



OPERATING & CAPITAL **BUDGET 2026**

FISCAL YEAR ENDING JUNE 30, 2026



ON THE COVER

The Southern Nevada Water Authority rebated over 15.3 million square feet of turf replaced with water-smart landscaping throughout the Las Vegas Valley in 2024, as well as incentivized the planting of over 5,000 trees, which equates to over 2 million square feet of shade to help combat the urban heat island effect in our community. Businesses, such as Hughes Business Park (pictured), are replacing decorative grass with water-smart landscaping in compliance with a state law that prohibits the use of Colorado River water, beginning in 2027, to irrigate decorative grass found in streetscapes, medians, parking lots, traffic circles and other areas not used for recreation.

Southern Nevada Water Authority

Operating & Capital Budget Fiscal Year Ending June 30, 2026



Board of Directors

**Marilyn Kirkpatrick, Chair, Clark County Commissioner
(representing Las Vegas Valley Water District)
Dan Stewart, Vice Chair, City of Henderson Councilman
Steve Walton, City of Boulder City Councilman
Scott Black, City of North Las Vegas Councilman
Olivia Diaz, City of Las Vegas Councilwoman
James Gibson, Clark County Commissioner
(representing Big Bend Water District)
Justin Jones, Clark County Commissioner
(representing Clark County Water Reclamation District)**

**John J. Entsminger
General Manager**

**E. Kevin Bethel
Chief Financial Officer**

**Mariliese S. Horsewood
Director of Finance/Controller**

**Prepared by the Finance Department
1001 South Valley View Blvd., Las Vegas, Nevada 89153
702-870-2011 www.snwa.com**

Note of Appreciation

The Finance leadership team extends its sincere gratitude and appreciation to the Finance department staff, along with team members from other departments, for their dedicated contributions to the preparation of the 2025-26 budget document. Their continued commitment, collaboration, and efforts remain essential in achieving this milestone.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the **Southern Nevada Water Authority (SNWA) for its annual budget for the fiscal year beginning July 1, 2024.**

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. The SNWA believes our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Southern Nevada Water Authority

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morill

Executive Director

Southern Nevada Water Authority
Operating and Capital Budget
Table of Contents
Fiscal Year Ending June 30, 2026

Section 1: General Manager's Information Report

Executive Summary	1 - 11
Drought and Water Resources	1 - 11
Conservation	1 - 13
Major Construction and Capital Plan (MCCP)	1 - 15
Financial Consideration/Capital Funding	1 - 17
Financial Summary	1 - 18
Approval	1 - 20

Section 2: Introduction and Strategic Plan

Introduction	2 - 22
Purpose and Powers	2 - 22
Transfer Act	2 - 22
Intergovernmental Relationships	2 - 23
Organizational Structure	2 - 24
Strategic Plan	2 - 26
Strategic Plan Background	2 - 26
Strategic Plan and Budget Plan Preparation	2 - 26
Visions-Mission-Goals	2 - 27
Strategic Plan Strategies	2 - 28
Performance Measures	2 - 29
Financial Structure and Controls	2 - 30
Summary of Significant Fiscal Policies and Procedures	2 - 30
Financial Controls and Guidelines	2 - 35
Capital Project Structure and Controls	2 - 35
Budget Controls and Process	2 - 36
Basis of Accounting	2 - 36
Budgetary Controls	2 - 36
Budget Process	2 - 37
Budget Augmentation	2 - 37
Budget Calendar	2 - 38

Section 3: Operating and Capital Budget Plan

Operating Budget Summary	3 - 42
Operating Sources	3 - 43
Operating Uses	3 - 48
Capital Budget Summary	3 - 52
Capital Sources	3 - 52
Capital Uses	3 - 53
Summary of Sources and Uses of Funds and Changes in Net Assets	3 - 56
Sub Funds	3 - 57

Southern Nevada Water Authority
Operating and Capital Budget
Table of Contents
Fiscal Year Ending June 30, 2026

Section 4: State of Nevada Budget Documents

State of Nevada, Department of Taxation, Budget Submittal	4 - 60
Budget Document Index	4 - 61
Schedule S-2: Statistical Data	4 - 62
Schedule A-2: Proprietary Funds	4 - 63
Schedule F-1: Enterprise Fund - Revenues, Expenses and Net Position	4 - 64
Schedule F-2: Enterprise Fund - Statement of Cash Flows	4 - 65
Schedule C-1: Indebtedness	4 - 66
Schedule 31: Schedule of Existing Contracts	4 - 67
Schedule 32: Schedule of Privatization Contracts	4 - 68
Affidavit of Publication	4 - 69
Letter of Compliance	4 - 71

Section 5: Department Budgets

Summary of Department Expenditures	5 - 73
Executive Management	5 - 74
Legal Services	5 - 82
Finance	5 - 87
Energy Management	5 - 92
Risk Management	5 - 96
Customer Care & Field Services	5 - 100
Engineering	5 - 107
Infrastructure Management	5 - 112
Operations	5 - 117
Human Resources	5 - 122
Information Technology	5 - 125
Environmental, Health, Safety & Corporate Security	5 - 131
Water Quality & Treatment	5 - 140
Water Resources	5 - 145
Public Services	5 - 151

Section 6: Capital Plans

Capital Budget	6 - 158
Major Construction and Capital Plan 2020	6 - 165

Southern Nevada Water Authority
Operating and Capital Budget
Table of Contents
Fiscal Year Ending June 30, 2026

Section 7: Statistical Information

Demographic Statistics	7 - 191
Top Ten Employers	7 - 192
Residential Real Estate	7 - 193
Secured Tax Roll	7 - 194
Temperature & Rainfall	7 - 195
Charts: Average Rainfall and Comparison of Lake Elevations	7 - 196

Section 8: Debt Management Policy

Introduction	8 - 199
Affordability of Debt	8 - 201
Issued by the Las Vegas Valley Water District	8 - 201
Issued by the Clark County, Nevada	8 - 203
Issued by the State of Nevada	8 - 204
Issued by the Southern Nevada Water Authority	8 - 205
Debt Capacity	8 - 206
Debt Comparison (per capita and assessed valuation)	8 - 206
Policy Statement for Sale of Debt	8 - 206
Operation Costs and Revenue Sources for Projects in Major Construction and Capital Plan ..	8 - 208
Miscellaneous Items	8 - 209
Chief Financial Officer	8 - 211
Appendix	8 - 212

Section 9: Financial Policies

Reserve Policy	9 - 221
Investment Policy	9 - 223
Capitalization Policy	9 - 240

Section 10: Glossary

Glossary	10 - 250
----------------	----------

SECTION 1

GENERAL MANAGER'S INFORMATION REPORT

Executive Summary	1 - 11
Drought and Water Resources	1 - 11
Conservation	1 - 13
Major Construction and Capital Plan (MCCP)	1 - 15
Financial Consideration/Capital Funding	1 - 17
Financial Summary	1 - 18
Approval	1 - 20



SOUTHERN NEVADA WATER AUTHORITY

GENERAL MANAGER’S INFORMATION REPORT

DATE: April 15, 2025

No. 47

SUBJECT: SOUTHERN NEVADA WATER AUTHORITY
PROPOSED OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2025-26

The Tentative Operating and Capital Budget of the Southern Nevada Water Authority (SNWA) for fiscal year 2025-26 was submitted by April 15, 2025, to the State of Nevada Department of Taxation in accordance with NRS 354.596.

Executive Summary

Following an abnormally cool and wet 2023, Water Year 2024 saw hydrology and climate conditions across the Colorado River Basin revert to the warm, dry patterns that have dominated much of the century. After rising 24 feet in 2023, Lake Mead’s water level stood at 1,063 feet on January 1, 2025—a five-foot drop from the previous year. The ongoing imbalance between supply and demand along the Colorado River underscores the need for continued efforts from all water users to sustain system operations.

In Southern Nevada, reducing water demand and improving efficiency remain top priorities, requiring ongoing community support and participation. The tentative budget for fiscal year 2025-26 reflects these continued efforts.

Drought and Water Resources

Twenty-five years of drought and climate change continue to take a toll on the Colorado River. As of early 2025, Lake Mead rests at 34 percent capacity, with Lake Powell at 36 percent, and the entire Colorado River system at 42 percent. Projections indicate continued low inflows and a long-term shift to drier conditions.

The SNWA continues to implement actions set forth in previous agreements with other Colorado River water users, including the Drought Contingency Plan, water banking agreements, the Conservation Memorandum of Understanding, the 2007 Interim Guidelines, Minute 323 with Mexico and others. These collaborative efforts have reduced Lake Mead’s water level decline by more than 100 feet. However, with such uncertainty moving forward, significant and sustained efforts at the local, regional, and federal levels remain vital to ensuring that Lake Mead water levels do not drop to critical elevations.

August 2024 24-Month Study

The U.S. Bureau of Reclamation’s August 2024 24-month study projected Lake Mead’s elevation to range between 1,050 and 1,075 feet on January 1, 2025, meaning the Tier 1 shortage in place for 2024 Lower Basin operations remained in effect for 2025. Under this designation, Nevada’s annual Colorado River allocation is reduced by 21,000 acre-feet.

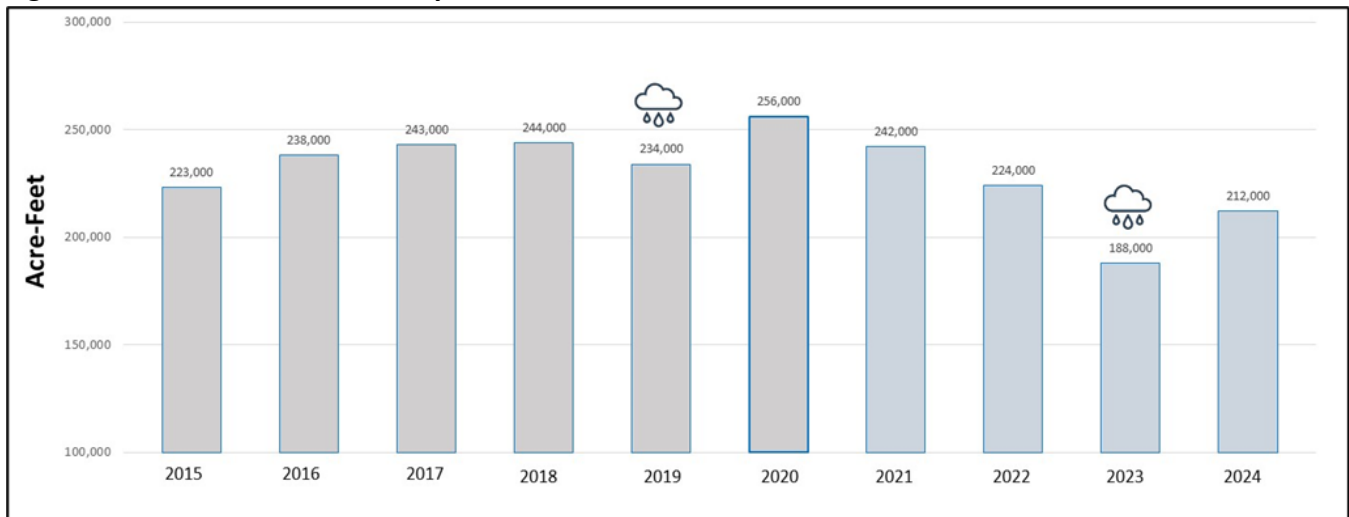
Southern Nevada used approximately 212,000 acre-feet of Colorado River water in 2024 (see figure 1), reflecting an increase from 2023’s abnormally wet year, but well below any Colorado River water supply reduction that may occur under existing rules. However, future reductions in Colorado River



Southern Nevada Water Authority
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2026

water use—necessary to achieve the appropriate protection volume—have yet to be determined and could impose significant additional limitations on local supplies.

Figure 1. Colorado River Consumptive Use



2025 Water Resource Plan

The SNWA's Water Resource Plan provides a comprehensive assessment of available water resources to meet regional demands over a 50-year horizon and considers factors that may impact long-term water availability and usage. In November 2024, the SNWA Board of Directors adopted an updated Water Resource Plan for 2025.

The 2025 Plan demonstrates the importance of conservation in extending the availability of Colorado River resources, minimizing the use of Temporary Resources, and delaying the timing and need for Future Resources. Continued progress toward the community conservation goal of 86 gallons per capita per day (GPCD) by 2035 will help ensure the execution of operational and water-efficiency plans, thus reducing impacts on the community. With ongoing community support and through the adaptive use of its Water Resource Portfolio, the SNWA is prepared to meet the range of projected demands and water supply conditions presented in the Resource Plan.

The SNWA and the Southern Nevada community will continue to play a key role in developing and implementing Colorado River response efforts. While specific future reduction amounts by state have yet to be determined, achieving necessary reductions will likely require participation from all Colorado River water users, including Nevada. To this end, Nevada may be required to reduce its water use beyond or sooner than the reductions already defined under existing agreements. The SNWA will update its Water Resource Plan to reflect the status of these discussions when the timing and magnitude of these changes are better understood.

Reservoir Protection Conservation

In May 2024, the Secretary of the Interior signed the 2024 Near-term Operations Record of Decision (ROD), implementing the Lower Basin's commitment to conserve 3.0 million acre-feet of water through 2026. This effort aims to protect critical elevations at Lake Mead and Lake Powell. The ROD supplements the 2007 Interim Guidelines to address ongoing low runoff conditions. Nevada



Southern Nevada Water Authority
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2026

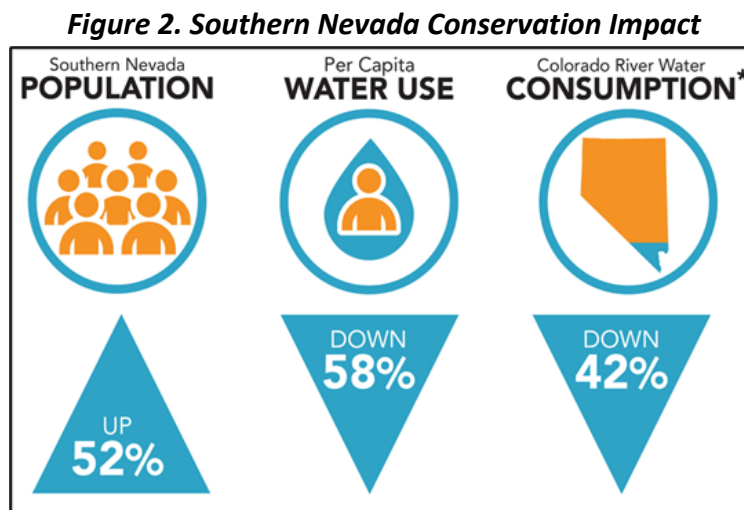
contributed 124,000 acre-feet toward this goal in 2023, with total savings reaching 1.18 million acre-feet. The U.S. and Mexico also developed a program for Mexico to conserve an additional 400,000 acre-feet by 2026.

Post-2026 Negotiations

The *2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead* are set to expire at the end of 2026. As that date approaches, the SNWA remains actively engaged in discussions with the other basin states and federal government to develop new operating guidelines to be implemented beginning in 2027. Generally, the states are contemplating additional conservation measures to reduce water use, as well as strategies to protect the stability and sustainability of the Colorado River system. While it is currently unclear which specific actions may be taken, they are sure to impact Lower Basin state water supplies, including Nevada's.

Conservation

The SNWA continues to implement one of the most progressive water conservation programs in the nation, which yielded significant water savings since the early 2000s even as the community grew (See Figure 2). This amount is well below any Colorado River water supply reduction that may occur under existing rules.



Continued water conservation will remain a critical priority in the years ahead. Meeting the community's long-term water resource needs will require significant contributions from all community sectors on an ongoing basis. The SNWA continues to evaluate and implement increased education, outreach and incentive programs to support continued water savings. Meanwhile, additional conservation policies and programs are planned for future implementation as Southern Nevada continues to adapt to changing supply and demand conditions.

Joint Water Conservation Plan

State law requires all water suppliers to prepare and adopt a water conservation plan every five years. Additionally, the Reclamation Reform Act of 1982 mandates the SNWA maintain a five-year conservation plan with the U.S. Bureau of Reclamation. To that end, the SNWA Board of Directors



Southern Nevada Water Authority
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2026

adopted the Southern Nevada Water Authority 2024-2029 Joint Water Conservation Plan in November 2024. The updated plan provides a comprehensive assessment of changing hydrological and climate conditions and details the impact of ongoing conservation efforts on long-term water supply and demand. It reinforces the community's goal of reducing per capita water use to 86 GPCD by 2035, while also summarizing past conservation achievements and future initiatives. The plan tracks progress toward these goals and emphasizes the need for continued collaboration among the SNWA member agencies, municipal providers, and the public.

Water Smart Landscapes Rebate Program

Participation in the Water Smart Landscapes (WSL) Program continues to yield significant water savings for Southern Nevada. In 2024, residents and businesses converted 15.2 million square feet of turf, reducing water consumption by an estimated 855 million gallons annually. Notable participants included Canyon Gate Country Club, which removed 983,000 square feet of turf, and the Desert Shores Community Association, which converted nearly 166,000 square feet.

To further these efforts, the SNWA secured a \$60 million grant from the Bureau of Reclamation in January 2025. This funding is expected to support an additional 23 million square feet of conversions across the community. These efforts are essential for reducing outdoor water use and ensuring long-term water sustainability in the region.

Tree Enhancement Program

In 2023, the SNWA implemented a Tree Enhancement Program to encourage participants to increase tree canopy coverage and further reduce the amount of exposed surface area in landscape conversions. The incentive is applied to WSL program enrollments and provides a rebate of \$100 per tree for all new trees that meet program requirements. In 2024, WSL Program participants installed more than 3,400 new trees, which will create approximately 1.5 million square feet of new canopy at maturity. Additionally, more than 1,000 trees were installed in high-heat, low-income areas, through a partnership with ImpactNV, a nonprofit organization that fosters collaboration between Nevada's public and private entities to drive sustainable practices and positive impact across the state.

Water Efficient Technologies Program

The Water Efficient Technologies (WET) Program continued to see success in 2024, with 45 projects completed for an estimated water savings of 104 million gallons annually. Centennial High School converted nearly 250,000 square feet of grass to synthetic turf in its baseball, softball and soccer fields, for an estimated annual savings of 18.2 million gallons. Additionally, the Forum Shops at Caesars Palace replaced its evaporative cooling system with a hybrid cooling system, which is projected to save about 17 million gallons of water each year. The City of Henderson was also a significant WET Program participant in 2024, converting 11 parks from cool to warm season turf, saving about 15.1 million gallons of water annually.

Golf Course Water Budget Reduction

The SNWA approved a resolution in 2022 supporting the reduction of golf course water budgets from 6.3 to 4.0 acre-feet of water annually per irrigated acre. Subsequently, the Las Vegas Valley Water District and other local jurisdictions adopted rule and code changes to implement water budget reductions beginning in January 2024. Many courses have become water budget compliant by



Southern Nevada Water Authority
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2026

participating in the SNWA's incentive programs to replace turf with water-efficient landscaping, and many are already using less water than what is allowed under the revised budget amount.

Septic Conversion Program

In 2024, the SNWA continued its efforts to encourage septic system users to connect to the municipal sewer system, improving groundwater quality and increasing return flow credits. This initiative is supported through two programs:

Partially Funded Conversion Program. Launched in September 2023, this program provides an 85 percentage reimbursement (up to \$40,000) for residential and commercial property owners who switch from septic to sewer. Current well users are also eligible to participate in the program. Since its inception, the program has received 386 applications, completed 23 conversions, and reimbursed \$802,798 in costs.

Fully Funded Conversion Program. In collaboration with regional wastewater agencies, the SNWA is identifying clusters of homes for full septic-to-sewer conversions based on factors such as groundwater concerns, proximity to sewer mains, and engineering feasibility. Property owners selected for this program will have their conversions fully covered through SNWA-managed contractors at no cost. Funding includes a \$13.5 million grant portfolio from the Environmental Protection Agency (EPA), Bureau of Reclamation, and Nevada Department of Conservation and Natural Resources.

Major Construction and Capital Plan (MCCP)

The Major Construction and Capital Plan (MCCP) serves as the SNWA's framework for identifying and authorizing capital projects. These initiatives encompass a wide range of activities, including water resource acquisition; system expansion; and the construction, repair, and replacement of water facilities. Funding for the projects outlined in the MCCP comes from a combination of the SNWA bond proceeds, revenue generated by water bill charges, connection charges, sales tax proceeds, and funds from the Southern Nevada Public Land Management Act, when available.

These projects play a crucial role in ensuring long-term water sustainability and infrastructure integrity for the region. Updates to ongoing major projects are described below.

Horizon Lateral

The Horizon Lateral, the largest project in the MCCP, will offer needed redundancy for a large portion of the SNWA's customers and the capacity to meet new demands in the southern portion of the water system. Following the completion of predesign, the design phase for the Phase 1 projects kicked off in early 2024.

Garnet Valley Water System

The Apex Industrial Park is located in Garnet Valley in North Las Vegas and is one of Southern Nevada's largest industrial parks. The 16-parcel area spans more than 11,000 acres and is attracting technology- and manufacturing-based businesses. Once complete, the Garnet Valley Water System will have the capacity to supply 20 million gallons of water per day to support the water needs of the Apex Industrial Park.



Southern Nevada Water Authority
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2026

Two major components of the project, the SNWA's 20 million gallon per day (MGD) pumping station and the City of North Las Vegas' 5 MGD reservoir, are each at 60 percent design completion and scheduled for construction in 2025. Transmission pipelines to and from the new SNWA pump station and City of North Las Vegas reservoir sites are moving to 90 percent design completion and are estimated to begin construction in 2025. In February 2024, the SNWA leadership joined North Las Vegas at a media event to kick off construction of the water distribution system. Scheduled for completion in 2028, the Garnet Valley Water System is projected to cost approximately \$413 million.

Garnet Valley Wastewater System

Construction of the Garnet Valley Wastewater System will help ensure the sustainable development of resources and reduce water demand impacts on the Colorado River. The project will maximize the community's water resources by developing the infrastructure required to capture indoor wastewater from the Garnet Valley area and return it to Lake Mead in accordance with the SNWA's out-of-valley water use policy.

The wastewater system is comprised of three major components. The out-of-valley system, which is currently at 60 percent design completion, is estimated to begin construction in 2025. The other components are the two phases of the in-valley wastewater collection systems, known as Las Vegas Boulevard Interceptor Phase 1A and Phase 1B. Phase 1A went out to bid and was awarded in March 2024. Phase 1B is currently holding at 100 percent design completion. Bidding activities will commence once a Bureau of Land Management grant is obtained. The project is expected to begin construction in early 2025.

The entire project, scheduled for completion early 2028, is estimated to cost \$452 million.

Large Scale Solar Photovoltaic (PV) Project

The SNWA has entered into a 25-year Power Purchase Agreement (PPA) with Boulder Flats Solar, LLC, who will build, own, operate, and maintain a large-scale solar PV facility near Boulder City, Nevada. The PPA allows the SNWA to purchase renewable power when the facility becomes operational in 2027 and throughout the span of the agreement. In addition to the PPA, the project consists of a 10-mile expansion and asset addition to the SNWA's existing power transmission system, a double-circuit 230 kV power line, 230 kV Switchyard, and other infrastructure to support energy transmission.

This project ensures a clean, cost-effective renewable energy source for the next 25 years and is essential for meeting the Nevada Renewable Portfolio Standard of 50 percent by 2030. Construction of the transmission line expansion has already begun and construction of the Solar PV project is expected to commence in 2026, with commercial operations beginning in 2027. The SNWA estimated capital cost of this project is \$25 million.

Ozone Equipment Upgrades

Existing Ozone equipment at the Alfred Merritt Smith and River Mountains water treatment facilities is 20 years old and nearing the end of its useful life. This project will implement ozone system improvements to the SNWA's two water treatment facilities to provide a safe and reliable 20+ year service life, operational flexibility through standardization of equipment and redundancy, retaining ability to expand, and enhanced disinfection resiliency to changing source water and regulatory conditions. The overall cost for this project is \$110 million and work began in 2024.



Southern Nevada Water Authority
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2026

Stage 2 Reliability Upgrades Project

This project consists of a new 90 MGD Monthill Pumping Station co-located on the south side of the Las Vegas Valley Water District Campbell Reservoir, and a pipeline to ultimately connect the Whitney Lateral with the Pittman Lateral. This project also includes pump additions to the existing Lamb and Sloan Pumping Stations. The pumping station and interconnection will provide reliability and redundancy in the event that the Hacienda Pumping Station needs to be taken offline because of failure or scheduled maintenance. The estimated cost of this project is \$345 million and is on schedule to meet design completion in 2025.

Financial Considerations/Capital Funding

The SNWA maintains a diversified funding approach, which includes Wholesale Delivery Charges, Connection Charges, grant funding and Sales Tax Proceeds. Prudent management of these revenue sources, coupled with consistent long-term financial planning, has resulted in financial stability for the organization.

Grant Funding

SNWA is sensitive to the financial impacts that projects and initiatives can have on customers and stakeholders. To help mitigate these costs, staff consistently monitors state and federal grant funding opportunities, as well as Nevada State Revolving Fund (SRF) money that may be available to support asset management projects. Over the past fiscal year, the SNWA has applied for and received the following grant funding to support various projects and initiatives:

- Conservation:
 - \$60,000,000 in funding for Water Smart Landscape rebates
- Water Quality:
 - \$56,733,000 in a special 1 percent loan to finance a portion of the River Mountain Water Treatment Facility (RMWTF) Ozone Replacement Project
 - \$307,955 to improve existing hydrodynamic and water quality modeling efforts through backcasting, which determines challenge scenarios that could be problematic for water managers in the future.
 - \$248,800 to provide personnel, equipment, and supplies needed to replace and maintain five buoys on Lakes Mead and Mohave to provide real-time meteorological and hydrological data.
 - \$237,222 to improve water quality awareness along the Colorado River
 - \$150,000 forgivable loan to support the RMWTF Ozone replacement project
 - \$28,000 to improve water quality in the Las Vegas Wash and Las Vegas Bay, stabilize the wash channel to reduce sediment loads to Lake Mead and address Nonpoint Source (NPS) pollution through public education and outreach.
- Habitat Restoration:
 - \$11,088 for in-stream vegetation controls

Reserve Policy

A responsible reserve policy helps ensure the SNWA can withstand potential unanticipated expenditures and maintain positive credit ratings.



Southern Nevada Water Authority
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2026

The SNWA's reserve policy includes the following components :

1. Adequate reserves to fund 180 days of operating and maintenance expenses
2. Adequate reserves to fund one year of the maximum annual debt service
3. Adequate reserves to fund a one-year average of future capital needs
4. Adequate reserves to fund one percent of assets subject to depreciation

During the past fiscal year, the SNWA met and exceeded its established unrestricted reserve target, representing an important benchmark in the organization's financial health. To the extent actual balances are higher than the unrestricted reserve target, management will assess opportunities to either redeem existing debt or delay timing of projected issuances.

Financial Summary

The following tables and descriptions contain a summary of operating and capital sources and uses of funds for the SNWA's fiscal years 2023-24, 2024-25 and 2025-26.

Operating Budget Summary

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Budget-to-Budget Variance	
				\$	%
SOURCES					
Wholesale delivery charge	\$ 165,476,445	\$ 165,707,057	\$ 174,955,074	\$ 9,248,017	6 %
Infrastructure charge	213,396,859	223,100,301	241,943,394	18,843,093	8 %
Commodity charge	80,611,814	83,593,821	88,365,264	4,771,443	6 %
Connection charge	90,293,423	71,106,640	89,869,133	18,762,493	26 %
Reliability surcharge	6,780,274	6,852,894	7,592,788	739,894	11 %
Sales tax	98,605,514	103,629,368	102,586,921	(1,042,447)	(1)%
Investment income	62,363,672	12,325,244	14,420,535	2,095,291	17 %
Other sources	12,833,624	8,978,774	9,976,001	997,227	11 %
SNWA Sources	730,361,625	675,294,099	729,709,110	54,415,011	8 %
USES					
Water resource investments	5,740,669	31,823,968	29,825,969	(1,998,000)	(6)%
Energy	49,624,889	53,793,950	63,025,277	9,231,326	17 %
Salaries and benefits	97,008,243	109,213,561	115,810,007	6,596,445	6 %
Operating expenses	72,790,354	100,421,368	95,514,097	(4,907,270)	(5)%
Lease/SBITAs amortization	1,110,217	1,501,805	1,266,251	(235,554)	(16)%
Debt service	289,977,459	310,766,636	305,136,838	(5,629,798)	(2)%
Other uses	—	9,441,922	1,752,124	(7,689,798)	(81)%
Transfers to reserves	214,109,794	58,330,888	117,378,548	59,047,659	**
SNWA Uses	\$ 730,361,625	\$ 675,294,099	\$ 729,709,110	\$ 54,415,011	8 %



Southern Nevada Water Authority
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2026

Operating Sources

The fiscal year 2025-26 tentative budget's operating sources of funds are projected to be \$729.7 million, or an eight percent increase as compared to the 2024-25 Adopted Budget Plan. The increase as compared to the 2024-25 Adopted Budget Plan is primarily attributable to increases in connection and infrastructure charge, both driven by growth in services.

The Wholesale Delivery Charge is budgeted to increase \$9.2 million, or six percent, as compared to the 2024-25 Adopted Budget Plan, due to the 2.7 percent rate increase plus higher volumes projections. The increase in the Infrastructure Charge is primarily due to the IRPAC 2020 recommended, and subsequently Board adopted, rate adjustments. With the Infrastructure Charge being the largest revenue component, the SNWA's sources of funds have experienced increased stability over the past number of years. The Connection Charge is budgeted to increase by \$18.8 million compared to the 2024-25 Adopted Budget Plan.

Operating Uses

The fiscal year 2025-26 tentative budget's operating uses of funds are projected to be \$729.7 million, an eight percent increase compared to the 2024-25 Adopted Budget Plan.

Water resource investments are budgeted to decrease \$2.0 million, due to updated projections for conservation and water resource initiatives. Energy costs are projected to increase by \$9.2 million, or 17 percent, due to transmission system improvements and Boulder Flats Solar expenses. Salaries and benefits are anticipated to increase by \$6.6 million, or six percent.

Non-payroll operating expenses are projected to decrease by \$4.9 million, or five percent. Debt service is anticipated to decrease by \$5.6 million, compared to 2024-25, largely due to the flexibility to shift the issuance of the previously projected debt issuance in 2024-25 to future periods. Transfers to reserves are expected with operating sources for fiscal year 2025-26 exceeding operating uses.

Capital Budget Summary

	Actual	Budget	Budget	Budget-to-Budget Variance	
	2023-24	2024-25	2025-26	\$	%
SOURCES					
Grant funds	\$ 13,699,002	\$ 44,644,445	\$ 67,495,500	\$ 22,851,055	51 %
Debt issuance proceeds	—	472,100,000	—	(472,100,000)	**
Transfers from reserves	106,648,382	—	361,184,327	361,184,327	**
Total Sources	138,741,880	516,744,445	428,679,827	(88,064,618)	(17)%
USES					
Capital expenditures	138,741,880	415,750,828	424,619,315	8,868,487	2 %
Transfers to reserves	—	100,993,617	—	(100,993,617)	**
Total Uses	\$ 138,741,880	\$ 516,744,445	\$ 428,679,827	\$ (88,064,618)	(17)%



Southern Nevada Water Authority
Operating and Capital Budget
General Manager's Information Report
Fiscal Year Ending June 30, 2026

Capital Sources

The fiscal year 2025-26 tentative budget's capital sources of funds are projected to be \$428.7 million, or a 17 percent decrease as compared to the 2024-25 Adopted Budget Plan. The decrease as compared to the 2024-25 Adopted Budget Plan is primarily attributable to no projected debt issuance in fiscal year 2025-26.

Capital Uses


The fiscal year 2025-26 tentative budget's capital uses of funds are projected to be \$428.7 million, an 17 percent decrease compared to the 2024-25 Adopted Budget Plan. This increase in capital expenditures aligns with the SNWA's MCCP.

Summary

Overall, the SNWA's fiscal year 2025-26 Operating and Capital Budget Plan presents a stable outlook as the SNWA continues to navigate the impacts of ongoing drought and climate change, with operating revenues matching operating expenses and an assortment of revenues, reserves, and debt proceeds funding capital expenditures.

Approval

The public hearing on the SNWA's 2025-26 Tentative Budget, and adoption of the 2025-26 Final Budget, is scheduled for 1:00 p.m., Thursday, May 22, 2025.


John J. Entsminger, General Manager



SECTION 2

INTRODUCTION AND STRATEGIC PLAN

Introduction	2 - 22
Purpose and Powers	2 - 22
Transfer Act	2 - 22
Intergovernmental Relationships	2 - 23
Organizational Structure	2 - 24
Strategic Plan	2 - 26
Strategic Plan Background	2 - 26
Strategic Plan and Budget Plan Preparation	2 - 26
Visions-Mission-Goals	2 - 27
Strategic Plan Strategies	2 - 28
Performance Measures	2 - 29
Financial Structure and Controls	2 - 30
Summary of Significant Fiscal Policies and Procedures ...	2 - 30
Financial Structure and Controls	2 - 35
Capital Project Structure and Controls	2 - 35
Budget Controls and Process	2 - 36
Basis of Accounting	2 - 36
Budgetary Controls	2 - 36
Budget Process	2 - 37
Budget Augmentation	2 - 37
Budget Calendar	2 - 38



Introduction

Purposes and Powers

The Southern Nevada Water Authority (SNWA) is a political subdivision of the State of Nevada created on July 25, 1991, pursuant to Nevada Revised Statutes Chapter 277.080 to 277.180, inclusive, by a cooperative agreement among the Big Bend Water District, the City of Boulder City, the City of Henderson, the City of Las Vegas, the City of North Las Vegas, the Clark County Water Reclamation District, and the Las Vegas Valley Water District (LVVWD).

The SNWA was created to secure additional supplies of water for Southern Nevada and to effectively manage existing supplies of water through the cooperative action of its member agencies. Because the SNWA is governed equally by a seven-member Board of Directors (SNWA Board) composed of one director from each member agency, and the SNWA operations are autonomous from its member agencies, its financial statements are not included in the financial statements of another entity.

The SNWA Board appoints a General Manager (GM). In January 1993, the LVVWD's GM was also appointed GM of the SNWA, and the LVVWD was named Operating Agent for the SNWA. The GM has three Deputy General Managers (DGM's), a Chief Financial Officer (CFO) and General Counsel overseeing the operations of the LVVWD and the SNWA.

Since October 1993, the LVVWD has been paying many expenses on behalf of the SNWA. The SNWA reimburses the LVVWD for those expenses, including the cost of the LVVWD employees allocated to the SNWA. The SNWA has no employees of its own.

The Board of the SNWA has the power to periodically assess the member agencies directly for operating and capital budgets and for the satisfaction of any liabilities imposed against the SNWA. Each member made an initial contribution to the SNWA for operating and administrative expenses in the amount of \$15,000. Assessments for additional funds needed by the SNWA, in accordance with operating and capital budgets, have been apportioned to member agencies based on the water deliveries to those agencies. Funding received by the SNWA from its member agencies for operations is recorded as operating revenue, while funding received for capital purchases is recorded as capital contributions. Member agencies who are not water purveyors, i.e., the City of Las Vegas and the Clark County Water Reclamation District, each contributes towards the SNWA operations for the fiscal year 2025-26.

Transfer Act

Pursuant to the Transfer Act, Assembly Bill No. 542, approved June 28, 1995 by the Nevada Legislature, the assets of the Southern Nevada Water System (SNWS), as well as responsibility for operations of the system, were transferred from the Colorado River Commission (CRC) to the SNWA effective January 1, 1996. Along with the assets, the CRC transferred all books and records in its possession relating to the project and its facilities. In addition to the assets, all liabilities of the CRC related to the SNWS were to be transferred to the SNWA.

The transfer was a non-cash transaction. In order to affect the transfer, CRC prepared from its SNWS accounting records an unaudited trial balance as of January 1, 1996, which was given to the SNWA. To record the transfer, the SNWA posted the entire CRC trial balance to its General Ledger as of January 1,



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

1996. The accuracy of that trial balance was verified by the June 30, 1996, audits of both the SNWA and CRC. The CRC detail property listing was posted to the SNWA Property Ledger.

Intergovernmental Relationships

In addition to its members, the SNWA also works with other agencies of state and federal government. The following outlines some of those intergovernmental relationships.

Major Water Purveyors. The SNWA diverts Colorado River water from Lake Mead, treats it to federal Clean Drinking Water Act standards, and delivers treated water to the facilities of water purveyors in the Las Vegas Valley and Boulder City. The major water purveyors and their percentage of total SNWA water deliveries are as follows: Boulder City (2.0 percent), Henderson (19.7 percent), North Las Vegas (13.5 percent), the LVVWD (64.6 percent) and others (0.2 percent).

Wastewater Treatment Agencies. Wastewater treatment agencies in the SNWA service area are the Cities of Las Vegas, Henderson, North Las Vegas and Boulder City, and the Clark County Water Reclamation District.

Colorado River Commission. The CRC is an agency of the State of Nevada created in 1935 to acquire and hold in trust Nevada's right to water and power resources from Colorado River water apportioned among the seven Colorado River Basin states and Mexico. The seven member CRC Board is made up of four members appointed by the Governor (including the Chairperson) and three SNWA Board members.

U.S. Bureau of Reclamation (Bureau). The Bureau is a division of the U.S. Department of the Interior. It is charged with the responsibility of managing the Colorado River for the benefit of the users with rights to Colorado River water. Any changes to laws governing the Colorado River benefiting Nevada will require the cooperation and approval of the federal government via the Bureau and all seven of the Colorado River Basin states.

Southern Nevada Water System. The SNWS is the regional water system diverting raw Colorado River water from Lake Mead, treats it to federal Clean Drinking Water Act standards, pumps it through the River Mountains, and delivers potable water to the facilities of the water purveyors in the Las Vegas Valley and Boulder City. The SNWS was built in two stages (1971-first stage, and 1983-second stage) by the federal government acting through the Bureau, and the State of Nevada acting through its CRC. The Bureau built the transmission facilities, which are referred to as the Robert B. Griffith Water Project. The CRC built the treatment facility, which is known as the Alfred Merritt Smith Water Treatment Facility. The SNWS was owned by CRC and operated under contract by the LVVWD. On January 1, 1996 the assets and liabilities of the SNWS as well as responsibility for operations were transferred from CRC to the SNWA. The LVVWD continues to operate the SNWS under contract with the SNWA. The projects in the SNWA's Major Construction and Capital Plan (MCCP) are expansions or improvements of the SNWS.

Robert B. Griffith Water Project Title Transfer. The SNWS was built in two stages by the State of Nevada acting through the CRC and the Bureau. CRC funded its portion by issuing State of Nevada general obligation bonds. The Bureau funded its portion from federal budget appropriations. After completion of each phase, the Bureau determined total reimbursable costs for constructing its portion of the SNWS and the CRC entered a water delivery and repayment contract with the Bureau to repay those costs plus interest. The terms of the repayment contract required 50 annual payments at 3.25



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

percent interest. According to the terms of the repayment contract, the federal government would retain title to the facilities it built, even after the repayment contract was fully paid.

The role of the federal government in financing improvements of the SNWS has been declining. When the first phase of the SNWS was completed in 1971 at a total cost of \$62 million, 85 percent of that cost was provided by the federal government. After completion of the second phase in 1983, the ratio provided by the federal government had dropped to 71 percent. In 1995 the SNWA began work on its \$2.1 billion Capital Improvement Plan to expand and improve the SNWS. Because the Bureau was, and always would be, the owner of the facilities built with federal funding, the SNWA would always be required to obtain Bureau approval to maintain, modify, or improve the federal facilities which are an integral, but increasingly smaller, part of the total system.

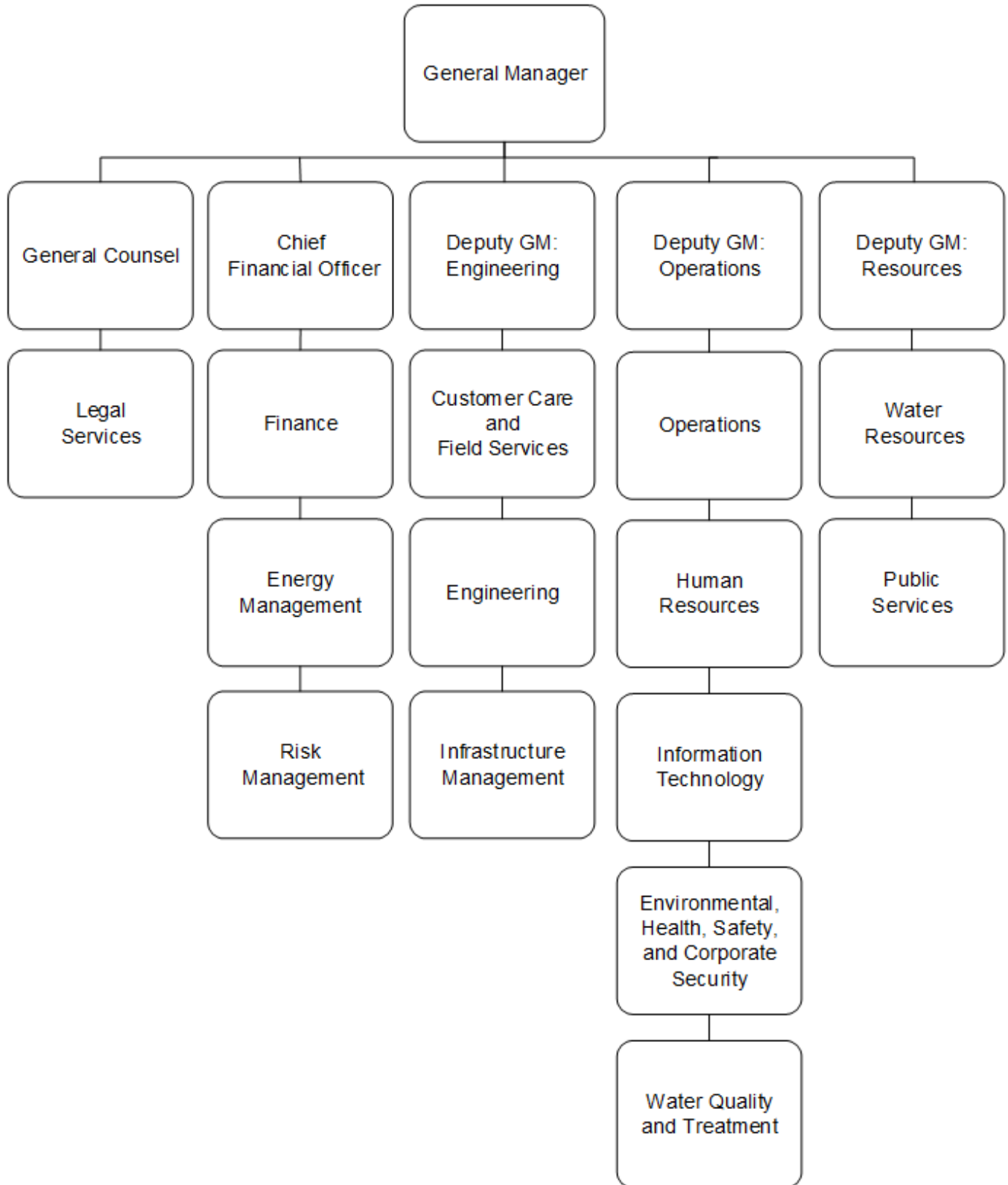
In July 2000, the U.S. Congress passed, and President Clinton signed into law, the Griffith Project Prepayment and Conveyance Act (Public Law 106-249), which directed the Secretary of the Interior to transfer title to the Robert E. Griffith Project to the SNWA, subject to prepayment of the Project's federal repayment obligation. According to guidelines published by the Office of Management and Budget, the price of the title transfer was set at \$121.2 million, plus accrued interest, less any principal payments made after September 30, 1999.

Organizational Structure

The LVVWD operates the SNWA under contract; however, the two entities are legally separate. The LVVWD pays substantially all expenses on behalf of the SNWA, including the cost of employees allocated to the SNWA and is reimbursed monthly for these costs. SNWA has no employees of its own. The organizational chart shows the SNWA organization and how the different departments are arranged. For a further breakdown per department, please see Section 5, Department Budgets.



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026



Southern Nevada Water Authority Strategic Plan

Strategic Plan Background

The SNWA's Strategic Plan represents the latest iteration in the SNWA's long-standing commitment to self-assessment, continuous improvement, and comprehensive planning. The Strategic Plan provides future direction for the SNWA, both in its role as a local water purveyor and in its operational and management support of the SNWA.

To respond to a variety of rapidly changing factors impacting the SNWA, senior management and employees of the SNWA, with policy guidance from the SNWA Board, completed a comprehensive Strategic Plan in 1993. The SNWA's Strategic Plan identified forces influencing decision-making and formulated goals and strategies to guide the SNWA in responding to the challenges, and evolve into a dynamic, responsive and effective organization. In 1997, the SNWA revised its original plan to reflect its evolving role in supporting and managing the SNWA, as well as meeting demands as a local water purveyor. In fiscal year 2003-04, senior management and staff completed a review and updated the goals and strategies of the SNWA's Strategic Plan, and a revised plan with new goals and strategies was presented to and adopted by the SNWA Board. At the same time, staff initiated strategic planning meetings with the SNWA member agencies, resulting in the identification of goals to guide the future of the SNWA, and provide a foundation for common understanding between the SNWA and the member agencies.

In fall 2012, the Senior Management Team began meeting to update the strategic plan. This strategic planning process allows the SNWA and the member agencies to continue to respond to current economic conditions, plan for future needs and implement changes to ensure efficient and effective operations. The revised strategic plan was finalized, and the organization-wide implementation launched in 2013.

Strategic Plan and 2025-26 Budget Plan Preparation

The SNWA's Strategic Plan serves as a guide in the development of the SNWA's annual Budget Plan. The Strategic Plan is used to guide and focus operational objectives and subsequently budget plan investments for the upcoming year. In Section 5 of the 2025-26 Budget Plan, each department has established objectives for the upcoming year according to the relevant and existing Strategic Plan goal it is designed to address.

The SNWA has a long-standing commitment to self-assessment, continuous improvement, customer service and comprehensive planning, and has undergone several strategic planning initiatives over the past two decades to ensure the organization has a framework for action and is prepared to address dynamic environmental and economic challenges. The Strategic Plan developed in 2013 addresses the challenges of the current economic climate, organizational realignment and operational needs.

For the past two decades, Southern Nevada has weathered unprecedented drought conditions on the Colorado River and has survived the effects of an economic recession and COVID-19 pandemic impacts. The recession impacts included a change in the community's business environment, a decrease in water sales and sales tax revenue, and a significant decrease in the SNWA connection charges. Some of those same impacts have been seen from the COVID-19 pandemic. During this period of economic uncertainty, organizational structure and budgetary issues have been closely evaluated to ensure the organization's focus meets current community needs. The strategic plan represents a roadmap for the



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

next three to five years which realigns the organization's focus on enhancing service levels, improving asset management, providing rate stability, and streamlining the organization to meet current and future community needs.

The strategic planning process developed a "blueprint" to increase communication, emphasize accountability, and continue to cut costs and eliminate duplication in a manner representative of the organization's commitment to internal efficiency and exemplary customer service. The plan also establishes goals to facilitate these objectives.

The strategic planning process involved management and employees in all departments through a comprehensive exercise to assess the organizations and their current environment; review and clarify the organizational vision, mission and values; and to develop goals and strategies that support these objectives. By involving all levels of employees in the development of measures, milestones, standards of excellence, and incorporating their input into the strategic plan, the entire workforce had the opportunity to engage in the implementation of the new Strategic Plan. Additionally, each workgroup has the ability to monitor its own progress through an online administrative tool.

As a result of this strategic planning process, a new vision, mission and goals were developed:

VISION

To be a global leader in service, innovation and stewardship

MISSION

Provide world class water service in a sustainable, adaptive and responsible manner to our customers through reliable, cost-effective systems

GOALS

Strategic Plan Goal	
SPG-1	Assure quality water through reliable and highly efficient systems.
SPG-2	Deliver an outstanding customer service experience.
SPG-3	Anticipate and adapt to changing climatic conditions while demonstrating stewardship of our environment.
SPG-4	Develop innovative and sustainable solutions through research and technology.
SPG-5	Ensure organizational efficiency and manage financial resources to provide maximum customer value.
SPG-6	Strengthen and uphold a culture of service, excellence and accountability.



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

Strategic Plan Strategies

In order to implement the goals of the Strategic Plan, the SNWA prepared the following strategies:

GOALS	STRATEGIES
<p style="text-align: center;">SPG-1</p> <p>Assure quality water through reliable and highly efficient systems.</p>	<p>Provide a high quality drinking water supply and delivery system that is sustainable and promotes the vitality and prosperity of the community.</p> <p>Maintain high levels of reliability through application of a sufficiently funded asset management program.</p> <p>Sustain operational continuity with a sufficiently staffed, well-trained and skilled workforce.</p> <p>Continually improve operating efficiencies by benchmarking to leading industry standards.</p> <p>Ensure a high quality of local and regional water resources through comprehensive water quality and watershed management.</p>
<p style="text-align: center;">SPG-2</p> <p>Deliver an outstanding customer service experience.</p>	<p>Assess customer satisfaction, establish benchmarks and determine where improvements are required.</p> <p>Continuously improve service processes and practices based on customer assessments.</p> <p>Utilize appropriate technology to simplify and improve the customer experience.</p> <p>Provide necessary training and development to ensure a quality customer service experience.</p> <p>Communicate with and receive continuous feedback from employees on organizational policy changes and improvements.</p> <p>Communicate with and receive continuous feedback from employees on organizational policy changes and improvements.</p>
<p style="text-align: center;">SPG-3</p> <p>Anticipate and adapt to changing climatic conditions while demonstrating stewardship of our environment.</p>	<p>Enhance understanding of climate change impacts among ourselves and our stakeholders.</p> <p>Develop and implement adaptation plans to reduce or mitigate impacts of climate change on water and environmental resources.</p> <p>Conduct long-term water resources and facilities planning to ensure adequate resources are available when needed.</p> <p>Develop and implement proactive stewardship for environmental resources to ensure access to current and future water supplies.</p> <p>Champion innovative water efficiency initiatives to maximize beneficial use of resources.</p> <p>Incorporate sustainable best practices into organization initiatives and inspire positive change.</p>
<p style="text-align: center;">SPG-4</p> <p>Develop innovative and sustainable solutions through research and technology.</p>	<p>Identify, prioritize and implement sustainable and cost-effective solutions to organizational challenges.</p> <p>Promote a culture that is innovative and creative, and makes effective use of technology.</p> <p>Allocate the resources necessary to advance research, technology and other innovations.</p> <p>Develop and strengthen partnerships on a global basis to leverage resources and advance innovation.</p>



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

GOALS	STRATEGIES
<p style="text-align: center;">SPG-5</p> <p>Ensure organizational efficiency and manage financial resources to provide maximum customer value.</p>	<p>Increase customer communication so there is a better understanding of the value of our products and services.</p> <p>Ensure predictable rates that are aligned with community expectations.</p> <p>Seek out and deploy worldwide best practices to minimize costs.</p> <p>Establish and utilize benchmarks to explore new opportunities for improved efficiencies.</p> <p>Formulate risk assessments and develop alternatives for expenditure decisions.</p>
<p style="text-align: center;">SPG-6</p> <p>Strengthen and uphold a culture of service, excellence and accountability.</p>	<p>Improve the consistency and openness of communication to ensure employees are engaged and well informed.</p> <p>Increase the effectiveness of professional development by providing additional diverse learning opportunities.</p> <p>Hold ourselves accountable for delivering quality products and services to our customers, each other and the environment.</p> <p>Identify, monitor and measure key performance areas of the organization, openly sharing results and taking appropriate action.</p> <p>Provide and seek timely feedback on individual, team and departmental performance to enhance collaboration, accountability and excellence.</p>

Performance Measures

Performance measures that are based on the Strategic Plan goals and support to the overall organization's mission are outlined in the Department Budget section. These performance measurements were developed to assist in evaluating the achievement of the organization's objectives. The metrics presented include data that is both internally and externally produced. Historical data is analyzed and is used as a basis for establishing targets for the current and budget fiscal years. On an annual basis, management reviews the performance measures presented to monitor results, evaluate targets, and add or remove items as needed to reflect organizational priorities.



Financial Structure and Controls

The SNWA's financial reporting structure presents the activities of the SNWA on a fund basis. In governmental accounting, a fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein.

Proprietary (Enterprise) Fund. The enterprise fund is used to account for the SNWA's operations in a manner similar to private business enterprises. The enterprise fund accounts for all of the SNWA's operations, similar to a commercial enterprise, using the economic resources measurement focus and the accrual basis of accounting. The SNWA adheres to all applicable financial accounting and reporting standards of the Governmental Accounting Standards Board (GASB).

Summary of Significant Fiscal Policies and Procedures

The following financial policies and procedures apply to the Southern Nevada Water Authority (SNWA) and other entities for which the Las Vegas Valley Water District (LVVWD) has fiduciary responsibility i.e., Big Bend Water District (BBWD). These policies and procedures are periodically reviewed by management to accommodate any changes and ensure alignment to the organization's Strategic Plan.

Annual Budget. The organization files a Tentative Budget, and subsequently a Final Budget, annually in accordance with Nevada Revised Statutes (NRS), and in compliance with the regulations of the Committee on Local Government Finance (LGF) of the State of Nevada's Department of Taxation. The organization annually publishes a comprehensive budget document for the LVVWD and the SNWA and submits the documents to the Government Finance Officers Association (GFOA) for consideration to receive an award in its Distinguished Budget Presentation Award program. Under normal circumstances, the organization strives to prepare a balanced budget, meaning sources of funds are greater than, or equal to, the uses of funds.

Operating Revenues. Revenues are diversified in order to improve the ability to handle fluctuations in individual sources and fund operations over the long-term.

- Fees and charges are set to cover the cost of the services provided.
- Water Rates pay for current water system operation and maintenance.
- Connection Fees pay for water system infrastructure expansion to support population growth.
- Fees pay for the annual inspection and maintenance of system facilities.
- Deposits assure customer payment of financial obligations.
- Ongoing programs or expenditure commitments are not dependent upon revenues that cannot be reasonably predicted. The organization uses historical data, projected data, and prudent judgment to support its revenue projections.
- Should a situation occur that requires recognition on a specific one-time revenue, the organization will generally match the recognition of this revenue with the corresponding one-time expenditures. One-time revenues could occur for projects that include capital expenditures which will reduce operating costs or address deferred capital needs, projects



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

that will improve efficiency, special projects which do not incur substantial continuing operating costs, or retirement of debt obligations.

Operating Expenses. Actual operating expenses are periodically compared to the budget. Each Department Director shall be primarily responsible for keeping the department's actual expenses from exceeding their budget. The overall annual budget may also contain contingency funds that could be made available to meet unanticipated expenses. Department Directors provide timely notification to the Director of Finance when it appears that their actual expenses for the fiscal year may exceed their budget. The Director of Finance continuously monitors the actual expenses of the entire organization and provides timely notification to the Chief Financial Officer and/or General Manager when it appears that the overall expenses forecast for the fiscal year may exceed the Board adopted budget.

Capital Expenditures. The organization maintains an inventory of major capital assets and periodically assesses the condition of those assets to plan for ongoing financial commitments necessary to ensure services in support of the Strategic Plan. Expenditures for improvements and betterments, including labor and indirect costs, are capitalized. The capitalization threshold is generally \$10,000 and an estimated useful life of at least three years following the date of acquisition. Meters, service laterals, and pipelines are exceptions and are capitalized regardless of unit cost. The most recently approved Capital Improvement Plan (CIP) serves as the basis for the organization's long-term financial plan and the development of the annual Capital Budget. Additional information relating to the Capital Budget funding process and prioritization are outlined in Section 6.

