures.

Southern Nevada Water Authority

Faiss Foley Warren

Patricia Mulroy Date
General Manager

Linda Faiss Date
Managing Member

Approved as to form:

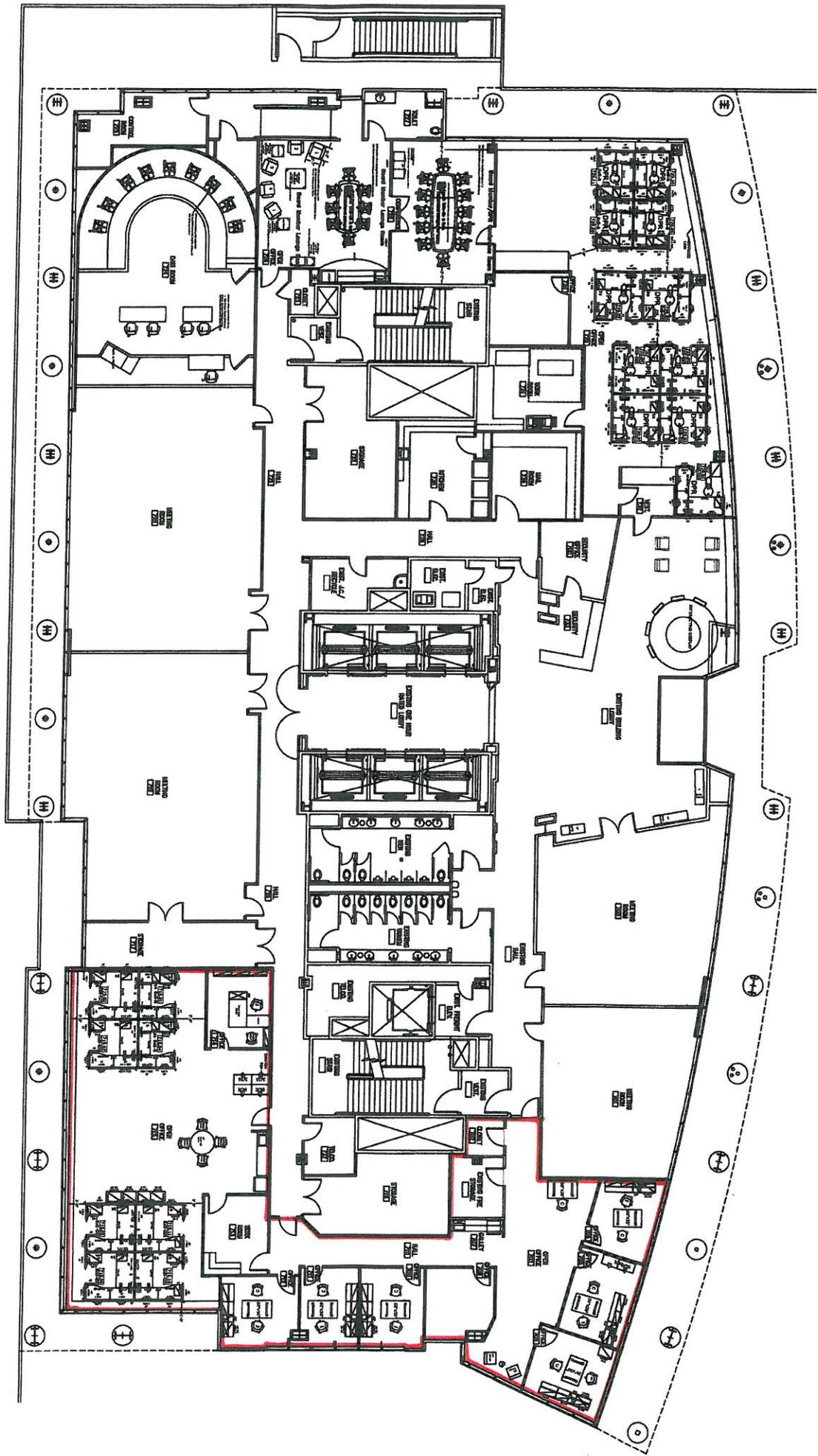
 05/09/12

General Counsel Date

Attachments:
Exhibit A, Exhibit B

EXHIBIT A

7TH FLOOR



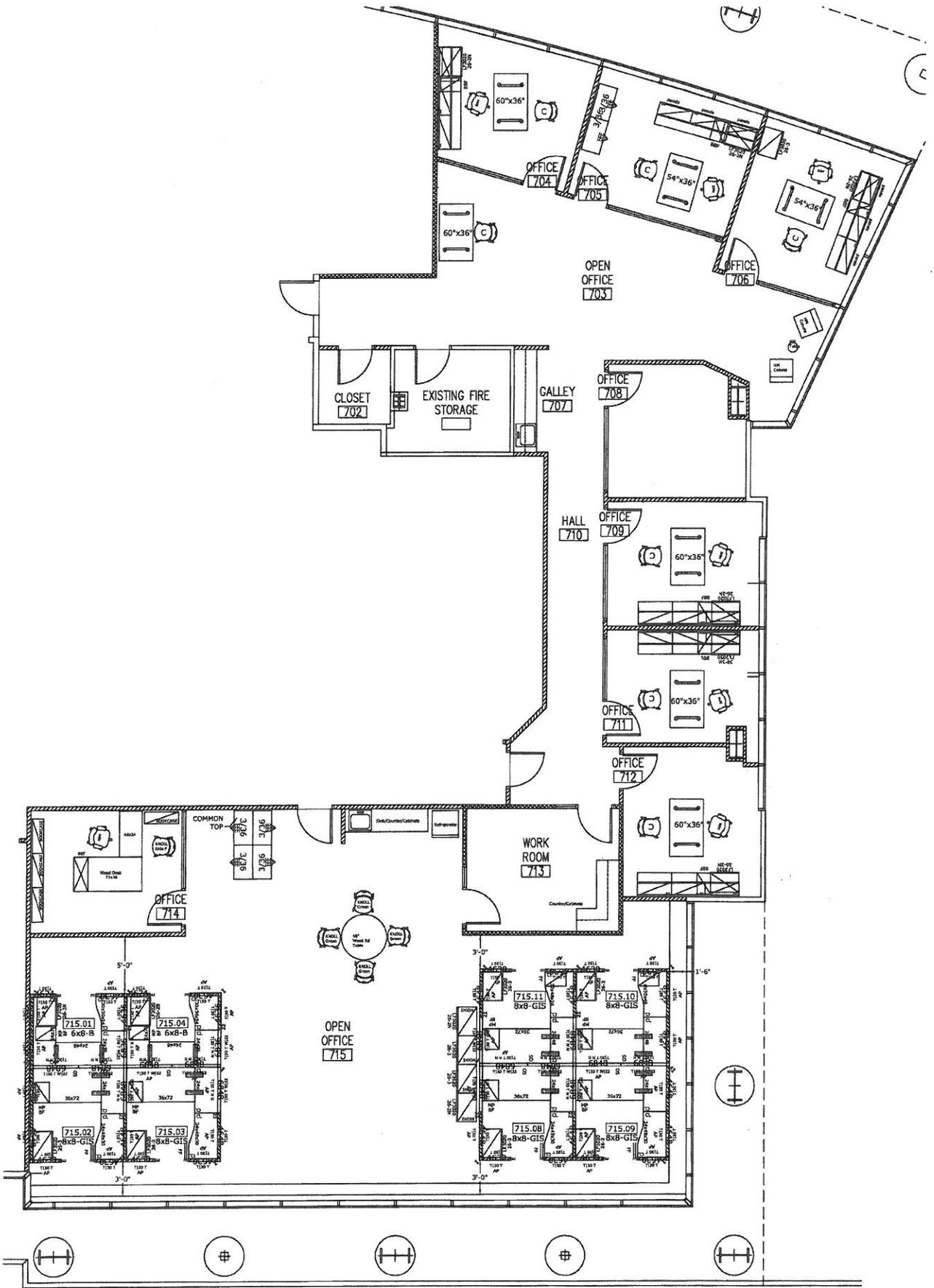


EXHIBIT B

RULES AND REGULATIONS

1. Except as provided in Section 9.05, no sign or other object or thing visible to public view outside of the Leased Property not provided for in plans and drawings approved by Landlord shall be placed or allowed on the exterior of the Leased Property or in the interior of the Leased Property in such a manner as shall be visible from outside the Leased Property without Landlord's written consent therefore first had and obtained, except that Tenant shall, at Tenant's sole cost and expense, place one name sign of such size and design as is designated by Landlord on an exterior door or such other exterior surface of the Leased Property as is designated by Landlord. Tenant shall not put any curtains, draperies or other hangings on or beside the windows of the Leased Property without first obtaining Landlord's written consent therefore.

2. The sidewalks, halls, passages, exits, entrances, elevators, stairways and other common areas shall not be obstructed by Tenant or used for any purpose other than for ingress and egress to the Leased Property. The halls, passages, exits, entrances, stairways of the floors above the Leased Property and the roof are not for the use of the general public, and Landlord shall, in all cases, retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Building and its lessees. Notwithstanding the foregoing, the lobby, parking area, and Leased Property shall be open to the public for business with tenant and for public meetings. No tenant and no employees or invitees of any tenant shall go upon the roof of the Building.

3. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor, or who shall in any manner do any act in violation of any of the rules or regulations of the Building.

4. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall not solicit business from, buy from or otherwise do business with any person soliciting or canvassing occupants of the Building.

5. Without the written consent of Landlord, Tenant shall not use the name, picture, or representation of the Building in connection With or in promoting or advertising the business of Tenant except as Tenant's address. Landlord shall have the right to prohibit any advertising by Tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a location for offices, and upon written notice from Landlord to Tenant shall refrain from or discontinue such advertising.

6. The toilet rooms, urinals, washbowls and other plumbing apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown. therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.

7. Tenant shall not place a load upon any floor of the Leased Property exceeding the floor load per square foot which said floor was designed to carry or which is allowed by law,

whichever is less.

8. No furniture, freight or equipment of any kind shall be brought into the Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on webbing of such thickness and size as is necessary to properly distribute their weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.

9. No vending machines of any description except drink and snack machines located in break rooms be installed, maintained or operated upon the Leased Property without the written consent of Landlord, which consent shall not be unreasonably withheld.

10. Tenant shall not use or keep in the Leased Property or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord

11. Landlord will direct subcontractors as to where and how telephone, fiber and cable wires are to be introduced. No boring or cutting for wires will be allowed without the consent of Landlord. The location of telephones, call boxes, and other office equipment affixed to the Leased Property shall be subject to the reasonable approval of Landlord.

12. Tenant, upon termination of the Lease, shall deliver to Landlord the keys of offices, rooms and toilet rooms which shall have been furnished Tenant or which Tenant shall have made, and in the event of loss of any keys so furnished, shall pay Landlord therefore. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors of the Leased Property.

13. Furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators between such hours and in such elevators as shall be designated by Landlord. Any merchandise not capable of being carried by hand shall utilize a hand truck equipped with rubber tires and rubber side guards.

14. Except as may be required by law or regulation applicable to any tenant, Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during hours Landlord may deem advisable for the adequate protection of the property. Use of the Building and Leased Property before 6:00 o'clock A.M. or after 5:00 o'clock P.M. and on Sundays and state and federal holidays shall be subject to such rules and regulations as Landlord may from time to time prescribe. Tenant, its employees, agents or associates, or other persons entering or leaving the Building at any time when so locked, may be required to sign the Building register, and the Landlord's agent in charge shall have the right to refuse admittance to any person

into the Building without a pass or other satisfactory identification showing right of access at such time. Landlord assumes no responsibility and shall not be liable for any damage resulting from the admission or refusal to admit any authorized or unauthorized person to the Building. In case of invasion, mob, riot, public excitement or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of the same by closing the doors, or otherwise.

15. Tenant shall see that the doors of the Leased Property are closed at all times when not in use for ingress or egress and securely locked before leaving the Building.

16. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and none of Landlord's employees will admit any person to any office without specific written instructions from Landlord or Tenant, as appropriate.

17. If the Leased Property is leased for use as professional offices, all professional practice conducted on the Leased Property shall be in compliance with the Code of Ethics of such profession. All advertising, if any, by Tenant, its agents, employees, servants, contractors, subtenants and licensees in connection with the Leased Property shall be in compliance with said Code of Ethics.

18. Landlord will charge Tenant for air conditioning and heating provided outside normal business hours. Before installing any equipment in the Leased Property that generates more than a minimum amount of heat, Tenant shall obtain the written permission of Landlord and Landlord may refuse to grant such permission if, in the reasonable opinion of Landlord, the amount of heat generated would place an undue burden on the air conditioning system of the Building. Without limiting the foregoing, whenever heat generating machines or equipment are used in the Leased Property which affect the temperature otherwise maintained by the air conditioning system not approved pursuant to Section 7.01 and Exhibit C to this Lease, Landlord reserves the right to install supplementary air conditioning units therein and the cost thereof, including, but not limited to, installation and maintenance costs, shall be paid by Tenant upon demand.

19. Except to the extent approved pursuant to Section 7.01 and Exhibit C to this Lease, Tenant shall not without the written consent of Landlord operate any computer, data processing machine, punch card machine or any machine using current in excess of 110 volts or which will in any way increase the amount of electricity or water used over that ordinarily furnished or supplied for use of the Leased Property as general and banking office space, nor connect with electric current or water except through existing electrical outlets or water pipes in the Leased Property any apparatus or device for the purposes of using electric current or water. If, in Landlord's judgment, Tenant shall require water or electric current in excessive amounts not contemplated by the approved plans or shall use the same in an unreasonable manner, Tenant shall first procure Landlord's written consent, which Landlord may refuse, to the use thereof and/or Landlord may cause a water meter or electric current meter to be installed in the Leased Property to measure the water and electric current consumed for any such other use. The cost of any such meter(s) and of installation, maintenance and repair thereof shall be paid by Tenant,

and Tenant shall pay on demand for all such water and electric current consumed as shown by said meters at the rates charged for such services by the local public utility furnishing the same, plus any additional expense incurred by Landlord in keeping accounts of the water and electric current so consumed. Tenant shall not overload the electric system.

20. Tenant shall not hire or allow for use upon the Leased Property any service for delivery of music, ice, drinking water, waxing, cleaning, interior glass polishing, rubbish removal, towel and other similar services or accept barbering or shoe shining or coffee cart services, milk, soft drinks or other like services on the Leased Property, except from persons authorized by Landlord and at the hours and under regulations fixed by Landlord, provided, however, Tenant will provide its own janitor and cleaning services to the Leased Property. Landlord agrees to allow catering and refreshments for meetings and events of Tenant in the Leased Property. Only if Tenant is required to provide such a facility, Landlord agrees that the Bureau of the Blind, or its approved concessionaire, may operate a vending stand within the Leased Property.

21. Tenant shall not obstruct, alter or in any way impair the efficient operation of Landlord's heating, ventilating and air conditioning system.. Tenant shall not tamper with or change the setting of any thermostats or temperature control valves.

22. Tenant shall not use the Leased Property for storage or warehouse purposes, except for those areas specifically designated for such purposes.

23. No cooking shall be done or permitted by any tenant in the Leased Property or the Building except in designated break room areas fitted with adequate safety and ventilation systems, pursuant to code requirements.

24. Landlord shall not be responsible to any Tenant for any loss of property on the premises, however occurring, or for any damage done to the effects of any tenant by any employee or any other person.

25. Tenant shall not suffer or permit any animals to be kept in, about or upon the Leased Property without Landlord's prior Written consent

**RULES AND REGULATIONS
FOR
MOLASKY CORPORATE CENTER**

The following Rules and Regulations for Molasky Corporate Center (hereinafter, the "Rules") shall govern the conduct and activities of all owners of any portion of the Building (each, an "Owner"), including all tenants, employees, agents, contractors invitees and licensees of any Owner, to provide for the harmonious operation of the Molasky Corporate Center which is comprised of a parking garage, retail space and an office tower (the "Building"). The Rules are binding on all Owners. Violations will result in enforcement actions and/or fines.

Declarant may amend these Rules in writing, from time to time, provided that no amendment shall be effective unless at least fifteen (15) days written notice of the changes is provided to each Owner. Wherever same may be in conflict, the Grant of Reciprocal Easements and Declaration of Covenants of Molasky Corporate Center Owners' Association (the "Declaration") shall take precedence. An association of Building owners will be formed in connection with the Declaration (the "Association"). The Building will be managed by a manager hired by the Association (the "Manager"). Until such time as the Association is formed, Declarant shall have the right to exercise the rights of the Association and shall exercise any obligations of the Association under these Rules and Regulations. The Association may delegate its duties under these Rules to the Manager and act through the Manager.

I. BUILDING OPERATIONS

A. GENERAL BUILDING OPERATION

1. Each Owner and its tenants, employees, agents, contractors invitees and licensees shall comply with these Rules as set forth herein and the provisions of the Declaration, each as amended from time to time. Failure of an Owner or occupant to so comply shall be grounds for action by the Association which may include, without limitation, an action to recover sums due for damages, injunctive relief, fines, or any combination thereof. In addition to all other remedies, in the sole discretion of the Association, a fine or fines may be imposed upon an Owner for failure of such Owner, its tenants, employees, agents, contractors invitees and licensees, to comply with these Rules or the Declaration.
2. Each Owner is responsible for any violation of the Declaration and these Rules by its tenants, employees, agents, contractors invitees and licensees, and any damage to the Building, facilities, equipment or any Common Elements (as defined in the Declaration).
3. Employees of the Association shall not perform any work or do anything outside of their regular duties unless under special instructions from the Manager, and no such employees will admit any person to any office without specific prior written instructions from an Owner or its designee.
4. The Building shall maintain uniformity on all exterior façades. After hours lighting shall be controlled by an Energy Management System as programmed by the Association. No Owner shall permit anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Building except as permitted by these Rules or the Declaration.
5. The infrastructure and utilities in the Building are designed and controlled by the Energy Management System. No Owner shall obstruct, alter or in any way impair the efficient operation of the heating, ventilating and air conditioning system.
6. No Owner shall use its Unit for storage or warehouse purposes except in the normal course of business and subject to the Building load design criteria.

7. No cooking shall be done or permitted in the Building except in designated break room areas fitted with adequate safety and ventilation systems or in restaurants in the Building's retail space.
8. No Owner shall suffer or permit any animals to be kept in, about or upon the Unit without the Association's prior written consent.
9. Certain Tenants or Unit Owners in the building are public agencies. Those agencies must follow applicable laws and regulations with regard to public access to the agency, public access to public meetings, and other issues peculiar to public agencies. No provision of these Rules and Regulations takes precedence over those laws or regulations, and, if there is a conflict, the conflicting provision of these Rules and Regulations is inoperative to the extent of the conflict.

B. HOURS & OPERATIONS

1. Each Owner, its tenants, employees, agents, contractors invitees or licensees, or other persons entering or leaving the Building at any time when locked, may be required to sign the Building register, and the security officer in charge shall have the right to refuse admittance into the Building to any person without a pass or other satisfactory identification showing right of access at such time. Designees of an Owner shall be issued access cards for after hours use.
2. Neither the Association nor the Manager assumes any responsibility and shall not be liable for any damage resulting from the admission or refusal to admit any authorized or unauthorized person to the Building. In case of invasion, mob, riot, public excitement or other commotion, the Association reserves the right to prevent access to the Building.
3. Each Owner shall close the doors of its Unit leading to Common Elements at all times when not in use for ingress or egress and shall securely lock such doors before leaving the Building.
4. The Association may exclude or expel from the Building any person who, in the judgment of the Association, is intoxicated or under the influence of liquor, whose presence in the judgment of the Association may be prejudicial to the safety and interests of the Building and its occupants, or who shall in any manner do any act in violation of the Rules or Declaration.
5. The sidewalks, halls, passages, exits, entrances, elevators, stairways and other Common Elements shall not be obstructed by any Owner, its tenants employees, agents, contractors invitees or licensees, or used for any purpose other than for ingress and egress to the Unit.
6. Before installing any equipment in its Unit that generates more heat than typical office equipment (which typical equipment includes computers, printers, servers and photocopiers), each Owner shall obtain the written permission of the Association, which may refuse to grant such permission if, in its reasonable opinion the amount of heat generated would place an undue burden on the air conditioning system of the Building or in some way jeopardize the LEED energy requirements. Without limiting the foregoing, whenever heat generating machines or equipment are used in a Unit which affect the temperature otherwise maintained by the air conditioning system, the Association reserves the right to install supplementary air conditioning units therein and the cost thereof, including, but not limited to, installation and maintenance costs, shall be paid by the Owner of such Unit upon demand.

C. BUILDING SERVICES

1. The mailroom is located within the Common Elements on the first floor adjacent to the Manager's office. Each Owner and its tenants are responsible for picking up their mail from the mailroom.

2. The Association's and the Manager's staff will not sign for packages, express deliveries or certified letters for any Owner or its tenants.
3. A complete list of maintenance services is available from the Association. Borrowing of engineers' tools and/or equipment is not permissible.
4. Housekeepers' equipment may not be borrowed. All janitorial services must utilize low/non-toxic cleaning products. Criteria for these products will be developed by Declarant and the Association in conjunction with LEED guidelines. The janitorial service must comply with the green housekeeping procedures by maintaining quarterly records of all purchases. The Association and the Manager shall not be responsible to any Owner for any loss of property in the Unit however occurring, or for any damage done to the effects of any Owner or its tenants by the Janitor or any other employee or any other person. As part of the LEED requirements, the Building has a recycling program for paper, cardboard, glass, metal and plastics. Building occupants will be informed of recycling procedures.
5. Complaints about Association employees must be registered with the Manager, not the employee.

