



SOUTHERN NEVADA
WATER AUTHORITY

AGENDA

SOUTHERN NEVADA WATER AUTHORITY BOARD OF DIRECTORS

REGULAR MEETING
9:00 A.M. – JANUARY 21, 2016

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

Board of Directors

Mary Beth Scow, Chair
Sam Bateman, Vice Chair
Bob Coffin
Marilyn Kirkpatrick
Duncan McCoy
Steve Sisolak
Anita Wood

John J. Entsminger,
General Manager

Date Posted: Jan. 14, 2016

The Southern Nevada Water Authority makes reasonable efforts to assist and accommodate persons with physical disabilities who desire to attend the meeting. For assistance, call the Agenda Coordinator at (702) 258-3939 at least 24 hours prior to the meeting.

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.

Visit our website at <http://www.snwa.com> or main office at 1001 S. Valley View Boulevard, Las Vegas, Nevada for Southern Nevada Water Authority agenda postings, copies of supporting material and approved minutes. To receive meeting information, including supporting material, contact the Agenda Coordinator at (702) 258-3939 or agendas@snwa.com.

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 and refrain from making comments that are repetitious, offensive, or amounting to personal attacks. 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 meeting minutes from November 19, 2015.

CONSENT AGENDA Items 2 - 4 are routine and can be taken in one motion unless a Director requests that an item be taken separately.

2. *For Possible Action:* Renew the Amended and Restated Interlocal Contract between the Las Vegas Valley Water District and the Authority, authorizing the General Manager of the District to serve as the General Manager of the Authority, and utilizing the staff and resources of the District to manage the affairs of the Authority.
3. *For Possible Action:* Approve two resolutions authorizing the submission of grant proposals to the Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grant Program.

4. *For Possible Action:* Approve and authorize the General Manager to execute the Second Amendment to Memorandum of Agreement by and among the U.S. Fish and Wildlife Service, Coyote Springs Investment LLC., Moapa Band of Paiutes, Moapa Valley Water District, and the Authority.

BUSINESS AGENDA

5. *For Possible Action:* Approve and authorize the General Manager to sign an agreement between Brown and Caldwell and the Authority for professional engineering services for the Fluoride System Improvements Project at Alfred Merritt Smith Water Treatment Facility, and authorize approval and execution of amendments to the agreement for a total amount not to exceed 10 percent of the base amount and within the general scope of the agreement.
6. *For Possible Action:* Approve and authorize the General Manager to execute a purchase agreement between Ferguson Enterprises, Inc., and the Authority for the supply of one 120-inch diameter high pressure valve and one 120-inch diameter low pressure valve for the Lake Mead Intake No. 3 Low Lake Level Pumping Station Discharge Aqueducts, and authorize the General Manager to approve change orders for additional costs.
7. *For Possible Action:* Approve and adopt the Southern Nevada Water Authority Reserve Policy.
8. *For Possible Action:* Adopt the 2016A Revenue Refunding Bond Resolution, providing for the issuance of Water Revenue Refunding Bonds, Series 2016A, in the maximum principal amount to refinance outstanding bonds for the Authority.
9. *For Possible Action:* Adopt the 2016B Revenue Refunding Bond Resolution, providing for the issuance of Water Revenue Refunding Bonds, Series 2016B, to refinance outstanding bonds for the Authority.
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, the development of in-state water resources, and the status of construction activities near Lake Mead.

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 and refrain from making comments that are repetitious, offensive, or amounting to personal attacks. No action may be taken upon a matter not listed on the posted agenda.

**SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
NOVEMBER 19, 2015
MINUTES**

CALL TO ORDER 9:02 a.m., Colorado River Conference Rooms, Southern Nevada Water Authority, 100 City Parkway, Seventh Floor, Las Vegas, Nevada

BOARD MEMBERS PRESENT Mary Beth Scow, Chair
Sam Bateman, Vice Chair
Marilyn Kirkpatrick
Bob Coffin
Duncan McCoy
Steve Sisolak
Anita Wood

BOARD MEMBERS ABSENT None

STAFF PRESENT John Entsminger, Greg Walch, Julie Wilcox, Dave Johnson, Gina Neilson

OTHERS PRESENT Bill Nelson, Piercy Bowler Taylor & Kern (PBTK)

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

COMMENTS BY THE GENERAL PUBLIC

For complete comments, audio is available online at snwa.com

Ed Uehling, Las Vegas, spoke in reference regarding item 8 and provided comments about the Molasky purchase. He stated that SNWA should lower the rates instead of purchasing the additional floors. He felt that there should be better appraisals of real estate transactions and felt that the SNWA was paying too much for the property.

1. For Possible Action: Approval of Agenda & Minutes

FINAL ACTION: A motion was made by Vice Chair Bateman to approve the meeting's agenda and the meeting minutes of September 17, 2015.

CONSENT AGENDA: The following items are considered routine and were taken in one motion.

- 2. For Possible Action: Approve and authorize the General Manager to sign Change Order No. 2 to Contract No. 070F 07 C2, Low Lake Level Pump Station – Surface Mass Excavation, and extend the final completion date by 21 calendar days.**
- 3. For Possible Action: Approve and authorize the General Manager to sign an amendment to the existing agreement between Black & Veatch Corporation and the Authority for professional engineering services for Project No. 320O, AMSWTF Filter Improvements Demonstration.**
- 4. For Possible Action: Authorize the issuance of a purchase order to Morton Salt, Inc., for the purchase of sodium chloride for a period of one year from date of award, with an option to renew for four one-year periods, and authorize an increase not to exceed 5 percent for each of the renewal terms.**
- 5. For Possible Action: Adopt the 2015 Water Budget for the Authority.**
- 6. For Possible Action: Adopt the Annual Operating Plan for the Southern Nevada Water System.**

FINAL ACTION: Director Wood made a motion to approve staff recommendations. The motion was approved.

BUSINESS AGENDA

- 7. For Possible Action: Approve and authorize the General Manager to sign a Portfolio Energy Credit Purchase and Sale Agreement between Switch, Ltd., and the Authority for the sale of Portfolio Energy Credits certified by the Public Utilities Commission of Nevada.**

John Entsminger, General Manager, provided a brief overview of the agenda item. Director Sisolak recognized Switch for its investment and involvement in the community.

FINAL ACTION: Director McCoy made a motion to approve staff's recommendation. The motion was approved.

8. ***For Possible Action: Approve exercising the purchase option for the 12th and 14th floors of the Molasky Corporate Center and authorize the General Manager, or his designee, to execute, in substantially the same form, the Purchase and Sale Agreement; Amended and Restated Lease and Option Agreement and Grant of Rights of First Refusal; and any ministerial documents necessary to effectuate the transaction.***

Mr. Entsminger gave a presentation that outlined the terms of the agreement; a copy of his presentation is included with the meeting minutes. Director Sisolak asked if there was a significant cost-benefit analysis done for this proposal. Mr. Entsminger reported that there had been a cost-benefit analysis completed and specifically noted that the Authority has a fixed long-term lease, and purchasing the floors is a better option than finishing the lease. Director Sisolak if the present value was calculated. Gina Neilson, Chief Financial Officer, clarified the present value calculation of the floors, noting that present value is \$43 million and that the \$45.15 million is the future value after 12 years.

Director Wood asked about the purchase price as compared to when the Authority last purchased floors at Molasky. Greg Walch, General Counsel, answered that the cost is more per floor; however, the price is fixed in the contract.

Director Coffin asked about fair market price with other tenants in the building and their appraisals and negotiations. Mr. Walch restated that the purchase price is fixed for the Authority, as a term of the contract, and they are adjusting the option price. Board members sought additional clarification on the terms of the agreement, leases with other tenants in the building, and valuations of floors.

Director McCoy stated approval of the item would save money and provide options for the future, such as leasing or selling the floors.

FINAL ACTION: Director McCoy made a motion to approve staff's recommendation. The motion was approved.

9. ***For Possible Action: Approve and authorize the General Manager to sign a Conservation Program Contribution Agreement among Alon Las Vegas Resort, LLC, the Las Vegas Valley Water District and the Authority.***

FINAL ACTION: Vice Chair Bateman made a motion to approve staff's recommendation. The motion was approved.

10. ***For Possible Action: Accept the Authority's Comprehensive Annual Financial Report for the period ending June 30, 2015, as presented by the Authority's external auditor, Piercy Bowler Taylor & Kern, and authorize its submission to the Nevada Department of Taxation.***

Director Wood disclosed that Piercy Bowler Taylor Kern (PBTk) manages her campaign's finances.

Bill Nelson, PBTk, reported that the audit, completed by PBTk, determined that there were no deficiencies or material weaknesses found within the audit, and thanked the staff for their assistance throughout the audit. Director Sisolak asked Mr. Nelson to confirm that there were no significant findings, weaknesses or deficiencies. Mr. Nelson stated this was correct.

FINAL ACTION: Director Wood made a motion to approve staff's recommendation. The motion was approved.

11. ***For Possible Action: Adopt a resolution requesting the Clark County Board of Commissioners to take the necessary steps toward the issuance of bonds in the maximum principal amount of \$666 million to refinance certain outstanding bonds for the Authority.***

Mr. Entsminger reminded the Board that a substantial amount of bond refundings were going to mature and be available over the course of 2015 and 2016. Approval of this item is the next step in the series of those refundings, and noted that a net present value of savings of approximately 9.4 percent or approximately \$60 million over the lifetime of the bonds is expected.

FINAL ACTION: Director McCoy made a motion to approve staff's recommendation. The motion was approved.

12. ***For Possible Action: 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, the development of in-state water resources, and the status of construction activities near Lake Mead.***

Mr. Walch gave a presentation about drought conditions in the Colorado River Basin; a copy of his presentation is included with the meeting minutes. Director Coffin asked about El Nino patterns and how they affect rainfall and snowpack. Mr. Entsminger reported that El Nino conditions may cause wetter conditions in southern parts of the basin and dryer conditions in northern parts.

FINAL ACTION: No action required.

Public Comment

Ed Uehling, Las Vegas, commented on item 8, and noted his skepticism at the proposed lease amounts.

Adjournment

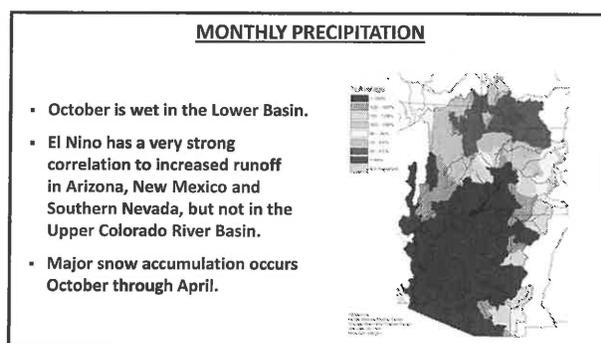
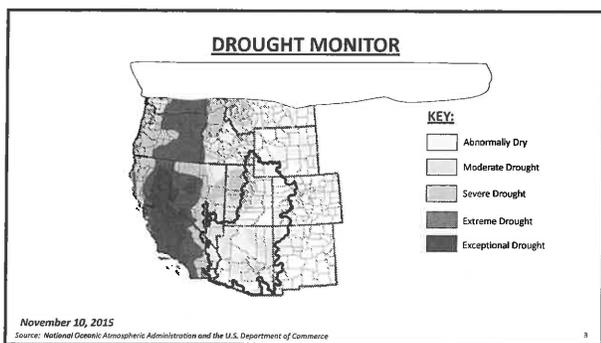
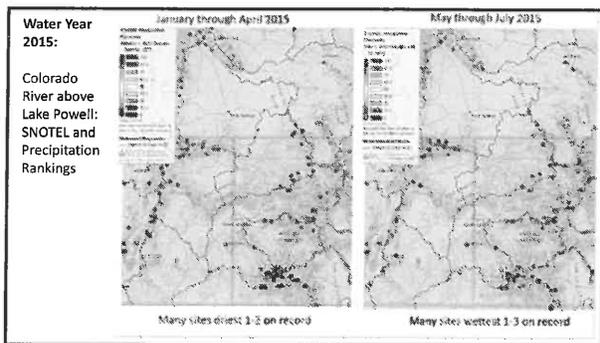
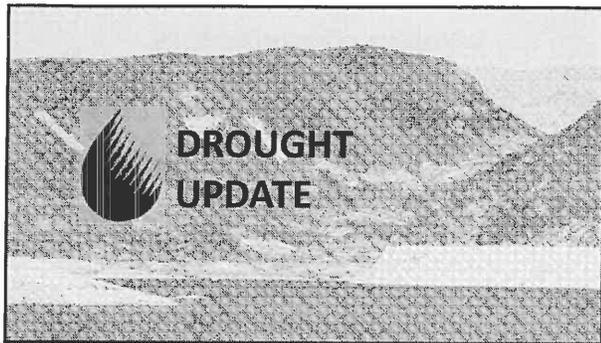
There being no further business to come before the board, the meeting adjourned at 9:37 a.m.

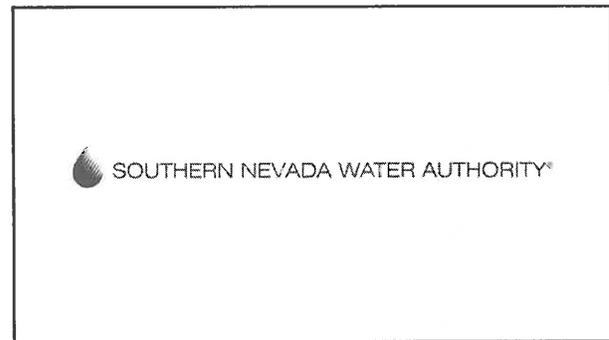
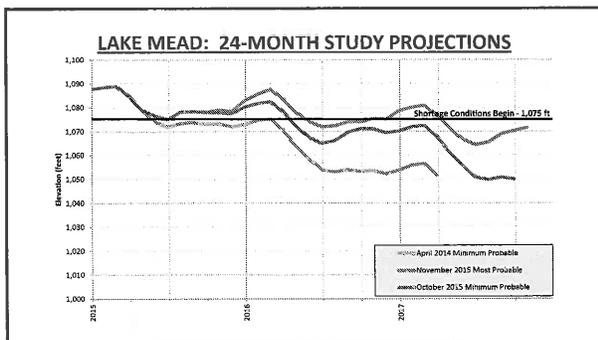
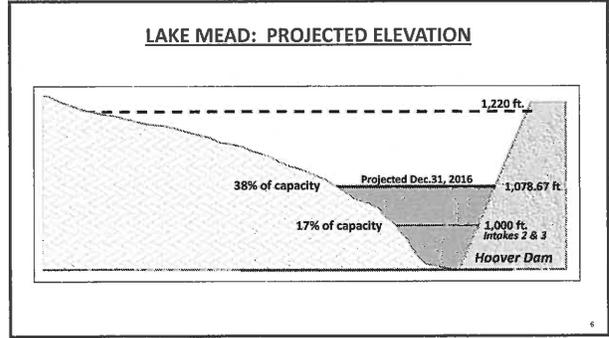
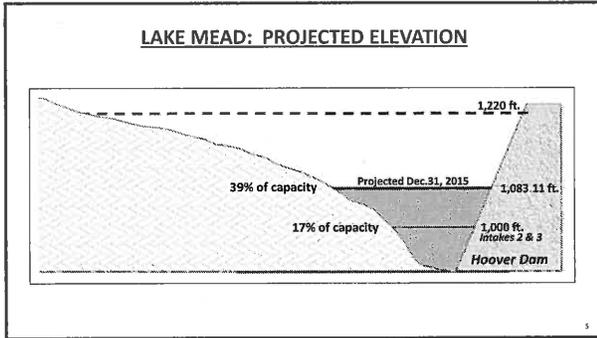
APPROVED:

Mary Beth Scow, Chair

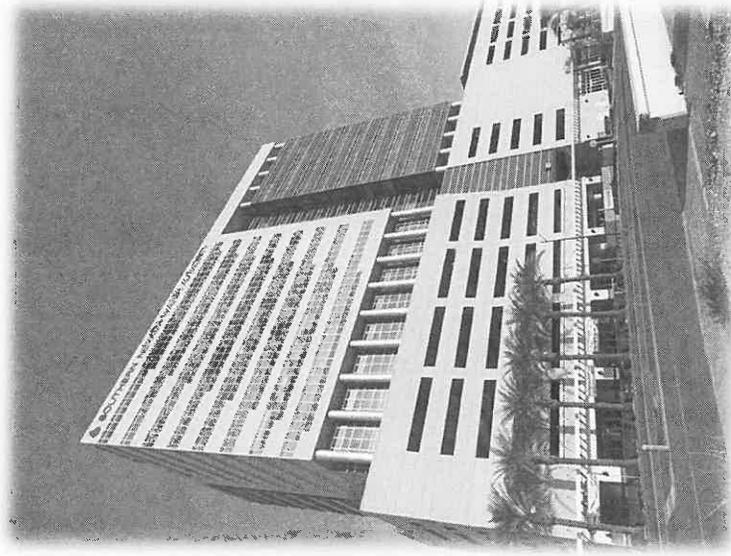
John J. Entsminger, General Manager

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.