Debt Management. The organization has established policies for managing debt for the LVVWD, SNWA, and BBWD. The organization updates the Debt Management Policies annually in accordance with NRS 350.013. This statute requires municipalities to submit annually a statement of current and contemplated general obligation debt, statement of debt management policy, plan for capital improvement or alternate statement and certain information regarding the Chief Financial Officer. The Debt Management Policy for the organization is shown in Section 8.

Reserves. The organization has an established policy for maintaining adequate reserves of cash and investments. The Reserve Policy is needed to provide the working capital required by the organization to continue executing on its operating and capital plans despite expected and unexpected fluctuations that can impact its cash flows. The SNWA's reserve policy includes the following four components:

- Adequate reserves to fund 180 days of operating and maintenance expenses
- Adequate reserves to fund one year of the maximum annual debt service
- Adequate reserves to fund a one-year average of future capital needs
- Adequate reserves to fund one percent of assets subject to depreciation

The full Reserve Policy for the organization is included in Section 9.

Restricted Assets. Restricted assets include unused bond proceeds, unused sales tax proceeds, and investments set aside as a sinking fund. The bond proceeds and sinking fund are externally restricted by bond covenants, while the sales tax proceeds are externally restricted by NRS 377B.160. The sinking fund and sales tax proceeds are used for debt service while bond



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

proceeds are only used for capital expenditures. When both restricted and unrestricted resources are available, it is the SNWA's policy to use restricted resources first, then unrestricted resources as needed.

Investments – The organization has an established policy for the investment of funds to ensure the preservation of principal, ensure adequate liquidity to meet cash flow needs, and earn a market rate of return while conforming to all NRS and other regulations governing the investment of public funds. It is Board Policy 12 of the SNWA (BP 12 Investment Policy).

The SNWA's investments are held in its own name and are reported at fair value. The securities the SNWA is authorized to buy, sell, or trade are outlined in the Investment Policy and are authorized by NRS 355, *Public Investments*. The Investment Policy for the organization is shown in Section 9.

Long-Range Operating Financial Plan. SNWA's Strategic Plan guides the decisions of the organization. Preparation of operating and capital budgets, as well as other financial planning activities, consider their long-term financial implications and reflect the Strategic Plan as the organization also strives to maintain its strong credit ratings.

The SNWA recognizes long-range financial planning is critical to accomplish its mission. In order to anticipate potential future financial challenges so corrective action can be taken to maintain financial stability, the SNWA develops short-term and long-range financial forecasts to assess its overall fiscal health. These important components provide insight into future financial capacity which enable the formulation of strategies to achieve long-term sustainability in light of service objectives and financial challenges in these uncertain times.

The long-range financial forecast is frequently updated throughout the year, including during the annual budget development process. The financial forecast typically utilizes a multiple planning scenario approach to account for various possible outcomes. Revenues, reserves, and financing outlooks are evaluated for the sufficiency to support ongoing operations and capital needs. General assumptions utilized in the financial forecast for revenues factor in previously approved rate adjustments, population growth, water consumption estimates, conservation, among other related factors. On the cost side, the financial forecast views historical operating expense levels as a prominent factor, then couples that foundation with inflationary projections, future operational initiatives, and general cost estimates. For future capital expenditures, the financial forecast relies on current capital plans and future capital project estimates provided by the Engineering and Infrastructure Management departments.

Projecting long-term financing and operations is often tenuous despite its importance in setting the course of the overall direction of financial, operational, and capital resource allocation priorities of the organization. Major strategic policy guidelines emphasized are long-term water supply needs and infrastructure replacement goals, as well as improved resilience during unforeseen events. Careful consideration is taken to formulate long-range financial plans with increased focus on the economic environment, capital projects, and asset management.

Financial Controls and Guidelines

Leases. The SNWA is a lessee for noncancellable leases of billboard space and equipment. The SNWA recognizes a lease liability and an intangible right-to-use lease asset in the statement of net position and recognizes lease liabilities with an initial, individual value of \$10,000 or more.



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

Subsequently, the lease asset is amortized on a straight-line basis over its useful life. In addition, the SNWA is a lessor for noncancellable leases of office space and land for the use of cell towers and recognizes a lease receivable and a deferred inflow of resources.

Key estimates and judgements related to leases include how the SNWA determines (1) the rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments. The SNWA monitors changes in circumstances that would require a remeasurement of its leases.

Subscription-Based Information Technology Arrangements. The SNWA recognizes subscription-based information technology arrangements (SBITAs) greater than one year, and with a present value of the minimum payments greater than \$100,000. SBITAs are recorded as a liability and an intangible right-to-use asset in the statement of net position. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life which matches the term of the subscription.

Key estimates and judgements related to SBITAs are the same as those for leases. The SNWA monitors changes in circumstances that would require a remeasurement of its SBITAs.

Internal Controls – In developing and evaluating the SNWA’s accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. The SNWA’s internal accounting controls safeguard assets and provide reasonable assurance of proper recording of financial transactions. On an ongoing basis, the SNWA evaluates its internal controls and implements changes in response to dynamic operations.

Risk Management. The SNWA employs a multifaceted approach to risk management, which includes the transfer, elimination, avoidance, reduction and/or assumption of risk of loss. This approach includes purchasing a portfolio of insurance through the primary commercial insurance market.

The SNWA’s insurance portfolio consists of insurance for property, terrorism, general liability, automobile liability, drone liability, cyber liability, public officers’ liability, and environmental liability. SNWA also places other smaller insurance policies, as needed.

SNWA maintains a \$500M property insurance policy that provides protection for real and personal property for direct physical loss of or damage to buildings, fixtures, equipment, boilers, machinery and supplies. The policy includes a sublimit of \$100M insurance for earthquake coverage and \$50M for flood coverage. The deductible for the property policy is \$1M. LVVWD also maintains a \$250M terrorism policy providing coverage for all terrorist acts, which has a \$10,000 deductible.

The SNWA also purchases \$20M of commercial general liability insurance, and cyber insurance coverage of \$5 million with a \$250,000 self-insurance retention. The cyber insurance policy provides liability coverage for damages SNWA is legally obligated to pay resulting from incidents



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

covered under the policy. The cyber insurance policy also provides for business income and extra expense insurance for covered cyber incidents. Included in its portfolio, SNWA also has a \$5M drone liability policy, and other miscellaneous coverages.

SNWA self-insures the first \$1 million for property, automobile and general liability claims thru a Captive and purchases excess liability insurance in the amount of \$20 million over the \$1 million self-insured retention.

In 2021, the SNWA's Operating Agent (LVVWD), formed the LVVWD CI (the "Captive"), a wholly owned subsidiary of the LVVWD, domiciled in the state of Nevada. The LVVWD is the sole member of this captive insurance company. The Captive is a registered limited liability company formed to advance long-term risk management program strategies using a formalized self-insurance program that can access the reinsurance markets. Through SNWA's Operating Agent, the Captive provides SNWA with retention for general/auto liability, public officials liability, cyber liability, and property for SNWA.

In contracts, SNWA obtains indemnification and hold-harmless agreements. These agreements usually require that contractors name SNWA as an additional insured under the indemnitor's insurance coverage.

Purchasing Guidelines. Procedures for ensuring that all purchasing and contracting activities of the Las Vegas Valley Water District (District or LVVWD), Southern Nevada Water Authority (Authority or SNWA), Springs Preserve (Springs), and Big Bend Water District (BBWD) are in compliance with applicable Nevada Revised Statutes (NRS), specific orders of the applicable Board of Directors (Board), and the provisions of these guidelines.

In accordance with the Southern Nevada Water Authority 2023 Purchasing Resolution (NRS 332) and Resolution No. 2006-02 (NRS 338), the Authority's Board has delegated authority to the General Manager and the General Manager's designees to authorize various purchasing functions on behalf of the Authority and sign contracts.



Capital Project Structure and Controls

Identification of Capital Project Need. Capital projects for the SNWA are proposed in response to identified needs for improvements to the facilities providing for delivery of community water supplies to the members of the SNWA. These improvements may be either 1) new facilities to expand or enhance capabilities or 2) repair, upgrade or replace existing facilities no longer functioning as required.

Identification of proposed new facilities to meet expanding water delivery requirements is accomplished through a process involving continuing assessment of current and projected future community water demands. The SNWA works with its purveyor members to establish both short-range and long-range projections of future water demands. These water demands are compared to the capacities of the existing SNWA water facilities. Where facility capacities are insufficient to meet projected demands, the SNWA undertakes efforts to plan potential new facilities to address the projected shortfall. New facilities may also be proposed to enhance the reliability of the water delivery facilities, or to enhance the quality of the water provided to the community.

Identification of existing facilities requiring repair, upgrade or replacement comes about through continuous monitoring and assessment of facility performance. To the extent possible, major repair, upgrade or replacement projects are identified in time to allow for planning and scheduling of the projects to minimize costs and interruptions to operations of other facilities.

The SNWA meets periodically with its purveyor members to discuss water demand projections, compare those projections to existing system capacities, review operational issues, define an annual operating plan, discuss progress on approved capital projects under design and construction, and consider proposals for new capital projects. Proposals for new capital projects are presented to the Southern Nevada Water System Work Group (Work Group), a formal advisory committee composed of representatives of the SNWA and the SNWA Purveyor Members. Upon endorsement by the Work Group, new projects are incorporated into amendments to the SNWA's capital plans and are presented to the SNWA Board for approval. If the amended capital plan requires an increase in the total cost of the plan, then the amended capital plan must also be approved by the governing body of each Purveyor Member.

Execution of Capital Plan. After approval of the capital plan by the SNWA Board, the Engineering department assembles a staging plan for each project and develops specifications to be used as criteria during the competitive bidding process. Major construction portions are then let to an open competitive bidding process. All bids are reviewed, and the lowest qualifying bid is presented to the SNWA Board for their approval. Change orders are submitted to the SNWA Board as needed with full explanations as to why the change is necessary.

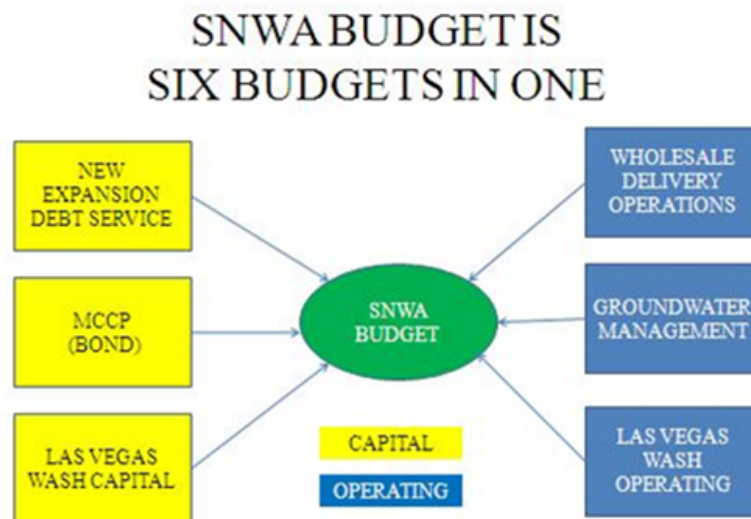
The Engineering department issues capital plans, which include a list of capital projects and their projected costs. The Finance department tracks expenditures and encumbrances for capital projects and plans future debt service issuances based on these calculations. Upon capital project completion, the Engineering department presents a summary of the project and then the Finance department moves the completed project from construction work in progress to property, plant and equipment. Details of the current capital budget can be viewed in Section 6 of this 2025-26 Budget Plan document.



Budget Controls and Process

Basis of Accounting

The SNWA's audited Annual Comprehensive Financial Report is presented on the full accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when payments are actually made. In addition, the budget is broken into sub funds of the single proprietary fund, which shows beginning balance, sources of funds, uses of funds, and ending balance. The SNWA is an enterprise fund; the sub funds are an internal cost control aiding management in ensuring revenues and expenses for major projects are properly matched. The SNWA maintains six separate sub-funds. Three sub-funds track the financial activity of SNWA's capital programs while the other three sub-funds track day-to-day operations.



Sub-fund balances are reconciled to the audited Annual Comprehensive Financial Report. For budget preparation and presentation, the Las Vegas Wash Capital and Las Vegas Wash Operating sub funds are combined into one sub fund for simplification purposes.

Budgetary Controls

By State statutes, the SNWA's budget is approved annually, following a public hearing by the SNWA Board, and a copy is submitted to the State Department of Taxation. Budgetary controls are established at the levels of total estimated operating and non-operating expenses. A utility, or other enterprise, is a self-supporting operation of a commercial nature, and the demand for service largely determines the appropriate level of revenues and expenditures. Depending upon the timing and level of the demand for services, expenditures will vary.

The SNWA is encouraged, but is not required by law, to adopt a balanced budget. A balanced budget is defined as a budget where sources of funds are equal to, or exceed, uses of funds. Throughout the budget process, the SNWA examines projected financial needs and determines whether or not rates, fees and charges should be adjusted to make funds available for those needs.



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

Budgetary controls are established at various levels to have effective control over the necessary expenditures. These levels always include departments and divisions and, in some instances, sections. Most disbursements are made through the issuance of purchase orders. The purchasing division in Finance administers purchases of new furniture, vehicles, and communication equipment. Computer equipment purchases are administered under the authority of the Director of the Information Technology department (IT). Finance prepares and distributes monthly budget variance reports, and division managers can electronically access their budget information using the Oracle Financial System. Division managers are accountable for variances between the budgeted and actual expenditures. The staffing is controlled by the Human Resources department (HR).

Budget Process

The SNWA's budget process starts in December of each year, and proceeds with a series of meetings with the department directors. Financial analysis is done to project the revenues under current rate structures. Wholesale Delivery Charge revenue projections are based on the estimated water the SNWA is planning to deliver in the coming year. The budget reflects the strategies and goals adopted by the SNWA.

Budget staff disseminates current and historical information to managers to assist them in preparation of future budgets within budgeting guidelines. The budget process consists of three major phases. The first phase includes preparing new requests for capital and staff positions for the new fiscal year. The second phase consists of preparing department operating budgets, including salaries and benefits expenditures. Estimating salaries and benefits expenditures are based on current approved positions and factors based on historical adjustments throughout the year. The third phase involves department directors, managers and supervisors meeting with Executive Management to justify expenditure requests. After all of the departments' budgets have been reviewed and approved by Executive Management, the budget is consolidated, and an initial proposed budget document is submitted to the Nevada State Department of Taxation by April 15. The State then reviews the proposed budget and issues a notice of compliance or non-compliance with the statutory laws of the State of Nevada.

On the third Thursday in May, the SNWA's Board conducts a public hearing to allow the public an opportunity to discuss the proposed budget. During the public hearing, the GM requests final approval from the SNWA Board. The approved final budget document is filed with the State of Nevada. Once approved and filed, departments are provided copies of their budgets. The approved budget is implemented on July 1, the first day of the new fiscal year.

Budget Augmentation

Nevada Revised Statute (NRS) 354.493 defines budget augmentation as a procedure for increasing appropriations of a fund with the express intent of employing unbudgeted resources to carry out the purpose for the increased appropriations. To augment the budget, the SNWA Board must adopt a resolution providing for an augmentation at a regular meeting of the SNWA Board by majority vote of all members. Budget augmentation becomes effective when an executed copy of the resolution for augmentation is delivered to the State Department of Taxation.



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

	All Departments	Financial Planning, Analysis & Reporting (FP&A)	Executive Management	Human Resources
Oct		Coordination of budget process, schedule and assigned department Analyst assignments begin		
Nov	Mon Nov 4 Budget instructions and calendar received	Mon Nov 4 Budget instructions and calendar sent to departments		
	Tue Nov 12 Budget narrative files available for departments in Wdesk app	Tue Nov 12 Budget narrative files made available for departments in Wdesk app		
	Tue Nov 12 Budget Kick-off Meeting (Teams)	Tue Nov 12 Budget Kick-off Meeting (Teams)		
	Thu Nov 14 Operating budget template files received by departments	Thu Nov 14 Operating budget template files sent		
Dec	Mon Dec 9 – Thu Jan 9 Personnel related requests will be coordinated through each department's Director and Deputy General Manager		Mon Dec 9 – Thu Jan 9 Personnel related requests will be coordinated through each department's Director and Deputy General Manager	Dec Organization charts available for review in Workday. Adjustments to organization charts due to Human Resources Information Systems, (HRIS) (HRIS@lvvwd.com) by Thursday, January 9, 2025
Jan	Thu Jan 9 Adjustments to organization charts submitted to Human Resources Information Systems, (HRIS) (HRIS@lvvwd.com)	Thu Jan 9 Major data processing and equipment requests submitted to Information Technology and Fleet Services for review and coordination		Fri Jan 10 List of existing interns and summer hire position renewals sent to FP&A
	Thu Jan 9 Final requests for interns and summer hire positions submitted to HRIS (HRIS@lvvwd.com)	Tue Jan 21 Begin coordination with departments incurring intercompany and overtime payroll costs		
	Thu Jan 30 Final 2025-26 capital budget equipment and project requests submitted			



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

	All Departments	FP&A	Executive Management	Human Resources
Feb	Mon Feb 3 Final 2025-26 operating expense budgets submitted to FP&A			
	Tue Feb 18 Summaries and detail of operating expense & capital expenditure budgets received	Tue Feb 18 Summaries and detail of operating expense & capital expenditure budgets sent to departments		
		Tue Feb 18 Assisting departments in preparation for the Senior Management Team (SMT) budget meeting presentations begins		
Mar		Thu Mar 6 Budget overview briefing with Executive Management (E-Team Budget Workshop)	Thu Mar 6 Budget overview briefing (E-Team Budget Workshop)	Tue Mar 27 Preliminary update of positions list based on Executive Management's final budget decisions
	Thu Mar 13 Budget narratives submitted to FP&A Wdesk App	Thu Mar 13 Department budget meetings with SMT and overview briefing (SMT Budget Workshop)	Thu Mar 13 Department budget meetings with SMT and overview briefing (SMT Budget Workshop)	
	Thu Mar 13 Department budget meetings with SMT and overview briefing		Thu Mar 20 Final budget decisions made by Executive Management (E-Team)	
Apr		Thu Apr 3 Proposed draft budgets completed for Budget Workshops with Boards of Directors	Thu Apr 17 Board of Directors Budget Workshop for SNWA	
		Thu Apr 10 Preliminary Budgets filed with the Nevada State Department of Taxation	Mon Apr 21 Board of Directors Budget Workshop for LVVWD (including BBWD & Coyote Springs)	



Southern Nevada Water Authority
Operating and Capital Budget
Introduction and Strategic Plan
Fiscal Year Ending June 30, 2026

	All Departments	FP&A	Executive Management	Human Resources
May		Wed May 7 LVVWD, BBWD, and Coyote Springs Public hearing notice published in LVRJ		
		Fri May 9 SNWA Public hearing notice published in LVRJ		
			Mon May 19 LVVWD Board of Directors public hearings conducted on proposed budgets of LVVWD, Big Bend, and Coyote Springs for possible adoption	
			Thu May 22 SNWA Board of Directors public hearing conducted on the proposed budget for possible adoption	Thu May 22 Organization charts updated after Boards adopt budgets
Jun		Mon Jun 2 Adopted budgets sent to the Nevada Department of Taxation		
		Mon Jun 16 LVVWD, SNWA, BBWD & Coyote Springs annual summary fiscal reports published in LVRJ		
Jul		Thu Jul 17 Proof of publication of fiscal reports submitted to the Nevada State Department of Taxation		
Aug		Thu Aug 14 Budget Award Application submitted to the GFOA		



SECTION 3

OPERATING AND CAPITAL BUDGET PLAN

Operating Budget Summary	3 - 42
Operating Sources	3 - 43
Operating Uses	3 - 48
Capital Budget Summary	3 - 52
Capital Sources	3 - 52
Capital Uses	3 - 53
Summary of Sources and Uses of Funds and Changes in Net Assets ...	3 - 56
Sub Funds	3 - 57



Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

The fiscal year 2025-26 Operating Budget Plan reflects the continued commitment of the Southern Nevada Water Authority (SNWA) to provide water resources and services to meet the demands of Southern Nevada. The SNWA utilizes its Strategic Plan as a guide in shaping its annual Operating Budget Plan.

The fiscal year 2025-26 Budget Plan's total sources of funds are projected to be \$729.7 million, or an eight percent increase compared to the fiscal year 2024-25 Adopted Budget Plan. The fiscal year 2025-26 Budget Plan's total uses of funds are projected to be \$729.7 million, or an eight percent increase compared to the fiscal year 2024-25 Adopted Operating Budget Plan. The table below shows the Sources and Uses Summary for the fiscal years 2023-24, 2024-25, and 2025-26.

Operating Budget Summary

	Actual		Budget		Budget		Budget-to-Budget Variance	
	2023-24		2024-25		2025-26		\$	%
SOURCES								
Wholesale delivery charge	\$	165,476,445	\$	165,707,057	\$	174,955,074	\$ 9,248,017	6 %
Infrastructure charge		213,396,859		223,100,301		241,943,394	18,843,093	8 %
Commodity charge		80,611,814		83,593,821		88,365,264	4,771,443	6 %
Connection charge		90,293,423		71,106,640		89,869,133	18,762,493	26 %
Reliability surcharge		6,780,274		6,852,894		7,592,788	739,894	11 %
Sales tax		98,605,514		103,629,368		102,586,921	(1,042,447)	(1)%
Investment income		62,363,672		12,325,244		14,420,535	2,095,291	17 %
Other sources		12,833,624		8,978,774		9,976,001	997,227	11 %
SNWA Sources		730,361,625		675,294,099		729,709,110	54,415,011	8 %
USES								
Water resource investments		5,740,669		31,823,968		29,825,969	(1,998,000)	(6)%
Energy		49,624,889		53,793,950		63,025,277	9,231,326	17 %
Salaries and benefits		97,008,243		109,213,561		115,810,007	6,596,445	6 %
Operating expenses		72,790,354		100,421,368		95,514,097	(4,907,270)	(5)%
Lease/SBITAs amortization		1,110,217		1,501,805		1,266,251	(235,554)	(16)%
Debt service		289,977,459		310,766,636		305,136,838	(5,629,798)	(2)%
Other uses		—		9,441,922		1,752,124	(7,689,798)	(81)%
Transfers to reserves		214,109,794		58,330,888		117,378,548	59,047,659	**
SNWA Uses	\$	730,361,625	\$	675,294,099	\$	729,709,110	\$ 54,415,011	8 %



Operating Sources

The fiscal year 2025-26 Operating Budget Plan's total sources of funds are projected to be \$729.7 million, which is an eight percent increase compared to the 2024-25 Adopted Budget Plan. The increase is primarily attributable to increases in connection and infrastructure charge, both driven by growth in services.

Wholesale Delivery Charge

The wholesale delivery charge is the revenue generated from Colorado River water delivered by the SNWA to its purveyor members. Those purveyor members then sell the purchased water to end-users. The SNWA has no retail customers. For fiscal year 2025-26, the wholesale delivery charge for treated water sold will rise by \$22 per acre-foot. This increases the charge from \$396 to \$407 per acre-foot.

Periodic rate increases have kept the wholesale delivery charge revenue relatively stable during periods of flat-to-declining usage. The increase of \$9.2 million, or six percent, in fiscal year 2025-26 is the result of the rate increase, as well as growth in water sales to purveyor members. The recent wholesale delivery charge potable rates are shown on the following chart.

**Wholesale Delivery Charge Rate
(\$ per Acre Foot)**



Infrastructure Charge

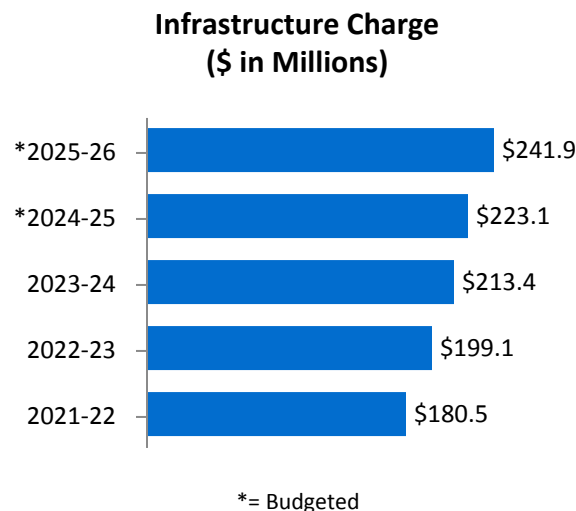
In October 2011, the SNWA's Board of Directors (Board) authorized an extensive rate study and a public outreach process to study various alternative rate structures to service the SNWA's outstanding debt. Debt had been issued to fund prior capital projects and additional debt was issued to fund ongoing capital needs. In February 2012, the Board approved an infrastructure charge. This charge is applied by the SNWA purveyor members, typically to retail bills, and is a fixed charge assessed based on meter size and customer class. Consumption is not considered in the application of the charge. At the same time in 2012, the Board appointed a 21-member Integrated Resource Planning Advisory Committee (IRPAC). The IRPAC reviewed financial projections of the SNWA and recommend strategies concerning the financial commitments. IRPAC's Phase 1 recommended, with subsequent Board approval, a four-year step-in increase of the infrastructure charge beginning January 1, 2014 and ending January 1, 2017. IRPAC's Phase 2 recommended, with subsequent Board approval, to increase the fixed monthly charges. This charge was called the Drought Protection Charge and was added to the infrastructure charge.



Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

In October 2019, the SNWA Board appointed a citizens advisory committee, named IRPAC 2020, to examine Southern Nevada's long-term water planning efforts. IRPAC 2020 recommended to implement a six-year annual increase, beginning in January 2022, to phase-in an inflationary catch-up rate increase and adjust for future annual inflation. The recommendation was approved by the Board in September 2020, and the rate adjustments themselves were adopted by the Board in November 2020 after a public hearing. These rates were fixed increases of 1.6 percent annually for six years to catch-up the rate to current day dollars, as well as three percent to account for current year inflation. Due to inflationary impacts experienced starting in 2021, IRPAC 2020 reconvened in December 2021 to ensure that fees charged maintained pace with current and future inflation. Subsequently, IRPAC 2020 recommended to the Board to amend the previously approved current year fixed rate increases to variable rates. The variable rates were proposed to be the actual percentage change in the Engineering News Record (ENR) construction cost index, which would allow the cost of services to keep pace with the associated fee structure. The recommendation was approved by the Board in February 2022. In addition to the rate changes, the Board also approved limiting future increases to a floor of 1.5 percent and a ceiling of seven percent, excluding previously approved catch-up increases in years 2023 through 2027.

Infrastructure charges are budgeted to increase \$18.8 million, or eight percent, compared to the 2024-25 Adopted Operating Budget Plan. The increase is a result of the rate adjustments in January 2026 described above and account growth.



Commodity Charge

The commodity charge went into effect in November 1996. This charge is typically collected by purveyor members and remitted to the SNWA monthly. The commodity charge is applied to retail water bills. The IRPAC Phase 1 recommended, with subsequent Board approval, the commodity charge to increase from the starting rate of \$0.30 per 1,000 gallons to \$0.48 over a four-year step-in period ending in January 2017.

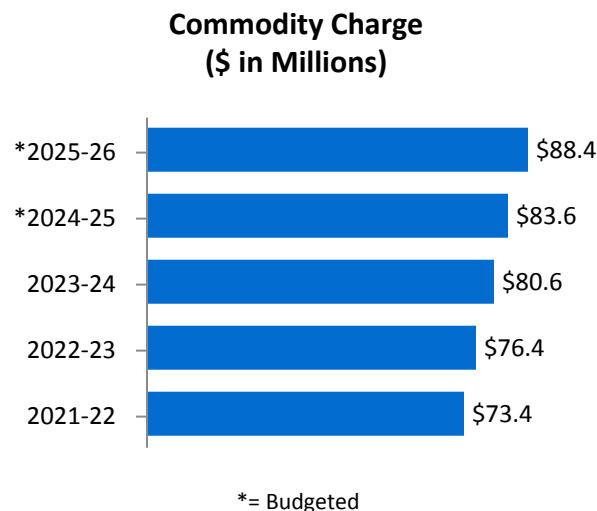
Similar to the infrastructure charge, the IRPAC 2020 recommended to implement a six-year annual increase effective January 2022 to phase-in an inflationary catch-up and adjust for annual inflation. This recommendation was approved by the Board in September 2020, and the rate adjustments themselves were adopted by the Board in November 2020 after a public hearing. Catch-up inflation was set at 2.3 percent for six years starting in January 2022. Due to inflationary impacts experienced



Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

starting in 2021, IRPAC 2020 reconvened in December 2021 to ensure that fees charged maintained pace with current and future inflation. Subsequently, IRPAC 2020 recommended to the Board to amend the previously approved current year fixed rate increases to variable rates. The variable rates would be the actual Consumer Price Index (CPI), which will allow the cost of services to keep pace with the associated fee structure. The recommendation was approved by the Board in February 2022. In addition to the rate changes, the Board also approved limiting future increases to a floor of 1.5 percent and a ceiling of seven percent, excluding catch-up increases in years 2023 through 2027. The charges are paid by the purveyors' customers based on the benefit they will accrue from the expansion of the SNWA's regional water treatment and transmission system.

Commodity charges are budgeted to increase \$4.8 million, or six percent, compared to the 2024-25 Adopted Budget Plan. This increase is mostly due to the rate adjustment(s) described above and a projected increase in volumetric water sales.



Connection Charge

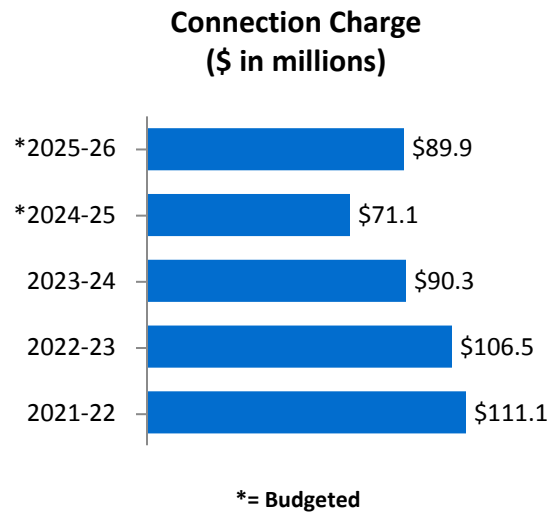
The connection charge is a charge assessed for new connections to the potable water system and is based on customer type, land usage, and meter size. The SNWA's purveyor members collect these charges when customers apply for new water services and they are remitted to the SNWA monthly.

Similar to the infrastructure and commodity charges, the IRPAC 2020 recommended to implement a six-year annual increase effective March 2022 to phase-in catch-up inflation, as well as adjust for annual inflation. Beginning in March 2028, the connection charge will be annually indexed to the ENR.

The fiscal year 2025-26 budget for connection charge revenue is \$89.9 million, which is 26 percent higher than the 2024-25 Adopted Budget Plan. Connection charge collections were one of the SNWA's largest sources of funds in the mid-2000s. However, during the subsequent recession, this revenue fell sharply with the lack of construction activity in the SNWA's service area. Since reaching a low in fiscal year 2009-10, connection charge collections increased steadily through 2023-24 and the budgets for 2024-25 and 2025-26 were intended to be conservative estimates due to uncertainty from the economic impact of inflation.

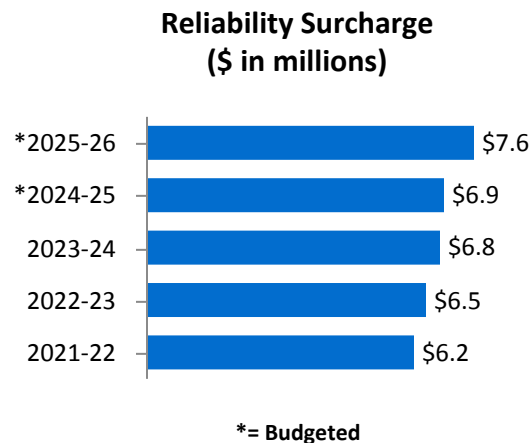


Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026



Reliability Surcharge

The reliability surcharge went into effect in April 1998 and is based on the total water bill, excluding the infrastructure charge, of the SNWA's purveyor members. The rate is 0.25 percent for residential customers and 2.5 percent for non-residential customers. These revenues are collected by purveyor members from retail billings and are remitted to the SNWA monthly. The fiscal year 2025-26 reliability surcharge is projected to increase \$0.7 million, or 11 percent. Because this surcharge is based on the total water bill charged to an end user by a purveyor, less the infrastructure charge, the reliability surcharge is affected by purveyor water sales and rate increases, as well as SNWA's commodity charge and infrastructure charges.



Sales Tax

The Clark County Water and Wastewater Infrastructure Sales Tax (sales tax) went into effect on April 1, 1999, and at that time, this increased the sales tax rate in Clark County from 7.0 percent to 7.25 percent. This is the only tax the SNWA receives.

The sales tax increase was originally scheduled to sunset on June 30, 2025, or when a cumulative amount of \$2.3 billion had been collected, whichever occurred first. However, legislation extending the

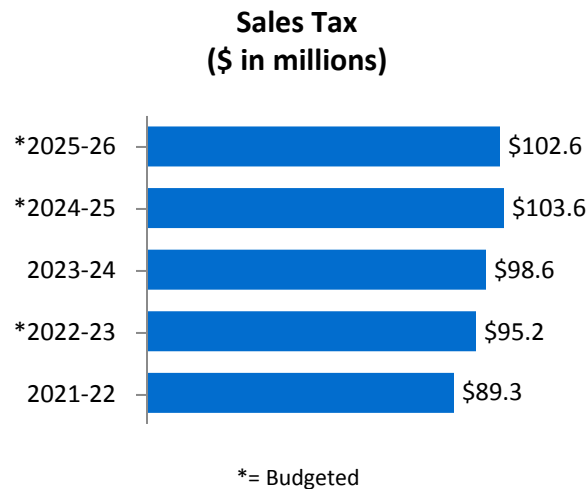


Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

sales tax sunset provisions were enacted during the 2011 Legislative session, subject to approval from the Clark County Board of Commissioners (Clark County Board). On September 3, 2019, the Clark County Board adopted an ordinance determining that the cessation of the sales tax was not advisable and that it would remain in place beyond the original statutorily prescribed sunset provisions. Therefore, unless such ordinance is repealed by the Clark County Board, the sales tax will remain in place indefinitely.

The sales tax is collected by the Nevada Department of Taxation (DOT) and remitted to the SNWA monthly. Of the gross amount received from the DOT, approximately 3.2 percent is forwarded to rural areas in the county and 4.0 percent is held in reserve by the SNWA to fund needed capital improvements in the Las Vegas Wash. The Las Vegas Wash is the primary channel through which excess water returns from the Las Vegas area to Lake Mead. The water flowing through the wash comprises less than two percent of the water in Lake Mead and consists of urban runoff, shallow groundwater, storm water and releases from the three water reclamation facilities within the Las Vegas area.

By agreement with the wastewater agencies in the service area, the SNWA received 100 percent of the remaining sales tax proceeds for the first two years. Since then, the remainder has been split between water and wastewater based on the relative size of their capital improvement plans. The fiscal year 2025-26 projection of sales tax revenue is \$102.6 million, or one percent, higher than the 2024-25 Adopted Budget Plan. This increase is due to a projected increase in taxable sales.



Investment Income

Investment income includes both interest from bank accounts and investment earnings. The primary objectives of such investments are, in order of importance, safety of principal, maintenance of liquidity, and return on investment (ROI). Investment income is projected to increase \$2.1 million over the 2024-25 Adopted Budget Plan. This increase is primarily due to fluctuations in the reserve balances.

Other Sources

Other sources are projected to be \$10.0 million, an increase of 11 percent compared to the 2024-25 Adopted Operating Budget Plan. Other sources are primarily attributable to changes in Lease Accounting as required by the Governmental Accounting Standards Board (GASB) No. 87, *Leases*, and No. 96, *Subscription-Based Information Technology Arrangements*.



Operating Uses

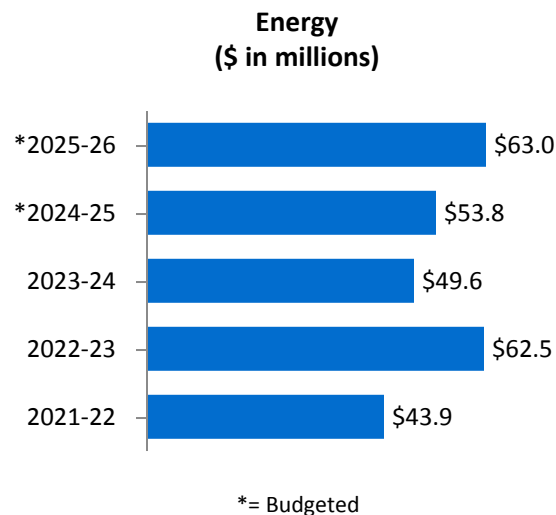
The fiscal year 2025-26 Operating Budget Plan's total uses of funds are projected to be \$729.7 million, an eight percent increase compared to the 2024-25 Adopted Budget Plan. The uses increase is mostly due to higher energy costs.

Water Resource Investments

Southern Nevada obtains 90 percent of its water supply from the Colorado River. Since the year 2000, persistent drought conditions, the worst in the Colorado River Basin's recorded history, have affected supply and forced stakeholders and the community to change the way water is utilized in Southern Nevada. Because of long-standing community conservation practices, Southern Nevada finds itself in a position in which water demands would still be met, even under the current shortage declaration, as well as possible future shortage declarations. Moreover, investments made in the regional water system will help the SNWA reliably deliver water even during the most severe drought conditions. The 2025-26 Budget plan reflects these investments, which are expected to be \$29.8 million, a \$2.0 million decrease, compared to the 2024-25 Adopted Budget Plan.

Energy

Treating raw water from Lake Mead and delivering it to the Las Vegas area is energy intensive. The cost of energy for fiscal year 2025-26 is projected to increase \$9.2 million, an increase of 17 percent, over the fiscal year 2024-25 Adopted Budget Plan. This increase is primarily due to higher energy rates and an increasing energy consumption forecast.



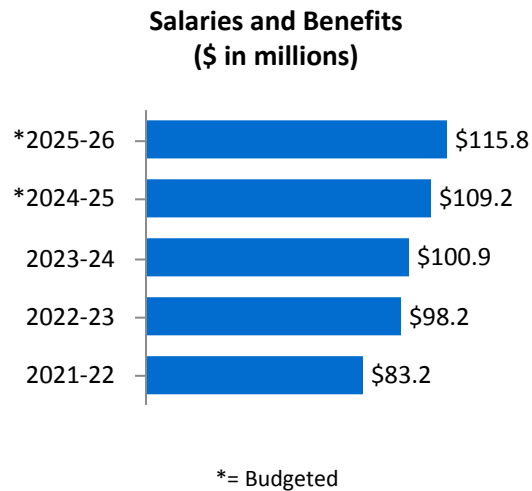
Salaries and Benefits

The SNWA does not have any employees. As described in the introduction section of this budget document, the Las Vegas Valley Water District (LVVWD) is the operating agent for the SNWA. A significant portion of the SNWA's operating expenses, including payroll costs, are initially paid by the LVVWD and then reimbursed by the SNWA. Salaries and benefits costs include wages, salaries and benefits. For fiscal year 2025-26, salaries and benefits expenses are anticipated to be \$115.8 million.



Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

This represents an increase of \$6.6 million, or six percent, compared to the 2024-25 Adopted Budget Plan.



Full-time equivalent (FTE) is a unit of measurement which represents the workload of one full-time employed person. The SNWA's FTE count is expected to increase by 10 employees over the fiscal year 2024-25 Adopted Budget Plan. Demands to secure and protect water resources, ensure efficient use of existing resources, and provide a safe and reliable water supply under current operational conditions has resulted in increased staffing requirements for the SNWA. The following chart summarizes the number of equivalent FTE positions by department charging time to the SNWA.



Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

FTE Summary

DEPARTMENT	Actual 2023-24	Budget 2024-25	Budget 2025-26
Executive Management	4.5	4.5	5.0
Legal Services	13.2	13.9	15.5
Finance	20.1	20.4	21.3
Energy Management	5.0	5.0	5.0
Risk Management	3.0	3.0	3.0
Customer Care & Field Services	2.8	3.0	2.4
Engineering	18.5	19.4	20.2
Infrastructure Management	61.7	83.8	87.5
Operations	56.5	64.6	66.7
Human Resources	3.5	7.1	6.2
Information Technology	37.5	42.3	41.2
Environmental Health Safety & Corporate Security	17.4	42.0	42.2
Water Quality & Treatment	88.2	95.4	97.4
Water Resources	72.6	78.5	78.2
Public Services	33.7	34.0	35.0
Total	438.2	516.9	526.8

**Totals may vary slightly due to rounding*

Operating Expenses

Operating expenses include all normal operating costs of the SNWA except water resource investments, energy, salaries and benefits, capitalized expenditures, and debt service, which are presented separately. Examples include, but are not limited to, materials and supplies, maintenance and repairs, certain rental and leases, water treatment chemicals, research and studies, legal fees, and professional services. Operating expenses are projected to decrease \$4.9 million as compared to the 2024-25 Adopted Budget Plan.

Debt Service

This reflects the debt service on all outstanding debt of the SNWA. For more detail on the SNWA's outstanding debt, see the Debt Management Policy, which is Section 8 of this budget document.

The Las Vegas area has experienced extraordinary population growth since the SNWA's inception in 1991. The vast majority of the SNWA's outstanding debt was necessary to fund infrastructure projects to support such extraordinary population growth. During the recession of the late 2000s, population growth slowed and the SNWA took actions to provide cash flow relief. For example, the SNWA

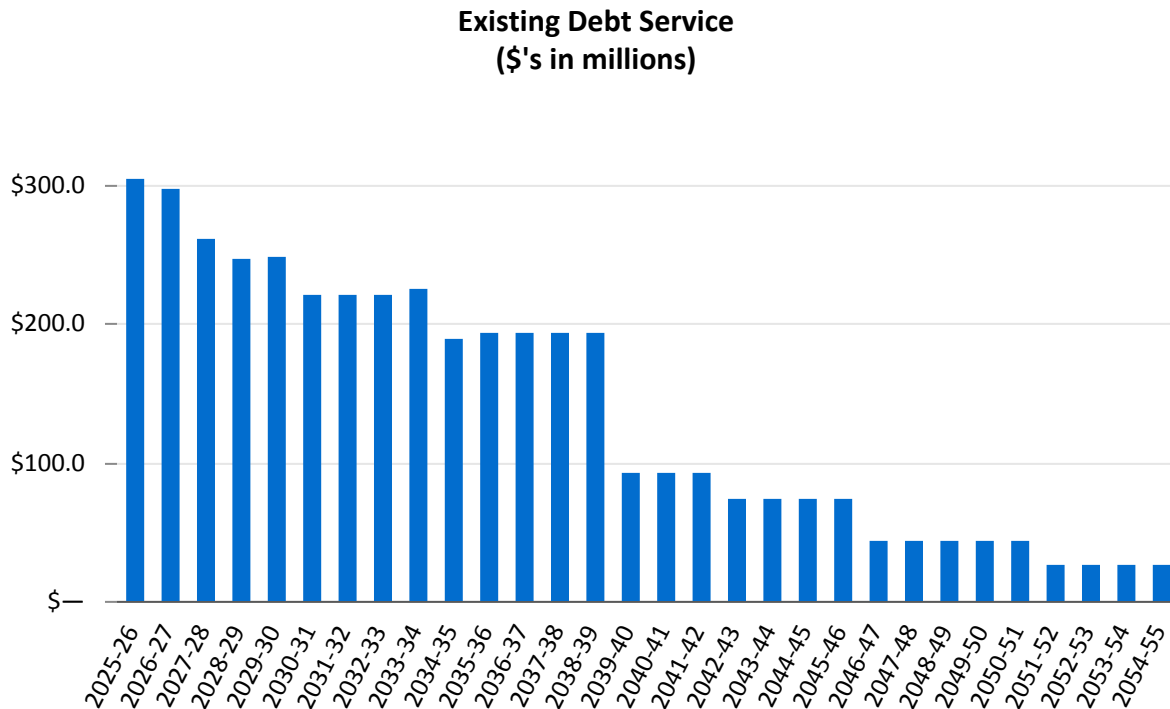


Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

postponed various capital projects and took advantage of historically low borrowing costs to refinance debt.

Debt service payments are anticipated to decrease \$5.6 million compared to the 2024-25 Adopted Operating Budget Plan. The decrease is a result of lower principal amount and interest from refunding of bonds at more favorable rates and no new money bond issuance planned for 2025-26.

As the following chart illustrates, the existing debt service is projected to be relatively stable for the next two years, then decline over subsequent years.



Other Uses

Other uses are projected to be \$1.8 million compared to the 2024-25 Adopted Operating Budget Plan. This is predominately due to expenses related to bond refundings.

Transfers To Reserves

The fiscal year 2025-26 Operating Budget Plan's transfers to reserves are projected to be \$117.4 million, an increase of \$59.0 million compared to the 2024-25 Adopted Budget Plan. The increase is a result of higher sources of revenue and lower uses (expenditures) creating a higher surplus.



Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

Capital Budget Summary

The fiscal year 2025-26 Capital Budget Plan reflects the continued commitment of the Southern Nevada Water Authority (SNWA) to provide water resources and services to meet the demands of Southern Nevada. The SNWA utilizes its Strategic Plan as a guide in shaping its annual Budget Plan. The fiscal year 2025-26 Capital Budget total sources of funds are projected to be \$428.7 million, or a 17 percent decrease, compared to the fiscal year 2024-25 Adopted Capital Budget Plan. The fiscal year 2025-26 Budget Plan's total uses of funds are projected to be \$428.7 million, or a 17 percent decrease compared to the fiscal year 2024-25 Adopted Budget Plan. The table below shows the Capital Sources and Uses of Funds Summary for the 2023-24, 2024-25, and 2025-26 fiscal years.

Capital Budget Summary						
	Actual	Budget	Budget	Budget-to-Budget Variance		
	2023-24	2024-25	2025-26	\$	%	
SOURCES						
Grant funds	\$ 13,699,002	\$ 44,644,445	\$ 67,495,500	\$ 22,851,055	51 %	
Debt issuance proceeds	—	472,100,000	—	(472,100,000)	**	
Other sources	18,394,496	—	—	—	**	
Transfers from reserves	106,648,382	—	361,184,327	361,184,327	**	
Total Sources	138,741,880	516,744,445	428,679,827	(88,064,618)	(17)%	
USES						
Capital expenditures	138,741,880	415,750,828	424,619,315	8,868,487	2 %	
Other uses	—	—	4,060,512	4,060,512	**	
Transfers to reserves	—	100,993,617	—	(100,993,617)	**	
Total Uses	\$ 138,741,880	\$ 516,744,445	\$ 428,679,827	\$ (88,064,618)	(17)%	

Capital Sources

The fiscal year 2025-26 Capital Budget Plan's total sources of funds are projected to be \$428.7 million, which is a 17 percent decrease compared to the 2024-25 Adopted Capital Budget Plan. This decrease is mainly due to no planned issuances in fiscal year 2025-26.

Grant Funds

The fiscal year 2025-26 Capital Budget Plan includes grant funds of \$67.5 million. This amount is largely comprised of \$50.0 million of sources to fund conservation efforts under the water smart landscape program, \$12.2 million for funding the design and construction of the Garnet Valley Wastewater System and related projects, and \$5.1m for upgrades at the River Mountains Water Treatment Facility.

Debt Issuance Proceeds

Bonds are issued to fund capital expenditures related to the Major Capital and Construction Plan, which is discussed in further detail later in this section. The SNWA does not anticipate issuing new money bonds in fiscal year 2025-26.



Other Sources

The fiscal year 2025-26 Capital Budget Plan does not include any other capital sources. This grouping of revenue reflects other capital sources such as contributed capital as well as member debt service billings.

Transfers From Reserves

The fiscal year 2025-26 Capital Budget Plan includes Transfers From Reserves of \$361.2 million. These transfers represent amounts required to fund the capital budget on years where there are no new debt issuance proceeds.

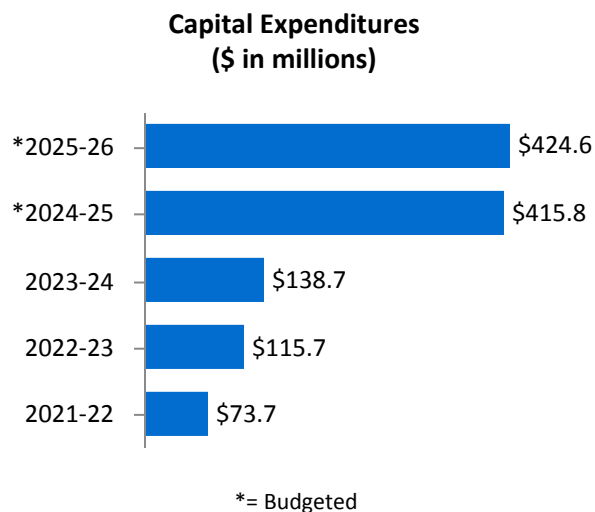
Capital Uses

The fiscal year 2025-26 Capital Budget Plan's total uses of funds are projected to be \$428.7 million, a 17 percent decrease compared to the 2024-25 Adopted Budget Plan.

Capital Expenditures

Capital expenditures are projected to increase \$8.9 million, or a two percent increase compared to the fiscal year 2024-25 Adopted Budget Plan. The increase is largely due to the start of construction for the Garnet Valley Water Projects.

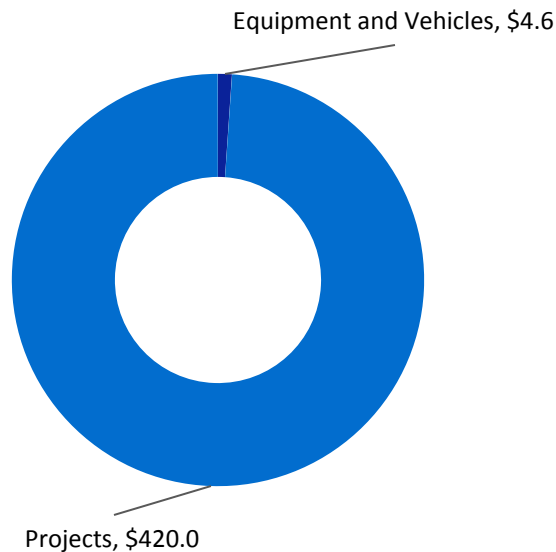
Capital expenditures are different from operating expenses in that they are generally related to assets and those assets have useful lives extending beyond three years and surpass an internally established dollar threshold. Typically, capital expenditures of the SNWA are related to infrastructure assets but can be related to water rights. Examples include, but are not limited to, construction of water treatment and distribution infrastructure, water resource acquisitions, vehicles, and some computer equipment.



The majority of the SNWA's capital expenditures are project-related.



**Capital Expenditures in
Fiscal Year 2025-26 Budget Plan
(\$ in millions)**



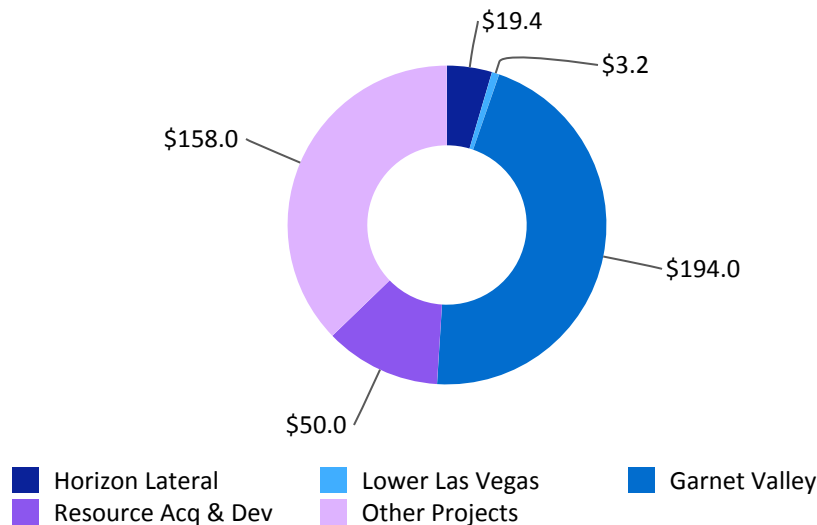
The capital projects are generally accounted for in the SNWA's Major Construction and Capital Plan (MCCP). The projects within the MCCP are mainly for the water treatment and delivery infrastructure or the acquisition and retention of water resources. It is funded primarily with publicly issued municipal debt.

The following is a brief description of the most significant MCCP project:

Garnet Valley – The construction of the Garnet Valley Water System will consist of facilities to support supplying 20 million gallons per day (MDG) at full build-out. The construction of the Garnet Valley Wastewater System will help ensure the sustainable development of resources and reduce the water demand impact to the Colorado River. Additionally, the current infrastructure for the project is estimated to be fully-subscribed by 2028. The fiscal year 2025-26 Capital Budget Plan includes \$194.0 million to be spent on this project. The total project cost is estimated at \$900.0 million.



**Capital Projects in
Fiscal Year 2025-26 Budget Plan
(\$ in millions)**



Periodically, the SNWA pays for capital costs on a pay-as-you-go basis, attempting to minimize financing costs for these capital expenditures, while maintaining financial stability. Projecting long-term additional expenditures of future capital projects, including the ones described above, is tenuous at best. Capital projects are typically instituted for two major reasons – 1) to ensure end users have a reliable, consistent source of water and 2) to deliver that water in the most economical manner possible.

The construction of major capital items fits into an overall goal of system reliability and efficiency. Unlike other government agencies that can highlight a park, school, or street, for example, and immediately determine possible maintenance and operating costs, the capital items for a water utility affect the coordination of the entire water system. An increase in costs for one section of the project may cause a reduction in another connected portion. The SNWA’s capital projects utilize state of the art diagnostic equipment and testing procedures which significantly reduce the risk of catastrophic failures and help to minimize routine operating costs. Additionally, the SNWA utilizes internal cost controls to ensure funds are spent in the most conscientious manner. However, even with comprehensive controls such as these, estimating long range costs, especially in current financial conditions, can be a challenge.

Other Uses

The 2025-26 Capital Budget Plan includes other capital uses of \$4.1 million. This grouping of expenses is predominately due to a funding of certain LVVWD projects that will also provide benefit to the SNWA with its use.

Transfers To Reserves

This classification includes transfers of capital funds in excess of the capital budget. For the fiscal year 2025-26 Budget Plan, SNWA does not anticipate any transfers to reserves.



Summary of Sources and Uses of Funds and Changes in Net Assets

An enterprise fund's year-end balance differs dramatically from other government agencies' fund balances. The enterprise net asset balance closely approximates a private corporation's retained earnings section. As such, net assets are affected by operating items as presented in this document as well as other financial resources and expenditures. The SNWA accounts for its Net Assets in accordance with GASB No. 33, *Exchange or Non-exchange Transaction*. The following table summarizes the estimated sources and uses of funds and changes in net assets for the fiscal year 2025-26 Budget Plan.