D. SMOKING POLICY

1. Smoking shall not be permitted in any of the interior of the Building including any Unit and Common Elements (including, but not limited to, the parking garage, lobby, elevators, or corridors), except only in the designated smoking area located on the outside deck on the seventh floor, west elevation, of the Building.

E. ADVERTISING, SIGNAGE & MEDIA

1. No Owner shall disturb, solicit, or canvass any occupant of the Building and shall not solicit business from, buy from or otherwise do business with any person soliciting or canvassing occupants of the Building.
2. Without the Association's prior written consent, no sign or other object or thing visible to public view outside of any Unit shall be placed or allowed on the exterior of the Unit, or (except as provided in plans approved by the Association) in the interior of the Unit in such a manner as shall be visible from outside the Unit. The terms of a lease providing for advertising, signage or media in conflict with this provision take precedence over this provision.

F. STORAGE SPACES

1. Flammable products (oil-based paints, paint thinners, gasoline, etc.) and perishables may not be stored in the garage storage areas (the "Storage Spaces").
2. Each Owner must provide its own locking device for its Storage Space.
3. The Association and the Manager are not liable for any loss or theft of items stored in the Storage Space.

G. DELIVERIES, MOVING PERSONNEL & MOVING INFORMATION

1. Movers and deliveries must use the freight elevator only.

2. No furniture, freight or equipment of any kind shall be brought into the Building without the prior written consent of the Association and all moving of the same into or out of the Building shall be done at such time and in such manner as the Association shall designate. The Association shall have the right to prescribe the weight, size and position of all safes, vending machines and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by the Association, stand on webbing of such thickness and size as is necessary to properly distribute their weight. The Association and the Manager will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of the Owner.
3. All deliveries as well as large quantities of inventory, tools, furniture, appliances, equipment, files, supplies, etc. shall not be brought through the lobby and must be brought up or down in the freight elevator accessed from the garage levels.
4. All Owners shall cause their tenants to attend a tenant orientation session provided by the Association prior to moving in. During the move-in process, the Association will train staff on LEED office practices such as turning off lights and computers, recycling, and exploring commuting options.
5. Moves must be scheduled in advance with the Association.
6. All Owners and tenants moving in or out of the Building must notify the Association not less than one week in advance. The Owner or its designee, together with the Association or designated representative, is required to make an inspection of the Common Elements, including the freight elevator areas, surrounding its Unit before and after the move-in/move-out in order to ensure that no damage has been done to the Common Elements during the move.
7. Moving vans must park in the loading zone on the north side of the Building. Furniture and boxes may only be moved through the service entrance and freight elevator. Discarded cartons must be recycled. For security reasons, the service doors may not be propped open during a move.

H. PARKING

1. Vehicles entering the garage must follow the path designated by parking arrows. No vehicle may be parked in such a way as to impede access or use of an adjoining parking space or driveway.
2. Vehicles parked in the garage are at the owner's risk of fire, damage, vandalism or theft and the Association and the Manager shall have no liability for any such loss. Incidents should be promptly reported by the vehicle owner to the Association.
3. Bicycles must be parked in a secure standing position in the designated bicycle parking area. The Association and the Manager shall have no liability for the bicycles stored.
4. No repairs or other work, including car washing or waxing, may be performed on vehicles in the garage except minor emergency work necessary for start up or towing and except for spaces designated for such work by the Association. Cars with any fluid leaks must be repaired within 24 hours; otherwise the car cannot be parked in the garage.
5. Only motor vehicles are permitted in parking spaces in the parking garage and all vehicles must be parked in a manner to fit wholly within a parking space without blocking traffic or turn lanes. Motorcycles must be parked in spaces designated for motorcycle parking.

6. The first and second floors of the garage are designated parking for retail and visitor use. No Owner or any of its employees may park their vehicles on these floors. Fines may be assessed for violations.
7. Vehicles may not be left unattended in any driveway area without the Association's permission.
8. Cars found improperly parked in reserved parking spaces may be removed at the violator's expense.
9. Except in the case where the vehicle's owner is working in the Building overnight, no vehicles may be left in the parking garage overnight without the Association's prior written approval, which approval may be conditioned on the payment of a use fee.

I. COMMON ELEMENTS

1. No Owner or occupant shall make or permit its tenants, employees, agents, contractors invitees or licensees to make noises from within its Unit that are audible from outside the Unit, nor permit any conduct by such persons that will interfere with the rights, comforts or conveniences of other Owners or occupants.
2. No Owner shall place anything in the Common Elements without prior written consent of the Association. No sign, advertisement, notice or other graphics or lettering shall be exhibited, displayed, inscribed, painted or affixed in, on or upon any part of the Common Element except signs used or approved by the Association.
3. The sidewalks, entrances, passages, lobbies and hallways and like portions of the Common Elements shall not be obstructed or used for any purpose other than for ingress and egress to and from the Building; nor shall any carts, bicycles, carriages, chairs, tables or any other objects be stored therein, except in areas (if any) designated for such purposes.
4. The personal property of Owners and occupants must be stored in such Owner's Unit.
5. Filming and/or photography or video in the Common Elements is not permitted without the prior written consent of the Association.
6. Unauthorized usage, borrowing or removing any equipment or property owned by the Association is prohibited.
7. The toilet rooms, urinals, washbowls and other plumbing apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Owner who, or whose tenants, employees, agents, contractors invitees or licensees shall have caused it.
8. No Owner shall place a load upon any floor of its Unit exceeding the floor load per square foot which said floor was designed to carry or which is allowed by law, whichever is less.

J. LOBBY

1. The first and seventh floor lobbies are decorative/meeting places and that is their sole function. The seventh floor Lobby is also dedicated to the LEED education feature of the Building. The Lobbies and their furnishings shall not be used for business conferences. Business materials, documents and wares shall not be displayed in either lobby.

K. OWNERS' UNITS & ENTRY KEYS

1. Each Owner is responsible for proper care of emergency fire/life safety system in its Unit. To prevent compromising the Building's fire/life safety system, these alarm sensors may not be moved, covered, impaired or interfered with, unless written approval has been given by the Association.
2. The Building has been designed with a Master Key/Access System and doors within the Building shall conform to same. No Owner shall alter any lock or install any new or additional locks or any bolts on any doors of its Units. Each Owner shall permit the Association to retain a master key or submaster key to enter such Owner's Unit. All office entry keys shall be part of the Master Key/Access System and the Association shall keep the only master key. Each Owner takes full and sole financial responsibility for forced entry. In no event shall the Association, the Manager or any of their employees be liable for such entry. The provisions of this section do not apply to the Southern Nevada Water Authority.
3. Each Owner, upon transfer of its Unit, shall deliver to the new Owner of the Unit the access cards, parking tags or permits, AVI cards and keys of offices, rooms and toilet rooms which shall have been furnished to Owner or which Owner shall have made, and in the event of loss of any items so furnished, shall pay the Association for same.

II. CONSTRUCTION AND DESIGN GUIDELINES

A. IMPROVEMENT DESIGN CRITERIA

Each Owner must ensure that any improvements to its Unit meet the following minimum standards and must comply with the following LEED Requirements and Proprietary Product Specifications. Supplementary and explanatory information is available in the "Molasky Corporate Center Tenant Improvement Guidelines" prepared by Paladino, which are available from Declarant (the "TI Guidelines").

1. All water-using fixtures must be low-flow, water efficient fixtures for all Common Elements as well as any tenant improvements, additions or build out. Requirements include, but are not limited to: Dual flush toilets (0.8/1.6 gallons per flush); Low flow lavatories (0.5 gpm); Automatic shutoff controls at lavatories; and low flow shower heads (1.8 gpm). All "wet" areas must have a containment/capture system approved by the Association to collect water in a potential leak or break as well as an automatic shut off valve and must be connected to the building management system for alarm in such event. All plumbing must be properly insulated for sound and must be isolated from walls, studs, joints, ceilings, and flooring.
2. Penetrations or openings for piping, electrical devices, recessed cabinets, bathtubs, soffits, or heating, ventilating or exhaust ducts must be sealed, lined, insulated or otherwise treated to maintain the required sound and energy ratings.
3. Specify and purchase low-VOC interior paints, primers, sealants and adhesives for all work in the Unit. Specific requirements are described in Section 2.2.2 of the TI Guidelines and require the contractor to track information according to the instructions provided in Section 3.2.3- Material Tracking Instructions of the TI Guidelines.
4. Specify and purchase carpet products that meet the Carpet and Rug Institute (CRI) Green Label Plus standard, to avoid flooring materials that are potential sources of pollutants.
5. Specify and purchase composite wood products (i.e. plywood, wood doors) with no added urea-formaldehyde resins. This requirement affects the type of wood products that can be used for built-in casework, cabinetry, and wood surface finishes.
6. Implement an underfloor air distribution system for the HVAC system. The UFAD (UnderFloor Air Distribution) system at Building 1 is a proprietary specification. All materials must be consistent with the design and specification set forth by Declarant. The system chosen by Declarant for this project is represented by Facilitiq and manufactured by Haworth.
7. Do not exceed a Lighting Power Density (LPD) of 1.0 Watts/Square Foot for the entire space by implementing strategies such as energy efficient lamps and task/ambient lighting strategy.
8. Provide daylight dimming controls connected to photo sensors within 20' of all perimeter areas.
9. Provide and purchase "Plug and Play" teledata and power systems within the UFAD areas. All materials must be consistent with the design and specification set forth by Declarant. The system chosen by Declarant for this project is manufactured by Communications Integrators Incorporated (CII).
10. All additions, connections or modifications to the fire, life, safety system including alarms, sprinklers and risers must be as specified by Declarant and implemented by Declarant's contractors, Westar and SAFE.

11. All modifications and/or connections to the building management system must be as specified by Declarant and implemented by Long.
12. All modifications and/or connections to the building surveillance and/or access control system must be as specified by Declarant and implemented by Armtec Communications. The provisions of this section do not apply to the Southern Nevada Water Authority.
13. All Common Element and suite entry doors must be glass or as specified by Declarant and supplied by Consolidated Doors.
14. Provide separate mini blinds for the daylight and vision glazing on all facades. All window coverings visible from the exterior of the Building must be plain and white or off-white in color. Connect lighting master controls to the Building energy management system to allow for time-clock switching of lighting.
15. Locate large copy/print machines in an enclosed room with dedicated exhaust ventilation. Exhaust intakes for this purpose have been provided near the Building core.
16. Install CO₂ sensors in every conference room that seats more than 10 people and near each return air shaft. Provide a digital signal from each sensor to the base building DDC (direct digital control) system.
17. Provide humidity sensors to serve each major Building area, with a minimum of two humidity sensors on each floor. Provide a digital sensor from each sensor to the base Building control system.
18. Specify only Energy Star rated equipment (copiers, faxes, computers and monitors), and Energy Star appliances (refrigerators and dishwashers) in the kitchens and/or breakrooms.
19. Provide basic commissioning of all systems and connections to the Building infrastructure. Said commissioning shall be coordinated with and witnessed by Declarant's LEED consultant, Paladino & Associates, and must comply with all Design Criteria of the LEED Building.
20. No Owner and no tenants, employees, agents, contractors invitees or licensees of any Owner shall go upon the roof of the Building without the Association's prior written consent and subject to such requirements as Association may impose, including, without limitation, the requirement that the Association's specified contractor and roofing consultant be used.

B. RECOMMENDED DESIGN ELEMENTS

In addition to the above LEED REQUIREMENTS, the following are LEED RECOMMENDED DESIGN ELEMENTS that will result in the highest level of sustainability and productivity.

1. Implement a "Ride to Work" program and encourage employees to use the bicycle storage and changing room facilities provided facilities at Level 1 of the parking structure in the Building.
2. Develop a carpooling policy and encourage the occupants to participate.
3. Specify flooring and finish materials such as cork, bamboo, linoleum, wheatboard and/or sunflower.
4. Utilize wood with the FSC label. The Forest Stewardship Council (FSC) is a third party organization that certifies forests, distributors, manufacturers and retailers as meeting the FSC's 10 Principles and Criteria of Sustainable Forest Management.

5. Specify recycled content products for carpets, ceiling tiles, floor tiles, gypsum, counter tops and other materials.
6. Provide occupancy sensors to automatically turn off lights in any perimeter room that is over 500 square feet in area and has full height partition walls.
7. Give occupants individual control of lighting in their personal workspace through the use of hard-wired task lights, "stepped" switching, dimming controls, window shades or louvered blinds.
8. Provide an interior light shelf/louwer system to bounce light onto the ceiling and reduce glare in space.
9. Avoid placing private offices along the outside walls and arrange furniture and partitions to allow daylight to reach deeper into the space.
10. Provide direct/indirect lighting achieve a lower level of general illumination (ambient lighting) throughout the workspace as compared to a direct overhead lighting.
11. Locate appropriate sound-absorbing materials (soft or porous surfaces) such as acoustical ceiling tiles, wall panels, suspended baffles and acoustical clouds to "soften" open work areas.
12. Use appropriate sound isolating techniques in walls and above ceilings of private offices and conference rooms.
13. Eliminate potential sound transmission pathways between offices created by recessed lighting, switches and outlets back-to-back on opposite sides of a wall.

C. CONTRACTORS, CONSTRUCTION, REMODELING & DECORATING PERSONNEL

1. Improvements prior to Building occupancy and opening must be coordinated with the Association. Construction, remodeling, repair and decorating of a Unit is permitted during those days and times approved by the Association. Work resulting in noise to neighbors is not permitted during regular office hours. There may be a \$1,000.00 fine for each violation. There may be a \$100.00 fine if work continues beyond the cut-off time specified by the Association and \$100.00 for each half hour or portion thereof past such time.
2. All work on premises must comply with all applicable safety and building codes and licenses as well as all LEED requirements outlined in the TI Guidelines. All contractors must implement or comply with the existing Construction IAQ Management Plan to reduce building dust and contamination during construction. Additional information is provided in Section 3.2.2 of the TI Guidelines. All contractors must participate in the commissioning process for the Building and/or Unit and attend the scoping meeting for commissioning at the beginning of construction. Refer to Appendix A of the TI Guidelines for details about the commissioning scope of work for improvement build out.
3. It is Owner's responsibility to ensure that all contractors are licensed in the State of Nevada, have worker's compensation insurance as required by law, and commercial general liability and property damage insurance insuring against loss, damage or liability for injury or death to persons and loss or damage to property occurring from any cause whatsoever, naming the Association and the Manager as additional insureds in an amount not less than Two Million Dollars (\$2,000,000) combined single limit-bodily injury and property damage, from an insurance company with a policyholder's rating of "A-" or better and a financial rating of "VII" or better in Bests' Insurance Reports. The Association shall have the right to deny access to any contractor

that fails to maintain and properly deliver to the Association the required insurance. For purposes of these Rules, the term "contractor" includes all contractors and subcontractors and its and their employees, agents, personnel and suppliers.

4. It is the Owner's responsibility to provide a copy of the TI Guidelines to all members of its design team at the beginning of the build-out and to clearly communicate the requirements to the design team.
5. It is the responsibility of the Owner to collect and provide all submittals described in Section 3 of the TI Guidelines at the end of construction. Submittals are required of design team members, tenant representative, and contractor.
6. After the first occupant opens for business in the Building, all workers must check in and out at the Manager's office upon arriving and leaving. Any worker not in compliance with this rule will be asked to leave the Building. Workers must use freight elevator only.
7. Workers must park service vehicles as directed by the Association.
8. Debris is not to be stored in halls or other Common Elements. Contractors must clean up and remove debris daily.
9. No building debris is to be discarded in the trash bin belonging to the Association. Noncompliance may result in fines against the Owner in the amount of \$500.
10. As part of the LEED requirements, the Building has a recycling program for paper, cardboard, glass, metal and plastics. Building occupants will be informed of recycling procedures.
11. Each Owner and its contractors shall track materials used in the build-out to document material cost, recycled content, and location of manufacture.
12. Each Owner and its contractors shall implement and/or comply with a Construction Waste Management plan provided to Owner to reduce the amount of material sent to a landfill from the construction process. Quantities of waste and recycled materials must be tracked through construction.
13. Contractors, their employees and Owner will be responsible for all loss or damage caused by workers, or their agents.
14. Each Owner shall reimburse the Association for all costs incurred by or damage to the Common Elements related to Owner's project, including the cost of elevator or manlift use and recycling and/or trash disposal. Each Owner agrees to assume full responsibility for any damage to the Building or persons or property of others caused by such Owner or its tenants, employees, agents, contractors invitees and licensees. If the damage is not repaired in a timely manner, each Owner agrees the Association has the right to make the repairs and specifically assess Owner for the cost of those repairs and/or take legal action against the Owner.
15. Prior to the commencement of construction, Owner shall cause to be obtained and posted all applicable building permits from appropriate governmental agencies. Owner warrants that all work and materials will comply with applicable building codes.
16. Whenever changes involve structural elements of the Building and/or a change in load factors, Owner agrees to have plans prepared by and signed-off by a licensed structural engineer approved by the Association.

17. Each Owner shall report to the Association and correct, at its sole expense, any building code violations and/or deficiencies discovered during the course of the repairs and/or remodeling.
18. Representatives of the Association shall have the right but not the obligation to periodically make site observations. Each Owner agrees to allow such observations by such representatives and understands that work will be halted if inspections are not allowed. Such site observations do not relieve each Owner from its duty to comply with plans approved by the Association, these Rules, the Declaration and all applicable building and fire codes.
19. All work must be done inside each Owner's Unit. Workmen shall not set up equipment in the Common Elements. There may be a \$150.00 fine per violation.
20. All equipment and material must be stored inside each Owner's Unit or taken off-site. Workmen are prohibited from using common area electrical outlets to power their equipment. There may be a \$150.00 fine per violation per day the violation continues to exist.
21. All Common Element floors must be protected with Masonite or plywood (taped at the edges) from the elevators and/or stairwells to each Unit whenever equipment or material is being delivered to the Unit. The protective coverings must be removed and the floor cleaned by 8:00 a.m. each day if required by the Association. If this is not done, the Owner may be subject to a \$100.00 fine per occurrence plus the cost of cleaning and any associated damage.
22. Only freight elevators may be used for transporting workers, equipment, and materials related to the work. There may be a \$200.00 fine per violation.
23. Parking must be coordinated with the Association.
24. Power, water or sprinkler shut-offs shall only be done during the hours approved by the Association and shall be coordinated to the convenience of other Owners and occupants at the discretion of the Association. At least seven (7) days written notice must be given to the Association.
25. Workers are not allowed to bring animals on-site and will be denied entry if they have an animal with them. All workers must wear shoes, pants and shirts at all times. Workers are also prohibited from creating nuisance noise unrelated to the construction work and are prohibited from eating meals or taking breaks in the Common Elements. There may be a \$50.00 fine per violation.
26. No alcoholic beverages, intoxicants, drugs or other controlled substances are permitted to be brought into the Building or used by construction, remodeling or decorating personnel, except for over-the-counter medications and drugs for which the person has a prescription and are being taken for their intended purpose. There may be a \$500.00 fine per violation and the offending party may be barred from the Building.
27. If a Unit's fire monitoring system or fire sprinkler system is disconnected for any reason, the Unit's Owner must IMMEDIATELY notify the Association WITHOUT EXCEPTION. The Association will post a "fire watch" until the system is reconnected. All expenses including any overtime will be billed to the Owner (current rates are \$20.00 per hour). There may be a \$1,000.00 fine per violation if these procedures are not followed.
28. Contractors must use their own equipment. No equipment which is the property of the Association may be used at any time.

29. All dust, dirt, noise, fumes, etc. must be contained in the Unit. The front door to each Unit must be closed at all times. There may be a \$100.00 fine per violation per day the violation continues to exist.
30. The consent of the Association to the Owner's project shall not give rise to any liability on the part of the Association, the Manager or their respective representatives. To the extent permitted by applicable law, each Owner shall indemnify, hold harmless and defend the Association, the Manager and their respective members, managers, officers, directors, employees and agents from claims for injury or loss to persons or property arising from the project or its approval by the Association or the Manager and shall indemnify and hold harmless the Association and the Manager and all other Owners against liability or loss arising from liens for labor performed or for materials the Owner furnished for work in the Unit.
31. Failure to follow these Rules or the Declaration can result in fines, suspension of workers' access to the Building, and/or other legal remedies including *ex parte* restraining orders from a court of competent jurisdiction to restrain the breaching party and its tenants, employees, agents, contractors invitees and licensees, from violating the provisions of these Rules or the Declaration. In the event proceedings are brought to enforce any of the provisions in these Rules or the Declaration, the prevailing party shall be entitled to recover all costs and reasonable attorneys' fees.

D. FINES & PENALTIES

1. Any Owner may report violations of the Declaration or Rules to the Association, setting forth in writing the date, time, location, name(s) of violator(s) and description of violation. All such violation reports must be signed by the reporting Owner.
2. The Building's policy with regard to fines and penalties is as follows:
 - a. The Association may impose fines against the applicable Owner, up to the maximum amount permitted by the Rules.
 - b. Each separate incident which is grounds for a fine shall be the basis of one separate fine. In the case of continuing violations, each continuation of same after a notice thereof is given, shall be deemed a separate incident.
 - c. Fines shall be paid no later than thirty (30) days after notice of the imposition thereof.
 - d. All monies received from fines shall be allocated as directed by the Association.
 - e. These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled. Any penalty paid by the offending Owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner or occupant.