MOLASKY CORPORATE CENTER



Floors owned: 7, 8, 9, 10, 11
Floors leased: 12, 14

| | |
|-----------------------|----------------------|
| Cost to finish lease | \$45,155,480 |
| <u>Purchase Price</u> | <u>-\$36,512,241</u> |
| Savings | \$ 8,643,239 |

Purchase price recouped in 10.4 years, but could be as early as 6.8 years if floors are leased.

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

January 21, 2016

| | |
|--|------------------------------|
| Subject: Renewal of Interlocal Contract | Director's Backup |
| Petitioner: John J. Entsminger, General Manager | |
| Recommendations: That the Board of Directors renew the Amended and Restated Interlocal Contract between the Las Vegas Valley Water District and the Authority, authorizing the General Manager of the District to serve as the General Manager of the Authority, and utilizing the staff and resources of the District to manage the affairs of the Authority. | |

Fiscal Impact:

None by approval of the above recommendation.

Background:

On January 14, 1993, the Board of Directors entered into an Interlocal Contract (Contract) with the Las Vegas Valley Water District (District) whereby its General Manager also serves as General Manager of the Authority and District staff performs the Authority's day-to-day operations. On January 16, 2014, the Board authorized John Entsminger to serve as its General Manager and approved the Amended and Restated Interlocal Contract between the District and the Authority.

Under the parameters of the current Contract, the Board is to review the Contract before February 28 of each year and determine whether to continue the relationship for the ensuing year.

The renewal of the Contract is authorized pursuant to NRS Chapter 277.180 and Section 6(j) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved the Contract.

Respectfully submitted:



John J. Entsminger, General Manager
JJE:JAW:AMB:KH

AGENDA
ITEM #

2

**AMENDED AND RESTATED INTERLOCAL CONTRACT
BETWEEN THE LAS VEGAS VALLEY WATER DISTRICT
AND THE SOUTHERN NEVADA WATER AUTHORITY**

The contract made and entered into on the 19th day of January, 1993, by the Las Vegas Valley Water District (hereinafter "DISTRICT") and the Southern Nevada Water Authority (hereinafter "AUTHORITY"), and as amended on March 2, 1993, and April 6, 1994, is further amended as set forth below:

WITNESSETH:

WHEREAS, the DISTRICT is a quasi-municipal corporation, organized under Chapter 167, Statutes of Nevada 1947, as amended; and

WHEREAS, the AUTHORITY is a political subdivision of the State of Nevada through the Southern Nevada Water Authority Cooperative Agreement pursuant to NRS 277.074 and 277.120; and

WHEREAS, the AUTHORITY desires the General Manager and staff of the DISTRICT to provide staff services to the AUTHORITY; and WHEREAS, the Board of the AUTHORITY desires to appoint the current General Manager of the DISTRICT, as General Manager of the AUTHORITY pursuant to Article 21 of the Southern Nevada Water Authority Cooperative Agreement; and

WHEREAS, the Board of the DISTRICT is willing to have the DISTRICT provide staff services to the AUTHORITY and the DISTRICT has the necessary expertise and ability to assume such responsibility; and

WHEREAS, pursuant to NRS 277.180, the AUTHORITY and the DISTRICT have the authority to enter into this interlocal contract.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows;

1. The General Manager of the DISTRICT will serve as the General Manager of the AUTHORITY and will utilize the staff and resources of the DISTRICT to manage the affairs of the AUTHORITY under the authority granted to the General Manager pursuant to Article 21 of the Southern Nevada Water Authority Cooperative Agreement. The General Manager shall have the power to:

- a. Plan, organize and direct all AUTHORITY activities as directed by the Board of the AUTHORITY;
- b. Appoint and, subject to the requirements of applicable law, remove all AUTHORITY employees;
- c. Authorize expenditures within the approved budget;
- d. Enter into contracts on behalf of the AUTHORITY as authorized by the Board of the AUTHORITY; and
- e. Take other actions authorized from time to time by the Board of the AUTHORITY.

2. The DISTRICT will maintain records of the DISTRICT's staff time, resources and expenses attributable to the operation of the AUTHORITY, and shall bill the AUTHORITY for reimbursement in accordance with the provisions of Article 23 of the Southern Nevada Water Authority Cooperative Agreement.

3. These reimbursed costs, both direct and indirect, shall include, but are not limited to, the following: payroll and related, office supplies, printing, travel and lodging, insurance, data processing, supervision, and office space.

4. The DISTRICT will submit a monthly detailed bill or invoice to the AUTHORITY for reimbursable costs as delineated in Paragraph 3 of this Contract. The AUTHORITY shall pay the DISTRICT within 30 days of receipt of said bill or invoice requesting payment. In addition, a copy of the detailed bills or invoices will be provided to each of the members.

5. Total reimbursable costs identified in Paragraph 3 of this Contract shall not exceed the AUTHORITY's operating budgets approved pursuant to Paragraph 23 of the Southern Nevada Water Authority Cooperative Agreement.

6. On or before February 28 of each year, the AUTHORITY shall review this Contract. If this Contract is to be renewed, said renewal must be approved by the AUTHORITY in conformance with the Southern Nevada Water Authority Cooperative Agreement dated July 25, 1991.

7. Further, this Contract shall terminate pursuant to paragraph 9 if the then current General Manager of the DISTRICT ceases to be General Manager of the DISTRICT, unless the AUTHORITY votes to appoint a new General Manager of the AUTHORITY and renew the Contract within the thirty-day termination period.

8. At all times under the performance of this Contract and upon termination, all materials developed, prepared or acquired by the DISTRICT during the performance of services under this Contract, including, without limitation, all finished or unfinished documents, research, memoranda, briefs, data, studies, surveys, drawings, manuals, maps, models, photographs, and reports, shall be the property of the AUTHORITY.

9. This Contract shall continue in existence until amended, rescinded, or upon non-renewal. Further, either party may cancel or rescind this Contract without cause with 30 days' written notice to the other party. In the event of cancellation or non-renewal, both parties will in good faith attempt to negotiate a transition agreement providing for the transfer of responsibility and work in progress from the DISTRICT to the AUTHORITY. The DISTRICT shall allow all employees who so desire to terminate their employment with the DISTRICT and join the AUTHORITY.

10. In entering into this Contract, the General Manager of the DISTRICT acknowledges that a fiduciary duty is created between the General Manager and the AUTHORITY, and that the General Manager will follow the direction and dictates of the Board of the AUTHORITY.

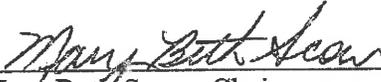
IN WITNESS WHEREOF, this Amended and Restated Interlocal Contract is hereby approved this 4th day of February, 2014.

Las Vegas Valley Water District

Southern Nevada Water Authority



Mary Beth Scow, President



Mary Beth Scow, Chairwoman

Date 2-4-14

Date 1-16-14

Approved as to form:



Gregory J. Walch, General Counsel for the
Las Vegas Valley Water District and
Southern Nevada Water Authority

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

January 21, 2016

| | |
|--|--------------------------|
| Subject: Resolutions to Submit Grant Proposals | Director's Backup |
| Petitioner: Julie A. Wilcox, Deputy General Manager, Administration | |
| Recommendations: That the Board of Directors approve two resolutions authorizing the submission of grant proposals to the Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grant Program. | |

Fiscal Impact:

None by approval of the above recommendation.

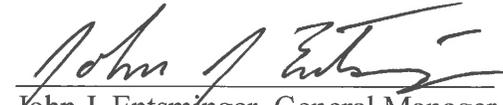
Background:

The Bureau of Reclamation (BOR) recently announced funding availability for its WaterSMART: Water and Energy Efficiency Grants Program. This funding is designed to support projects that bank water, conserve water and energy, or generally make more efficient use of existing water supplies.

In accordance with eligibility requirements, the Board of Directors is being asked to approve two resolutions authorizing the submission of grant proposals to the BOR. The grant proposals will seek \$1 million and \$300,000, respectively, to support funding for the Authority's Water Smart Landscape Rebate Program. If either of these proposals is accepted by the BOR, a funding agreement will be brought back before the Board for approval.

These resolutions are authorized pursuant to NRS Chapter 277 and Section 6(o) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved these resolutions.

Respectfully submitted:


John J. Entsminger, General Manager
JJE:JAW:AMB:ZLM:KH:kf
Attachments

| | |
|------------------|----------|
| AGENDA ITEM # | 3 |
|------------------|----------|

RESOLUTION IN SUPPORT OF FUNDING REQUEST FOR
WATERSMART: WATER AND ENERGY EFFICIENCY GRANT PROPOSAL TO
THE UNITED STATES BUREAU OF RECLAMATION

WHEREAS, the U.S. Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grants Program is soliciting proposals for and may provide financial assistance to irrigation districts, water districts and other organizations to implement projects that save water, improve energy efficiency, address endangered species and other environmental issues, and facilitate transfers to new uses; and

WHEREAS, the WaterSMART: Water and Energy Efficiency Grant Program specifically allows for project proposals involving an individual sale, lease or exchange of conserved water to another water use for agricultural, municipal or instream uses; and

WHEREAS, the Southern Nevada Water Authority has adopted a Water Resource Plan and a Conservation Plan, which outline specific water conservation strategies; and

WHEREAS, the Southern Nevada Water Authority will benefit significantly from financial assistance under the WaterSMART: Water and Energy Efficiency Grant Program to support water conservation efforts in Southern Nevada.

NOW, THEREFORE, BE IT RESOLVED that the Southern Nevada Water Authority Board of Directors agrees and authorizes:

1. The submission of an application to the U.S. Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grant Program requesting \$300,000 to support the Authority's Water Smart Landscape Rebate Program.
2. The submission of a proposal, including a funding plan that outlines the applicant's ability to provide up to \$3,000,000 in matching funds, as specified by the WaterSMART: Water and Energy Efficiency Grant Program.
3. The Southern Nevada Water Authority's General Manager, or his designee, to execute and file an application and proposal with the U.S. Bureau of Reclamation for funding under the WaterSMART: Water and Energy Efficiency Grant Program, as outlined above.

Introduced and passed this 21st day of January, 2016.

Attest:

Southern Nevada Water Authority

John J. Entsminger, Secretary

Mary Beth Scow, Chair

Approved as to form:



Gregory J. Walch, General Counsel

**RESOLUTION IN SUPPORT OF FUNDING REQUEST FOR
WATERSMART: WATER AND ENERGY EFFICIENCY GRANT PROPOSAL TO
THE UNITED STATES BUREAU OF RECLAMATION**

WHEREAS, the U.S. Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grants Program is soliciting proposals for and may provide financial assistance to irrigation districts, water districts and other organizations to implement projects that save water, improve energy efficiency, address endangered species and other environmental issues, and facilitate transfers to new uses; and

WHEREAS, the WaterSMART: Water and Energy Efficiency Grant Program specifically allows for project proposals involving an individual sale, lease or exchange of conserved water to another water use for agricultural, municipal or instream uses; and

WHEREAS, the Southern Nevada Water Authority has adopted a Water Resource Plan and a Conservation Plan, which outline specific water conservation strategies; and

WHEREAS, the Southern Nevada Water Authority will benefit significantly from financial assistance under the WaterSMART: Water and Energy Efficiency Grant Program to support water conservation efforts in Southern Nevada.

NOW, THEREFORE, BE IT RESOLVED that the Southern Nevada Water Authority Board of Directors agrees and authorizes:

1. The submission of an application to the U.S. Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grant Program requesting \$1,000,000 to support the Authority's Water Smart Landscape Rebate Program.
2. The submission of a proposal, including a funding plan that outlines the applicant's ability to provide up to \$10,000,000 in matching funds, as specified by the WaterSMART: Water and Energy Efficiency Grant Program.
3. The Southern Nevada Water Authority's General Manager, or his designee, to execute and file an application and proposal with the U.S. Bureau of Reclamation for funding under the WaterSMART: Water and Energy Efficiency Grant Program, as outlined above.

Introduced and passed this 21st day of January, 2016.

Attest:

Southern Nevada Water Authority

John J. Entsminger, Secretary

Mary Beth Scow, Chair

Approved as to form:



Gregory J. Walch, General Counsel

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

January 21, 2015

| | |
|---|------------------------------|
| Subject: Amendment | Director's Backup |
| Petitioner: David L. Johnson, Deputy General Manager, Engineering/Operations | |
| Recommendations: That the Board of Directors approve and authorize the General Manager to execute the Second Amendment to Memorandum of Agreement by and among the U.S. Fish and Wildlife Service, Coyote Springs Investment LLC., Moapa Band of Paiutes, Moapa Valley Water District, and the Authority. | |

Fiscal Impact:

None by approval of the above recommendation.

Background:

On April 20, 2006, the U.S. Fish and Wildlife Service (FWS), Coyote Springs Investment LLC. (CSI), Moapa Band of Paiutes, Moapa Valley Water District, and the Authority (collectively, the Parties) entered into a Memorandum of Agreement (MOA) whereby the Parties agreed to implement, among other things, a variety of habitat restoration projects, voluntary pumping limitations, and water dedications for the purpose of recovering and protecting Moapa Dace populations in the upper Muddy River and tributary thermal spring systems within the Warm Springs area of Clark County, Nevada. For its part, CSI agreed to dedicate 460 acre-feet per year (afy) of its groundwater rights in Coyote Springs Valley Hydrographic Basin to the survival and recovery of the Moapa Dace and its habitat together with 5 percent of all water rights exceeding 4,600 afy that CSI becomes entitled to use in Coyote Springs. The MOA provided that CSI shall execute and record such documentation as may be necessary to effectuate its dedication obligation.

If approved, this Second Amendment to Memorandum of Agreement provides that CSI's dedication of water rights shall be in the form of a recorded "Affidavit to Relinquish Water Rights", a document regularly used by the State Engineer of Nevada to reflect an appropriator's agreement to have a water right revert to its source. In this case, the relinquished water rights will not be available for further appropriation so as to inure to the benefit of the Moapa Dace.

This amendment is being entered into pursuant to Section 6(j) of the SNWA 1995 Amended Cooperative Agreement. The Office of General Counsel has reviewed and approved the amendment.