Estimated Net Assets Detail Fiscal Year 2025-26 Budget

	Invested in Capital Assets Net of Related Debt	Restricted	Unrestricted	Total Net Assets
Estimated net position on June 30, 2024	\$ 1,608,709,946	\$ 82,640,515	\$ 1,485,614,389	\$ 3,176,964,850
From revenues, expenses, and net income schedule (RENI), Page 4-5				
Operating revenue	—	—	184,931,075	184,931,075
Capital contributions	—	102,586,921	495,266,079	597,853,000
Interest earned	—	—	14,420,535	14,420,535
Salaries and benefits	—	—	(115,810,007)	(115,810,007)
Energy	—	—	(63,025,277)	(63,025,277)
Operating expenses	—	—	(125,348,504)	(125,348,504)
Depreciation expense	(121,005,038)	—	—	(121,005,038)
Non Operating Revenues	—	—	36,508,747	36,508,747
Non Operating Expenses	—	—	(3,187,269)	(3,187,269)
Interest expense (debt service)	178,813,774	—	(305,263,359)	(126,449,585)
Subtotal from RENI	57,808,736	102,586,921	118,492,020	278,887,677
Items not on RENI				
Capitalized expenditures	357,123,815	(185,227,436)	(171,896,379)	—
Debt issuance proceeds	—	—	—	—
Subtotal Items not on RENI	357,123,815	(185,227,436)	(171,896,379)	—
Estimated net position on June 30, 2025	<u>\$ 2,023,642,497</u>	<u>\$ —</u>	<u>\$ 1,432,210,030</u>	<u>\$ 3,455,852,527</u>



Invested in Capital Assets, Net of Related Debt. Capital expenditures are offset by cash received from the facilities connection charge and funding from developers for capital projects. Property and other non-cash items represent mains and services constructed to the SNWA's standards by developers and then donated to the SNWA.

Restricted for Debt Service. Assets from this classification are transferred from Unrestricted Net Assets to the Debt Service classification on a monthly basis. Total transfers of \$305.1 million are used to pay current portions of general obligation bonds.

Unrestricted Net Assets. Many different classifications make up this category including:

- **Transfer to Debt Service** - Described in preceding section.
- **Operating Revenue** - This represents the cumulative financial results of operations. Operating revenue consists of wholesale delivery charge revenue and other revenues (Groundwater Management Program fees, Las Vegas Wash Program fees, ranch revenue, rent revenue, and SBITA/Lease revenue). For the fiscal year 2025-26, these revenues are anticipated to total approximately \$184.9 million.
- **Operating Expense** - Operating expenses include all categories in the Uses of Funds, excluding bond payments, capital equipment, major construction expenditures. For the fiscal year 2025-26, these expenses are anticipated to total approximately \$(425.2) million.
- **Nonoperating Revenues (net)** - Nonoperating revenue consists of amortization of bond premiums and discounts.
- **Nonoperating Expenses (net)** - Nonoperating expense consists of amortization of refunding costs and bond issue costs.

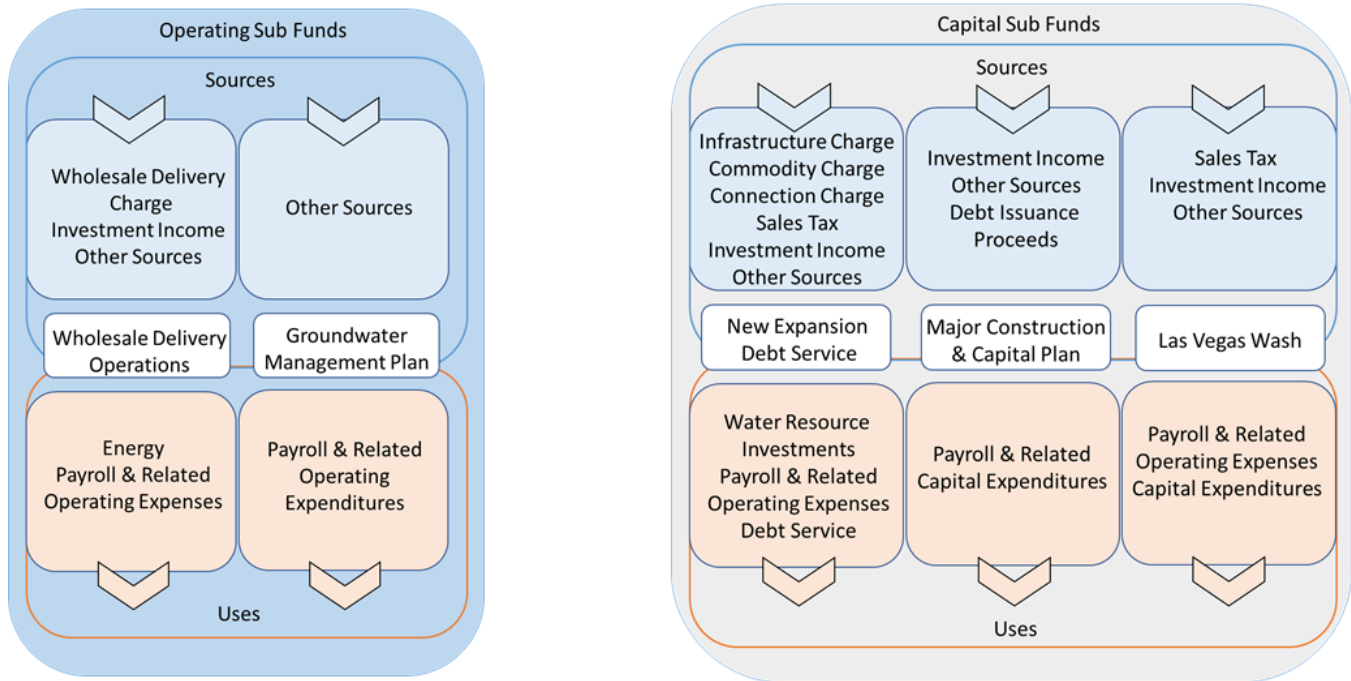
Sub Funds

According to Generally Accepted Accounting Principles (GAAP), governmental entities use fund-based accounting. As a governmental entity, the SNWA accounts for its financial activities in a single enterprise fund. However, the SNWA utilizes sub funds for internal tracking purposes.

The SNWA maintains six sub funds. Since both the Las Vegas Wash Capital sub fund and Las Vegas Wash Operating sub fund are small in terms of activity and dollars, they are typically combined into one sub fund for budgeting purposes. Therefore, the SNWA budget presents only five sub funds. Three are classified as capital sub funds while two are operating sub funds. The following table presents the five sub funds, which are described after the table.



Southern Nevada Water Authority
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026



Operating Sub Funds

Wholesale Delivery Operations sub fund. This sub fund accounts for the sources and uses of funds related to the SNWA's primary operations, which is the treatment and delivery of potable water to its members. Other activities include the research and study of water quality issues in support of the overall water industry.

Groundwater Management Program sub fund. This sub fund accounts for the sources and uses of funds related to the SNWA's groundwater management program. In 1997, the Nevada Legislature directed the SNWA to develop a Groundwater Management Program to protect and manage the Las Vegas area's primary groundwater supply. The program protects the local groundwater basin from over-drafting and potential sources of contamination.

Capital Sub Funds

New Expansion Debt Service sub fund. The primary purpose of this sub fund is to account for the majority of the SNWA's debt service and funds received to support those debt service payments. Other expenses include non-turf rebate conservation costs, northern resources costs, non-engineering capitalized labor in support of the M CCP, and some pay-as-you-go capital expenditures.

Major Construction and Capital Plan sub fund. This sub fund accounts for proceeds of debt issued to support the M CCP and capital expenditures related to the M CCP.

Las Vegas Wash sub fund. This sub fund is two small sub funds combined into one for budget presentation purposes. They are the Las Vegas Wash Capital sub fund and the Las Vegas Wash Operating sub fund. The major function of this sub fund is to pay for costs of the Las Vegas Wash. This sub fund tracks capital and operational revenues and expenses pertaining to the Las Vegas Wash.



SECTION 4

STATE OF NEVADA

BUDGET DOCUMENTS

State of Nevada, Department of Taxation, Budget Submittal	4 - 60
Budget Document Index	4 - 61
Schedule S-2: Statistical Data	4 - 62
Schedule A-2: Proprietary Funds	4 - 63
Schedule F-1: Enterprise Fund - Revenues, Expenses and Net Position	4 - 64
Schedule F-2: Enterprise Fund - Statement of Cash Flows	4 - 65
Schedule C-1: Indebtedness	4 - 66
Schedule 31: Schedule of Existing Contracts	4 - 67
Schedule 32: Schedule of Privatization Contracts	4 - 68
Affidavit of Publication	4 - 69
Letter of Compliance	4 - 71





SOUTHERN NEVADA WATER AUTHORITY™

Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7937

Southern Nevada Water Authority _____ herewith submits the _____ final budget for the
fiscal year ending June 30, 2026

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

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed 1%. If the final computation requires, the tax rate will be lowered.

This budget contains _____ 0 _____ governmental fund types with estimated expenditures of \$ _____ 0 _____ and
_____ 1 _____ proprietary funds with estimated expenses of \$ _____ 554,825,679 _____

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

CERTIFICATION

I _____ E. Kevin Bethel _____
(Print Name)

Chief Financial Officer
(Title)

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

Signed: _____

Dated: _____

Phone: _____

APPROVED BY THE GOVERNING BOARD

Only necessary for FINAL Budget
(Signature by Docusign is acceptable)

x _____
Marilyn Kirkpatrick, Chair

x _____
Dan Stewart, Vice Chair

x _____
Steve Walton

x _____
Scott Black

x _____
Olivia Diaz

x _____
James Gibson

x _____
Justin Jones

SCHEDULED PUBLIC HEARING:

(Must be held from May 18, 2025 to May 31, 2025)

Date and Time: _____ Thursday, May 22, 2025 at 1:00 PM _____

Publication Date: _____ May 9, 2025 _____

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

Page: _____ 1 _____
Schedule 1



**SOUTHERN NEVADA WATER AUTHORITY
BUDGET DOCUMENT INDEX**

	Page No.
I INTRODUCTION	
1 Transmittal Letter	1
2 Budget Document Index	2
II SUMMARY FORMS	
1 Schedule S-2 - Statistical Data	3
2 Schedule A-2 - Proprietary Funds	4
III PROPRIETARY FUNDS	
1 Schedule F-1 - Enterprise Fund - Revenues, Expenses and Net Position	5
2 Schedule F-2 - Enterprise Fund - Statement of Cash Flows	6
IV SUPPLEMENTARY INFORMATION	
1 Schedule C-1 - Indebtedness	7
V SERVICE CONTRACTS	
1 Schedule 31 - Schedule of Existing Contracts	8
2 Schedule 32 - Schedule of Privatization Contracts	9



FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR YEAR 06/30/24	ESTIMATED CURRENT YEAR YEAR 06/30/25	BUDGET YEAR YEAR 06/30/26
General Government			
Judicial			
Public Safety			
Public Works			
Sanitation			
Health			
Welfare			
Culture and Recreation			
Community Support			
TOTAL GENERAL GOVERNMENT			
Utilities	438.2	516.1	526.6
Hospitals			
Transit Systems			
Airports			
Other			
TOTAL	438.2	516.1	526.6

POPULATION (AS OF JULY 1)	2,338,127	2,361,285	2,392,490
SOURCE OF POPULATION ESTIMATE*	NV Dept. of Taxation (https://tax.nv.gov/) Publications, Population Statistics & Reports	Population Statistics & Reports Figure Increased by Demographer's annual % increase projection for Clark County	
Assessed Valuation (Secured and Unsecured Only)			
Net Proceeds of Mines			
TOTAL ASSESSED VALUE			
TAX RATE			
General Fund			
Special Revenue Funds			
Capital Projects Funds			
Debt Service Funds			
Enterprise Fund			
Other			
TOTAL TAX RATE			

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

Southern Nevada Water Authority
(Local Government)

SCHEDULE S-2 - STATISTICAL DATA



SCHEDULE A-2 PROPRIETARY AND NONEXPENDABLE TRUST FUNDS

Budget For Fiscal Year Ending June 30, 2026

Budget Summary for Southern Nevada Water Authority
(Local Government)

FUND NAME	*	OPERATING REVENUES (1)	OPERATING EXPENSES (2) **	NONOPERATING REVENUES (3)	NONOPERATING EXPENSES (4)	<u>OPERATING TRANSFERS</u>		NET INCOME (7)
						IN (5)	OUT(6)	
Southern Nevada Water Authority	E	\$ 184,931,075	\$ 425,180,387	\$ 648,782,282	\$ 129,645,292	\$ -	\$ -	\$ 278,887,678
TOTAL		\$ 184,931,075	\$ 425,180,387	\$ 648,782,282	\$ 129,645,292	\$ -	\$ -	\$ 278,887,678

* FUND TYPES: E - Enterprise
I - Internal Service
N - Nonexpendable Trust

** Include Depreciation

Page: 4
SCHEDULE A-2



PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/26	
	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	TENTATIVE APPROVED	FINAL APPROVED
OPERATING REVENUE				
Wholesale Delivery Charge	\$ 165,476,445	\$ 175,330,386	\$ 174,955,074	\$ 174,955,074
Other Revenues	12,625,997	12,413,613	9,976,001	9,976,001
Total Operating Revenue	\$ 178,102,442	\$ 187,743,999	\$ 184,931,075	184,931,075
OPERATING EXPENSE				
Energy	49,624,889	55,670,801	63,025,277	63,025,277
Salaries & Benefits	97,008,243	103,723,292	115,810,007	115,810,007
Operating Expenses	78,531,023	94,254,632	125,340,066	125,340,066
Depreciation/Amortization	118,845,017	121,240,622	121,005,038	121,005,038
Total Operating Expense	344,009,172	374,889,346	425,180,387	425,180,387
Operating Income or (Loss)	(165,906,730)	(187,145,347)	(240,249,313)	(240,249,313)
NONOPERATING REVENUES				
Investment Income	62,363,672	39,388,206	14,420,535	14,420,535
Capital Contributions	521,781,382	546,401,309	597,853,000	597,853,000
Amortization of Bond Premiums & Discounts	44,543,536	41,232,879	36,508,747	36,508,747
Gain on Sale of Assets	207,627	-	-	-
Other Nonoperating Revenues	15,560	-	-	-
Total Nonoperating Revenues	628,911,777	627,022,394	648,782,282	648,782,282
NONOPERATING EXPENSES				
Interest Expense	123,943,410	115,013,810	126,458,023	126,458,023
Amortization of Refunding Costs	2,115,379	637,969	1,570,104	1,570,104
Bond Issue Costs	-	2,678,985	1,617,165	1,617,165
Other Nonoperating Expenses	-	-	-	-
Total Nonoperating Expenses	126,058,789	118,330,764	129,645,292	129,645,292
Special Item				
Net Income before Operating Transfers	336,946,258	321,546,283	278,887,678	278,887,678
Transfers (Schedule T)				
In				
Out				
Net Operating Transfers				
CHANGE IN NET POSITION	\$ 336,946,258	\$ 321,546,283	\$ 278,887,678	\$ 278,887,678

Southern Nevada Water Authority
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

FUND _____ ENTERPRISE _____

Page: 5
Schedule F-1



PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/26	
	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	TENTATIVE APPROVED	FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 176,304,868	\$ 187,743,999	\$ 184,931,075	\$ 184,931,075
Cash Payments to Suppliers of Goods and Services	(168,493,268)	(253,648,725)	(304,175,349)	(304,175,349)
Other Cash Payments	-	(5,000,000)	(5,000,000)	(5,000,000)
a. Net cash provided by (or used for) operating activities	7,811,600	(70,904,726)	(124,244,274)	(124,244,274)
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
b. Net cash provided by (or used for) noncapital financing activities	-	-	-	-
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(138,741,880)	(289,927,553)	(424,619,315)	(424,619,315)
Proceeds from Disposal of Property and Equipment	207,627	-	-	-
Proceeds of Debt Issuance	-	415,000,000	-	-
Bond Issue Costs	-	(2,678,985)	(1,617,165)	(1,617,165)
Principal Paid on Debt	(165,221,540)	(164,061,540)	(178,813,774)	(178,813,774)
Interest Paid on Debt	(124,755,919)	(114,887,288)	(126,323,064)	(126,323,064)
Interest Rebate	-	-	-	-
Capital Contributions	460,434,805	546,401,309	597,853,000	597,853,000
Other Cash Receipts	-	-	-	-
Other Cash Payments	-	-	-	-
Right-of-use Leases	(546,036)	(413,073)	(409,067)	(409,067)
Subscription assets	(661,210)	(1,215,253)	(992,113)	(992,113)
Prepayments on joint projects	(3,013,921)	(6,684,291)	(4,060,512)	(4,060,512)
c. Net cash provided by (or used for) capital and related financing activities	27,701,926	381,533,326	(138,982,010)	(138,982,010)
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of Investment Securities	(719,147,799)	(625,651,533)	(656,934,110)	(656,934,110)
Proceeds from Sales or Maturities of Investment Securities	626,058,622	684,948,531	905,520,958	490,520,958
Investment Income	28,439,726	40,725,071	14,420,535	14,420,535
d. Net cash provided by (or used in) investing activities	(64,649,451)	100,022,069	263,007,383	(151,992,617)
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	(29,135,925)	410,650,669	(218,902)	(415,218,902)
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	33,753,134	4,617,209	267,878	415,267,878
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	\$ 4,617,209	\$ 415,267,878	\$ 48,976	\$ 48,976

Southern Nevada Water Authority
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

FUND ENTERPRISE

Page: 6
Schedule F-2



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

* - Type
1 - General Obligation Bonds
2 - G.O. Revenue Supported Bonds
3 - G.O. Special Assessment Bonds
4 - Revenue Bonds
5 - Medium-Term Financing

6 - Medium-Term Financing - Lease Purchase
7 - Capital Leases
8 - Special Assessment Bonds
9 - Mortgages
10 - Other (Specify Type)
11 - Proposed (Specify Type)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
NAME OF BOND OR LOAN List and Subtotal By Fund	TYPE *	TERM	ORIGINAL AMOUNT OF ISSUE	ISSUE DATE	FINAL PAYMENT DATE	INTEREST RATE	BEGINNING OUTSTANDING BALANCE 7/1/2025	REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/26 INTEREST PAYABLE	PRINCIPAL PAYABLE	(9)+(10) TOTAL
State of Nevada 2009 Bonds	2	20 Years	\$ 2,214,457	12/11/09	07/01/29	0.0%	\$ 569,432	\$ -	\$ 126,540	\$ 126,540
LVVWD 2015B Bonds	2	13 Years	177,635,000	06/01/15	12/01/27	4.0% - 5.0%	60,765,000	2,412,250	25,040,000	27,452,250
LVVWD 2015C Bonds	2	14 Years	42,125,000	06/18/15	09/01/29	3.0% - 5.0%	13,820,000	565,125	3,950,000	4,515,125
Clark County 2016A Bonds	2	14 Years	263,955,000	03/03/16	11/01/29	5.0%	62,150,000	2,561,625	21,835,000	24,396,625
LVVWD 2016A Bonds	2	30 Years	497,785,000	04/06/16	06/01/46	3.0% - 5.0%	380,315,000	18,983,550	1,610,000	20,593,550
Clark County 2016B Bonds	2	18 Years	271,670,000	08/03/16	11/01/34	4.0% - 5.0%	199,960,000	9,026,475	18,635,000	27,661,475
LVVWD 2017B Bonds	2	15 Years	22,115,000	03/14/17	02/01/32	4.0% - 5.0%	11,165,000	479,625	2,155,000	2,634,625
Clark County 2017 Bonds	2	21 Years	321,640,000	03/22/17	06/01/38	4.0% - 5.0%	240,970,000	10,409,100	13,940,000	24,349,100
LVVWD 2018B Bonds	2	8 Years	79,085,000	03/06/18	06/01/26	5.0%	11,720,000	586,000	11,720,000	12,306,000
LVVWD 2019A Bonds	2	20 Years	107,975,000	03/13/19	06/01/39	5.0%	91,560,000	4,578,000	3,235,000	7,813,000
LVVWD 2019B Bonds	2	8 Years	90,280,000	10/16/19	06/01/27	5.0%	24,785,000	1,239,250	18,470,000	19,709,250
LVVWD 2020A Bonds	2	14 Years	123,860,000	03/03/20	06/01/34	3.0%-5.0%	88,755,000	3,881,850	8,110,000	11,991,850
LVVWD 2021A Bonds	2	17 Years	144,685,000	03/03/21	06/01/38	2.0% - 5.0%	93,795,000	4,239,250	14,350,000	18,589,250
LVVWD 2021C Bonds	2	13 Years	208,145,000	03/25/21	06/01/34	2.0% - 5.0%	156,950,000	6,455,500	14,340,000	20,795,500
Clark County 2021 Bonds	2	15 Years	67,620,000	11/02/21	11/01/36	2.1% - 3.0%	67,620,000	1,623,475	-	1,623,475
LVVWD 2022A Bonds	2	29 Years	292,240,000	02/01/22	06/01/51	4.0% - 5.0%	276,370,000	11,611,150	5,825,000	17,436,150
LVVWD 2022C Bonds	2	20 Years	253,820,000	03/03/22	06/01/42	4.0% - 5.0%	228,925,000	9,901,500	9,145,000	19,046,500
Clark County 2022A Bonds	2	10 Years	75,090,000	05/10/22	06/01/32	4.0%	75,090,000	3,003,600	-	3,003,600
LVVWD 2024A Bonds	2	15 Years	286,255,000	09/04/24	06/01/39	5.0%	286,255,000	14,312,750	-	14,312,750
State of Nevada 2024 SRF Loan	4	20 Years	56,733,000	10/22/24	07/01/44	1.0%	1,778,151	14,239	-	14,239
LVVWD 2025A Bonds ²	11	30 Years	415,000,000	06/24/25	06/01/55	4.9%	415,000,000	20,438,750	6,327,234	26,765,984
TOTAL ALL DEBT SERVICE							\$ 2,788,317,583	\$ 126,323,064	\$ 178,813,774	\$ 305,136,838

SCHEDULE C-1 - INDEBTEDNESS

Southern Nevada Water Authority

Budget Year 2025-2026

(Local Government)

Page: 7
Schedule C-1



SCHEDULE OF EXISTING CONTRACTS

Budget Year 2025-2026

Local Government: Southern Nevada Water Authority
Contact: E. Kevin Bethel
E-mail Address: kevin.bethel@lvvwd.com
Daytime Telephone: 702-822-8809

Total Number of Existing Contracts: ____20____

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2025-26	Proposed Expenditure FY 2026-27	Reason or need for contract:
1	Dyno Plumbing	11/14/18	11/13/25	\$ 80,000	\$0.00	On-Call Plumbing Services SNWA
2	Great Basin Bird Observatory	1/1/2021	12/31/27	66,251	66,251	Las Vegas Wash Restoration Site Avian Monitoring
3	Great Basin Institute	12/18/17	10/31/26	40,000	12,000	WSNA Vegetation Control And Docent Staffing
4	Herndon Solutions Group	9/20/2021	09/19/28	2,763,607	2,763,607	Specialty Staff Augmentation Services
5	Holland and Hart	07/01/20	06/30/28	100,000	100,000	General Counsel Services PUC
6	Holland and Hart	01/20/21	01/19/28	1,500,000	1,500,000	Legal Services-Environmental Compliance and Water Resources
7	Holley Driggs	12/10/19	12/09/26	15,000	7,500	Professional Services
8	HRA Inc	12/17/19	12/16/27	90,000	90,000	Archaeological Evaluations
9	Joseph Guild & Associates LLC	07/01/20	06/30/34	46,000	46,000	Special Counsel on Ranch Related Activities-Public Services
10	Park Landscape	02/01/19	01/31/28	69,156	69,156	On Call Landscape Maintenance WSNA
11	Rayos Group	09/24/19	09/23/26	86,500	12,000	Risk Resilience Assesment
12	Simmons Group	07/11/19	07/10/25	20,000	-	Employee Development Training
13	Soil Tech	08/02/18	08/01/25	70,000	-	SNWA Revegetation and Restoration Program
14	Spring Valley Associates LLC	09/22/20	09/21/26	2,139,367	400,000	Ranch Management Services
15	Taggart & Taggart LTD	02/06/20	Perpetual	1,500,000	1,500,000	Legal Services Related to Development of Water Resources
16	Tri-County Weed Control	1/1/2021	12/31/27	23,040	23,040	Weed Control Services
17	United Soil Science	01/26/22	01/25/28	500,000	500,000	Fertilizer Application Services
18	Joshua Tree Productions	07/06/23	07/05/28	75,000	75,000	Video Production Services
19	Soil Tech Inc	07/19/23	07/18/28	550,000	550,000	SNWA Environmental Restoration Revegetation and Maintenance
20	Baker Tilly US, LLP	03/28/22	12/31/27	\$ 100,000	100,000	Professional Auditing Services SNWA
Total Proposed Expenditures				\$ 9,833,921	\$ 7,814,554	

Additional Explanations (Reference Line Number and Vendor):



SCHEDULE OF PRIVATIZATION CONTRACTS

Budget Year 2025-2026

Local Government: Southern Nevada Water Authority

Contact: E. Kevin Bethel

E-mail Address: kevin.bethel@lvvwd.com

Daytime Telephone: 702-882-8809

Total Number of Privatization Contracts: None

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Duration (Months/ Years)	Proposed Expenditure FY 2024-25	Proposed Expenditure FY 2025-26	Position Class or Grade	Number of FTEs employed by Position Class or Grade	Equivalent hourly wage of FTEs by Position Class or Grade	Reason or need for contract:
1										
2										
3										
4										
5										
6										
7										
8	Total									

Page: 9

Attach additional sheets if necessary.

Schedule 32





Las Vegas Review-Journal
1111 W. Bonanza Road
Las Vegas, NV 89106

AFFIDAVIT OF PUBLICATION

STATE OF NEVADA)
COUNTY OF CLARK) SS:

LV WATER DISTRICT
ATTN: A/P MS340
1001 S VALLEY VIEW BLVD
LAS VEGAS NV 89153

Account #
Order ID

104089
334108

IMAGE ON NEXT PAGE(S)

Leslie McCormick, being 1st duty sworn, deposes and says: That she is the Legal Clerk for the Las Vegas Review-Journal/Las Vegas Sun, daily newspaper regularly issued, published and circulated in the Clark County, Las Vegas, Nevada and that the advertisement, a true copy attached for, was continuously published in said Las Vegas Review-Journal/Las Vegas Sun, in 1 edition(s) of said newspaper issued from 05/09/2025 to 05/09/2025, on the following day(s):

05/09/2025

Leslie McCormick

LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this May 9, 2025

Notary

Linda Espinoza



LINDA ESPINOZA
Notary Public, State of Nevada
My Appointment No. 24-9178-01
Expires: July 14, 2028



**LAS VEGAS VALLEY WATER
DISTRICT**

NOTICE

NOTICE IS HEREBY GIVEN that the Board of Directors of the Las Vegas Valley Water District will hold a Public Hearing on Monday, May 19, 2025, at 10:00 a.m. in the Clark County Commission Chambers at the Clark County Government Center, 500 South Grand Central Parkway, Las Vegas, Nevada 89155, on the Tentative Budget and possible adoption of the Final Budget for the fiscal year 2025-26.

NOTICE IS HEREBY GIVEN that the Board of Trustees of the Coyote Springs Water Resources District will hold a Public Hearing on Monday, May 19, 2025, at 10:00 a.m. in the Clark County Commission Chambers at the Clark County Government Center, 500 South Grand Central Parkway, Las Vegas, Nevada 89155, on the Tentative Budget and possible adoption of the Final Budget for the fiscal year 2025-26.

NOTICE IS HEREBY GIVEN that the Board of Trustees of the Big Bend Water District will hold a Public Hearing on Monday, May 19, 2025, at 10:00 a.m. in the Clark County Commission Chambers at the Clark County Government Center, 500 South Grand Central Parkway, Las Vegas, Nevada 89155, on the Tentative Budget and possible adoption of the Final Budget for the fiscal year 2025-26.

NOTICE IS HEREBY GIVEN that the Board of Directors of the Southern Nevada Water Authority will hold a Public Hearing on Thursday, May 22, 2025, at 1:00 p.m. at the SNWA Board Chambers at the Molasky Corporate Center, 100 N. City Parkway, Suite 700, Las Vegas, NV 89106, on the Tentative Budget and possible adoption of the Final Budget for the fiscal year 2025-26.

Copies of the Budgets, which have been prepared on forms and in such detail as is prescribed by the Nevada Department of Taxation, are on file for public inspection at the District Offices, 1001 South Valley View Boulevard, Las Vegas, Nevada 89153.

Las Vegas Valley Water District
Coyote Springs Water
Resources District
Big Bend Water District
Southern Nevada
Water Authority

PUB: May 9, 2025
LV Review-Journal





STATE OF NEVADA
DEPARTMENT OF TAXATION

MAIN OFFICE
3850 Arrowhead Drive
Carson City, Nevada 89706

JOE LOMBARDO
Governor

GEORGE KELESIS
Chair, Nevada Tax Commission

SHELLIE HUGHES
Executive Director

June 9, 2025

Mr. E. Kevin Bethel, Chief Financial Officer
Southern Nevada Water Authority
1001 South Valley View Blvd.
Las Vegas, NV 89153

Re: Final Budget – Fiscal Year 2025-26
Southern Nevada Water Authority

Dear Mr. Bethel:

The Department of Taxation has examined your final budget in accordance with NRS 354.598. We find the budget to be in compliance with the law and appropriate regulations.

Please be advised the following tax rates will be presented to the Nevada Tax Commission on June 25, 2025 for certification:

Operating tax rate	\$ 0.0000
Voter approved rate	0.0000
Legislative override rate	0.0000
Debt service rate	<u>0.0000</u>
	\$ 0.0000

If you should have any questions, please do not hesitate to call me at (775) 684-2065. My e-mail address is kgrahmann@tax.state.nv.us.

Sincerely,

A handwritten signature in blue ink that reads "Kellie Grahmann".

Kellie Grahmann
Budget Analyst
Local Government Finance
Division of Local Government Services



SECTION 5

DEPARTMENT BUDGETS

Summary of Department Expenditures	5 - 73
Executive Management	5 - 74
Legal Services	5 - 82
Finance	5 - 87
Energy Management	5 - 92
Risk Management	5 - 96
Customer Care & Field Services	5 - 100
Engineering	5 - 107
Infrastructure Management	5 - 112
Operations	5 - 117
Human Resources	5 - 122
Information Technology	5 - 125
Environmental, Health, Safety & Corporate Security	5 - 131
Water Quality & Treatment	5 - 140
Water Resources	5 - 145
Public Services	5 - 151



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Fiscal Year Ending June 30, 2026

This section contains summaries of budgets for each of the Southern Nevada Water Authority's (SNWA) departments. Each department's budget narrative contains detailed budget information and other highlights of the 2025-26 Budget Plan. The following table presents the 2023-24 Actual, 2024-25 Adopted Budget and 2025-26 Budget Plan for each of the departments.

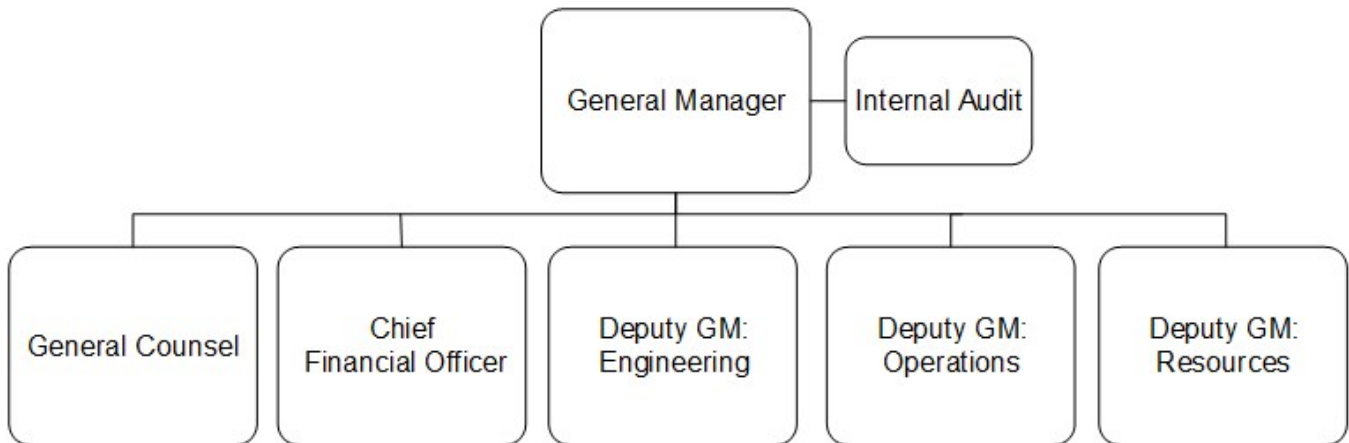
SNWA
Summary of Department Expenditures

DEPARTMENTS	Actual 2023-24	Budget 2024-25	Budget 2025-26	Budget-to-Budget Variance
Executive Management	\$ 2,168,774	\$ 2,049,989	\$ 2,233,750	\$ 183,761
Legal Services	3,805,078	7,508,928	7,897,144	388,216
Finance	23,410,507	30,720,945	26,122,976	(4,597,969)
Energy Management	54,699,378	64,122,200	69,583,325	5,461,125
Risk Management	3,112,192	3,837,364	3,816,895	(20,469)
Customer Care & Field Services	551,145	595,071	504,460	(90,611)
Engineering	70,554,899	202,599,795	282,531,256	79,931,461
Infrastructure Management	34,585,188	44,615,275	39,858,018	(4,757,257)
Operations	17,969,752	20,300,118	19,653,163	(646,955)
Human Resources	571,647	1,064,074	1,205,632	141,558
Information Technology	13,357,188	16,658,250	18,505,396	1,847,146
Environmental Health Safety & Corporate Security	11,547,007	14,999,529	12,743,170	(2,256,359)
Water Quality & Treatment	40,818,122	90,193,456	39,879,770	(50,313,686)
Water Resources	77,718,704	206,826,935	194,278,056	(12,548,879)
Public Services	13,123,360	15,855,472	17,060,539	1,205,067
Total Department Expenditures	\$367,992,941	\$ 721,947,402	\$ 735,873,550	\$ 13,926,148
Debt Service	289,977,459	310,766,636	305,136,838	(5,629,798)
TOTAL USES OF FUNDS	\$657,970,400	\$ 1,032,714,038	\$1,041,010,388	\$ 8,296,350



EXECUTIVE MANAGEMENT

Level: 1000



Mission Statement

Provide world class water service in a sustainable, adaptive and responsible manner to our customers through reliable, cost-effective systems.

The Executive Management Team Responsibilities

The Executive Management Team is responsible for strategic planning, general administration, and operational oversight of the Las Vegas Valley Water District (LVVWD) and the Southern Nevada Water Authority (SNWA). The function is staffed by a General Manager, who has responsibility for managing the two organizations. Three Deputy General Managers, a Chief Financial Officer and a General Counsel also oversee administrative and operational activities.

The Executive Management Team implements policy as established by the LVVWD and the SNWA Boards of Directors. The team is responsible for anticipating organizational needs and implementing appropriate strategies to ensure these needs are met. To fulfill the missions of both organizations, the Executive Management Team petitions the respective boards for direction and approval of funding or other support and directs staff accordingly. It also interacts with other local, national, and international entities in developing strategies to meet demands and responsibly manage resources.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Executive Management
Fiscal Year Ending June 30, 2026

Expenditures

SNWA USES	Actual 2023-24	Budget 2024-25	Budget 2025-26
Water resource investments	\$ —	\$ —	\$ —
Materials and supplies	1,340	1,640	700
Maintenance and repairs	912	60	60
Rental and leases	—	—	—
Other employee expenses	191,662	208,805	238,055
Other operating expenses	137,161	137,820	137,350
Total Operating Expenses	331,075	348,325	376,165
Capital expenditures	—	—	—
Salaries and benefits	1,837,699	1,701,664	1,857,585
TOTAL DEPARTMENT EXPENDITURES	\$ 2,168,774	\$ 2,049,989	\$ 2,233,750
FTE POSITIONS	4.5	4.5	5.0

Major Activities

The Executive Management Team continues to direct efforts to ensure that Southern Nevada has access to a safe, reliable, and sustainable water supply. This is achieved by implementing and overseeing initiatives to mitigate the ongoing impacts of drought and climate change, continuing to work with Colorado River partners to protect Lake Mead water levels, implementing community-wide water conservation efforts, and identifying present and future infrastructure and resource needs. Significant initiatives over the past year include:

- Implementation of conservation programs and initiatives to meet the community conservation goal of 86 GPCD by 2035.
- Active engagement in negotiations with the Colorado River Basin States pertaining to post-2026 river operations.
- Continued implementation of Assembly Bill 220.
- Continued implementation of SNWA's Major Construction and Capital Plan.
- Ongoing implementation of IRPAC 2020 recommendations.
- Continued progress towards Nevada's Renewable Portfolio Standard of 50 percent by 2030.
- Continued participation in the WaterStart partnership.



Drought and Water Resources

Since 1991, the Executive Team has worked to establish and manage a flexible portfolio of water resources. This has allowed the organization to assess its overall water resource options and make appropriate decisions regarding which resources to develop and use when needed. Water resource conditions have changed significantly for many western states, including Nevada. This has prompted the implementation of innovative conservation and resource strategies that have increased the efficiency of Southern Nevada's Colorado River water use, bolstered Lake Mead's elevation, and maximized the availability of the community water supply. The organization has also created new temporary resources to enhance flexibility in meeting current and future demands, helping delay the need for costly water projects. Adaptive management has also played an increasingly significant role in the SNWA's water resource and facility planning efforts, reducing demands, bolstering supplies, and mitigating risks the risks of drought and climate change in the Colorado River Basin.

SNWA Water Resource Plan

The SNWA's Water Resource Plan assesses regional water resources over a 50-year horizon, addressing factors that impact long-term availability and usage. In November 2024, the SNWA Board adopted the updated 2025 Plan, emphasizing conservation to extend Colorado River resources, reduce reliance on temporary resources, and delay the need for future resources. The plan also highlights the community conservation goal of 86 GPCD by 2035, recognizing that additional progress is needed to maximize available supplies.

Colorado River Post-2026 Negotiations

The 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead will expire at the end of 2026. As the deadline approaches, SNWA leadership is actively collaborating with the other basin states and federal government to establish new operating guidelines for 2027 and beyond. Discussions focus on enhanced conservation measures and strategies to safeguard the Colorado River system's stability and sustainability. While specific actions remain uncertain, they will undoubtedly impact Lower Basin water supplies, including Nevada's.

Reservoir Protection Conservation

In May 2024, the Secretary of the Interior signed the 2024 Near-term Operations Record of Decision (ROD), implementing the Lower Basin's commitment to conserve 3.0 million acre-feet of water through 2026. This effort aims to protect critical elevations at Lake Mead and Lake Powell. The ROD supplements the 2007 Interim Guidelines to address ongoing low runoff conditions.

Future Resources

The SNWA, along with other Lower Basin stakeholders like the Central Arizona Project and the Arizona Department of Water Resources, is exploring financial participation in major water projects outside Nevada, such as the Metropolitan Water District of Southern California's (MWD) Pure Water Southern California initiative. This regional recycled water program, currently in early development with an ongoing pilot project, aims to produce about 168,000 acre-feet per year. The SNWA is collaborating with MWD on this project, potentially securing 20,000 to 40,000 acre-feet per year through funding



contributions, and has already supported environmental planning efforts while continuing to assess this and other mutually beneficial Colorado River partnerships

Conservation

Since adopting its first water conservation plan in 1995, the SNWA and its member agencies have worked to optimize existing water supplies and curb demand, regularly updating the plan to reflect ambitious goals that the community has consistently met. This sustained effort has been vital as shifting hydrologic patterns, climate change, and economic factors continue to impact the delicate balance of supply and demand. In response, the SNWA Board of Directors introduced the new conservation goal of 86 GPCD by 2035 in 2021.

The recently-adopted 2025 Conservation Plan supports the conservation goal and outlines the community's conservation trajectory, highlighting both current progress and a range of initiatives—some already in motion—to enhance efficiency and reduce consumptive water use. Drawing from recommendations by the Integrated Resource Planning Advisory Committee (IRPAC 2020) and SNWA's own strategic planning, these actions aim to counteract the challenges brought on by climate change and aging infrastructure. Successfully reaching the conservation goal will continue to depend on member agency collaboration and strong community support.

Program Updates

Water Smart Landscapes. The Water Smart Landscapes (WSL) Program continues to drive substantial water savings in Southern Nevada. In 2024, residents and businesses converted 15.2 million square feet of turf, cutting water use by approximately 855 million gallons annually. To build on this progress, SNWA secured a \$60 million Bureau of Reclamation grant in January 2025, enabling an additional 23 million square feet of conversions. These efforts are vital for reducing outdoor water use and ensuring long-term regional water sustainability.

Water Efficient Technologies. The Water Efficient Technologies (WET) Program continued to see success in 2024, with 45 projects completed for an estimated water savings of 104 million gallons annually.

Leak Mitigation Customer Assistance Programs

Staff understands that detecting and repairing leaks can be both frustrating and expensive. Some customers may find the cost of repairs too high and choose to continue paying increased water bills rather than addressing the issue. To encourage faster leak detection and repairs and reduce water loss, the SNWA and LVVWD have introduced programs that provide financial assistance and incentives.

LVVWD Leak Adjustment Program. Single-Family Residential customers in the LVVWD service area facing exceptionally high water bills due to a leak may qualify for this program after completing repairs. This program offers a 50% reduction in volumetric water charges related to the leak and/or adjustments to excessive use charges, but only for the portion of water usage attributed to the leak. Customers who receive excessive use charges because of a leak may also be eligible to have those charges reversed if repairs are made promptly.

LVVWD Leak Repair Reimbursement Program. This program provides reimbursement of up to 50% of repair costs, with a maximum of \$1,000 per incident, for leaks repaired within 60 days of detection.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Executive Management
Fiscal Year Ending June 30, 2026

Additionally, LVVWD partners with community organizations to assist qualifying homeowners with financial aid for necessary leak repairs. Homeowners who meet income eligibility requirements may receive up to \$7,500 per leak event to cover repair expenses.

Service Line Warranty Program. New this year, LVVWD account holders can also opt for a reduced-cost warranty from American Water Resources, helping to minimize or eliminate out-of-pocket costs for repairing leaks in their property's water service line. As residential service line leaks result in millions of gallons of water loss annually and become more common as homes age, this program aims to help homeowners address costly leaks more efficiently.

SNWA Leak Detection Assistance Program. The SNWA recently introduced a voucher program to help homeowners cover the costs of identifying on-property leaks. The voucher, valued at \$250, can be applied toward professional leak detection services or the first two hours of repair work done by an SNWA Water Smart Plumber. The program is available to single-family residential customers who have been notified about excessive or ongoing leaks.

SNWA Residential Site Evaluations. The SNWA offers free residential site evaluations to help high-consumption customers better manage their water use. This service includes a comprehensive property analysis to identify and isolate leaks, as well as a full irrigation evaluation to ensure proper scheduling and help make any necessary adjustments. After the assessment, homeowners receive a detailed report with property-specific recommendations. On average, participating properties have saved approximately 60,000 gallons of water per year.

Golf Course Water Budget Reduction

In 2022, the SNWA Board of Directors approved a resolution to reduce golf course water budgets from 6.3 to 4.0 acre-feet per irrigated acre annually. Subsequently, the LVVWD and other local agencies adopted rule and code changes to enforce these reductions starting in January 2024. Many golf courses have met the new water budgets by participating in SNWA incentive programs to replace turf with water-efficient landscaping, with several already using less water than the revised limit allows.

Septic Conversion Program

In 2024, the SNWA continued its efforts to encourage septic system users to connect to the municipal sewer system, improving groundwater quality and increasing return flow credits. This initiative is supported through two programs:

Partially Funded Conversion Program. This program provides an 85% reimbursement (up to \$40,000) for residential and commercial property owners who switch from septic to sewer. Current well users are also eligible to participate in the program. Since its inception, the program has received 386 applications and completed more than two dozen conversions.

Fully Funded Conversion Program. In collaboration with regional wastewater agencies, SNWA is identifying clusters of homes for full septic-to-sewer conversions based on factors such as groundwater concerns, proximity to sewer mains, and engineering feasibility. Property owners selected for this program will have their conversions fully covered through SNWA-managed contractors at no cost. Funding includes a \$13.5 million grant portfolio from the EPA, Bureau of Reclamation, and Nevada Department of Conservation and Natural Resources.



Capital Planning

SNWA Major Construction and Capital Plan

The Major Construction and Capital Plan (MCCP) is SNWA's vehicle for identifying and authorizing capital initiatives, including water resource acquisition; system expansion; and construction, repair, and replacement of water facilities. Projects outlined in the MCCP are funded by the SNWA's bond proceeds and revenue generated by the SNWA's water bill charges, connection charges, sales tax proceeds and Southern Nevada Public Land Management Act funds, when available. Significant inflationary increases in materials and equipment delivery since the MCCP was amended in 2020 have caused projected capital project costs to increase. Major facility-related projects currently in progress are provided in the table below and described in more detail in the General Manager's Information Report at the beginning of this document:

Project	Status	Estimated Completion
Large Scale Solar PV Project	Construction slated for late 2026	2027
Garnet Valley Wastewater System	Construction Scheduled for 2025	2028
Garnet Valley Water System	60% Design Completion	2028
Horizon Lateral	Design/Permitting	TBD

LVVWD Capital Improvement Plan

In 2017, the LVVWD Board of Directors approved a 10-year, \$616 million (in 2016 dollars) Capital Improvements Plan (CIP) to guide the operation, maintenance, and expansion of the LVVWD water distribution system. This plan reinforces LVVWD's commitment to maintaining a stable and reliable community water supply. The following projects have been recently completed, are currently underway, or are set to begin in the next fiscal year:

2745 South Boulevard Reservoir and Pipeline	Cliffs Edge 3355 Zone Pumping Station and Pipelines
2975 Zone Pumping Station	Washburn 3355 Zone Reservoir
2975-2860 Zone Pressure Reducing Valve	Equipping Wells W124 and W125
Las Vegas Boulevard Improvements	Rehabilitation of Steel Cylinder Concrete Pipe (SCCP) in Sahara Avenue
4505 Zone Reservoir	Various reservoir trihalomethanes mitigation systems

These projects will increase capacity and reliability for current and future demand throughout the valley. In addition to these named projects, \$53 million is planned for various pipeline replacements or



rehabilitations, valve replacements, electrical and communications upgrades, and other required infrastructure improvements to keep the water facilities operating at required service levels.

Operations

As the wholesale water provider, the SNWA is responsible for water treatment and delivery, as well as acquiring and managing long-term water resources for Southern Nevada. Collectively, SNWA member agencies serve more than 2.2 million residents in Southern Nevada.

The LVVWD provides water service to customers in the City of Las Vegas, parts of unincorporated Clark County and the public water systems in Blue Diamond, Jean, Kyle Canyon, Laughlin and Searchlight. In 2024, the LVVWD delivered approximately 106 billion gallons of water to customers throughout its service area. LVVWD also added 5,291 new service points to its customer base in 2024.

LVVWD Service Rules Update

The LVVWD continues to update its Service Rules to better serve its customers, limit consumptive water use and adapt to evolving water needs. In December 2024, the LVVWD Board of Directors approved Service Rules changes that would transition golf courses previously on non-potable rates to the potable rate due to the discontinuation of reclaimed water delivery, ensuring fair pricing across the industry. Additionally, the Big Bend Water District, Kyle Canyon Water District, and the Blue Diamond and Searchlight water systems implemented new charges and fees for water theft. LVVWD remains committed to refining its Service Rules to promote conservation and reduce water waste.

Water Quality

The 2024 Water Quality Report highlights LVVWD's commitment to exceeding Safe Drinking Water Act standards. Last year, staff conducted nearly 320,000 tests on over 55,000 samples collected from 367 locations, including customer meter boxes. These tests monitored 91 EPA-regulated and 75 unregulated contaminants. Around-the-clock monitoring ensures the community's water remains safe and reliable every day of the year.

Springs Preserve

The LVVWD also owns and operates the Springs Preserve, a 180-acre facility built to inspire culture and community and promote environmental stewardship in the Las Vegas Valley. The Preserve's annual community outreach events continue to see increases in attendance and corporate sponsorships, drawing more than 40,000 visitors to the Preserve. During fiscal year 2024-2025, the Springs Preserve hosted more than 250,000 total visitors.

Customer Care and Field Services

The LVVWD remains committed to providing a high level of service for all of its customers through new financial assistance programs, improved technologies, reduced wait times and other initiatives.

Call Volume & Customer Care Enhancements. In 2024, call volume increased over the previous year, but process improvements and enhanced agent productivity cut average wait times by 50%. Customers now benefit from an automated start/stop service on lvvwd.com, reducing the need for live assistance. A new telephone system will soon replace the outdated Genesys platform, enhancing service for both agents and customers.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Executive Management
Fiscal Year Ending June 30, 2026

Leak Programs. New programs, including the Leak Repair Reimbursement, Low-Income Leak Repair Assistance, and Service Line Protection programs, help customers quickly detect and fix leaks.

Advanced Metering Infrastructure (AMI). Ongoing AMI improvements have boosted automated daily read transmissions beyond industry standards. Efforts include replacing metal lids with composite units to enhance data transmission, supporting a leak notification program that issued 173,000 notices in 2024. Currently, no residential service points have continuous trickles for over a year, and fewer than 300 have six-month continuous flows. Since AMI's implementation in 2023, reading staff has been reduced by 75 percent while increasing data collection to 98 percent.

Large Meter Operations. In 2024, nearly 5,000 small domestic meters and 1,525 commercial meters were tested. The team monitors AMI service daily, maps expansion areas, and launched a preventative maintenance program, including remote drone inspections. AMI readings have also expanded to Construction Fire Hydrant meters, collecting daily data from 75 locations.

Strategic Plan Objectives and Accomplishments

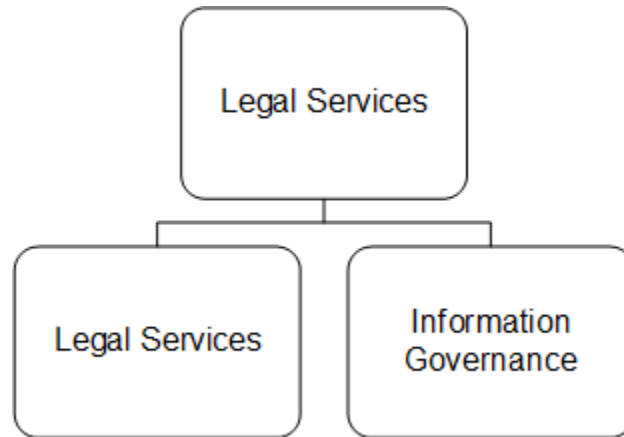
The Executive Management Team oversees and manages the implementation of the strategic plan goals identified by the LVVWD and the SNWA.

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	<i>Assure quality water through reliable and highly efficient systems.</i>	X	X	X	X	X	X
II	<i>Deliver an outstanding customer service experience.</i>	X	X	X	X	X	X
III	<i>Anticipate and adapt to changing climatic conditions while demonstrating stewardship of our environment.</i>	X	X	X	X	X	X
IV	<i>Develop innovative and sustainable solutions through research and technology.</i>	X	X	X	X	X	X
V	<i>Ensure organizational efficiency and manage financial resources to provide maximum customer value.</i>	X	X	X	X	X	X
VI	<i>Strengthen and uphold a culture of service, excellence and accountability.</i>	X	X	X	X	X	X



LEGAL SERVICES

Level: 1200



Mission

To provide expert legal counsel in support of the organization's mission, policies, goals and strategies.

Department Responsibilities

Legal Services acts as corporate counsel to the organization, providing legal review of policies and procedures to ensure compliance with applicable laws and regulations. The department represents the organization in court proceedings and before administrative boards and hearing panels in a variety of natural resource, property, personnel, tort, contract and other litigation matters. The department reviews contract documents and provides services for land and natural resource acquisitions associated with capital development programs. Legal Services coordinates and monitors efforts of outside counsel who represent the organization. The department is involved in resource planning and continues to advise on electrical power issues. Additionally, The Legal Services department is also responsible for the organization's Information Governance (IG) initiatives.

The department works closely with the General Manager and Deputy General Managers in providing legal advice and in the development and review of proposed legislation and regulations at the local, state, and federal levels.

Budget Objectives and Highlights

Attorneys in the department are performing a steadily increasing practice before Nevada courts, federal courts, and state and federal administrative agencies. The 2025-26 budget contains continuing funding to support these efforts and for outside counsel who perform a variety of other legal services for the organization. This year, the IG Division's budget has also been added to the department budget.

Expenditures



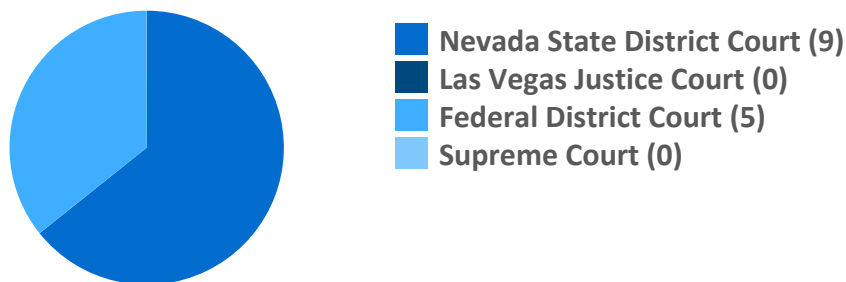
Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Legal Services
Fiscal Year Ending June 30, 2026

SNWA USES	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 44	\$ 5,480	\$ 7,955
Maintenance and repairs	26,956	64,200	108,000
Rental and leases	—	—	—
Other employee expenses	61,762	201,000	225,100
Other operating expenses	821,630	3,923,888	3,841,758
Total Operating Expenses	910,392	4,194,568	4,182,813
Capital expenditures	—	—	—
Salaries and benefits	2,894,686	3,314,360	3,714,331
TOTAL DEPARTMENT EXPENDITURES	\$ 3,805,078	\$ 7,508,928	\$ 7,897,144
FTE POSITIONS	13.2	13.9	15.5

Department Descriptions

Legal Services. Representing the organization in litigation is only a small part of what Legal Services does. In addition to litigation, department attorneys support the organization by giving advice and counsel on transactional matters and on sensitive personnel issues.

LVVWD & SNWA Pending Litigation Matters
Number of Cases: Federal, State, or Administrative Forum

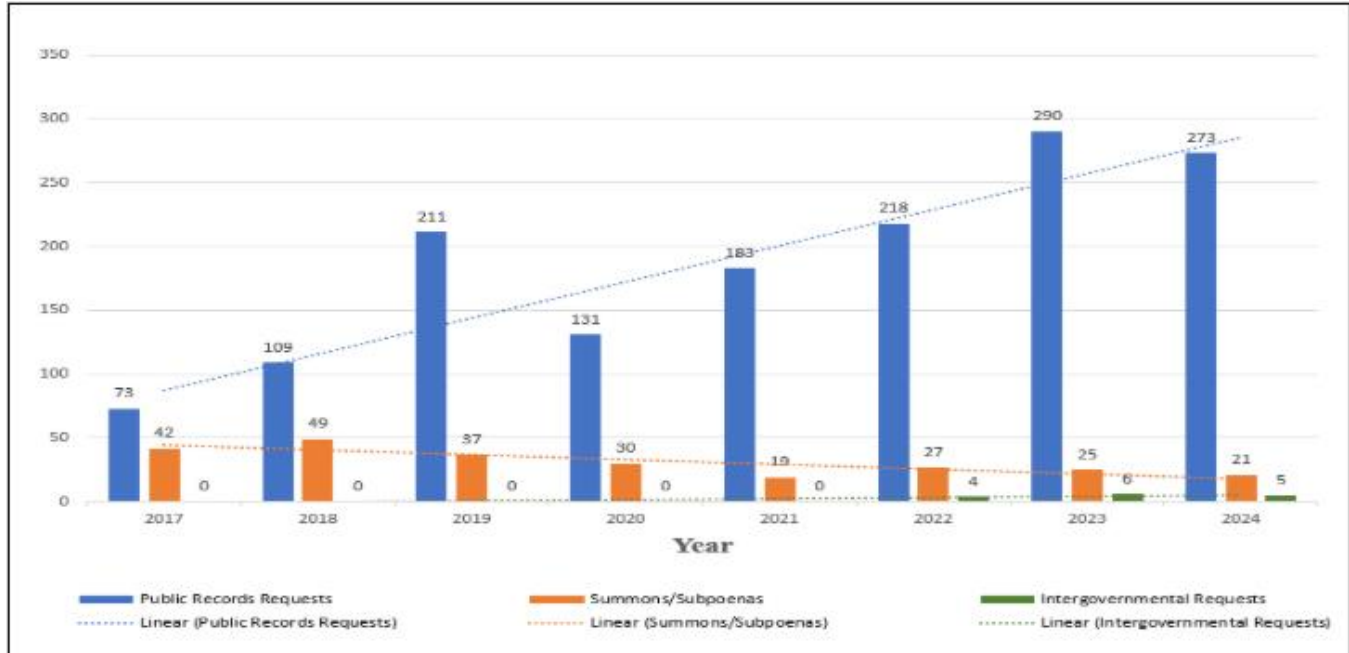


Information Governance. The Information Governance division is responsible for managing the maintenance, retention, preservation, and disposition of the organization's Records in accordance with federal, state, and local laws, ordinances, regulations, and rules, applicable contractual requirements, and regular business practices. In addition, IG is responsible for conducting forensic analysis on data loss scenarios in coordination with Risk Management, Information Technology (IT), and Public Services departments.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Legal Services
Fiscal Year Ending June 30, 2026

Information Governance manages Public Records Requests (PRRs) for the organization. In addition, IG processes select Summons and Subpoenas. IG continues to manage two applications to process this work more efficiently for this workstream.