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM**

May 17, 2012

Subject: Change Order	Director's Backup
Petitioner: Richard B. Holmes, Deputy General Manager, Engineering/Operations	
Recommendations: That the Board of Directors approve Change Order No. 7 to Contract No. 070F 02 C2, Intake No. 3 – Connector Tunnel, for the amount of \$4,988,214, and extend the final completion date by 219 calendar days.	

Fiscal Impact:

The previous commitment from the New Expansion Bond Fund will be increased by \$4,998,214 if the above recommendation is approved. The Bond Fund is currently overcommitted but underexpended; when additional funds are needed, bonds will be sold to replenish the fund.

Background:

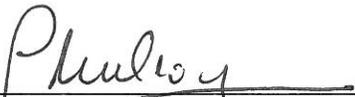
On May 21, 2009, the Board of Directors awarded Contract No. 070F 02 C2 to KW Pipeline, Inc., dba Renda Pacific, in the amount of \$42,300,000 for construction of the Intake No. 3 – Connector Tunnel that connects the existing Intake No. 2 with the new Intake No. 3, located as generally shown on Attachment A. The Board further authorized a change order contingency in the amount of \$4,000,000 to be utilized by the General Manager in accordance with Resolution No. 96-003. To date, the General Manager has approved five change orders and one work change directive for an aggregate increase of \$2,671,010 and extended the contract time one day. The Board previously approved one change order in the amount of \$2,379,000 and extended the contract time 95 days.

Water inflows during excavation of the underground space were always anticipated, but actual inflows have turned out to be more than estimated by the designer. The quantities for some unit price bid items associated with water control grouting activities have been exhausted. The Contractor is entitled to additional time and money for furnishing materials and accomplishing work in excess of the original estimates. The contract specifically grants the Contractor a day-for-day extension of contract time for water control grouting in excess of the grouting time estimated in the contract. Based on the extent of grouting work required to date, plus an allowance for future grouting work, a time extension of 219 calendar days is warranted.

The attached Change Order No. 7 establishes new estimates of the grouting-related work to be performed, authorizes additional compensable time for such work as needed up to the amount of \$4,988,214, and extends the contract time 219 calendar days. This change order is being presented for Board approval as the recommended compensation and time extension exceeds the General Manager's authorization under Resolution No. 96-003.

The office of the General Counsel has reviewed and approved this agenda item.

Respectfully submitted:



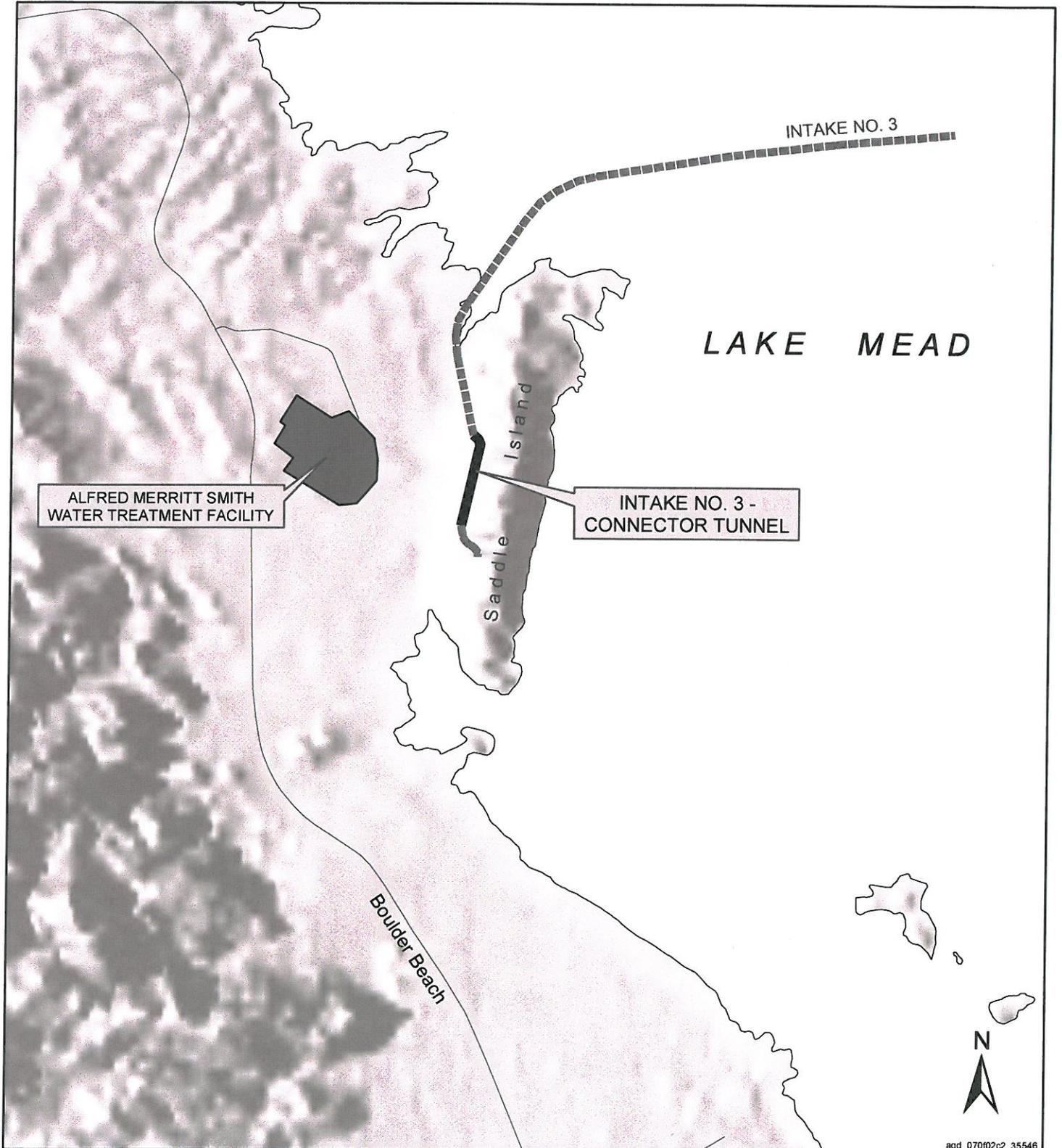
Patricia Mulroy, General Manager
PM:RBH:MRJ:EPM:db K0033
Attachments

AGENDA ITEM #

6

**BOARD OF DIRECTORS
AGENDA ITEM**

**SNWA CONTRACT NO. 070F 02 C2
INTAKE NO. 3 -
CONNECTOR TUNNEL**



agd_070f02c2_35546

SOUTHERN NEVADA WATER AUTHORITY
Change Order No. 7

Contract No. 070F 02 C2
Intake No. 3 Connector Tunnel

CONTRACTOR: KW Pipeline, Inc., dba Renda Pacific
680 Professional Avenue, Suite 101
Henderson, NV 89015

<u>ITEM NO.</u>	<u>DESCRIPTION OF CHANGE</u>	<u>ADD/DEDUCT</u>	<u>AMOUNT</u>
CO7.1	Add an estimated 150 Additional Grouting Days at the contractually established rate of \$27,731 per Additional Grouting Day, for the cost of all the CONTRACTOR's extended overhead. The estimated quantities are not guaranteed and the CONTRACTOR will be paid for only those units of work actually performed.	ADD	\$4,159,650.00 (Estimated Not-to-Exceed)
CO7.2	Add an estimated 150 Additional Grouting Days at the contractually established rate of \$2,663.76 per Additional Grouting Day, for the cost of the CONTRACTOR's additional field staff. The estimated quantities are not guaranteed and the CONTRACTOR will be paid for only those units of work actually performed.	ADD	\$399,564.00 (Estimated Not-to-Exceed)
CO7.3	Add an estimated 550 Pre-Excavation Water Control hours to the previously approved quantity of 8,250 hours at the contractually established rate of \$780.00 per hour. The estimated quantities are not guaranteed and the CONTRACTOR will be paid for only those units of work actually performed.	ADD	\$429,000.00 (Estimated Not-to-Exceed)

Schedule

Revise Contract Section 00800, SUPPLEMENTARY CONDITIONS, p. 00800-1, paragraph 2.4, "Completion of Work", Milestones as follows:

Milestone No. 2, Substantial Completion from "May 30, 2012" to "January 4, 2013."

Milestone No. 3, Final Completion from "July 28, 2012" to "March 4, 2013."

TOTAL CHANGE IN CONTRACT TIME FOR FINAL COMPLETION	ADD	219 CALENDAR DAYS
TOTAL CHANGE IN CONTRACT PRICE	ADD	\$4,988,214.00 (Estimated Not- To-Exceed)

All necessary adjustments to all other portions of the original Contract Documents, including but not limited to all applicable specification and drawing notes and details, as required by these changes, are hereby made.

This Change Order, executed by the Authority and the Contractor, shall constitute a full and final settlement of any and all claims by the Contractor for time extensions and/or additional costs arising out of the performance of the Work related to this Change Order. This settlement constitutes an agreement not to use this Change Order in association with any other Claim. All other requirements of Contract No. 070F 02 C2 remain unchanged.

Acceptance by CONTRACTOR:

By:  5/1/2012
Joseph Savage, Project Manager Date

Authorized by AUTHORITY:

By: _____ Date
Patricia Mulroy, General Manager

Duplicate Originals: (1) AUTHORITY (1) CONTRACTOR

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM
May 17, 2012**

Subject: Agreement	Director's Backup
Petitioner: Richard B. Holmes, Deputy General Manager, Engineering/Operations	
Recommendations: That the Board of Directors approve and authorize the General Manager to sign a Programmatic Agreement, in substantially the same form, among the Department of the Interior, Bureau of Land Management, the Nevada State Historic Preservation Officer, the Advisory Council on Historic Preservation, and the Authority regarding National Historic Preservation Act Section 106 Compliance for the Groundwater Development Project in Clark, Lincoln, and White Pine Counties, Nevada.	

Fiscal Impact:

None by the approval of the above recommendation. Costs associated with specific activities will be identified and presented to the Board of Directors for consideration at future meetings.

Background:

In August 2004, the Authority filed an application for rights-of-way across federal lands managed by the Bureau of Land Management (BLM) for the Clark, Lincoln, and White Pine Counties Groundwater Development Project (GWD Project). Prior to issuance of the rights-of-way, the BLM must comply with federal environmental laws and regulations, including Section 106 of the National Historic Preservation Act (Section 106).

The GWD Project is a complex undertaking that will be developed in phases. The BLM has determined that a Programmatic Agreement will address the Section 106 compliance requirements by establishing processes for identifying, evaluating, and determining treatment for cultural resources that may be affected by the GWD Project. As the GWD Project applicant, the Authority will be an invited signatory responsible for conducting the compliance procedures identified in the Programmatic Agreement. Such procedures include identification and evaluation of historic properties, research, inventories, archeological surveys, monitoring, and avoiding, minimizing or mitigating adverse effects to historic properties. The BLM has also invited the Identified Indian Tribes and Invited Consulting Parties to concur in the agreement.

This agreement is being entered into pursuant to NRS Chapter 277, and 36 C.F.R. Section 800.14(b). The office of the General Counsel has reviewed and approved the agreement.

Respectfully submitted:



Patricia Mulroy, General Manager
PM:RBH:ZLM:LML:df:nsh X0042
Attachment

AGENDA ITEM #

7

PROGRAMMATIC AGREEMENT
AMONG
THE DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT, NEVADA,
THE NEVADA STATE HISTORIC PRESERVATION OFFICER,
THE ADVISORY COUNCIL ON HISTORIC PRESERVATION, AND
THE SOUTHERN NEVADA WATER AUTHORITY

REGARDING NATIONAL HISTORIC PRESERVATION ACT SECTION 106
COMPLIANCE for the
GROUNDWATER DEVELOPMENT PROJECT
in CLARK, LINCOLN, and WHITE PINE COUNTIES, NEVADA

WHEREAS, the Southern Nevada Water Authority (“SNWA” or “proponent”), a joint powers authority and political subdivision of the State of Nevada, proposes to construct and operate a system of regional water supply and distribution facilities in central and eastern Nevada, through a project known as the Clark, Lincoln, and White Pine Counties Groundwater Development Project (“GWD Project” or “Project” or “Undertaking”); and

WHEREAS, the effects of the Project on historic properties cannot be fully determined prior to approval of the Undertaking, and the Bureau of Land Management (“BLM”), as the lead federal agency, is using the regulations at 36 C.F.R. 800.14(b)(1)(i)–(ii) to create this Programmatic Agreement (“Agreement”), and the signatories hereto have determined that the review of this Project under section 106 of the National Historic Preservation Act of 1966 (“NHPA”) (16 U.S.C. § 470f) (“section 106”) and the regulations implementing section 106 at 36 C.F.R. Part 800, may properly and appropriately be governed by this Agreement, negotiated and executed as authorized by 36 C.F.R. § 800.14(b); and

WHEREAS, a substantial portion of the GWD Project will be located on public lands managed by the Ely District Office (“BLM Ely”) and the Southern Nevada District Office (“BLM Southern Nevada”) of the Nevada Bureau of Land Management of the U.S. Department of the Interior (“BLM Nevada”) (together, “BLM”); and

WHEREAS, SNWA has applied to BLM Nevada for issuance of rights-of-way (“ROWS”) over said BLM-managed lands in order to construct and operate the main conveyance pipeline, power line, and associated facilities which are described as “Tier 1” of the GWD Project; and

WHEREAS, SNWA has indicated details of future phases (“Future Tiers”) of the Project, including future groundwater development and the necessary number and locations of wells, are currently unknown and cannot be determined at this time; and

WHEREAS, the BLM has determined that, because Tier 1 and Future Tiers of the GWD Project will require BLM-issued ROWs, this Project is a federally permitted undertaking subject to the requirements of section 106; and

WHEREAS, in accordance with the National Environmental Policy Act (“NEPA”), the BLM is evaluating SNWA’s request for ROW for Tier 1 of the GWD Project along with a range of alternatives which are described in the Draft Environmental Impact Statement (DEIS) for the GWD Project and in Appendix B of this Agreement, and the particular alternative the agency will select is unknown at the time this Agreement was executed and thus effects on historic properties cannot be fully determined prior to the approval of the Tier 1 of the Project; and

WHEREAS, BLM has determined that a phased process for compliance with section 106 is appropriate for the GWD Project, as specifically allowed under 36 C.F.R. § 800.4(b)(2) and 36 C.F.R. § 800.5(a)(3), such that completion of the identification and evaluation of historic properties, determinations of effect on historic properties, and consultation concerning measures to avoid, minimize, or mitigate any adverse effects will be carried out in phases, as set forth in this Agreement, as part of planning for and prior to any Notice to Proceed (“NTP”) and Undertaking implementation; and

WHEREAS, the BLM is the lead federal agency for compliance with the requirements of section 106 for the GWD Project and BLM has identified the BLM Nevada State Director as the agency official for the Project, having jurisdiction over the Undertaking, and having taken legal and financial responsibility for section 106 compliance in accordance with the Advisory Council on Historic Preservation’s (“ACHP”) regulations, and further, who may delegate to one or more appropriate BLM officials any responsibility or action required or allowed of an agency official under those regulations; and

WHEREAS, BLM has determined that construction, installation, operation or maintenance of the GWD Project may cause effects to historic properties and accordingly, prior to issuing to the proponent any ROW over BLM-managed lands, BLM will take into account such effects and comply with section 106, through the procedures described in this Agreement, as authorized by and consistent with the BLM’s nationwide programmatic agreement titled *Programmatic Agreement Among The Bureau of Land Management, The Advisory Council On Historic Preservation, And the National Conference of State Historic Preservation Officers Regarding the Manner In Which BLM Will Meet Its Responsibilities Under the National Historic Preservation Act*, dated February 9, 2012 (“BLM 2012 NPA”), and the Nevada Protocol Agreement titled *The State Protocol Agreement Between the Bureau of Land Management Nevada and the Nevada State Historic Preservation Office for Implementing the National Historic Preservation Act Protocol (as amended 2012)*, dated February 3, 2012 (the “Nevada Protocol”) between the BLM Nevada and the Nevada State Historic Preservation Officer (“SHPO”), all of which documents, or any valid successor to any of these documents, are incorporated herein by reference; and

WHEREAS, BLM acknowledges that it has consultation responsibilities to Indian tribes regardless of whether the tribe(s) execute concurrence to this Agreement; and

WHEREAS, although no part of the GWD Project will be located on tribal lands, in developing this Agreement in compliance with 36 C.F.R. § 800.14(b)(2)(i) and (f), BLM has made a reasonable and good faith effort to identify and seek consultation with every federally recognized Indian tribe that has religious or cultural ties to, or whose direct ancestors had historic or pre-historic religious or cultural ties to the Project area, and that, because of such ties, may attach religious and cultural significance to historic properties that may be affected by the GWD

Project, (16 U.S.C. § 470a(d)(6)(A) (“Properties of traditional religious and cultural importance to an Indian tribe . . . may be determined to be eligible for inclusion on the National Register.”)), and BLM has identified under those criteria the following tribes: Chemehuevi Indian Tribe, Colorado River Indian Tribes, Confederated Tribes of the Goshute Reservation, Death Valley Timbisha Shoshone Band, Duckwater Shoshone Tribe, Ely Shoshone Tribe, Fort Mojave Indian Tribe, Hualapai Indian Tribe, Kaibab Band of the Paiute Indians, Las Vegas Tribe of Paiute Indians, Moapa Band of Paiute Indians, Paiute Indian Tribe of Utah (consisting of the Cedar City Band of Paiutes, Kanosh Band of Paiutes, the Koosharem Band of Paiutes, Indian Peaks Band of Paiutes, and Shivwits Band of Paiutes), Shoshone-Paiute Tribes of the Duck Valley Reservation, Te-Moak Tribe of Western Shoshone Indians (consisting of the Battle Mountain Band, Elko Band, South Fork Band, and Wells Band), and Yomba Shoshone Tribe (the “Identified Indian Tribes”); and

WHEREAS, on February 23, 2007, BLM sent to each of the Identified Indian Tribes a letter explaining the nature of the proposed GWD Project, asking each of those tribes to provide any information they have about properties of traditional religious and cultural significance (“PRCSs”), cultural resources, and historic properties which might be affected by the construction and operation of the GWD Project, and providing with that letter Project maps and contact information for the appropriate BLM contacts; and

WHEREAS, the BLM has initiated formal government-to-government section 106 consultation with each Identified Indian Tribe through the appropriate BLM manager(s) contacting that tribal government, or a person authorized by such government to speak for the tribe on section 106 compliance, offering meetings between a BLM manager and that tribe’s designated tribal representative and/or governing body to discuss any concerns the tribe may have regarding: (1) the GWD Project; (2) any historic properties and cultural resources, including PRCSs, that may be affected by the Project; and (3) the tribe’s desires to protect any such property(ies) from imprudent or unnecessary public identification or disclosure; and

WHEREAS, the BLM reaffirms its offer to consult regarding the GWD Project with each Identified Indian Tribe that desires to do so, in a manner respectful of both tribal sovereignty and the unique government-to-government relationship between Indian tribes and the United States government; and

WHEREAS, in order to assist BLM’s tribal consultation and preparation of the DEIS for the Project, BLM had an ethnographic assessment prepared for the GWD Project by persons meeting the Secretary of the Interior’s Standards for ethnography, which included interviews and targeted site visits with the assistance and cooperation of the Identified Indian Tribes, in order to identify cultural resources, PRCSs, and potential PRCSs located in the Project’s potential Areas of Potential Effects (“APEs”) for direct and indirect effects, as described in the Ethnographic Report, the consultants having conducted such studies, interviews and site visits in 2008 and 2009, and prepared an Ethnographic Report on their work, which has been circulated among the Identified Indian Tribes; and

WHEREAS, BLM has provided to each Identified Indian Tribe a draft copy of this Agreement and has invited each such tribe to comment on and suggest changes to any part of the draft, prior to its being finalized or executed; representatives of several tribes having met with BLM

managers to discuss this Agreement at duly noticed Project-specific consultation meetings on January 12, 2011 in Ely, Nevada, and February 15, 2011 in Las Vegas, Nevada; BLM received comment letters regarding this Agreement from several Identified Indian Tribes during the public comment process for the DEIS for the Project, and has considered those comments during the development of this Agreement; and the Identified Indian Tribes have each been afforded a reasonable opportunity to participate in the development and finalization of this Agreement as it may apply to historic properties of religious and cultural significance to each of those tribes; and

WHEREAS, BLM has invited and encouraged each Identified Indian Tribe to be a concurring party (“Concurring Party”) for this Agreement; and

WHEREAS, BLM recognizes that (i) BLM has separate duties (apart from those under the NHPA) to consult with Indian tribes regarding a broad range of traditional religious and cultural locations and resources, including gathering areas, prayer sites, and sacred/ceremonial places, which might be affected by the GWD Project; (ii) such duty to consult exists without regard to eligibility of such properties or resources for inclusion on the National Register of Historic Places (NRHP); and (iii) formal and informal consultation regarding the same has occurred and will continue to occur apart from the consultation and other activities contemplated in this Agreement; and

WHEREAS, BLM sought the views of the public in the development of this Agreement by providing notice and information regarding the Undertaking and its anticipated effects on historic properties, solicited public comment and input on the Agreement during and concurrent with the public comment process for the DEIS for the Project, and has considered those public comments during the development of this Agreement; and

WHEREAS, BLM, in consultation with the SHPO, has identified organizations and agencies with a demonstrated interest in the GWD Project and its potential effects to historic properties, and has invited these organizations and agencies to participate in this section 106 compliance, the following organizations and agencies having responded and expressed their desire to participate: Archeo-Nevada Society, Bureau of Indian Affairs, Great Basin National Heritage Area, National Park Service, Nevada Division of State Lands, Nevada Rock Art Foundation, Preserve Nevada, U.S. Fish and Wildlife Service, and White Pine County, and BLM therefore having designated those organizations and agencies as consulting parties in this review (“Invited Consulting Parties”), consulted with them in the development of this Agreement, and invited them to sign this Agreement as Concurring Parties; and

WHEREAS, BLM has invited representatives of local governments with jurisdiction over the area in which direct effects to historic properties caused by the Undertaking may occur to participate in the development of this Agreement, and invited them to sign this Agreement as Concurring Parties; and

WHEREAS, pursuant to the Nevada Protocol, BLM has consulted with the SHPO in the development of this Agreement, and SHPO will be a signatory (“Signatory”); and

WHEREAS, BLM has invited the ACHP to consult in the development of this Agreement and the ACHP has agreed to participate, has consulted on and been involved in the development

hereof, and will be a Signatory; and

WHEREAS, this Agreement assigns substantial section 106 compliance duties to Project proponent SNWA, and the BLM has invited SNWA both to consult in the development of this Agreement and to be an invited signatory (“Invited Signatory”); and

WHEREAS, SNWA will ask the U.S. Army Corps of Engineers (“Corps”) to issue permits under the Clean Water Act for the GWD Project, the Corps has designated BLM as the lead agency for section 106 compliance of the GWD Project, the Corps will require as part of permit conditions that section 106 compliance for the GWD Project be discharged by the BLM under this Agreement, and the Corps has consulted in the development of this Agreement; and

WHEREAS, SNWA has identified known historic and prehistoric cultural resources within the areas of the Project’s APEs for visual and direct effects for Tier 1 of the Project by completing and providing to the BLM a Class I inventory of such areas, the report for which is titled “*The Class I Cultural Resources Inventory for the Southern Nevada Water Authority, Clark, Lincoln, and White Pine Counties Groundwater Development Project, Nevada*” (ICF Jones and Stokes, August 2008) (“Class I Inventory”); and

WHEREAS, this Agreement covers all aspects of the construction, installation, operation and maintenance of the facilities of the Tier 1 and Future Tiers of the GWD Project, as such facilities are referenced herein in Stipulation B and more fully described in Appendix B attached hereto, including facilities identified but not yet designed, or whose location has yet to be determined, and those that may be added in the future, all of which facilities will be treated as described herein;

NOW THEREFORE, the Signatories and Invited Signatory agree that the GWD Project shall be implemented in accordance with the following stipulations in order to take into account the effect of the GWD Project on historic properties.