Respectfully submitted:



John J. Entsminger, General Manager
JJE:DLJ:GJW:tad
Attachments

| | |
|------------------|---|
| AGENDA ITEM # | 4 |
|------------------|---|

SECOND AMENDMENT TO MEMORANDUM OF AGREEMENT

This Second Amendment to Memorandum of Agreement (“Second Amendment”) is dated as of January 7, 2016, and entered into by and among Southern Nevada Water Authority, a political subdivision of the State of Nevada (“SNWA”), United States Fish and Wildlife Service (“FWS”), Coyote Springs Investment LLC, a Nevada limited liability company (“CSI”), the Moapa Band of Paiutes (“Tribe”), and the Moapa Valley Water District, a political subdivision of the State of Nevada (“MVWD”). For convenience, SNWA, FWS, CSI, the Tribe and MVWD may be referred to individually as a “Party” and collectively, as the “Parties”.

Recitals

- a. The Parties agreed upon, executed and delivered to one another that certain Memorandum of Agreement dated January 27, 2006 (“Agreement”).
- b. The Parties agreed upon, executed and delivered to one another that certain First Amendment to Memorandum of Agreement dated December 10, 2014 (“First Amendment”). The Agreement and the First Amendment are collectively referred to herein as the “MOA”.
- c. The Parties to the MOA desire to modify the language of Section 3 of the MOA to accurately reflect the manner in which water rights are being dedicated to the survival and recovery of the Moapa dace.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Section 3(a) of the MOA is hereby amended and restated in its entirety to read as follows:
 - a. To provide for the dedication of a portion of the CSI water rights to support the survival and recovery of the Moapa dace and its habitat, CSI agrees to record an Affidavit To Relinquish Water Rights in the amount of 460 afa with the Clark County Recorder and the Lincoln County Recorder, and to file copies of the recorded affidavits with the Nevada State Engineer. Upon approval of the State Engineer, the 460 afa being relinquished will revert to its source but continue to be counted as an appropriated water right.
2. Section 3(b) of the MOA is hereby amended and restated in its entirety to read as follows:
 - b. In addition, CSI agrees to record an Affidavit To Relinquish Water Rights in an amount equal to five percent (5%) of the quantity of water above the amount of 4,600 afa that CSI is entitled to and physically able to use, from

time to time, within its Coyote Springs Master Planned Community development project located within the Coyote Spring Valley Basin (the "Community"). An Affidavit shall be recorded and filed in the manner as set forth in Section 3(a) above at the time each increment of additional water rights is transported to the basin and put to use within the Community.

3. A new Section 3(c) is hereby added to the MOA which reads as follows:
 - c. In the event any relinquishment provided in accordance with Sections 3(a) or 3(b) above is declared null and void in any administrative or judicial proceeding the subject water rights shall be restored to CSI and then CSI and FWS shall, in cooperation with the Nevada State Engineer, develop an acceptable means of dedicating the subject water rights specifically described in Sections 3(a) and 3(b) for the survival and recovery of the Moapa dace.
4. Except as expressly modified by this Second Amendment, the MOA shall remain unmodified and in full force and effect.
5. This instrument may be executed in one or more counterparts, each of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed as of the date first written above.

MOAPA VALLEY WATER DISTRICT,
a political subdivision of the State of Nevada

By: _____
Joseph Davis, General Manager

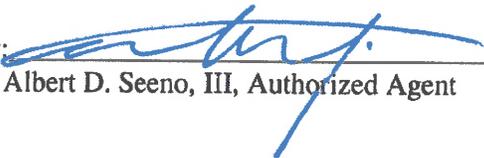
UNITED STATES FISH AND WILDLIFE SERVICE

By: _____
Michael J. Senn, Field Supervisor, Southern Nevada Fish and Wildlife Office

**SOUTHERN NEVADA WATER AUTHORITY,
a political subdivision of the State of Nevada**

By: _____
John J. Entsminger, General Manager

**COYOTE SPRINGS INVESTMENT LLC,
a Nevada limited liability company**

By: 
Albert D. Seeno, III, Authorized Agent

MOAPA BAND OF PAIUTES

By: _____
Darren Daboda, Chairman

Upon recording mail copy to:
State Engineer's Office
901 S. Stewart Street, Suite 2002
Carson City, NV 89701

OFFICE OF THE NEVADA STATE ENGINEER

Regarding Permit No. 70430 Certificate Number N/A

This space reserved
for county recorder's
use only

AFFIDAVIT TO RELINQUISH WATER RIGHTS

State of Nevada)

:ss

County of WASHOE)

I, Albert D. Seeno III, as authorized agent for Coyote Springs Investment LLC

Do hereby swear under penalty of perjury that the assertions of this affidavit are true.

1. I am the _____ owner of record

_____ XX agent for the owner of record who is Coyote Springs Investment, LLC
of X all _____ a portion of Permit 70430 as indicated in the records of the
check one *permit/certificate no. or decreed right*

Nevada State Engineer.

2. I hereby relinquish an amount of water equivalent to:

460

acre-feet annually from the above water right for the purposes of furthering the survival and recovery of the Moapa dace.

The water right or portion of water right relinquished was appurtenant to the land more particularly described as follows: See Exhibit A attached hereto and incorporated herein.

Describe the place of use by quarter sections, section, township, range M.D.B. & M. and assessor's parcel numbers

\$300 FILING FEE MUST ACCOMPANY THIS AFFIDAVIT

3. I understand that this relinquishment must be approved by the Nevada State Engineer in order for it to become effective.

4. I understand this relinquishment shall become effective upon the date of approval by the State Engineer. Upon approval by the State Engineer the relinquished water right remains permanently reverted to the source and neither the owner nor any other person can claim said right as a water right.

DATED: This 7TH day of January, 20 16.

[Signature]
Affiant's Signature

4061 Port Chicago Hwy

Street Address

Concord, CA 94520

City, State, Zip

925-682-4619

Telephone Number

Albert D. Seeno, III

Affiant's Printed Name

Authorized Agent, Coyote Springs Investment LLC

State of Nevada)

:SS

County of WASHOE)

Subscribed and sworn to before me on

This 7TH day of JANUARY, 20 16.

By ALBERT D. SEENO III



[Signature]

Notary Public Signature

Notary Stamp

APPROVED: This _____ day of _____, 20 _____.

State Engineer's Signature

Print State Engineer's Name

Exhibit A
to
Affidavit to Relinquish Water Rights

The portion of the water right relinquished was appurtenant to the land more particularly described below:

Township 11 South, Range 63 East, M.D.M., Lincoln County, NV:

Sec. 13, S½;
Secs. 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34 and 35, all;
Secs. 19, 30 and 31, all that portion lying easterly of the centerline of U.S. Highway 93; and
Sec. 36, W½.

Township 12 South, Range 63 East, M.D.M., Lincoln County, NV:

Sec. 1, W½;
Secs. 2, 3, 4, 5, 8, 9, 10, 11, 14, 15, 16, 17, 20, 21, 22, 23, 25, 26, 27, 28, 33, 34, 35 and 36, all;
Secs. 6, 7, 18, 19, 29, 30 and 32, all that portion lying easterly of the centerline of U.S. Highway 93;
Sec. 12, W½W½; and
Secs. 13 and 24, W½.

Township 13 South, Range 63 East, M.D.M., Clark County, NV:

Secs. 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16 and 24, all;
Secs. 5, 8 and 17, all that portion lying easterly of the centerline of U.S. Highway 93;
Sec. 20, all the portion lying easterly of the centerline of U.S. Highway 93 and northerly of the centerline of State Route 168; and
Secs. 21, 22, 23, 25 and 26, all that portion lying northerly of the centerline of State Route 168.

Township 12 South, Range 64 East, M.D.M., Lincoln County, NV:

Sec.31, W½SW¼.

Township 13 South, Range 64 East, M.D.M., Clark County, NV:

Sec. 6, W½;
Sec. 7, W½ and W½SE¼;
Secs. 18 and 19, all; and
Sec. 30, all that portion lying northerly of the centerline of State Route 168.

Lincoln County, NV APNs:

008-201-03, 008-201-06, 008-201-08, 008-201-14, 008-201-15, 008-201-17, 008-201-19,
008-201-20, 008-201-21, 008-201-22, 008-201-23, 008-201-24, 008-201-25, 008-201-26,
008-201-27, 008-201-28, 008-201-29, 008-201-30 and a portion of 008-221-01.

Clark County, NV APNs:

008-00-001-005, 008-00-002-001, 008-00-002-003, 009-01-000-001, 009-01-000-002,
009-02-000-001, 009-03-510-001, 009-03-610-001, 009-04-310-002, 009-04-410-001,
009-04-410-002, 009-04-510-001, 009-04-510-002, 009-04-610-001, 009-04-810-001,
009-05-510-001, 009-05-610-001, 009-05-810-001, 009-08-510-001, 009-08-810-001,
009-09-110-001, 009-09-310-001, 009-09-501-001, 009-10-201-001, 009-10-301-001,

CDS/SE forms/relinquish
070215/exh_A_to_affidavit.doc/1

| | | | | |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| 009-10-510-001, | 009-10-601-001, | 009-10-801-001, | 009-10-810-001, | 009-11-210-001, |
| 009-11-210-002, | 009-11-501-001, | 009-12-000-001, | 009-13-000-001, | 009-14-110-001, |
| 009-14-501-001, | 009-14-710-001, | 009-15-310-001, | 009-15-411-001, | 009-15-601-001, |
| 009-16-101-002, | 009-16-110-001, | 009-16-110-002, | 009-16-210-001, | 009-16-210-002, |
| 009-16-210-003, | 009-16-210-004, | 009-16-210-005, | 009-16-210-006, | 009-16-210-007, |
| 009-16-210-008, | 009-16-210-009, | 009-16-210-010, | 009-16-210-011, | 009-16-210-012, |
| 009-16-210-013, | 009-16-210-014, | 009-16-310-001, | 009-16-310-002, | 009-16-310-003, |
| 009-16-310-004, | 009-16-310-005, | 009-16-310-006, | 009-16-310-007, | 009-16-310-008, |
| 009-16-310-009, | 009-16-310-010, | 009-16-310-011, | 009-16-310-012, | 009-16-310-013, |
| 009-16-310-014, | 009-16-310-015, | 009-16-410-001, | 009-16-410-002, | 009-16-410-003, |
| 009-16-410-004, | 009-16-410-005, | 009-16-410-006, | 009-16-410-007, | 009-16-410-008, |
| 009-16-410-009, | 009-16-410-010, | 009-16-410-011, | 009-16-410-012, | 009-16-410-013, |
| 009-16-410-014, | 009-16-410-015, | 009-16-410-016, | 009-16-510-001, | 009-16-601-001, |
| 009-16-710-001, | 009-16-801-002, | 009-16-811-001, | 009-16-811-003, | 009-17-501-001, |
| 009-17-501-003, | 009-17-501-003, | 009-17-510-001, | 009-17-510-002, | 009-17-510-003, |
| 009-17-610-001, | 009-17-610-002, | 009-17-610-003, | 009-17-710-001, | 009-17-710-002, |
| 009-17-710-003, | 009-17-810-001, | 009-17-810-002, | 009-20-610-001, | 009-21-101-002, |
| 009-21-110-003, | 009-21-110-004, | 009-21-110-005, | 009-21-111-001, | 009-21-111-002, |
| 009-21-111-003, | 009-21-111-004, | 009-21-210-001, | 009-21-210-002, | 009-21-210-003, |
| 009-21-210-004, | 009-21-210-005, | 009-21-210-006, | 009-21-210-007, | 009-21-310-001, |
| 009-21-310-002, | 009-21-310-003, | 009-21-310-004, | 009-21-310-005, | 009-21-501-001, |
| 009-21-501-004, | 009-21-510-001, | 009-21-512-001, | 009-21-512-002, | 009-21-512-005, |
| 009-21-512-007, | 009-21-512-008, | 009-21-512-009, | 009-21-611-001, | 009-21-611-002, |
| 009-21-611-003, | 009-21-611-005, | 009-21-611-007, | 009-21-612-001, | 009-21-612-002, |
| 009-21-612-003, | 009-21-701-001, | 009-21-710-004, | 009-21-711-001, | 009-21-711-002, |
| 009-21-711-005, | 009-21-711-006, | 009-21-810-001, | 009-21-810-006, | 009-22-101-007, |
| 009-22-101-008, | 009-22-101-009, | 009-22-101-010, | 009-22-201-003, | 009-22-211-001, |
| 009-22-211-002, | 009-22-310-001, | 009-22-401-003, | 009-22-511-001, | 009-22-701-002, |
| 009-22-801-001, | 009-22-801-002, | 009-23-101-001, | 009-23-101-002, | 009-23-310-001, |
| 009-23-501-001, | 009-23-610-002, | 009-23-701-001, | 009-23-810-002, | 009-23-810-003, |
| 009-23-810-004, | 009-23-810-005, | 009-23-810-006, | 009-25-000-001, | 009-25-000-002, |

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

January 21, 2016

| | |
|--|------------------------------|
| Subject: Agreement | Director's Backup |
| Petitioner: David L. Johnson, Deputy General Manager, Engineering/Operations | |
| Recommendations: That the Board of Directors approve and authorize the General Manager to sign an agreement between Brown and Caldwell and the Authority for professional engineering services for the Fluoride System Improvements Project at Alfred Merritt Smith Water Treatment Facility in an amount not to exceed \$179,451, and authorize approval and execution of amendments to the agreement for a total amount not to exceed 10 percent of the base amount and within the general scope of the agreement. | |

Fiscal Impact:

The requested \$179,451 is available in the Authority's Capital Budget.

Background:

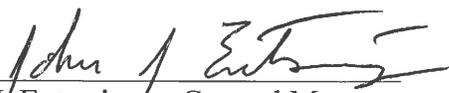
In 1999, the Nevada Department of Health and Human Services' Nevada State Health Division mandated that the Authority make provisions to increase the level of fluoride in the Authority's water treatment system. The fluoridation system was constructed in an unused chemical storage building at the Alfred Merritt Smith Water Treatment Facility (AMS), connecting to chemical feed lines through the use of existing buried chemical piping. At that time, the bulk fluorosilicic acid tank, located in the basement of the building, was the only chemical tank in the basement.

As part of a subsequent, unrelated project, a water softening system was installed in the basement. The installation of the water softening system inside the secondary containment area of the fluorosilicic acid bulk tank has since created a safety concern. Additionally, a pilot plant was installed on a catwalk structure, which required structural modifications. At this time, it has been determined that additional modifications are needed to provide proper secondary containment of the fluoride offloading and bulk storage systems, as well as a safe barrier to the water softening system and pilot plant.

If approved, this agreement with Brown and Caldwell would provide professional engineering services for engineering design and technical support services to modify the existing fluoridation system at AMS. Brown and Caldwell has their own fluoride expert on staff as well as knowledge and expertise of the Authority's treatment and distribution processes. This project design will plan for installation of new dedicated fluoride piping to chemical lines and structural modifications to the stairs and catwalk decking installed previously for the pilot plant. Actual construction of these modifications will be awarded as a separate competitive contract.

This agreement is being entered into pursuant to NRS 332.115 1(b) and Section 6(i) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved the agreement.

Respectfully submitted:



John J. Entsminger, General Manager
JJE:DLJ:GPK:MSB:MCH:MW:am
Attachments

AGENDA
ITEM #

5

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"/> Privately Held Corporation | <input type="checkbox"/> Publicly Traded Corporation | <input type="checkbox"/> Trust | <input type="checkbox"/> Non-Profit Organization | <input type="checkbox"/> Other |
| Business Designation Group | | | | | | | |
| <input type="checkbox"/> MSE | <input type="checkbox"/> WBE | <input type="checkbox"/> SBE | <input type="checkbox"/> PBE | <input type="checkbox"/> ESB | <input type="checkbox"/> | | |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Emerging Small Business | | | |
| Corporate/Business Entity Name: | | Brown and Caldwell | | | | | |
| (include d.b.a., if applicable) | | | | | | | |
| Street Address: | | 201 North Civic Drive, Suite 115 | | Website: www.browncaldwell.com | | | |
| City, State and Zip Code: | | Wainut Creek, CA 94595 | | POC Name and Email: | | | |
| Telephone No: | | 925-937-8010 | | Fax No: 925-937-8026 | | | |
| Local Street Address: | | 8337 W Sunset Road, Suite 290 | | Website: N/A | | | |
| City, State and Zip Code: | | Las Vegas, NV 89113 | | Local Fax No: 702-938-4082 | | | |
| Local Telephone No: | | 702-938-4080 | | Local POC Name Email: kpoznsky@brwncald.com | | | |
| Number of Clark County, Nevada Residents Employed: 8 | | | | | | | |

All entities, with the exception of publicly-traded and non-profit organizations, must list the names of individuals, either directly or indirectly, 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 lend-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> |
|-------------------------|-------------------------|--|
| Craig Goehring | Chief Executive Officer | 8.52% |
| Brown and Caldwell ESOP | Stock Ownership Plan | 26.40% |

This section is not required for publicly-traded corporations.