Disposition Type	2019	2020	2021	2022	2023	2024
AD – Application Decommission	07	12	14	14	29	21
AP – AvePoint - Teams, Groups, External Sharing	00	00	02	70	116	39
CO – Code Only	00	00	12	19	14	05
DB – Database Only	00	00	00	00	02	20
DD – Digital Data	04	05	08	23	87	17
ECOD – External COD	00	01	01	01	00	00
HC – Hardcopy Data	15	07	11	07	11	12
RR – Retention Research	08	11	05	30	11	08
S – Server	01	06	07	04	13	07
Annual Total	35	42	60	168	286	129



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Legal Services
Fiscal Year Ending June 30, 2026

Strategic Plan Objectives and Accomplishments

The department will continue to focus on client satisfaction to ensure our internal clients receive highly responsive, clear, and accurate legal opinions.

Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Public Records Request (PRRs) Completion and Response Time; which aligns with sub bullet language "Continuously improve service processed and practices based on customer assessments."		X				
II	ATLAS Content Services Platform (CSP) and Program; which aligns with sub bullet language "Promote a culture that is innovative, creative and makes effective use of technology."				X		
III	Exterro Litigation Software Upgrades and Add-ons; which aligns with sub bullet language "Identify, prioritize, and implement sustainable and cost-effective solutions to organizational challenges."				X		
IV	Continue to support the organization on litigation and by giving advice and counsel on transactional matters and on sensitive personnel issues.						X

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Continue to successfully complete processing 45% of Public Records Requests (PRRs) within 5 days of receiving the requests.	I	Q4 2025	Ongoing	Q4 2025	N/A
Classification and Governance Project 2 engagements will occur to organize and classify content by aligning it with the records retention schedule for the General Manager's office, Energy Management Department, Risk Management Department, and Engineering Department by Q4 2025.	II	Q4 2025	Ongoing	Q4 2025	N/A
Successfully roll out the Knowledge Management Program that will ensure that the LVVWD's Records Retention Policy is aligned with the CSP by Q3 2025.	II	Q3 2025	Ongoing	Q3 2025	N/A
Successfully upgrade the Exterro System to allow for more efficient processing of PRRs, Subpoenas, and Summons and perform enhanced user training to be completed by Q4 2025.	III	Q4 2025	Ongoing	Q4 2025	N/A
Conduct a Proof of Concept to determine if new software for device captures for phones can save Legal Services and IT time when processing data needed for litigation, legal holds, and PRRs.	III	Q4 2025	Ongoing	Q4 2025	N/A
Document the number of completed Federal, State, and Administrative Cases completed.	IV	Q2 2026	Ongoing	Ongoing	Q2 2026



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Legal Services
Fiscal Year Ending June 30, 2026

2024-25 Department Accomplishments

Completed 276 PRRs. Of 276 completed, 61 % were done within 5 days time * Total excludes Subpoenas and Summons Responses.

Completed Classification and Governance Project 2 engagements by organizing and classifying content by aligning it with the records retention schedule for Legal Services, Water Resources, Finance, and Water Quality & Treatment Departments by Q4 2024.

Finalized a project plan to upgrade the Exterro System to allow for more efficient processing of PRRs, Subpoenas, and Summons and perform enhanced user training by Q4 2024.

Worked with vendor who demonstrated the software for device captures for phones. This allowed Legal Services to determine whether or not to move forward with a Proof of Concept.

Litigation attorney(s) worked to dismiss, close or win 13 cases that were in the District, Justice, Federal and Supreme Courts.



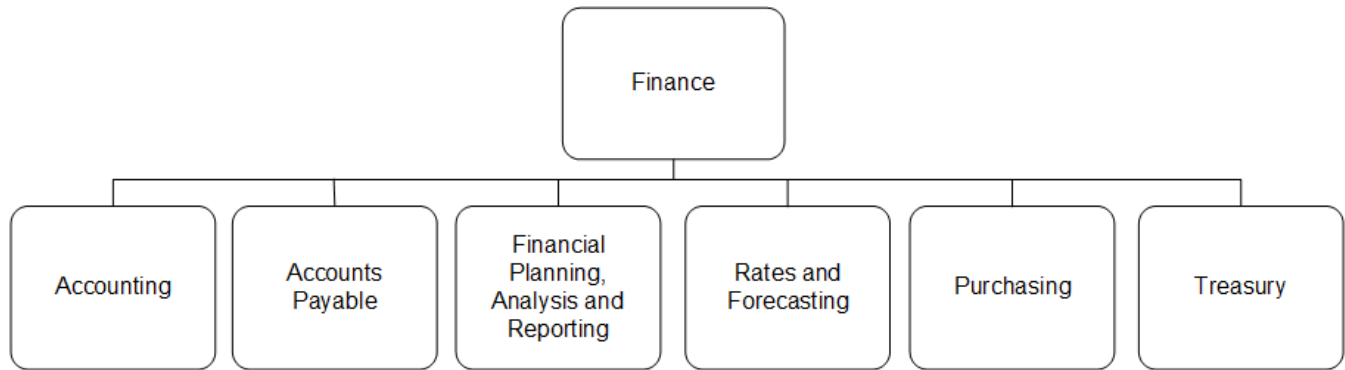
Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets

Finance

Fiscal Year Ending June 30, 2026

FINANCE

Level: 2100



Mission

Ensure the financial integrity and safeguard the assets of the Las Vegas Valley Water District (LVVWD) and the Southern Nevada Water Authority (SNWA) by providing strategic planning and utilizing effective finance, budgeting, debt management, treasury, accounts payable, and purchasing procedures and processes.

Department Responsibilities

The Finance department is responsible for accounting, financial reporting, financial planning, debt and treasury management, budgeting, centralized purchasing activities, and all aspects of financial operations of the LVVWD and the SNWA. Following the principles of governmental accounting, the department maintains, on an accrual basis, an Enterprise Fund for the LVVWD and the SNWA, and Pension and Other Employee Benefits Trust Funds. In the Enterprise Funds, financial activities are recorded in a similar manner to that of a private business. The Pension and Other Employee Benefits Trust Funds are used to account for the investments, earnings, contributions, expenses, and projected pension and other employee benefits of the LVVWD Plans. The department also coordinates the LVVWD and the SNWA budget processes in compliance with Nevada State Law. Internal accounting controls, as required under Generally Accepted Accounting Principles (GAAP), are strictly enforced for safeguarding property and in preparing financial statements.

The Finance department budget also includes the LVVWD's costs for water supply and charges that are made on behalf of the SNWA (pass-through costs).



**Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets**

Finance

Fiscal Year Ending June 30, 2026

Budget Objectives and Highlights

The 2025-26 Finance department budget contains funding to maintain the necessary functions that the LVVWD and the SNWA require to provide quality services to both internal and external customers.

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Purchased water	\$ —	\$ —	\$ —
Energy	—	—	—
Materials and supplies	830,092	313,760	1,691,440
Maintenance and repairs	1,846,860	1,859,078	2,000,934
Rental and leases	95,440	81,760	559,554
Other employee expenses	710	57,250	43,236
Other operating expenses	13,791,942	14,811,691	11,474,626
Total Operating Expenses	16,565,044	17,123,539	15,769,790
Nonoperating expenses	64,533	9,441,922	5,812,636
Capital expenditures	—	—	—
Salaries and benefits	6,780,930	4,155,484	4,540,550
TOTAL DEPARTMENT EXPENDITURES	\$ 23,410,507	\$ 30,720,945	\$ 26,122,976
FTE POSITIONS	20.1	20.4	21.3

Department Descriptions

Accounting. The Accounting Division supports and provides accounting services for the following entities: Las Vegas Valley Water District (LVVWD), Southern Nevada Water Authority (SNWA), Big Bend Water District (BBWD), Kyle Canyon Water District (KCWD), Coyote Springs Water Resources District (CSWRD), three additional rural systems that are a part of the LVVWD, and the Springs Preserve. The financial reporting includes monthly and quarterly financial statements, as well as the LVVWD and the SNWA Annual Comprehensive Financial Reports and the BBWD Annual Report with their corresponding audit reports. In addition, the division prepares and submits the financial reporting related to grant activities for the LVVWD, SNWA, and BBWD.

The Accounting Division supports both senior management and other workgroups with financial analysis. Some areas include construction-related activities, groundwater management programs, conservation-related activities, Las Vegas Wash activities, energy management, and various activities related to water rights.



**Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets**

Finance

Fiscal Year Ending June 30, 2026

Accounting functions include: ensuring financial statements and reports are accurate, complete and consistent; performing various financial analyses, revenue billing, maintaining the general ledger, inventory, fixed asset and other system records; oversight of controls over revenues, expenditures, assets, and liabilities, cash management, and the accounting and reporting of investments for both the LVVWD and the SNWA funds; reconciling bank statements; and federal and state agency grant accounting that require preparation and submission of reports to obtain reimbursements.

While the company outsources its mail payment remittance processing, the Accounting Division researches and resolves mail payment exceptions, records and reconciles payments received by direct debit, electronic funds transfer, credit card payments by phone, internet payments, recurring credit card transactions, and payments received from over 270 satellite pay station locations throughout the Las Vegas Valley.

This division is also responsible for monitoring and supporting all cashier functions at the Springs Preserve, including managing the cash vault, daily preparation, distribution and reconciliation of cashier banks, and bank deposits. In addition, the Accounting Division coordinates and processes group sales and vendor payments for special events, as well as providing revenue-based reports and analysis for organizational departments.

Financial Planning, Analysis and Reporting. The Financial Planning, Analysis & Reporting division provides a broad range of financial services including oversight of annual budgets and other budget-related financial reporting to management.

This division is responsible for preparing the annual operating and capital budgets for the LVVWD, SNWA, BBWD, and CSWRD. This includes budget development, implementation, and monitoring. The division also prepares variance reports by department, and directors are accountable for expenditures over and under budget.

Rates and Forecasting. This division focuses on designing, analyzing, and recommending water rates; and providing short- and long-term financial plans, as well as support with the budget and reporting processes.

This division performs a variety of strategic and long-range financial forecasts, financial and water rate scenario analyses; and develops water rates, connection, and other fee recommendations and projections for the organization. On an annual basis, this division conducts a survey of water rates from over 50 cities located in the western United States, closely monitors water production and consumption data, and prepares statistical reports.

Purchasing. The Purchasing Division is responsible for the centralized purchasing activities of the LVVWD and the SNWA. These activities include market analysis; developing and identifying new, expanded, or alternative suppliers; systems contracting, formal and informal solicitation/bidding processes, sustainable purchasing, disposition of company property, and the support of a diversified supplier program. The development of supply agreements containing appropriate contract terms and conditions, in conjunction with the Legal Department, are an integral function of the Purchasing Division. Ensuring compliance with all applicable purchasing statutes, obtaining quality products and services to serve our customers, and cost savings are among the division's priorities.



**Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets**

Finance

Fiscal Year Ending June 30, 2026

Treasury. The Treasury division is responsible for debt management, investments, and banking. Debt management includes supporting management with the issuance of debt, continuing disclosure requirements, and other analysis. Investments include the investment of operating monies and reserves, as well as investments related to post-employment benefits. Treasury serves as a point of contact for banking issues.

Strategic Plan Objectives and Accomplishments

By the very nature of its activities, the Finance Department either directly or indirectly impacts all the Strategic Plan Goals through the prudent and strategic funding of the various activities and services provided by the LVVWD and the SNWA.

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Achieve and maintain strong credit ratings by implementing robust credit risk management practices.	X				X	
II	Improve invoice and payment processing efficiency by leveraging electronic processes and automation.		X			X	
III	Expand use of quote-to-procure system to increase supplier competition in quoting and increase efficiency for the procurement of goods and services that do not statutorily require a formal bid solicitation process.		X		X	X	
IV	Submit the budget book to GFOA for the LVVWD and SNWA Operating and Capital Budgets.						X
V	Submit the LVVWD and SNWA annual comprehensive financial reports (ACFR) to GFOA for Certificate of Achievement for Excellence in Financial Reporting awards program						X

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Continued to hold strong credit ratings by Standard & Poor's (S&P) and Moody's, helping to secure funding for critical infrastructure.	I	AA and Aa1	AA and Aa1	AA and Aa1	AA and Aa1
Percentage of electronic invoices received from vendors and processed with minimal manual interventions	II	70%	50%	65%	70%
% Spend Under Contract	III	75%	70%	71%	72%
% of awarded savings processed through the quote-to-procure system	III	4%	4%	4%	4%
Distinguished Budget Presentation Award recipient for both LVVWD and SNWA budget books	IV	Yes	Yes	Yes	Yes
Certificate of Achievement for Excellence in Financial Reporting Award recipient for both LVVWD and SNWA ACFRs	V	Yes	Yes	Yes	Yes



**Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets**

Finance

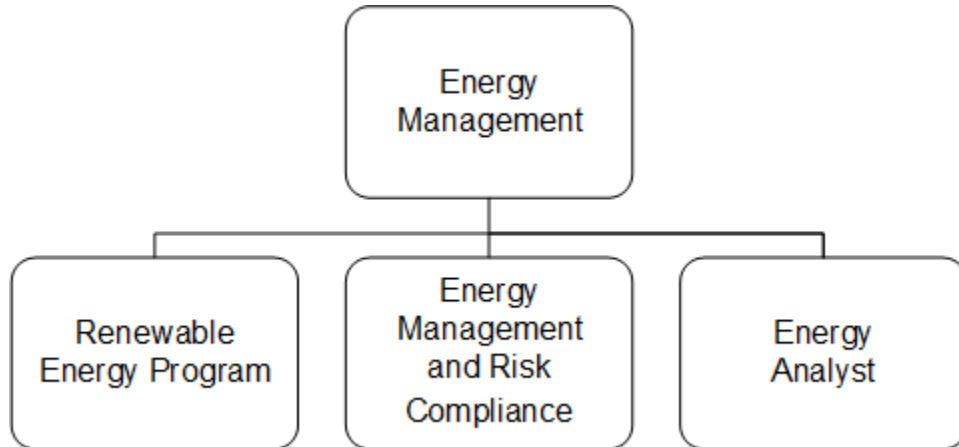
Fiscal Year Ending June 30, 2026

2024-25 Department Accomplishments
Revised the Purchasing Guidelines and P-Card Policy to reflect updated processes and procedures.
Implemented an invoice processing automation tool.
Received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA of the United States and Canada for the 46th consecutive year for the LVVWD Annual Comprehensive Financial Report for the year ended June 30, 2024.
Received an unmodified opinion from external auditors for the LVVWD, SNWA, and BBWD fiscal year ended June 30, 2024 audits.



ENERGY MANAGEMENT

Level: 2200



Mission

The mission of the Energy Management department is to manage an energy resources portfolio for the members of the Silver State Energy Association (SSEA), including the Southern Nevada Water Authority (SNWA) and its member agencies, which yields predictable prices; considering the overall value of sustainability and cost minimization.

Department Responsibilities

The Energy Management department was established in fiscal year 2005-06 to manage the procurement and utilization of energy resources necessary to pump, treat, and deliver water to the member agencies. The SNWA, in collaboration with the Colorado River Commission of Nevada (CRC), initially purchased energy supplies for its own water pumping needs and later began supplying power for the water pumping and wastewater needs of the SNWA member agencies, including the Las Vegas Valley Water District (LVVWD), the City of Las Vegas (COLV), the City of Henderson (COH), the Clark County Water Reclamation District (CCWRD) and the City of North Las Vegas (CONLV).

In 2007, the SNWA, along with the CRC, Lincoln County Power District No. 1, Overton Power District No. 5 and the City of Boulder City, formed the SSEA, a joint action agency charged with procuring and managing power resources for its members. Today, Energy Management personnel and CRC personnel, acting as the staff of the SSEA, manage the procurement and utilization of energy resources for the SNWA and its member agencies.

Key functions performed by Energy Management personnel on behalf of the SSEA include energy trading and procurement, accounting and settlements, energy risk management, forecasting, analytical support, and project planning and development. In addition to the functions performed on behalf of the SSEA, Energy Management personnel also support the renewable energy initiatives of the SNWA and the LVVWD.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Energy Management
Fiscal Year Ending June 30, 2026

Budget Objectives and Highlights

The fiscal year 2025-26 Energy Management department budget contains funding for all expenses associated with the procurement and management of energy resources for the SNWA's electrical loads. Expenses for the LVVWD, other SNWA member agencies, and other SSEA members, are not included in this budget. The majority of budget funding is for energy commodities and services purchased by the SSEA from the energy and financial marketplace to meet the SNWA's needs. Other expenditures include transmission, distribution and ancillary services; operation and maintenance expenses associated with transmission and generating assets; and administrative and general expenses for CRC and the personnel of the SNWA.

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Energy	\$ 49,395,544	\$ 53,424,436	\$ 62,629,912
Materials and supplies	2,326	1,900	3,840
Maintenance and repairs	—	—	—
Rental and leases	—	—	—
Other employee expenses	10,414	14,240	13,270
Other operating expenses	379	1,340	1,150
Total Operating Expenses	49,408,663	53,441,916	62,648,172
Capital expenditures	3,946,657	9,312,000	5,577,000
Salaries and benefits	1,344,058	1,368,284	1,358,153
TOTAL DEPARTMENT EXPENDITURES	\$ 54,699,378	\$ 64,122,200	\$ 69,583,325
FTE POSITIONS	5.0	5.0	5.0

Department Descriptions

Silver State Energy Association (SSEA). The SNWA has been instrumental in the formation and development of the SSEA, which has brought significant benefits to the SNWA, its member agencies and the SSEA members. In order to properly manage the energy needs of the SNWA, a certain minimum size of labor and infrastructure is required. The employees and systems of the Energy Management department and the CRC Energy Services group have met this need for many years now.

Expanding the energy portfolio managed by this group to include the SNWA member agencies and the members of the SSEA has brought significant economies of scale and portfolio synergies to each of the participants, including the SNWA. Furthermore, the energy portfolio has been able to be expanded in this way with only a minimal increase in the size of the labor and overhead required to properly

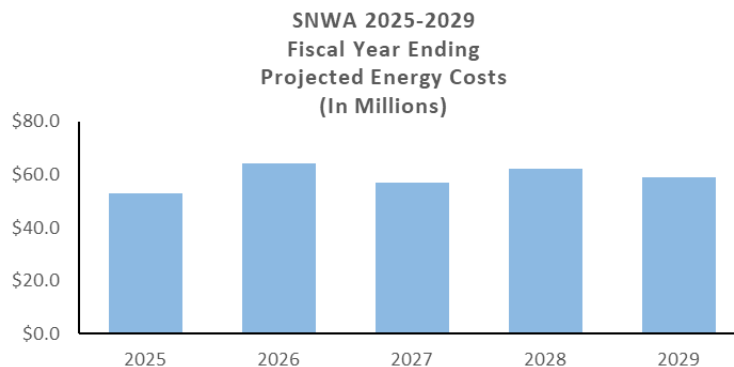


Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Energy Management
Fiscal Year Ending June 30, 2026

manage it. Over \$1 million per year of general overhead and operating costs are now being paid for by non-SNWA entities, costs that otherwise would be paid for by the SNWA.

Some of the benefits the SNWA realizes by participating in the SSEA include 1) economies of scale when purchasing energy; 2) lower overhead costs; 3) lower balancing, imbalance and ancillary services costs due to the synergies of serving a single larger portfolio vs. serving the different load shapes of each individual entity; 4) federal hydropower optimization, which can only be realized by serving the combined portfolio; 5) economies of scale, shared resources, and shared costs of project development work; and 6) additional opportunities to work cooperatively with the other public entities in the overall energy portfolio.

Energy Price Stability. Energy Management measures its success based on how well it is meeting its objective to provide energy to the SSEA members yielding stable, low, and predictable prices. Consistent with the SSEA's Energy Risk Procedures, the price exposure of the SNWA's energy portfolio has been significantly reduced through calendar year 2029. The SSEA locks in its energy portfolio costs by securing a combination of physical market resources (generation assets or contracts for the delivery of electricity) as well as electric and natural gas financial products to meet the needs of its members. Physical contracts for electricity are secured whenever there are sufficient buyers and sellers to create liquid markets. Financial products are secured when physical contracts are unavailable, or market liquidity is unacceptably low. Financial products protect against price movements in the market and can be converted to physical supplies at a later time when physical power markets are more liquid. The chart below shows the SNWA's actual and projected energy costs through fiscal year 2029 (excluding capital costs) as of the end of January 2025.



Energy Management has met its objective of providing energy at stable and predictable prices. This long-term management approach has allowed the SNWA and its members to budget for energy costs with a high degree of confidence years in advance. To ensure the commitment to long-term price stability is met, a Risk Control Committee comprised of the SNWA and its member agencies meets quarterly to review standardized reports produced by the SSEA, and to monitor the SSEA's adherence to its Risk Control Procedures.

The SNWA's energy costs are expected to be approximately \$64 million, excluding the estimated cost of capital associated with the SNWA's energy assets for the fiscal year 2025-26. This amount will be recovered through the SNWA wholesale water delivery charge.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Energy Management
Fiscal Year Ending June 30, 2026

Boulder Flats Solar and 230 kV Transmission Project. The SNWA is working with Scout Clean Energy on a large 113-megawatt (MW) solar photovoltaic (PV) energy project located in the El Dorado Valley, including a 10-mile 230 kV transmission line extension to allow for interconnection with our existing transmission system. The SNWA is planning on purchasing most of the energy output, but all its member agencies that receive power from SNWA are also planning to purchase some of the output. This strategic resource will be a critical renewable energy resource for meeting our renewable energy targets and will provide a low, fixed price resource for many years.

SNWA and LVVWD Sustainability Initiatives. The Nevada legislature passed a new higher energy portfolio standard in 2019 that raises the requirement of 20 percent renewables in 2019 to 50 percent renewables by 2030. The SNWA and the LVVWD met its 2024 target and participation in the Boulder Flats Solar Project will enable the SNWA and the LVVWD to meet the increasing standard in the years to come.

Strategic Plan Objectives and Accomplishments

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Meet or exceed the Nevada Renewable Energy Portfolio Standard.			X		X	
II	Complete the Boulder Flats gen-tie construction.			X		X	

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Achieve legislated Nevada Renewable Portfolio Standard (34% in 2024 through 2026, leading up to 50% by 2030).	I	34%	29%	34%	34%
Construction progress to complete Boulder Flats generation interconnect line by 2026.	II	100%	20%	75%	100%

2024-25 Department Accomplishments
Signed an option agreement to provide transmission wheeling service, more fully utilizing SNWA's transmission system.
Successfully transitioned to a new energy portfolio and risk management software tool.
Coordinated with Operations to factor power costs into their most optimal pumping profile.



RISK MANAGEMENT

Level: 2600



Mission

Provide best of class risk management solutions for the LVVWD and the SNWA to achieve the best balance between risk and opportunities.

Department Responsibilities

Oversees the LVVWD's and SNWA's risk management processes; coordinates insurance coverage and risk financing; manages claims; coordinates with legal counsel; compiles and analyzes risk management data; and conducts risk management educational programs.

Budget Objectives and Highlights

Risk Management Information System (Origami) continued elevating its visibility throughout Las Vegas Valley Water District (LVVWD) and began discussions with departments to address their needs. The Director of Risk Management has worked diligently on the Enterprise Risk Management (ERM) education, Leak Repair Reimbursement Program, updating Certificate of Insurance and contract processes, working with IG to update retention buckets and bringing on new staff. Risk has expanded the Captive by reaching out to Departments to reimburse them for property damage.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Risk Management
Fiscal Year Ending June 30, 2026

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ —	\$ —	\$ —
Maintenance and repairs	—	—	—
Other employee expenses	—	—	—
Other operating expenses	2,573,229	3,207,007	3,155,700
Total Operating Expenses	2,573,229	3,207,007	3,155,700
Capital expenditures	—	—	—
Salaries and benefits	538,963	630,357	661,195
TOTAL DEPARTMENT EXPENDITURES	\$ 3,112,192	\$ 3,837,364	\$ 3,816,895
FTE POSITIONS	3	3.0	3.0

Department Descriptions

Enterprise Risk Management. The value proposition of this program will connect strategy and performance, enhance decision making, improve cross-company communications, support asset management processes, including rate cases and business continuity; and finally, create good governance for the organization.

Captive Insurance. In 2021, the Las Vegas Valley Water District formed LVVWD CI (the “Captive”), a wholly owned subsidiary of the Las Vegas Valley Water District, domiciled in the state of Nevada. The Las Vegas Valley Water District is currently the sole member of this captive insurance company. The Captive is a registered limited liability company formed to advance long-term risk management program strategies through the use of a formalized self-insurance program that can access the reinsurance markets. The Captive provides retention for worker's compensation, general/auto liability, public officials liability, cyber liability, employment practices, and property.

In addition, the Captive could be used to provide necessary capacity, plug gaps in existing coverage policies, and create leverage in pricing negotiations with incumbent markets. Other benefits include broader coverage, pricing stability, improved cash flow and increased control over the program.

Risk Management Information System. In 2024, Origami was designated an enterprise-wide software due to extensive EHS use and outward facing Disclosure of Ownership usage for designated contracts and Agenda Items.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Risk Management
Fiscal Year Ending June 30, 2026

Liability Claims. The annual number of claims processed by the department has been consistent over the past three years. The Risk Management team continues to evaluate ways to increase efficiencies and decrease claims costs.

Renewal Comparison			
Line of Coverage	2022-2023 Premiums	2023-2024 Premiums	2024-2025 Premiums
Operational Property	\$ 815,213.00	\$ 1,029,518.00	\$ 1,250,000.00
Terrorism	49,670.43	46,755.00	51,430.50
Excess Liability	496,921.22	514,298.11	579,789.00
Excess Workers' Compensation	121,909.00	127,681.00	119,763.00
Employee Fidelity	18,488.00	12,831.00	12,831.00
Employment Practices Liability*	75,290.00	75,290.00	-
Cyber (Digital Technology Liability)	148,959.97	68,971.52	95,349.03
Ocean Marine	11,375.00	12,228.00	13,140.00
sUAS (Drone) Liability	-	-	6,897.00
Pollution Liability**	-	-	135,066.89
Total	\$ 1,737,826.62	\$ 1,887,572.63	\$ 2,264,266.42
Change from Previous Premium		8.6%	20.0%
*coverage included in Excess Liability policy			
**3 year policy, not paid annually			



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Risk Management
Fiscal Year Ending June 30, 2026

Strategic Plan Objectives and Accomplishments

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Reduce average per claim costs year-over-year.					X	X
II	Improve subrogation collection percentage.					X	X
III	Maintain Certificates of Insurance (COIs) vendor compliance.					X	X
IV	Process Leak Repair Reimbursement Program applications.			X			X

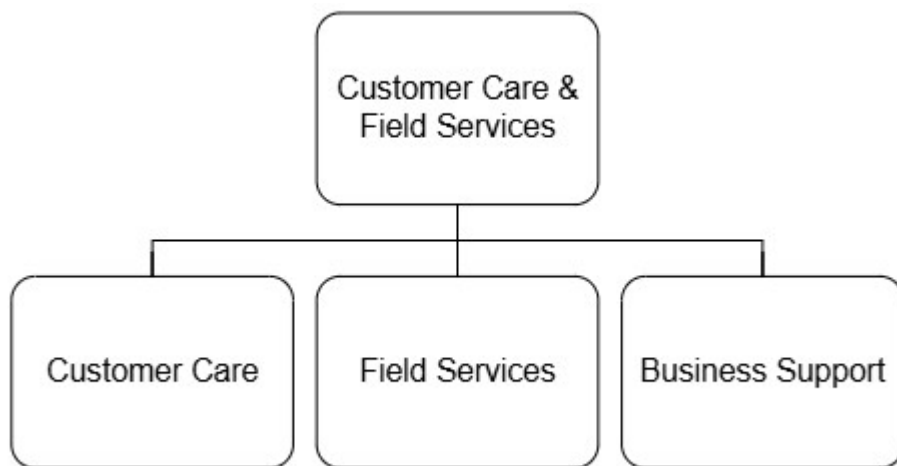
Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Reduce average per claim costs year-over-year.	I	1550	1645	1600	1550
Improve subrogation collection percentage from 60% to 65% (average \$250,000 per year to \$300,000 per year).	II	65%	58%	69%	65%
Maintain Certificates of Insurance (COIs) vendor compliance at a rate of 75% or higher.	III	75%	60%	71%	75%
Process 60 Leak Repair Reimbursement Program applications per month.	IV	60	N/A	38	60

2024-25 Department Accomplishments
ERM Program Engagement increased due to department presentations and created reporting portal on Hydroweb.
Implemented Leak Repair Reimbursement Program.
Completed Full Property Appraisal.
Increased Subrogation Billing and Collection.



CUSTOMER CARE AND FIELD SERVICES

Level: 3100



Mission

To deliver a world-class customer experience and support revenue collection by providing timely and accurate billing and responsive resolution to customer inquiries and transaction requests.

Department Responsibilities

Customer Care and Field Services' role within the Las Vegas Valley Water District is to support customer relations and billing functions. In that capacity, the department handles all customer transactions from meter to cash, including but not limited to: maintenance, testing, and replacement of water meters and reading equipment; monthly bill issuance and processing for nearly 440,000 accounts; operating a call center that receives more than 330,000 customer inquiries/requests annually as well as tens of thousands of email and chat transactions; collection of unpaid water bills via lien and collection processes; and support for other departments' functions, including operational dispatching, customer engagement and usage data acquisition and processing.

Budget Objectives and Highlights

The 2025-26 budget for Customer Care and Field Services is consistent with the organization's efforts to carefully manage operating costs and staffing levels while improving efficiency and the customer experience through technological and performance-based enhancements.

Customer Care – Maintain target Average Speed of Answer levels by aligning agent schedules with projected call volumes, re-engineering business processes and implementing new technologies; continue to effectively manage customer escalations and provide responsive service; and reduce outstanding debt through the lien and collection processes and timely, accurate billing.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Customer Care and Field Services
Fiscal Year Ending June 30, 2026

Field Services – Proactively replace aging meters to avert billing-related issues, maintain the number of meter billing reads accurately collected through the Advanced Metering Infrastructure (AMI) network at 99 percent or greater, effectively manage and minimize the backlog of billing-related Field Activities, manage the inventory of meters to optimize system reliability and accuracy, test large commercial meters at prescribed intervals to ensure accuracy, and provide internal stakeholders with timely data in support of demand management initiatives.

Business Support – Collaborate with Information Technology to maintain the functionality of CCFS' myriad critical software systems, automate selected transaction types to reserve live-agent resources for more essential functions, continue leak- and compliance-related notifications to support ongoing water demand management efforts, and maintain effective training and quality monitoring processes to optimize agent and field technician performance.

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ —	\$ —	\$ —
Maintenance and repairs	1,714	—	—
Rental and leases	—	—	—
Other employee expenses	—	—	—
Other operating expenses	—	—	—
Total Operating Expenses	1,714	—	—
Capital expenditures	—	—	—
Salaries and benefits	549,431	595,071	504,460
TOTAL DEPARTMENT EXPENDITURES	\$ 551,145	\$ 595,071	\$ 504,460
FTE POSITIONS	2.8	3.0	2.4

Department Descriptions

During calendar year 2023, Customer Care and Field Services focused on three critical areas of the business: reducing call center wait times, increasing demand management-related customer engagement through leak notifications and other measures, and expanding/refining the AMI network to achieve target meter read performance standards.

Customer Care - The Customer Care division serves as the primary point of contact for internal and external service inquiries—supporting approximately 440,000 active services. The division manages customer care interactions that include phone, kiosk, chat, web requests, correspondence, and appointment requests. Customer Care processes payments and develops payment arrangements,



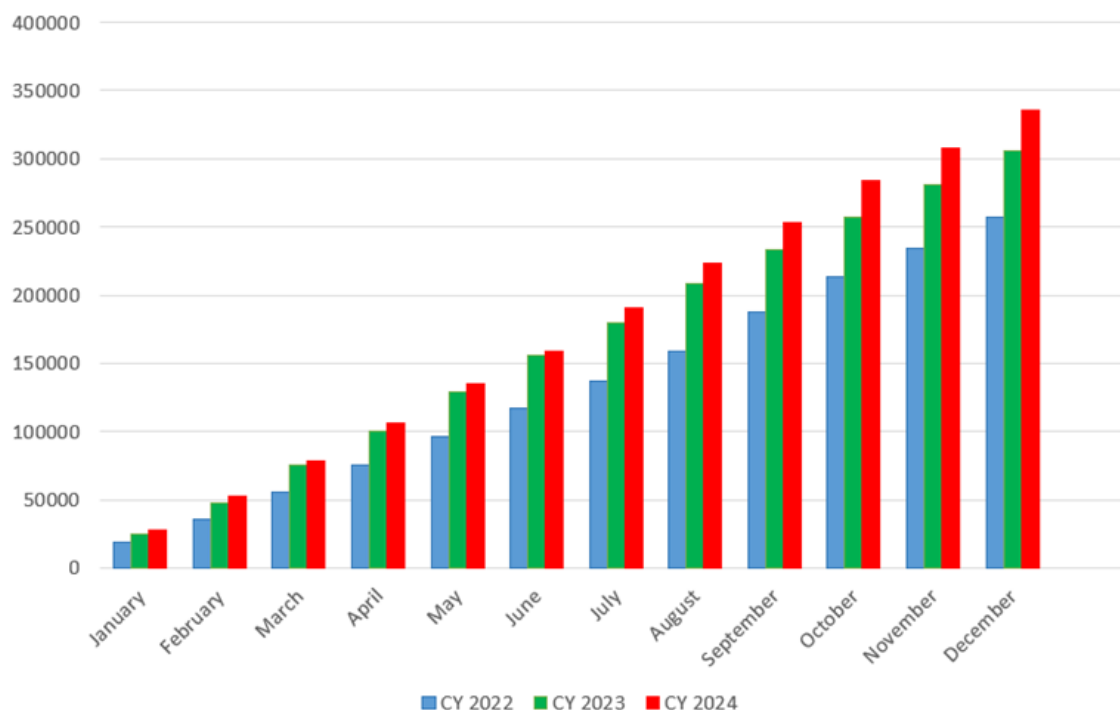
Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Customer Care and Field Services
Fiscal Year Ending June 30, 2026

implements liens and collections for delinquent debt, addresses billing and other account-related inquiries, conservation inquiries, Springs Preserve customer support, 24/7 emergency phone coverage, Field Services and Operations dispatch activities, and bill processing for LVVWD customers.

In 2023, the LVVWD enacted an Excessive Use Charge for single-family residential customers geared toward curtailing demand among the top decile of users. This policy continued in calendar year 2024 and, while the percentage of water bills affected by the policy decreased to 5 percent (a 16.5 percent year-over-year reduction.) Largely as a result of this policy and an unseasonably hot, long summer that drove up water demand, the call center received approximately 30,000 more calls in calendar year 2024 (+10 percent) than in the previous year, and a staggering 78,000 more calls than in 2022.

Incoming Call Volumes – Cumulative (CY 2022-24)

Call volumes increased significantly in 2023 due to the EUC. The increase in call volumes during 2024, however, surpassed projections based upon account base growth.

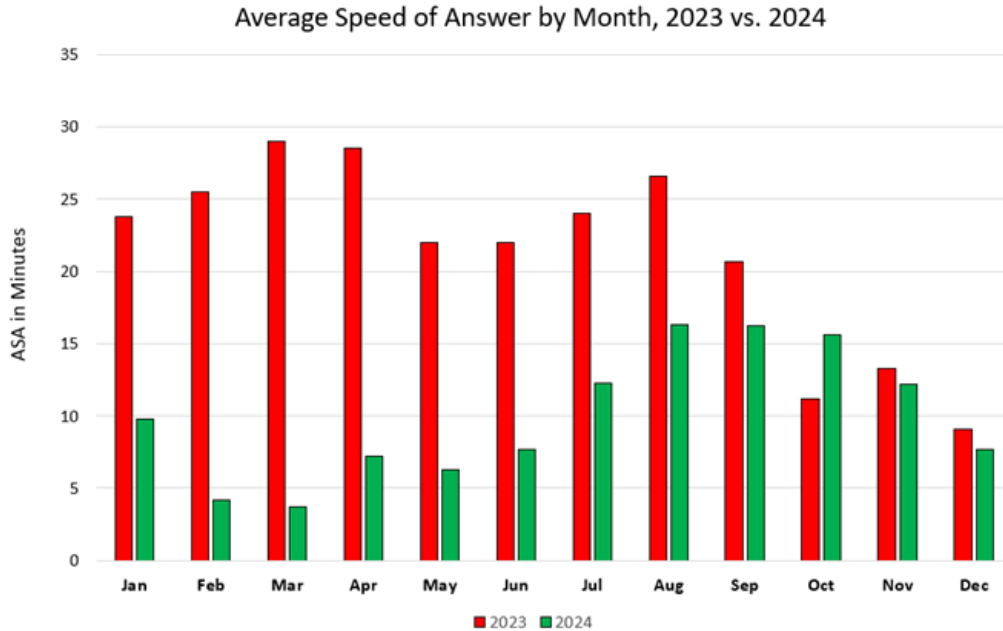


During the current Fiscal Year, Customer Care Operations has continued to employ strategies to maintain and build upon previously achieved reductions to customer wait times. Enhanced training focused on reducing average call durations, combined with automated start/stop transaction capabilities and other process modifications along with the acquisition of additional Limited Term Employees to fulfill call center responsibilities, resulted in an improved Average Speed of Answer (ASA) during 11 of 12 months.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Customer Care and Field Services
Fiscal Year Ending June 30, 2026

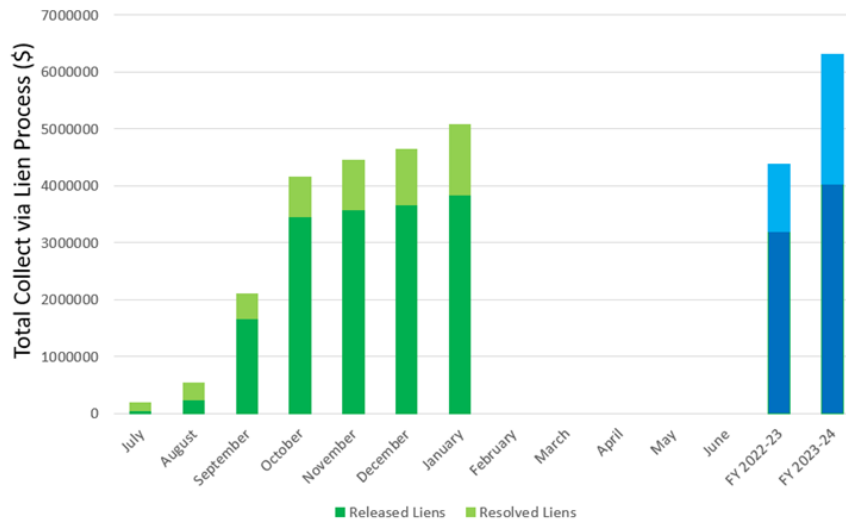
The Average Speed of Answer in 2024 was significantly faster than in the previous year despite a year-over-year call volume increase of approximately 30,000



The Call Center Operations division has also increased efforts to reduce outstanding debt through a combination of lien processing, collections, account reversion (tenant to property owner), and delinquent shutoffs. Through the first seven months of Fiscal Year 2024-25, the amount of delinquent debt collected through lien releases and resolution significantly exceeded the FY 2022-23 level and is on pace to surpass the record-high FY 2023-24 levels.

LVVWD Lien-Related Collections

FY 2022-23 and FY 2023-24 total VS. 2024-25 To Date
(cumulative)



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Customer Care and Field Services
Fiscal Year Ending June 30, 2026

Field Services – This division is responsible for reading, testing, maintaining, and replacing residential and commercial meters for approximately 450,000 service points in Las Vegas, Searchlight, Blue Diamond, Kyle Canyon, Laughlin, and Jean. The division also investigates and responds to leaks, low pressure, zero consumption, high consumption, water waste inquiries, billing requests, and water service turn ons/shut offs. During calendar year 2024, the LVVWD’s Meter Services division supported the completion of approximately 5.5 million billing reads.

Field Services also completed more than 100,000 Field Activities in 2024. Minimizing the number of estimated bills and rebills due to incomplete or inaccurate meter reads is a priority for Field Services. During the first two quarters of FY 2024-25, less than 0.4 percent of customer reads were estimated, an exceptionally low rate relative to the national average for water utilities.

Field Services has developed a plan to decompress the replacement schedule for the units installed nearly a decade ago, which will implement an orderly replacement schedule in perpetuity. Preparatory activities associated with this multiyear initiative will commence during the second half of Fiscal Year 2024-25, with accelerated field actions occurring beginning in FY 2025-26.

Business Support –This division is responsible for ensuring the operation of the myriad systems upon which the Customer Care Operations and Field Services divisions rely to fulfill their core functions. Areas of responsibility include, but are not limited to, the customer information repository, telephony system, bill processing system, bill generation and distribution system, Power BI report platform, and numerous other information processing technologies. To accomplish its mission, Business Support collaborates closely with the LVVWD’s Information Technology department to implement new technologies and processes that enhance the customer experience and modernize service offerings, with each group having specific responsibilities for oversight and execution. Additionally, the division’s Quality & Training team is responsible for developing and conducting new hire training activities, optimizing and refining Standard Operating Procedures and User Instructions, monitoring quality of call center agents and field staff, and providing skills development services to CCFS staff.

Business Support—which also creates and managed automated customer notifications—managed two major initiatives with significant positive implications for both customers and the District. An automated leak notification process alerting customers to continuous flow through their meter (indicative of an on-site leak) via text, robocall, and printed letters, issued more than 130,000 notifications during the calendar year. In support of conservation, the Weekly Irrigation Compliance Detection program, through which machine learning is utilized to identify irrigation patterns more frequent than the mandatory watering restrictions allow, issued approximately 100,000 notifications. These non-enforcement notifications have proven highly effective in prompting behavioral change among customers, with a demonstrated 70 percent correction rate.

In concert with Information Technology, the Business Support division is also responsible for ensuring annual changes to water rates and adjustments to billing rules are enacted in a timely and accurate manner. Errors in the billing system can have catastrophic consequences for the organization, so vigilance during the development and testing process is of paramount importance.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Customer Care and Field Services
Fiscal Year Ending June 30, 2026

Strategic Plan Objectives and Accomplishments

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Maintain high customer satisfaction (CSAT) scores.		X				X
II	Achieve and maintain a low estimated billing percentage through timely replacement and repair of meters.		X				X
III	Automate the service start/stop/transfer function, eliminating the need for customers to directly engage call center staff for these transactions.		X		X	X	X
IV	Maximize billing read capture rate through the Advanced Metering Infrastructure data transmission and collection system.		X	X	X	X	X
V	Implement and manage Customer Assistance Programs that encourage timely leak repair, reduce customer financial impacts, and improve customer satisfaction.		X	X	X	X	X

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Overall satisfaction ratings in quantitative surveys.	I	8	6.9	7.8	8.1
Achieve agent attribute satisfaction ratings of in quantitative surveys.	I	8	8.2	8.7	8.7
Percentage of estimated billing reads.	II	0.35%	0.40%	0.32%	0.30%
Percentage of start/stop/transfer transactions conducted via the automated system.	III	20%	N/A	24%	35%
Percentage of meter reads executed via AMI versus manually or via drive-by.	IV	99%	97.70%	99.20%	99.40%
Customer participation in leak-related assistance programs *(not including service line protection program).	V	2500	1650	3439	3500



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Customer Care and Field Services
Fiscal Year Ending June 30, 2026

2024-25 Department Accomplishments

Launched the Leak Repair Reimbursement Program, expanded the Leak Adjustment Program, launched the Low Income Leak Repair Assistance Program, and launched the Service Line Protection Program.

Decreased average customer wait times by approximately 50 percent in calendar year 2024 versus the previous year.

Saved an average of more than 80,000 agent minutes per month through the utilization of automated account start/stop functionality.

Averted a significant meter manufacturer failure issue and initiated a long-term meter replacement cycle decompression cycle.

Implemented the conversion of the District's obsolete call center solution (Genesys) to a new, advanced platform (Talkdesk).

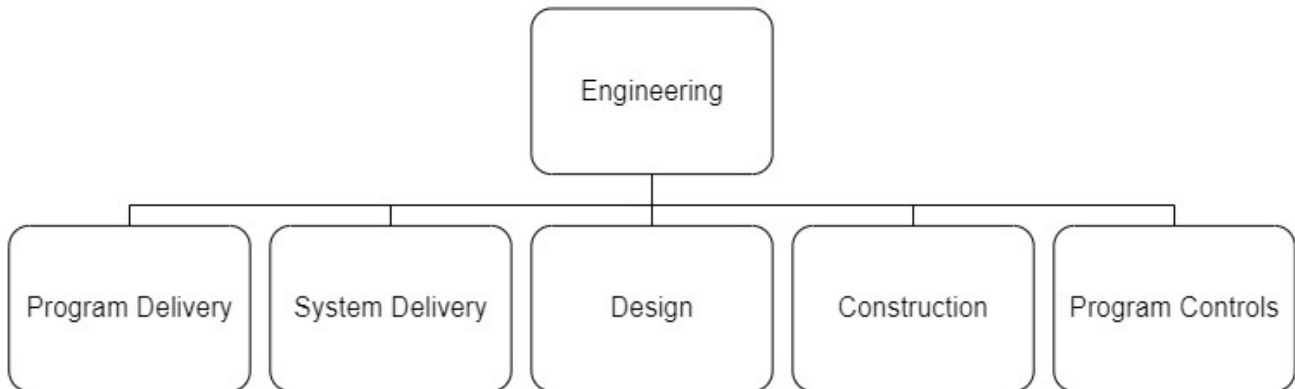
Managed more than 330,000 incoming customer phone calls in addition to chat and email volumes.

Collected more than \$5 million in delinquent debt through liens, on pace to surpass the previous year's \$6.2 million total.



ENGINEERING

Level: 3400



Mission

The mission of the Engineering department is to provide excellence in the field of engineering and related support services for design, construction and operation of reliable and cost-effective water infrastructure and support buildings.

Department Responsibilities

The Engineering department is responsible for implementing capital improvements projects for the Las Vegas Valley Water District (LVVWD), the Southern Nevada Water Authority (SNWA), and Big Bend Water District (BBWD). Presently, the functions under the Engineering department include: major projects administration, program and project controls, engineering design, construction management, construction inspection, permitting, land surveying, and right of way acquisition.

The LVVWD's capital projects are described in the LVVWD Capital Improvement Plan (LVVWD CIP) and consist of a mixture of the design and construction of rehabilitation and replacement of existing infrastructure and design and construction of new pipelines, reservoirs, pumping stations, and support facilities. In coordination with the following LVVWD departments of Operations, Water Quality and Treatment, Water Resources, and Infrastructure Management, Engineering provides right of way research and acquisition, construction permitting, surveying, engineering design, construction management and inspection services, and program controls for many of the projects identified in the LVVWD CIP.

Improvement projects for SNWA are identified in the 2020 Major Construction and Capital Plan (2020 MCCP). The 2020 MCCP describes ongoing projects and initiatives related to establishing and maintaining reliable system capacity, providing necessary support facilities, and developing access to new water resources. In coordination with the Operations, Resources and Facilities, and Infrastructure Management departments, Engineering provides right of way research and acquisition, construction



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Engineering
Fiscal Year Ending June 30, 2026

permitting, surveying, engineering design, construction management and inspection services and program controls for all the MCCP programs and projects.

The SNWA is also responsible for the facilities providing erosion protection in the Las Vegas Wash, as defined in the Las Vegas Wash Capital Improvements Plan (Wash CIP). Engineering accomplishes the planning, design and construction of all projects defined by the Wash CIP.

Engineering also provides programmatic project controls, construction management, inspection, permitting, surveying, and right-of-way support services to other departments for their operating and capital projects and works closely with the Finance Department on near term and long-term capital project expenditures and cash flows and continuously reviews project schedules and projected capital project costs to refine funding projections.

Budget Objectives and Highlights

The 2025-26 Engineering department budget demonstrates significant ongoing commitment for LVVWD CIP, development needs, septic sewer conversions, and the SNWA 2020 MCCP. In addition, a major portion of the department staff will continue to be focused on many projects directly supporting the Operations, Water Quality and Treatment, Water Resources and Infrastructure Management departments in preserving the facilities needed to assure a reliable, quality water supply.

The Engineering department will also advance various capital projects for the LVVWD by designing and managing construction of projects to install new facilities, replace water mains, rehabilitate valve or meter vaults, install backflow prevention devices and perform other necessary system improvements.

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 7,722	\$ 4,700	\$ 8,750
Maintenance and repairs	112,898	81,000	82,000
Rental and leases	—	—	—
Other employee expenses	16,285	30,275	38,350
Other operating expenses	1,870,451	651,500	130,000
Total Operating Expenses	2,007,356	767,475	259,100
Capital expenditures	63,909,478	197,059,000	277,162,000
Salaries and benefits	4,638,065	4,773,320	5,110,156
TOTAL DEPARTMENT EXPENDITURES	\$ 70,554,899	\$ 202,599,795	\$ 282,531,256
FTE POSITIONS	18.5	19.4	20.2



Department Performance

The Engineering department is organized around five functional areas. Teams are organized to successfully manage completion of major capital projects of the LVVWD and SNWA capital plans.

Major Program Projects. Currently, the active major projects are the Horizon Lateral, Stage II Reliability Upgrades, Ozone Equipment Upgrades, the Garnet Valley Water System and Garnet Valley Wastewater Systems. Professional services agreements for the above-listed projects have all been executed and staff is managing the consultant design efforts.

Design. The design team is comprised of professional engineers, technicians, permit coordinators, land surveyors, right of way agents and support staff who work with operators, planners and asset managers in other departments to define project requirements and incorporate those requirements into design and construction packages. These packages are generally prepared for public bidding to construction contractors. The design team members work closely with their clients and senior design division staff to assure design requirements are clear, compliant with the approved scope of work, align with schedule and budget, and consistent with generally accepted engineering standards. Design also coordinates with in-house Legal, Safety, Risk Management, and Purchasing staff to ensure contract provisions are appropriate.

Construction Management. The construction management team is comprised of engineers, inspectors, technical, and support staff who have extensive experience in the construction of public works for water utilities and manage the construction of necessary facilities and inspection of new developer-installed facilities. These team members also participate in the development of design packages to assure construction complexities are properly considered and addressed prior to inviting contractor bids. They also coordinate with the Legal department to assure laws, regulations, and contract provisions are properly observed.

Program Controls. A technical team organized to assist with the implementation and management of the LVVWD, and SNWA capital programs through establishment of best practices for effective cost and schedule management and reporting and for management and review and update of agency engineering standards. This division manages the Project Management Information System (PMIS) and analyzes capital program project data from various departments to identify trends and evaluate and report on project performance. This division also performs a vital function in quality control and reporting of projected capital expenditures as a tool for forecasting future funding requirements and coordinates closely with the Finance department. Further, this division maintains engineering design standards, department standard operating procedures, best management practices, schedule management tools and cost estimating resources.

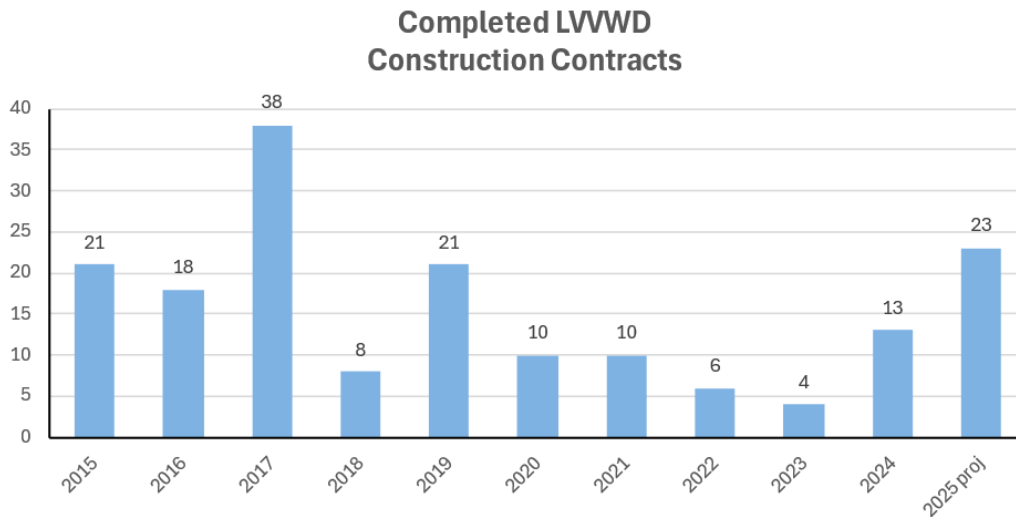
Land Survey and Property Management. Professional staff within the department support design and construction of infrastructure by providing land surveying, water rights surveying, line location, right of way acquisition and property management for both the LVVWD and SNWA systems. These services are vital to the efficient management of property controlled by the LVVWD and SNWA and the infrastructure installed within public rights of way.



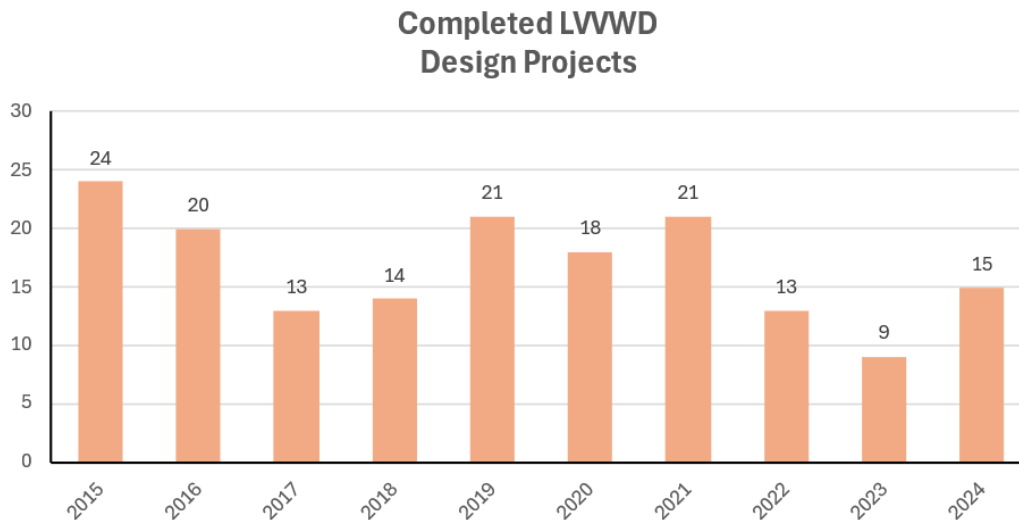
Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Engineering

Fiscal Year Ending June 30, 2026

The chart below (Completed LVVWD Construction Projects) represents the number of the LVVWD construction projects completed by Engineering since 2014 and the number expected to be completed in 2024.