STIPULATIONS

BLM shall ensure that the following measures are carried out:

A. Roles and Responsibilities

1. Reports. BLM will be responsible for reviewing reports, including but not limited to, inventory reports, recommendations of eligibility for the NRHP, treatment options, and assessments of effects and for completing section 106 compliance for the GWD Project, regardless of the ownership of the lands on which portions or facilities of the Project may be located.

2. Eligibility, Effect, and Treatment/Mitigation. BLM will make determinations of eligibility and findings of effect, and will consult with Identified Indian Tribes, Invited Consulting Parties, and other consulting parties (as defined in Stipulation A.4, below) as part of that process. BLM will document its findings and determinations per 36 C.F.R. § 800.11(e). BLM will also oversee all cultural resource work; assemble and make all submissions to the SHPO, including reports, determinations of eligibility and effect, and treatment or mitigation,

such as data recovery plans; submit copies thereof to Identified Indian Tribes and Invited Consulting Parties as appropriate, and seek SHPO concurrence with all compliance determinations.

- a. BLM Ely and BLM Southern Nevada will make determinations regarding NRHP eligibility, Project effects and treatment for their respective areas.
- b. BLM Southern Nevada will convey its determinations to BLM Ely.
- c. BLM Ely will ensure that all data are compiled and submitted to the appropriate parties and otherwise assure proper conduct of actions described in Stipulations A.1 to A.4.

3. Tribal Consultation. BLM is responsible for consultation with Indian tribes in connection with the GWD Project, including: (1) identifying each federally recognized Indian tribe that attaches religious and cultural significance to historic properties potentially affected by the GWD Project; (2) consulting with all Identified Indian Tribes willing to do so concerning historic properties, including the tribe's eligible PRCSSs potentially affected by the GWD Project, and with any other tribes that the BLM identifies in the future; and (3) through consultation, providing all Identified Indian Tribes a full opportunity to identify any concerns about the Project, their views on identification and NRHP eligibility for any historic properties including PRCSSs, and allowing that tribe to express its views on the assessment of effects and resolution of adverse effects to such PRCSS's that are NRHP eligible, consistent with the procedures contained in the BLM Manual 8120 and the BLM Manual Handbook, H-8120-1: Guidelines for Conducting Tribal Consultation (together, the "BLM 8120 Manual and Handbook"), and, if the BLM 8120 Manual and Handbook are revised or replaced, then consistent with the revised or replaced procedures beginning on their effective date.

4. Other Consulting Parties. BLM will be responsible for identifying individuals and organizations with a demonstrated or known interest and expertise in historic properties and preservation issues in the Project area and consulting with them about the section 106 compliance of the Project ("Other Consulting Parties"). BLM shall invite such persons or organizations it identifies to comment on the Project and participate in the section 106 compliance. BLM may grant consulting party status to any such person or organization that requests such in writing, according to BLM's evaluation of the nature of their legal or economic relation to the Project or affected properties, or their concern for the Project's effects on historic properties.

5. SNWA. SNWA will be responsible for funding, supporting, assisting and conducting, either directly or through qualified consultants or contractors, the procedures for section 106 compliance of the GWD Project as those procedures are provided herein and as directed by BLM, including identification and evaluation of historic properties, records research, inventory, archaeological and above-ground surveys, assessments of effects, treatment as set forth in Stipulation H, required monitoring of construction, and ensuring that all such activities are conducted in a professional manner, consistent with this Agreement and the Nevada Protocol.

- a. SNWA will ensure that persons supervising cultural resources work on SNWA's behalf for the Project hold a Nevada BLM cultural resources use permit as appropriate for archaeological inventory and other archaeological investigations.
- b. As appropriate, personnel must meet the Secretary of the Interior's Professional Qualifications Standards for Archaeology and Historic Preservation in the relevant area(s) of expertise, such as for archaeology, architectural history, or cultural anthropology.

6. Phased Evaluation. As more fully set forth in Appendix B and the DEIS for this Project, the GWD Project consists of Tier 1 facilities and facilities to be built in Future Tiers. Consequently, SNWA may apply for ROWs, NTPs, or other land-use or Project approvals, for individual GWD Project facilities, or groups or portions of facilities, on a phased basis. The BLM may initiate and complete section 106 compliance for any such phase, and thereafter issue NTPs therefore, separately from, and regardless of the initiation or completion of the section 106 compliance of any other phase of the Project, so long as all such activities are conducted in accordance with this Agreement.

7. Signatories and Concurring Parties. As provided in the ACHP's regulations and herein, the Signatories shall have authority to execute, amend or terminate this Agreement. The Invited Signatory has authority to amend or terminate this Agreement as provided herein. Concurring Parties will concur in the terms of this Agreement and may participate in and benefit here from. The failure or refusal of any party invited to become a Concurring Party will not invalidate or otherwise affect this Agreement. Upon and after execution of this Agreement, each Signatory, Invited Signatory, and Invited Consulting Party, and Identified Indian Tribes that signed or signs this Agreement is a signing party hereto, collectively referred to as the "Signing Parties."

8. Definitions. The definitions set forth in 36 CFR § 800.16 are incorporated herein by reference and apply throughout this Agreement. Any terms not defined in 36 CFR § 800.16 shall carry the meaning provided in Appendix A attached hereto, or if not defined therein then in the BLM 2012 NPA and Nevada Protocol, or if not defined in any of these sources, the BLM Manual 8100 Series.

B. The GWD Project

1. Tier 1. Tier 1 of the GWD Project consists of the main pipeline and associated facilities, as more particularly described in Appendix B attached hereto. The majority of these facilities will be located on public lands managed by the BLM, while some will be located on state-owned or privately-owned lands.

2. Future Tiers. Future Tiers of the Project include groundwater development that will include the installation of groundwater wells, collector pipeline facilities, distribution power lines, and other facilities.

3. Definition of Undertaking. The Undertaking for the GWD Project is defined as the construction, installation, operation and maintenance of those Tier 1 and Future Tier facilities described in Appendix B.

C. Areas of Potential Effects (“APEs”)

1. Tier 1 APEs. The BLM, in consultation with the SHPO, has determined the APEs for Tier 1 of the Project.

2. Future Tier APEs. The BLM, in consultation with the SHPO, will determine the APEs for Future Tiers of the Project. For Future Tiers, the BLM will also, as it deems appropriate, seek information from Invited and Other Consulting Parties likely to have knowledge of, or concerns with, historic properties in the Future Tier APEs, as provided in Stipulation A. In addition, for Future Tiers, the BLM will seek to gather information from Identified Indian Tribes, as provided in Stipulation A.3, to assist in identifying PRCSS, recognizing that such Indian tribes may be reluctant to divulge specific information regarding the location, nature or activities associated with such sites or properties.

3. Types of APEs. This Agreement addresses the following four types of effects that may be deemed adverse to historic properties: (1) direct effects; (2) visual, audible, or atmospheric effects; (3) indirect effects; and (4) cumulative effects. Examples of adverse effects in 36 C.F.R. § 800.5(a)(2) could be considered as either direct or indirect as defined in this Agreement. The APEs for the GWD Project cover all areas where the GWD Project may directly, visually, indirectly, or cumulatively cause an adverse effect as defined in this Agreement to one or more historic properties.

4. The APE for Direct Effects. The APE for direct effects, including determination of the APE for direct effects as Future Tiers of the Project are defined, will include the areas within the temporary and permanent ROWs granted by the BLM over public lands, or any area of easement, lease, purchase or ROW granted to SNWA on state, private or other federal lands, where any element of the GWD Project is to be located, or where ground-disturbing activities or construction are planned for the GWD Project, which may include but are not limited to: (1) newly constructed or graded access roads; (2) areas identified for the staging of materials or storage of heavy equipment; and (3) areas identified for the excavation or deposition of borrow material.

5. The APE for Visual Effects. The APE for visual effects, including determination of the APE for visual effects as Future Tiers of the Project are defined, to historic properties will be the area from which above-ground Project facilities less than 100 feet in height may be visible,¹ measured as follows: (1) for linear facilities or roads, an area extending outward one mile on either side of the centerline of the ROW, easement or other right of possession granted for such facility or road; and (2) for non-linear facilities, a circular area with a radius of one mile from the center point of such facility.

¹ No structures in excess of 100 feet in height are currently in the plans for the GWD Project, and none are expected in the future.

6. The APEs for Indirect and Cumulative Effects. The APEs for any indirect or cumulative effects (e.g., areas of possible subsidence caused by groundwater pumping), including determination of the APE for indirect or cumulative effect as Future Tiers of the Project are defined, shall be determined by the BLM, in consultation with the SHPO, taking into account the nature, scope and intensity of the potential indirect or cumulative effects to historic properties.

7. Changes to APEs. In consultation with SHPO, the BLM may modify the APE for a given GWD Project facility as BLM determines is reasonable and appropriate under the terms of this Agreement, consistent with the standards of the BLM 2012 NPA, the Nevada Protocol, and the BLM Manual 8100 Series. BLM will provide reasonable prior notification of such action to all Signing Parties and Identified Indian Tribes.

D. Indian Tribes, Consulting Parties and Public Participation

1. Indian Tribes. The BLM has made a reasonable and good faith effort to identify each Indian tribe that has cultural ties to, or whose direct ancestors had historic or prehistoric ties to, GWD Project areas, such that the tribe may attach religious and cultural significance to historic properties in Project APEs as determined by BLM in accordance with the BLM 8120 Manual and Handbook, and the BLM has listed the tribes identified in a Whereas clause above.

- a. BLM shall continue to consult with any Identified Indian Tribe, irrespective of whether or not such tribe(s) signed this Agreement, with regard to any historic property(ies) to which such tribe attaches religious and cultural significance that may be affected by the Project. Such consultations may include site visits that BLM determines are reasonably necessary in the scope of this section 106 compliance.
- b. BLM will designate those BLM managers who are authorized to speak for and commit the BLM and consult with Indian tribes for section 106 compliance for the Project. Designated BLM managers will contact the Identified Indian Tribes and request that each such tribe identify to the BLM in writing one or more tribal members whom the tribal government authorizes to speak for and commit the tribe and consult with BLM for section 106 compliance involving the Project.
- c. The BLM will seek to determine, with the assistance of each Identified Indian Tribe, whether such Identified Indian Tribe attaches religious and cultural significance to one or more historic properties, including PRCSS that may be affected by the GWD Project, and will further seek in consultation with such tribe to identify and assess the eligibility of each such property.
- d. The BLM in its discretion may designate as a consulting party any Indian tribe, even if such tribe does not attach religious and cultural significance to a historic property that may be affected by the Project, pursuant to 36 C.F.R. § 800.2(c)(5). Any Indian tribe that is not designated a consulting

party may nevertheless participate in the section 106 compliance by submitting comments to the BLM regarding the Project, by discussing the Project with BLM representatives, by responding to inquiries from BLM managers or staff, or by providing information and the views of that tribe concerning cultural resources or historic properties that will or may be affected by the Project. Any Indian tribal government, or its authorized representative, that expresses to BLM in writing that the tribe does not wish to participate as a consulting party in the section 106 compliance for the GWD Project shall thereafter not be a consulting party for the Project, except that the tribe may rejoin the section 106 compliance as a consulting party at any time by written notice to the BLM.

- e. BLM recognizes that Indian tribes may be reluctant to divulge specific information regarding the location, nature or activities associated with historic, prehistoric or spiritual sites and properties. BLM shall address concerns raised by any tribe about confidentiality pursuant to section 304 of the NHPA (16 U.S.C. § 470w-3). BLM will protect such information from public release to the extent allowed by law.
- f. Subject to prior BLM authorization, and as allowed by the relevant Indian tribe(s), SNWA, or cultural resource consulting firms working for SNWA, may make contacts with tribes in order to collect information from such tribes for purposes such as identification of historic properties, including PRCs, for section 106 compliance, but neither SNWA nor any of its consulting firms shall negotiate or make commitments for the BLM, or otherwise exercise, or give the appearance of exercising, BLM's tribal consultation authority, without BLM having obtained express written consent from the relevant tribal government.
- g. BLM has invited all Identified Indian Tribes to execute this Agreement as Concurring Parties. Execution of this Agreement as a Concurring Party does not imply endorsement or approval of the GWD Project itself, or limit or restrict in any way the Concurring Party's right to object to, petition against, litigate against or in any other way express or advance critical or negative comments toward, the GWD Project or its proponent.

2. Other and Invited Consulting Parties. BLM will identify and notify persons and organizations interested in the Project's effects to historic properties as provided in Stipulation A.4. In addition, pursuant to the Nevada Protocol (Section IV.F.), and the regulations at 36 C.F.R. § 800.3(f), and in coordination with the processes of Project review under NEPA, the BLM shall: (1) consider all written requests from such individuals and organizations to participate as Other Consulting Parties; and (2) determine which should become Invited Consulting Parties and the scope of consultation, considering the scale of the Undertaking, the intensity and scope of the Project's effects to identified historic properties of expressed interest to the individual or organization, and the scope of federal involvement in the relevant portion or facility of the Project.

3. Public Participation. The public will be afforded an opportunity to participate in the section 106 compliance of the GWD Project, and the BLM shall seek and consider the views of the public when considering effects to historic properties in this review. The public participation process and any release of information shall be conducted in strict conformance with the confidentiality requirements of section 304 of the NHPA (16 U.S.C. § 470w-3), as well as 36 C.F.R. §§ 800.2(d)(1)–(2) and 800.11(c)(1), (3).

- a. Development of this Agreement. The BLM directed SNWA to publish at least once per week for two successive weeks a public notice for the GWD Project in the Las Vegas Review Journal and the Ely Times, newspapers of general circulation in the State of Nevada, describing the general nature and scope of the Project, identifying a contact person from whom copies of this Agreement and detailed descriptions of the GWD Project could be obtained, and sought comment from the public on: (1) this Agreement; (2) the identification and assessment of any historic properties that may be affected by the construction or operation of the GWD Project; and (3) potential effects to any historic properties there from. BLM also included a copy of this Agreement and solicited for public comments in the DEIS for this Project (76 Fed. Reg. 34,097). BLM has considered comments received in the development of this Agreement.
- b. Sharing Sensitive Information. At the discretion of the BLM, proprietary or sensitive location or other information about historic properties discovered in connection with the GWD Project may be shared with appropriate parties. The BLM shall ensure appropriate protection of sensitive information deemed confidential in accordance with section 304 of the NHPA (16 U.S.C. § 470w-3). BLM may withhold such information. BLM may also enter into information-sharing agreements with any person, group, Indian tribe or entity prior to the release to that party of sensitive information determined to be entitled to such confidential treatment.

E. Identification of Historic Properties

1. Research Design and/or Historic Context. BLM, in consultation with the SHPO, shall ensure that consulting archaeologists and other qualified professionals perform all necessary section 106 identification activities for the GWD Project, and SNWA or its consultant(s) shall prepare a research design and/or historic context consistent with the Secretary of the Interior's Standards and Guidelines.

2. Role of Tribal Consultation in Identification. The BLM will gather information from each Identified Indian Tribe to assist in identifying PRCSS which may be eligible for the NRHP and which may be affected by the GWD Project, or a portion thereof.

3. Role of Other Consultation in Identification. The BLM will solicit information from Other Consulting Parties likely to have knowledge of, or concerns with, historic properties in the APE that may be affected by the GWD Project, or a portion thereof.

4. Class I Inventory. SNWA has identified known historic and prehistoric resources within the APEs for Tier 1 of the Project by completing the Class I Inventory. BLM will ensure that additional or updated Class I inventory is conducted as necessary for the APEs for Future Tiers or phased identification of historic properties in compliance with this Agreement.

5. Ranch Complexes. BLM will ensure that SNWA will inventory and record all ranch complexes more than 40-years old located in the Project APEs for visual and direct effects. For each such ranch complex that the BLM determines, in consultation with the SHPO, will be adversely affected by the Project and meets the criteria for NRHP-eligibility for state or local significance (Class I surveys have not identified any ranch complex in the Tier 1 GWD Project APEs that is of national significance), SNWA will provide treatment by producing full descriptions and photo documentation per standards in Appendices D and/or G of the Nevada Protocol, as may be applicable. Information obtained as a result of the inventory of ranch complexes will be compiled in a stand-alone report.

6. Class III Survey. To build on the identification efforts from the Class I inventory performed by SNWA, BLM, in consultation with the SHPO, shall ensure that SNWA will complete a Class III survey of the Project APEs for direct effects prior to initiation of construction of a given Project facility or phase.

- a. Facilities added to the GWD Project in the Future Tiers that will be located completely within areas previously inventoried by a Class III survey for the Project will not require additional survey or identification work, provided the age of such Class III survey is consistent with the requirements of the Nevada Protocol, except for any assessment of effects, mitigation and treatment that may be required or in discovery situations.
- b. Facilities added to the GWD Project in the Future Tiers that will be located partially or totally outside of areas previously covered by a Class III survey for the Project must be the subject of a full Class III survey and section 106 compliance under the terms of this Agreement (including development and implementation of evaluation and treatment options, as appropriate) prior to construction of the relevant facilities.

7. Other Types of Identification. BLM may require that SNWA conduct other types of identification, such as field reconnaissance, windshield surveys, and historical research, within the APEs for indirect and cumulative effects for Future Tiers, in consultation with the SHPO.

8. Geomorphology. During the Class III surveys, in areas within the Project APEs for direct effects, a qualified archaeologist with professional experience in geomorphological analysis will assess the potential for buried cultural materials in areas that will be impacted by construction of any GWD Project facility or other planned excavation deeper than two feet. The assessment will attempt to identify areas that contain thick sequences of post-14,000 B.P. deposits that are of a suitable geologic character to bury and preserve cultural zones and thick enough to hide any surface evidence, considering geomorphological evidence and other surface indicators. If the qualified archaeologist determines that a given area showed indication of a high likelihood of buried significant cultural deposits, the archaeologist will make

recommendations to the BLM for additional geomorphological evaluation, or archaeological testing, as may be reasonably indicated. The BLM, in consultation with the SHPO, will determine if additional geomorphological evaluation or archaeological testing is warranted.

9. Private Ownership. Section 106 compliance and reasonable identification efforts shall be performed regardless of the ownership (public or private) of the lands involved, and SNWA shall be responsible for attempting to gain access to non-BLM lands. Where SNWA cannot gain access to such lands for purposes of identification of historic properties in any of the Project's APEs, identification efforts on those lands shall be deferred until access is gained. Failure to gain access to accomplish necessary or appropriate identification, treatment or mitigation may require BLM to consider alternative treatment or mitigation, or to allow deferral of such until access is gained, as provided in 36 C.F.R. § 800.4(b)(2).