- 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.)
- 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 certify that the entity is not on the federal government's Excluded Parties List, as defined by 2 CFR § 180.945. I further understand that the SNWA will not take action on lend-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.



 Signature
 Manager - Government Accounting & Compliance

 Title

Thomas Rowe

 Print Name
 November 23, 2015

 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 no Disclosure or Relationship is noted above or if the section is marked N/A, please check this box:

No Disclosure

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

AGREEMENT TO PROVIDE PROFESSIONAL SERVICES

This Agreement is made and entered into this ____ day of _____, 20__, by and between BROWN AND CALDWELL, 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 any requested services, hereinafter referred to as "Services" or "Work," as described and within the time indicated in Exhibit A, which is attached herewith and made a part of this Agreement.

(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, the AUTHORITY, 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, in accordance with Exhibit A, 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 tasks completed as set forth in Exhibit A 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 Seventy-Nine Thousand Four Hundred Fifty One dollars (\$179,451).

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 CONTRACTOR:

The relationship of the CONSULTANT to the AUTHORITY hereunder shall be that of an independent contractor 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. INTELLECTUAL PROPERTY ACKNOWLEDGMENT

In consideration of the covenants, representations and warranties set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CONSULTANT hereby covenants, represents and warrants the following:

- (a) All content developed on behalf of the AUTHORITY, in whole or in part, solely or jointly by CONSULTANT and all of CONSULTANT's employees, associates or subcontractors assisting in creating developments and/or other work product, whether or not copyrightable or otherwise protected, including, without limitation, advertisements and marketing material ("Work Product") arising from services performed pursuant to, or arising out of the AUTHORITY's engagement of CONSULTANT, or previously conceived in anticipation of work to be performed in regard to the AUTHORITY's

engagement of CONSULTANT, shall be deemed “work made for hire” as defined in the copyright laws of the United States of America (17 U.S.C. §101 et seq.) and the AUTHORITY shall own all right, title, and interest, including, without limitation, all copyrights and other intellectual property right, title, and interest (“Right”) in and to the Work Product.

(b) To the extent that CONSULTANT is deemed to have or retain any Right or otherwise possess any Right in and to any Work Product, CONSULTANT hereby assigns, transfers, and conveys, all such Right to the AUTHORITY.

(c) CONSULTANT shall execute all documents and undertake all actions necessary to effect the clarification of ownership of all Work Product in and to the AUTHORITY and to allow the AUTHORITY to apply for registrations of the Work Product, as well as maintain any registrations gained, including, without limitation, the Intellectual Property Assignment set forth in paragraph 8.

(d) CONSULTANT hereby waives and releases any claim of infringement of any Right of CONSULTANT (whether based in any intellectual property Right, other proprietary interest whatsoever, or fiduciary theory) in, to or respecting any Work Product (including, without limitation, any claim based on any CONSULTANT’s rights in any Work Product which may be construed as “works of visual art” as defined in the Visual Arts Rights Act of 1990, 17 U.S.C. 106A) and shall never challenge nor dispute the AUTHORITY's Right in and to the Work Product.

8. INTELLECTUAL PROPERTY ASSIGNMENT

In consideration of the covenants, representations and warranties set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, CONSULTANT hereby sells, conveys, transfers and assigns to the AUTHORITY all of the CONSULTANT's right, title, license and interest (including, without limitation, all intellectual property right, title, license and interest) in and to any and all ideas and content (including, without limitation, all material, information, creative works, documents, matter, text, data, graphics, computer-generated displays and interfaces, images, photographs and works of whatsoever nature, including, without limitation, all compilations of the foregoing and all results and/or derivations of the expression of the foregoing) designed, developed, or created by the CONSULTANT or otherwise arising out of the CONSULTANT's Services or Work and related content by and for the benefit of the AUTHORITY (including, without limitation, patents applications, issued patents, prototypes for the purpose of same, and other associated derivatives) including, without limitation, all marks, all goodwill associated with such patents, marks, trade secrets, and copyrights in and to, relating to, associated with and/or arising from the Work, the right to applications, issuance, continuations, and divisionals of such patents and the right to applications, registrations, renewals, reissues, and extensions of such marks and copyrights, and the right to sue and recover for any past and/or continuing infringements or contract breaches, said rights, titles, licenses and interests to be held and enjoyed by the AUTHORITY, for the AUTHORITY's own use and benefit and for the use and benefit of the AUTHORITY's successors, assigns or other legal representatives, as fully and entirely as the same would have been held and enjoyed by the CONSULTANT if this sale, conveyance, transfer and assignment had not been made.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. INDEMNIFICATION:

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, actions, proceedings, and liability arising out of, resulting from, or in any way incidental to CONSULTANT's provision of Services or Work under this Agreement. This indemnification includes, but is not limited to, claims 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 CONSULTANT, its agents, or subconsultants, or of third parties; 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 or Work under this Agreement; negligence, whether active, passive or contributory, of the AUTHORITY, and its officers, employees or agents; or infringement on any U.S. patent (issued as of the Effective Date) or any copyright or trademark.

16. 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 and Las Vegas Valley Water District, 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 no less than \$100,000.

(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 on a combined single-limit basis with limits of no less than \$500,000 per occurrence with a \$1,000,000 aggregate. 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 with limits of no less than \$500,000 per occurrence, 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 with limits of no less than \$500,000 per claim with a \$1,000,000 aggregate. 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.

17. 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.

18. 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.

19. 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, intellectual property, Work Product, 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.

20. USE OF MATERIALS:

(a) 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.

21. RECORDS:

The CONSULTANT shall retain financial and other records related to this Agreement for six (6) years after the completion or termination of this agreement, 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.

22. ASSIGNMENT:

The CONSULTANT shall not assign or transfer its interest in this Agreement without the prior written consent of the AUTHORITY. If CONSULTANT assigns or transfers without prior written approval, the assignment or transfer shall be void, and not merely voidable.

23. MODIFICATION OF AGREEMENT:

This Agreement may not be changed or modified except by written instrument executed by both Parties or their designees.

24. 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.

25. 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.

26. 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.

27. APPLICABLE LAW:

Nevada law shall govern the interpretation of this Agreement, without reference to its choice of law provisions.

28. VENUE:

The Parties agree that venue for any dispute arising from the terms of this Agreement shall be Clark County, Nevada.

29. ATTORNEY'S FEES:

Except as otherwise set forth in this Agreement, the Parties shall bear their own attorneys' fees and costs incurred in resolving the claims, as well as on the preparation of this Agreement. In the event that any Party commences an action to enforce or interpret this Agreement, or for any other remedy based on or arising from this Agreement, the prevailing party therein shall be entitled to recover its reasonable and necessary attorneys' fees and costs incurred. For the purposes of this provision, the "prevailing party" shall be that party which has been successful with regard to the main issue, even if that Party did not prevail on all issues.

30. 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.

31. 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.

32. CAPTIONS:

The captions contained in this Agreement are for reference only and in no way to be construed as part of this Agreement.

33. 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.

34. 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.

35. 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: Brown and Caldwell
8337 W. Sunset Road, Suite 290
Las Vegas, NV 89113
Attention: Krystal Pruzinsky, Project Engineer
kpruzinsky@brwnald.com

To AUTHORITY: Southern Nevada Water Authority
1001 S. Valley View Boulevard, M/S #1220
Las Vegas, NV 89153
Attention: Matthew S. Brems, P.E.
Matt.brems@lvvwd.com

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 in writing.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

BROWN AND CALDWELL

SOUTHERN NEVADA WATER AUTHORITY

By  12-23-15
Jon Osborne, PE Date
Managing Engineer

By _____
John J. Entsminger Date
General Manager

Approved as to form:

 12/24/15
Gregory J. Walck, General Counsel Date

EXHIBIT A

SCOPE OF SERVICES

It is the intent of this Agreement for CONSULTANT to provide Engineering Services to modify the existing fluoridation system at Alfred Merritt Smith Water Treatment Facility. Modifications include the fluoride offloading and bulk storage system to provide proper containment, connecting the new direct fluoride injection pipelines to the AUTHORITY'S water system, and structural modifications to the stairs and catwalk decking holding the Pilot Plant. Services shall include calculations, site layout, mechanical, structural, civil, electrical design, and all managerial and technical support services to complete the studies, tests, investigations, and analyses to develop and deliver all design data and construction documents required to construct the Project as described herein.

1. BACKGROUND AND PROJECT DESCRIPTION

- (a) The Southern Nevada Water Authority added fluoride treatment to their system in 2000 by converting existing storage and pipelines to implement the fluoride treatment. This conversion has taken place over time using multiple pipe segments of different diameter which serpentine through the plant to the mixing chamber. New pipelines have been installed along the northern side of the treatment plant to provide a more direct connection between storage and injection points of the fluoride system. The purpose of this project is to connect to the new direct fluoride injection pipelines, improve/extend secondary containment of the fluoride system, make other minor improvements as requested, validate and document existing support equipment and structures. The Project elements include:
- i. Change interior lighting to LED in the fluoride building and move light switches to correct location
 - ii. Pipeline from feed pumps to newly installed fluoride pipelines to the mixing chamber
 - iii. Secondary containment of the fluoride storage tanks
 - iv. Relocate sump pump controls outside the containment area
 - v. Re-route cat walk outside new containment area

- vi. As-built mid deck which supports the Pilot Plant Filter Columns
- vii. Secondary containment of the fluoride offloading piping network at ground level at inside of Pilot Plant
- viii. Ventilation system validation to appropriate regulations and codes

2. DESCRIPTION OF ENGINEERING SERVICES

- (a) The CONSULTANT shall provide all personnel and services necessary to evaluate alternatives and design the Project including, but not limited to, calculations, site layout, valves and piping, mechanical, structural, civil, and electrical design, control systems, and maintenance support facilities.
- (b) CONSULTANT services provided shall include all managerial, technical, administrative, and support services necessary to complete the studies, tests, investigations, calculations, analyses, comparisons, and coordination necessary to develop and deliver to AUTHORITY all Engineering design data and construction documents required to construct the Project components as described herein. In performance of these services, CONSULTANT shall comply with all requirements set forth herein and further described in:
 - i. AWWA Standards
 - ii. AWWA Manual of Water Supply Practices
 - iii. Uniform Design and Construction Standards for Water Distribution System, 1st Edition
 - iv. Southern Nevada Water Authority Facility Engineering Guides
 - v. Clark County Uniform Standard Drawings and Specifications for Public Works Off-Site Improvements
 - vi. All applicable local, state, and federal standards and regulations
- (c) All personnel shall be experienced and fully trained and where required by the nature of the work performed and have professional registrations in the state of Nevada. The AUTHORITY shall provide the CONSULTANT with a copy of the following:
 - i. Revision 18 of the Southern Nevada Water Authority Facility Engineering Guides (FEG's)

- ii. Electronic or hard copies of applicable standard plates, as required, from LVVWD Uniform Design and Construction Standards (UDACS)
- iii. All permit applications pertaining to the Work
- (d) All submittals shall be provided in electronic format using Microsoft® Office 2010, Adobe® Acrobat format and AutoCAD® 2015. The paper documentation shall be submitted only when the wet stamps are required.
- (e) It is the responsibility of the CONSULTANT to coordinate the final location of the pipeline connection points at existing facilities, concurrently constructed facilities, and future facilities. It is also the CONSULTANT'S responsibility to verify the location and configuration of all existing utilities, special crossings and turnouts. The design CONSULTANT shall identify all conflicts and recommend relocations as required.
- (f) Design and construction of the Work will conform to the AUTHORITY'S FEG's.
- (g) CONSULTANT shall:
 - i. Provide optional services as requested
 - ii. Obtain the AUTHORITY'S permission prior to contacting any public agency
 - iii. Document all meeting and telephone calls with outside parties

3. CONSULTANT'S ACTIVITY CODE BREAKDOWN STRUCTURE

- (a) CONSULTANT'S efforts for the Work will be controlled by separate components identified as Work Activities. Work Activities are either classified as Firm Fixed Price Sum or Cost Reimbursable Activities.

Firm Fixed Price Sum Activities:

| | | |
|---------------|------|---------------------------------|
| Work Activity | D151 | 75% Design and Cost Estimate |
| Work Activity | D228 | Final Design and Cost Estimate |
| Work Activity | D310 | Optional Services Work Activity |

Cost Reimbursable Activities:

| | | |
|---------------|------|-------------------------------|
| Work Activity | D290 | Construction Phase Assistance |
| Work Activity | D280 | Bidding Phase Assistance |
| Work Activity | D390 | Unallocated |

- (b) Descriptions of the Work Activities, including procedural responsibilities of the CONSULTANT and the AUTHORITY, are shown in the following Sections. Each Activity may include sub-activities required to complete that Activity.

Project management, administration, and quality assurance shall be included as separate sub-activities within each Activity, as appropriate.

4. SEVENTY FIVE PERCENT (75%) DESIGN AND COST ESTIMATES (D151)

- (a) The 75% submittal shall incorporate all the agreed to review comments from the AUTHORITY and consist of the following four (4) individual submittals:
- i. Design Report - At a minimum, the Design Report shall include design calculations, equipment cut sheets, contact report.
 - ii. Technical Specifications - The CONSULTANT shall submit a final formatted version of all Technical Specifications.
 - iii. Drawings - The CONSULTANT shall submit a complete set of Drawings. The CONSULTANT shall consider the Drawings complete except for any review comment by the AUTHORITY. All inter-disciplinary and intra-disciplinary coordination shall be complete.
 - iv. Construction Cost Estimate - The CONSULTANT shall prepare a preliminary budget level Construction Cost Estimate based on design development. The accuracy of the Cost Estimate shall be in the order of +30% to -15%.

5. FINAL BID DOCUMENTS (D228)

- (a) The Final Bid Set Deliverables shall incorporate all agreed to review comment from the AUTHORITY and consist of the following:
- i. Finalized Design Report - The CONSULTANT shall update and finalize the Design Report previously submitted to the AUTHORITY as part of the 75% Deliverables. Any updates shall reflect design changes.
 - ii. Finalized Technical Specifications - The CONSULTANT shall provide a final Technical Specification package containing changes agreed to by the AUTHORITY and the CONSULTANT from review of the 75% Design Deliverables. Front-end specification will be provided by the AUTHORITY.
 - iii. Finalized Drawings - The CONSULTANT shall provide a Final Drawing package containing changes agreed to by the AUTHORITY and the CONSULTANT from the review of the 75% Design Deliverable. Upon

approval of the Back-Check Set by the AUTHORITY, the CONSULTANT shall submit the final electronic files.

- iv. Finalized Consultant's Construction Cost Estimate - The CONSULTANT'S Finalized Construction Cost Estimate shall provide a basis for comparison and verification of Bidder's bids.

6. OPTIONAL SERVICES (D310)

- (a) This Activity is for additional tasks resulting from events and/or conditions outside the Scope of Work contained elsewhere in this Agreement that the CONSULTANT could not have reasonably anticipated as part of the Firm Fixed Price Sum design activities or for CONSULTANT'S errors or omissions. This Activity will have an initial budget of zero dollars.
- (b) As additional tasks are identified, a scope and budget will be negotiated. Upon written direction by the AUTHORITY, the CONSULTANT may transfer the stated amount of budget for each approved task from Work Activity D390 to the Activity. Once transferred, the CONSULTANT may invoice expenses against the Activity equal to the percent of Work completed.