The following chart (Completed LVVWD Design Projects) illustrates the number of projects Engineering has designed since 2014 to support the infrastructure management requirements of the LVVWD.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Engineering
Fiscal Year Ending June 30, 2026

Strategic Plan Objectives and Accomplishments

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Complete design and construction of projects in accordance with forecasted capital budgets, the cost estimates and schedules identified in the capital plans.		X				
II	Provide the Infrastructure Management, Water Quality and Treatment, Water Resources, and Operations departments with a high level of technical services and capital project support.		X				
III	Continue to optimize program management applications and processes to improve consistency, accountability, and reporting.		X				

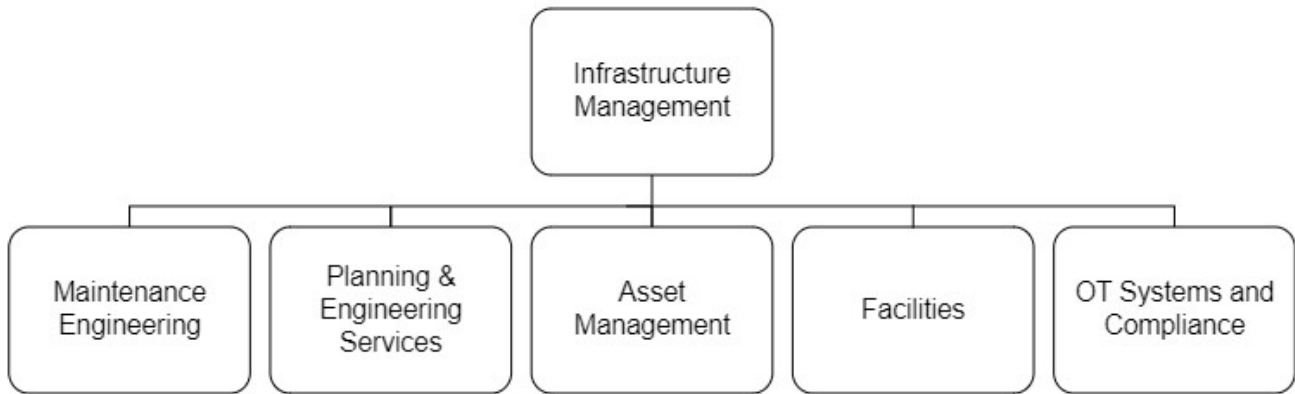
Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Pay consultant invoices for work executed by the Engineering Department within 30-days of submittal through our Project Management Information System.	III	99%	100%	99%	99%
Pay contractor invoices for construction work executed by the Engineering Department within 30-days of submittal through our Project Management Information System.	III	99%	86%	99%	99%

2024-25 Department Accomplishments
Completed design of the Garnet Valley Wastewater System program projects and initiated construction. Reached final design of the Garnet Valley Water System program projects.
Completed the design of the Ozone Equipment Upgrades at both Alfred Merrit Smith Water Treatment Facility and River Mountains Water Treatment Facility.
Nearing completion of the design of Monthill Pumping Station and Connector Pipelines. Reached 60% design completion of the Paradise Hills Pumping Station and Pipeline.



INFRASTRUCTURE MANAGEMENT

Level: 3700



Mission

To provide world-class stewardship of the existing water system infrastructure through comprehensive asset assessment, protection, and renewal in a fiscally responsible manner.

Department Responsibilities

The primary responsibility of the Infrastructure Management department is to manage the infrastructure of the Las Vegas Valley Water District (LVVWD) and the Southern Nevada Water Authority (SNWA) by developing and maintaining a comprehensive asset management program. To accomplish this, each division plays a vital role. The Planning and Engineering Services division reviews water plan submittals for proposed development to ensure they meet the organization's design and construction standards. Using a digital twin, they ensure new developments have adequate water pressure and fire flow, evaluate future system requirements, and develop future capital needs. The Maintenance Engineering division provides technical support, develops, and manages operating and capital projects for the Facilities division and the Operations, Water Resources, and Water Quality and Treatment (WQ&T) departments. The Operational Technology Systems and Compliance division (OT) supports the OT systems for the Operations and WQ&T departments, develops and manages operating and capital projects to maintain or improve the OT systems, and secures the OT systems and associated devices to reduce risk and comply with cybersecurity standards. The Asset Management division investigates leaks on all buried pipeline assets, manages water main condition assessment projects, maintains cathodic protection systems, conducts pumping unit efficiency tests, and provides inspection support. The Facilities division ensures all properties and buildings meet organizational standards for appearance, quality, reliability, and cost-effectiveness.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Infrastructure Management
Fiscal Year Ending June 30, 2026

Budget Objectives and Highlights

The 2025-26 Infrastructure Management department budget contains a comprehensive view of ongoing efforts to maintain existing service levels, provides funding to continue the development and maintenance of the asset management program, and demonstrates a commitment to providing daily operational support for SNWA projects.

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 878,996	\$ 1,882,626	\$ 1,157,900
Maintenance and repairs	2,776,601	3,791,184	3,821,700
Rental and leases	2,118,099	2,268,000	2,280,000
Other employee expenses	44,473	53,108	78,100
Other operating expenses	526,850	561,395	276,800
Total Operating Expenses	6,470,856	8,556,313	7,614,500
Capital expenditures	13,994,481	20,224,000	14,644,000
Salaries and benefits	14,119,851	15,834,962	17,599,518
TOTAL DEPARTMENT EXPENDITURES	\$ 34,585,188	\$ 44,615,275	\$ 39,858,018
FTE POSITIONS	61.7	83.8	87.5

Department Descriptions

Planning and Engineering Services. The Planning and Engineering Services division provides research, analytics, modeling, and projections to support several activities for LVVWD, SNWA, and the small systems. The division evaluates near- and long-term demands and changing operating conditions for infrastructure planning, operations planning, and small system analyses. The team maintains an industry-leading hydraulic model (commonly referred to as a digital twin) of the distribution system with cutting edge modeling capabilities that is utilized in conducting engineering analysis and decision support for system additions and modifications initiated by LVVWD, SNWA, or developers. The digital twin is used to develop daily pumping plans, perform shutdown analysis, emergency response, and water quality analysis. Additionally, the team locates, sizes, and schedules new pumping stations, reservoirs, wells, and major pipelines; maintains the Asset Management model, which is used to prioritize asset renewal projects; conducts hydraulic criticality assessment of the distribution system to ensure system reliability; reviews pressure and fire flow availability for new developments; writes cost sharing agreements for the design and construction of major water facilities; collaborates with the Operations and WQ&T departments to address water quality compliance issues; researches and develops alternative technologies applicable to the LVVWD and SNWA systems; and plans for capital improvements and required monitoring for regulatory compliance.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Infrastructure Management
Fiscal Year Ending June 30, 2026

The Planning and Engineering Services division is also responsible for reviewing and approving plans for LVVWD and SNWA systems additions and modifications initiated by developers, utilities, and public entities, ensuring they meet LVVWD and SNWA requirements for reliability and maintainability. The team routinely calculates fees; processes agreements; commits water resources to new developments; coordinates with the Asset Management division to identify segments of existing water lines that are in poor condition and can be replaced within active public works projects through a betterment agreement to assist in cost saving measures related to permits, pavement, traffic control, and other construction related items that would otherwise fall to the organization; assists developers, engineers, and contractors with the progression of their projects through meetings or onsite field visits; participates in other public works construction projects to minimize both LVVWD costs and inconvenience to the public; evaluates and tests products for use in the water distribution system and oversees the LVVWD Approved Products List; and reviews vacation requests for public rights-of-way, utility and patent easements, as well as fire sprinkler permits with sites that utilize chemical additives.

Asset Management. The Asset Management division manages the LVVWD and SNWA assets from startup to retirement to help ensure assets continue to operate as designed in an efficient and reliable manner. Critical infrastructure is continually assessed and monitored to meet industry standards and, through several infrastructure programs, strives to be an industry leader. The division is organized into two distinct groups: the Horizontal Asset Group and the Vertical Asset Group.

The Horizontal Asset Group focuses on underground infrastructure and performs condition assessments on pipelines utilizing state-of-the-art acoustic methods for both leak detection and pipeline condition assessment, closed-circuit television inspections, and pipe wall measurements to determine the remaining useful life of the pipelines. These evaluations seek to locate subsurface pipeline leaks with the goal of reducing non-revenue water. Condition assessments of the transmission and distribution large diameter pipelines are vital in maximizing reliability and sustainability. Pipeline rehabilitation projects are identified, and recommendations are made for capital replacement. The Horizontal Asset Group is managing the multi-year Enterprise Asset Management (EAM) system upgrade. IBM Maximo is being implemented throughout the organization to improve operation and maintenance efficiencies, and it will also provide the Horizontal Asset Group with new geospatial tools to track pipeline assets more effectively.

The Vertical Asset Group provides startup management and analyses necessary to maximize the life of installed water infrastructure. The group assesses reservoirs and tanks using divers or remote operated vehicle (ROV) technology; conducts pump performance evaluations utilizing the SCADA historian data to determine the current pump efficiency; and analyzes transient pressure data to evaluate main breaks and provide pump operation recommendations. The group is also responsible for managing the corrosion control program for LVVWD, SNWA, BBWD, and the small systems. The goal of the corrosion control program is to extend the life of steel pipe and other steel structures by applying and maintaining cathodic protection. Corrosion Control Systems Technicians collect annual corrosion data on over 5,000 corrosion protection test stations and 125 impressed current rectifiers. Finally, the group manages the startup of capital construction projects. The startup program is necessary to coordinate the safe integration of new equipment, components, and facilities into the LVVWD, SNWA, and BBWD operating systems.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Infrastructure Management
Fiscal Year Ending June 30, 2026

Maintenance Engineering. The Maintenance Engineering division is responsible for the engineering design enhancements and modifications needed to operate and maintain pumping stations, rate-of-flow-control stations, reservoirs, wells, water treatment facilities, and the distribution and transmission pipelines in a safe and efficient manner. The division specifies and procures long-lead electrical equipment for large contracts to ensure consistent system performance; administers the testing of electrical distribution equipment and backup systems; tracks vault and backflow condition and prioritizes repair and replacement projects; coordinates with the Operations and WQ&T departments to plan outages for projects within the distribution systems; prepares preliminary engineering reports and applications for approval by the Nevada Division of Environmental Protection (NDEP); collaborates with the Asset Management division to identify and oversee necessary remediation to tanks, reservoirs, and piping; creates contracts and professional services agreements to execute capital projects and support requests; coordinates with the Water Resources department on drilling and equipping of new wells; provides engineering analysis in the form of electrical coordination studies, arc flash studies, load analyses, structural integrity evaluations, new equipment and technology evaluations, and water treatment tracer tests; and provides 24/7/365 support for the company's geographic information system data and user interface (SIP).

The Maintenance Engineering division is currently managing over 90 active projects between LVVWD, SNWA, and BBWD with a capital budget of more than \$18 million (LVVWD: \$6M; SNWA: \$11M; BBWD: \$1M). The division also manages operating expense projects and routinely manages dozens of active support requests from the Operations department.

OT Systems and Compliance. The OT Systems and Compliance division provides dedicated oversight of the operational technology systems and support processes due to the growing focus on cybersecurity within critical infrastructure. The division is responsible for the 24/7/365 support for the process control equipment, the Supervisory Control and Data Acquisition (SCADA) system, and the wide area communications network for LVVWD, SNWA, and BBWD. The division consists of the OT Process Control Systems (PCS) Team, the OT Communication Systems Team, the OT Systems Administration Team, and a Senior Information Security and Compliance Analyst. All teams within the division maintain an after-hours presence for rapid restoration of service in accordance with service level agreements.

Facilities. The Facilities Maintenance division is responsible for ensuring all LVVWD and SNWA properties and buildings meet organizational standards for appearance, quality, reliability, and cost-effectiveness. This is accomplished through a broad scope of building maintenance, custodial services, and groundskeeping activities. The division also provides support during the design and construction of new facilities, site remodeling and/or retrofit support for existing structures, and special event and meeting preparation. The division consists of three sections: Facilities Maintenance, Facilities Services, and Grounds Maintenance. Additionally, the Facilities division supports rural system sites including Laughlin, Kyle Canyon, Jean, and Searchlight.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Infrastructure Management
Fiscal Year Ending June 30, 2026

Strategic Plan Objectives and Accomplishments

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Ensure staff are engaged on budgeted Capital and Operating projects that extend the useful life of existing facilities.	X				X	
II	Ensure all laterals and turnouts do not exceed capacities over the long range demand scenarios.	X		X			
III	In accordance with the Strategic Asset Management Plan, complete Asset Class Plans for all assets, and perform condition assessment on critical facilities.	X			X		
IV	Execute an Operational Technology Cybersecurity Program Management Plan consistent with applicable requirements of CIS and NIST for protection of critical infrastructure; and continue the Service Level Agreements for communications, SCADA, and service responsiveness.	X	X			X	

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Percentage spend of capital budget	I	70%	84%	70%	70%
Long Range Plan - All turnouts are below capacity limitations through 2050	II	100%	100%	100%	100%
Miles of laterals that received condition assessment	III	5	2.4	2	5
Achieve 99.9% system availability of the wide area communications network supporting OT and IT	IV	100%	100%	100%	100%

2024-25 Department Accomplishments

Maintenance Engineering completed 18 projects that extended the useful life of facilities. Capital expenditures totaled \$9.9M.

Completed the Strategic Asset Management Plan which formalized the department's vision and goals.

Successfully engaged all stakeholders in implementation activities for the Enterprise Asset Management system, Maximo.

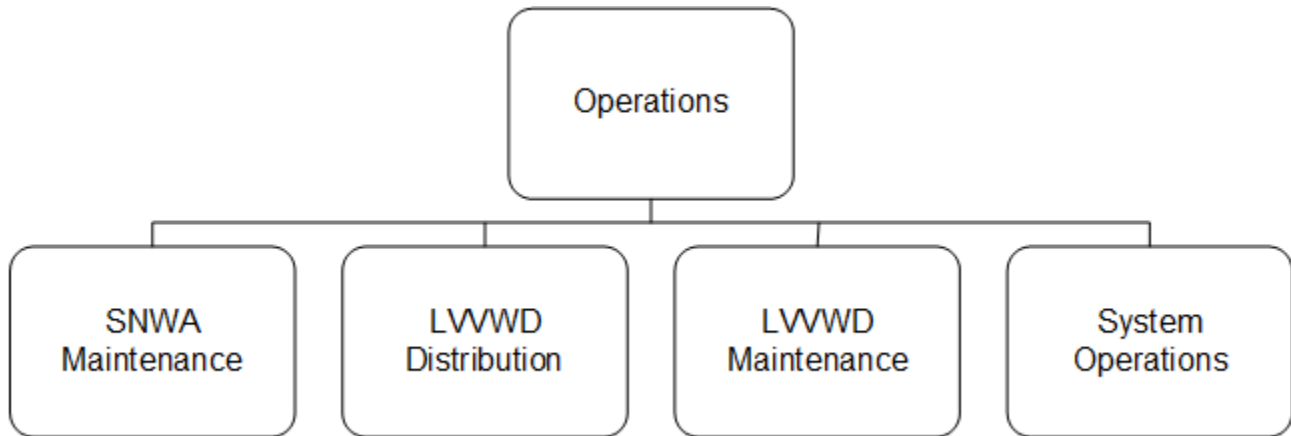
Developed planning conceptals to provide alternative ways to move water through Stage I and Stage II during a South Valley Lateral outage, collectively known as Stage III reliability projects.

Developed an OT Cybersecurity Program Plan based on National Institute of Standards and Technology (NIST) Cybersecurity Framework.



OPERATIONS

Level: 4100



Mission

To serve customers by delivering high quality drinking water to the greater Las Vegas area through efficient, reliable, state-of-the-art delivery systems. To support the Las Vegas Valley Water District's (LVVWD) mission by delivering water to customers that is adequate to meet their needs and proven safe through a system that is effectively operated and maintained.

Department Responsibilities

The LVVWD system is comprised of 39 pumping stations, housing a total of 257 pumps. These pumps exhibit a diverse range of capabilities, with sizes varying from 10 horsepower (HP) and 110 gallons per minute (GPM) to 700 HP and 13, 500 GPM. Furthermore, the system incorporates 44 reservoirs, offering a combined storage capacity of 971 million gallons. The overall system pumping capacity is a simultaneous 1, 184,930 GPM. The LVVWD well system has 59 potable and 4 Water Resource Center non-potable wells capable of producing 183 MGD when fully equipped and functional. The LVVWD 2025 operational capacity is 147 MGD with 49 available potable wells (138 MGD) and 4 Water Resource Center non-potable wells (9 MGD). There are 72 permitted recharge wells of which 46 can be operationally available with some work for recharging the groundwater basin with treated Colorado River water to create credits in the Southern Nevada Water Bank. The 46 available recharge wells include 18 dedicated recharge wells and 28 dual-use wells capable of both production and recharge.

The SNWA system consists of 33 pumping plants, 36 rate-of-flow control stations (ROFCS) also referred to as metering sites, 163 miles of large diameter pipeline, and 32 regulating tanks, reservoirs, and forebays.

Operations also serves customers located not only in the metropolitan Las Vegas area, but also the small service areas of Blue Diamond, Jean, Kyle Canyon, Searchlight, Eldorado Valley, Coyote Springs/Moapa, Sloan, and Laughlin.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Operations
Fiscal Year Ending June 30, 2026

Budget Objectives and Highlights

The Operations department is responsible for the day-to-day and long-term operations of a complex network of pumping stations, reservoirs, ROFCS, sodium hypochlorite facilities, and groundwater wells necessary to meet water delivery demands. Wholesale customers of the SNWA include the LVVWD, City of Henderson, City of North Las Vegas, Boulder City, Nellis Air Force Base, and the National Park Service. Retail customers of the LVVWD receiving water from Lake Mead include residents and businesses of unincorporated Clark County and the City of Las Vegas. The department also operates small ground water systems for the communities of Blue Diamond, Jean, Mt. Charleston, Searchlight, the Sloan Army Reserve Center (SARC), and the Moapa Water Treatment Plant.

Equipment and Project Budget. The Operations department's combined equipment and project budget reflects the new items to establish improved maintenance practices, replacement of existing equipment items no longer supportable by the manufacturer, and capital projects the divisions manage. The total request is \$3.6 million for the fiscal year 2025-26 Budget Plan.

Operating Expense Budget. The department's Operating Expense budget continues to focus on Reliability Centered Maintenance (RCM) aspects of keeping the overall water delivery system fully operational and reliable. The Operating Expenses for fiscal year 2025-26 Budget Plan are shown on the following table. Operations' overall budget totals \$19.7 million for fiscal year 2025-26.

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Water resource investments	\$ 212,223	\$ 199,968	\$ 199,968
Energy	229,344	251,515	251,515
Materials and supplies	1,512,136	1,870,500	1,865,500
Maintenance and repairs	13,813	—	—
Rental and leases	—	—	—
Other employee expenses	70,169	134,900	135,500
Other operating expenses	14,901	3,000	4,000
Total Operating Expenses	2,052,586	2,459,883	2,456,483
Capital expenditures	3,763,172	4,801,000	3,610,000
Salaries and benefits	12,153,994	13,039,235	13,586,680
TOTAL DEPARTMENT EXPENDITURES	\$ 17,969,752	\$ 20,300,118	\$ 19,653,163
FTE POSITIONS	56.5	64.6	66.7



Department Descriptions

SNWA Maintenance. *The SNWA Maintenance division* is responsible for the repair and maintenance of the production facilities and distribution system. The division ensures the system, facilities and equipment are maintained at a level to fulfill the SNWA's contracted water delivery commitments. This is a large, complex system consisting of 33 pumping plants, 36 metering sites called rate-of-flow control stations (ROFCS), 163 miles of large diameter pipeline, and over 32 regulating tanks, reservoirs and surge towers.

The Electrical/Electronics section consists of two teams of technicians responsible for all levels of reactive, preventive and predictive maintenance, emergency repair, new construction, retrofitting and installation, and upgrading of all equipment and process control systems belonging to the SNWS. All the SNWS pumping stations and ROFCS are fully automated and remotely controlled. This allows the SNWS to operate a 900 million-gallon per day water system with minimal staff. The Electrical/Electronics section is comprised of a workforce to maintain systems from 24 VDC to 13.8KV, working closely with the Colorado River Commission (CRC).

The Mechanical section, consists of two teams of technicians responsible for the maintenance and repair of the large pumping units, pneumatic/hydraulic valve actuating systems for the pump discharge control valves, the rate of flow valves, and operators at the system pumping stations delivery points. These sections are also responsible for the heavy support maintenance and repair of all the in- and out-valley SNWS mechanical equipment consisting of motors and gear reduction units, valves and valve actuators, canal gates, air compressors, and chemical feed systems utilized by Treatment. A full capacity machine shop provides for in-house repair and fabrication of equipment needed to support the mission.

LVVWD Distribution. *The Distribution division* (Distribution) is responsible for maintaining 7,074.9 miles of pipeline and laterals, 143,707 valves, 429,675 service laterals, 42,632 fire hydrants, and all related appurtenances comprising the LVVWD's distribution system. In fiscal year 2021-2022, Distribution crews completed 7,193 work orders consisting of repairs to pipelines and the repair and replacement of valves and fire hydrants. Additionally, 1,891 leaking service laterals were replaced. Distribution is in the process of replacing the estimated 80,000 polyethylene services installed within the LVVWD's distribution system between 1971 and 1989. These services have been problematic and very unreliable, with multiple failures. Approximately 69,210 of these services have been replaced. Distribution also assists other LVVWD workgroups, such as Asset Management and Inspections, with cathodic test station installations, valve corrections, and water quality testing. Distribution continues the preventive maintenance valve program which locates, operates, and maintains valves within the distribution system. Distribution located and exercised 7,641 valves in fiscal year 2021-2022, keeping them in good working order and improving Distribution staff's ability to quickly perform main shutdowns in case of a leak or large emergency. This has helped Distribution staff lower the average time to shut down a leaking water main in an emergency and reduce non-revenue water losses.

The Backflow Prevention section administers the LVVWD's Backflow Prevention Program. This is a service protection program involving annual testing and repair of all backflow assemblies in the LVVWD distribution system. An active backflow program ensures contaminated water cannot enter the potable water system if a backflow, backpressure or back siphonage condition exists. The backflow technicians are certified by the California/Nevada section of the American Water Works Association (AWWA). They are currently managing approximately 33,919 backflow prevention devices.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Operations

Fiscal Year Ending June 30, 2026

LVVWD Maintenance. The LVVWD Maintenance division is comprised of five sections:

The Field Booster Pump/Valve Repair section maintains, repairs, and installs mechanical equipment found at major pumping stations, select small system sites, and recycled water systems. The section also implements the predictive maintenance tool of vibration analysis on the LVVWD's motors.

The Pump System Repair Shop expedites repair of major pumps and motors. This is accomplished using machining, mechanical, and coating and painting skills of the section members. This section also maintains the natural gas industrial engines at the Campbell Pumping Station and field deployed emergency generators.

The Electrical section maintains, repairs, and installs electrical equipment for pump stations, well sites, and other LVVWD locations. This involves performing preventive maintenance as determined by the Reliability Centered Maintenance process, implementing infrared predictive maintenance technology, maintaining the controls, power and mechanics of the water system, and having a working knowledge of the LVVWD's pumping strategies.

The Telemetry section maintains and repairs all instrumentation pertaining to water system operation and security, including monitoring water pressure, flow, level, drawdown, and chlorination instrumentation and systems, field computer systems, and associated devices for the SCADA system, multiple address and spread spectrum radios and repeater systems, microwave radio communications equipment, and security equipment in support of field sites.

The Well Crew section performs predictive, preventive, and corrective maintenance on all well pumps, artificial injection wells, and control valves. This section further plays a significant role in the evaluation of pump efficiencies and works in concert with Maintenance Engineering within Infrastructure Management to recommend well rehabilitation schedules for the well bore and pumping equipment.

Systems Operations. The Systems Operations division is comprised of the management team, LVVWD Systems Operations, SNWS Systems Operations, the Disinfection Reservoir shop, and the Small Systems section.

The Management team is responsible for ensuring the sections have the necessary resources to accomplish their specific functions. Along with the section supervisors, the team consists of a manager, administrative staff, and two senior operations analysts. The analysts are integral in compiling the monthly water usage for which the SNWA bills its customers, tracking energy and maintenance costs, monitoring non-revenue water trends, and liaising with other departments and divisions.

The LVVWD SCADA Operations section provides around-the-clock monitoring and control of all retail water distribution systems using the SCADA computer system. Daily tasks include coordinating water deliveries from SNWS and operating pumps and wells to maintain reservoir levels and water system pressure. This section remains dedicated to preparing daily pumping plans to fine tune pumping decisions which improve distribution system water quality and save electricity costs.

The SNWS SCADA Operations section provides around-the-clock monitoring and control of wholesale water transmission and distribution system equipment using the SCADA computer system. They also operate pumps and valves at all pumping stations, and monitor flows, tank levels, system pressures, chlorine residuals and other information through the SCADA network. Purveyor, wholesale customer



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Operations
Fiscal Year Ending June 30, 2026

demands are met by pumping water through the distribution system to the ROFCS, where the water is metered for billing. The SCADA system data is used to develop trends, reports and statistical information required for effective system operation.

The Disinfection and Reservoir section is a vital part of the potable delivery system for the LVVWD. They manage and maintain reservoir networks that represent most assets of a water utility. Their principal responsibilities are the management and disinfection of the potable water storage network of reservoirs and wells to meet Safe Drinking Water standards. These networks are managed to achieve long-term sustainability of the LVVWD's critical assets. They continually find ways to incorporate innovative water technologies to optimize operational performances of the disinfection systems, including injection principles and methods to reduce or eliminate current water quality concerns. Just as important are the sodium hypochlorite storage and delivery systems that are maintained and operated to a standard that meets or exceeds current AWWA and National Sanitation Foundation standard 60 protocols.

The Small Systems section oversees operations and maintenance of the rural water systems located in Blue Diamond, Coyote Springs (Moapa), Jean, Kyle Canyon, Searchlight, and Sloan. This group is comprised of two rural systems operators (RSOs) and a Small Systems Superintendent. The RSOs perform daily inspections of rural sites to operate, maintain, and repair water distribution mains, service lines, meters, tanks, reservoirs, chemical feed systems, and other related appurtenances. The Superintendent handles the day-to-day administrative aspects of the rural areas, including planning, budgeting, supervising the RSOs, and correlating the Small Systems' needs with other maintenance work groups.

Strategic Plan Objectives and Accomplishments

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	SNWA Maintenance-Develop and maintain a preventative maintenance program that allows for cost effective repair and maintenance of pumps and motors.	X	X		X	X	X

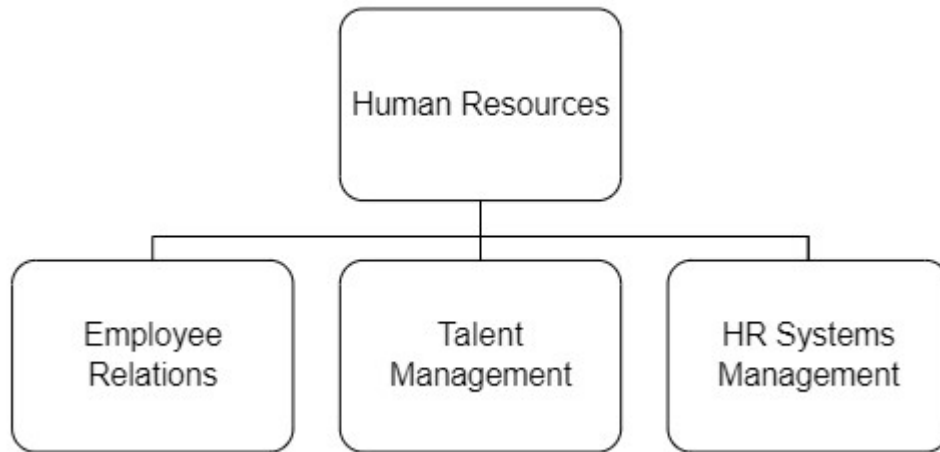
Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Pump Annual Availability Percentage.	I	90%	91%	93%	90%

2024-25 Department Accomplishments
Maintain preventative maintenance program to optimize equipment life and make adjustments to existing equipment to ensure extended reliability.



HUMAN RESOURCES

Level: 4200



Mission

Attract, develop, engage and support our diverse workforce with innovative and adaptive technology, programs, processes and resources.

Department Responsibilities

The Human Resources department is responsible for payroll, recruitment and selection; engagement and employee development; employee relations; benefit plans; compensation and classification plans for the Las Vegas Valley Water District (LVVWD) and the Southern Nevada Water Authority (SNWA). The department also administers fair employment policies and procedures and negotiates all collective bargaining agreements. Presently, there are three service groups within the department: HR Systems Management, Employee Relations/Services, and Talent Management.

Budget Objectives and Highlights

The 2025-26 budget for Human Resources is consistent with the organization's efforts to strengthen and uphold a culture of service, excellence and accountability by attracting, retaining and developing staff to meet organizational expectations, maintaining productive employee relations, and using our Human Capital Management system to create efficiencies in operations.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Human Resources
Fiscal Year Ending June 30, 2026

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ —	\$ —	\$ —
Maintenance and repairs	—	—	—
Other employee expenses	240	—	—
Other operating expenses	480	—	—
Total Operating Expenses	720	—	—
Capital expenditures	—	—	—
Salaries and benefits	570,927	1,064,074	1,205,632
TOTAL DEPARTMENT EXPENDITURES	\$ 571,647	\$ 1,064,074	\$ 1,205,632
FTE POSITIONS	3.5	7.1	6.2

Department Descriptions

Talent Management. The Talent Management Team has continued to recruit and attract highly qualified talent, enhance learning programs to retain and develop existing staff and continue to keep staff engaged.

Employee Services. Employee Services has continued to ensure employees are familiar and knowledgeable with the organization's benefit programs, including retirement, and have maintained productive employee relationships with all bargaining units.

HR Systems Management. The HR Systems Management (HRIS) continues to identify and create departmental and organizational efficiencies in the Human Capital Management System and supported the transition to a new document management system for the department. HRIS also provides payroll processing for the organization.

Strategic Plan Objectives and Accomplishments

The Human Resources department provides a foundation for all departments to reach the goals of the Strategic Plan through appropriate recruitment; employee engagement; and productive employee relations. The Human Resources department is dedicated to supporting work environments where employees are encouraged to perform at their highest potential.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Human Resources
Fiscal Year Ending June 30, 2026

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Develop a reliable, redundant, fully versed bench of talent, confident in core HR competencies.		X			X	X
II	Integrate efficient and effective business work-flow processes and procedures.				X	X	X
III	Increase the reach and engagement of our internal and external partners to become a desired and well-known community partner and employer of choice.		X				X
IV	Leverage advances in technology to streamline business processes and empower employees for a higher level of self service.				X	X	

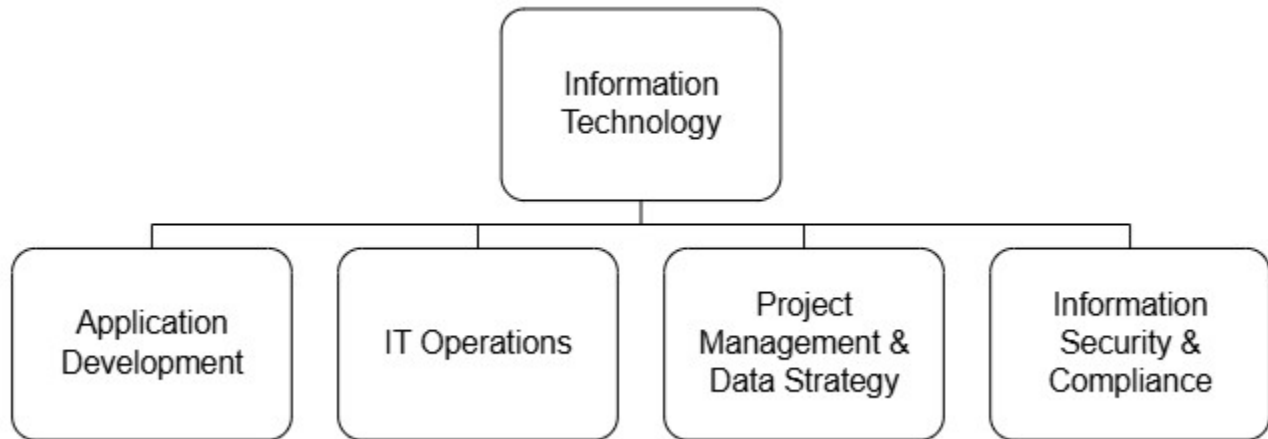
Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Refresh and Improve HR Content.	I	100%	25%	50%	100%
Streamline and improve key HR workflow processes, standard operating procedures (SOP), and contract agreements.	II	Create and execute an internal and external engagement plan	—%	20%	100%
Create and execute an internal and external engagement plan.	III	Finalize Internal & Engagement Plans	10%	50%	100%
Increase utilization of employee self-service offerings in HR Systems.	IV	Increased Employee awareness of self-service options in Workday	20%	40%	80%

2024-25 Department Accomplishments
Streamlined and improved Employee Performance Development System (EPDS) process in Workday.
Implemented new Workers' Compensation tracking and reporting for Payroll and EH&S.
Strengthened community involvement through active participation in job fairs and partnership building with our local schools to develop talent pipelines.
Led the redesign and implementation of the Talent Achieving Purpose (TAP) Program for emerging leaders.



INFORMATION TECHNOLOGY

Level: 4300



Mission

The IT Department creates trusted systems and solutions through investments in people, processes, and technologies to serve our community, our partners, and each other.

Department Responsibilities

The Information Technology department is responsible for the Las Vegas Valley Water District's (LVVWD), Southern Nevada Water Authority's (SNWA), Springs Preserve's, and the Big Bend Water District's (BBWD) acquisition, administration, and maintenance of software products, installation and maintenance of all computer-related and office management hardware products, cybersecurity, Payment Card Industry (PCI) Compliance, Geographic Information Systems (GIS) administration, and telecommunications. Specific support activities are noted for each division herein.

The Information Technology Steering Committee was relaunched in 2022 and is comprised of multi-departmental leadership representatives throughout the organization. The committee evaluates projects of relative importance using an objective and quantifiable system that directs Information Technology initiatives to meet business needs.

Budget Objectives and Highlights

The 2025-26 Information Technology department budget contains funding to continue the development and implementation of technology projects and provide daily operational support to the LVVWD, SNWA, the Springs Preserve, and BBWD information technology systems.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Information Technology
Fiscal Year Ending June 30, 2026

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 835,600	\$ 848,400	\$ 1,226,000
Maintenance and repairs	3,700,085	2,881,809	5,069,355
Rental and leases	390,936	396,000	112,720
Other employee expenses	30,331	120,689	139,045
Other operating expenses	955,050	1,666,287	1,683,712
Total Operating Expenses	5,912,002	5,913,185	8,230,832
Capital expenditures	327,752	1,195,000	550,000
Salaries and benefits	7,117,434	9,550,065	9,724,564
TOTAL DEPARTMENT EXPENDITURES	\$ 13,357,188	\$ 16,658,250	\$ 18,505,396
FTE POSITIONS	37.5	42.3	41.2

Department Descriptions

Information Technology has completed many projects to improve business processes, functionality, system operations, and security, while reducing expenses and risk to the organization. Major projects during the year included implementation of a new billing rate engine, automation of water service start/stop, replacement of the legacy contact center system, modernization of the organization's mobile application, replacement of Water Quality's legacy Laboratory Information Management System (LIMS), continuation of the endpoint equipment (PCs, monitors, iOS devices, and laptops) refresh programs, and major enhancements to cybersecurity programs.

Application Development. This multi-team division performs software development, upgrades and version testing, and validation of key operational systems utilized throughout the organization.

The multi-year project to implement a new Enterprise Asset Management System kicked off in 2022 and will replace an aging application reaching end-of-life with a modern, best-in-class asset and work management system. Key features include preventative and predictive maintenance, inventory and material management, work management, reporting, and analytics. The system is projected to complete in the next fiscal year.

The division will maintain support for customer facing systems, including modernization of field meter collection technologies and modernizing the organization's customer management system. The modernization will likely complete in 2026-2027.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Information Technology
Fiscal Year Ending June 30, 2026

The implementation of a new Financial Management System began in 2022 with efforts to analyze business processes and identify a replacement system. Vendor and implementer selection is anticipated in 2025-2026 with completion of the project in 2028-2029. In addition to the Financial Management System implementation, the corporate chart of accounts will be reviewed for restructuring.

Operations. This division is comprised of three teams who provide and deliver secure, reliable technology infrastructure and services that support the organization's operations. The teams are responsible for maintaining hardware & software and providing technical support across five major sites and various satellite facilities.

The IT Customer Support team (ITCS) is the first point of contact for most interactions with the IT department. ITCS operates the help desk and tech hub walk-up counter, administers the IT service management platform, installs/maintains/manages a variety of business partner hardware (including telecommute devices), oversees approximately 350 software titles, endpoint management, and other troubleshooting efforts. Hardware supported by the ITCS team includes 3,000+ on-premises and telecommute desktops, 500+ field and business laptops, 93 multifunction printers, and technology hardware accessories.

The Application Administration team (AAT) is responsible for the oversight, administration, and maintenance of all enterprise and business applications, as well as the enterprise database platforms. Additionally, this team is responsible for the deployment, management, and administration of 1,300 mobile devices and oversight of the organization's telecommunications/VOIP infrastructure. AAT provides primary administrative support for critical applications, including the customer information system and financial platform, as well as other specialized platforms and cloud applications.

The System Administration team (SAT) is responsible for the implementation, administration, maintenance, and oversight of both on-premises and cloud-based server & network infrastructure. This team is comprised of administrators who specialize in various hardware and software technologies, such as Windows, Linux, and Unix servers, network infrastructure and architecture, wireless technology, storage and disaster recovery, Active Directory, E-mail/Azure/SharePoint, virtualization, web administration, data centers, and firewalls/routing.

Enterprise operational support offered by the division focuses on providing a world-class customer experience and reliable applications & infrastructure. Operational support efforts encompass hardware & software maintenance, strategic planning/advisory, technical project support, and hardware refreshes and modernization. The division often supports other technology and business partners within the organization on their approved projects and initiatives.

Major on-going initiatives include enterprise projects, infrastructure modernization, and support for specialized projects. From an enterprise perspective, the division is leading the modernization/replacement of end-of-life systems, enterprise firewalls, and conference room audio/visual systems. Other IT modernization and improvement projects include virtualization infrastructure, data backup infrastructure, endpoint management & strategy, and IT service management strategy.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Information Technology
Fiscal Year Ending June 30, 2026

Information Security and Compliance. Major emphasis will continue to be on cybersecurity as world-wide security breaches increase at an alarming rate. Significant effort will continue to be directed toward providing an operationally stable and secure computing environment, developing strategies with Legal Services and Risk Management to reduce and manage emerging cyber risks, as well as educating employees on cybersecurity topics.

Ongoing initiatives include continued guidance to support the Enterprise's disaster recovery capability and business continuity of operations, defense against cybersecurity threats and vulnerabilities, identification and management of risks, providing cybersecurity awareness training, providing guidance on system upgrades and/or replacements to critical infrastructure, implementation of technology to meet required PCI Data Security Standards (PCI-DSS), recommending best practices to ensure high availability of applications and databases, guidance on securing mobile devices, as well as tracking and advising on the impacts of new Federal and State legislation, as well as evolving industry regulations.

Security efforts include continual review and enhancement to procedures, monitoring for, and responding to, cyber threats, collaborating with IT and OT Operations teams to manage vulnerabilities and prioritize security patches, and formulating guidance for controlled access to systems and data. The division will continue to strengthen its relationship with the Federal Agencies of DHS, CISA, and the FBI, to meet or exceed security standards for Critical Infrastructure. This division works closely with Legal Services, Information Governance, Purchasing and Risk Management to ensure the organization is addressing supply-chain and contractual security risks. The division focuses on emerging regulatory requirements from state and federal agencies, as well as continuously evolving requirements from cyber insurance underwriters and bond rating entities.

Project Management & Data Strategy. This division is comprised of two teams, responsible for delivering comprehensive project oversight and formulating data strategies that contribute to the overall success of our organization's technology initiatives.

The Business Systems Analysis team is responsible for bridging the gap between business objectives and technological capabilities to support the delivery of quality solutions by providing project management oversight and execution support for technology initiatives, goals, and analysis.

Ongoing initiatives include managing enterprise projects and business department technology implementations to ensure projects are delivered on time, within budget and are aligned with the organization's strategic goals and developing project management standards to ensure the team is equipped to effectively plan, execute, and monitor complex projects, ultimately maximizing project success rates and minimizing project risks.

The Data Strategy & Architecture team is responsible for providing support for data collection, analysis, visualizations and implementing the enterprise data strategy. Data strategy efforts will include promoting a data driven culture to drive business value, actionable insights and increase operational efficiency.

Ongoing initiatives include defining a comprehensive framework for managing and leveraging the organizations data as a key resource by defining clear guidelines for data collection, data trustworthiness, storage, access, data governance and analysis, enabling data driven decision making



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Information Technology
Fiscal Year Ending June 30, 2026

across all levels of business, and evaluating and improving the data architecture. As the data strategy is implemented, it will lay the foundation for a move towards the use of Artificial Intelligence in a safe and reliable manner.

Strategic Plan Objectives and Accomplishments

Information Technology provides support to all departments to achieve Strategic Plan goals through the acquisition, development, administration, and maintenance of technology-related products and services.

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Improve system and application availability and reliability through investments in infrastructure and process improvements.	X	X		X	X	X
II	Minimize organizational risk by performing due diligence on software before procurement and at least annually.					X	X
III	Application deployments align with strategic plan goals by maintaining secure and efficient systems, while continuously delivering features that enhance the experience for users and customers.	X	X	X	X	X	X
IV	Application deployments align with strategic plan goals by maintaining secure and efficient systems, while continuously delivering features that enhance the experience for users and customers.						X

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
System Availability: % uptime based on unplanned internal IT outages (excluding vendor/cloud services).	I	99.9%	99.23%	99.5%	99.6%
Number of Software titles from the IT Software Catalog that are reviewed and approved through the Technology Purchase Review (TPR) process.	II	100%	59%	70%	80%
Application Deployments.	III	50/month	518	1100	600
On-Time Delivery (OTD): % of Projects Delivered on Time.	IV	80%	60%	65%	75%



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Information Technology
Fiscal Year Ending June 30, 2026

2024-25 Department Accomplishments

Averaging well over target of 50 application deployments per month with a focus on security remediation.

Averaged over 400 due diligence reviews per month on vendors, products, and services as part of the Technology Purchase Review process.

Approximately 6% of vendors, products and services reviewed under the Technology Purchase Review process were denied or dropped due to security or compatibility issues.

Accomplished the following significant IT projects on schedule and with success: deployment of customer daily consumption online, development of a new application for managing water use compliance, replacement of the legacy customer care contact center solution, and upgrading the Oracle infrastructure platform from Supercluster to Exadata.

Implemented several investments and projects to improve IT infrastructure reliability, availability, and security, including: co-managed endpoints, corporate network redundancy and link upgrades, core ring redundancy additions, management network, application and database high-availability, and non-intrusive and automated Windows and Linux patching.



ENVIRONMENTAL, HEALTH, SAFETY & CORPORATE SECURITY

Level: 4400



Mission

Provide world-class logistical support and customer service in a safe, resilient environment.

Department Responsibilities

The Environmental, Health, Safety, and Corporate Security (EHSCS) Department serves as the organization's compliance, safety, and security arm, comprising five divisions: Environmental, Health, and Safety (EHS); Corporate Security; Emergency Management; Fleet Services; and Material Services. Collectively, these divisions reduce overall organizational risk through the following initiatives:

- EHS fosters a culture of accident prevention by promoting safe work practices, delivering employee safety training, tracking organizational accident and injury trends, and overseeing permitting and compliance obligations.
- Corporate Security protects organizational assets by providing 24-hour patrol, response, surveillance, and facility access control.
- Emergency Management strengthens resilience through year-round mitigation, planning, prevention, response, and recovery efforts.
- Material Services supports readiness by securing and stocking maintenance, repair, operations, and critical spare parts.
- Fleet Services advances the mission by acquiring and distributing reliable vehicles, tools, and equipment, while ensuring access to sufficient fuel reserves.

Budget Objectives and Highlights

The 2025–26 EHSCS budget contains the funding necessary to support the safety and security of our organization's workforce, customers, and facilities. Through departmental strategic planning, EHSCS



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Environmental, Health, Safety & Corporate Security
Fiscal Year Ending June 30, 2026

has streamlined processes, lowered costs, improved sustainability practices, and ensured proper maintenance of assets such as goods, vehicles, and equipment.

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 1,208,396	\$ 1,395,500	\$ 1,305,000
Maintenance and repairs	181,213	174,200	345,900
Rental and leases	114,298	129,500	138,000
Other employee expenses	31,094	77,500	79,000
Other operating expenses	915,880	853,500	826,500
Total Operating Expenses	2,450,881	2,630,200	2,694,400
Capital expenditures	2,778,220	5,440,268	2,658,642
Salaries and benefits	6,317,906	6,929,061	7,390,128
TOTAL DEPARTMENT EXPENDITURES	\$ 11,547,007	\$ 14,999,529	\$ 12,743,170
FTE POSITIONS	17.4	42.0	42.2

Department Descriptions

Environmental, Health, and Safety Division. EHS promotes employee well-being through proactive oversight of the District's comprehensive environmental, health, and safety program. These efforts use data-driven indicators to reduce risk, improve performance, and strengthen safety culture. The division provides accident investigations and offers comprehensive, ongoing employee training in vehicle and heavy equipment safety, defensive driving, and commercial driver's license preparation, all of which builds proficiency and helps prevent incidents. The division also ensures regulatory compliance through targeted audits, OSHA- and state-aligned procedures, permitting oversight, and management of the Alfred Merritt Smith Water Treatment Facility (AMSWTF) Process Safety Management Program. Regular EHS Steering Committee meetings encourage collaboration and communication, while specialized programs support respiratory protection and hearing conservation.

Corporate Security Division. Corporate Security's mission is to protect people, property, facilities, and water treatment and delivery systems by providing 24-hour services. These services include responding to intrusion alarms and service calls; escorting field crews providing standby support during water shutoffs; patrolling reservoirs and pumping stations; investigating company vehicle collisions; administering emergency first aid; providing police/fire escorts; inspecting fire protection equipment and alarms; assisting with customer parking; escorting customers, vendors, and visitors; providing information and managing facility access; conducting emergency evacuation and active shooter training; monitoring vendor access; and controlling entry to restricted areas.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Environmental, Health, Safety & Corporate Security
Fiscal Year Ending June 30, 2026

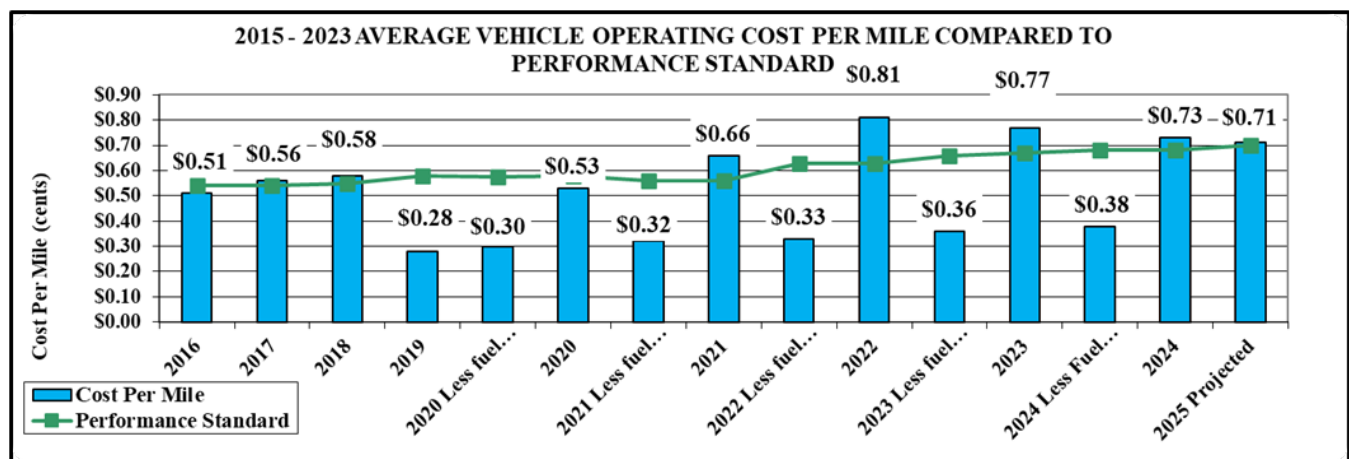
Physical security networks and systems—including electronic access control, security cameras, alarms, and locks—work in coordination with a 24/7 centralized call center to support officers in maintaining campus control. Corporate Security also collaborates with federal, state, and local law enforcement authorities and other utilities to guard against malicious acts targeting the District.

Emergency Management. Emergency Management works to ensure that the water system can adapt to or withstand the effects of a malevolent act or natural hazard without interrupting the asset's or system's function—or, if interruption occurs, to rapidly restore normal operations. To meet or exceed federal preparedness guidelines and strengthen organizational resilience, Emergency Management staff engage in mitigation, planning, prevention, response, and recovery efforts.

Material Services. Material Services is customer-focused, providing quality operating and maintenance products; material requirements planning; inventory management; and storage and retrieval services to the District. It also manages the processing and distribution of interoffice mail, United States Postal Service mail, and office supply deliveries across the service network. In addition, Material Services delivers and posts public notices, administers the postage budget, and supports Public Services by processing their communication campaign projects. In 2024, the division managed 13,445 inventory assets valued at over \$22.6 million. Material Services also processes and delivers auction items, manages recycled metals, and administers the employee uniform program.

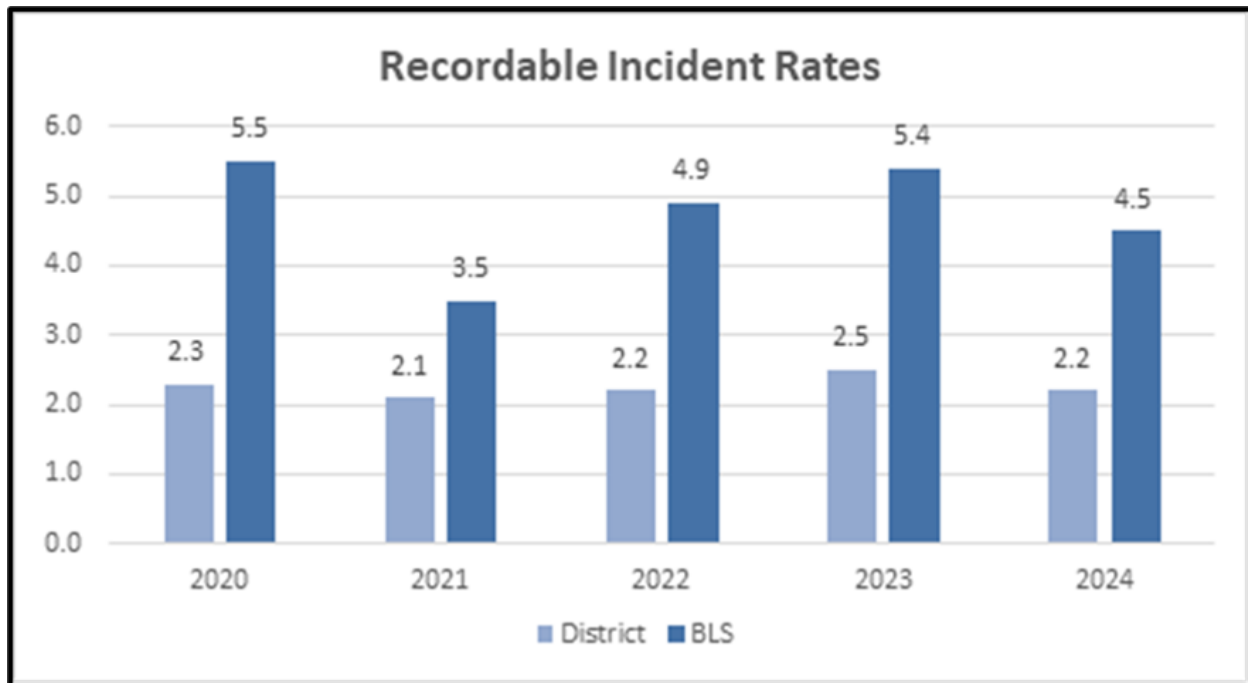
Fleet Services. Fleet Services ensures the availability of safe, reliable, and fully functional vehicles, equipment, tools, fuel, and communication systems essential to water delivery operations. The division currently manages and maintains a fleet of more than 1,500 vehicles and support equipment units, along with 1,000 pieces of communication equipment. Key responsibilities include preventive maintenance, repairs, and full lifecycle management—acquisition, disposition, and replacement planning—for all vehicles, communication equipment, and loanable tools. Fleet Services operates seven service facilities and seven fueling stations strategically located throughout Las Vegas, Boulder City, Henderson, and White Pine County to support operations across the District's service area.

The following chart illustrates the District's average vehicle operating cost per mile compared to established industry performance benchmarks.



Recordable Injury Rates

To support continuous improvement and strong safety outcomes, EHS tracks recordable injuries and illnesses, benchmarking the District's performance against Bureau of Labor Statistics (BLS) data for comparable public drinking water utilities. The District's incident rate declined from 2.5 in 2023 to 2.2 in 2024, demonstrating a sustained commitment to employee well-being. This rate remains well below the BLS average, underscoring the effectiveness of the District's safety programs.



Recordable Injuries by Category

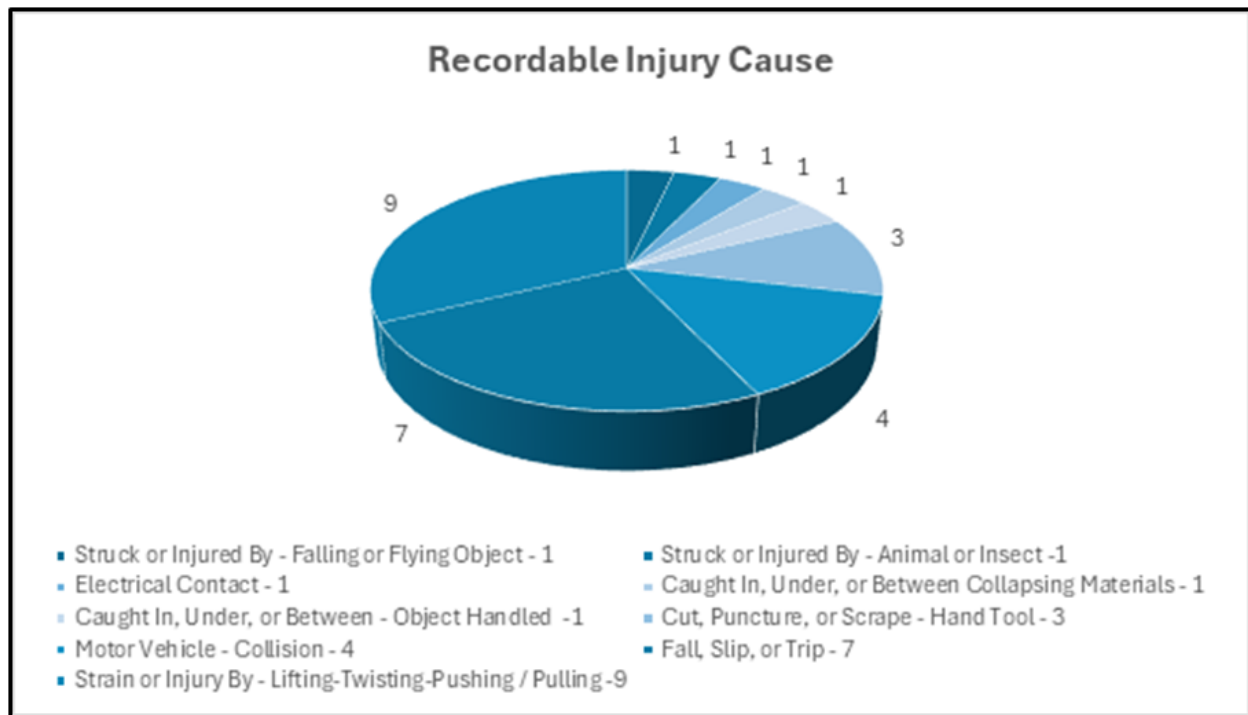
In 2024, the District's recordable injuries decreased to 28, from 31 in 2023, though total claim costs, time away from work, and severity increased.