10. Disturbed or Dangerous Conditions. In any area in the APEs for direct effects where the ground has been heavily disturbed, or in areas where access is prevented or may be dangerous to survey personnel, the BLM may exempt those portions of the APEs from Class III survey requirements. Notification of these exempted areas will be submitted to SHPO for their information.

11. Non-Linear Sites. Non-linear sites extending out of the APEs for direct effects shall be recorded in their entirety with the exception of very large sites such as town sites, mining complexes, continuous stream/lake terrace sites, or extensive prehistoric quarries or habitation sites. These exceptions shall be approved in advance by BLM Ely and BLM Southern Nevada districts, which will consult with other BLM districts as appropriate.

12. Linear Resources. Linear resources (e.g., railroads, roads, trails, ditches, utility lines, etc.) crossing and extending beyond the APEs for direct effects shall be inventoried 100 meters beyond the project boundaries in each direction, and shall be either recorded or not according to the following criteria:

- a. Roads or linear features with: (i) no mention in the BLM Field Office records or not shown on General Land Office ("GLO") plats or other historic maps; (ii) no associated features or dateable artifacts; or (iii) which have lost all integrity through extensive blading, will not be recorded;
- b. Roads, linear features, or other resources included on GLO plats but which are not associated with features or dateable artifacts, and do not appear to be significant on the basis of archival data shall be treated as "isolated linear segments." These resources shall be recorded in tabular form and collected data shall include a minimum of two (2) separate GPS points at each end of the linear feature within the APE. Additional data regarding specific "isolated linear segments" encountered during report preparation will be recorded on Intermountain Antiquities Computer System ("IMACS") site forms;

- c. Roads or other linear features included on GLO plats (especially named roads) or features known from other archival data to be potentially significant, or which have associated features or dateable artifacts, shall be recorded on IMACS site forms.

13. Crew Chiefs and Supervisors. Archeological crew chiefs and higher-level supervisors will be familiar with the inventory research design and locations of expected historic resources identified in the Class I overview. SNWA will document in the Class III reports efforts made to locate expected but not-encountered sites.

14. Phased Identification and Evaluation. The BLM may use a phased process to conduct identification and evaluation efforts for the review of this Project, because alternatives under consideration for the Project consist of corridors and large land areas, because Future Tiers of the Project as described in Appendix B have not been defined, and because access to some properties is restricted. All identification and evaluation efforts determined and required by BLM as provided in Stipulation K for a given Project portion or area shall be completed prior to issuance of a NTP for construction on that portion or in that area.

15. Deferral of Final Identification and Evaluation. BLM may defer final identification and evaluation of historic properties for alternatives or inaccessible areas as provided herein. SNWA shall first establish the likely presence of historic properties within the APEs for each such alternative or inaccessible area through background research, appropriate consultation and an appropriate level of field investigation as determined by BLM, taking into account the number of alternatives under consideration, the magnitude of the Undertaking and its likely effects, and the views of the SHPO. As specific aspects or locations of an alternative are refined, or as access is gained to an inaccessible area, BLM shall proceed with the identification and evaluation of historic properties in accordance with this Agreement. All identification and evaluation efforts for a given Project portion or area that are deferred under this Stipulation shall be completed prior to issuance of a NTP for construction for that portion or area as provided in Stipulation K.

- a. BLM may also use a phased process for identifying and evaluating PRCs. The Ethnographic Assessment, which BLM used as a resource in the agency's efforts to identify historic properties including PRCs, identified 76 such locations, 48 of which are in the vicinity of a Project alternative (Appendix B). BLM recognizes that additional PRCs may be identified during ongoing consultation or through additional research. BLM will further identify and evaluate those locations for NRHP eligibility using a phased process, if the location is in the APE(s) of an alternative ultimately selected for additional Project facilities.
- b. Four PRCs identified in the Ethnographic Assessment or otherwise are within the Tier 1 APEs: Snake Creek Burial Cave, Spring Creek Spring, *Basonip* Village, and Kane Springs. If these PRCs are in the alternative selected by BLM, these sites must be further defined and be evaluated for NRHP eligibility. No NTP for activities affecting these sites will be

issued until the section 106 compliance process, as set forth in this Agreement, is complete.

F. Evaluation of NRHP Eligibility

1. Evaluation Prior to Ground Disturbance. BLM, in consultation with the SHPO, shall ensure that all cultural resources identified within the ROW are evaluated for eligibility to the NRHP prior to the initiation of ground-disturbing activities that may affect those historic properties. Eligibility will be determined in a manner compatible with the Nevada Protocol.
2. Evaluation of Properties Visually Affected. For those resources within the APE for visual effects, which have not previously been evaluated for eligibility in the NRHP, except for resources that are or may be eligible for the NRHP only under eligibility Criterion D, SNWA will document, assess, and make recommendations to the BLM regarding the eligibility of such inventoried resources for the NRHP under Criteria A, B and C.
3. Evaluation Data. To the extent practicable, eligibility determinations shall be based on inventory information. If the information gathered in the inventory for archaeology is inadequate to determine eligibility, BLM or GWD Project contractors may conduct limited subsurface probing, or other evaluative techniques, to determine eligibility. Subject to approval by BLM, evaluative testing of archaeological sites is intended to provide the minimum data necessary to define the nature, density, and distribution of materials in potential historic properties, to make final evaluations of eligibility, and to devise treatment options responsive to the information potential of the property.
4. Withdrawal or Disapproval of Project. Should the BLM disapprove Tier 1 or Future Tiers ROW applications, or should SNWA abandon the GWD Project and withdraw the ROW application(s) prior to BLM approval, then any further evaluative testing shall cease, except for completing all post-fieldwork activities that are ongoing as of the date of the withdrawal or disapproval, as determined by BLM.
5. Tribal Consultation. BLM shall seek to consult with each Identified Indian Tribe in accordance with the BLM 8120 Manual and Handbook, concerning the NRHP eligibility of any potentially eligible cultural resource that would be affected by the Project, to which that Indian tribe attaches religious and cultural significance.
6. Eligibility. If BLM determines, in consultation with SHPO, that a property not already listed in, or determined eligible for, the NRHP meets the criteria for NRHP eligibility that property shall be considered eligible for purposes of this section 106 compliance. If BLM determines, in consultation with SHPO, that the eligibility criteria are not met for a given property, that property shall be considered not eligible for the NRHP.
7. Disagreements Regarding Eligibility. Any disagreements regarding eligibility shall be handled in accordance with Stipulation O.3.
8. Consulting Party and Public Comments. Other Consulting Parties and members of the public may at any time submit to BLM comments regarding conclusions,

recommendations or consensus determinations made pursuant to this Stipulation F regarding NRHP eligibility for properties potentially affected by the GWD Project.

G. Assessment of Effects

1. Assessment. BLM, in consultation with the SHPO and any Identified Indian Tribe, shall apply the criteria of adverse effect to historic properties within the Project APEs in accordance with the terms of 36 C.F.R. § 800.5. BLM shall consider any views concerning such effects that have been provided by Other Consulting Parties and the public.

2. Phased Assessment. BLM may use a phased process in applying the criteria of adverse effect, consistent with phased identification and evaluation efforts provided in Stipulations E.14 and 36 C.F.R. § 800.5(a)(3), because alternatives under consideration in this review consist of corridors and large land areas, the alternative for Tier 1 of the Project has not yet been selected, Future Tiers of the Project as described in Appendix B have not yet been defined, and access to some potentially affected properties may be restricted.

H. Treatment of Adversely Affected Historic Properties

1. Consultation. In avoiding, minimizing or mitigating adverse effects to historic properties from the GWD Project, or any facility or portion thereof, BLM, in consultation with SHPO, any Identified Indian Tribe that attaches religious and cultural significance to the adversely affected historic property, and Invited and/or Other Consulting Parties, shall develop and evaluate alternatives or modifications to the undertaking that could avoid, minimize or mitigate adverse effects on historic properties consistent with the terms of 36 C.F.R. § 800.6. All treatment for adversely affected historic properties shall be done in a manner consistent with the Nevada Protocol.

2. Preference for Avoidance. BLM, in consultation with the SHPO, shall ensure that, to the extent reasonably practicable, SNWA will avoid effects to historic properties through project design, redesign, relocation of facilities, or by other means.

3. Historic Properties Treatment Plan (“HPTP”). When avoidance is not feasible or reasonably practicable, BLM, in consultation with the SHPO and in coordination with SNWA, affected Identified Indian Tribes and Invited and/or Other Consulting Parties, shall ensure that an appropriate historic properties treatment plan (“HPTP”) is developed to minimize, mitigate or otherwise resolve Project-related effects to historic properties.

- a. Consistent with this Agreement, the HPTP will establish an overall approach for mitigation and treatment, identifying key aspects and issues, including programmatic NRHP eligibility issues, post-construction data recovery, tribal consultation and participation, and reporting measures, that will prove crucial in its implementation. The HPTP will review site significance issues and research domains for both prehistoric and historic-era resources, and will identify data recovery treatment options based on site type for prehistoric resources, and theme-specific property type for historic-era resources. The HPTP will present both pre- and post-construction data recovery plans, the latter recognizing that post-

construction data recovery is appropriate for historic properties or portions of historic properties that will not be directly impacted by the Project. The HPTP will propose field and laboratory methods, and will also address cultural resources monitoring procedures and unanticipated discovery situations. The discovery plan in the HPTP will be consistent with, but may expand on, the procedures provided herein and describe the identification, protection, recording, treatment, notification, and reporting procedures associated with unanticipated archaeological finds. The discovery plan will provide a separate discussion for discovery situations involving human remains.

- b. For properties eligible under Criteria A through C (36 C.F.R. § 60.4), mitigation and treatment activities other than archaeological data recovery will be considered in the HPTP including, but not limited to, Historic American Building Survey/Historic American Engineering Record/Historic American Landscapes Survey (HABS/HAER/HALS) or other appropriate recordation or preparation of an oral history, historic markers, exhibits, interpretive brochures or publications, or similar historic or educational materials. Where appropriate, the HPTP shall include provisions describing the content and number of copies for a publication of treatment materials for the general public.

4. Criteria for Data Recovery. When data recovery is required as a condition of approval, BLM, in consultation with SHPO, shall develop, or ensure that SNWA develops treatment plans that are consistent with the Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation, as revised and updated and *Section 106 Archaeology Guidance* (ACHP, 2009).

5. Curation. BLM shall ensure that all records and materials resulting from identification and treatment efforts are curated in accordance with 36 C.F.R. Part 79, in BLM-approved facilities in Nevada if possible, or if applicable, in accordance with NAGPRA regulations set forth in 43 C.F.R. Part 10, or any Plan of Action ("POA") pursuant to and in accordance with those regulations that may be executed after this Agreement. All materials slated for curation will be maintained in accordance with 36 C.F.R. Part 79 until the relevant final treatment report is complete and collections are curated or returned to their owners. The BLM and SNWA shall encourage private owners to donate collections obtained from their lands to an appropriate BLM-approved curation facility in Nevada if possible. For ease of future research, BLM will encourage all artifacts collected from this Project to be curated at the same facility in Nevada if possible.

6. Treatment of Properties Visually Affected. For those historic properties which are in the visual APE that the BLM determines, in consultation with the SHPO, are eligible for the NRHP under one or more of those three criteria and are either previously undocumented or insufficiently documented, SNWA will record each such property with full descriptions and photo documentation to current standards, including SHPO standards or Appendices D and/or G of the Nevada Protocol, as may be applicable.

7. Tribal Consultation. BLM shall consult with each Identified Indian Tribe in accordance with the BLM 8120 Manual and Handbook, and with the SHPO, to develop treatment options for adversely affected historic properties, including PRCSSs.

8. Final Reports. BLM shall ensure that all final reports resulting from treatment will be provided to the SHPO, and made available to Identified Indian Tribes that attach religious and cultural significance to the treated property, and to Concurring Parties. All such reports shall be consistent with contemporary professional standards and the Department of Interior's Format Standards for Final Reports of Data Recovery Programs (42 Fed. Reg. 5,377-79).

I. **Unanticipated Discoveries**

1. Construction-Related Unanticipated Discoveries.

- a. Authorized Personnel. Prior to initiating construction of the GWD Project or portion thereof, SNWA will provide to BLM, and to other Signing Parties that so request, a list of its employees and contractors authorized to halt ground-disturbing activities in specified areas in discovery situations. At least one such authorized person will be present in the area during all ground-disturbing activities for the GWD Project, and that person will be responsible for notifying BLM of any qualifying discoveries.
- b. Cessation of Activities. If previously unidentified cultural resources, other than isolates as identified by a qualified archaeologist, are discovered during construction of the GWD Project, all Project ground-disturbing activity within 100 meters (325 feet) of the discovery shall cease immediately, SNWA or its authorized representative shall immediately secure the location of the discovery to prevent vandalism or other damage. Ground-disturbing activity in that area shall be suspended until BLM has evaluated the discovery, notified Signing Parties, assured the completion of any necessary mitigation or treatment measures for historic properties, and issued a written NTP.
- c. Notification. SNWA shall notify BLM of the discovery immediately either by written or electronic communication (email or fax), or orally followed by written or electronic confirmation.
- d. Evaluation. Upon notification of a discovery, BLM shall make an assessment of the discovery's significance, integrity and eligibility for the NRHP (including pertinent criteria) within 48 hours of notification, or sooner if feasible. The BLM may make the eligibility assessment, and a determination of appropriate course of action, based upon a concise preliminary description and recommendation for the discovery from a qualified archaeologist. Alternatively, the BLM, in consultation with SHPO, may assume the newly discovered property is eligible for the NRHP and will specify the pertinent NRHP significance criteria.

- i. If BLM determines the discovery is not a historic property, BLM shall notify SHPO and Identified Indian Tribes that the BLM determines may attach traditional religious and cultural significance to the affected property of the discovery by email, fax or telephone within 48 hours of discovery, including BLM's determination of non-eligibility for the NRHP. The SHPO and Identified Indian Tribe(s) shall have 48 hours to respond to BLM to notification with any objections. The BLM must take any objections received during that time into account in determining how to proceed.
 - ii. If BLM determines the discovery is a historic property, BLM shall notify SHPO and Identified Indian Tribes that the BLM determines may attach traditional religious and cultural significance to the affected property of the discovery by email, fax or telephone within the 48 hours of discovery including BLM's determination of eligibility for the NRHP (including significance criteria, if eligible), and of BLM's determination of options for avoidance, minimization of adverse effects and proposed actions to resolve adverse effects to historic properties. The SHPO and Identified Indian Tribe(s) shall have 48 hours to respond to the notification from BLM. The BLM shall take into account comments and recommendations received within the specified time period from SHPO and Identified Indian Tribe(s) regarding eligibility and proposed actions, and then determine the appropriate actions to avoid, minimize or resolve adverse effects.
- e. Implementation of Measures to Avoid, Minimize or Resolve Adverse Effects. The BLM shall ensure those measures it deems appropriate to avoid, minimize or resolve adverse effects are implemented. The SHPO and Identified Indian Tribes that the BLM determines may attach traditional religious and cultural significance to the affected property shall be provided with a report of actions taken after completion.
- f. Resumption of Activities. After notification and consideration of comments from SHPO, SNWA, and affected Identified Indian Tribes, the BLM shall ensure actions to resolve adverse effects to any discovered historic property are implemented. The BLM shall provide to the SHPO and Identified Indian Tribe(s) a report of the actions after completion.
 - i. After notification and consideration of comments from SHPO and affected Identified Indian Tribes, if BLM determines the discovery does not involve a historic property, the BLM shall issue written authorization for resumption of activities.
 - ii. BLM may request or gather additional information as it deems necessary, and may approve the restarting of some or all suspended

activities based upon the information and recommendation received, and BLM may condition the restarting of suspended activities as it deems appropriate.

- iii. Suspended construction activities in the area of the discovery may resume when BLM notifies SNWA either by written or electronic communication (email or fax), or orally followed by written or electronic confirmation, that objectives of the fieldwork phase of mitigation are achieved and activities can resume.

g. Reporting.

- i. For discovered isolates, SNWA will provide documentation to BLM in the final monitoring report.
- ii. For unanticipated discoveries, the reporting archeologist will prepare and transmit to BLM a written report of the discovery and recommendations within 30 days or as otherwise determined by the BLM.
- iii. BLM shall require that reports of mitigation efforts are completed in a timely manner and that they conform to the standards of the Department of Interior's Format Standards for Final Reports of Data Recovery Program (42 Fed. Reg. 5,377-79). Drafts of such reports shall be submitted to the SHPO, for a 45-day review and comment period as stipulated in Stipulation J and as provided in the Nevada Protocol. BLM shall submit final reports to the SHPO, Identified Indian Tribes that attach traditional religious and cultural significance to the affected property, and Concurring Parties for informational purposes.

2. Post-Construction-Related Unanticipated Discoveries.

- a. Maintenance and Repair. If previously unidentified cultural resources, except isolates as identified by a qualified archaeologist, are discovered as a result of ground-disturbing maintenance and repair within the GWD Project ROWs, the process identified in paragraphs I.1.a through I.1.g above will be implemented.
- b. Groundwater Development. If unanticipated indirect effects to cultural resources known or determined to be historic properties are indicated from SNWA's groundwater development (e.g., possible subsidence caused by groundwater pumping), BLM shall determine whether such effects are reasonably attributable to the GWD Project. If adverse effects to cultural resources known or determined to be historic properties are determined by BLM to be attributable to the GWD Project, BLM shall conduct consultation seeking to avoid, minimize, mitigate or resolve those adverse effects.

J. Procedures and Time Frames

1. SNWA Submissions to BLM. BLM shall review and comment on any report submitted by SNWA within 35 calendar days of receipt, unless BLM agrees to comment in a shorter time, or requests additional time. BLM may issue a NTP for a given GWD Project element or portion immediately after BLM finds that the conditions in Stipulation K are met.

2. Final Report Deadlines. Unless otherwise agreed, SNWA shall submit final reports to BLM by the following deadlines:

- a. A draft final report of all identification/inventory and evaluation efforts within nine (9) months of the completion of the fieldwork associated with the activity.
- b. A draft final report of all supplementary evaluation activities within twelve (12) months of the completion of the fieldwork associated with the activity.
- c. A draft final report of all treatment or other treatment activities within twenty-four (24) months of the completion of the fieldwork associated with the activity.

3. SHPO Consultation. Except for unanticipated discovery situations, BLM shall submit the results of all identification or evaluation reports, treatment plans, and final draft reports to the SHPO for a 45-calendar day review and comment period, measured from the date of SHPO receipt. This review period includes 10 calendar days for SHPO to review and consider comments provided by Identified Indian Tribes and Concurring Parties, as identified in Stipulation J.4, below.

4. Identified Indian Tribes and Concurring Parties. Concurrent with any SHPO submission (except in unanticipated discovery situations), BLM shall provide copies of draft reports to Identified Indian Tribes and Concurring Parties which have information-sharing agreements with BLM Nevada and attach religious and cultural significance to the affected property, for a 35-calendar day review and comment period. BLM will consider any comments received within the 35-calendar-day comment period, and will provide copies of those comments to SHPO. BLM shall provide to all Identified Indian Tribes and Concurring Parties copies of the final report within 45 days after it is received from SNWA, consistent with Stipulation D.3.b.

5. Timeline for Curation. Materials and artifacts to be curated (defined in Stipulation H.5) will be sent to a facility in Nevada, if possible, approved by the BLM that reasonably meets the procedural, security and quality standards in 36 C.F.R. Part 79, or to the owner, within 15 days of when the final report associated with that activity is accepted by the BLM. If materials and artifacts are subject to NAGPRA, BLM will manage those materials and artifacts in accordance with 43 C.F.R. Part 10, or according to any applicable POA executed after this Agreement. SNWA will provide to BLM copies of records confirming curation or transfer of possession within five business days of acceptance by the curatorial facility or owner.

K. Notices to Proceed (“NTPs”)

When the BLM issues a ROW for the GWD Project or for any facility, element or portion thereof, the ROW issued for such application shall provide for the issuance of a NTP. The NTP may be issued for the entire Project or portions thereof, after fulfillment of one of the following conditions:

1. BLM, in consultation with the SHPO, determines that no historic properties will be affected by construction of the facility or project portion described in the ROW application; or
2. BLM, in consultation with the SHPO, determines that construction of the GWD Project facility or Project portion described in the ROW application will have no adverse effect to historic properties; or
3. BLM, in consultation with the SHPO, Identified Indian Tribes, and Concurring Parties, determines that an appropriate treatment plan for the facility or portion described in the ROW application has been implemented, and the following have all occurred:
 - a. The fieldwork phase of the treatment plan has been completed; and
 - b. BLM has accepted a summary description of the fieldwork performed and a reporting schedule for that work; and
 - c. BLM shall provide a copy of the summary to SHPO; and
 - d. The SHPO shall review the summary. If the SHPO concurs or does not respond within two working days of receipt, BLM shall assume concurrence and issue the NTP.

L. Monitoring and Tribal Monitoring

1. **BLM/SHPO Monitoring.** BLM and the SHPO may monitor actions carried out pursuant to this Agreement. BLM at its discretion may also allow monitoring by Invited or Other Consulting Parties.

2. **Archaeologist Monitoring.** BLM, in consultation with the SHPO, may identify areas of construction for facilities or portions of the Project that will require monitoring by a BLM-approved archaeologist. Areas requiring archeological monitoring shall be identified in the Class III survey and the geomorphological study. Work in areas so identified cannot proceed without a monitor in place, and the monitor shall be empowered to stop work as necessary to protect historic properties.