7. DESIGN ACTIVITIES

(a) Design Criteria

The CONSULTANT shall develop and list all design criteria required for design of the Fluoride Secondary Containment System. The Design Criteria shall be listed by discipline and shall be coordinated with the SNWS Operations staff.

(b) Construction Cost Estimate

Prepare a budget level Construction Cost Estimate (+30% to -15%) in accordance with AACE International and the AUTHORITY'S requirements.

(c) Detailed Design Activities

The CONSULTANT shall proceed with Detailed Design in order to produce Bid Documents. To keep design costs to a minimum, the CONSULTANT shall use typical details to describe like design elements. The Design shall consist of several deliverables described in the Scope and include the 75% Design submittal, a Back-Check Set, and the Final Bid Documents. The AUTHORITY will review all deliverables and the CONSULTANT shall respond to the AUTHORITY'S

review comments. Detailed Design shall include coordination with the AUTHORITY'S Maintenance Engineering staff on Design preferences and interface issues. Detailed Design activities and requirements are described in detail below.

(d) Detailed Design

The Detailed Design shall be in accordance with the agreed upon project description and as required by this Agreement.

(e) General

Verification of 'as-built' details affecting the Design:

- i. Review of manufacturers' equipment details and drawings for all anticipated equipment purchases.
- ii. Preparation of suitable technical specifications for a competent contractor to fully perform the Work described in the contract documents. The CONSULTANT shall use the Standard Construction Specifications Guide included in the FEGs. The CONSULTANT shall be responsible for review of the Standard Construction Specifications and submittal of a request of deviation from the specifications if any sections require amendment. The design submittals shall include suggested revisions or additions to the Standard Construction Specifications deemed necessary by the CONSULTANT to provide a complete set of contract specifications. The CONSULTANT shall provide all additional specification language.
- iii. Preparation of complete design, drawings, specifications, and other supporting activities to the degree of detail to enable competent contractors to clearly determine manufacturing and construction Work requirements. The CONSULTANT shall provide design calculations for all applicable design efforts.
- iv. Preparation of a complete set of Final Technical Specifications and Drawings in hard copy and electronic format including AutoCAD® 2015, Word®, and Adobe Acrobat® format.

- v. The update of all Technical Specifications and Drawings due to Bidders' questions or errors and omissions, not including improvements or additional work requested by the AUTHORITY. Additional Work requested by the Authority shall be reimbursed under the Bid Phase Assistance Activity (D280).

(f) General Drawings

General drawings shall include, but are not limited to, cover sheet, vicinity and location map, drawing index, general notes sheet, symbols legend sheet, abbreviations sheet, equipment and valve and piping sheet including a pressure test schedule and materials schedule, site layout showing the work area and any restricted areas, hydraulic profile sheet and survey control sheet. In addition, the CONSULTANT shall provide details for the contractor's staging/parking area and access routes to work area for the movement of personnel, equipment, and material.

(g) Civil/Structural

At a minimum, civil/structural should include the following:

- i. Develop applicable on-site utilities and connections, as necessary.
- ii. As-built the mid deck which supports the Pilot Plant.
- iii. Confirm stainless steel column supporting the Pilot Plant was adequately constructed.
- iv. Develop a plan for construction staging area.
- v. Secondary containment of the fluoride offloading piping network at ground level of inside of Pilot Plant.
- vi. Offloading station containment curb.
- vii. Prepare civil drawings and details.
- viii. Provide detailed design for foundations and walls to provide secondary containment of bulk storage area.
- ix. Provide design for railings, steps and ladders for personnel safety and access.

- (h) Mechanical
 - i. Provide design for relocation of piping systems within the secondary containment area.
 - ii. Provide applicable piping diagrams.
 - iii. Provide design for equipment to support piping and valves.
- (i) Electrical
 - i. Provide design for electrical power service connection, coordinate electrical service with SNWS Electrical Engineer.
 - ii. Provide design of conduits for power, instrumentation and control equipment.
 - iii. Provide design for all necessary grounding requirements.
 - iv. Provide design for all electrical equipment and appliances including on-site power distribution.
- (j) Controls and Communication

Provide design relocation of sump pump controller outside the secondary containment area.
- (k) Construction Costs

The CONSULTANT shall develop construction cost estimates consistent with design work in progress. The CONSULTANT shall direct the design to stay within the construction cost budget and shall notify the AUTHORITY if the selection of materials, proposed construction methods, proposed construction packaging, or other design elements are producing a current construction cost estimate exceeding the budget. The AUTHORITY will either approve a budget revision or direct the CONSULTANT to revise the design to remain within the established construction cost budget. In order to maintain confidentiality of budget values and cost estimates, dissemination of cost data shall be limited to the CONSULTANT and the AUTHORITY'S staff on a need-to-know basis.
- (l) Construction Budget Estimates
 - i. Cost Estimate Trends – As part of the CONSULTANT'S cost estimating process, construction cost estimates will be prepared with increased levels

of accuracy as detailed design information is available. Estimate trending procedures shall be applied to each construction cost estimate.

- ii. Construction Cost Estimate (75% Design) – A detailed definitive estimate shall be completed for the construction work consistent with design completion at the 90% level. This estimate shall include a detailed take-off with minimal qualifications. The estimate shall be based on a construction schedule developed by the CONSULTANT and shall identify crew sizes and equipment use. Pricing shall reflect current local market conditions. The level of detail shall be sufficient to define the construction bid documents, and consistent with proposed construction milestones and include cost and work-hour resource loading. The estimate information shall become the basis for the bid items and quantities in the construction bidding documents and shall be used to determine anticipated construction time requirements.
- iii. Construction Cost Estimate (Final Bid Documents) – The CONSULTANT’S Final Construction Cost Estimate provides a basis for comparison and verification of Bidder’s costs and shall be completed and submitted to the AUTHORITY two (2) weeks prior to bid opening. This estimate shall be an update of the detailed definitive estimate (75% design) based on actual current prices, completed detailed drawings, construction specifications, and equipment specifications, which constitute the bid documents.

(m) Construction Cost Estimate Submittals

As part of each estimate submittal, the CONSULTANT shall attach a statement of estimate qualifications and clarifications. The primary items included in this document are as follows:

- i. Description of Scope of Work covered in the estimate.
- ii. Specific and detailed explanations on the basis for the estimate.
- iii. Assumptions used in the estimate.
- iv. Items excluded from the estimate.

- v. Sources used in developing production rates, labor wage rates and burdens, unit material costs, equipment ownership/rental and operating rates, and subcontract costs.
- vi. Basis for additive allowances, including production factors, on-site and off-site overhead and administration, profit and bond, and contingencies.
- vii. A discussion and explanation of variances from the initial cost budget value and, subsequently, previous estimate submittals.
- viii. Each estimate shall include cost categories for labor, permanent materials, construction equipment, supplies and consumables, and subcontracts.

(n) Construction Cost Estimate Review and Acceptance

An acceptable submittal package shall comply with submittal requirements indicated above. In addition, the CONSULTANT shall include a statement of qualifications and clarifications and a copy of the material quantity take-off and calculations. The CONSULTANT may be asked to meet with the AUTHORITY to present the current construction cost estimate for review and discussion.

(o) Design Record Documents

The CONSULTANT shall provide a CD-ROM containing Technical Specifications Sections and Addenda in Microsoft Word and Bid Set Drawings in AutoCAD2015. The CONSULTANT shall index the CD-ROM for ease of use by the AUTHORITY. If contract Addenda are issued and changes are made to the design, the CONSULTANT shall also provide an updated Design Report, if necessary. If changes to the design are requested by the AUTHORITY, those drawings and Design Report revisions will be reimbursed under the Bid Phase Services Activity.

8. COST REIMBURSABLE ACTIVITIES (D290, D280, D390)

In addition to the Firm Fixed Price Sum design services described above, the AUTHORITY may require the CONSULTANT to perform activities not easily quantified. In this case, the CONSULTANT will be reimbursed for his burdened labor and other direct costs unless stated otherwise below. Before the Project is closed out, the budgets will be finalized by the AUTHORITY to reflect the actual agreed to costs.

9. CONSTRUCTION PHASE ASSISTANCE (D290)

The CONSULTANT shall provide construction phase assistance to the AUTHORITY as required by the Maintenance Engineering Project Engineer (MEPE) during the course of construction including, but not limited to, the following:

(a) Attend Meetings/Conferences

- i. Preconstruction conference
- ii. Weekly progress meetings
- iii. Participate in pre-final and final inspections
- iv. Others as requested by the AUTHORITY

(b) Construction Record Drawings

Upon completion and acceptance of construction, the CONSULTANT shall prepare Record Drawings in electronic CAD format in accordance with the FEGs (Revision 18), based on record information supplied by the AUTHORITY.

(c) Field Evaluation of Construction

The CONSULTANT shall visit the construction site a minimum of two (2) times during the Project construction to provide engineering evaluation of work in progress and advise the AUTHORITY of any appropriate comments and/or concerns.

(d) Interpretation of Drawings and Specifications

The CONSULTANT shall provide assistance and guidance to the AUTHORITY, as requested by the MEPE, in the interpretation of drawings and specifications. Additionally, the CONSULTANT shall assist the AUTHORITY in responding to Requests for Information from the construction contractor concerning areas of the drawings and/or specifications.

(e) Review of Change Order Requests and Preparation of Change Order Documents

The CONSULTANT shall assist the AUTHORITY, as requested by the MEPE, in the evaluation and analysis of Change Order requests as to validity, necessity, cost estimates, and engineering matters. The CONSULTANT shall prepare Change Order specifications and drawing documents necessary for construction of the original project Scope of Work.

(f) Construction Contractors Submittals

The CONSULTANT shall provide, as requested by the MEPE, recommendations for acceptance of contractor submittals, to include, but not be limited to, design drawings, calculations, shop drawings, work drawings, certificates, installation or erection drawings, list of materials, operating instructions, catalog cut sheets, data sheets, brochures, samples and mock-ups, installation instructions, plans for accomplishing portions of the work, schedules, quality control plans, security management plans, geotechnical instrumentation and monitoring plans, traffic control plans, utilities relocations and support, test schedules, Operations and Maintenance manuals and Training Plans, environmental, hazardous waste, pollution control plans, progress reports, and other items used with the administration of construction or the performance of the Work.

10. BIDDING PHASE ASSISTANCE (D280)

- (a) The CONSULTANT shall assist the AUTHORITY during the bidding phase as requested. Such assistance may include, but not be limited to:
- i. Respond to Bidder questions and provide information related to the design documents as may be request by the AUTHORITY.
 - ii. Prepare Addenda to the Bid Documents and furnish to the AUTHORITY to distribute to Bidders.
 - iii. Attend a Pre-Bid Conference and Pre-Award meeting.
 - iv. Prepare technical and economic evaluations of bids and submit recommendations for contract award.
- (b) The AUTHORITY shall pay for such bidding phase assistance work under this Activity. Drawings or specifications that require modification in response to Bidders' questions, or if the CONSULTANT revises drawings or specifications that the AUTHORITY has indicated contain errors or omissions in the Bid Documents, are not included in this Activity. The CONSULTANT shall charge all such costs to remedy the clarifications, errors or omissions to the Firm Fixed Price Sum design activity unless otherwise agreed to by the AUTHORITY.

11. UNALLOCATED (D390)

- (a) This unallocated budget Activity is not available to the CONSULTANT to expend. A budget is provided to address additional tasks not included in the original Scope of Work as a result of uncertainty regarding the quantity of work or cost.
- (b) This Activity includes efforts required for permitting support. Upon written direction by the MEPE, the CONSULTANT shall prepare all documentation necessary to obtain county or state permits, which must be obtained by the AUTHORITY prior to the commencement of construction. The CONSULTANT'S detailed schedule shall reflect time necessary for preparation and approval of such requisite permits. The CONSULTANT shall also support the preparation and submission of other permit applications to city, county, state, or federal agencies on behalf of the AUTHORITY, as required. Upon written direction by the MEPE, budgets may be transferred between this Activity and other Work Activities accounting for additional tasks or adjustments to other Work Activities.

12. DESIGN REVIEWS

(a) Quality Assurance and Quality Control

The CONSULTANT shall remain fully and completely responsible for the accuracy and quality of the design. Notwithstanding any review comments provided by the AUTHORITY, all deliverables are subject to the CONSULTANT'S own quality assurance review prior to submittal to the AUTHORITY. The design review by the AUTHORITY shall be general in nature and shall not be a review for adequacy of the design, dimensional accuracy, or compliance with any codes, regulations or other design requirements. The CONSULTANT shall not use the review process as a quality control check. If the AUTHORITY deems the submittals to be inadequate, the AUTHORITY reserves the right to return the submittals to the CONSULTANT for further quality assurance review before resubmittal without any revision to the overall design schedule, or additional costs to the AUTHORITY.

(b) Authority's Review

The AUTHORITY will provide written review comments by hard copy and electronically. The CONSULTANT shall respond to review comments and questions on paper and electronically. Unless otherwise agreed by the AUTHORITY, all design review comments shall be resolved prior to the next design submittal date. Neither the CONSULTANT nor the AUTHORITY will unreasonably delay any comment resolution. The CONSULTANT shall, without additional compensation or time, correct or revise any errors, omissions or deficiencies in the submittals or other services.

13. PROJECT CONTROLS

(a) General

The AUTHORITY will measure the CONSULTANT'S progress on the Firm Fixed Price sum design using earned value based on the CONSULTANT'S compliance with submittal milestones, accepted cost loaded schedule, design budget, and technical requirements. The CONSULTANT shall plan and control the Work in such a manner that the design work is completed within the time frames specified in the accepted schedule. If the CONSULTANT is behind schedule, they shall provide additional resources to meet the accepted schedule at no additional cost to the AUTHORITY. At no additional cost to the AUTHORITY, the CONSULTANT may be directed to provide additional resources to meet the accepted schedule if, in the opinion of the AUTHORITY, the CONSULTANT is not taking sufficient action to meet the schedule.

(b) All Work Activities and sub-activities shall be organized, coded, and managed utilizing the specific Work Activity Codes identified in this Agreement. Further Work Activity Code numbers may be developed by mutual agreement. All schedules, estimates, and costs for the CONSULTANT'S performance shall define the Work in accordance with the Work Activity Codes.

(c) All schedules, cost analyses, and reports shall utilize the last Friday of the month as the data date for that month's report. The CONSULTANT shall define and implement procedures to integrate the scheduling, estimating, and design cost

engineering work on the Project, such that data is consistent between the three (3) disciplines.

(d) Schedule Control

The CONSULTANT shall use a computerized scheduling system to produce schedule documents. All schedules shall be submitted to the AUTHORITY in hard copy and electronic format indicating scheduling information at the Work Activity and sub-activity levels.

(e) Basis for Progress Measurement

The CONSULTANT shall submit a proposed reporting format to the AUTHORITY for approval. The format for reporting progress of Activities shall be consistent with the FEGs. The AUTHORITY will make partial contract payment to the CONSULTANT against the earned value of all scheduled Activities in progress or completed to date as established by the AUTHORITY. The overall progress of the Work will be based on the Firm Fixed Price Activities. As a basis for monthly schedule progress reporting to the AUTHORITY, the CONSULTANT shall measure and report completion status of all Firm Fixed Price Activities and sub-activities and compare this completion status to the CONSULTANT'S accepted schedule. The CONSULTANT shall measure and report actual work-hours and costs against planned work hours and costs for each Cost Reimbursable with Fixed Hourly Rate sub-activity in the schedule. The CONSULTANT shall measure and report the percent complete and earned value (dollars) against planned expenditures (earned value) for each Firm Fixed Price Work Activity and sub-activity.