Strains and sprains from lifting, pushing, or pulling (9 incidents), along with *falls, slips, or trips* (7 incidents) were the leading contributors to the 2024 recordable injury rate, together accounting for 57 percent of all cases. These insights inform targeted safety initiatives aimed at improving employee well-being and operational efficiency.

While on-site reviews did not identify unmitigated hazards, *strains* and *falls* remain the leading causes of employee injury. EHS will continue to emphasize situational awareness, proper body positioning, and improved hazard recognition at jobsites.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Environmental, Health, Safety & Corporate Security
Fiscal Year Ending June 30, 2026



Vehicle Accidents

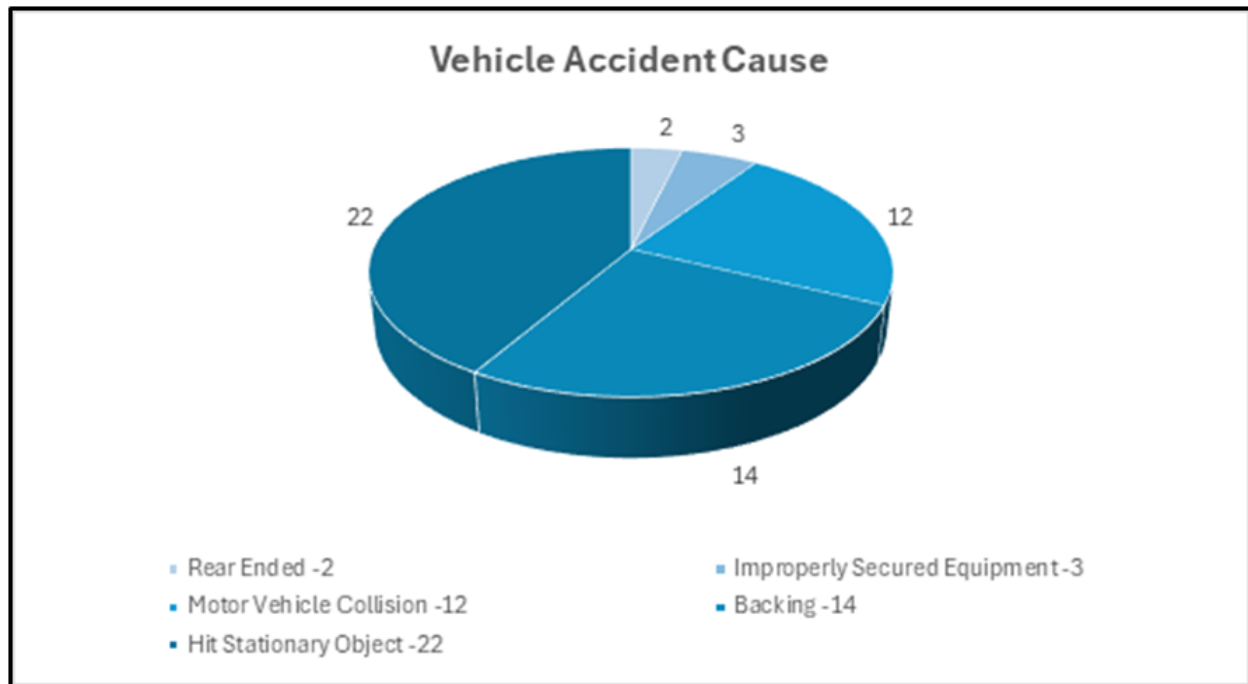
In 2024, the District experienced a rate increase from 9.5 to 12.6 in preventable vehicle accidents.

Most 2024 vehicle accidents fell into two categories: *hit stationary object* and *backing*. *Hit stationary object* accidents accounted for 41 percent of all incidents, making them the leading cause of preventable accidents. *Backing* incidents followed at 26 percent. Many of these accidents resulted from drivers failing to conduct a thorough safety circle check before moving the vehicle and neglecting to ensure adequate clearance.

To prevent such incidents, employees are required to perform a comprehensive safety circle check to confirm a clear path of travel and, when feasible, use a spotter. The EHS Steering Committee and Safety Action Teams will prioritize initiatives targeting these two categories.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Environmental, Health, Safety & Corporate Security
Fiscal Year Ending June 30, 2026



Occupational Health

Occupational health programs aim to protect employee well-being and ensure regulatory compliance by identifying and preventing workplace hazards. Monitoring risks related to noise exposure and respiratory protection is a key component of this effort. Annual evaluations and targeted training in the Hearing Conservation and Respiratory Protection programs equip employees with the knowledge and skills to guard against these hazards.

Hearing Conservation Program participants receive annual audiometric testing. In 2024, none of the 228 participants sustained a recordable hearing loss, and no workers' compensation claims were filed for hearing-related issues.

All 334 participants in the Respiratory Protection Program were trained and fit tested. Health sampling assessments increased from 12 in 2023 to 14 in 2024, with samples collected and analyzed for lead, asbestos, and mold exposure.

Recycling Program

The organization's recycling efforts in 2024 yielded 701,450 pounds of material—a 20 percent reduction from 2023—primarily due to ongoing hybrid work arrangements. Despite the decrease, these efforts generated \$1,154,982 in value through diverse sources, including metal recycling (\$174,690), auction sales (\$25,020), and vehicle disposition (\$955,272).



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Environmental, Health, Safety & Corporate Security
Fiscal Year Ending June 30, 2026

Strategic Plan Objectives and Accomplishments

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Strengthen relationships with local, state and federal law enforcement agencies to ensure immediate notifications and response to threats to the water sector.	X			X	X	
II	Sustain operational continuity with a sufficiently staffed, well-trained and skilled workforce.	X					
III	Promote a culture that is innovative, creative and makes effective use of technology.				X		
IV	Expand current Vendor Management Inventory at District warehouses.				X		
V	Provide staff with more classes in Association for Supply Chain Management (ASCM) and Warehousing Education and Research Council (WERC).				X		
VI	Decrease Backflow equipment thefts by 50 percent.	X	X			X	X
VII	Improve the access control systems to ensure efficient employee access to common areas and restricted access to classified or dangerous areas to employees with special training and certifications.				X		
VIII	Upgrade current Security Operations Center to ensure maximum efficiency through the use of advanced camera and alarm technology.	X	X		X	X	X
VIX	Utilize Small Unmanned Aerial Systems (Drones) to conduct security sweeps and site checks at remote locations.	X	X		X	X	X
X	Provide staff with Incident Command System (ICS) training, and create a document record of training.	X	X				X
XI	Develop an organizational exercise plan that will expose the entire organization to the Emergency Operations Plan and Continuity of Operations Plan.	X	X				X
XII	Formalize and expand the Small Unmanned Aerial Vehicle Program.	X	X	X	X	X	X
XIII	Increase operational efficiencies and reduce costs incurred due to recordable injuries.					X	X
XIV	Increase operational efficiencies and reduce costs incurred due to preventable vehicle incidents.					X	X
XV	Maintain a culture of excellence and costs avoidance with continued performance and focus during the summer.					X	X
XVI	Ensure safe and reliable Fleet operations.		X		X	X	X
XVII	Optimize fleet lifecycle and cost efficiency.				X	X	X
XVIII	Support sustainability efforts and integrate EV vehicles into the Fleet.			X	X	X	X
XVIX	Provide staff with more training and development opportunities to earn certificates, invest in growth, and improve employee retention.		X		X		X
XX	Improve operational efficiency through technology.		X	X	X	X	X



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Environmental, Health, Safety & Corporate Security
Fiscal Year Ending June 30, 2026

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Reduce recordable injuries by 5 percent year-over-year.	I	26	31	28	26
Reduce at-fault vehicle accidents by 5 percent year-over-year.	I	50	42	53	50
Maintain zero heat-related illnesses during the 101 Critical Days of Summer campaign.	I	0	0	0	0
Perform a full audit of all employee badges in the C-Cure system and electronic keys within the Medeco system.	III	100%	20%	50%	80%
Expand the current Vendor Management Inventory system at District warehouses.	IV	100%	60%	80%	100%
Provide staff with more classes in Association for Supply Chain Management and Warehousing Education and Research Council.	V	15	8	5	10
Increase the number of District employees with ICS Training.	X	900	0	50	350
Ensure preventative maintenance compliance within the fleet maintenance program.	XVI	92%	86%	90%	92%
Cost per mile of operation for the road fleet to be within the IRS tax reimbursement.	XVII	\$0.70/mile	\$0.77/mile	\$.073/mile	\$0.71/mile
Maintain the average age of fleet vehicles and equipment that is reaching the National Fleet Association standard in years of utilization.	XVII	7.5 years	8.44 years	8 years	7.8 years
90 percent of vehicles in fleet to be powered by alternative fuel.	XVIII	90%	89%	90%	91%



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Environmental, Health, Safety & Corporate Security
Fiscal Year Ending June 30, 2026

2024-25 Department Accomplishments

Integration of Fleet Parts and Material into District Warehouses.

Law Enforcement partnerships: Established a close working relationship with the new Department of Homeland Security Region IX Protective Security Advisor. Maintained the partnership with Southern Nevada Counter-Terrorism Center for classified briefings on threats to water sector, both physical and cyber. Federal partnerships were strengthened when Security Manager attended the 10-week FBI Citizen's Academy workshop.

Backflow: The Security Division partnered with Metro's Construction Theft Task Force to ensure that all backflow cases were prosecuted as felony crimes for tampering with a public water system. District Security Officers began aggressive patrols in high-theft areas and formed working relationships with local recycling centers so the backflows would not be received as scrap metal. Backflow thefts have decreased by over 80 percent, saving rate payers thousands of dollars in replacement costs and system down-time.

Medeco/C-CURE: Security and Information Technology completed a 9-month project to verify access requirements for all employees. Reviewed over 5,000 access profiles and met with Department Directors and Managers to determine access requirements to each facility by day, time, and location. The project followed the Department of Homeland Security guidelines for securing access to critical infrastructure.

Security Operations Center: The Security Division has partnered with Convergent Technologies to upgrade our current Security Operations Center. The capital project involves IT and Telemetry and will be carried out in phases over a three-year period. The plan will integrate our multiple stand-alone cameras and alarm systems to increase efficiency by using enhanced camera analytics to decrease human error and response to false alarms.

Drones: Registered as a Private Aircraft Operator and issued a Certificate of Authorization to pilot UAVs in compliance with current FAA facility maps without additional authorization. Eight registered UAVs; 5 Pilots authorized to fly on their own and three pilots currently in training. Established enterprise accounts for the FAA "Drone Zone" and for ALOFT Air Control. These accounts centralize all UAV records. Two additional case-use pilot programs are in the planning phase.

Closed the 2024 calendar year with an injury and illness incident rate well below that of comparable industries according to the Bureau of Labor Statistics (2.2 vs. 4.5).

Recorded a fourth consecutive calendar year (2024) without a heat-related illness.

Maintained high participation and satisfaction rates for our annual Safety Stand Down Day event.

Zero OSHA citations and no EPA violation notices.

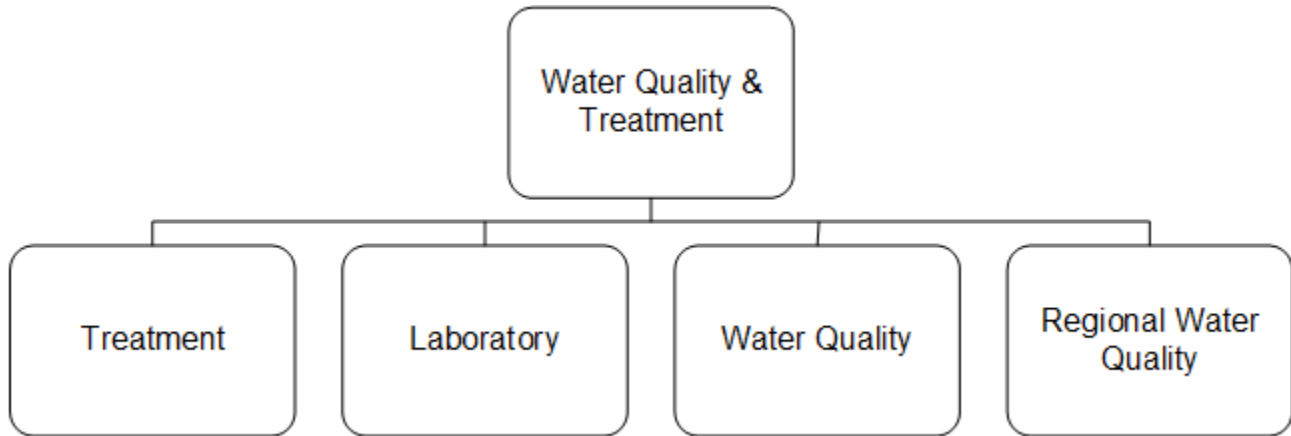
Recognized as one of the 100 Best Fleets in North America.

Achieved 90 percent of the overall fleet powered by alternative fuels.



WATER QUALITY & TREATMENT

Level: 4500



Mission

To provide world-class water service through innovative and effective water quality stewardship and reliable and efficient treatment operations.

Department Responsibilities

The functions under the Water Quality and Treatment (WQ&T) department include: Treatment, Laboratory, Water Quality Research and Development, and Regional Water Quality. The primary responsibility of the WQ&T department is to ensure the water quality provided to the Southern Nevada Water Authority (SNWA) purveyor members meets or surpasses all Safe Drinking Water Act (SDWA) standards. In order to do this, each division of the WQ&T department have specific roles. The Treatment division is responsible for the operation and maintenance of the treatment process to supply high quality drinking water to the Las Vegas Valley. The Laboratory division is responsible for ensuring the finished water quality is compliant with the SDWA monitoring and reporting requirements. The Water Quality Research and Development (R&D) division is responsible for performing research and process optimization studies to ensure the Treatment division is prepared for changing and emerging water quality challenges. The Regional Water Quality division is responsible for monitoring, coordinating, and projecting water quality in the SNWA source waters. All these efforts are in support of the primary responsibility for the department.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Water Quality & Treatment
Fiscal Year Ending June 30, 2026

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Energy	\$ 132,491	\$ 118,000	\$ 143,850
Materials and supplies	9,207,023	10,118,000	9,953,422
Maintenance and repairs	1,022,433	1,281,700	1,309,000
Rental and leases	3,594	—	—
Other employee expenses	645,343	821,425	864,545
Other operating expenses	902,758	1,355,750	1,476,730
Total Operating Expenses	11,913,642	13,694,875	13,747,547
Capital expenditures	10,037,765	55,069,560	3,514,673
Salaries and benefits	18,866,715	21,429,021	22,617,550
TOTAL DEPARTMENT EXPENDITURES	\$ 40,818,122	\$ 90,193,456	\$ 39,879,770
FTE POSITIONS	88.2	95.4	97.4

Department Descriptions

Treatment. The Treatment division is responsible for the operation and maintenance of three treatment facilities: the Alfred Merritt Smith Water Treatment Facility (AMSWTF); the River Mountains Water Treatment Facility (RMWTF); and the Big Bend Water District (BBWD). The three facilities have the capacity to treat over 900 million gallons of water per day.

Laboratory. The Laboratory division is responsible for routine water quality monitoring, testing, and reporting. The analytical capabilities of the Laboratory cover a broad spectrum including trace organic, trace inorganic, macro constituent, physical, wet-chemical, bacteriological, virological, protozoan, amoebas, and limnological analyses. With 41 full-time employees, approximately 62,416 samples were collected, and 300,934 analyses performed in 2024. The number of analyses can fluctuate year-to-year depending on the year's monitoring requirements and special project requests.

Water Quality Research and Development. The Water Quality Research and Development (R&D) division performs leading-edge water quality research and provides innovative treatment solutions with expertise in engineering, chemistry, and microbiology. Water quality and treatment research prepares the Organization for current and future U.S. Environmental Protection Agency (USEPA) compliance, advances the science of direct and indirect potable reuse, and provides guidance for full-scale capital improvement projects. Research areas focused on low-level environmental contaminants, emerging pathogens, and wastewater surveillance. In 2024-2025, R&D was involved in \$18 million of research in a principal investigator role, published 19 peer reviewed manuscripts, two Water Research Foundation reports, and 55 presentations.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Water Quality & Treatment
Fiscal Year Ending June 30, 2026

Regional Water Quality. The Regional Water Quality division is responsible for monitoring and coordination of regional water quality issues within the SNWA and other local, state, and federal agencies. To accomplish this, the division also analyzes data in the Colorado, Muddy and Virgin Rivers, and the Las Vegas Wash; compiles, validates, and analyzes all water quality data collected in these water bodies, as well as the data collected from Lake Mead and Lake Mohave by other agencies and the SNWA. All data collected is uploaded into the Lower Colorado River Regional Water Quality Database (snwawatershed.org/members). The division also operates and expands the Lake Mead Model, a 3D mathematical model for water movement and quality in Lake Mead with an emphasis on the potential impacts on the raw water supply.

Strategic Plan Objectives and Accomplishments

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Provide quality water meeting State of Nevada and Federal Safe Drinking Water Act standards.	X	X				X
II	Develop innovative and sustainable solutions through research and technology.	X		X	X	X	X
III	Continually improve operating efficiencies by benchmarking to leading industry standards.	X	X			X	X

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
SNWA to meet or surpass all State of Nevada and Federal Safe Drinking Water Act standards for prior calendar year. Number of violations that are Non-Compliance with Primary/Secondary Drinking Water Standards.	I	<1 violations	0	0	<1 violations
Ensuring regulatory samples are scheduled following their federal and/or state requirements, collected and analyzed according to analytical methods and laboratory accreditation.	I	100%	100%	100%	100%
Research & Development (R&D) and Regional Water Quality (RWQ) Divisions providing stewardship within the industry. Quantity of presentations given at conferences for the fiscal year.	II	12	70	95	24
Research & Development (R&D) and Regional Water Quality (RWQ) Divisions giving the organization prominence in the industry. Quantity of publications for the fiscal year.	II	12	20	38	12
Operate efficiently by dosing the right amount of chemicals to properly treat the water. Pounds of chemicals per million gallons (MG) of treated water, not including ozone.	III	132 lbs/MG	141 lbs/MG	124 lbs/MG	128 lbs/MG
Operate efficiently by dosing the right amount of chemicals to properly treat the water. Cost of chemicals per million gallons (MG) of treated water, not including ozone or on-site generated sodium hypochlorite.	III	\$47/MG	\$47/MG	\$46/MG	\$46/MG



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Water Quality & Treatment
Fiscal Year Ending June 30, 2026

2024-25 Department Accomplishments

No deficiencies noted during the annual Nevada Department of Environmental Protection-Bureau of Safe Drinking Water (NDEP-BSDW) Sanitary Surveys at the Alfred Merritt Smith Water Treatment Facility (AMSWTF) and River Mountains Water Treatment Facility (RMWTF).

Treatment staff completed extensive collaboration with design consultants on three projects: the new ozone enhancement project at AMSWTF and RMWTF, the flocculation area rehab project at AMSWTF, and the new sodium hypochlorite generator replacement project at RMWTF.

Treatment staff improved reliability by performing repairs and upgrades to the chlorine and ammonia solution chemical feed lines, which are routed to the Low Lake Level Pumping Station (L3PS) access shaft.

Nevada Water System, Las Vegas Valley Water District (LVVWD), City of North Las Vegas, City of Henderson, City of Boulder City, Nellis Air Force Base, Big Bend Water District, Blue Diamond, Kyle Canyon, Jean, Searchlight, Sloan Army Reserve Center, and Kapex. This includes preparation and support efforts for Lead and Copper Rule Revisions (LCRR) and Lead and Copper Rule Improvements (LCRI). Compliance for LCRR began

Laboratory staff completed the implementation of Labworks LIMS. In addition, new paperless processes throughout the laboratory sections using the new LIMS was implemented.

Laboratory staff will continue their quality improvement in the laboratory that meets and/or surpasses all regulatory guidance requirements for data integrity. Enhance and refine quality assurance and quality control protocols for both compliant and non-compliant methodologies, such as EPA Method 1623 Cryptosporidium and Giardia in water through Filtration/Immunomagnetic separation/immunofluorescence assay microscopy, EPA Method 546 for Total Microcystins determination, and EPA Method 445.0 for In Vitro Chlorophyll A determination.

Completed a full laboratory accreditation audit for The National Environmental Laboratories Accreditation Conference Institute and corrected all findings and recommendations in 2024.

Laboratory staff completed Unregulated Contaminant Monitoring Rule 5 (UCMR5) monitoring for Boulder City, City of Henderson and City of North Las Vegas.

R&D staff transferred all existing liquid chromatography-tandem mass spectrometry methods, including per- and polyfluoroalkyl substances, illicit drugs, pharmaceuticals, and personal care products, to next generation instruments.

R&D staff reviewed the following methods for the Standard Methods committee: 6410 - Extractable Base/Neutrals and Acids, 6630-Organochlorine Pesticides, 1080 - Reagent Water, 6040D - Solid-Phase Microextraction of Taste and Odor Compounds, 6020 - Quality Assurance/Quality Control, and 1040 - Method Development and Evaluation.

R&D staff completed externally funded projects funded by The Water Research Foundation (per- and polyfluoroalkyl substances-focused: #5082, #4913), WaterSTART (In-Field Validation of Innovative UV-LED reactors) and US Bureau of Reclamation (Pitch to Pilot: Assessment of Innovative Dissolved Air Flotation Approaches for Conventional Water Treatment).

R&D staff completed validation and operational testing of UV-LED reactor (with wiper) at LVVWD well W97, providing critical support/effort towards developing operational and monitoring guidelines, and NDEP-BSDW approval of operation into distribution is expected before 2025 well operation season.

R&D provided impactful service through contributions to WRF Project Advisory Committees (UV-LED/biofilms: #5213, Direct Potable Reuse:#5235, PFAS: #5329), International Ozone Association (International President, Executive Operating Committee, and multiple technical committees); AWWA Water Science Editorial Board; AWWA CA-NV section (Young Professionals Committee), Trustee for the AWWA Water Science & Research Division; AWWA's focus group: PFAS Treatment Design and Best Practices Guidebook, WaterReuse Nevada Committee (multiple subcommittees), Water Reuse Research Committee, Isle Utilities PFAS Partnership.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Water Quality & Treatment
Fiscal Year Ending June 30, 2026

R&D staff implemented the use of matrix-assisted laser desorption/ionization time-of-flight (MALDI-TOF) mass spectrometry, Fourier transform infrared (FT-IR) biotyping, and Oxford Nanopore long-read sequencing for the rapid detection and characterization of unknown organisms, providing faster and more reliable data. These instruments have been used to identify sources of contamination and to characterize laboratory and environmental strains of Legionella and other opportunistic pathogens relevant to drinking water systems.

R&D staff supported the U.S. Centers for Disease Control and Prevention (CDC) as they implemented a wastewater surveillance method for Candida auris. This support was prompted by R&D's high impact publication documenting the first use of wastewater surveillance for Candida auris in a public health context.

R&D supported Arizona stakeholders as they developed a regulatory framework for direct potable reuse (DPR) in Arizona. This experience can be leveraged if Nevada pursues its own regulatory framework for DPR.

Regional WQ continues to develop and expand the Lake Mead Model for predicting water quality changes. The model has been used to guide decision making within SNWA/LVVWD and operations at Hoover Dam by United States Bureau of Reclamation (USBR).

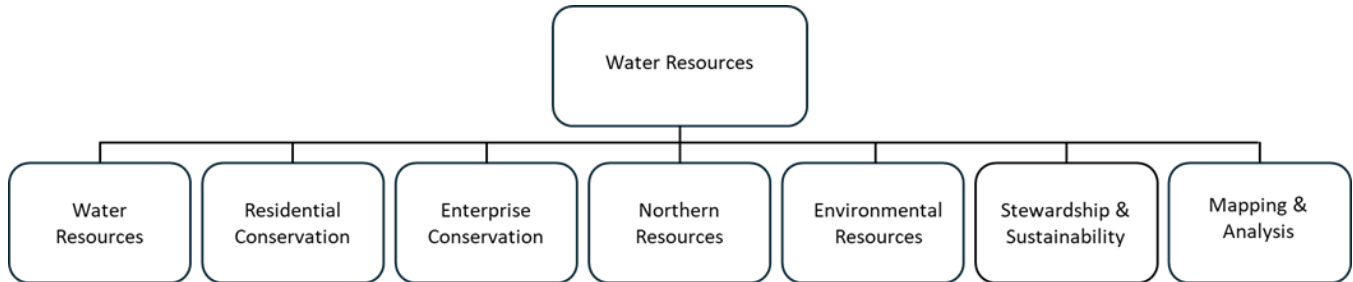
Regional WQ staff worked with USBR and AECOM on Decision Making Under Deep Uncertainty to predict and explore a wide range of future WQ changes that could be possible under a wide range of future flow scenarios.

Regional WQ staff worked with the NDEP Harmful Algal Bloom Task Force to provide updates on Lakes Mead and Mohave.



WATER RESOURCES

Level: 7100



Mission

Manage the SNWA's water, land and natural resources through sound policy, regulatory compliance, applied science and advanced technology, ensuring a reliable water supply for our community.

Department Responsibilities

The Water Resources department conducts long-range planning for sustainable use of current and future water resources, including climate change planning; develops and administers regional water conservation programs; manages land and environmental resources; and conducts mapping and analysis to support work efforts. The department also manages the SNWA's water resource portfolio, supports capital project environmental compliance, and policy initiatives on the Colorado River and other natural resource areas. Work efforts include monitoring regional hydrologic and water quality conditions and providing environmental and hydrologic support for LVVWD and SNWA operations at the Las Vegas Wash (Wash), Warm Springs Natural Area (WSNA), Great Basin Ranch and LVVWD small systems. The department includes seven divisions: Water Resources, Residential Conservation, Enterprise Conservation, Stewardship and Sustainability, Northern Resources, Environmental Resources and Mapping and Analysis.

Budget Objectives and Highlights

The 2025-26 Water Resources department budget of \$207,827,360 contains funding to maintain and enhance the necessary functions required by SNWA to provide quality services to internal and external customers. Funding will support water and environmental resource management efforts and conservation initiatives designed to help the community meet its conservation goal. Planned expenditures reflect SNWA's long-term commitment to increased water conservation.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Water Resources
Fiscal Year Ending June 30, 2026

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Water resource investments	\$ 5,402,609	\$ 31,624,000	\$ 29,626,000
Materials and supplies	4,759,087	13,196,950	9,697,230
Maintenance and repairs	1,724,515	2,373,730	2,122,600
Rental and leases	25,000	29,200	25,000
Other employee expenses	203,793	414,400	436,570
Other operating expenses	9,045,541	18,816,340	17,257,744
Total Operating Expenses	21,160,545	66,454,620	59,165,144
Capital expenditures	39,984,356	122,650,000	116,903,000
Salaries and benefits	16,573,803	17,722,315	18,209,912
TOTAL DEPARTMENT EXPENDITURES	\$ 77,718,704	\$ 206,826,935	\$ 194,278,056
FTE POSITIONS	72.6	78.5	78.2

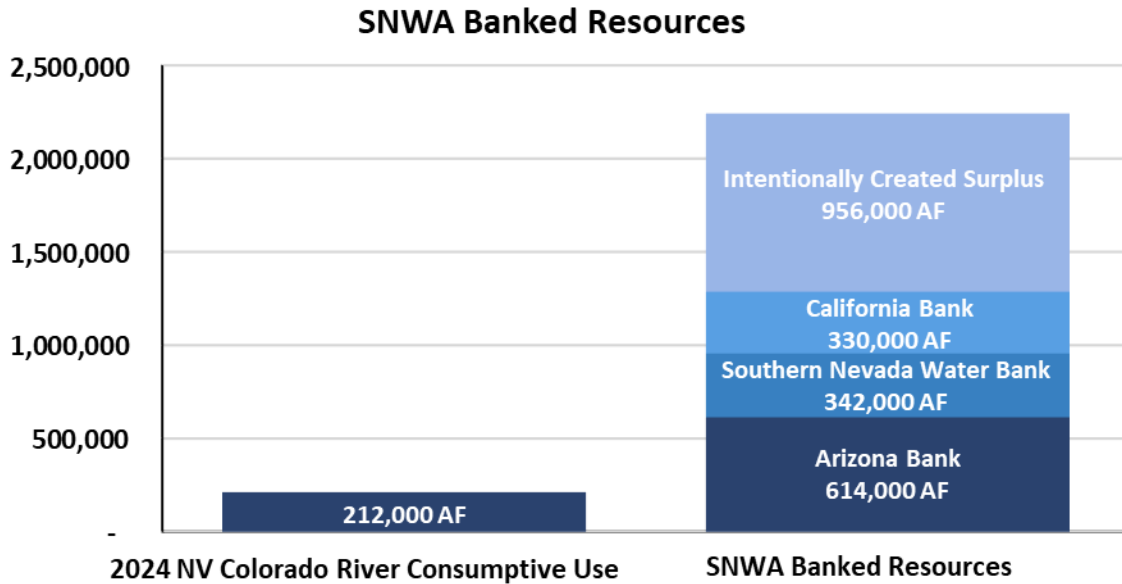
Department Descriptions

Water Resources. The Water Resources division is responsible for securing and managing regional and local groundwater and surface water resources to ensure a reliable water supply for Southern Nevada. Work efforts include managing existing Colorado River allocations and agreements; conducting regional water resource planning; evaluating and forecasting customer demands; identifying, evaluating, and developing sources of additional groundwater and surface water supplies; managing banked resources and maintaining hydrologic, water quality and climate monitoring networks. Other efforts include the acquisition and administration of water-rights, supporting SNWA's role in developing new Colorado River agreements, and ensuring all water-resource assets remain in good standing.

The division works with Colorado River Basin states and the federal government to implement the 2019 Drought Contingency Plan (DCP), create Tributary Conservation Intentionally Created Surplus, and meet commitments associated with various System Conservation Implementation Agreements. These efforts, combined with those of the other states, are bolstering Lake Mead elevations and reducing the risk and magnitude of future Colorado River shortages. The division also administers local and interstate banked water resources. Through 2024, these banks totaled 2.2 million acre-feet, almost 11 times Nevada's 2024 consumptive use of Colorado River water.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Water Resources
Fiscal Year Ending June 30, 2026



Residential Conservation. The Residential Conservation division is responsible for developing and implementing demand management programs and strategies that focus on consumptive water use reductions among single-family residential homeowners. The division administers rebate and incentive programs, including the Water Smart Landscapes (WSL) program. It also implements water waste and water theft enforcement programs for the LVVWD. The division expanded water waste enforcement efforts in 2022 to support Henderson and North Las Vegas compliance activities.

Enterprise Conservation. The Enterprise Conservation division was formed in 2021 to administer outreach, engagement and incentive programs that target all water use sectors except single-family residential. The division promotes WSL turf conversions among Enterprise customers and administers the Water Efficient Technologies (WET) incentive program. The division is also responsible for planning and implementation activities associated with Assembly Bill 356 (AB356), which effectively prohibits non-functional turf in non-single-family sectors, effective January 1, 2027.

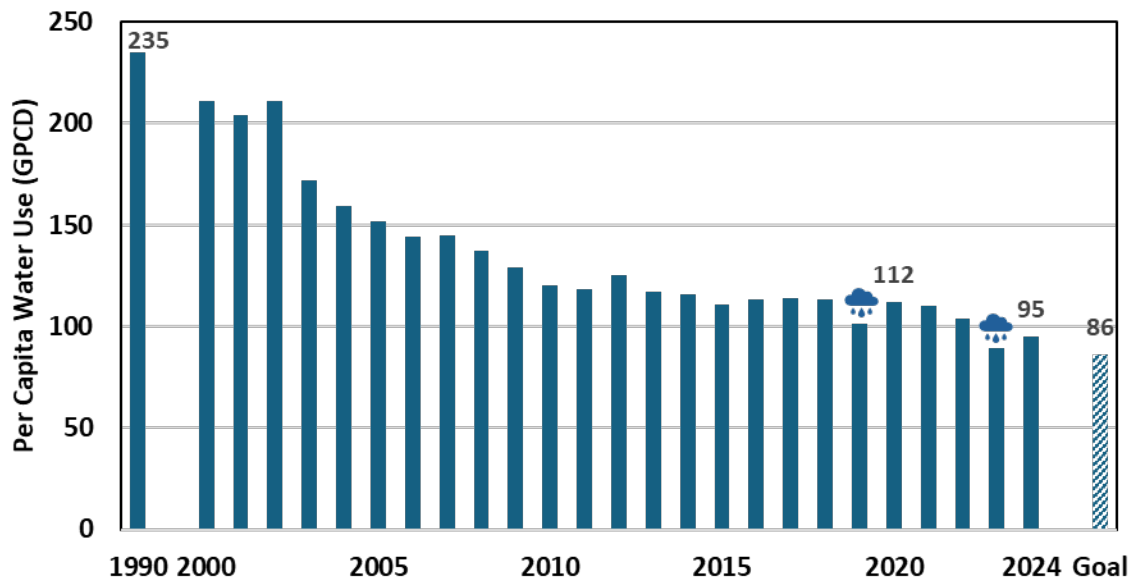
The two conservation divisions work collaboratively to develop and administer regional conservation programs aimed at helping the community achieve its water conservation goal of 86 gallons per capita per day (GPCD) by 2035. The SNWA monitors regional water demand trends and calculates GPCD by dividing annual SNWA Colorado River water diverted (excluding off-stream storage) and member well production, less corresponding Colorado River return-flow credits, by the total SNWA resident population served per day.

The chart below shows 2024 per capita water use at 95 GPCD, down from 112 in 2020. While cool and wet weather—such as that experienced in 2019 and 2023—yielded more significant water savings, overall water use is declining. With sustained progress, the community remains on path to meet its conservation goal of 86 GPCD.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Water Resources
Fiscal Year Ending June 30, 2026

SNWA Per Capita Water Use



Northern Resources. The Northern Resources division maintains the physical and natural resource assets of the 950,000-acre Great Basin Ranch. The ranch produces agricultural products, including beef calves, lambs, wool, and alfalfa. These commodities represent approximately \$3.8 million in projected ranch revenue for fiscal year 2025-26.

Improvements in agricultural practices, livestock genetics and husbandry have increased efficiency and effectiveness in utilizing federal range land and private forage. The ranch continues to produce and deliver quality products and services, exhibit scientific-based stewardship, and demonstrate financial and organizational efficiency.

Environmental Resources. The Environmental Resources division conducts environmental planning, compliance, and natural resource management for SNWA, LVVWD and small systems. The division supports policy initiatives on the Colorado River and other resource areas; coordinates with federal and state agencies on environmental and regulatory issues; prepares environmental compliance documents; conducts biological and environmental monitoring; conducts restoration and reporting for existing facilities and new capital construction; and coordinates climate change adaptation initiatives. The division also coordinates the Sustainability Cross-Departmental Team to implement the organization's Sustainability in Action Plan.

Mapping and Analysis. The Mapping and Analysis division performs GIS work using various software and computer systems. Work efforts include remote sensing for land cover analysis, specialized mapping, aerial imagery and LiDAR (Light Detection and Ranging) collection, GIS analysis, GIS application development and support, and data management. The division supports many projects and programs, including non-functional turf removal efforts, SNWA incentive programs, ranch operations and water resource management activities.

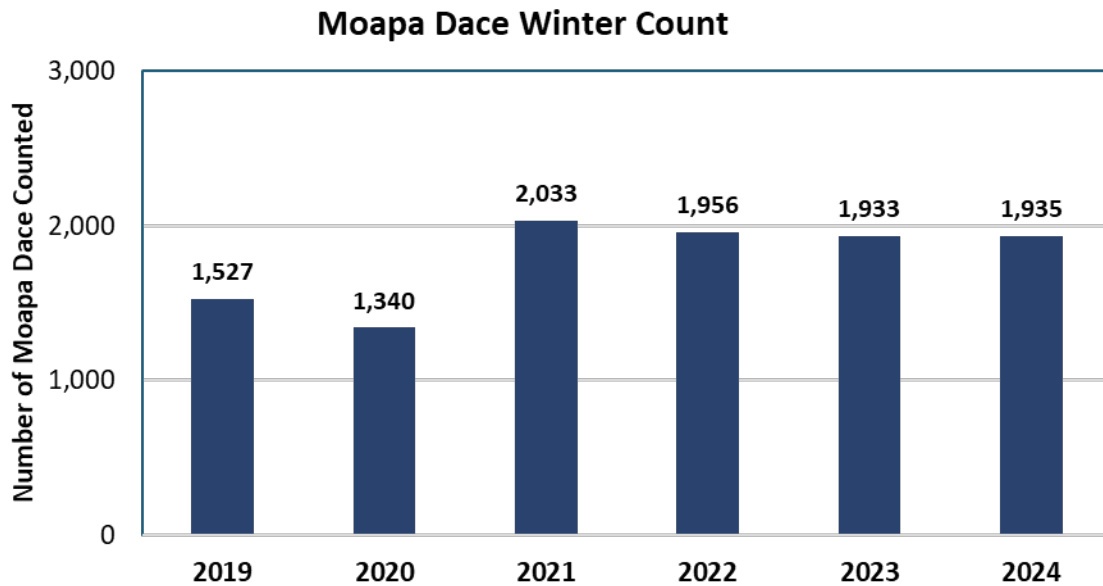
Stewardship and Sustainability. The Stewardship and Sustainability division manages Las Vegas Wash (Wash) programs and the Warm Springs Natural Area (WSNA), including restoration, monitoring, compliance, and outreach activities. The Wash Team is responsible for the Wash Coordination



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Water Resources
Fiscal Year Ending June 30, 2026

Committee stakeholder process, implementing the Wash Comprehensive Adaptive Management Plan and Wash Long-Term Operating Plan (LTOP), and coordinating the Lower Las Vegas Wash Stabilization Plan and associated environmental compliance. The WSNA Team is responsible for the WSNA Stewardship Plan and conducts management activities to benefit the Moapa dace and other sensitive species on site.

Restoration efforts at the WSNA have bolstered Moapa dace populations. This federally endangered fish is endemic to the upper Muddy River. The chart below shows the Moapa dace population increasing from 1,527 individuals in 2019 to about 2,000 for the last four years.



Strategic Plan Objectives and Accomplishments

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Reduce per capita water use.	X	X	X	X	X	X
II	Acquire and manage current and future water resources.	X	X	X	X	X	X
III	Preserve and protect environmental resources to protect access to water supplies and enhance climate change resilience.			X			



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Water Resources
Fiscal Year Ending June 30, 2026

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Regional per capita water use, SNWA service area in gallons per capita per day (GPCD).	I	86 GPCD by 2035	89 GPCD in CY2023	95 GPCD in CY2024	<95 GPCD in CY2025
Amount of non-functional grass converted by Enterprise customers, in square feet (sf.) as percent of target.	I	74.3 million total sf. by 2027	14.75% of target	27.8% of target	54.3% of Target
Maintain surface and groundwater rights in good standing in accordance with permit/contract terms.	II	Yes	Yes	Yes	Yes
Habitat maintenance performed at Las Vegas Wash and Warm Springs Natural Area (acres).	III	>50 Acres	81 Acres	120 Acres	104 Acres
Maintain compliance with rights-of-way and environmental permits for construction, operation and maintenance activities.	II, III	Yes	Yes	Yes	Yes

2024-25 Department Accomplishments

Updated the SNWA's Joint Water Conservation Plan covering the SNWA Purveyor members, including LVVWD, through 2024; SNWA incentive programs and related offerings resulted in approximately 1.0 billion gallons of new water savings (~3,100 acre-feet annually) in Calendar Year 2024.

Conducted more than 55,000 total water use compliance investigations in the SNWA Water Service Area, averaging 8.7 annual investigations per 100 accounts; launched new SNWA Water Smart Plumber program to speed leak location and repair.

Created approximately 35,000 acre-feet of Tributary Conservation ICS that is being used in tandem with other conservation savings to support system conservation commitments. Together, these efforts are helping to bolster Lake Mead water levels and protecting against reaching critically low elevations.

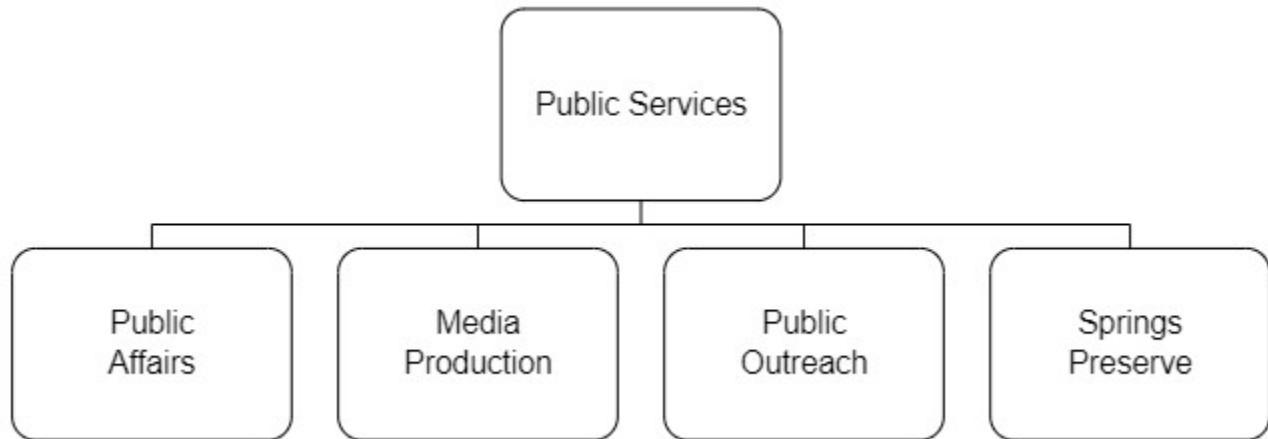
Worked with Enterprise customers to support the implementation of AB356, which limits the use of Colorado River water to irrigate non-functional turf in non-SFR application by the end of 2026; continued to pre-map non functional turf to facilitate faster processing of Water Smart Landscapes program rebate applications and enhance service to customers.

Supported the installation of more than 4,500 new trees in CY2024 as part of the SNWA's Tree Enhancement program and other community partnerships, creating approximately 1.8 billion sf. of new shade upon tree maturity.



PUBLIC SERVICES

Level: 7200



Mission

The Public Services department is responsible for communicating the organization's goals and initiatives to the community and educating the public about water issues. This effort is accomplished through government relations, stakeholder and customer outreach, marketing, and operation of the Springs Preserve.

Department Responsibilities

The department is comprised of four divisions: Public Affairs; Media Production; Public Outreach; and the Springs Preserve. Together, these divisions work to support internal and external customer service efforts and communicate organizational initiatives to various audiences.

The Public Affairs division oversees the organization's government affairs, agenda processes, public participation efforts and committees, grant writing, conference coordination and support, and provides analysis and support to senior management.

Media Production is responsible for producing organizational messaging through the development and maintenance of websites, social media platforms, video production, and various printed materials such as bill inserts.

The Public Outreach division is responsible for providing information to the media and customers.

The Springs Preserve's mission is to build culture and community, inspire environmental stewardship, and celebrate the vibrant history of the Las Vegas Valley.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Public Services
Fiscal Year Ending June 30, 2026

SNWA USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 327,593	\$ 470,200	\$ 379,400
Maintenance and repairs	379,853	1,780,200	1,990,150
Rental and leases	—	—	—
Other employee expenses	52,713	115,504	149,364
Other operating expenses	5,769,520	6,383,282	6,812,032
Total operating expenses	6,529,679	8,749,186	9,330,946
Capital expenditures	—	—	—
Salaries and benefits	6,593,681	7,106,286	7,729,593
TOTAL DEPARTMENT EXPENDITURES	\$ 13,123,360	\$ 15,855,472	\$ 17,060,539
FTE POSITIONS	33.7	34.0	35.0

Budget Objectives and Highlights

The 2025-26 budget remains consistent with the organization's efforts to enhance efficiency and service to internal and external customers.

Department Descriptions

Department staff continue to support the organization, its initiatives, and priorities:

Public Affairs. Public Affairs is responsible for board administration, public processes, special events, tours, government affairs, grant writing, presentations, coordination of special processes and offering support to organizational initiatives through a wide variety of activities.

As water conservation remains a key priority, Public Affairs supported several efforts on behalf of the LVVWD and SNWA and coordinated several updates to the system's Service Rules. In December 2024, the LVVWD Board of Directors approved changes to the LVVWD Service Rules related to non-potable water rates for golf courses. In addition, staff worked to make revisions and updates to the Service Rules for the Big Bend Water District (BBWD), Kyle Canyon Water District, and the Blue Diamond and Searchlight water systems to add charges and fees that are assessed to those who engage in water theft.

Since its launch in September 2023, staff continue to support the SNWA Septic Conversion Program, which offers funding to help septic users connect to the municipal sewer system. The program aims to increase return flow credits and protect groundwater aquifers in the valley. It provides an 85 percent



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Public Services
Fiscal Year Ending June 30, 2026

reimbursement to both residential and commercial septic users for sewer connections, with a maximum reimbursement of \$40,000. Well users are also eligible to participate.

Division staff is launching a fully funded septic conversion program, which identifies municipal water users currently discharging into septic systems in areas experiencing elevated levels of nitrates and other known groundwater quality issues. Funding for the project includes a \$13.5 million portfolio of grant funding from the Environmental Protection Agency (EPA), Bureau of Reclamation (BOR), and Nevada Department of Conservation and Natural Resources.

Staff continued to assist with the organization's systems in Laughlin, Kyle Canyon, Blue Diamond, Jean, and Searchlight, providing status updates and operational reports at each system's town board meetings.

To help raise awareness of water-related issues, educate the public, and build community support, Public Affairs continued to manage a speakers bureau program, delivering presentations and engaging in discussions with approximately 30 local businesses and organizations over the past year. Additionally, staff played a key role in coordinating and supporting the Colorado River Water Users Association's conference in December 2024.

Division staff also supported the organization's funding initiatives through grant development and fundraising activities to help offset programming, capital and operational expenses.

Media Production. Media Production develops materials to reach customers through websites, social media, television, email and print.

Interactive Media

Media Production supported numerous organizational efforts over the past year. With a renewed focus on growing the organization's YouTube channel, video views on that platform increased 21 percent. O

In 2024, a comprehensive audit of LVVWD.com was conducted to evaluate the site's content for accuracy, usability, and alignment with business objectives. The audit prioritized enhancing self-service options for customers, leading to updates across nearly every page and a 16 percent reduction in total pages through streamlining efforts. The homepage was also redesigned to improve user experience, making it easier for residential and business customers to quickly access key features like bill payment, reporting water waste, checking watering schedules, and exploring new programs aimed at helping customers fund leak repairs. See below for website, social media and newsletter performance:

Annual Web Analytics:

- 11,675,467 total website page views
- 5,462,187 web sessions

Top Performing Pages:

- WSL rebate on snwa.com
- My Account (lvvwd.com)
- Springs Preserve homepage (springspreserve.org)

Most Searched Topics:

- Find a plumber (snwa.com)
- Pay My Bill (lvvwd.com)
- Butterfly Habitat (springspreserve.org)



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Public Services
Fiscal Year Ending June 30, 2026

Social media efforts focused on key priorities, as AB356 was the key topic. Overall, there were more than 133 million social media impressions last year with more than 9 million engagements and 10,000+ published messages. Total audience growth was more than 15,000 people and Instagram, specifically, saw a 67 percent increase, fueled by the Springs Preserve's partnership with Out & About Las Vegas. LVVWD (15 percent), SNWA (11 percent) and Springs Preserve (8 percent) all saw increases in newsletter subscribers this past year.

Design Production

Over the past year, the Design Media Production team played a crucial role in advancing several organizational communication priorities and supporting conservation initiatives. Their efforts were instrumental in promoting water conservation and helping customers save both water and money through a variety of creative campaigns and outreach programs.

The team focused heavily on water conservation, developing a range of in-house creative materials, including targeted campaigns to promote the temporary increase to the SNWA Water Smart Landscapes Rebate program. This effort included sending direct mail to more than 114,000 residential properties with grass landscapes identified through aerial surveys. Additionally, the team spearheaded outreach for AB356, aimed at businesses and municipal properties with nonfunctional turf, sending targeted mail to 11,500 commercial, HOA, and multifamily properties. They also created new promotional materials for a business-focused campaign, offering added incentives for local manufacturers and industries to adopt alternatives to traditional evaporative cooling.

Public Outreach. The Public Outreach division is responsible for developing and implementing public awareness and educational campaigns that support organizational initiatives, managing communications with media and journalists.

Marketing

Over the past year, the Marketing and Outreach teams have made strides in both outreach efforts and community engagement, focusing on key campaigns, educational programs, and infrastructure projects. The marketing team developed and launched several impactful campaigns. Notably, the Spanish-language LVVWD Infrastructure campaign improved public perception of infrastructure, surpassing the two-year average in recent surveys. The team also coordinated the successful LVVWD "Go Paperless" campaign, which resulted in a 3 percent increase in enrollments and a 2 percent increase in MyAccount sign-ups. Additionally, they launched the LVVWD leak assistance program campaign to educate customers about available services.

In support of the SNWA, the team launched the "Celebrations Encouraged" watering restrictions campaign, which reached an impressive 95 percent community awareness of mandatory seasonal restrictions. The "Live in the Desert, Not in Denial" ethics campaign raised awareness about the WSL program, drip irrigation, and water waste. The Water Smart Business Partner in Conservation Program was introduced to recognize local businesses for their water conservation efforts, while targeted water quality outreach materials were distributed to gyms, doctors' offices, and beauty salons.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Public Services
Fiscal Year Ending June 30, 2026

Community Engagement & Outreach

Both the marketing and community outreach teams executed key initiatives. One major success was the distribution of more than 71,000 conservation toolkits to HOAs, property managers, businesses, landscapers, and realtors, covering topics such as seasonal watering restrictions, water waste, watering tips, and Water Smart Landscapes. The teams also placed nearly 150 watering restrictions banners across the valley and distributed water conservation materials to hundreds of businesses, community centers, and resorts. For Spanish-speaking residents, the teams expanded educational content on web and social media platforms, created Spanish-language materials, and developed a Home Audit Class in Spanish.

Operations and Construction Outreach

The outreach team handled communications for various construction projects, including the Cougar Reservoir, Rome Reservoir, and the Flamingo Road Pipeline Replacement. Their proactive efforts involved notifying over 5,000 customers about nearly 100 water infrastructure shutdowns and service interruptions. They also reached out to around 1,200 customers in support of water main replacement projects across various neighborhoods. Additionally, the team played a critical role in coordinating outreach efforts for the Environmental Protection Agency's new Lead and Copper Rule. They worked with over 100 homeowners, schools, and daycare facilities to conduct water quality sampling.

In collaboration with other local agencies, the team conducted outreach for SNWA construction projects, such as the Horizon Lateral, Monthill Pumping Station, and the Garnet Valley projects, reaching more than 1,000 residents, dozens of HOAs, and hundreds of businesses. They also facilitated collaboration with Clark County Public Works and the Clark County Water Reclamation District to recruit residential property owners along Warm Springs Road for a sewer main extension project.

Springs Preserve. The Springs Preserve team is responsible for the daily operations of the 180-acre site and its diverse attractions, which include museums, exhibits, meeting venues, a botanical garden, nature trails, and animal habitats. Beyond managing these facilities, staff also develop educational programs, organizes community events, forms strategic partnerships, secures grant funding, and creates outreach content. In fiscal year 2024-2025, the Preserve welcomed over 250,000 visitors.

Recognized as a cultural hub, the Springs Preserve also serves as an important refuge for the federally endangered Pahrump poolfish and the state-protected relict leopard frog. Through dedicated efforts in collaboration with the Nevada Department of Wildlife, both species are thriving. The Pahrump poolfish population has grown to 757, a more than 500 percent increase in their numbers within one year. Meanwhile, the relict leopard frog population in the Cienega doubled from 2023 to 2024, with 15 egg masses, indicating a promising number of newly transformed frogs.

Strategic Plan Objectives and Accomplishments

The Public Services department is committed to help accomplish the goals and objectives outlined in the organization's Strategic Plan. The department works to support these goals through the coordination and administration of support functions.



Southern Nevada Water Authority
Operating and Capital Budget
Department Budgets
Public Services
Fiscal Year Ending June 30, 2026

2025-26 Department Goals & Objectives		SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Coordinate all public meetings for the organization in accordance with state law.		X				
II	Communicate conservation messages to our customers.			X			
III	Coordinate with customers on construction projects and other community outreach activities.		X				X
IV	Manage the Springs Preserve efficiently and enhance the visitor experience.		X			X	X

Department Performance Measure	Dept Goal	Target	2023-24A ctuals	2024-25 Estimate	2025-26 Budget
Properly post agendas for the Las Vegas Valley Water District, Southern Nevada Water Authority, Springs Preserve Board of Trustees, small systems and public participation committees.	I	20	28	28	20
Number of customized reminders for compliance with the seasonal watering schedule.	II	1,000,000	1,600,000	1,200,000	1,000,000
Number of customer interactions related to construction projects.	III	2,000	6,200	5,000	2,000
Number of community outreach events.	III	100	110	80	100
Visitor attendance at the Springs Preserve.	IV	200,000	250,088	250,000	250,000

2024-25 Department Accomplishments
Distributed nearly 1 million pieces of direct mail to customers, communicating issues such as drought, federal mandates and conservation programs.
Received more than \$70 million in federal funds for SNWA conservation programs.
Established a partially-funded and fully-funded Septic Conversion Program and waiver process.
Hosted more than 40,000 visitors during the Springs Preserve's community events.
Offered more online content and redesigned the LVVWD website, resulting in a 21 percent increase in views of infrastructure and conservation-related content on LVVWD's YouTube channel, a 52 percent increase in website page views from e-newsletters, and reached more than 133 million social media impressions with more than 9 million engagements and 10,000 published messages.



SECTION 6

CAPITAL PLANS

Capital Budget	6 - 158
Major Construction and Capital Plan 2020	6 - 165



Capital Budget

The Southern Nevada Water Authority (SNWA) maintains a long-range facility planning process to determine the type, size and location of water distribution and treatment facilities needed to meet the water service demands of the areas in Clark County served by the member agencies – Las Vegas Valley Water District, City of Henderson, City of North Las Vegas, City of Boulder City and the Big Bend Water District (Member Agencies). As water system facilities are defined, they are incorporated into the SNWA's overall construction program. The program is dynamic, with projects added, changed, or deleted as necessary to meet the changing conditions of the Member Agencies.

The overall capital project-related expenditures for 2025-26, totaling \$420.0 million, consist of weir improvements and expansion, pumping stations, water resources acquisition and development, reservoirs and wells, new water pipelines, and other distribution facilities. The capital equipment budget of approximately \$4.6 million consists of vehicles, information technology equipment, industrial operations equipment, and ranch resources.

In November 2020, the SNWA Board of Directors approved an amended Major Construction and Capital Plan (MCCP) that will guide decisions related to water system expansion, water resource management, water quality compliance activities and asset management. The plan represents an investment of \$3.2 billion (2020 dollars) to construct new facilities, manage water resources and make improvements to key system components, ensuring a reliable water system for SNWA's customers.