3. **Tribal Monitoring.** In recognition of requests by several Identified Indian Tribes in the development of this Agreement to provide for tribal monitoring, an Identified Indian Tribe which attaches religious and cultural significance to a historic property in the APEs for direct effects, including eligible PRCs that may be directly and adversely affected by construction of the GWD Project in Tier 1 or Future Tiers, will be provided an opportunity to monitor that construction. A tribal monitor shall be designated by an Identified Indian Tribe which attaches

religious and cultural significance to a historic property in the APEs, and shall satisfy safety requirements and other appropriate qualifications. Tribal monitors shall report any concerns to the on-site archaeologist or the SNWA employee or contractor authorized to halt ground-disturbing activities. Tribal monitors shall provide weekly written reports to the BLM.

M. Contact Persons

BLM will maintain a current list of contact persons for the Signing Parties and Identified Indian Tribes and will provide it to any of the parties if requested.

N. Other Considerations

1. Qualified Persons to Perform or Supervise Work. BLM shall ensure that historic, architectural, ethnographic, and archaeological work conducted pursuant to this Agreement is carried out by, or under the direct supervision of, persons meeting qualifications set forth in the Secretary of the Interior's Professional Qualification Standards or who have been permitted for such archaeological work on public lands by the BLM.

2. Personnel Shall Not Engage in Illegal Collection or Damage to Historic Resources. SNWA, in cooperation with BLM and the SHPO, shall ensure that all its personnel, and all the personnel of its contractors and their subcontractors, that will perform work on the GWD Project, including any visitors, are directed not to engage in the illegal collection, damage or vandalism of historic and prehistoric resources. SNWA shall cooperate with the BLM to ensure compliance with Archaeological Resources Protection Act (ARPA) for facilities and portions of the Project located on public lands, and with Nevada Revised Statutes 381.195 to .227 (Nevada State Antiquities Law of 1959) for facilities and portions of the Project located on state lands.

3. Mitigation Costs and Possible Enforcement Action for Unauthorized Damage to Historic Properties. Should damage to historic properties occur during the period of construction, installation, operation or maintenance of the Project due to any unauthorized intentional, inadvertent or negligent actions on the part of the SNWA, their employees, contractors or any other Project personnel, SNWA shall be responsible for costs of required rehabilitation or mitigation. In addition, BLM may refer or pursue any investigative or enforcement action allowed or required under federal law, including under ARPA.

4. SNWA's Responsibilities in Case of ROW Application Withdrawal Prior to Decision. If the BLM disapproves an application(s) for a ROW, or if SNWA abandons or withdraws any pending application for ROW prior to a BLM decision, then SNWA shall incur no further expense for evaluation or treatment for any cultural properties, except SNWA must complete, and submit a report for any inventory, treatment or post-fieldwork activities already initiated and ongoing at the time of the withdrawal, termination or disapproval, as identified by the BLM. In the case of inventory, a complete report with completed site forms would be required. For evaluation, mitigation or treatment, a report on the completed work with full analysis and curation of materials would be required.

5. SNWA's Responsibilities in Case of Project Termination after Issuance of NTP(s). In the event SNWA terminates the GWD Project after BLM has issued one or more

NTPs, SNWA shall complete and submit reports for any inventory or treatment activity already initiated and ongoing for a given Project portion at the time of termination where such completion is expressly required under the terms of the applicable NTP.

6. Activities Outside the ROW. Identification, evaluation, assessment, mitigation and treatment efforts may extend beyond the geographic limits of the ROW as described herein when the historic property being considered extends beyond the ROW, and that area is reasonably, legally and safely accessible to SNWA and its consultants for any such activity. In most cases, no identification, evaluation, assessment, mitigation or treatment efforts will be required in areas outside of the ROW, beyond that necessary to review records and gather historic data for the completion of the section 106 compliance process as provided herein. In cases involving historic properties eligible for the NRHP under Criteria A, B, or C, mitigation may extend beyond the ROW or easement boundary, but only as provided herein, and such treatment or mitigation may be conducted after commencement or conclusion of construction, as BLM in its discretion may approve.

7. Discovered Human Remains or NAGPRA Cultural Items. The BLM shall ensure that any human remains, funerary objects, items of cultural patrimony, or sacred objects, encountered during the GWD Project are treated with the respect due such materials. Native American human remains and associated grave offerings found on federal land will be handled according to the provisions of NAGPRA and its implementing regulations (43 C.F.R. Part 10), or any applicable POA pursuant to and in accordance with those regulations executed after this Agreement. Native American human remains and associated grave offerings found on state or private land will be handled according to the provisions of Nevada Revised Statutes Chapter 383 (Historic Preservation and Archaeology). All other instances of discovered human remains not addressed by Federal or state laws will be managed as determined by BLM, in consultation with SHPO, ensuring treatment with respect due such human remains and related materials.

O. **Dispute Resolution**

1. Consultation to Resolve Disputes. If any Signing Party to this Agreement objects to any activities proposed pursuant to the terms of this Agreement, BLM shall consult with the objecting party, SNWA, and the other Signatories to resolve the issue.

2. State Director. The BLM Nevada State Director will have the authority to make a final determination for any objection (except for disagreements on NRHP eligibility, findings of effect, or treatment) that cannot be resolved by local consultation.

3. Keeper of the National Register ("Keeper"). Disagreements on recommendations, conclusions or consensus determinations, of NRHP eligibility that cannot be resolved through the dispute resolution process will be resolved by the Keeper. The Signatories acknowledge that any Identified Indian Tribe that disagrees with the BLM and SHPO determination regarding NRHP eligibility may ask the ACHP to request BLM obtain a determination by the Keeper.

4. ACHP. Issues relating to BLM's findings of effect, resolution of adverse effects or their treatment, which cannot be resolved with BLM to the satisfaction of the disputing party(ies), may be referred to the ACHP for review and comment.

5. Pending Resolution. Pending resolution of a dispute addressed under this stipulation, the Signatories shall continue with those actions under this PA that are not the subject of dispute.

P. Two-Year Review Discussions

1. Schedule of Review Discussions. BLM shall invite the Signing Parties to discuss this Agreement at least once every two years on or about the anniversary of the effective date of this Agreement, or more frequently as may be determined by the BLM to be necessary or appropriate. At the request of a Signing Party, the BLM may convene a discussion in less than two years. Discussions may be deferred if there are no active cultural resources-related activities associated with the Project, as agreed by the Signatories.

2. Purpose of Review Discussions. Each such discussion will assess and evaluate the performance of this Agreement in: (1) completing the section 106 compliance process for the GWD Project as provided in this Agreement; (2) identifying and protecting historic properties, including historic properties or PRCs of religious and cultural significance to one or more Identified Indian Tribes, potentially affected by the Project; and (3) facilitating the participation and involvement of Identified Indian Tribes, interested parties and the public, and further, such discussion may address the possible improvement or streamlining of procedures under this Agreement, or any other issues of concern or implementation regarding this Agreement.

Q. Amending This Agreement

Any Signing Party that determines that any term of this Agreement will not be, is not being, or cannot be carried out, or that sees the need for an amendment to improve or clarify the functioning of this Agreement or for any other reason, may consult with the Signatories to attempt to develop an amendment or agree on another way to resolve the issue. If after 30 days from initiation of consultation, agreement among the Signatories on an amendment cannot be reached, consultation on the amendment may be abandoned with no effect on this Agreement, or any Signatory or Invited Signatory may terminate the Agreement upon 30-day's written notification to the other Signatories as provided in Stipulation R. This Agreement will remain in effect, and the section 106 compliance process for the GWD Project will be unaffected, during the period of consideration of a proposed but unadopted amendment.

R. Terminating This Agreement

Any Signatory or Invited Signatory to this Agreement may terminate the Agreement by providing 30-days written notice to the other Signatories and Invited Signatory, provided that the Signatories and Invited Signatory shall consult during the period prior to termination to seek agreement on amendments or other actions that would avoid termination.

S. Execution and Duration

1. Effect. Execution and implementation of this Agreement evidences that the BLM has satisfied its section 106 responsibilities for all actions associated with the construction, installation, operation or maintenance of the GWD Project.

2. Alternative. In the event that the Signatory or Invited Signatory does not carry out the requirements of this Agreement, or if it is terminated, section 106 compliance for any portion of the GWD Project requiring a BLM ROW shall be governed by the provisions of the Nevada Protocol.

3. Effective and Expiration Dates. This Agreement shall become effective on the date on which the Agreement has been executed by all Signatories, and shall remain in effect up to a term of 50 years, or until terminated as provided in Stipulation R. This Agreement shall be reviewed a minimum of every 10 years as described in Stipulation S.8 below. The failure or refusal of any Invited Indian Tribe or Invited Consulting Party to sign this Agreement will not invalidate or otherwise affect this Agreement.

4. Signatures in Counterpart. This Agreement may be signed in counterparts and the executed Agreement, and each signature, will be effective and binding just as if all Signing Parties had signed the same document. Each Signatory and the Invited Signatory shall transmit five counterpart copies of the respective signature page signed by that party to BLM. BLM will provide the ACHP with the Agreement and an original copy of other Signatories and the Invited Signatory signature pages. The ACHP may then execute the Agreement and shall transmit four copies of its signature page signed by the ACHP to BLM.

5. Copies of Signature Pages. After all Signatories and the Invited Signatory have signed the final Agreement, BLM shall prepare and distribute to each Signatory, other than the ACHP, and to the Invited Signatory one copy of the final Agreement containing the original counterpart signatures of all Signatories and the Invited Signatory.

6. Signatures by Concurring Parties. Each Concurring Party may sign a counterpart copy of the final Agreement and transmit one copy of the Agreement originally signed by that party to BLM. BLM will notify each Signing Party when any Identified Indian Tribe or Invited Consulting Party becomes a Concurring Party by signing this Agreement. BLM will transmit to each Signing Party a copy of this Agreement containing photocopy(ies) of the signatures of all Signing Parties as of that time. A Concurring Party can terminate its participation and concurrence in this Agreement by notifying BLM in writing. BLM will notify each Signing Party of that termination.

7. Master Copy. BLM will maintain at least one master copy (or set of copies) of this executed Agreement with all of the original signatures of all Signing Parties. BLM shall prepare and distribute to all Signing Parties a copy of the full Agreement containing a copy of each signed signature page of any of the Signing Parties.

8. Review. The Signatories shall review this Agreement at a minimum of every ten (10) years to determine if any amendments are necessary. Six months before each tenth anniversary of the execution of this Agreement, BLM will invite the Signing Parties, Identified Indian Tribes, and Concurring Parties to discuss this Agreement. If changes to this Agreement are necessary, it shall be amended as described in Stipulation Q or can be terminated as described in Stipulation R.

9. Renewal. The Signatories may renew this Agreement, either with or without any amendments that may be adopted as provided in Stipulation Q, by written agreement executed by the Signatories. SNWA will be invited to be an Invited Signatory for any renewal of this Agreement. All Signing Parties, Identified Indian Tribes, and Invited Consulting Parties will be invited to concur in any renewal of this Agreement. One year prior to the end of the term of this Agreement, BLM will invite the Signing Parties, Identified Indian Tribes, and Concurring Parties to discuss whether this Agreement should be renewed.

SIGNATORIES

BUREAU OF LAND MANAGEMENT

By: _____

Date: _____

Name: Amy Lueders

Title: BLM Nevada State Director

ADVISORY COUNCIL ON HISTORIC PRESERVATION

By: _____
Name: John M. Fowler
Title: Executive Director

Date: _____

NEVADA STATE HISTORIC PRESERVATION OFFICER

By: _____

Date: _____

Name: Ronald M. James

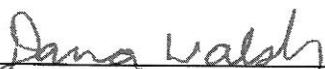
Title: Nevada State Historic Preservation Officer

INVITED SIGNATORY

SOUTHERN NEVADA WATER AUTHORITY

By: _____ Date: _____
Name: Pat Mulroy
Title: General Manager

APPROVED AS TO FORM:



Dana Walsh, Deputy Counsel

CONCURRING PARTIES

BLM has invited the Identified Indian Tribes and Invited Consulting Parties to concur in this Agreement. Those that agree to do so will sign this Agreement and be acknowledged as a Concurring party.

ARCHAEO-NEVADA SOCIETY

By: _____

Date: _____

Name: Kevin Rafferty

Title: Chair

BUREAU OF INDIAN AFFAIRS, WESTERN REGIONAL OFFICE

By: _____

Date: _____

Name: Bryan Bowker

Title: Regional Director

CHEMEHUEVI INDIAN TRIBE OF THE CHEMEHUEVI RESERVATION

By: _____ Date: _____
Name: Charles Wood
Title: Chair

**COLORADO RIVER INDIAN TRIBES OF THE COLORADO RIVER INDIAN
RESERVATION**

By: _____

Date: _____

Name: Eldred Enas

Title: Chair

CONFEDERATED TRIBES OF THE GOSHUTE RESERVATION

By: _____

Date: _____

Name: Ed Naranjo

Title: Chair

DEATH VALLEY TIMBISHA SHOSHONE BAND OF CALIFORNIA

By: _____ Date: _____
Name: George Gholson
Title: Chair

DUCKWATER SHOSHONE TRIBE OF THE DUCKWATER RESERVATION

By: _____

Date: _____

Name: Virginia Sanchez

Title: Chairwoman

ELY SHOSHONE TRIBE OF NEVADA

By: _____

Date: _____

Name: Alvin Marques

Title: Chair

FORT MOJAVE INDIAN TRIBE OF ARIZONA, CALIFORNIA AND NEVADA

By: _____ Date: _____
Name: Tim Williams
Title: Chair

GREAT BASIN NATIONAL HERITAGE AREA PARTNERSHIP

By: _____
Name: Dan Gooch
Title: Director

Date: _____

GREAT BASIN NATIONAL PARK

By: _____

Date: _____

Name: Andrew Ferguson

Title: Park Superintendent

HUALAPAI INDIAN TRIBE OF THE HUALAPAI INDIAN RESERVATION, ARIZONA

By: _____ Date: _____

Name: Wilfred Whatoname, Sr.

Title: Chair, Hualapai Tribal Council

**KAIBAB BAND OF THE PAIUTE INDIANS OF THE KAIBAB INDIAN
RESERVATION**

By: _____

Date: _____

Name: Manuel Salva

Title: Chair

LAS VEGAS TRIBE OF PAIUTE INDIANS OF THE LAS VEGAS INDIAN COLONY

By: _____

Date: _____

Name: Tonia Means

Title: Chair

**MOAPA BAND OF PAIUTE INDIANS OF THE MOAPA RIVER INDIAN
RESERVATION**

By: _____ Date: _____
Name: William Anderson
Title: Chair

NEVADA DIVISION OF STATE LANDS

By: _____

Date: _____

Name: James R. Lawrence

Title: Administrator

NEVADA ROCK ART FOUNDATION

By: _____

Date: _____

Name: Angus Quinlan

Title: Executive Director

PAIUTE INDIAN TRIBE OF UTAH

By: _____

Date: _____

Name: Jeanine Borchardt

Title: Chairwoman

PRESERVE NEVADA

By: _____
Name: Senator Richard Bryan
Title: Chair

Date: _____

SHOSHONE-PAIUTE TRIBES OF THE DUCK VALLEY RESERVATION

By: _____

Date: _____

Name: Robert Bear

Title: Chair

TE-MOAK TRIBE OF WESTERN SHOSHONE INDIANS OF NEVADA

By: _____

Date: _____

Name: Bryan Cassadore

Title: Chair

U.S. FISH AND WILDLIFE SERVICE

By: _____ Date: _____
Name: Ted Koch
Title: Nevada State Supervisor

YOMBA SHOSHONE TRIBE OF THE YOMBA RESERVATION

By: _____

Date: _____

Name: David Smith

Title: Vice-Chair

Appendix A

Glossary of Terms

1. **Adverse effect.** An adverse effect is found when an undertaking may alter, directly or indirectly, any of the characteristics of a historic property that qualify the property for inclusion in the NRHP in a manner that would diminish the integrity of the property's location, design, setting, materials, workmanship, feeling, or association. Consideration shall be given to all qualifying characteristics of a historic property, including those that may have been identified subsequent to the original evaluation of the property's eligibility for the NRHP.
2. **Archaeological site.** See "Site."
3. **Area of potential effects (APE).** The geographic area or areas within which an undertaking may directly or indirectly cause alterations in the character or use of historic properties, if any such properties exist. The area of potential effects is influenced by the scale and nature of an undertaking and may be different for different kinds of effects caused by the undertaking.
4. **ARPA.** The Archaeological Resources Protection Act of 1979 (16 U.S.C. §§ 470aa-470mm).
5. **Class I Inventory.** A Class I inventory comprises a review of agency and SHPO database records (including the Nevada Cultural Resources Inventory System ("NVCRIS")), GLO plat maps, the BLM's Master Title Plats/Historic Index, the National and State Registers of Historic Places, National Historic Trails and historic maps, and an intensive review of agency archives, pertinent historic records and publications.
6. **Class III survey.** A continuous, intensive survey of an entire target area, aimed at locating and recording all archaeological properties that have surface indications, by walking close-interval parallel transects until the area has been thoroughly examined. Class III methods vary geographically, conforming to the prevailing standards for the region involved.
7. **Concurring Party/Parties.** Singularly or collectively, any Identified Indian Tribe and Invited Consulting Party that has chosen to sign this Agreement.
8. **Consultation.** The process of seeking, discussing, and considering the views of other participants, and, where feasible, seeking agreement with them regarding matters arising in the section 106 compliance process.
9. **Cultural resource.** A definite location of human activity, occupation, or use identifiable through field inventory (survey), historical documentation, or oral evidence. The term includes archaeological, historic, or architectural sites, structures, or places with important public and scientific uses, and may include definite locations (sites or places)

of traditional cultural or religious importance to specified social and/or cultural groups (Cf. "traditional cultural property"; see "definite location"). Cultural resources are concrete, material places and things that are located, classified, ranked, and managed through the system of identifying, protecting, and utilizing for public benefit described in the BLM Manual. They may be but are not necessarily eligible for the NRHP. (See "historic property.")

10. **Cumulative effects.** Effects on a historic property which result from the incremental impact of an undertaking, such as the GWD Project, when added to other past, present, and reasonably foreseeable future actions regardless of what agency (federal or non-federal) or person undertakes such other actions. Cumulative effects can result from individually minor but collectively significant actions taking place over a period of time.
11. **Definite location.** Having discernible, mappable, more or less exact limits or boundaries, on a scale that can be established by a survey crew using conventional sensing and recording equipment, by an informant's direct on-the-ground indication, or by precise placement in a documentary source (see "cultural resource").
12. **Effect.** An alteration of the characteristics of a historic property qualifying it for inclusion in or eligibility for the NRHP.
13. **Direct effects.** Effects that are caused by an undertaking such as the GWD project and which occur at the same time and place.
14. **Historic property.** Any prehistoric or historic district, site, building, structure, or object included in, or eligible for inclusion in, the NRHP maintained by the Secretary of the Interior. This term includes artifacts, records, and remains that are related to and located within such properties. The term includes properties of religious and cultural importance to an Indian tribe that meet the NRHP criteria for eligibility.
15. **HPTP.** Historic Properties Treatment Plan.
16. **Identified Indian Tribe.** A federally recognized Indian tribe that that has religious or cultural ties to, or whose direct ancestors had historic or pre-historic religious or cultural ties to, GWD Project areas, and based on such ties, may attach religious and cultural significance to historic properties, including PRCs that may be affected by the GWD Project.
17. **Indian tribe.** An Indian tribe, band, nation or other organized group or community, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.
18. **Indirect effects.** Effects that are caused by an undertaking, such as the GWD Project, and are later in time or farther removed in distance, but are still reasonably foreseeable. Indirect effects may include growth inducing effects and other effects related to induced changes in the pattern of land use, population density or growth rate.

19. **Invited Consulting Party/Parties.** Organizations and agencies having responded and expressed their desire to participate in this Agreement, including Archeo-Nevada Society, Bureau of Indian Affairs, Great Basin National Heritage Area, National Park Service, Nevada Division of State Lands, Nevada Rock Art Foundation, Preserve Nevada, U.S. Fish and Wildlife Service, and White Pine County.
20. **Invited Signatory.** SNWA.
21. **Isolate artifact.** A single artifact or pieces from a single artifact, i.e., ten pieces of glass from a single bottle. An isolate artifact is considered single and unassociated when separated by 30 meters or more from any other artifact. For example, two flakes of the same or different raw material separated by 29 meters would be documented as a site. Ten pieces of glass from a single bottle spread across 31 meters would be an isolate. Isolates will not be recorded on a site form, but will be listed in a table designated by number, description, and location.
22. **Isolated or unassociated feature.** A single feature unassociated with other features or artifact scatters that are undateable; e.g., a prospect pit, a claim marker, an adit, or a shaft. An isolated or unassociated feature is considered single and unassociated when separated by 30 meters or more from any other feature or artifact. If these features are elements to a historic district, they are not isolated or unassociated. In addition, if an isolated feature is unique because of its construction (elaborate stonework claim marker) or distinctive qualities, the feature has to be evaluated for eligibility. Isolated features that have potential data (fire hearth) need to be evaluated for eligibility. Isolated or unassociated features need not be recorded on a site form, but will be listed in a table designated by number, description, and location.
23. **Keeper.** The Keeper of the National Register of Historic Places. The Keeper is the individual who has been delegated the authority by the Secretary of the Interior to list properties and determine their eligibility for the NRHP.
24. **NAGPRA.** The Native American Graves Protection and Repatriation Act (25 U.S.C. §§ 3001–3013).
25. **NRHP.** The National Register of Historic Places maintained by the Secretary of the Interior.
26. **NRHP criteria.** Criteria developed by the Secretary of the Interior for use in evaluating the eligibility of properties for the National Register (36 C.F.R. § 60.4).
27. **NHPA.** The National Historic Preservation Act of 1966 (16 U.S.C. § 470 *et seq.*).
28. **NTP.** Notice to Proceed.
29. **Other Consulting Parties.** Individuals and organizations with a demonstrated or known interest and expertise in historic properties and preservation issues in the Project area.