(f) Performance Measurement

Based on progress measured, as defined above, the CONSULTANT shall prepare and submit variance analyses identifying the source and cause of any significant variance ($\geq 5\%$) against the CONSULTANT'S current accepted schedule. The CONSULTANT shall submit a schedule recovery plan to the AUTHORITY where variance is due to the CONSULTANT'S actions. The CONSULTANT shall provide a schedule recovery plan if the variance is less than 5% and the

CONSULTANT is unlikely to meet the deliverables schedule in the opinion of the AUTHORITY.

(g) Monthly Progress Reports

On the last Friday of each month, the CONSULTANT shall submit a Monthly Progress Report. The Monthly Progress Report shall include at a minimum:

- i. Progress to date, measured as percent complete, of each Firm Fixed Price Activity and sub-activity.
- ii. Actual cost and manpower expenditures to date of each Cost Reimbursable with Fixed Hourly Rate Activity and sub-activity.
- iii. A plot of the Earned Value Curves to date for each Firm Fixed Price sub-activity rolled up by Activity. A plot of the actual expenditure and actual man-hour curves for each Cost Reimbursable with Fixed Hourly Rate sub-activity rolled up by Activity. Each Activity curve shall include the planned expenditure (Earned Value) curve as a comparison. An overall Earned Value Curve shall be plotted for Firm Fixed Price Activities, against the approved Planned Expenditure (Earned Value) Curve.
- iv. A list of work changes and status of those changes and revisions to cost, schedule, or Scope of Work.
- v. A list of the CONSULTANT'S personnel who worked on the Project during the month, a short description of their work and the hours worked on the Project (Firm Fixed Price and Cost Reimbursable Activities). The list will show the cumulative hours worked on the Project for each individual. The CONSULTANT shall compare the actual hours worked for the month and the cumulative hours worked with the cost loaded schedule.

(h) Progress Review Meetings

A progress review meeting will be held on a bi-weekly basis, or as agreed to by the AUTHORITY and CONSULTANT, to review work progress, review scheduled work activities for the succeeding period, discuss recovery plans, and issue action items. The meeting shall include, at a minimum, discussion on the budget, engineering, construction, and action items.

(i) Delays and Recovery

If the CONSULTANT fails to meet the scheduled completion date of any Activity or sub-activity due to the CONSULTANT'S actions, the CONSULTANT shall, within five (5) calendar days, submit to the AUTHORITY a written report describing how and when corrective actions will be taken to return the Work program to the committed schedule.

14. CONFIGURATION CONTROL

The cost, schedule, design criteria, and design configuration defined in the Design Report are baseline elements for the Project. Any changes to the baseline elements will require specific acceptance through the Configuration Control process, as described in the Program Procedures Manual, Section 5.6 and as referenced in the FEGs. The CONSULTANT shall participate in this process through the presentation, analysis, and discussion of proposed changes and preparation of Configuration Change Requests. The CONSULTANT shall be responsible for meeting the requirements of the AUTHORITY'S Procedure for Configuration Control Management.

15. RECORDS MANAGEMENT

All documents, notes, drafts, and calculations created by the CONSULTANT for this Project shall become the property of the AUTHORITY and are to be retained by the CONSULTANT until placed in final form and turned over to Maintenance Engineering, entered into the AUTHORITY'S Records Management Control System. Every sheet of every document including drawings, reports, papers, calculations, and other projects related to the design or administration of the Project shall be referenced by the MEPS #6873, Site ID: 58, Site Name: Alfred Merritt Smith Water Treatment Facility, Facility ID: AT12 and Facility Name: Chlorine Building. The AUTHORITY will assign the applicable Records Management System Number to each document after receipt of the final documents. All invoices shall include the Purchase Order Number.

Rates and Fees

| Southern Nevada Water Authority (SNWA) – AMSWTF Fluoride Upgrades | | | | | | | | | | | | | | |
|---|-----------------------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-------------------|-----------------|-----------------|-------------------|--------------------|----------------------|--------------|
| Phase | Phase Description | P/W | PA | OSBORN, JON | PERKINS, WILLIAM | HARPER, SCOTT | GAVLIN, FERRY | CHANDLER, KENNETH | DAVIDSE, DAVID | KROJAC, IAN | TOTAL LABOR HOURS | TOTAL LABOR EFFORT | TOTAL EXPENSE EFFORT | TOTAL EFFORT |
| | | | | | | | | | | | | | | |
| | | \$202.40 | \$115.94 | \$248.88 | \$238.10 | \$254.12 | \$197.00 | \$215.73 | \$155.82 | \$185.54 | | | | |
| 100 | 75% Design (D151) | 56 | 12 | 84 | 42 | 40 | 12 | 10 | 134 | 24 | 414 | 83,651 | 0 | 83,651 |
| 100 | Design Report | 8 | 2 | 24 | 4 | | 0 | 0 | 0 | 0 | 40 | 9,285 | 0 | 9,285 |
| 200 | Tech Specifications | 24 | 6 | 8 | 6 | 6 | 0 | 2 | 0 | 0 | 52 | 10,929 | 0 | 10,929 |
| 300 | Drawings | 16 | 0 | 48 | 32 | 16 | 0 | 8 | 134 | 0 | 264 | 49,476 | 0 | 49,476 |
| 400 | Cost Estimate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24 | 24 | 4,453 | 0 | 4,453 |
| 500 | Ventilation Analysis | 6 | 2 | 0 | 0 | 0 | 12 | 0 | 0 | 0 | 20 | 3,810 | 0 | 3,810 |
| 600 | Adequate Supports Analysis | 2 | 2 | 4 | 0 | 16 | 0 | 0 | 0 | 0 | 24 | 5,698 | 0 | 5,698 |
| 200 | Final Design (D2281) | 26 | 12 | 32 | 10 | 12 | 0 | 2 | 79 | 12 | 185 | 35,016 | 0 | 35,016 |
| 100 | Design Report | 2 | 2 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 2,130 | 0 | 2,130 |
| 200 | Tech Specifications | 8 | 2 | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 16 | 3,333 | 0 | 3,333 |
| 300 | Drawings | 8 | 0 | 16 | 4 | 6 | 0 | 2 | 55 | 0 | 91 | 17,080 | 0 | 17,080 |
| 400 | Cost Estimate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 12 | 2,226 | 0 | 2,226 |
| 500 | Final Bid Set | 8 | 8 | 8 | 4 | 4 | 0 | 0 | 24 | 0 | 56 | 10,246 | 0 | 10,246 |
| 300 | Project Management | 52 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 68 | 14,507 | 0 | 14,507 |
| 100 | Monthly Reports (6) | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 2,834 | 0 | 2,834 |
| 200 | Schedule Dev & Updates (6) | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 2,834 | 0 | 2,834 |
| 300 | Meetings (4) | 24 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 40 | 8,840 | 0 | 8,840 |
| 400 | Bidding Phase Assistance | 8 | 4 | 24 | 2 | 2 | 0 | 0 | 12 | 0 | 52 | 10,910 | 0 | 10,910 |
| 000 | Bidder Questions | 4 | 2 | 8 | 2 | 2 | 0 | 0 | 0 | 0 | 18 | 4,017 | 0 | 4,017 |
| 000 | Addenda (1) | 4 | 2 | 8 | 0 | 0 | 0 | 0 | 12 | 0 | 26 | 4,902 | 0 | 4,902 |
| 000 | Pre-Bid Conference | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 996 | 0 | 996 |
| 000 | Bid Evaluations | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 996 | 0 | 996 |
| 500 | Construction Phase Assist 1 | 14 | 4 | 80 | 6 | 16 | 0 | 2 | 40 | 0 | 162 | 35,367 | 0 | 35,367 |
| 000 | Meetings/Site Visits (2) | 0 | 0 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 2,987 | 0 | 2,987 |
| 000 | RFIs (15) | 10 | 0 | 20 | 4 | 4 | 0 | 0 | 0 | 0 | 38 | 8,970 | 0 | 8,970 |
| 000 | Submittals | 4 | 4 | 40 | 2 | 10 | 0 | 2 | 0 | 0 | 62 | 14,677 | 0 | 14,677 |
| 000 | Record Drawings | 0 | 0 | 8 | 0 | 2 | 0 | 0 | 40 | 0 | 50 | 8,732 | 0 | 8,732 |
| 600 | Unallocated (D390) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | GRAND TOTAL | 156 | 32 | 236 | 60 | 70 | 12 | 14 | 265 | 36 | 881 | 179,451 | 0 | 179,451 |

SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM
 January 21, 2016

| | |
|---|--------------------------|
| Subject: Purchase Agreement | Director's Backup |
| Petitioner: Dave L Johnson, Deputy General Manager, Engineering/Operations | |
| Recommendations: That the Board of Directors approve and authorize the General Manager to execute a purchase agreement between Ferguson Enterprises, Inc., and the Authority in the amount of \$749,999 for the supply of one 120-inch diameter high pressure valve and one 120-inch diameter low pressure valve for the Lake Mead Intake No. 3 Low Lake Level Pumping Station Discharge Aqueducts, and authorize the General Manager to approve change orders for additional costs for an amount not to exceed \$70,000. | |

Fiscal Impact:

Funds requested for current year expenditures are available in the Authority's Capital Budget. Funds for future year expenditures will be budgeted accordingly.

Background:

On December 10, 2014, the Board of Directors adopted recommendations from the Integrated Resource Planning Advisory Committee (IRPAC). One of IRPAC's recommendations was to begin design and construction of a new Low Lake Level Pumping Station (L3PS) within the swiftest feasible timeframe. When constructed, L3PS will operate when one or both of the existing raw water pumping stations can no longer operate due to low lake levels.

The discharge piping from the L3PS requires connections to the two existing large diameter aqueducts that convey lake water to each of the Authority's two treatment facilities. These connections require installation of large diameter valves so the existing aqueducts can be returned to service as soon as the connections are accomplished. These large diameter valves require several months to be manufactured on a special order arrangement. In order to procure and install these valves on a schedule that both minimizes operational impacts and allows the earliest possible completion of the L3PS, it was determined the valves must be pre-purchased by the Authority as soon as possible.

Pursuant to NRS Chapter 332, the Authority solicited bids on November 23, 2015, to furnish one 120-inch diameter high pressure valve and one 120-inch diameter low pressure valve. Bids were opened on December 17, 2015. A tabulation of bids received is listed below:

| | |
|-----------------------------------|-----------|
| Ferguson Enterprises, Inc. | \$749,999 |
| Southwest Valve & Equipment, Inc. | \$796,878 |

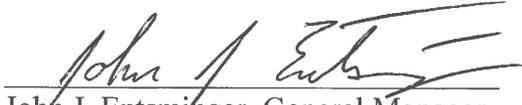
In accordance with NRS 332.065, staff recommends award to Ferguson Enterprises, Inc. as the low bidder.

If approved, this agreement would provide for the purchase of the required valves in the amount

of \$749,999. Approval of the recommendation will also authorize the General Manager to approve change orders in an amount not to exceed \$70,000. Installation of the valves will be performed under separate contract.

This agreement is being entered into pursuant to NRS 332.065 and Section 6(e) and 6(j) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved the agreement.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "John J. Entsminger", is written over a horizontal line.

John J. Entsminger, General Manager
JJÉ:DLJ:MRJ:EPM:AT:db
Attachments

DISCLOSURE OF OWNERSHIP/PRINCIPALS

| Business Entity Type | | | | | | | |
|--|--------------------------------------|--|---|---|--------------------------------|--|--------------------------------|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Partnership | <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Privately Held Corporation | <input checked="" type="checkbox"/> Publicly Traded 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"/> ESB | <input type="checkbox"/> | | |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Emerging Small Business | NONE OF THE ABOVE | | |
| Corporate/Business Entity Name: | | FERGUSON ENTERPRISES, INC | | | | | |
| (Include d.b.a., if applicable) | | d.b.a FERGUSON WATERWORKS | | | | | |
| Street Address: | | 12500 JEFFERSON AVE. | | Website: www.FERGUSON.COM | | | |
| City, State and Zip Code: | | NEWPORT NEWS, VA 23602 | | POC Name and Email: | | | |
| Telephone No: | | 866-777-8293 | | Fax No: N/A | | | |
| Local Street Address: | | 740 CAPE HORN DRIVE | | Website: www.FERGUSON.COM | | | |
| City, State and Zip Code: | | HENRISON, NV 89011 | | Local Fax No: 702-564-5237 | | | |
| Local Telephone No: | | 702-564-2087 | | Local POC Name Email: Ken.Parsons@Ferguson.co | | | |
| Number of Clark County, Nevada Residents Employed: | | 20 | | | | | |

All entities, with the exception of publicly-traded and non-profit organizations, must list the names of individuals, either directly or indirectly, holding more than five percent ownership or financial interest in the business entity appearing before the Owner's 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).

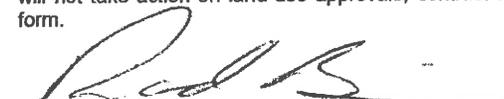
Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | Percent Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|--------------|-------|---|
| FRANK ROACH | CEO | |
| DAVE KELTNER | CFO | |
| KEVIN MURPHY | COO | |

This section is not required for publicly-traded corporations.

- Are any individual members, partners, owners or principals, involved in the business entity, a full-time employee(s) of the Owner, or appointed/elected official(s)?
 Yes No (If yes, please note that employee(s) of the Owner, or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)
- 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 a full-time employee(s) of the Owner, 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 certify that the entity is not on the federal government's Excluded Parties List, as defined by 2 CFR & 180.945. I further understand that the Owner will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.


 Signature
 General Manager
 Title

Rod Briggs
 Print Name
 12/19/15
 Date

DISCLOSURE OF RELATIONSHIP

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

| NAME OF BUSINESS OWNER/PRINCIPAL | NAME OF OWNER EMPLOYEE OR OFFICIAL AND JOB TITLE | RELATIONSHIP TO OWNER EMPLOYEE OR OFFICIAL | OWNER EMPLOYEE'S/OFFICIAL'S DEPARTMENT |
|----------------------------------|--|--|--|
| 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 Owner Use Only:

If no Disclosure or Relationship is noted above or if the section is marked N/A, please check this box:

No Disclosure

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

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

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

Notes/Comments:

Erika Moonin
Signature

Erika Moonin, Eng. Project Manager
Print Name
Authorized Department Representative

1.13 AGREEMENT

THIS AGREEMENT, made and entered into, by and between Southern Nevada Water Authority, hereinafter referred to as Owner, and Ferguson Enterprises Inc.

hereinafter referred to as Supplier, with both Owner and Supplier collectively referred to as the Parties,

WITNESSETH: That the Parties do mutually agree as follows:

Owner has awarded to Supplier the Contract for:

Contract Title: Low Lake Level Pumping Station Discharge Aqueducts, 120-Inch Diameter Valve Procurement

Contract No: 070F 04 T1

- A. For and in consideration of the payments and Agreements hereinafter mentioned to be made and performed by said Owner, Supplier agrees to perform and complete in a good and workmanlike manner Work as defined in the Contract Documents and to furnish materials and tools and labor necessary to properly perform and complete the Work ready for use in strict accordance with the Contract Documents and under the penalty expressed in the attached bonds, which are hereby declared and accepted as essential parts of this Agreement and to accept as full compensation therefor the Contract Price as defined in the Contract Documents.
- B. The Supplier hereby certifies that the Supplier has read and understands every provision contained in the Contract Documents. Supplier shall be bound and shall comply with each and every term, condition, and covenant set forth in the Contract Documents.
- C. For performing all Work and furnishing materials and labor necessary thereto, Owner will pay and Supplier shall receive in full compensation the Contract Price, in the manner and upon the conditions set forth in the Contract Documents.
- D. Contract Documents which comprise the entire Agreement between the Owner and Supplier for the performance of Work consist of the following:
 1. Change Orders, if any
 2. Work Change Directives (WCD) if any
 3. Field Orders, if any
 4. Addenda, if any
 5. Conditions of the Contract
 6. Agreement
 7. Bid Form
 8. Drawings, if any.
 9. Technical Specifications
 10. Bid Requirements and Contract Forms

- 11. Bonds
- 12. Invitation to Submit Bid and Legal Notice
- 13. Notice to Proceed

E. Affirmative Agreement to Arbitrate. By the signing of this Agreement, Supplier expressly authorizes and affirmatively agrees to settle all disputes, claims, or questions by binding arbitration.