Impact of Construction Program on Operation and Maintenance Expenses

For water distribution facilities, in the near term, the SNWA does not anticipate any impact on maintenance expenses and only minimal expenses associated with the operation of the new facilities added to the SNWA's water distribution system through its overall construction program. This is due to the following three factors:

- First, the facilities being added to the SNWA's system are new and typically require minimal maintenance.
- Second, the facilities are designed and constructed with the latest available technology and are not accepted by the SNWA until they are fully inspected and tested and ready for operation.
- Third, over the past several years the SNWA has conducted numerous process improvement investigations and adopted recommendations that have resulted in significant on-going operational and maintenance efficiencies and savings.

Over the long term, the SNWA anticipates incurring maintenance expenses for the rehabilitation of facilities such as reservoirs, pump stations, and pipelines. However, these costs are minimized through the SNWA's use of state-of-the-art diagnostic equipment and testing procedures, which significantly lower maintenance costs and reduces the rate of catastrophic failures. Finally, these facilities were, and are being constructed, for member agencies who generate additional operating revenues. These revenues in the past have offset, and in the future are anticipated to continue to offset, the added long-term maintenance expense.

Projecting long-term additional operating expenses driven by the addition of capital assets to the SNWA's water system is not easily quantified.



Prioritization of Capital Projects

New capital projects are submitted for review and approval for consideration of prioritization to the asset owner department Director with supporting documentation that identifies scope of the work, project schedule, and estimated project budget and an initial establishment of project criticality. The project is also reviewed against existing projects to identify any project scope overlap. If approved, the project is forwarded to the Deputy General Manager for concurrence and the project is included in the criticality evaluation as part of the annual capital budget process.

During the annual capital budget process, data in the project management system is updated by project participants to reflect changes in project schedules and funding requirements. This may also lead a project to fall out of the budget year review, but still be prioritized and ranked for future fiscal years. In addition, the project participants also conduct a criticality evaluation to prioritize and rank projects based on the risk of deferring and impacts to water quality, operations, and system reliability using the criteria outlined below. While the project management system houses data for long-range project planning, detailed reviews are largely focused on the upcoming three fiscal years to coincide typical capital project schedules.

Category 4: The projects in this category cannot be deferred.

- The project is active (in construction) and ongoing; or
- The project draws funds from sources other than the Capital Budget and cannot be deferred. Other funding sources for these projects include the oversizing fund, grants, and developer contributions.

Category 3: The projects in this category have a high risk of deferring and have been deemed required or critical to:

- Meet a statutory or regulatory requirement, court order or consent decree; or
- Correct an immediate threat to public health and safety; or
- Correct an immediate threat to worker health and safety; or
- Correct an immediate failure of water quality and treatment systems; or
- Correct an immediate failure of transmission or distribution systems; or
- Strengthen, protect, and/or secure the community's water supply.

Category 2: The projects in this category have a medium risk of deferring and have been deemed necessary to:

- Ensure public health and safety; or
- Maintain worker health and safety; or
- Sustain water quality and treatment systems; or
- Support transmission or distribution systems; or
- Strengthen, protect, and/or secure the community's water supply; or
- Directly reduce costs and/or increase revenues.

Category 1: The projects in this category have a low risk of deferring and are desired to enhance or provide improved:

- Water quality and treatment systems; or
- Transmission or distribution systems; or
- Service to customers.



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

Category 0: The projects in this category have no risk of deferring.

The listed criteria present a framework for project prioritization. The senior management team may modify these guidelines or re-prioritize projects based on current needs at any time.

The tables on the following pages contain a listing of all the capital equipment and capital projects included in the SNWA's capital expenditures for the fiscal year 2025-26.

SNWA: CAPITAL BUDGET 2025-26

Capital Equipment

EHS & Corporate Security	\$	2,658,642
10 YARD DUMP 10X8		216,642
13-BIGTEX-70 TV-N/AN/ANA		36,000
31 FT LIVESTOCK TRLR 2 AXLE		35,000
4 DOOR MIDSIZE FWD		35,000
4 DOOR MIDSIZE SEDAN FWD		47,000
48 FT. Drop Deck Trailer		100,000
CHLORINE TANK TRLR		800,000
Crash prevention, anti-intrusion bollards		168,000
CREW CAB LONGBED 4X2		63,000
CREW CAB SHORT BED 4X4		101,000
DOUBLE CAB SHORT BED 4X4		57,000
Emissions Testing Machine		30,000
FORKLIFT		80,000
HAULER STACKER AGRICULTURE 4X2		395,000
MOBILE COLUMN LIFT		60,000
REG CAB LANDSCAPE DUMP 6X4		135,000
REG CAB UTILITY 4X2		174,000
Crew Cab shortbed 4WD w/ 10 ply tires		126,000
Infrastructure Management	\$	150,000
Negative 48 Volt DC chargers for communications equipment		150,000
Operations	\$	40,000
Megger Automated Static Motor Analyzer		40,000
Water Quality & Treatment	\$	1,400,673
16 Inch Val Matic Titled Disc Check Valve for Backwash Pump		90,130
AMSWTF Chlorine Building 1&2 Replacement Ambient Chlorine Sensors		42,882
AMSWTF Small Backwash Pump (Rebuild or Replace)		165,000
Autotitrator System		122,350



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

Cold Vapor Atomic Absorbance System for Mercury Analysis	55,000
Dayton 12U576 7.5 HP Sub Pump	10,000
Fourth 10K PPD Chlorine Gas Feeder for CAP 3A	28,000
LISST 200X	54,400
Sand Blast Cabinet	33,237
Third AMSWTF Large Backwash Pump (Rebuild or Replace)	439,490
Uninterruptible Power Supply for IC-MS/MS System	35,000
Wireless Temperature Monitoring System	325,184

Water Resources	\$	370,000
Livestock Replacement		330,000
Vence Radio Control Tower		40,000
TOTAL CAPITAL EQUIPMENT		4,619,315

Capital Projects

Energy Management	\$	5,577,000
Solar Power Project (ENTP)		5,577,000
Engineering	\$	277,162,000
AMSWTF - Admin, Warehouse, Facility Maintenance, and Chlorine #1 Building -		2,240,000
AMSWTF - Employee and Overflow Lot & Drying bed area - Paving Improvements		748,000
AMSWTF & RMWTF FILTER GALLERY & NETWORK IMPROVEMENTS		463,000
AMSWTF Fire System Upgrade		338,000
AMSWTF Flocculation Area Rehabilitation		2,500,000
Calico Ridge ROFC		4,292,000
Cathodic Protection Systems. Las Vegas, Aqueduct B, and Raw Water Laterals		199,000
Entry Gate for Foothill Complex (G1026)		477,000
Garnet Valley Wastewater System (G1172)		5,287,000
Garnet Valley Water Transmission System - Distribution Pipeline		54,155,000
Garnet Valley Water Transmission System - Facilities		11,471,000
Garnet Valley Water Transmission System - Transmission Pipeline		39,956,000
Garnet Valley Water Transmission System (G1282)		7,204,000
GV Wastewater System - Mountain View Waterline Seg C (G1446)		11,130,000
GV Wastewater System - Ph II - Black Mountain LS & Forcemains		20,370,000
GV Wastewater System - Ph II - Central & Love's Sewer Interceptor		1,240,000
GV Wastewater System - Ph II - Industrial Rail LS & Forcemains		7,424,000
GV Wastewater System - Ph II - Northern Flats LS & Forcemains		6,157,000
GV Wastewater System- LV Blvd Interceptor - PH IB		27,863,000
GV Wastewater System- LV Blvd Interceptor PH IA		1,149,000
GV Wastewater System- Out Valley System - PH II		610,000



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans

Fiscal Year Ending June 30, 2026

Horizon Lateral - Fayle Pumping Station & Pipeline	3,551,000
Horizon Lateral - Horizon Reservoir	1,143,000
Horizon Lateral - Paradise Hills Pumping Station & Pipeline	5,324,000
Horizon Lateral - Rice Pumping Station & Pipeline	3,222,000
Horizon Lateral - South Boulevard Pumping Station & Pipeline	1,378,000
Horizon Lateral Planning & Preliminary Design	4,734,000
Laboratory Hood Control System and Air Valve Retrofit Replacement	896,000
Losee ROFC	350,000
Lower Las Vegas Wash Stabilization	1,437,000
Lower Las Vegas Wash Stabilization - Geotechnical Road for Weirs 6-8	873,000
Lower Las Vegas Wash Stabilization - Weirs 2-3 Reconstruction	929,000
NDOW RAW WATER PIPELINE INSTALLATION	8,934,000
Nellis ROFCS 6B Site Improvements and Backup Pipeline	1,107,000
New Fleet maintenance building at AMSWTF	1,065,000
NR Ranch Ops - Construct Replacement Wells SPR7044I (Rhodes) and SPR7045I	2,018,000
Ozone Equipment Upgrade - AMSWTF	3,267,000
Ozone Equipment Upgrade - RMWTF	3,273,000
Ozone Equipment Upgrade (G1224)	3,585,000
PCCP Pipeline Rehabilitation. Aqueduct A and B, Las Vegas Lateral (G1227)	778,000
RMWTF - Replace chillers	381,000
RMWTF - Replace roll media feeders at SNWA pumping plants	290,000
RMWTF Compliance Lab Management Office Remodel	51,000
RMWTF Fire Alarm System Replacement	702,000
RMWTF Microbiology Research Laboratory Expansion	4,025,000
RMWTF- R&D Lab Management Office Area Remodel	391,000
RMWTF Sodium Hypochlorite Generator Replacement - Phase II	1,395,000
Stage II Reliability Upgrades	1,394,000
Stage II Reliability Upgrades Early Procurement	2,491,000
Stage II Reliability Upgrades Interconnect Pipeline	235,000
Stage II Reliability Upgrades Monthill PS	300,000
Stage II Reliability Upgrades Power Substation	519,000
Stage II: Sloan 2160 PS & Lamb 2350 PS Expansion	11,100,000
Stage III: PRV Installation at Volunteer, Cactus, and Bermuda	751,000
Information Technology	550,000
SNWA Board Room Technology Modernization	150,000
Water Quality	400,000
Infrastructure Management	14,494,000
AMS Ozone Modicon Controller Replacement	100,000
AMSWTF & RMWTF Multilin Upgrades	208,000
AMSWTF / RMWTF Offsite - Install LED Lighting (G1106)	114,000
AMSWTF Bulk Chemical Tank Repairs	152,000
AMSWTF Equip Evaporators for Trains 1 & 4	320,000
AMSWTF Fish Hatchery Line	97,000



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans

Fiscal Year Ending June 30, 2026

AMSWTF HVAC Controls Power	93,000
AMSWTF RWW MCC Replacement	43,000
AMSWTF Sedimentation & Thickener Actuator Upgrades	124,000
AMSWTF Site - New SNWA Communications Room (MEPS8569) (G1168)	936,000
AMSWTF Sludge Drying Beds	178,000
B-C Lateral Interconnect Valve Replacement	199,000
Bermuda ROFCS Valve Installation	785,000
Ciena Transport Ring Upgrades	233,000
Decatur Pumping Station LV Equipment Upgrades	283,000
Multi-Site Manual Transfer Switch Installation	822,000
Multi-Site Surge Tank Air Piping Upgrades	133,000
OT Systems Firewall Replacement	327,000
OT Systems Network Discovery and Security	616,000
Paradise ICCP - Pitman Lateral Anode Well	206,000
Parkway ROFCS Valve Installation	362,000
Pumping Station 3 Piping and Forebay Repairs	85,000
Pumping Stations 7 and 7B Electrical Upgrades	516,000
R-8 Pump Replacements	235,000
RMWTF - Entry Gates Upgrades	530,000
RMWTF - Install Overhang	225,000
RMWTF - Remodel Operations restrooms	26,000
RMWTF - Renovate O&M Breakroom	149,000
RMWTF - Replace facility entry doors	154,000
RMWTF Clearwell Inlet Valve Vault Upgrades	80,000
RMWTF Filter Drain Valve Replacements	90,000
Simmons Pumping Station - Recoat Forebay Interior (MEPS7326)	1,140,000
Sleeve and Miscellaneous Valve Repairs (340V)	250,000
SNWA - Misc. Vault Repair (MEPS8110) (G1189)	30,000
SNWA - River Mountain Pumping Station 1B Coil Replacement	68,000
SNWA - RMWTF Site - RMWTF Ozone Modicon Controller Replacement (G1145)	100,000
SNWA Annual Electrical Improvements	75,000
SNWA Facility Improvements	300,000
SNWS - SCADA PC/Server Hardware Upgrades (G1142)	150,000
SNWS - SCADA Software Replacement (Ovation to WSP)	2,600,000
SNWS Network Switch Upgrades (G1143)	200,000
South Valley Regulating Tank Site - SVRT Interior Joint Sealing (G1122)	400,000
System Wide Valve Actuator Upgrades (G1216)	600,000
Update DC Excitation Systems at Various Plants (G1217)	100,000
Valley View Reg Tank ICCP - Pittman/Fayle Laterals Distributed Anode Bed	60,000

Operations	3,570,000
-------------------	------------------

Hacienda Pump Station Replace Cone Valve Actuators	200,000
Machine Shop Equipment	356,000
Motor Refurbishment (originally 6S027)	900,000
Refurbish Pump Casings at BPS1A and BPS2	123,000
SNWA - BPS1A Replace 36" discharge Isolation Valves (G1204)	314,000



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans

Fiscal Year Ending June 30, 2026

SNWA - BPS1A Replace 48"Suction Isolation Valves (G1205)	550,000
SNWA - BPS2 Replace 36"discharge Isolation Valves (G1207)	200,000
SNWA - BPS2 Replace 48"Suction Isolation Valves (G1208)	330,000
SNWA - Hacienda PS Replace Discharge Isolation Valves with Gate Valves (G1210)	43,000
SNWA Transmission Pump Repairs	554,000

Water Quality & Treatment	2,114,000
--------------------------------------	------------------

AMSWTF Administration Building Electrical Upgrades	517,000
Innovation Projects	581,000
Ozone System Related Needs	106,000
R&D Necessary Unforeseen Projects	190,000
SNWA Necessary Unforeseen Projects	480,000
Water Quality Testing Equipment (G1225)	240,000

Water Resources	116,533,000
------------------------	--------------------

Future Water Supplies	20,000,000
Future Water Supplies - Contingency	20,000,000
Header Pipelines on Farm	120,000
High Fence	124,000
Livestock Wells	220,000
LVV Groundwater Monitoring Network Augmentation	1,099,000
Murphy Wash Pipeline Replacement	60,000
Pivot System Replacement (5)	120,000
Shingle Creek Road Crossing	100,000
Shoshone Pit Toilet	40,000
SNWA - NR Ranches - Domestic Wells (G1201)	143,000
SNWA Capital - Interim Colorado River Supplies Minute 323	2,500,000
Virgin and Muddy Rivers Water Resource Acquisition & Tributary Conservation ICS	20,000,000
Warm Springs Natural Area - Trail and Warm Springs Road Crosswalk	1,600,000
Warm Springs Natural Area Bird Tower	200,000
Warm Springs Wash Bay Extension	207,000
Water Resource Acquisition and Development - Conservation - Water Smart	50,000,000

TOTAL CAPITAL PROJECTS	\$	420,000,000
-------------------------------	-----------	--------------------





SOUTHERN NEVADA WATER AUTHORITY®

2020

MAJOR CONSTRUCTION AND CAPITAL PLAN



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026



MISSION

Our mission is to provide world class water service in a sustainable, adaptive and responsible manner to our customers through reliable, cost effective systems.

GOALS

Assure quality water through reliable and highly efficient systems.

Deliver an outstanding customer service experience.

Anticipate and adapt to changing climatic conditions while demonstrating stewardship of our environment.

Develop innovative and sustainable solutions through research and technology.

Ensure organizational efficiency and manage financial resources to provide maximum customer value.

Strengthen and uphold a culture of service, excellence and accountability.

The Southern Nevada Water Authority (SNWA) is a cooperative, not-for-profit agency formed in 1991 to address Southern Nevada's unique water needs on a regional basis.



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

Page intentionally left blank



MAJOR CONSTRUCTION AND CAPITAL PLAN
TABLE OF CONTENTS

INTRODUCTION..... 7

CHAPTER 1: SYSTEM EXPANSION..... 9

CHAPTER 2: WATER RESOURCES AND CONSERVATION 13

CHAPTER 3: SYSTEM MAINTENANCE AND UPGRADES..... 15

APPENDICES 19

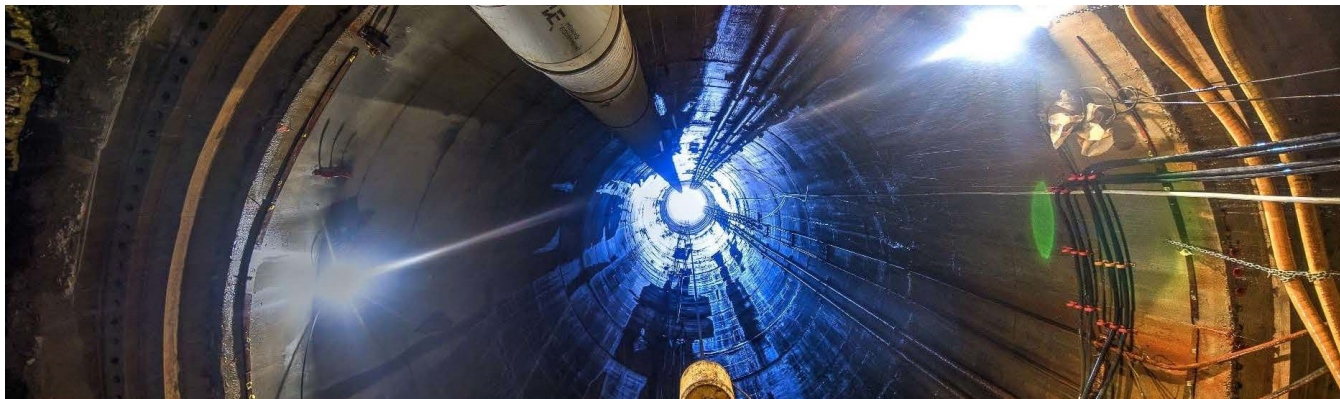


Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

Page intentionally left blank



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026



MAJOR CONSTRUCTION AND CAPITAL PLAN INTRODUCTION

The Southern Nevada Water Authority (SNWA) was formed in 1991 by a cooperative agreement among seven water and wastewater agencies. Collectively, the SNWA member agencies serve more than 2.2 million residents in the cities of Boulder City, Henderson, Las Vegas, North Las Vegas and areas of unincorporated Clark County. As their wholesale water provider, the SNWA is responsible for water treatment and delivery, as well as acquiring and managing long-term water resources for Southern Nevada.

SNWA Member Agencies:

- Big Bend Water District
- City of Boulder City
- City of Henderson
- City of Las Vegas
- City of North Las Vegas
- Clark County Water Reclamation District
- Las Vegas Valley Water District

Major Construction and Capital Plan Background

Efforts to manage Southern Nevada's water resources in a cooperative manner began in the middle of the 20th century when local municipalities, the State of Nevada, and the federal government together began exploring options to deliver Colorado River water to the Las Vegas Valley on an extensive scale. These efforts resulted in a plan for staged financing and construction of the Southern Nevada Water Project. Under the direction of the United States Bureau of Reclamation and the Colorado River Commission of Nevada, the first stage of facilities for pumping, treating and conveying up to 200 million gallons per day (mgd) of Colorado River water from

Lake Mead to the Las Vegas Valley and Boulder City was completed in 1971. An expansion of these facilities to a capacity of 400 mgd was accomplished in 1982. These facilities collectively became known as the Southern Nevada Water System (SNWS).

Ongoing growth in Southern Nevada and increasing demands on the SNWS prompted the SNWA to engage community stakeholders in developing a Capital Improvements Plan (CIP) to expand the SNWS to a regional capacity of 900 mgd. When faced with mission-critical decisions, the SNWA often relies on stakeholder advisory committees to consider community impacts and make recommendations. In 1994, the SNWA established an advisory committee that considered how the water system would need to expand to provide the redundancy and capacity the community required. One of their principal recommendations was for the community's regional water system to achieve a capacity of 900 mgd.

By 1996, all the projects initiated by the Colorado River Commission over the previous three years and all the projects identified through the SNWA's stakeholder planning process had been consolidated into a single CIP. These projects included a second water intake in Lake Mead, a new water treatment facility, and a substantial contingent of water pipeline, pumping, and power supply facilities.

As the progress of the CIP began to approach the goal of a total SNWS capacity of 900 mgd, the SNWA recognized a new capital plan was needed that would provide for accomplishment of capital endeavors which were not directly related to the capacity goal. Such endeavors could include acquiring additional water resources, major system repairs and replacements, water quality enhancements, new



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

facilities needed for increased reliability, and acquiring energy resources. To identify and authorize these endeavors, in 2002, the SNWA created a new capital plan called the **Major Construction and Capital Plan (MCCP)**.

Since 2002, the MCCP has been updated regularly and modified in size and scope to appropriately meet the changing water needs of the community. In 2010, given that the original purpose of the CIP had been achieved and given the MCCP's greater role as the dynamic document that defines the future major capital initiatives of the SNWA, the few remaining projects of the CIP were integrated into the MCCP and the MCCP became the single capital plan combining all authorized capital projects and initiatives into a unified document. It reports on the costs of all completed projects of the SNWA. It defines all authorized projects and initiatives for new facilities, acquisition of assets such as water and energy resources, and all other capital related activities. It also identifies estimated costs and schedules for all approved projects and initiatives.

The projects outlined within the MCCP are funded by SNWA bond proceeds and revenues generated by SNWA water bill charges, connection charges, State Sales Tax, and Southern Nevada Public Land Management Act funds.

INTEGRATED RESOURCE PLANNING ADVISORY COMMITTEE 2020 PROCESS

As part of its future planning efforts, the SNWA identified a number of projects that had been deferred, facilities needed to meet new demands and projects that if constructed, would capture valuable Colorado River resources for return-flow credits that would otherwise not be returned to Lake Mead.

To ensure community input into the planning process, the SNWA Board convened an advisory committee to consider the projects and resources needed to continue serving customers into the future. Following a comprehensive education, the committee recommended a package of new infrastructure, water resources, power projects and conservation initiatives to support Southern Nevada.

2020 MCCP

The amended 2020 MCCP represents a major update to the document, including its look and organization. The 2020 MCCP includes a wide variety of projects,

acquisitions, and initiatives addressing various objectives. To facilitate clarity and order, projects, acquisitions and initiatives are organized by chapters corresponding to their general purpose or other distinguishing characteristics, and are organized as follows:

Chapter 1: System Expansion. These projects are considered new water facilities to meet new anticipated demands within the service area or to facilitate water deliveries in areas where water systems have not yet been constructed. It also includes projects to support the SNWA's efforts to increase its renewable energy resources and maximize the sustainable use of Colorado River supplies.

Chapter 2: Water Resources and Conservation. Water resource projects are assets that require capital funding, but may not involve the construction of SNWA facilities. This chapter also includes the Water Smart Landscapes Program – one of the most important conservation investments the SNWA has made over time.

Chapter 3: System Maintenance and Upgrades. Projects, acquisitions or initiatives described in this chapter are needed to maintain the existing system or improve system reliability.

The chapters include project descriptions to outline intent and purpose, and the estimated costs to complete each project, which includes – where applicable – administration, design, construction and contingency amounts.

The appendices also include related information, including projected future cash flow and completed projects.

The MCCP is periodically revised in response to future reliability, water quality, system capacity, and water resource needs and in accordance with the SNWS Facilities and Operations Agreement.



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans

Fiscal Year Ending June 30, 2026



MAJOR CONSTRUCTION AND CAPITAL PLAN - CHAPTER 1 SYSTEM EXPANSION

PROJECTS:

- Horizon Lateral
- Garnet Valley Water System
- Garnet Valley Wastewater System
- Large Scale Solar Photovoltaic (PV) Project
- Low Lake Level Pumping Station (L3PS)

Overview

The SNWA continues to assess its existing regional water system needs and proposes projects necessary to meet future demands. Recently completed major projects include the Low Lake Level Pumping Station (2020) and Intake No. 3 (2015); however, those were designed and constructed to respond to drought conditions and not necessarily to meet future demands.

With economic development opportunities in Southern Nevada's horizon, the regional water system requires new, additional facilities to provide the capacity for new demands while maintaining or improving existing service levels for customers.

Projects included within the 2020 amendment include a new water transmission lateral at the southern portion of the community. In the northern area of the valley, wastewater conveyance lines are contemplated to ensure Colorado River water deliveries are efficiently used and returned to Lake Mead for use again.

Other projects include a solar project and final efforts on the Low Lake Level Pumping Station.



SPOTLIGHT ON: The Horizon Lateral

Approximately 40 percent of the residents and businesses in the southern portion of the Las Vegas Valley are currently served by the South Valley Lateral, which is projected to reach 95 percent capacity by 2034. The single-feed transmission lateral does not have redundant facilities to provide back-up water service to the area, highlighting the need for an additional lateral to ensure future reliability and system capacity.

To ensure system redundancy and reliability in the south part of the valley, and to support Southern Nevada's economic development, the SNWA is considering the Horizon Lateral, which will increase the transmission system capacity from the current 306 million gallons per day (MGD). A feasibility study is being prepared for the Horizon Lateral infrastructure and alignment that will define the recommended capacity, pipeline sizes, reservoir location, pumping station size and location, purveyor turnout locations, and pipeline alignments.

The Horizon Lateral project is expected to include:

- Approximately 24 miles of pipeline ranging between 72 and 120 inches in diameter
- Approximately 7 miles of tunneling
- 2 Pump Stations
- 40 Million Gallon Reservoir(s)
- Rate-of-Flow Control Stations



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

Horizon Lateral

The Horizon Lateral represents the largest project proposed within this MCCP amendment in terms of both cost, timeline and magnitude. When completed, the new lateral will offer redundancy for a large portion of SNWA customers and the capacity to meet new demands in the southern portion of the water system. For more details about the Horizon Lateral project, refer to the sidebar on the previous page.

Garnet Valley Water System

The APEX Industrial Park is one of Southern Nevada's largest industrial parks located in Garnet Valley in North Las Vegas. The 16-parcel industrial park includes more than 11,000 acres and is attracting technology- and manufacturing-based businesses.

When completed, the Garnet Valley Water System will support the water needs of the Apex Industrial Park. The Garnet Valley Water System will consist of facilities to support supplying 20 million gallons per day (MGD) at full build-out and includes:

- 18 miles of pipeline, 16 inches to 36 inches in diameter
- 1 reservoir (4 million gallons)
- 3 pumping stations with a capacity of 5 MGD
- 2 forebays
- 2 Rate-of-Flow Control Stations (20 MGD total)

Garnet Valley Wastewater System

Southern Nevada maximizes its water resources by treating and recycling 99 percent of the water used indoors in its service area. Treating wastewater and returning it to Lake Mead extends the availability of our water resources through return-flow credits.

Construction of the Garnet Valley Wastewater System will help ensure the sustainable development of resources and reduce water demand impacts to the Colorado River. The wastewater project will support the agency's efforts to maximize our water resources by developing the infrastructure required to capture indoor wastewater from the Garnet Valley area and transport it to existing treatment facilities in accordance with SNWA's out-of-valley water use policy. The project consists of:

- 5 wastewater lift stations
- 43 miles of wastewater pipeline from 8 inches to 48 inches in diameter
- 8 miles of force main pipe from 14 inches to 30 inches in diameter

Large Scale Solar Photovoltaic (PV) Project

A considerable amount of energy is required to pump water uphill from Lake Mead into the Las Vegas Valley, where SNWA member agencies then distribute it to homes and businesses. SNWA is one of the largest energy users in Southern Nevada, and power is a significant portion of the cost of treating and delivering water.

The Large Scale Solar Photovoltaic (PV) Project ensures a clean, cost-effective renewable energy source for the next 25 years and is essential for meeting the Nevada Renewable Portfolio Standard of 50 percent by 2030. Currently, renewable energy is approximately 21 percent of SNWA's existing power portfolio, and this project will ensure SNWA meets the state-mandated standards by securing 88 megawatts (MW) of solar energy for SNWA and 30 MW for several of its purveyor members.

As part of this project, SNWA will enter into a 25-year, fixed-rate Power Purchase Agreement (PPA) with ibV Energy Partners, which will build, operate and maintain the large-scale solar PV facility. The PPA allows SNWA to purchase power below current market cost, saving money when the facility opens in 2023 and throughout the span of the agreement. In addition to the PPA, the project consists of a 10-mile expansion to SNWA's existing power transmission system, a double-circuit 230 kV power line, 230 kV Switchyard and other infrastructure to support energy transmission.

Low Lake Level Pumping Station (L3PS)

The Low Lake Level Pumping Station ensures Southern Nevada maintains access to its primary water supplies in Lake Mead even if water levels decline due to drought.

Development of the pumping station located in the Lake Mead National Recreation Area involves construction of a 26-foot diameter access shaft more than 500 feet deep and the excavation of a 12,500-square-foot underground forebay. The forebay connects with 34 vertical shafts—each 500 feet deep and 6 feet in diameter—to accommodate the station's submersible pumping units.

During construction, SNWA closed off an access trail to the lake to secure a large area in which to stage the construction, which began in mid-2015 and was completed in April 2020.



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

This capital will fund final project close-out activities that include contractor retention fees, restoring 10 miles of Lakeshore Road, re-establishing public access to the trail that has been inaccessible during

construction, removing a construction access road, and restoring the entire staging area to its pre-construction state.

SYSTEM EXPANSION PROJECTS

TITLE (Projected Completion Year)	ESTIMATED COST TO COMPLETE (Estimates in 2019 million dollars)
Horizon Lateral (2032)	\$ 1,596.7
Garnet Valley Water System (2028)	129.8
Garnet Valley Wastewater System (2027)	120.0
Solar PV Project (2022)	20.8
Low Lake Level Pumping Station (2021)	16.4
TOTAL SYSTEM EXPANSION PROJECTS	\$1,883.7

Totals are rounded



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

Page intentionally left blank





MAJOR CONSTRUCTION AND CAPITAL PLAN - CHAPTER 2

WATER RESOURCES

PROJECTS:

- Future Water Resources
- Water Smart Landscape Rebate
- Water Resource Contingency
- Virgin and Muddy River Water Resource Acquisition
- Minute 323
- Interim Colorado River Supplies – Water Banking

Overview

Water resources represent a significant and important asset for SNWA and require capital funding to acquire and maintain. While this chapter provides a brief description of resources funded within this MCCP, the SNWA Water Resource Plan provides a comprehensive overview of all SNWA water resources and how they're managed and utilized to meet demands over a 50-year planning horizon.

The estimated total spend for water resource projects over a 10-year planning horizon is \$1,068.6 million.

Future Water Resources

SNWA is working to further diversify its water resource portfolio and has identified potential resource options, including investments in water recycling and/or desalination projects developed in partnership with other Colorado River Basin states. In these projects, SNWA would fund part of the construction of the facilities, or lease/purchase water produced by the facilities, in exchange for a portion of that partnering state's Colorado River allocation. Projects under consideration include the Metropolitan Water District of Southern California

(MET) Recycled Water Purification Center and the Yuma Desalting Plant in Arizona.

MET, in collaboration with the Los Angeles County sanitation districts, is proposing an advanced water treatment plant to treat wastewater and inject it into groundwater aquifers for future use. The project would create approximately 112,000 acre-feet of water per year. SNWA would partner with MET to help fund a portion of the project in exchange for MET using less of its Colorado River allocation, which SNWA would then utilize and access via Lake Mead.

SNWA also is considering supporting the retrofit of the Yuma Desalting Plant. Built in 1992 to treat agricultural runoff, the plant has operated only three times due to damage caused by a flood and lack of funding. SNWA may have the opportunity to participate in the plant's repair and long-term operation, which could yield up to 30,000 acre-feet of water per year.

Unlike typical construction projects, these water resource acquisitions require negotiations with willing partners. At the time of this plan's development, these were likely options, but neither have finalized opportunities for partnerships. Including these options within the MCCP and establishing a funding threshold approval ensures the SNWA is prepared to take action on valuable water resources when the opportunities arise.



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

Water Smart Landscape Rebate

The Water Smart Landscape (WSL) rebate offers financial incentives to residential and commercial customers in the SNWA service area who replace water-thirsty grass with water-efficient landscaping. Since the majority of Southern Nevada's water is used outdoors on landscaping, the WSL program targets the largest consumptive use of water as a top priority.

This capital funding is capable of providing rebates for approximately 5 million square feet of non-functional turfgrass each year. To sustain results, participants in the program must grant a conservation easement that promises the project will be sustained in perpetuity. This capital funding supports the program funding and the easements associated with the property at which the grass is removed.

Water Resource Contingency

SNWA has successfully partnered with the other Colorado River Basin states and the country of Mexico to flexibly manage Colorado River resources, which have been threatened by drought for two decades. The water resource contingency capital will provide SNWA the funding required to react to changing conditions on the Colorado River and act on developing additional water supplies when opportunities become available.

Virgin and Muddy River Water Resource Acquisition

These costs represent the acquisition of water shares in irrigation companies on the Muddy and Virgin rivers.

Minute 323

The United States and Mexico finalized Minute 323 to the 1944 U.S./Mexico Water Treaty in September 2017. Minute 323 helps maintain Lake Mead water levels, delay potential shortages and create additional certainty for all water users, particularly during shortages. This capital funding supports SNWA efforts to invest in conservation and infrastructure projects in Mexico in exchange for Bi-National Intentionally Created Surplus credits.

Interim Colorado River Supplies – Water Banking

This project includes funding for temporary water supplies: Colorado River system conservation projects, interstate water banking, and SNWA activities with Colorado River basin states that alleviate impacts of the ongoing drought, and more specifically, recovery activities associated with banked resources. Colorado River system conservation and drought-related activities develop water resources to bolster Lake Mead water elevation and protect short-term water supplies, water quality, and operation of SNWA intakes.

WATER RESOURCES

TITLE	ESTIMATED COST TO COMPLETE (Estimates in 2019 million dollars)
Future Colorado River Resource Acquisitions	\$ 587.7
Water Smart Landscape Program Rebates	152.3
Water Resource Contingency	188.3
Virgin and Muddy River Resource Acquisitions	98.4
Minute 323	36.4
Interim Colorado River Supplies – Water Banking	5.5
TOTAL WATER RESOURCES COSTS	1,068.6

Totals are rounded





MAJOR CONSTRUCTION AND CAPITAL PLAN - CHAPTER 3 SYSTEM MAINTENANCE AND UPGRADES

PROJECTS:

- Stage II Reliability Upgrades
- Stage II Multi-site Medium Voltage Electrical Equipment Upgrades
- Ozone Equipment Upgrade
- AMSWTF Filter Improvements
- In-Valley Maintenance Shop
- Enterprise Asset Management Software Replacement
- RMWTF Microbiology Research Lab Expansion
- Water Quality Testing Equipment
- System-wide Valve Actuator Upgrades
- SCADA System Replacement
- Joint SCADA Site

Overview

Maintaining a world class water system requires ongoing repair, upgrade and investment. The projects outlined within this chapter represent those efforts to support existing infrastructure in a way that significantly upgrades the facilities:

Stage II Reliability Upgrades

These improvement projects are associated primarily with SNWA water conveyance infrastructure along the Pittman Lateral which serves the central Las Vegas Valley. The upgrades will improve reliability for customers in older, more established areas of Southern Nevada.

The Stage II Reliability Upgrades consist of modifications to the Hacienda Pumping Station,

rehabilitation of portions of the Pittman Lateral, and localized improvements that would enhance the reliability of delivery along this central corridor, including upgrades to the Gowan, Simmons, Lamb and Sloan pumping stations.

The Hacienda Pumping Station has a conveyance capacity of 180 million gallons per day (MGD) and serves a critical, central area of the Las Vegas Valley. To ensure future reliability, protect against facility aging, provide redundancy in the water delivery system and prevent water loss, additional capital investments are necessary.

This project also includes construction of a new 80 MGD pumping station at the Las Vegas Valley Water District's (LVVWD) Campbell Reservoir site and approximately 1.75 miles of 66-inch diameter discharge pipeline from the new pumping station to the existing Hacienda Pumping Station discharge pipeline. This will facilitate rehabilitation work at the Hacienda Pumping Station.

Additional upgrades to facilities at Sloan, Lamb, Gowan and Simmons pumping stations will be needed to support this project. These upgrades will provide additional back-feed capacity of up to 50 MGD. This capital project includes:

- 1.75 miles of 66-inch diameter pipeline from Campbell to Hacienda Pumping Station
- 4 new pumps to existing pump barrels at Sloan Pumping Station with electrical upgrades
- 4 new pumps to existing pump barrels at Lamb Pumping Station with electrical upgrades
- 30-inch pipeline and two 16-inch pressure reducing valves with electrical upgrades at Gowan Pumping Station
- 60-inch pipeline and 60-inch bypass valve at Simmons Pumping Station



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

Stage II: Multi-site Medium Voltage Electrical Equipment Upgrades

Pumping station switchgear that incorporates fuse clip technology has experienced failures, creating water delivery challenges and potential safety concerns for staff. The switchgear — used to control, protect and isolate large pumps — will be replaced at five pumping station sites.

Ozone Equipment Upgrade

In 2002 and 2003, the SNWA implemented Ozone as a primary disinfectant at the Alfred Merritt Smith Water Treatment Facility (AMSWTF) and at the River Mountains Water Treatment Facility (RMWTF).

The systems have been operating continuously for the past 17 years. As the systems age, the potential for equipment failure increases and replacement parts become difficult to acquire. In order to maintain water quality levels, SNWA will fund an analysis of the existing system and, based on the analysis, upgrade or replace the ozone equipment at both treatment plants.

AMSWTF Filter Improvements

The water treatment filters at the AMSWTF have provided reliable service to SNWA's water treatment process since the facility first opened in the 1970s. Due to age and increasing turbidity in the raw water supply due to a drop in Lake Mead's water levels, these filters and related media used to remove sediment and impurities from the water need to be upgraded and deepened. This project consists of demolishing the old filter blocks, raising the height of filter center channel walls, installing new filter blocks, and replacing 135 valves in 15 filters.

In-Valley Maintenance Shop

This project included the design and construction of a maintenance building to support SNWA's water system maintenance activities, including staff, materials and related equipment. The In-Valley Maintenance Shop will provide a centralized location for SNWA to store and use specialized tools and conduct water system repair and maintenance projects. The new facility will improve work efficiencies and reduce travel time required to transport equipment and materials to various sites and locations around the valley.

Enterprise Asset Management Software Replacement

Proactively maintaining, protecting and updating the infrastructure required to meet Southern Nevada's water demands requires a software management system that can track preventative maintenance required at water treatment and transmission facilities and the associated assets such as pipelines, valves, motors, electrical switchgear and pumps. This project consists of replacing outdated, inefficient technology with a software package that allows staff to more effectively manage the agency's many facilities and assets. In addition to maintaining an inventory of these assets and maintenance schedule, the system will also help manage the workflow and costs associated with SNWA's maintenance activities.

RMWTF Microbiology Research Lab Expansion

The SNWA Water Quality Research & Development (R&D) Team conducts cutting-edge water quality research on contaminants of emerging concern and advanced treatment technologies. Since its inception in 2000, the R&D team has helped develop patented technology and has procured \$10 million of external research funds to study emerging water quality issues.

To date, the R&D Team has primarily focused its research on chemical contaminants such as bromate and pharmaceuticals. Emerging water quality issues that include Legionella, antimicrobial resistance and algal toxins create new challenges for the water industry, and the Microbiology Research Laboratory will allow SNWA to establish itself as an R&D leader in microbiology.

This project will facilitate building a 5,500 square-foot, state-of-the-art microbiology research facility. The new building will be located adjacent to the existing R&D laboratories at the RMWTF and include the facilities and equipment necessary to conduct leading-edge microbiology research using a combination of culture methods, molecular methods and microscopy.

Water Quality Testing Equipment

Annually, SNWA's water quality scientists collect nearly 55,000 water samples and conduct nearly 300,000 analyses of those samples. Testing for more than 160 regulated and unregulated contaminants, SNWA experts monitor water quality in real time, 24



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

hours a day, 365 days a year. These intensive testing process allow staff to detect contaminants at concentrations of parts per billion, and as technology improves, efficiently identifying contaminants in even smaller concentrations.

The SNWA Water Quality Compliance Laboratory and the Water Quality Research Laboratory provide the infrastructure necessary to meet federal Safe Drinking Water Act standards and support the agency's efforts to provide a clean, safe water supply. Both laboratories contain specialized, sensitive water quality testing equipment. This capital project will provide the funding necessary to replace that equipment as it becomes outdated or needs to be replaced with newer technology.

System-wide Valve Actuator Upgrades

As the SNWA water system matures, proactively replacing aging infrastructure is essential to the reliable, cost-efficient operation of the water transmission and distribution systems. Several large valves in the SNWA water system are 50 years old or more, reaching the end of the service lifecycle. Maintaining service reliability, SNWA will update the valve actuators and continue its proactive valve maintenance programs.

SCADA System Replacement

SNWA's water system operators use Supervisory Control and Data Acquisition system (SCADA) to monitor and control the water treatment and distribution system to ensure the safe and reliable delivery of water. This project will replace an existing SCADA with a new SCADA system that simplifies system maintenance and implements new features to help operate the water treatment and distribution system more efficiently. The Las Vegas Valley Water District and Big Bend Water District also are implementing the new SCADA system, creating operating synergies between SNWA and the two water purveyors.

Joint SCADA Site

SNWA is evaluating the current SCADA operations to determine the feasibility of consolidating current SCADA control rooms and the operations staff from multiple locations to a single site. This capital would provide for modifying an existing space or constructing a new space for the colocation of SNWA and Las Vegas Valley Water District SCADA teams in one centralized SCADA control site.

SYSTEM MAINTENANCE AND UPGRADE PROJECTS

TITLE (Projected Completion Year)	ESTIMATED COST TO COMPLETE (Estimates in 2019 million dollars)
Stage II Reliability Upgrades (2024)	\$ 61.0
Stage II Multi-site Medium Voltage Electrical Equipment Upgrades (2024)	10.5
Ozone Equipment Upgrade (2025)	38.5
AMSWTF Filter Improvements (2022)	20.7
In-Valley Maintenance Shop (2024)	20.0
Enterprise Asset Management Software Replacement (2027)	15.5
RMWTF Microbiology Research Lab Expansion (2024)	16.0
Water Quality Testing Equipment (2029)	11.8
System-wide Valve Actuator Upgrades (2023)	6.6
SCADA System Replacement (2023)	5.0
Joint SCADA Site (2026)	7.7
TOTAL SYSTEM MAINTENANCE & UPGRADES	\$213.3

Totals are rounded



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

MCCP TOTAL COSTS

PROJECT TITLE	ESTIMATED COST TO COMPLETE
	<i>Estimate in 2019 million dollars</i>
Horizon Lateral	\$ 1,596.7
Garnet Valley Water System	129.8
Garnet Valley Wastewater System	120.0
Solar PV Project	20.8
Low Lake Level Pumping Station	16.4
Water Smart Landscape Program Rebates	152.3
Future Colorado River resource acquisitions	587.7
Water Resource Contingency	188.3
Virgin and Muddy River Resource Acquisitions	98.4
Minute 323	36.4
Interim Colorado River Supplies – Water Banking	5.5
Stage II Reliability Upgrades	61.0
Stage II Multi-site Medium Voltage Electrical Equipment Upgrades	10.5
Ozone Equipment Upgrade	38.5
AMSWTF Filter Improvements	20.7
In-Valley Maintenance Shop	20.0
Enterprise Asset Management Software Replacement	15.5
RMWTF Microbiology Research Lab Expansion	16.0
Water Quality Testing Equipment	11.8
System-wide Valve Actuator Upgrades	6.6
SCADA System Replacement	5.0
Joint SCADA Site	7.7
TOTAL MCCP	\$3,165.6

Totals are rounded





MAJOR CONSTRUCTION AND CAPITAL PLAN

APPENDICES

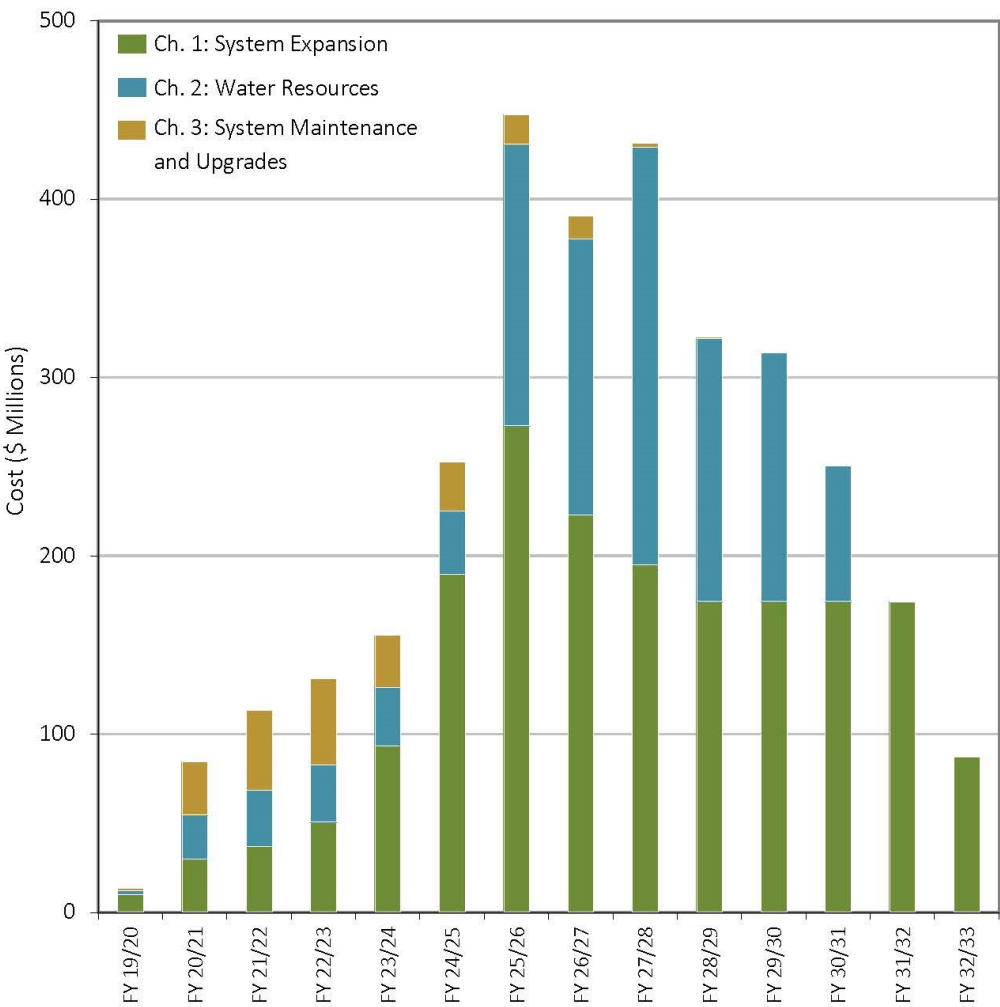
Appendix A – Cash Flow

Appendix B – Completed Projects



APPENDIX A: Cash Flow

MCCP Projected Cash Flow



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

APPENDIX B: Completed Projects

Project Number	Project Title	Completion Year	Actual Cost (\$ Millions)
.	Planning/Environmental for 1995 CIP Administrative		41.2
.	Operational Decision Support System	1997	1.3
B01	Batch Plant at AMSWTF	1997	1.8
C11	Communications	1997	1.3
D01	Scrubber Prepurchase at AMSWTF	1997	0.0
D11	Disinfection Facilities Upgrades at AMSWTF	1997	4.1
F11	Filter Additions at AMSWTF	1997	11.1
H01	Hacienda Pumps Prepurchase	1997	0.0
L11	Low Lift Pump Station	1997	0.0
M11	Gibson Lateral (48" - 2.0 miles)	1997	5.4
P11	Plant Improvements at AMSWTF	1997	9.2
P12	Plant Mass Excavation at AMSWTF	1997	0.6
R11	River Mountains Tank (46 MG)	1997	15.9
R12	River Mountains Tank Mass Excavation	1997	1.9
S11	Simmons Pumping Station (71 mgd)	1997	9.0
T01	Valve Prepurchase	1997	1.0
T11	River Mountains Tunnel (144" - 4.0 miles)	1997	20.5
T12	River Mountains Tunnel Portal Connection	1997	13.7
T13	River Mountains Regulating Tank Mass Excavation	1997	1.4
W11A	West Valley Lateral (60" - 3.3 miles) - Section A	1997	17.4
W11B	West Valley Lateral (60" - 2.9 miles) - Section B	1997	15.4
10010C	Substation Mass Excavation	1997	6.9
08010K	East C-1 Detention Basin	1999	7.7
08010L	Chemical Containment System at AMSWTF	1999	1.8
10010Z	CRC Power Development (Phase I)	1999	46.2
11010A	River Mountains Lateral (72" - 3.8 miles)	1999	9.6
11010B	South Valley Lateral - Major Crossings	1999	6.1
11010C	South Valley Lateral (108" - 9.8 miles)	1999	24.6
11010D	Foothills 2210 Pumping Station (140 mgd)	1999	20.1
11010E	River Mountains 2530 Pumping Station (140 mgd)	1999	24.6
11010G	Horizon Ridge 2375 Reservoir (10 MG), South Valley Lateral Regulating Reservoir (4 MG)	1999	13.5
11010H	South Valley Lateral (90" - 5.0 miles, 54" - 0.2 miles)	1999	14.6
11010I	South Valley Lateral - MacDonald Ranch (108" - 1.1 miles)	1999	5.8
11010J	South Valley Lateral Communications	1999	2.9
11010K	South Valley Lateral (84" - 6.8 miles)	1999	20.9
11010L	Burkholder 2210 Regulating Reservoir (25 MG)	1999	14.9
11010M	Rate-of-Flow Control Station	1999	8.0



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

11010P	Pipe Prepurchase (108")	1999	27.0
11010Q	Pipe Prepurchase - 11010H Phase I (90")	1999	1.8
11010R	So. Valley Lateral Regul Resv Inlet/Outlet Pipeline (90" - 0.6 miles, 54" - 0.2 miles)	1999	2.6
11010S	South Valley Lateral - MacDonald Ranch Extension (108" - 0.4 miles)	1999	2.0
11010T	South Valley Lateral Controls	1999	1.0
11010W	South Valley Lateral - Disinfection (Complete)	1999	0.5
11010X	Black Mountain Rate-of-Flow Control Station (25 MG)	1999	3.0
11010Z	R-8 Lateral (24" - 0.8 miles)	1999	1.0
12010A	SNWS Phase II Mass Excavation	1999	2.4
12010B	SNWS Phase II System "C" (225 mgd) (27 MG)	1999	75.5
08010C	Ozone Addition to Alfred Merritt Smith Water Treatment Facility (Pre-design)	2000	0.6
08010D	Site Preparation for Ozone Addition to AMSWTF	2000	4.2
090A	Water Resource (Coyote Spring Valley)	2000	31.6
10010M	Nevada Power Company Connections to Sloan PS and Lamb PS	2000	1.4
13010A	East Valley Lateral - Hollywood/DI to Sloan PS (78" - 2.7 miles)	2000	22.4
13010B	East Valley Lateral - Sloan Pumping Station to Las Vegas Bldg. (78" - 5.7 miles)	2000	22.8
13010C	East Valley Lateral - Las Vegas Blvd. To Lamb PS (78" - 4.5 miles)	2000	22.7
13010D	Sloan 2160 Pumping Station (20 mgd)/Structure (175 mgd)	2000	32.2
13010E	Lamb 2350 Pumping Station (20 mgd)/Structure (175 mgd)	2000	26.4
13010F	Grand Teton 2330 Reservoir (10 MG)	2000	12.5
13010I	Disinfection Facilities: Carlton Square/Twin Lakes	2000	3.3
13010J	East Valley Lateral Communications	2000	2.4
13010T	East Valley Lateral Controls	2000	0.5
13010W	East Valley Lateral Disinfection	2000	0.3
10020A	CRC Power Development Project (Phase II)	2001	11.8
10020B	CRC Power Development Project (Phase III)	2001	14.3
07010A	Lake Mead Intake No. 2 (100 mgd)	2002	104.7
07010B	Raw Water Pumping System (108" - 2.0 miles 100 mgd)	2002	143.3
07010C	River Mountain Aqueduct (108" - 3.2 miles)	2002	18.1
07010E	Basic Water Company Pipeline Relocation	2002	0.6
08010A	RMWTF direct Filtration (150 mgd); Ozone at RMWTF (150 mgd); Clearwell Exp. 25 MG/50 MG total)	2002	266.8
08010H	AMSWTF Modulating Weirs	2002	0.4
08010J	Intake System and RMWTF Communications	2002	2.6
08010M	Magic Way RMWTF Entrance Improvements	2002	3.6
08010N	RMWTF Temporary Fluoridation	2002	1.3
10510A	NPC - Leased Fiber Optic systems - Phase I	2002	0.7
13510A	Boulder City Water Delivery Improvements (30" - 7.0 miles, 10 mgd)	2002	24.3
14010A	NVL - Washburn Rd to Decatur 2350 Res. (24" to 72" - 6.0 miles)	2002	12.0
14010B	Carlton Sq. Lateral, Cole Ave to Washburn Rd (42" - 3.9 miles)	2002	10.6
14010C	Gowan 2350 Pumping Station (24 mgd)	2002	8.7
14010D	Decatur 2350 Reservoir (20 MG)	2002	12.7



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

14010E	Deer Springs Rate-of-Flow Control Station (80 mgd)	2002	4.3
14010G	College Rate-of-Flow Control Station (25 mgd)	2002	3.8
14010J	North Valley Lateral - Communications	2002	2.2
14010T	North Valley Lateral - Controls	2002	0.5
07010D	Low Lift Pumping Station Improvements (Phase I)	2003	3.7
07210B	Low Lift Pumping Station Improvements (Phase II)	2003	3.0
08010B	Prepurchase Oxygen/Ozone Equipment (AMSWTF & RMWTF)	2003	19.5
08010ER	Ozone Addition to AMSWTF (600 mgd)	2003	96.0
08010T	Intake System and RMWTF Controls	2003	4.3
08010W	AMSWTF Ozone Controls	2003	0.6
100D	SNWS Power System Upgrades - Equipment Prepurchase	2003	6.4
100E	SNWS Power System Upgrades - Equipment Installation	2003	16.9
100F	CRC Power System Upgrades	2003	5.0
100G	SNWS Power System Upgrades - Material Prepurchase	2003	1.0
100T	SNWS Power System Upgrades - Remote Terminal Units	2003	0.5
10510B	NPC - Leased Fiber Optic Systems - Phase II	2003	1.7
14010F	Foothills Pumping Station Turbine Project	2003	2.8
17010C	North Valley Lateral - Grand Teton Drive to Beltway (60" - 2.4 miles)	2003	9.8
17010G	North Valley Lateral - Beltway Crossing (60" - 0.4 miles)	2003	3.0
17010H	North Valley Lateral - Decatur 2538/2430 PS to Grand Teton Drive (60" - 2.5 miles)	2003	6.6
360B	Equity Purchase of Electric Power Generation Facilities	2003	55.3
08010V	Ozone Training and Start-up Services	2004	1.0
10010P	NPC Connection to Decatur 2538 PS	2004	0.0
10010Q	CRC River Mountains Pumping Station Expansion Power Supply	2004	1.9
16010A	River Mountains Pumping Station B (175 mgd/315 mgd total), and Clearwell Expansion C (25 MG/75 MG total)	2004	44.0
17010B	North Valley Lateral - Grand Teton 2330 Res. To Valley Drive (72" - 7.0 miles)	2004	22.4
17010D	Sloan 2160 (91 mgd/111 mgd total) and Lamb 2350 (91 mgd/111 mgd total) Pumping Station Expansion	2004	15.1
17010F	Decatur 2538/2430 PS (54 mgd-2538, 27 mgd-2430/Structure 105 mgd)	2004	31.1
17010J	East Valley Lateral and North Valley Lateral Communications Improvements	2004	0.4
17010K	Valley Drive Isolation Valve	2004	0.6
320C	Disinfection By-Products Control Strategy	2004	0.2
320D	AMSWTF Filter Media and Underdrain Improvements Study	2004	0.2
320G	Lake Mead Intake No. 1 Modifications	2004	7.4
320H	Pumping Plant 6 Rechlorination Station	2004	0.0
360A	Equity Purchase of Electric Power Generation Facilities - Silverhawk Project	2004	120.0
08210B	RMWTF Prepurchase Ozone Equipment (150 mgd/300 mgd total)	2005	6.7
13010K	East Valley Lateral Interconnections	2005	6.5
17010A	East Valley Lateral - River Mtns. Res. To Desert Inn Rd. (78" - 8.2 miles)	2005	49.8
19010A	Horizon Ridge 2375 Reservoir Expansion (10 MG/20 MG total)	2005	11.9