30. **PRCS.** A property of religious and cultural significance.
31. **Property of Religious and Cultural Significance.** A property identified by a tribe as having religious and cultural significance to that tribe.
32. **Secretary.** The Secretary of the United States Department of the Interior.
33. **SHPO.** See State Historic Preservation Officer.
34. **Signatories.** BLM, ACHP, and SHPO.
35. **Signing Party/Parties.** Singularly or collectively, the Signatories, Invited Signatory, Invited Consulting Parties, and Identified Indian Tribes that sign this Agreement.
36. **Site.** A location where one can reasonably infer from physical remains or other physical evidence that a purposeful human activity took place. The minimum criterion for defining archaeological sites, requiring use of the IMACS site record, is that sites should contain remains of past human activity that are at least 50 years old.
37. **State Historic Preservation Officer (“SHPO”).** The official appointed or designated pursuant to section 101(b)(1) of the NHPA to administer the State historic preservation program or a representative designated to act for the State historic preservation officer.
38. **THPO.** Tribal Historic Preservation Officer.
39. **Traditional cultural property (“TCP”).** A historic property that is eligible for inclusion in the NRHP because of its association with cultural practices or beliefs of a living community that (a) are rooted in that community’s history, and (b) are important in maintaining the continuing cultural identity of the community. A traditional cultural property may qualify for the NRHP if it meets the criteria and criteria exceptions at 36 C.F.R. § 60.4. See National Register Bulletin 38.
40. **Tribal Historic Preservation Officer (“THPO”).** The tribal official appointed by the tribe’s chief governing authority, or designated by a tribal ordinance or preservation program, who has assumed the responsibilities of the SHPO for purposes of section 106 compliance on tribal lands in accordance with section 101(d)(2) of the NHPA.
37. **Undertaking.** (1) A project, activity, or program funded in whole or in part under the direct or indirect jurisdiction of a federal agency, including those carried out by or on behalf of a federal agency; those carried out with federal financial assistance; and those requiring a federal permit, license or approval; (2) The undertaking for the GWD Project is generally defined as the construction, installation, operation and maintenance of those Tier 1 and Future Tier facilities described in Appendix B. The particular facilities will be defined in conjunction with site-specific agency actions.

Appendix B

Proposed GWD Project Facilities and Anticipated Future Facilities

The following lists summarize the currently proposed and anticipated future facilities that are part of the GWD Project and covered under this Agreement.

Tier 1: Proposed GWD Project Facilities

SNWA has requested ROWs from the BLM to construct the following proposed facilities:

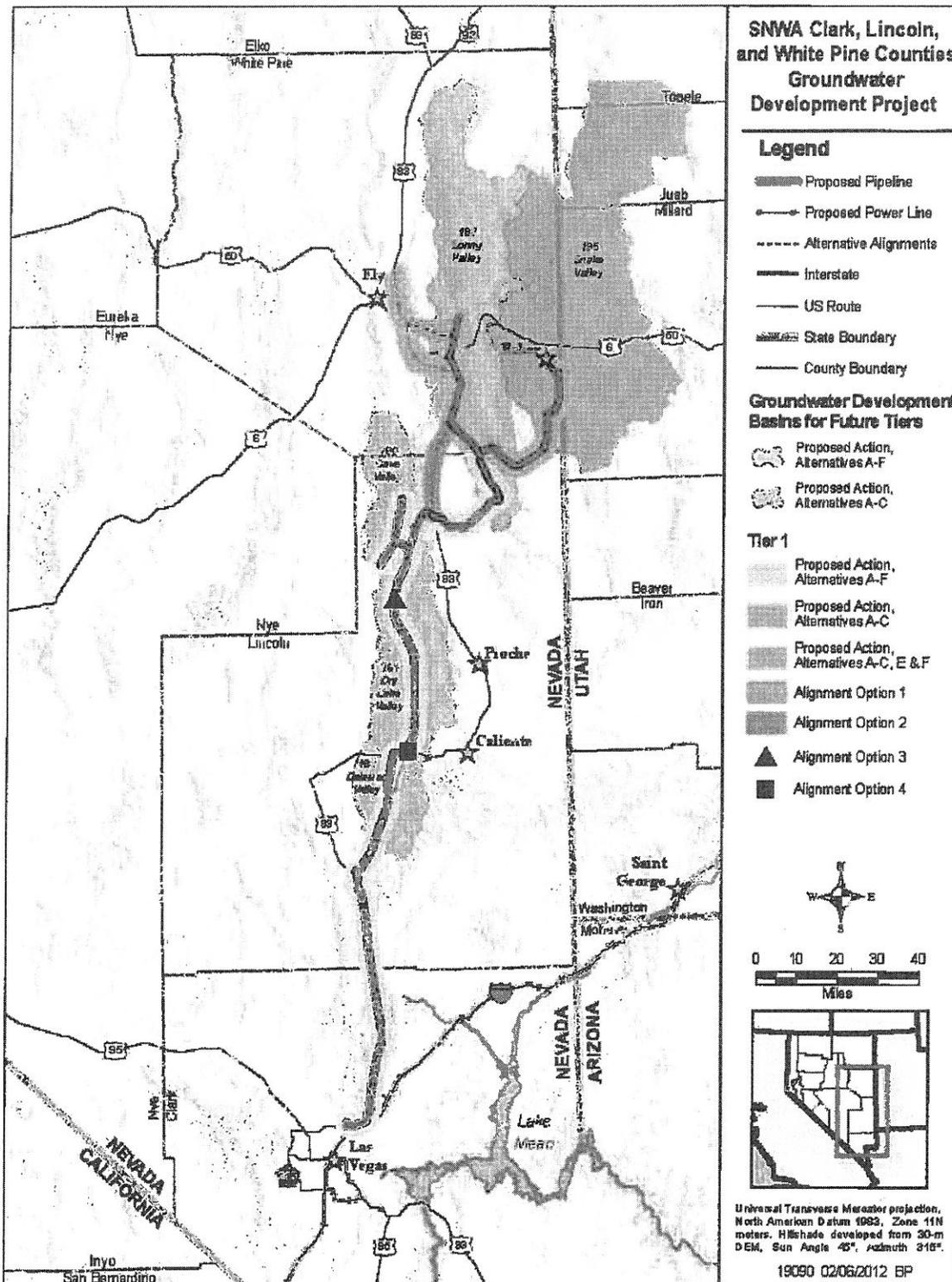
- Pipelines – approximately 306 miles of buried water pipelines, between 30 and 96 inches in diameter
- Pumping Stations – 5 pumping station facilities
- Regulating Tanks – 6 regulating tanks, each approximately 3 to 10 million gallons in capacity
- Pressure Reducing Stations - 3 facilities
- Buried Storage Reservoir – a 40 million gallon buried storage reservoir
- Water Treatment Facility– a 165 million gallon per day facility
- Power Facilities – approximately 323 miles of 230 kilovolt (kV), 69 kV, and 25 kV overhead power lines, 2 primary electrical substations (230 to 69 kV), 5 secondary substations (69 to 25 kV)
- Temporary and permanent access roads
- Alternatives to Tier 1 of the Proposed Project that are being considered by BLM are described in the attached map.

Future Tiers: Anticipated Future GWD Project Facilities

Future facilities will be required to develop permitted groundwater rights and convey them to the primary conveyance facilities. The final locations of the groundwater production wells and associated facilities to convey water into the primary system have not yet been determined. The wells will be located based on several factors, which include but are not limited to geology, hydrology, well interference studies, environmental issues, existing senior water rights, and proximity to main and lateral pipelines. Production well locations are also subject to approval by the Nevada Division of Water Resources, Office of the State Engineer (Nevada State Engineer). Since the specific location of these facilities cannot currently be identified, SNWA has not yet requested ROW for them from the BLM. However, assumptions regarding the number of wells, length of collector pipelines, and other needed facilities have been made by SNWA so that BLM can conduct a programmatic-level environmental impact analysis of construction and operation of future facilities in addition to the site-specific analysis of proposed ROWs for primary facilities.

SNWA anticipates that future facilities will include:

- Groundwater Production wells – estimated between 144 and 174 wells
- Collector Pipelines – estimated between 177 and 434 miles, 10 to 30 inches in diameter
- Pumping Stations - 2 facilities
- Power Facilities – estimated between 177 and 434 miles of 25kV overhead power lines, 2 secondary substations, and 3 hydroturbine energy recovery facilities.



**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM**

May 17, 2012

Subject: Citizens Advisory Committee	Director's Backup
Petitioner: John J. Entsminger, Senior Deputy General Manager	
Recommendations: That the Board of Directors make appointments to the Citizens Advisory Committee for integrated resource planning in Southern Nevada.	

Fiscal Impact:

None by approval of the above recommendation.

Background:

On April 19, 2012, the Board of Directors approved an integrated resource planning process to evaluate current and long-term Authority initiatives including resource development and management, construction and maintenance of facilities, funding, planning, conservation and water quality. To support this effort, the Board established a Citizens Advisory Committee to discuss these issues comprehensively.

At the Board's direction, the committee will be comprised of at least 21 local residents representing a broad spectrum of community interests, including those listed below:

- | | |
|--|------------------------------|
| Industrial/Commercial Business (1) | Labor Union (1) |
| Small Industrial/Commercial Business (1) | Education (1) |
| Hospitality/Gaming (1) | Developer (1) |
| Las Vegas Chamber (1) | General Contractors (1) |
| North Las Vegas Chamber (1) | Homeowners Association (1) |
| Henderson Chamber (1) | Golf Course (1) |
| Latin Chamber (1) | Financial Industry (2) |
| Building Trades (1) | Environmental (1) |
| Restaurants (1) | Senior Citizen (1) |
| | Southern Nevada Resident (2) |

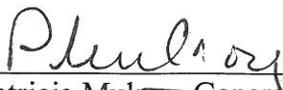
Committee members will participate in work sessions at least once a month for one to two years, led by an external facilitator. Ultimately, these work sessions will provide a working knowledge of issues facing the Authority and result in the committee's development of formal recommendations for Board consideration.

SNWA management and staff, as well as specialists from external organizations, will participate throughout the process to provide historical reference and support technical aspects of the process. These experts will provide operational and technical expertise through the development of various rate and resource scenarios, presentations and other materials required by the committee.

At this time, the Board is being asked to appoint at least 21 members to a Citizens Advisory Committee for integrated resource planning in Southern Nevada.

This action is authorized by Article 21(5) of the Authority's Cooperative Agreement. The office of the General Counsel has reviewed and approved this agenda item.

Respectfully submitted:


 Patricia Mulroy, General Manager
 PM:JJE:PDS:JAW:AMB:DB:kh

AGENDA ITEM #	8
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**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM**

May 17, 2012

Subject: Agreement	Director's Backup
Petitioner: John J. Entsminger, Senior Deputy General Manager	
Recommendations: That the Board of Directors approve and authorize the General Manager to sign an agreement, in substantially the same form, between CDM Smith, Inc., and the Authority for facilitation services in an amount not to exceed \$125,000.	

Fiscal Impact:

The required \$125,000 is available within the Authority's Operating Budget.

Background:

Since its formation in 1991, the Authority has actively engaged the public in its decision making processes through integrated resource planning, and often utilizes citizen advisory committees to provide input into policy decisions and program directives. In April 2012, the Board of Directors authorized the establishment of a stakeholder process to evaluate Authority initiatives, which included the convening of a new citizen advisory committee. To ensure an impartial committee process and agency transparency, external facilitation is required.

David Ebersold of CDM Smith, Inc., has extensive experience providing facilitation services to water agencies, especially in the field of integrated resource planning. Mr. Ebersold's recent projects include providing communications strategy and support to the Los Angeles Department of Water and Power 2011 rates process; leading development of the City of Pasadena's Water and Power Water Integrated Resource Plan, which included facilitating its stakeholder advisory committee throughout the plan's development; and serving as the Principal-In-Charge during the Metropolitan Water District of Southern California's Integrated Resource Plan 2009 update.

Mr. Ebersold's knowledge and experience from these efforts, along with his recognized expertise in community involvement and neutral facilitation strategies, will be invaluable to the Authority during the upcoming integrated resource planning process. Neither Mr. Ebersold nor any employee of CDM Smith, Inc., has facilitated a stakeholder process in Southern Nevada.

At this time, the Board is being asked to approve the attached agreement between CDM Smith, Inc., for external facilitation services in an amount not to exceed \$125,000. External facilitation services are professional services that, in accordance with NRS 332.115(1)(b), are not adapted to competitive bidding and are exempt from the Local Government Purchasing Act.

The office of the General Counsel has reviewed and approved the agreement.

Respectfully submitted:



Patricia Mulroy, General Manager
PM:JJE:PDS:JAW:AMB:DB:kh
Attachments

AGENDA ITEM #

9

AGREEMENT TO PROVIDE PROFESSIONAL SERVICES

This Agreement is made and entered into this _____ day of May, 2012, by and between CDM SMITH, INC., hereinafter called "CONSULTANT," and the SOUTHERN NEVADA WATER AUTHORITY, a political subdivision of the State of Nevada, hereinafter called the "AUTHORITY." The CONSULTANT and the AUTHORITY are sometimes hereinafter referred to individually as "Party" and collectively as the "Parties." The term "AUTHORITY" also refers to staff of the AUTHORITY acting within their designated authority and duties.

WITNESSETH:

WHEREAS, the AUTHORITY desires to obtain professional services as more specifically described herein, and

WHEREAS, the CONSULTANT is properly qualified and desires to provide the professional services required by the AUTHORITY, and

WHEREAS, the AUTHORITY, in reliance on the CONSULTANT's representations and proposals, agrees to retain the CONSULTANT, and the CONSULTANT agrees to furnish professional services to the AUTHORITY, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereto agree as follows:

1. SCOPE OF SERVICES:

(a) The CONSULTANT shall provide facilitation services for the AUTHORITY's integrated resource planning process, hereinafter referred to as "Services" or "Work," as described and within the time indicated herein.

(b) All Services performed shall be subject to the cost ceiling contained in Paragraph 4 hereof and subject to the AUTHORITY's directions respecting priorities.

The CONSULTANT will furnish professional Services in the amount necessary to complete promptly and effectively the Work assigned under this Agreement. All of the Services shall be performed by the CONSULTANT or an approved subcontractor or subconsultant.

(c) In performing Services under this Agreement, the CONSULTANT shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or rules of the United States, of the State of Nevada, of any political subdivision thereof, and of any other duly constituted public authority or agency. The CONSULTANT shall be responsible for obtaining any license, permit or other approval as required by law or otherwise, arising out of the Services to be performed hereunder.

(d) The CONSULTANT has, or will secure at its own expense, the qualified personnel required to perform the Services assigned under this Agreement. Such personnel shall not be employed by the United States, the State of Nevada, Clark County or any other political subdivision of the State of Nevada.

2. PERIOD OF PERFORMANCE:

This Agreement shall become effective as of the date it is fully executed by both Parties and, unless terminated in accordance with the terms of this Agreement, shall remain in effect until all Services authorized to be performed by the AUTHORITY are completed by the CONSULTANT or terminated in accordance with this Agreement.

3. COMPENSATION:

(a) In consideration for completion of all duties and responsibilities under this Agreement, the AUTHORITY agrees to pay the CONSULTANT for Work completed to the AUTHORITY's satisfaction.

(b) The CONSULTANT shall provide itemized monthly invoices for Services performed during the previous month. Invoices are to be submitted to the AUTHORITY in accordance with the Notice provisions of the Agreement and must reference the name and date of the Agreement. A copy of any invoice received from subcontractors or subconsultants used by the CONSULTANT shall be included.

(c) The AUTHORITY shall pay invoiced amounts from the CONSULTANT based on the fees set forth in **Exhibit A**, which is attached herewith and made a part of this Agreement, within thirty 30 calendar days after the date the invoice is received and approved by the AUTHORITY.

4. LIMITATION ON COSTS:

The total cost of Services provided under this Agreement shall not exceed one hundred twenty-five thousand dollars (\$125,000).

5. TRUTH-IN-NEGOTIATION CERTIFICATION:

Signing of this Agreement by CONSULTANT shall constitute a truth-in-negotiation certification by CONSULTANT that wage rates and other factual unit costs supporting the compensation of this Agreement are accurate, complete, and current at the time of execution of this Agreement. The original Agreement price and any additions thereto shall be adjusted to exclude any significant sums by which the AUTHORITY determines the Agreement price was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs. All such Agreement adjustments shall be made within one (1) year following the end of the term of this Agreement.

6. INDEPENDENT CONSULTANT:

The relationship of the CONSULTANT to the AUTHORITY hereunder shall be that of an independent consultant and not an agent or employee. The CONSULTANT shall have complete control over its employees and the method of performing its Work under this Agreement. No permitted or required approval by the AUTHORITY of personnel, costs, documents or Services of the CONSULTANT shall be construed as making the AUTHORITY responsible for the manner in which the CONSULTANT performs its Services or for any acts, errors or omissions of the CONSULTANT. Such approvals are intended only to give the AUTHORITY the right to satisfy itself with the quality of Work performed by the CONSULTANT.

7. JOINT VENTURE:

Nothing herein shall be construed to imply a joint venture or principal and agent relationship between the AUTHORITY and the CONSULTANT, and neither Party shall have any right, power or authority to create any obligation, expressed or implied, on behalf of the other.

8. INTERPRETATION:

The Parties agree that neither Party shall be deemed the drafter of this Agreement and, in the event this Agreement is ever construed by a court of law or equity, such court shall not construe this Agreement or any provision hereof against either Party as drafter of this Agreement.

9. CONFLICT OF INTEREST:

During the course of performance of this Agreement, the CONSULTANT will not contract with any client whose interest is adverse to or would require the CONSULTANT to take a position contrary to that of the Las Vegas Valley Water District and/or the AUTHORITY.

10. PROHIBITION AGAINST COMMISSION FOR OBTAINING AGREEMENT:

The CONSULTANT warrants that no person or company has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees; nor has the CONSULTANT paid or agreed to pay any person, company, corporation, individual or firm other than a partner or bona fide employee, any fee, commission, contribution, donation, percentage, gift, or any other consideration, contingent upon or resulting from award of this Agreement. For any breach or violation of this warranty, the AUTHORITY shall have the right to terminate this Agreement without liability, or at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration and any other damages.

11. PROHIBITION AGAINST INTEREST BY GOVERNMENT EMPLOYEES:

(a) No officer, employee or member of the governing body of the AUTHORITY shall (1) participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is, directly or indirectly, interested or (2) have any interest, direct or indirect, in this Agreement or the proceeds thereof.

(b) The CONSULTANT represents that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree

with the performance of Services required to be performed under this Agreement. The CONSULTANT further covenants that in the performance of said Services, no person having any such interest shall be employed.

(c) No member of, delegate to or officer or employee of the legislative, executive or judicial branches of the government of the United States, of the State of Nevada or any of its political subdivisions shall be entitled to any share or part hereof or to any benefit to arise therefrom.

12. COMPLETENESS AND ACCURACY OF CONSULTANT'S WORK:

(a) The CONSULTANT shall be responsible for the completeness and accuracy of its research, supporting data, and any final reports or other deliverables prepared or compiled under its obligation under this Agreement and shall correct, at its expense, all errors or omissions therein which may be disclosed.

(b) The cost necessary to correct those errors attributable to the CONSULTANT and any damage incurred by the AUTHORITY as a result of additional costs caused by such errors shall be chargeable to the CONSULTANT. The fact that the AUTHORITY has accepted or approved the CONSULTANT's Work shall in no way relieve the CONSULTANT of any of its responsibilities.

13. INDEMNIFICATION:

The CONSULTANT shall indemnify, hold harmless, and defend without cost to the AUTHORITY, its Board of Directors and its officers, agents, and employees, against any and all losses, claims, costs, damages and liability for or by reason of any death or deaths of, or any physical injury or injuries to, any person or persons or damage to real or personal property of any kind whatsoever, whether the person(s) or property of the CONSULTANT, its agents, or

subconsultants, or of third parties, arising out of or resulting from CONSULTANT's Services performed under this Agreement, and includes, but is not limited to, any claims for harassment or discrimination or any theory of joint or dual employment by the CONSULTANT's employees, agents, subcontractors or subconsultants, arising out of the Services under this Agreement, including the negligence, whether active, passive, or contributory, of the AUTHORITY, and its officers, employees or agents.

14. INSURANCE:

(a) General:

1. The CONSULTANT shall not commence any Work under this Agreement until the CONSULTANT obtains, at its own expense, all insurance as required in this section; however, failure to obtain all insurance shall not relieve the CONSULTANT of the obligation to achieve the schedule milestone dates as defined herein. The types of insurance to be obtained by the CONSULTANT are Workers' Compensation, Employers' Liability, Automobile Liability, Commercial General Liability, and Professional Liability as outlined in the following portions of this section.

2. The Workers' Compensation, Employers' Liability, and Automobile Liability insurance will be maintained in force for the full period of the Agreement.

3. The Professional Liability insurance will be maintained in force for two years following the completion of the project.