IN WITNESS WHEREOF: The Supplier has caused this Agreement to be executed this 17 day of December, 2015.

WITNESS/ATTEST:

[SUPPLIER'S NAME]

Ferguson Enterprises Inc.

Kenneth Parsons

By:

Red Briggs
Signatory Empowered to Bind Supplier

Red Briggs
Type or Print Name

General Manager
Official Title

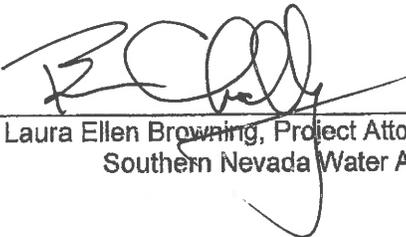
THIS AGREEMENT shall be in full force and effect as of the day of _____, 20__, when it was duly signed by the proper officer of the Southern Nevada Water Authority.

SOUTHERN NEVADA WATER AUTHORITY

By

John J. Entsminger
General Manager

Approved as to Form:


Laura Ellen Browning, Project Attorney for
Southern Nevada Water Authority

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

January 21, 2016

| | |
|--|--------------------------|
| Subject: Southern Nevada Water Authority Reserve Policy | Director's Backup |
| Petitioner: Gina L. Neilson, Chief Financial Officer | |
| Recommendations: That the Board of Directors adopt and approve the Southern Nevada Water Authority Reserve Policy. | |

Fiscal Impact:

None by approval of the above recommendation.

Background:

The Board of Directors can establish Board policies that provide for best practices and sound decision making. This Policy is intended to provide guidance for maintaining adequate cash and investment reserves.

Maintaining adequate reserves is an important tool in mitigating the risks of significant and unexpected decreases in sources of funds and/or increases in the uses of funds. The Government Finance Officers Association (GFOA) recommends municipal entities develop target amounts of reserves that best address the needs of the municipality based on local conditions. Maintaining adequate reserves helps to ensure stable services and fees and allows the Authority to better respond to unforeseen negative changes in the local economy while providing a continuous and reliable water supply to purveyor members. In addition, prudent reserves along with a formal reserve policy are a key factor rating agencies consider in their evaluation of creditworthiness.

This Policy is authorized pursuant to NRS 354.604 and Section 25 of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved this item.

Respectfully submitted:


John J. Entsminger, General Manager
JJE:GLN:dc
Attachment

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|------------------|---|
| AGENDA ITEM # | 7 |
|------------------|---|

| | | |
|---|--|-----------------------------------|
| SOUTHERN NEVADA WATER AUTHORITY BOARD POLICY | SUBJECT: SOUTHERN NEVADA WATER AUTHORITY RESERVE POLICY | NUMBER: 11 |
| | APPROVED BY: BOARD OF DIRECTORS | ISSUE: 1 |
| ISSUING DEPARTMENT: FINANCE | (DATE) | PAGE: 1 OF 2 |

Purpose

The purpose is to establish policy for maintaining adequate reserves of cash and investments. Maintaining adequate and prudent cash reserves is an important tool in mitigating the risks of significant and unexpected decreases in sources of funds and/or increases in the uses of funds. The benefits include stable services and fees. This policy applies to all unrestricted cash and investments of the Southern Nevada Water Authority (SNWA).

Authority

The Government Finance Officers Association (GFOA) recommends local governments adopt a target amount of working capital to maintain in each of their enterprise funds. Because the purposes, customers, and other characteristics of enterprise funds can vary widely, the GFOA recommends that governments develop a target amount of reserves that best fits local conditions for each fund. The following are some of the key considerations for the SNWA's reserve policy:

1. Volatility in Sources of Funds – Some of the SNWA's sources of funds have experienced significant volatility; for example, connection charges and sales tax, in periods where the local economy suffers.
2. Customer Concentration – The SNWA receives the majority of its unrestricted funds from its member agencies. Although none have ever defaulted, such a default or a significant delay could have a substantial impact on the SNWA's operations.
3. Likelihood of Successful Rate Increases – Although the SNWA has enjoyed tremendous support from its member agencies and the community, it is possible that these conditions could change in the future, thus impacting the SNWA's ability to increase rates to meet increasing costs.
4. Asset Age and Condition – As the infrastructure ages, maintenance and replacements costs will increase. Also, there is always the possibility of unexpected failures that can be quite expensive. Such failures could result from age-related causes or natural disasters.

5. Control Over Expenses – Although most of the SNWA's expenses are predictable, there remains the possibility of large, unexpected expenditures; for example, litigation, natural disasters, increases in energy and chemical costs.

Reserve Components

The following are the four components identified for the SNWA's reserves listed by funding priority:

1. Base Operating Reserve – Adequate reserves to fund 180 days of operating and maintenance expenses. This will help insulate the SNWA and its customers from volatility in operating revenues and expenses, as well as from other casual factors that could interrupt cash flow or impose unforeseen costs.
2. Debt Service Reserve – Adequate reserves to fund one year of the maximum annual debt service. For both credit rating considerations and prudent financial practices, the SNWA should strive to achieve this level of reserves to ensure access to lower cost capital in future years, help mitigate the impact of disruptions in the credit markets on the SNWA operations, and provide assurances to investors that the SNWA has the financial resources necessary to make its ongoing debt service payments.
3. Capital Related Reserve – Adequate reserves to fund a one year average of future capital needs. As a method to determine future capital needs, the capital improvement plan may be used. This reserve will fluctuate over time as projects change. This level of capital reserve will enable the SNWA to better react to capital needs as they may arise and to properly address the timing of infrastructure improvements relative to system needs. This reserve will also enable the SNWA to continue with uninterrupted critical capital improvements during times of difficulty within the capital markets.
4. Unforeseen Events Reserve – Adequate reserves to fund one percent of assets subject to depreciation. This is to mitigate one-time, unforeseen infrastructure or major capital equipment failures and other significant non-recurring impacts to operating revenues and expenses.

Reporting

The General Manager shall notify the Board of Directors of the status of reserves at least annually and more often as significant changes occur.

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

January 21, 2016

| | |
|---|--------------------------|
| Subject: 2014-2016 Bond Refundings – 2016A Revenue Refunding Bond Resolution | Director's Backup |
| Petitioner: John J. Entsminger, General Manager | |
| Recommendations: That the Board of Directors adopt the 2016A Revenue Refunding Bond Resolution, providing for the issuance of Water Revenue Refunding Bonds, Series 2016A, in the maximum principal amount of \$321,725,000 to refinance outstanding bonds for the Authority. | |

Fiscal Impact:

Bond refundings result in lower interest expenses.

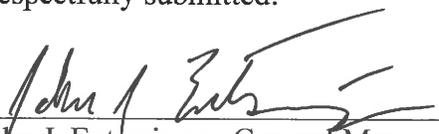
Background:

The 2016A Revenue Refunding Bond Resolution (Resolution) authorizes the issuance of Water Revenue Refunding Bonds, Series 2016A (2016A Bonds), in a maximum principal amount of \$321,725,000, and delegates to the Treasurer of the Authority the ability to accept the final interest rates and terms.

The proceeds of the 2016A Bonds will be used to reduce debt service payments on a portion of the Authority's existing Water Revenue Bonds, Series 2006, and Water Revenue Refunding Bonds, Series 2006, and to pay the costs of issuing the 2016A Bonds. The Resolution authorizes the 2016A Bonds be sold to Clark County.

The 2016A Resolution is being entered into pursuant to NRS 244A.013 to 244A.065 and Section 6(l) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved the resolution.

Respectfully submitted:



John J. Entsminger, General Manager
JJE:GLN:dc
Attachment

| |
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| AGENDA ITEM # |
|------------------|

8

Summary - a resolution authorizing the issuance by the Southern Nevada Water Authority of its Water Revenue Refunding Bonds, Series 2016A, 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 “2016A REVENUE REFUNDING BOND RESOLUTION”; PROVIDING FOR THE ISSUANCE OF ITS WATER REVENUE REFUNDING BONDS, SERIES 2016A; 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 (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, in the State of 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 the 2006 Refunding Bonds (defined herein) and the 2006 Bonds (defined herein) set forth in the Certificate of the SNWA Treasurer (defined herein) (the “Refunded Bonds” or the “Project”); and

WHEREAS, pursuant to the SNWA Cooperative Agreement and the SNWS Operating Agreement (defined herein), the Board is authorized to issue revenue bonds secured by revenues of the Water System (defined herein); 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 (defined herein) of the Bonds (defined herein); 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, Water Revenue Refunding Bonds, Series 2016A" (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, and the installments of principal of the 2006 Refunding Bonds and 2006 Bonds to be refunded (the "Certificate of the SNWA 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 (defined herein), 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 “2016A 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) “2012 Bonds” means the “Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2012” issued by the Authority.

(3) “2009 Bonds” means the “Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2009” issued by the Authority.

(4) “2008 Bonds” means the “Southern Nevada Water Authority, Water Revenue Bonds, Series 2008” issued by the Authority.

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

(6) “2006 Refunding Bonds” means the “Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2006” issued by the Authority.

(7) “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.

(8) “CRC Power Bond Issuance Agreement” means, collectively, the Bond Issuance Agreements between the SNWA and the Colorado River Commission of Nevada relating to the CRC Power Bonds, if any.

(9) “CRC Power Bonds” means any bonds issued by the Colorado River Commission of Nevada in the future supported by revenues derived from a CRC Power Bond Issuance Agreement.

(10) “District” means the Las Vegas Valley Water District, Nevada, or any successor thereto.

(11) “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.

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

(13) “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.

(14) “LVVWD Bonds” means 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 (Taxable Direct Pay Build America Bonds), Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Bonds, Series 2009B (Tax-Exempt), Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) 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 (Taxable), the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Refunding Bonds, Series 2011B (Taxable), the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Refunding Bonds, Series 2011C (Tax-Exempt), the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Bonds, Series 2012B, the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Refunding Bonds, Series 2015, the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Refunding Bonds, Series 2015B, the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Refunding Bonds, Series 2015C, 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.

(15) “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 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 Water System;

B. Fidelity bond and property and liability insurance premiums relating to the Water System, or a reasonably allocable share of a premium of any blanket bond or policy relating to the 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 Water System, revenues therefrom, or the Authority's income from or operations of any properties under its control and relating to the Water System, or any privilege in connection with the 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 Water System;

F. Contractual services, professional services, salaries, other administrative expenses, and costs of materials, supplies, repairs and labor, relating to the Water System or to the issuance of the Bonds or any other securities relating to the 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 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 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 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 Water System (or any combination thereof) relating to the Water System, or otherwise; and

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

(16) “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 2012 Bonds, the 2009 Bonds, the 2008 Bonds, the 2006 Bonds, the 2006 Refunding Bonds, including the LVVWD Bonds, the CRC Power Bonds, if any, 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.

(17) “Pledged Revenues” means all revenues from the 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 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.

(18) “Purchaser” means Clark County, Nevada, through the municipal bond bank of the County.

(19) “Paying Agent” means the Authority’s Treasurer, Las Vegas, Nevada, or any successor serving as paying agent for the Bonds.

(20) “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.

(21) “Registrar” means the Authority’s Treasurer, Las Vegas, Nevada, or any successor serving as registrar for the Bonds.

(22) “Regular Record Date” means the fifteenth day of the calendar month next preceding each interest payment date.

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

(24) “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.

(25) “SNWA Parity Bonds” means the Outstanding 2012 Bonds, 2009 Bonds, 2008 Bonds, 2006 Bonds, and 2006 Refunding Bonds.

(26) “SNWS Operating Agreement” means the SNWA Facilities and Operating Agreement effective as of January 1, 1996.

(27) “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.

(28) “State” means the State of Nevada.

(29) “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, Revenue Refunding Bond, Series 2013, the Southern Nevada Water Authority, Water Revenue Bonds, Series 2009, the obligations of the 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, 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.

(30) “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 heretofore or hereafter 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.

(31) “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 Water System.

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 and the officers of the Authority 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 21 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, the Authority, 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, Water Revenue Refunding Bonds, Series 2016A" in the aggregate principal amount as set forth in the Certificate of the SNWA Treasurer (not to exceed \$321,725,000 and the amount necessary to accomplish 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 and interest rate). The Bonds shall be numbered from R-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 her 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 SNWA Treasurer"), payable semiannually on May 1 and November 1 of each year, commencing on the May 1 or November 1 immediately following the date of delivery of the Bonds that is at least one month after the date of delivery; 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 SNWA Treasurer (not to exceed 21 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 SNWA 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 SNWA 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 SNWA 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 SNWA Treasurer shall be subject to prepayment on and after the date set forth in the Certificate of the SNWA 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 registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by electronic mail if Cede & Co. or another nominee of a securities depository is the registered owner of the Bonds, and otherwise by first class, postage prepaid mail, at least 30 days but not more than 60 days prior to the redemption date to the registered owner of any Bond all or a part of which is called for prior redemption at his, her, or its address as it last appears on the registration records kept by 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 Section 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(e), 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(e) 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 Chair of the Authority (the "Chair"), the Authority Treasurer and the Authority Secretary (the "Secretary") shall each file with the Secretary of State of the 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 Chair, 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 Chair, 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 Chair, 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
WATER REVENUE REFUNDING BOND
SERIES 2016A**

No. _____ \$ _____

Interest Rate Maturity Date Dated As of CUSIP
_____ % _____ 1, _____ _____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ **DOLLARS**

The Southern Nevada Water Authority, 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 May 1 and November 1 of each year, commencing on _____ 1, 2016, 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 "2016A 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 SNWA 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 SNWA 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 SNWA Treasurer.

Notice of redemption, unless waived, will be given by the Registrar by electronic mail if Cede & Co. or another nominee of a securities depository is the registered owner of the Bonds, and otherwise by first class, postage prepaid mail, at least 30 days but not more than 60 days prior to the redemption date to the registered owner of any Bond all or a part of which is called for prior redemption at his, her, or its address as it last appears 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 Chair 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 _____, 2016.

SOUTHERN NEVADA WATER AUTHORITY

By: (Manual or Facsimile Signature)
Mary Beth Scow, Chair, Board of Directors
Southern Nevada Water Authority

Countersigned:

(MANUAL OR FACSIMILE
AUTHORITY SEAL)

(Manual or Facsimile Signature)
Gina L. Neilson, Treasurer
Southern Nevada Water Authority

Attest:

(Manual or Facsimile Signature)
John J. Entsminger, Secretary
Southern Nevada Water Authority

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication for Bonds)

Date of authentication
and registration _____

This is one of the Bonds described in the within-mentioned Resolution, and this Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

SOUTHERN NEVADA WATER AUTHORITY

By (Manual Signature) _____
Gina L. Neilson, Treasurer

(End of Form of Registrar's Certificate of Authentication for Bonds)

(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 Chair, 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
WATER REVENUE REFUNDING BOND
SERIES 2016A**

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 "2016A 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 SNWA Treasurer for such installments appearing in the Resolution, said interest being payable on May 1 and November 1 of each year commencing on _____ 1, 2016, and said installments of principal bearing interest at the rates, and being payable on _____ 1 of the years and in amounts as designated in the Resolution and the Certificate of the SNWA 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 SNWA 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 SNWA 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 SNWA 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 Chair 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 _____, 2016, i.e., the date of delivery of the Bond.

SOUTHERN NEVADA WATER AUTHORITY
CLARK COUNTY, NEVADA

By _____ (Manual or Facsimile Signature)
Mary Beth Scow, Chair, Board of Directors
Southern Nevada Water Authority

Countersigned:

(SEAL)

By _____ (Manual or Facsimile Signature)
Gina L., Neilson, Treasurer
Southern Nevada Water Authority

Attest:

(Manual or Facsimile Signature)
John J. Entsminger, Secretary
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 2006 Refunding Bonds and the 2006 Bonds being refunded, as stated in the Certificate of the SNWA Treasurer, plus payment to the Authority of 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, Water Revenue Refunding Bonds, Series 2016A, Costs of Issuance Account” (the “Costs of Issuance Account”);
- (2) “Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2016A Bond Fund” (the “Bond Fund”);
- (3) “Southern Nevada Water Authority, Operation and Maintenance Fund” (the “O & M Fund”);
- (4) “Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2016A Rebate Account (the “Rebate Account”); and
- (5) “Southern Nevada Water Authority, 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 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 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 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 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 any CRC Power Bond Issuance Agreement to secure the payment of any CRC Power Bonds hereafter issued for the benefit of the 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 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 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 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 Chair of the meeting, and the meeting shall be organized by the election of a permanent Chair 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 Chair 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 Chair 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 SNWA 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 January 21, 2016.

[AUTHORITY SEAL]

Attest:

John J. Entsminger, Secretary
Southern Nevada Water Authority

Mary Beth Scow, Chair
Southern Nevada Water Authority

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

I, 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 adopted by the Board of Directors of the Authority (the "Board") on January 21, 2016.

2. The original of the resolution has been approved and authenticated by the signatures of the Chair 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
 Marilyn Kirkpatrick
 Bob Coffin
 Duncan McCoy
 Mary Beth Scow
 Steve Sisolak
 Anita Wood

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 giving a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the Authority's website, if any, and on the State of Nevada's official 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) City of Boulder City, City Hall
401 California Street
Boulder City, Nevada
- (ii) City of Henderson, City Hall
240 Water Street
Henderson, Nevada
- (iii) City of North Las Vegas, City Hall
2250 Las Vegas Boulevard North
North Las Vegas, Nevada
- (iv) City of Las Vegas, City Hall
495 South Main Street
Las Vegas, Nevada
- (v) Clark County Government Center
500 S. Grand Central Parkway
Las Vegas, Nevada
- (vi) Clark County Water Reclamation District
5857 E. Flamingo Road
Las Vegas, Nevada
- (vii) Southern Nevada Water Authority
100 City Parkway, Suite 700
Las Vegas, Nevada

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

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 the same manner in which notice is required to be mailed to a member of the Board. Such notice was deposited with the postal service used by the Board no later than 9:00 a.m. at least three working days before the January 21, 2016 meeting.

6. A copy of the notice so given of the meeting of the Board held on January 21, 2016 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 January 21, 2016.

John J. Entsminger, Secretary
Southern Nevada Water Authority

Exhibit A

(Attach Copy of Notice of Meeting)

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

January 21, 2016

| | |
|---|--------------------------|
| Subject: 2014-2016 Bond Refundings – 2016B Revenue Refunding Bond Resolution | Director's Backup |
| Petitioner: John J. Entsminger, General Manager | |
| Recommendations: That the Board of Directors adopt the 2016B Revenue Refunding Bond Resolution, providing for the issuance of Water Revenue Refunding Bonds, Series 2016B, in the maximum principal amount of \$344,275,000 to refinance outstanding bonds for the Authority. | |

Fiscal Impact:

Bond refundings result in lower interest expenses.

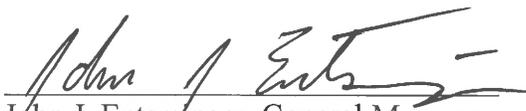
Background:

The 2016B Revenue Refunding Bond Resolution (Resolution) authorizes the issuance of Water Revenue Refunding Bonds, Series 2016B (2016B Bonds), in the maximum principal amount of \$344,275,000, and delegates to the Treasurer of the Authority the ability to accept the final interest rates and terms.

The proceeds of the 2016B Bonds will be used to reduce debt service payments on the Authority's existing Water Revenue Bonds, Series 2006, and to pay the costs of issuing the 2016B Bonds. The Resolution authorizes the 2016B Bonds be sold to Clark County.

The 2016B Resolution is being entered into pursuant to NRS 244A.013 to 244A.065 and Section 6(l) of the SNWA 1995 Amended Cooperative Agreement. The office of the General Counsel has reviewed and approved the resolution.

Respectfully submitted:


John J. Entsminger, General Manager
JJE:GLN:dc
Attachment

| | |
|------------------|---|
| AGENDA ITEM # | 9 |
|------------------|---|

Summary - a resolution authorizing the issuance by the Southern Nevada Water Authority of its Water Revenue Refunding Bonds, Series 2016B, 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 “2016B REVENUE REFUNDING BOND RESOLUTION”; PROVIDING FOR THE ISSUANCE OF ITS WATER REVENUE REFUNDING BONDS, SERIES 2016B; 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 (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, in the State of 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 the 2006 Bonds (defined herein) set forth in the Certificate of the SNWA Treasurer (defined herein) (the “Refunded Bonds” or the “Project”); and

WHEREAS, pursuant to the SNWA Cooperative Agreement and the SNWS Operating Agreement (defined herein), the Board is authorized to issue revenue bonds secured by revenues of the Water System (defined herein); 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 (defined herein) of the Bonds (defined herein); 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, Water Revenue Refunding Bonds, Series 2016B" (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, and the installments of principal of the 2006 Bonds to be refunded (the "Certificate of the SNWA 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 (defined herein), 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 “2016B 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) “2016A Bonds” means the “Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2016A,” if issued by the Authority.

(3) “2012 Bonds” means the “Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2012” issued by the Authority.

(4) “2009 Bonds” means the “Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2009” issued by the Authority.

(5) “2008 Bonds” means the “Southern Nevada Water Authority, Water Revenue Bonds, Series 2008” issued by the Authority.

(6) “2006 Bonds” means the “Southern Nevada Water Authority, Water Revenue Bonds, Series 2006” issued by the Authority.

(7) “2006 Refunding Bonds” means the “Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2006” 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 the SNWA and the Colorado River Commission of Nevada relating to the CRC Power Bonds, if any.

(10) “CRC Power Bonds” means any bonds issued by the Colorado River Commission of Nevada in the future supported by revenues derived from a CRC Power Bond Issuance Agreement.

(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) 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 (Taxable Direct Pay Build America Bonds), Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Bonds, Series 2009B (Tax-Exempt), Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) 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 (Taxable), the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Refunding Bonds, Series 2011B (Taxable), the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Refunding Bonds, Series 2011C (Tax-Exempt), the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Bonds, Series 2012B, the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Refunding Bonds, Series 2015, the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Refunding Bonds, Series 2015B, the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Refunding Bonds, Series 2015C, 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 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 Water System;

B. Fidelity bond and property and liability insurance premiums relating to the Water System, or a reasonably allocable share of a premium of any blanket bond or policy relating to the 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 Water System, revenues therefrom, or the Authority's income from or operations of any properties under its control and relating to the Water System, or any privilege in connection with the 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 Water System;

F. Contractual services, professional services, salaries, other administrative expenses, and costs of materials, supplies, repairs and labor, relating to the Water System or to the issuance of the Bonds or any other securities relating to the 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 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 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 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 Water System (or any combination thereof) relating to the Water System, or otherwise; and

(g) Excluding any liabilities incurred by the Authority as the result of its negligence in the operation of the 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 2016A Bonds, the 2012 Bonds, the 2009 Bonds, the 2008 Bonds, the 2006 Bonds, the 2006 Refunding Bonds, including the LVVWD Bonds, the CRC Power Bonds, if any, 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 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 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 2016A Bonds, 2012 Bonds, 2009 Bonds, 2008 Bonds, 2006 Bonds, and 2006 Refunding Bonds.

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

(28) “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.

(29) “State” means the State of Nevada.

(30) “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, Revenue Refunding Bond, Series 2013, the Southern Nevada Water Authority, Water Revenue Bonds, Series 2009, the obligations of the 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, 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.

(31) “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 heretofore or hereafter 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.

(32) “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 Water System.

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 and the officers of the Authority 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 21 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, the Authority, 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, Water Revenue Refunding Bonds, Series 2016B" in the aggregate principal amount as set forth in the Certificate of the SNWA Treasurer (not to exceed \$344,275,000 and the amount necessary to accomplish 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 and interest rate). The Bonds shall be numbered from R-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 her 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 SNWA Treasurer"), payable semiannually on May 1 and November 1 of each year, commencing on the May 1 or November 1 immediately following the date of delivery of the Bonds that is at least one month after the date of delivery; 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 SNWA Treasurer (not to exceed 21 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 SNWA 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 SNWA 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 SNWA 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 SNWA Treasurer shall be subject to prepayment on and after the date set forth in the Certificate of the SNWA 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 registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by electronic mail if Cede & Co. or another nominee of a securities depository is the registered owner of the Bonds, and otherwise by first class, postage prepaid mail, at least 30 days but not more than 60 days prior to the redemption date to the registered owner of any Bond all or a part of which is called for prior redemption at his, her, or its address as it last appears on the registration records kept by 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 Section 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(e), 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(e) 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 Chair of the Authority (the "Chair"), the Authority Treasurer and the Authority Secretary (the "Secretary") shall each file with the Secretary of State of the 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 Chair, 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 Chair, 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 Chair, 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
WATER REVENUE REFUNDING BOND
SERIES 2016B**

No. _____ \$ _____

Interest Rate Maturity Date Dated As of CUSIP
_____ % _____ 1, _____ _____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ **DOLLARS**

The Southern Nevada Water Authority, 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 May 1 and November 1 of each year, commencing on _____ 1, 2016, 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 "2016B 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 SNWA 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 SNWA 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 SNWA Treasurer.

Notice of redemption, unless waived, will be given by the Registrar by electronic mail if Cede & Co. or another nominee of a securities depository is the registered owner of the Bonds, and otherwise by first class, postage prepaid mail, at least 30 days but not more than 60 days prior to the redemption date to the registered owner of any Bond all or a part of which is called for prior redemption at his, her, or its address as it last appears 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 Chair 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 _____, 2016.

SOUTHERN NEVADA WATER AUTHORITY

By: (Manual or Facsimile Signature)
Mary Beth Scow, Chair, Board of Directors
Southern Nevada Water Authority

Countersigned:

(MANUAL OR FACSIMILE
AUTHORITY SEAL)

(Manual or Facsimile Signature)
Gina L. Neilson, Treasurer
Southern Nevada Water Authority

Attest:

(Manual or Facsimile Signature)
John J. Entsminger, Secretary
Southern Nevada Water Authority

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication for Bonds)

Date of authentication
and registration _____

This is one of the Bonds described in the within-mentioned Resolution, and this Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

SOUTHERN NEVADA WATER AUTHORITY

By (Manual Signature) _____
Gina L. Neilson, Treasurer

(End of Form of Registrar's Certificate of Authentication for Bonds)

(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 Chair, 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, of 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 of 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
WATER REVENUE REFUNDING BOND
SERIES 2016B**

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 "2016B 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 SNWA Treasurer for such installments appearing in the Resolution, said interest being payable on May 1 and November 1 of each year commencing on _____ 1, 2016, and said installments of principal bearing interest at the rates, and being payable on _____ 1 of the years and in amounts as designated in the Resolution and the Certificate of the SNWA 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 SNWA 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 SNWA 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 SNWA 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 Chair 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 _____, 2016, i.e., the date of delivery of the Bond.

SOUTHERN NEVADA WATER AUTHORITY
CLARK COUNTY, NEVADA

By _____ (Manual or Facsimile Signature)
Mary Beth Scow, Chair, Board of Directors
Southern Nevada Water Authority

Countersigned:

(SEAL)

Attest:

By _____ (Manual or Facsimile Signature)
Gina L. Neilson, Treasurer
Southern Nevada Water Authority

(Manual or Facsimile Signature)
John J. Entsminger, Secretary
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 2006 Bonds being refunded, as stated in the Certificate of the SNWA Treasurer, plus payment to the Authority of 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, Water Revenue Refunding Bonds, Series 2016B, Costs of Issuance Account" (the "Costs of Issuance Account");
- (2) "Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2016B Bond Fund" (the "Bond Fund");
- (3) "Southern Nevada Water Authority, Operation and Maintenance Fund" (the "O & M Fund");
- (4) "Southern Nevada Water Authority, Water Revenue Refunding Bonds, Series 2016B Rebate Account (the "Rebate Account"); and
- (5) "Southern Nevada Water Authority, 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 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 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 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 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 any CRC Power Bond Issuance Agreement to secure the payment of any CRC Power Bonds hereafter issued for the benefit of the 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 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 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 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 Chair of the meeting, and the meeting shall be organized by the election of a permanent Chair 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 Chair 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 Chair 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 SNWA 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 January 21, 2016.

[AUTHORITY SEAL]

Attest:

John J. Entsminger, Secretary
Southern Nevada Water Authority

Mary Beth Scow, Chair
Southern Nevada Water Authority

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

I, 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 adopted by the Board of Directors of the Authority (the "Board") on January 21, 2016.

2. The original of the resolution has been approved and authenticated by the signatures of the Chair 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 Marilyn Kirkpatrick Bob Coffin Duncan McCoy Mary Beth Scow Steve Sisolak Anita Wood |
|-------------------|---|

| | |
|-------------------|-------|
| 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 giving a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the Authority's website, if any, and on the State of Nevada's official 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) City of Boulder City, City Hall
401 California Street
Boulder City, Nevada
- (ii) City of Henderson, City Hall
240 Water Street
Henderson, Nevada
- (iii) City of North Las Vegas, City Hall
2250 Las Vegas Boulevard North
North Las Vegas, Nevada
- (iv) City of Las Vegas, City Hall
495 South Main Street
Las Vegas, Nevada
- (v) Clark County Government Center
500 S. Grand Central Parkway
Las Vegas, Nevada
- (vi) Clark County Water Reclamation District
5857 E. Flamingo Road
Las Vegas, Nevada
- (vii) Southern Nevada Water Authority
100 City Parkway, Suite 700
Las Vegas, Nevada

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

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 the same manner in which notice is required to be mailed to a member of the Board. Such notice was deposited with the postal service used by the Board no later than 9:00 a.m. at least three working days before the January 21, 2016 meeting.

6. A copy of the notice so given of the meeting of the Board held on January 21, 2016 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 January 21, 2016.

John J. Entsminger, Secretary
Southern Nevada Water Authority

Exhibit A

(Attach Copy of Notice of Meeting)

SOUTHERN NEVADA WATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM

January 21, 2016

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| Subject: Update on Water Resources | Director's Backup |
| Petitioner: Gregory J. Walch, General Counsel | |
| 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 Plan, activities on the Colorado River, the development of in-state water resources, and the status of construction activities near Lake Mead. | |

Fiscal Impact:

None by approval of the above recommendation.

Background:

The Colorado River Basin has been experiencing severe drought conditions that 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 since their initial filling.

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.

In May 2005, the Board of Directors approved a project for design and construction of a third intake in Lake Mead to ensure Southern Nevada has access to best quality water in Lake Mead. The project design and environmental approvals were completed by 2007. Construction began on the project in March 2008. On December 10, 2014, the Board approved a low lake level pumping station for design and construction. When constructed, the pumping station will work alongside Intake No. 3 to protect access to the majority of Southern Nevada's drinking water supply despite severe drought conditions.

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, the development of in-state water resources, and the status of construction activities near Lake Mead.

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

Respectfully submitted:


John J. Entsminger, General Manager
JJE:GJW:td

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| AGENDA ITEM # |
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10