4. These insurance provisions are in addition and cumulative to any other right of indemnification or contribution that the AUTHORITY may have in law, in equity, or otherwise and shall survive the completion of the project.

5. Nothing contained in these insurance requirements is to be construed as limiting the extent of the CONSULTANT's total responsibility for payment of claims arising in whole or in part from the actions of a third party when such actions might be taken as a result of the CONSULTANT's operations under this Agreement.

6. At the time of executing this Agreement and before commencement of the Work, the CONSULTANT shall have delivered to the AUTHORITY certificates of insurance and endorsements that attest to the fact that the CONSULTANT has obtained the insurance as specified in this Agreement.

(b) Other Insurance:

1. All insurance provided by the CONSULTANT shall be considered primary with respect to the AUTHORITY's insurance, and any similar insurance maintained by the AUTHORITY shall be considered excess and non-contributory.

2. The CONSULTANT's Workers' Compensation insurance shall be written with a property and casualty insurance company admitted to do business in the State of Nevada and rated A- or better and Class V or higher of financial size category in the current issue of Best's Key Rating Guide.

3. The CONSULTANT's Automobile Liability, Commercial General Liability and Professional Liability insurance shall be written with property and

casualty insurance companies admitted to do business in the State of Nevada and rated A- or better and Class VIII or higher of financial size category in the current issue of Best's Key Rating Guide.

4. In the event any of the CONSULTANT's insurance companies are not admitted to write business in the state of Nevada, then the CONSULTANT will furnish evidence of insurance with insurance companies that are rated A- or better and Class IX or higher of financial size category in the current issue of Best's Key Rating Guide for each coverage written with a non-admitted carrier.

5. The Certificate of Insurance and related endorsements must be satisfactory to the AUTHORITY as to form and content and must comply with all insurance requirements as set forth herein, or the certificate and endorsements may be rejected and thereby, at the option of the AUTHORITY, render this Agreement cancelable.

6. All endorsements are to be dated, reflect the name of the insurance company, the type of insurance, and the policy number; be executed by a duly authorized representative of the insurance company; and be attached to the certificate.

7. The full legal operating names of the CONSULTANT and insurance carrier shall be properly shown where applicable.

8. The cancellation section of the certificate is to be amended to provide 30-day written notice of cancellation and initialed by the Agent.

9. By endorsement (I.S.O. Forms CG 20 10 07 04 and CA 20 48 02 99, or equivalent), the AUTHORITY shall be included as an additional insured

under the Commercial General Liability and Automobile Liability insurance policies as to bodily injury, sickness, disease, or death, personal injury, damage to or destruction of the property or persons which may arise out of or in connection with activities under the Agreement. The CONSULTANT's insurance shall be primary with respect to the additional insureds; any insurance coverage maintained by the AUTHORITY shall be in excess of the CONSULTANT's insurance and non-contributing.

10. By endorsement (I.S.O. Form CG 24 04 10 93 or its equivalent), the CONSULTANT's Commercial General Liability, Automobile Liability and Workers' Compensation Insurance carriers shall waive their transfer rights of recovery (Waiver of Subrogation) against the AUTHORITY, its members and affiliated companies, successors or assignees, including their directors, officers, and employees individually and collectively.

11. The additional insured and waiver of subrogation endorsements shall read as follows:

The Southern Nevada Water Authority, its members, and affiliated companies, successors, or assigns, including their directors, officers, and employees individually and collectively, when acting within the scope of their employment.

12. If the CONSULTANT fails to procure and/or maintain insurance set forth herein, in addition to other rights or remedies, the AUTHORITY shall have the right, if the AUTHORITY so chooses, to procure and/or maintain the said insurance for and in the name of the CONSULTANT with the AUTHORITY as an Additional Insured, and the CONSULTANT shall pay the cost thereof and

shall furnish all necessary information to make effective and/or maintain such insurance. In the event the CONSULTANT fails to pay the cost, the AUTHORITY hereby has the right to offset any premiums from the compensation set forth in this Agreement and directly pay for such coverage.

13. With respect to any and all insurance required under this Agreement, the deductible shall not exceed \$50,000, unless otherwise agreed to by the AUTHORITY or the AUTHORITY'S Risk Management Division.

(c) Workers' Compensation and Employers' Liability Insurance:

1. The CONSULTANT shall procure and maintain such insurance and see that its subcontractors/subconsultants purchase and maintain such insurance as is required under the Nevada Industrial Insurance Act, Nevada Revised Statutes Chapters 616 and 617, for all of its employees working on the project to protect the AUTHORITY from any industrial insurance claims.

2. In the event any class of employees engaged in any Work on the project relative to this Agreement is not protected under the Nevada Industrial Insurance Act, then the CONSULTANT shall provide to the AUTHORITY adequate insurance coverage in a form and by an insurance carrier satisfactory to the AUTHORITY for the protection of such employees.

3. In the event the CONSULTANT is permissibly self-insured for Workers' Compensation insurance in the State of Nevada, the CONSULTANT shall deliver to the AUTHORITY a copy of the Certificate of Consent to Self-Insure issued by the State of Nevada.

4. The CONSULTANT shall procure and maintain Employers' Liability Insurance with limits as set forth in Paragraph 12 (h).

(d) Commercial General Liability Insurance:

The CONSULTANT shall procure and maintain Commercial General Liability insurance coverage. The coverage under this policy shall include, but not be limited to, commercial general liability, protective liability, blanket contractual liability, and broad-form property damage. The Commercial General Liability Insurance policy shall be written for limits as outlined under Paragraph 12 (h). The amount of coverage shall apply to bodily injury, sickness, disease or death, personal injury, damage to or destruction of the property of persons that may arise out of or in connection with the activities under this Agreement.

(e) Automobile Liability Insurance:

The CONSULTANT shall procure and maintain, at its own expense, automobile liability insurance limits as outlined in Paragraph 12 (h), written on a combined-single-limit basis for bodily injury and property damage including all owned, leased, hired, or non-owned motorized vehicles and apparatus and shall indicate these coverages on the certificate.

(f) Professional Liability Insurance:

The CONSULTANT shall procure and maintain Professional Liability Insurance as outlined in Paragraph 12 (h). If this coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of this Agreement and the certificate shall so state.

(g) It is the CONSULTANT's sole responsibility to ascertain that the aforementioned insurance requirements are fulfilled. In the event they are not, the CONSULTANT shall not be relieved of their duty to perform, indemnify, defend, and hold harmless the AUTHORITY and all others concerned herein, nor shall the AUTHORITY and all concerned herein be liable to the CONSULTANT or any others in the event the CONSULTANT's insurance, as accepted by the AUTHORITY, fails to meet the full requirements herein.

(h) Insurance Limits

<u>Value of Contract</u>	<u>Coverage</u>	<u>Limits of Liability</u>
\$100,000 to \$999,999	Professional Liability	\$500,000/per claim \$1,000,000 aggregate
	General Liability	\$1,000,000/per occurrence \$2,000,000/aggregate
	Automobile Liability	\$1,000,000/per occurrence
	Workers' Compensation	Statutory
	Employers' Liability	\$100,000
\$1,000,000 to \$4,999,999	Professional Liability	\$1,000,000/per claim \$2,000,000 aggregate
	General Liability	\$1,000,000/per occurrence \$2,000,000/aggregate
	Automobile Liability	\$1,000,000/per occurrence
	Workers' Compensation	Statutory
	Employers' Liability	\$500,000
\$5,000,000 to \$9,999,999	Professional Liability	\$3,000,000/per claim \$5,000,000 aggregate
	General Liability	\$1,000,000/per occurrence \$2,000,000/aggregate
	Automobile Liability	\$1,000,000/per occurrence
	Workers' Compensation	Statutory
	Employers' Liability	\$1,000,000
\$10,000,000 to \$19,999,999	Professional Liability	\$5,000,000/per claim \$10,000,000 aggregate
	General Liability	\$2,000,000/per occurrence \$4,000,000/aggregate
	Automobile Liability	\$2,000,000/per occurrence
	Workers' Compensation	Statutory
	Employers' Liability	\$1,000,000

\$20,000,000 to \$24,999,999	Professional Liability	\$10,000,000/per claim
		\$20,000,000 aggregate
	General Liability	\$2,000,000/per occurrence
		\$4,000,000/aggregate
	Automobile Liability	\$2,000,000/per occurrence
	Workers' Compensation	Statutory
	Employers' Liability	\$1,000,000
\$25,000,000 and over	Coverage and limits to be negotiated.	

15. TERMINATION:

The AUTHORITY's General Manager, his/her designee and/or the CONSULTANT may terminate this Agreement on thirty (30) days prior written notice. In the case of termination by the AUTHORITY, the AUTHORITY shall pay the CONSULTANT for all Work performed to the effective date of termination and the reasonable costs of transferring all documentation of all Work to the AUTHORITY.

16. REVIEWS:

(a) The CONSULTANT shall submit draft reports and other materials for review by the AUTHORITY prior to the submission of a final report on materials. Due dates will be negotiated, but in every instance, earlier submittal is encouraged.

(b) The AUTHORITY will review the submittals and any pertinent attachments and mark all required changes. All reviews will be completed within ten (10) working days after receipt of the submission package, and the package will be returned to the CONSULTANT. Corrections and changes to the submission will be made by the CONSULTANT and resubmitted to the AUTHORITY for approval within ten (10) working days after receipt. The final approval will be submitted to the CONSULTANT within five (5) working days after receipt of the corrected document and any attachments. Alternate review schedules may be negotiated by mutual agreement of the Parties.

17. RELEASE OF INFORMATION:

The CONSULTANT shall make public information releases only as provided for and in accordance with this Agreement. Any and all other public releases of information gathered, obtained, or produced during the performance of this Agreement must be specifically approved in writing by the AUTHORITY prior to release. Such information shall include, but is not limited to, all products, ideas, data, reports, background materials, and any and all other materials belonging to the AUTHORITY. Such public releases of information shall include, but are not limited to, publication in any book, newspaper, magazine, professional or academic journal, the Internet, radio, television, and presentations to professional, academic, and/or other groups or conferences.

18. USE OF MATERIALS:

(a) All documents, computer information, reports, background materials, or other Work products created for or by the CONSULTANT under this Agreement shall be the sole property of the AUTHORITY. All copyrights thereto, except those developed outside the Services performed by the CONSULTANT under this Agreement, shall be or become the property of the AUTHORITY. The AUTHORITY shall make available to the CONSULTANT such materials from its files as may be required by the CONSULTANT in connection with its performance of Services under this Agreement. Such materials shall remain the property of the AUTHORITY while in the CONSULTANT's possession.

(b) Upon termination of this Agreement, the CONSULTANT shall turn over to the AUTHORITY any property of the AUTHORITY in its possession and any calculations, notes, reports, or other materials prepared by the CONSULTANT in the

course of performing this Agreement. Any proprietary software or other tools of the CONSULTANT used to execute the Work shall remain the property of the CONSULTANT.

19. RECORDS:

The CONSULTANT shall retain financial and other records related to this Agreement for three (3) years, and shall make available to the AUTHORITY for inspection, all books, records, documents, and other evidence directly pertinent to performance under this Agreement upon reasonable notice.

20. ASSIGNMENT:

The CONSULTANT shall not assign or transfer its interest in this Agreement without the prior written consent of the AUTHORITY.

21. MODIFICATION OF AGREEMENT:

This Agreement may not be changed or modified except by written instrument executed by both Parties or their designees.

22. SEVERABILITY:

Any provisions or portions of this Agreement prohibited as unlawful or unenforceable under any application of law of any jurisdiction shall as to such jurisdiction be ineffective without affecting other provisions of this Agreement. If the provisions of such applicable law may be waived, they are hereby waived to the end that this Agreement may be deemed to be a valid and binding Agreement enforceable in accordance with its terms.

23. NON-DISCRIMINATORY EMPLOYEE PRACTICES:

(a) The CONSULTANT shall not employ discriminatory practices in the provision of Services, employment of personnel, or in any other respect on the basis of

race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin.

(b) No person in the United States shall, on the grounds of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement.

(c) The CONSULTANT will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin. The CONSULTANT shall ensure that applicants are employed, and the employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin. This non-discrimination provision shall include, but not be limited to employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this non-discrimination clause.

(d) The CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of the CONSULTANT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin.

(e) The CONSULTANT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers representatives of the CONSULTANT's commitment under this provision and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

24. EQUAL EMPLOYMENT OPPORTUNITY:

(a) The CONSULTANT and any subcontractor or subconsultant working under the authority of the CONSULTANT, who is responsible for the selection, referral, hiring, or assignment of workers for the Services provided pursuant to this Agreement, is required to comply with all applicable provisions of Title VII of the Civil Rights Act of 1964. This requirement includes compliance with Equal Employment Opportunity Commission regulations that prohibit discrimination based upon race, color, religion, sex, or national origin. Furthermore, the CONSULTANT shall in all relevant manners comply with the Age Discrimination in Employment Act, the Civil Rights Act of 1991, the Equal Pay Act, and Title I of the Americans with Disabilities Act.

(b) The CONSULTANT shall make all necessary documentation as required to comply with the Acts referred to above and shall make such documentation immediately available to the AUTHORITY upon the AUTHORITY's request. The CONSULTANT is solely liable for failure to comply with this provision.

25. APPLICABLE LAW:

Nevada law shall govern the interpretation of this Agreement, without reference to its choice of law provisions.

26. NO THIRD PARTY RIGHTS:

This Agreement is not intended by the Parties to create any right in or benefit to parties other than the AUTHORITY and the CONSULTANT. This Agreement does not create any third party beneficiary rights or causes of action.

27. WAIVER:

The failure of either Party to enforce at any time, or for any period of time, the provisions hereof shall not be construed as a waiver of such provisions or of the rights of such Party to enforce each and every such provision.

28. CAPTIONS:

The captions contained in this Agreement are for reference only and in no way to be construed as part of this Agreement.

29. COUNTERPARTS:

This Agreement may be executed in any number of counterparts and by the different Parties on separate counterparts, each of which, when so executed, shall be deemed an original, and all counterparts together shall constitute one and the same instrument.

30. INTEGRATION:

This Agreement contains the entire understanding between the Parties relating to the transactions contemplated by this Agreement, notwithstanding any previous negotiations or agreements, oral or written, between the Parties with respect to all or any part of the subject matter hereof. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, regarding the subject matter of this Agreement are merged in this Agreement and shall be of no further force or effect.

31. NOTICES:

Any and all notices, demands or requests required or appropriate under this Agreement (including invoices) shall be given in writing and signed by a person with authorization to bind the CONSULTANT or AUTHORITY, either by personal delivery, via facsimile, via a scanned document sent via email, or by registered or certified mail, return receipt requested, addressed to the following addresses and fax numbers:

To CONSULTANT: CDM Smith
523 West Sixth Street, Suite 400
Los Angeles, CA 90014
Attention: David Ebersold
ebersolddb@cdmsmith.com
(213) 627-8295 - FAX

To AUTHORITY: Southern Nevada Water Authority
Attention: Julie Wilcox
1001 S. Valley View Boulevard
Las Vegas, NV 89153
julie.wilcox@snwa.com
(702) 822-8530 - FAX

When notice is given by mail, it shall be deemed served three (3) business days following deposit, postage prepaid in the United States mail. When notice is given by facsimile or email transmission, it shall be deemed served upon receipt of confirmation of transmission if transmitted during normal business hours or, if not transmitted during normal business hours, on the next business day following the facsimile or email transmission.

The Parties may designate a new contact person under this provision for notices or invoices or change the address, email address or fax number identified above by notifying the other Party.

EXHIBIT A

RATES AND EXPENSES

The AUTHORITY will pay CONSULTANT for Services performed pursuant to this Agreement at the rate of \$275 per hour, subject to the limit in Paragraph 4 of this Agreement.

Reimbursement for meals and incidentals associated with travel required in performance of Services pursuant to this Agreement will be made based on the federally established Internal Revenue Service meal per diem rates for the travel location (which also includes all tips and most miscellaneous expenses). Reasonable costs for transportation, lodging, and telephone will be reimbursed, if paid by the CONSULTANT. Alcoholic beverages and personal items such as in-room movies, reading materials, cigarettes, hygiene items, etc., are non-reimbursable.

Compensation for Services performed and expenses reimbursed pursuant to this Agreement are subject to the limit in Paragraph 4 of this Agreement.

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type						
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Trust	<input type="checkbox"/> Non-Profit Organization	<input type="checkbox"/> Other
Business Designation Group						
<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input type="checkbox"/> SBE	<input type="checkbox"/> PBE	<input type="checkbox"/>	<input type="checkbox"/>	
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise			
Corporate/Business Entity Name:		CDM Smith Inc				
(Include d.b.a., if applicable)						
Street Address:		50 Hampshire Street		Website: cdmsmith.com		
City, State and Zip Code:		Cambridge, MA 02139		POC Name and Email: James Lackman lackmanjs@cdmsmith.com		
Telephone No:		617-452-6000		Fax No: 617-452-8000		
Local Street Address:		523 West 6 th Street		Website: cdmsmith.com		
City, State and Zip Code:		Los Angeles, CA 90014		Local Fax No: 213-627-8295		
Local Telephone No:		213-457-2200		Local POC Name Email: David Ebersold ebersolddb@cdmsmith.com		
Number of Clark County, Nevada Residents Employed: None						

All entities, with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the SNWA Board of Directors.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned <small>(Not required for Publicly Traded Corporations/Non-profit organizations)</small>
<u>Richard Fox</u>	<u>Chief Executive Officer</u>	<u> </u>
<u>Charlene Allen</u>	<u>Senior Vice President</u>	<u> </u>
<u>Paul Brown</u>	<u>Executive Vice President</u>	<u> </u>
<u>Paul G. Camell</u>	<u>Executive Vice President</u>	<u> </u>
<u>William G. Howard</u>	<u>Executive Vice President</u>	<u> </u>
<u>Alex. H. Makled</u>	<u>Executive Vice President</u>	<u> </u>
<u>John D. Manning</u>	<u>President</u>	<u> </u>
<u>Paul R. Shea</u>	<u>Senior Vice President</u>	<u> </u>
<u>Timothy B. Wall</u>	<u>Executive Vice President</u>	<u> </u>
<u>Robert McCarthy</u>	<u>Vice President</u>	<u> </u>
<u>James S. Lackman</u>	<u>Senior Vice President</u>	<u> </u>
<u>M. Stevenson Smith</u>	<u>Executive Vice President</u>	<u> </u>
<u>Guillermo J. Vicens</u>	<u>Senior Vice President</u>	<u> </u>

CDM Smith Inc is a privately held company whose stock is owned by approximately 900 individual employee/former employee shareholders. There are no individual shareholders owning more that 1.9% of the total shares outstanding.

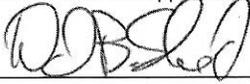
DISCLOSURE OF OWNERSHIP/PRINCIPALS

This section is not required for publicly-traded corporations.

1. Are any individual members, partners, owners or principals, involved in the business entity, an SNWA full-time employee(s), or appointed/elected official(s)?
 Yes No (If yes, please note that SNWA employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

 2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to an SNWA full-time employee(s), or appointed/elected official(s)?
 Yes No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)
-

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the SNWA will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.



David B. Ebersold

Signature
Vice President

Print Name
5/10/2012

Title

Date

DISCLOSURE OF RELATIONSHIP

List any disclosures below:
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF SNWA EMPLOYEE OR OFFICIAL AND JOB TITLE	RELATIONSHIP TO SNWA EMPLOYEE OR OFFICIAL	SNWA EMPLOYEE'S/OFFICIAL'S DEPARTMENT
N/A	N/A	N/A	N/A

“Consanguinity” is a relationship by blood. “Affinity” is a relationship by marriage.

“To the second degree of consanguinity” applies to the candidate’s first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

For SNWA Use Only:

If any Disclosure of Relationship is noted above, please complete the following:

Yes No Is the SNWA employee(s) noted above involved in the contracting/selection process for this particular agenda item?

Yes No Is the SNWA employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

Signature

Print Name
Authorized Department Representative

SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM
May 17, 2012

Subject: Update on Water Resources	Director's Backup
Petitioner: Patricia Mulroy, General Manager	
Recommendations: That the Board of Directors receive an update from staff on water resources including, but not limited to, drought conditions in the Colorado River Basin, the results of the implementation of the Authority's Water Resource and Conservation Plans, activities on the Colorado River, and on the development of in-state water resources.	

Fiscal Impact:

None by approval of the above recommendation.

Background:

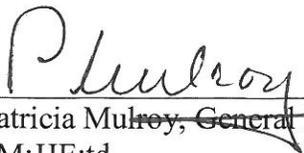
The Colorado River Basin has been experiencing a severe drought which began in 2000. The severity of these conditions has become increasingly evident in lake levels along the lower Colorado River Basin, where major reservoirs such as Lake Powell and Lake Mead are experiencing some of the lowest water levels in recent memory.

The nature of the drought in the Colorado River Basin has direct effects on water resources and future planning. The drought has prompted communities to launch major conservation initiatives to reduce water use among citizens and businesses, and has resulted in the development and implementation of the Authority's Water Resource and Conservation Plans.

This agenda item provides for an update from staff on the drought; the results of the implementation of the Authority's Water Resource and Conservation Plans; activities on the Colorado River; and on the development of in-state water resources.

The office of the General Counsel has reviewed and approved this agenda item.

Respectfully submitted:



Patricia Mulroy, General Manager
PM:JJE:td

AGENDA
ITEM #

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