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

340F	Transmission Pipeline Cathodic Protection System Repairs	2005	1.1
360E	Feasibility Study of Intermountain Project Unit 3	2005	0.5
370F	AMSWTF Utility Building Chiller Replacement	2005	0.0
07210C	Intake No. 2 to AMSWTF By-pass Pipeline	2006	17.7
08210A	RMWTF Expansion (150 mgd/300 mgd total)	2006	76.8
370H	Flame Detection Equipment for High Pressure Hydraulic System	2006	0.2
07210A	Raw Water Pumping System Expansion (200 mgd RMWTF + 160 mgd AMSWTF 460 mgd total)	2007	68.0
08010F	AMSWTF Process Improvements	2007	71.4
090S	Virgin and Muddy Rivers Surface Water Development	2007	8.8
15010A	River Mountains 2530 Pumping Station Expansion - Equestrian Addition (7 mgd/14 mgd total)	2007	0.9
17010L	In-Valley Isolation Valves	2007	4.4
300G	RMWTF Operators Video Display Upgrade	2007	0.2
340G	Transmission Pipelines Discharge Modifications Study	2007	0.4
370D	Fiber-Optic Network Improvements	2007	1.3
370G	AMSWTF Computer Room HVAC Replacement	2007	0.0
300B	Radio Communication System Upgrades	2008	0.6
300C	Overhead Crane Upgrades	2008	0.2
300I	AMSWTF Asbestos Removal	2008	0.0
310C	IPS-1 Pump and Motor Replacements	2008	28.7
320A	RMWTF Water Quality Laboratory and Pilot Plant	2008	42.1
320E	AMSWTF Cathodic Corrosion Protection System Repairs and Upgrades	2008	1.5
320L	AMSWTF Electrical Disconnect Switch Replacements	2008	0.2
320M	Spare Filter Backwash Control Valve	2008	0.1
320R	Water Quality Sampling and Testing Equipment	2008	1.0
340K	Reservoir Vent Modifications	2008	0.4
340M	Air Vacuum and Relief Valve Piping Adjustments	2008	0.1
360D	Energy Supplier Conversion	2008	0.1
360F	Rate of Flow Control Energy Recovery	2008	8.1
360G	Intermountain Power Project Unit 3 - Predevelopment	2008	0.6
360I	Hacienda Pumping Station Electrical Substation Upgrades	2008	1.8
360J	AMSWTF & RMWTF Solar Photovoltaic Electric	2008	0.1
370J	SNWA Office Tenant Improvements	2008	42.5
370K	AMSWTF Warehouse Storage System Improvements	2008	0.0
370P	Purchase SNWA Office Space	2008	36.5
07011B	Raw Water Pumping System - Warranty	2009	1.7
07012B	Flowserve Pump Replacement at BPS-1A & BPS2	2009	1.5
19010B	Duck Creek Isolation Valve	2009	4.2
19010C	Magic Rate-of-Flow Controls (15 MGD)	2009	5.9
300D	Roofing Replacements	2009	0.9
300J	Warm Springs Rate-of-Flow Control Station Offsite Improvements	2009	0.0
310D	Emergency Bypass Rate-of-flow Control Station Valve Replacements	2009	2.6
310E	North I-15 Treatment and Transmission Facilities Planning - Phase I	2009	0.9



Southern Nevada Water Authority
Operating and Capital Budget
Capital Plans
Fiscal Year Ending June 30, 2026

320J	Disinfection By-Products Studies	2009	0.3
320K	Surface Water Treatment Pilot Studies	2009	1.9
340H	Pumping Plant No. 7 Upgrades	2009	0.6
340I	South Valley Facilities Expansion - Phase I	2009	13.4
340L	Hemenway Rate-of-Flow Control Improvements	2009	0.5
340O	Pumping Station 6 Forebay Relining	2009	0.1
340P	Charleston Heights Lateral Repair and Valve Installation	2009	1.9
360K	High Concentrating Solar Photovoltaic Demonstration and Research	2009	2.3
360N	Solar Photovoltaic Panels at AMSWTF Filters & Flocculation Basins	2009	0.1
370C	RMWTF Fleet Maintenance & Electrical Maintenance Facility	2009	4.0
370E	AMSWTF Mechanic Maintenance Shop Addition	2009	13.0
370L	SCADA Communications Upgrades	2009	0.4
370N	AMSWTF Standby Generator Replacement	2009	0.3
070F05	Lake Mead Intake No. 2 Connection and Modifications	2010	40.4
320S	Quagga Mussel Evaluation and Control Facilities	2010	0.4
340A	Coyote Spring Valley Well and Moapa Transmission System	2010	52.6
370B	Security System Upgrades	2010	2.0
310F	IPS-2 Test Pump Procurement and Installation	2011	40.3
370O	AMSWTF Utility Building Air Handler Replacement	2011	0.3
370S	Mold Abatement at River Mountains Water Treatment Facility	2011	0.3
320N	AMS Clearwell Slide Gates	2012	0.3
070F02C1	Intake No. 3 Pumping Station	2014	21.9
070F02C2	Intake No. 3 - Connector Tunnel	2014	96.9
320F	AMSWTF Filtration System Valve Repairs	2014	0.1
340R	Transmission Pipelines Cathodic Corrosion Protections System Repairs - Phase 2	2014	7.7
360M	Renewable Energy Project Development	2015	3.4
070F01	Lake Mead Intake No. 3 Shafts and Tunnel	2017	532.3
070F06	Lake Mead Intake No. 3 Chemical Feed System	2017	2.6
320B	Remodel Former AMSWTF Laboratory Spaces	2017	0.7
320P	AMSWTF Chlorine Building I Rehabilitation	2017	0.1
340C	Hitachi Motor Retrofit	2017	9.4
341A	Pumping Station 6 Forebay Relining - Phase 2	2017	1.0
360C	Electric Power Transmission Facilities	2017	0.3
340X	Simmons Rate-of-Flow Control Station Pipeline Repairs and Hacienda ROFC Repair	2018	0.1
070F04	Discharge Pipeline	2018	38.2
13010H	Disinfection Facilities - Horizon/Parkway/Bermuda	2018	0.3
300E	Control System Improvements	2018	30.2
340T	Sloan Pumping Station Foundation Repairs (MEPS 6860	2018	0.2
360H	Pumping Station Electrical Transformer Repairs	2018	2.7
	Completed Projects	TOTAL	3,260.6



SECTION 7

STATISTICAL INFORMATION

Demographic Statistics	7 - 191
Top Ten Employers	7 - 192
Residential Real Estate	7 - 193
Secured Tax Roll	7 - 194
Temperature & Rainfall	7 - 195
Charts: Average Rainfall and Comparison of Lake Elevations	7 - 196



Demographic Statistics

Clark County, Nevada

Five Calendar Years

Calendar Year	Clark County Population (1)	Per Capita Income (2)	Clark County Personal Income (In Million \$)(2)	Median Household Income (3)
2024	2,421,685	N/A	N/A	N/A
2023	2,371,586	63,767	148,997	75,103
2022	2,331,934	60,083	139,545	70,838
2021	2,333,092	58,224	133,642	63,735
2020	2,376,683	52,642	119,755	62,496

Calendar Year	School Enrollment (4)	Total Labor Force(5)	Unemployment Rate (6)
2024	296,145	1,222,275	5.8%
2023	299,186	1,194,580	5.4%
2022	304,276	1,153,898	5.6%
2021	310,556	1,098,458	7.8%
2020	310,493	1,107,352	15.5%

Sources:

(1) Clark County Comprehensive Planning Department.

(2) U.S. Bureau of Economic Analysis as reported for the Las Vegas-Paradise MSA (which is comprised of Clark County), Not Seasonally Adjusted.

(3) U.S. Census Bureau, American Community Survey (Retrieved from FRED, Federal Reserve Bank of St. Louis)

(4) Clark County School District, Count Day Enrollment History (e.g. 2023 is for School Year 2023-2024).

(5) Bureau of Labor Statistics (Local Area Unemployment Statistics) annual averages.

(6) Bureau of Labor Statistics (annual averages).



Top Ten Employers⁽¹⁾

Clark County, Nevada

Calendar Year 2023

Employer Trade name	Employees ⁽²⁾	Ranking
Nellis Air Force Base	10,000 or More	1
Clark County Offices	10,000 or More	2
Las Vegas Metro Police Dept	5,000 to 9,999	3
Flamingo Las Vegas Hotel-Casino	5,000 to 9,999	4
MGM Grand	5,000 to 9,999	5
Orleans Hotel & Casino	5,000 to 9,999	6
Las Vegas Sands Corp	5,000 to 9,999	7
Caesars Palace Las Vegas	5,000 to 9,999	8
Mandalay Bay	5,000 to 9,999	9
Las Vegas Metro Police Dept Foundation	5,000 to 9,999	10

Total Labor Force 1,218,685

Sources:

(1) Nevada Department of Employment, Training & Rehabilitation (DETR). The data is a 2nd release of 2024 (as of April 21, 2025). In 2018, DETR changed the data source from internally created to a third party provider (Infogroup). Infogroup collects the data at the establishment level not rolled up into a collective whole. For example in the current method, the data set lists each school and/or department separately instead of aggregating it. Clark County Offices includes Executive and Legislative Offices Combined. Las Vegas Metro Police Department Foundation is Non-Profit Organizations.

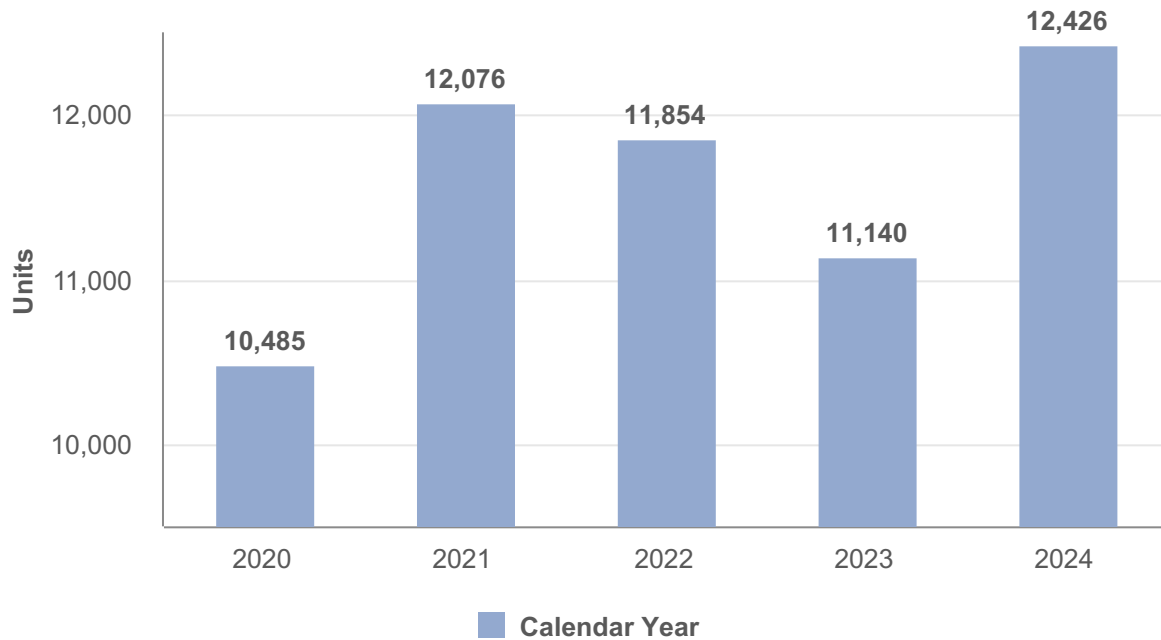
(2) Nevada law prohibits the disclosure of exact employee counts. All employee counts are shown in ranges.

(3) Total Labor Force is sourced from Bureau of Labor Statistics (Local Area Unemployment Statistics) for calendar year 2023 for the Clark County.

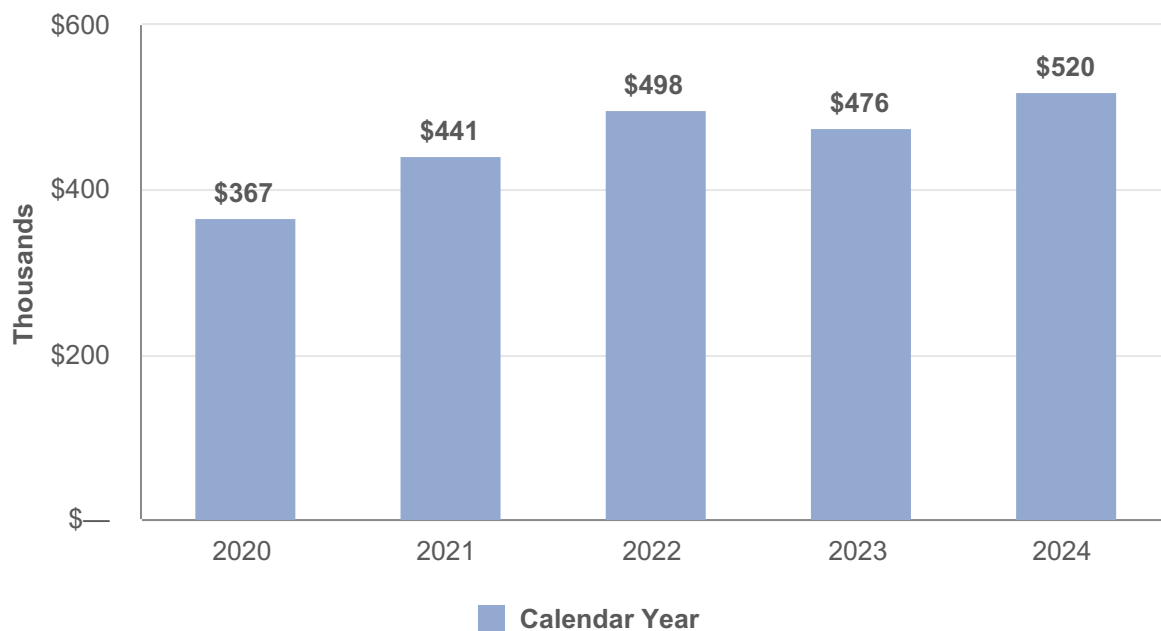


Residential Real Estate Clark County, Nevada

New Home Sales



New Home Median Price



Secured Tax Roll

Clark County, Nevada

2024 - 25

	Taxpayer	Taxable Assessed	Taxable Appraised
1.	VICI PROPERTIES INC	\$ 5,641,688,243	\$ 16,119,109,267
2.	THE BLACKSTONE GROUP	2,483,304,307	7,095,155,164
3.	CAESARS ENTERTAINMENT	1,407,181,971	4,020,519,918
4.	WYNN RESORTS LIMITED	1,207,743,972	3,450,697,064
5.	STATION CASINOS LIMITED LIABILITY	893,185,279	2,551,957,941
6.	HOWARD HUGHES CORPORATION	854,701,724	2,442,004,927
7.	GENTING GROUP	715,676,312	2,044,789,462
8.	BOYD GAMING CORPORATION	603,724,976	1,724,928,504
9.	WITKOFF	571,276,125	1,632,217,499
10.	RUFFIN COMPANIES	489,227,623	1,397,793,208
		<u>\$ 14,867,710,532</u>	<u>\$ 42,479,172,954</u>

Source: Clark County Assessor's Report Dated April 1, 2025. 2024-2025 Secured Tax Rolls Based on Assessed Values.



Temperature and Rainfall

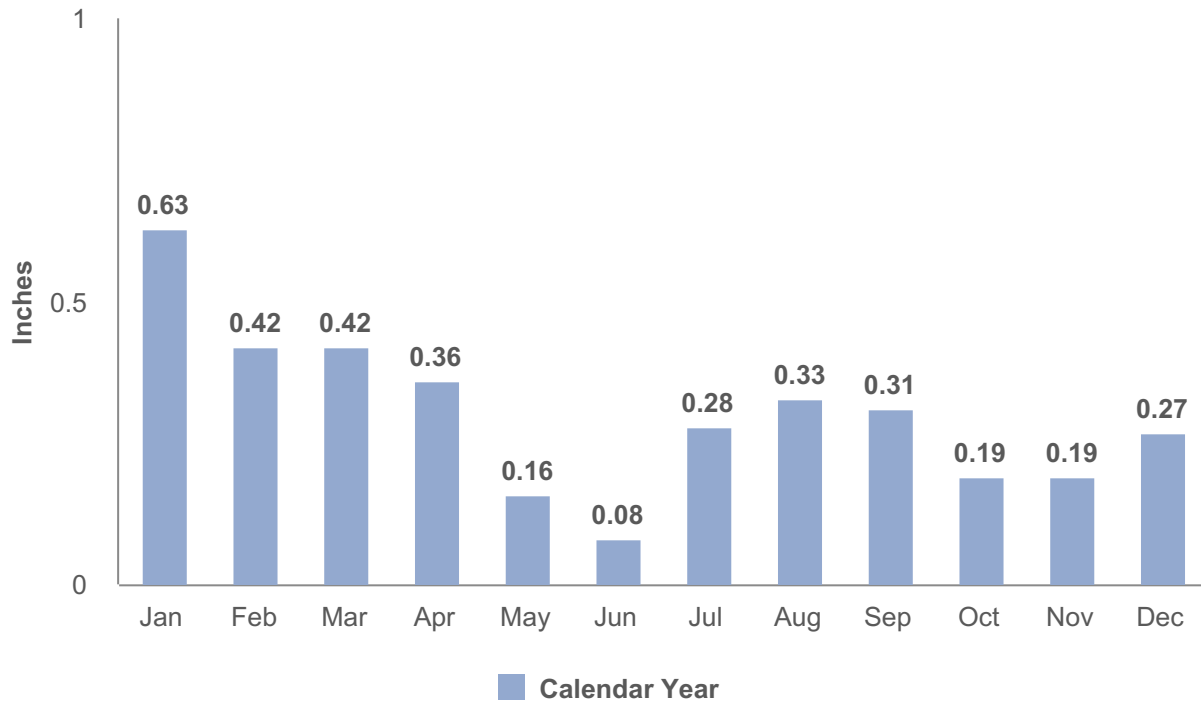
Average Maximum and Minimum Daily Temperature
in Degrees Fahrenheit and Monthly Rainfall in Inches

Month	2019			2020			2021		
	Temperature			Temperature			Temperature		
	Max.	Min.	Rainfall	Max.	Min.	Rainfall	Max.	Min.	Rainfall
January	58.5	42.1	1.0	60.3	41.0	0.0	58.5	40.2	0.2
February	55.9	39.3	2.1	64.3	43.5	0.3	64.3	44.6	0.0
March	69.5	50.7	0.4	67.4	50.0	1.6	67.8	47.1	0.6
April	82.1	60.0	0.4	79.6	59.0	0.4	82.6	60.0	0.0
May	81.5	60.9	0.8	92.2	69.2	0.0	90.2	67.4	0.0
June	98.9	76.6	0.0	98.5	74.7	0.0	104.2	80.5	0.0
July	105.1	83.1	0.0	106.5	83.2	0.0	105.7	84.0	0.5
August	106.7	81.9	0.0	107.3	83.9	0.0	104.1	81.9	0.0
September	94.5	72.8	0.2	98.8	73.7	0.0	97.1	75.0	0.1
October	78.3	54.9	0.0	87.6	61.6	0.0	78.1	56.9	0.1
November	69.3	47.6	1.1	69.2	48.1	0.0	74.1	52.7	0.0
December	56.6	41.8	0.9	58.7	38.4	0.0	57.9	41.2	0.3
Average Annual Temperature/ Total Rainfall	79.7	59.3	6.9	82.5	60.5	2.4	82.1	61.0	1.9

Month	2022			2023			2024		
	Temperature			Temperature			Temperature		
	Max.	Min.	Rainfall	Max.	Min.	Rainfall	Max.	Min.	Rainfall
January	59.5	39.2	0.1	54.7	39.4	0.7	58.3	41.5	0.3
February	64.1	41.8	0.0	58.8	39.6	0.3	60.8	44.6	1.0
March	73.1	50.2	0.1	62.9	45.9	0.5	66.4	48.7	0.7
April	81.4	58.8	0.0	79.8	56.6	0.0	78.6	56.3	0.2
May	89.0	66.2	0.0	88.5	67.2	0.0	91.3	69.0	0.0
June	100.7	77.7	0.0	93.4	72.0	0.2	106.2	83.0	0.0
July	104.1	82.4	0.7	109.1	85.6	0.0	111.5	88.3	0.1
August	100.7	81.5	0.6	100.0	79.1	1.2	105.2	83.1	0.0
September	97.3	75.6	0.5	91.8	70.7	1.5	97.9	74.5	0.0
October	83.3	62.3	0.0	82.9	60.6	0.1	87.7	65.3	0.0
November	61.6	42.7	0.1	68.4	48.7	0.1	64.2	45.7	0.0
December	57.8	39.7	0.1	62.5	43.8	0.1	62.5	43.3	0.0
Average Annual Temperature/ Total Rainfall	81.1	59.8	2.1	79.4	59.1	4.6	82.6	61.9	2.3

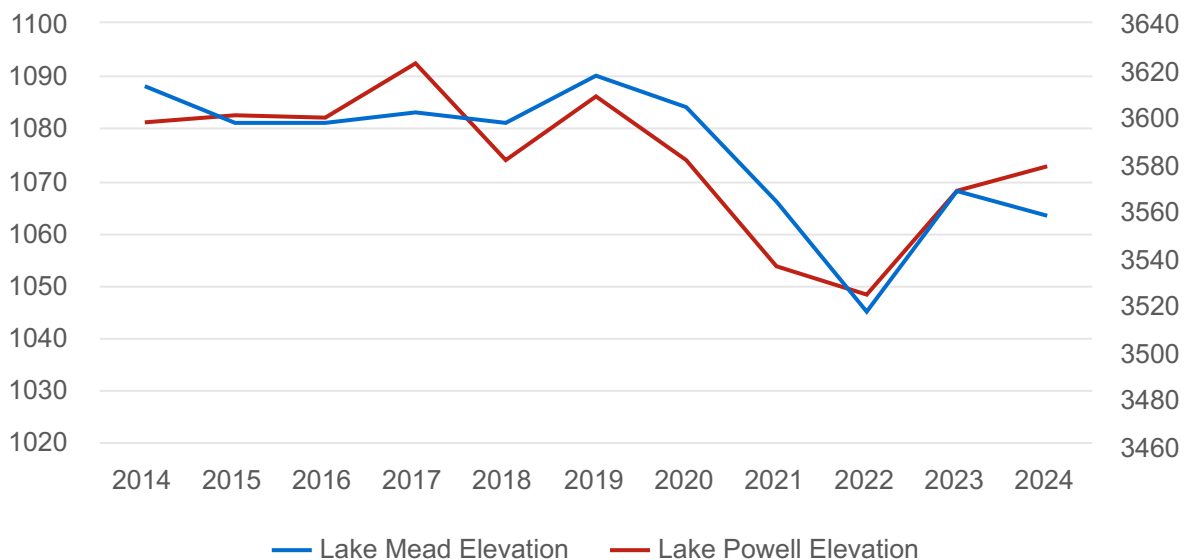


Average Rainfall Per Month Ten Year Span (2015 to 2024) Clark County, Nevada



SNWA influences end users to adjust their outdoor watering to reflect changes in rainfall and temperature, thereby reducing burden on the distribution system.

Historical Lake Mead and Lake Powell End of Year Elevations



SECTION 8

DEBT MANAGEMENT POLICY

Cover	8 - 198
Introduction	8 - 199
Affordability of Debt	8 - 201
Issued by the Las Vegas Valley Water District	8 - 201
Issued by the Clark Count, Nevada	8 - 203
Issued by the State of Nevada	8 - 204
Issued by the Southern Nevada Water Authority	8 - 205
Debt Capacity	8 - 206
Debt Comparison (per capita and assessed valuation)	8 - 206
Policy Statement for Sale of Debt	8 - 206
Operation Costs and Revenue Sources for Projects in Major Construction and Capital Plan	8 - 208
Miscellaneous Items	8 - 209
Chief Financial Officer	8 - 211
Appendix	8 - 212



Debt Management Policy

In Accordance With
NRS 350.013



June 30, 2025



Debt Management Policy

NRS 350.013 Subsection 1(c)

Introduction

The Southern Nevada Water Authority (SNWA) is charged with 1) operating the Southern Nevada Water System (SNWS) to deliver wholesale treated Colorado River water to its purveyor members, 2) expanding the SNWS as needed to meet the growing demand for water by its purveyor members, and 3) securing additional supplies of water for Southern Nevada, and effectively manage existing water supplies through the cooperative action of its member agencies.

The SNWS was originally a joint effort of the State of Nevada (State) acting through its Colorado River Commission (CRC) and the United States of America acting through the U.S. Bureau of Reclamation. Prior to 1995, the debt associated with the SNWS was either repayment contracts with the federal government, or general obligations of the State. Assembly Bill No. 542, approved by the Nevada Legislature in June 1995, transferred all assets and liabilities associated with the SNWS from the CRC to the SNWA effective January 1, 1996.

The SNWA's current debt structure is presented in the appendix. The SNWA has four options to sell debt:

- The SNWA can request the Las Vegas Valley Water District (LVVWD) to sell debt on its behalf. Standard & Poor's rates the LVVWD bonds "AA+", and Moody's Investors Service rates them at "Aa1". This rating makes the LVVWD's bonds "high investment grade." This option is how the SNWA has accomplished most of its debt financing.
- The SNWA can sell its bonds to the Clark County (County) Bond Bank, which can then sell County general obligation bonds. The 1999 Nevada Legislature made this option available. Standard & Poor's rates County bonds "AAA", and Moody's Investors Service rates them at "Aa1". This rating classifies the County bonds as "high investment grade".
- The SNWA has two methods to acquire debt financing with the State of Nevada (State). First, the SNWA can sell its bonds to the State Municipal Bond Bank, which then sells the State general obligation bonds. The 1997 Nevada Legislature made this option available. Standard & Poor's rates State bonds "AA+", and Moody's Investors Service rates them at "Aa1". This rating classifies the State's bonds as "high investment grade". Second, the SNWA can sell its bonds to the State to secure a loan from the Nevada Drinking Water State Revolving Fund.
- The SNWA can sell bonds to the public using its own credit. However, the SNWA is unable to make a general obligation (property tax) pledge, therefore interest rates on the debt would be higher. This debt has not been rated but is likely to be below the rating of the LVVWD, the State, and the County, which would result in higher interest rates. Therefore, it is expected that the SNWA will continue to use the previously mentioned options to issue debt.

The SNWA's Major Construction and Capital Plan (MCCP) outlines the phased construction plan developed to meet the growing demands for water in the Las Vegas Valley. The MCCP is reviewed semi-annually and is presented to the Board as determined appropriate by the SNWS work group. The MCCP has been partially funded with debt.

The Lower Las Vegas Wash Stabilization Plan (LLVWSP) covers projects in the Las Vegas Wash. The original LLVWSP has not been updated, but may be updated periodically, as needed. The SNWA uses a



combination of interfund loans and sales tax proceeds to fund the LLVWSP; it does issue bonds or other debt to fund the LLVWSP.

This document is not intended to review the SNWA's total financial position. Analysis of the SNWA's debt position is important, as growth in the County, as well as impacts from the ongoing drought within the Colorado River Basin, have resulted in an increased need for capital financing. Resources, as well as needs, drive the SNWA's debt issuance program. The MCCP and LVWCIP were developed to identify clearly, and in detail, the specific facilities which are to be built, the year in which they are proposed to be completed, and an estimate of how much each will cost. As projects are completed, these plans will also document actual costs of those facilities.

Below are excerpts from Nevada Law, which require local governments to submit this debt management policy:

NRS 350.013 Municipalities to submit annually statement of current and contemplated general obligation debt and special elective taxes, statement of debt management policy, plan for capital improvement or alternate statement and certain information regarding chief financial officer; update of information; exceptions.

(1) Except as otherwise provided in this section, on or before August 1 of each year, the governing body of a municipality which proposes to issue or has outstanding any general obligation debt, other general obligations or special obligations, or which levies or proposes to levy any special elective tax, shall submit to the Department of Taxation and the commission:

(a) A complete statement of current general obligation debt and special elective taxes, and a report of current debt and special assessments and retirement schedules, in the detail and form established by the Committee on Local Government Finance.

(b) A complete statement, in the detail and form established by the Committee on Local Government Finance, of general obligation debt and special elective taxes contemplated to be submitted to the commission during the fiscal year.

(c) A written statement of the debt management policy of the municipality, which must include, without limitation:

(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;

(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;

(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this State;

(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;

(5) Policy regarding the manner in which the municipality expects to sell its debt;

(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and

(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.

(d) Either:



(1) Its plan for capital improvement for the ensuing 5 fiscal years, which must include any contemplated issuance of general obligation debt during this period and the sources of money projected to be available to pay the debt; or

(2) A statement indicating that no changes are contemplated in its plan for capital improvement for the ensuing 5 fiscal years.

(e) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.

(2) The governing body of a municipality may combine a statement or plan required by subsection 1 with the corresponding statement or plan of another municipality if both municipalities have the same governing body or the governing bodies of both municipalities agree to such a combination.

(3) Except as otherwise provided in subsection 4, the governing body of each municipality shall update all statements and plans required by subsection 1 not less frequently than once each fiscal year.

(4) In a county whose population is 100,000 or more, the governing body of each municipality shall update all statements and plans required by subsection 1 not less often than once each fiscal year and not more often than twice each fiscal year, except that a municipality may update a statement or plan required by subsection 1 more often than twice each fiscal year.

Affordability of Debt

Response to NRS 350.013 1(c):

(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and

(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt

Existing, Authorized and Proposed General Obligation/Revenue Supported Bond Indebtedness Issued by the Las Vegas Valley Water District ("LVVWD Bonds")

The SNWA's Bonds issued in the name of the LVVWD constitute direct and general obligations of the LVVWD, and the full faith and credit of the LVVWD is pledged to the payment of principal and interest due thereon, subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes. The LVVWD Bonds are payable from general ad-valorem taxes on all taxable property in the LVVWD service area and are additionally secured by certain SNWA pledged revenues as set forth in Section 4, Chapter 631, Statutes of Nevada 1993. The SNWA pledged revenues currently consist of connection charges, commodity charges, infrastructure charges, reliability surcharges, and sales tax proceeds, which were approved by the SNWA, the LVVWD, and the cities of Henderson and North Las Vegas.

In any year in which the total property taxes levied within the LVVWD's service area by all applicable taxing units (e.g. the State, Clark County, the Clark County School District, any city, or any special district including the LVVWD) exceed such property tax limitations, the reduction to be made by those units must be in taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness.

Nevada statutes provide that no act concerning the LVVWD Bonds or their security may be repealed, amended, or modified in such a manner as to adversely impair the Bonds or their security until all of the Bonds have been discharged in full, or provision for their payment and redemption has been fully made.



The payment of the LVVWD Bonds is not secured by an encumbrance, mortgage or other pledge of property of the LVVWD or the SNWA, and no property shall be liable to be forfeited or taken in payment of the LVVWD Bonds; provided the payment of the Bonds is secured by the proceeds of general (ad valorem) taxes and the LVVWD's and the SNWA's revenues, which are pledged for the payment of the Bonds. Furthermore, section 350.606 of the Bond Act provides no recourse shall be had for the payment of the principal of, interest on, or any prior redemption premiums due in connection with municipal securities such as the LVVWD Bonds, or for any claim based thereon or otherwise upon the resolution authorizing their issuance, against any individual trustee, officer, employee or other agent of the LVVWD or the SNWA, past, present or future, either directly or indirectly by virtue of any statute or rule of law. The LVVWD Bonds will be repaid with revenues of the SNWA and/or revenues made available to the LVVWD by certain members of the SNWA.

The LVVWD has never levied an ad valorem tax because theirs, and the SNWA's revenues, have been sufficient to pay debt service on all of the LVVWD's bonds and obligations secured by such revenues.

Authorized and Proposed Future LVVWD Water Bonds. The SNWA does not intend to issue bonds in fiscal year **2025-26**. However, the bond market is monitored for savings opportunities via refunding or restructuring existing debt issues.

Debt Service Requirements. See the appendix for the table illustrating the debt service to maturity on the LVVWD Bonds.

Property Tax Rate Impact. Principal and interest on the LVVWD Bonds are payable from the SNWA's pledged revenues. There will be no direct impact on the ad valorem tax rate as long as pledged revenues are sufficient to pay debt service on the outstanding bonds. See the appendix for a table that illustrates the SNWA's pledged revenues and debt service coverage.

Bonded Indebtedness. The following table shows the outstanding LVVWD Bonds as of June 30, 2025.



Bond Series	Issue Date	Original Amount Issued	Outstanding Principal
2015B	Jun-15	\$ 177,635,000	\$ 60,765,000
2015C	Jun-15	42,125,000	13,820,000
2016A	Apr-16	497,785,000	380,315,000
2017B	Mar-17	22,115,000	11,165,000
2018B	Mar-18	79,085,000	11,720,000
2019A	Mar-19	107,975,000	91,560,000
2019B	Oct-19	90,280,000	24,785,000
2020A	Mar-20	123,860,000	88,755,000
2021A	Mar-21	144,685,000	93,795,000
2021C	Mar-21	208,145,000	156,950,000
2022A	Feb-22	292,240,000	276,370,000
2022C	Mar-22	253,820,000	228,925,000
2024A	Sep-24	286,255,000	286,255,000
2025A	Jun-25	415,000,000	415,000,000
Total			\$ 2,140,180,000

Existing, Authorized and Proposed General Obligation/Revenue Supported Bond Indebtedness Issued by the Clark County, Nevada Bond Bank ("County Bonds")

The County Bonds will be repaid with revenues of the SNWA and/or revenues made available to the SNWA by certain members of the SNWA. AB 201, approved by the 1997 State Legislature, provides that members of the SNWA must contract with the SNWA to make payments from the revenues of the members' water systems that, in the aggregate, are fully sufficient to pay those bonds as they become due. If the water revenues of any such member are insufficient to pay the member's share of the amount due on the bonds, the member shall pay the deficiency out of money available for that purpose in the general fund of the member. If the money in the general fund of the member is insufficient to pay fully any such deficiency promptly, the member shall levy a general ad valorem tax on all taxable property within the member's boundaries at a rate necessary to produce revenue in an amount sufficient to pay that member's share of the payments due on the bonds. The obligations of the members of the SNWA to the SNWA and the State because of the acquisition of bonds of the SNWA pursuant to AB 201 do not constitute indebtedness of the members within the meaning of any constitutional, charter, or statutory limitation or other provision restricting the ability to incur debt. Nevada statutes provide that no act concerning the County Bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the Bonds or their security until all of the Bonds have been discharged in full, or provision for their payment and redemption has been fully made.

Payment of the County Bonds is not secured by an encumbrance, mortgage, or other pledge of property of the SNWA, and no property shall be liable to be forfeited or taken in payment of the County Bonds; provided payment of the Bonds is secured by the SNWA revenues, which are pledged for payment of the Bonds. Furthermore, Section 350.606 of the Bond Act provides that no recourse



shall be had for the payment of the principal of, interest on, or any prior redemption premiums due, in connection with municipal securities such as the County Bonds, or for any claim based thereon or otherwise upon the resolution authorizing their issuance, against any individual trustee, officer, employee or other agent of the SNWA, past, present or future, either directly or indirectly by virtue of any statute or rule of law.

Authorized and Proposed New County Bonds. The SNWA does not intend to issue any new County Bonds in fiscal year 2025-26. However, the bond market is monitored for savings opportunities via refunding or restructuring existing debt issues.

Debt Service Requirements. See the appendix for the table illustrating the debt service to maturity for the existing County Bonds.

Property Tax Rate Impact. There is no impact on tax rates as principal and interest on the County Bonds is payable from the SNWA’s pledged revenues only. See the appendix for the table illustrating the SNWA’s pledged revenues and debt service coverage.

Bonded Indebtedness. The following table shows the outstanding County Bonds as of June 30, 2024.

Bond Series	Issue Date	Original Amount Issued	Outstanding Principal
2016A	Mar-16	\$ 263,955,000	\$ 62,150,000
2016B	Aug-16	271,670,000	199,960,000
2017	Mar-17	321,640,000	240,970,000
2021	Nov-21	67,620,000	67,620,000
2022A	May-22	75,090,000	75,090,000
Total			<u>\$ 645,790,000</u>

Existing, Authorized and Proposed General Obligation/Water Revenue Bonds Issued by the State of Nevada Bond Bank (“State Bonds”)

The SNWS was originally financed by a combination of State of Nevada, CRC General Obligation Bonds and Federal Repayment Contracts entered into between the State and the United States Bureau of Reclamation (the Repayment Contracts). These debt obligations were transferred to SNWA effective January 1, 1996, according to the Transfer Act (Assembly bill No. 542, NRS Chapter 393).

The State Bonds are general obligations of the State, and the payment of principal and interest due thereon are secured by general taxes levied against all taxable property within the State, subject to limitations imposed by the constitution and statutes of the State. The full faith and credit of the State is pledged for the payment of the principal, redemption premium, if any, and interest on the State Bonds. For the purpose of paying the principal and interest on the Bonds, there shall be levied, until all the Bonds shall have been fully paid, a general tax on all property, both real and personal, subject to taxation within the boundaries of the State, including the net proceeds of mines, fully sufficient to pay and retire the State Bonds, without regard to any statutory tax limitations now or hereafter existing (other than the limitation of \$3.64 on each \$100 of assessed valuation in the State statutes, and after there are made due allowances for probable delinquencies).



The payment of the State Bonds is further secured by a lien on the net pledged revenues derived from the operation of the SNWA’s facilities.

In any year in which the total property taxes levied within the State by all overlapping units (e.g. the State, any county, the school district, any city, or any special district) exceed such property tax limitations, the reduction to be made by those units (including the State) must be in taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness, subject to any implied police power exception.

Nevada statutes provide that the faith of the State be pledged and any law supplemental or otherwise appertaining thereto, and any act concerning the Bonds, or other municipal securities, taxes or pledged revenues, shall not be repealed, amended, or modified in such a manner as to impair adversely the Bonds or their security until all of the Bonds have been discharged in full or provision for their payment and redemption has been fully made.

The payment of the State Bonds is not secured by an encumbrance, mortgage or other pledge of property of the State, except the proceeds of general taxes, net pledged revenues, and other money pledged for the payment of the Bonds shall be liable or forfeited for, or taken in payment of, the Bonds.

Authorized and Proposed New State Bonds. The SNWA does not intend to issue and new State Bonds in fiscal year 2025-26. However, the bond market is monitored for savings opportunities via refunding or restructuring existing debt issues.

Debt Service Requirements. See the appendix for the table illustrating the debt service to maturity for the existing State Bonds.

Property Tax Rate Impact. Principal and interest on the State bonds are payable from the SNWA’s net pledged revenues. There will be no direct impact on the State’s ad valorem tax rate as long as pledged revenues are sufficient to pay debt service on the outstanding bonds. See the appendix for the table illustrating the SNWA’s pledged revenues and debt service coverage.

Bonded Indebtedness. The following table shows the outstanding State Bonds as of June 30, 2025.

Bond Series	Issue Date	Original Amount Issued	Outstanding Principal
2009	Oct-09	\$ 2,214,457	\$ 569,432
2024 SRF	Oct-24	1,778,151	1,778,151
Total			\$ 2,347,582

Existing, Authorized and Proposed Water Revenue Bonds Issued by the Southern Nevada Water Authority (“SNWA Bonds”)

As of June 30, 2025, there were no SNWA Bonds outstanding.



Authorized and Proposed Future SNWA Water Bonds. The SNWA does not intend to issue any SNWA Bonds in fiscal year 2025-26.

Property Tax Rate Impact. Principal and interest on the SNWA bonds are payable from the SNWA's net pledged revenues. There will be no impact on ad valorem tax rates. See the appendix for the table illustrating the SNWA's pledged revenues and debt service coverage.

Debt Capacity

Response to NRS 350.013 1(c):

(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit.

The SNWA does not have a specific debt limit dollar amount threshold. The SNWA's ability to issue and pay its debt is a function of its capital needs and revenues generated from the SNWA's facilities.

Debt Comparison (per capita and assessed valuation)

Response to NRS 350.013 1(c):

(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state;

(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;

The SNWA currently has no outstanding bonds payable directly from property taxes, as the SNWA cannot levy property taxes. The existing and proposed Bonds are payable from pledged water revenues.

Policy Statement for Sale of Debt

Response to NRS 350.013 1(c):

(5) Policy regarding the manner in which the municipality expects to sell its debt.

There are two ways bonds can be sold: competitive (public) or negotiated sale. NRS 350.105 to 350.195 sets forth the circumstances under which a local government may sell its bonds at a competitive or negotiated sale. The SNWA will follow these statutory requirements in determining the method of sale for its bonds. The Government Finance Officers Association also urges "competitive sales should be used to market debt whenever feasible".

Competitive and negotiated sales provide for one or more pricings, depending upon market conditions or other factors. Either method can provide for changing sale dates, issue size, maturity amounts, term, bond features, etc. The timing of any sale is generally governed by the requirements of the Nevada Open Meeting Law.



Competitive Sale

In a competitive sale, all underwriter(s) are invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter(s) presenting the best bid according to stipulated criteria set forth in the notice of sale. The best bid is determined based on the lowest overall interest rate.

Negotiated Sale

In a negotiated sale, an exclusive arrangement is made between the issuer and an underwriter or underwriting syndicate. At the end of successful negotiations, the issue is awarded to the underwriter.

A negotiated underwriting may be considered based upon one or more of the following criteria:

- Extremely large issue size.
- Complex financing structure (i.e. new security feature, variable rate financings, new derivatives, and certain revenue issues, etc.) which provides a desirable benefit to the SNWA.
- Difficulty in marketing due to credit rating or lack of bids.
- Private placement, or sale to a municipality, to the State, or a federal agency.
- Other factors which lead the SNWA to conclude a competitive sale would not be effective, including market conditions.

It is the policy of the SNWA to provide minority owned business enterprises, women owned business enterprises and all other business enterprises an equal opportunity to participate in the performance of the SNWA contracts. At a competitive sale, bidders are requested to assist the SNWA in implementing this policy by taking all reasonable steps to ensure all available business enterprises, including minority and women business enterprises, have an equal opportunity to participate in the SNWA contracts.

Underwriter Selection for Negotiated Sale

- The Chief Financial Officer (CFO) will establish a list of pre-qualified underwriters when a negotiated sale is anticipated. The list will be based, in part, on the firms who have submitted bids for the SNWA's competitive bond issues over the prior five years. In addition, the list may contain firms that have participated in other financings in Nevada (in competitive bids or negotiated sales), demonstrated ability and interest in SNWA financings, or have submitted financing ideas and concepts for SNWA's consideration over the past five years.
- The CFO may distribute, or request that the SNWA's Financial Advisors distribute on behalf of the SNWA, a Request for Proposal (RFP) to underwriting firms on the list. The RFP may include, at a minimum, information regarding the firm's qualifications, staffing and personnel assigned to the SNWA, fees (including takedown and management fee, if any), debt structuring, marketing, expected yield, and credit strategies. Before selecting a firm or firms, the CFO may, but is not required to, conduct interviews of firms who submit responses to the RFP.
- The selection of underwriter(s) may be based on the overall quality of the response, qualifications of the firm, demonstrated success in pricing bonds, understanding of the SNWA's objectives, qualifications of the banking and underwriting team to be assigned to the SNWA, fees, applicability of the marketing and credit strategy, and relevance and quality of structuring proposals.
- The CFO will designate the senior manager and book-running senior manager if there are co-senior managers, as well as the co-managers from the firms selected through the RFP process. The CFO will determine the length of time that the selected firms will serve as the syndicate for the SNWA.



Such a selection can be for a single transaction or multiple transactions, but the syndicate will be reviewed and a new RFP will be issued at intervals not greater than every five years.

Syndicate Policies

- The CFO will establish designations and liabilities. At a minimum, in a syndicate with three or more firms serving as co-managers, the designation rules will include a minimum of three firms to be designated, with a minimum of five percent to any firm. The CFO will also determine the maximum amount to be designated to a single firm (typically 60 percent, but this can be higher or lower, depending upon the size of the syndicate and the par amount of the transaction). In addition, the CFO will determine the appropriate allocation of liabilities and equivalent share of compensation for group net orders.
- Prior to the sale of bonds, the senior book-running manager will submit a Syndicate Policy Memo to the CFO for approval. At a minimum the Syndicate Policy Memo will include:
 - Average Takedown and takedown by maturity.
 - Details of Underwriter expenses, including the cost of Underwriter's Counsel.
 - Designation rules.
 - Liabilities.
 - Order priority (unless otherwise agreed by the CFO, the order priority will be Nevada Retail, National Retail, Group Net or Net Designated, Member).
 - Definition of a retail order (unless otherwise determined by the CFO) will include orders placed by individuals, bank trust departments, financial advisors and money managers acting on behalf of individuals with a maximum of \$1 million per account.
 - Assignment of Refinitiv Credit.
- The Syndicate Policy Memo may include other relevant information (e.g., management fee or other fees, description of the sale timeline).

Selling Group

The CFO may establish a selling group to assist in the marketing of the bonds as warranted (based on market conditions and size of the transaction).

Allocation of Bonds

The book-running senior manager is responsible for allotment of bonds at the end of the order period. The CFO and the SNWA's Financial Advisors will review allotments to ensure the senior manager distributes bonds in a balanced and rational manner.

Operation Costs and Revenue Sources for Projects in Capital Improvement Plan

Response to NRS 350.013 1(c):

(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the tax rate.

As illustrated in the Net Pledged Revenues table in the appendix of this document, operational costs are funded with water revenues. It is the SNWA's intent to finance future operational costs with water



revenues and will therefore have no effect on ad valorem taxes. New capital improvement projects will allow the SNWA to expand the service area, thereby expanding the revenue base. New capital improvement projects will be funded with water revenues or bonds payable from water revenues.

Miscellaneous Items

Refundings

A refunding is generally the underwriting of a new bond issue whose proceeds are used to redeem an outstanding issue. Key definitions are described as follows:

- **Advance Refunding** - A method of providing for payment of debt service on a bond until the first call date or designated call date from available funds. Advance refundings are done by issuing a new bond or using available funds and investing the proceeds in an escrow account in a portfolio of U.S. government securities structured to provide enough cash flow to pay debt service on the refunded bonds.
- **Current Refunding** - The duration of the escrow is 90 days or less.
- **Gross Savings** - Difference between debt service on refunded bonds less debt service on refunding bonds less any contribution from the SNWA's reserves or debt service fund.
- **Present Value Savings** - Present value of gross savings discounted at the refunding bond arbitrage yield to the closing date plus accrued interest less any contribution from the SNWA's reserves or debt service fund.

Prior to beginning a refunding bond issue, the SNWA will review an estimate of the savings achievable from the refunding. The SNWA may also review a pro forma schedule estimating the savings assuming the refunding is done at various points in the future.

The SNWA will generally consider refunding outstanding bonds if one or more of the following conditions exist:

- For advance refundings, present value savings are estimated to be at least five percent of the par amount of the refunded or refunding bonds (whichever is greater) when initially presented to the Board and escrow efficiency is at least 60 percent.
- Escrow efficiency is defined as net present value savings divided by the sum of net present value savings and negative arbitrage in the escrow.
- For current refundings, net present value savings of at least three percent or the par amount of refunded or refunding bonds.
- The bonds to be refunded have restrictive or outdated covenants.
- Restructuring debt is deemed to be desirable.

The SNWA may pursue a refunding not meeting the above criteria if:

- Present value savings exceed the costs of issuing the bonds and the date of the option to call is three years or less.

Debt Structure

Maturity Structures. The term of the debt issues will not extend beyond the useful life of the project or equipment financed. As appropriate, debt should be structured to provide for level debt service.



Deferring the repayment of principal should generally be avoided except in instances where it will take a period of time before project or other revenues of the SNWA are sufficient to pay debt service, or where the deferral of principal allows the SNWA to achieve combined level debt service on all outstanding bonds.

Bond Insurance. The purchase of bond insurance may be considered as part of the structure of a bond issue. A bond insurance policy may be purchased by either an issuer or by an underwriter for either an entire issue or specific maturities to guarantee the payment of principal and interest. While this security provides a higher credit rating, and thus a lower borrowing cost for an issuer, such cost savings must be measured against the premium required for such insurance. The decision to purchase insurance directly versus bidder's option is based on:

- Market volatility
- Current investor demand for insured bonds
- Level of insurance premiums
- Ability to purchase bond insurance from bond proceeds

Bond insurance can be purchased directly by the issuer prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option).

When insurance is purchased directly by the issuer, the present value of the estimated debt service savings from insurance should be greater than the insurance premium. The bond insurance company will usually be chosen based on an estimate of the greatest net present value insurance benefit (present value of debt service savings less insurance premium).

Fixed and Variable Rate Debt

Fixed rate debt or variable rate debt may be issued, including (but not limited to) Commercial Paper, Variable Rate Demand Obligations, Index Bonds, or Extendible Commercial Paper.

- Fixed rate debt includes bonds that are issued generally for terms of 1 year to 30 years at a rate that does not change over the life of the bond.
- Variable rate debt includes debt that will pay an interest rate which varies, and is generally reset either daily, weekly or monthly. This rate may be based on remarketing or on a generally accepted index, such as LIBOR or SIFMA. In most markets, the interest rate on variable rate debt will be lower than the interest rate on fixed debt since the interest rate is based on a shorter term. But, variable rate debt has more interest rate risk as the interest rate is not set for the life of the bonds. In times of market stress, short-term interest rates have suffered significant increases, albeit for short periods of time.

Since variable rate debt has more interest rate risk, it shall not constitute more than 25 percent of the SNWA's overall debt portfolio. The CFO, in consultation with the Financial Advisors, will determine the appropriate form of variable rate debt, subject to the approval of the Board.

Financing Sources. The SNWA will evaluate available State and County bond financing programs before choosing the financing source. The SNWA will consider utilizing a State or County program if bonds can be sold by the State or County in a manner meeting the SNWA's timing needs, and if it is determined by the CFO that such program is the most cost-effective financing vehicle, and such determination is approved by the Board.



Chief Financial Officer Information

NRS 350.013 Subsection 1(e)

A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.

NAME: E. Kevin Bethel

TITLE: Chief Financial Officer

ADDRESS: 1001 South Valley View Boulevard
Las Vegas, NV 89153

TELEPHONE: (702) 822-8809



Appendix

Debt Service and Pledged Revenue Tables

1. Next Five Years of Existing and Proposed Debt Service
2. Existing Debt Service Issued by the LVVWD
3. Existing Debt Service Issued by Clark County
4. Existing Debt Service Issued by the State of Nevada
5. Existing Debt Service by all Issuers
6. Net Pledged Revenues



Next Five Years of Existing and Proposed Debt Service
As of June 30, 2025

<u>Fiscal Year</u>	<u>Debt Service</u>
2026	\$ 335,481,021
2027	328,272,014
2028	292,609,998
2029	278,514,483
2030	279,122,300
Total *	<u>\$ 1,513,999,816</u>

* Total may be off slightly due to rounding.



Existing Debt Service issued by the LVVWD
As of June 30, 2025

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 124,277,234	\$ 99,684,550	\$ 223,961,784
2027	121,008,850	93,471,009	214,479,859
2028	90,895,813	87,842,670	178,738,484
2029	82,123,880	83,630,104	165,753,984
2030	85,223,842	79,584,754	164,808,596
2031	74,516,532	75,375,576	149,892,109
2032	94,607,824	71,770,160	166,377,984
2033	111,108,633	67,590,550	178,699,184
2034	115,954,921	62,743,063	178,697,984
2035	87,812,696	58,082,738	145,895,434
2036	91,903,016	53,995,568	145,898,584
2037	96,181,992	49,714,642	145,896,634
2038	125,150,789	45,230,995	170,381,784
2039	155,455,629	39,310,705	194,766,334
2040	61,822,795	31,814,339	93,637,134
2041	64,618,633	29,010,751	93,629,384
2042	67,554,554	26,078,880	93,633,434
2043	51,577,041	23,012,293	74,589,334
2044	54,022,647	20,566,686	74,589,334
2045	56,588,005	18,004,228	74,592,234
2046	59,269,826	15,319,158	74,588,984
2047	31,694,905	12,505,879	44,200,784
2048	33,125,126	11,077,457	44,202,584
2049	34,617,468	9,583,916	44,201,384
2050	36,179,003	8,022,381	44,201,384
2051	37,811,909	6,389,675	44,201,584
2052	22,083,469	4,682,515	26,765,984
2053	23,171,080	3,594,904	26,765,984
2054	24,312,256	2,453,728	26,765,984
2055	25,509,634	1,256,349	26,765,984
Totals *	<u>\$ 2,140,180,000</u>	<u>\$ 1,191,400,222</u>	<u>\$ 3,331,580,222</u>

* Total may be off slightly due to rounding.



Existing Debt Service issued by Clark County
As of June 30, 2025

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 54,410,000	\$ 26,624,275	\$ 81,034,275
2027	59,510,000	23,793,650	83,303,650
2028	62,575,000	20,759,900	83,334,900
2029	64,320,000	17,855,775	82,175,775
2030	68,735,000	15,057,250	83,792,250
2031	60,330,000	12,139,225	72,469,225
2032	46,050,000	9,635,675	55,685,675
2033	35,870,000	7,780,575	43,650,575
2034	41,330,000	6,358,475	47,688,475
2035	38,785,000	4,878,875	43,663,875
2036	44,555,000	3,443,509	47,998,509
2037	45,910,000	2,085,572	47,995,572
2038	23,410,000	936,400	24,346,400
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-
2055	-	-	-
Totals *	<u>\$ 645,790,000</u>	<u>\$ 151,349,156</u>	<u>\$ 797,139,156</u>

* Total may be off slightly due to rounding.



Existing Debt Service issued by the State of Nevada
As of June 30, 2025

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 126,540	\$ 14,239	\$ 140,779
2027	126,540	17,782	144,322
2028	174,650	17,782	192,431
2029	223,482	17,059	240,541
2030	161,184	16,087	177,270
2031	98,895	15,105	114,000
2032	99,886	14,114	114,000
2033	100,888	13,112	114,000
2034	101,899	12,101	114,000
2035	102,921	11,080	114,000
2036	103,953	10,048	114,000
2037	104,995	9,006	114,000
2038	106,047	7,953	114,000
2039	107,110	6,890	114,000
2040	108,184	5,816	114,000
2041	109,269	4,732	114,000
2042	110,364	3,636	114,000
2043	111,471	2,530	114,000
2044	112,588	1,412	114,000
2045	56,717	284	57,000
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-
2055	-	-	-
Totals *	<u>\$ 2,347,582</u>	<u>\$ 200,765</u>	<u>\$ 2,548,348</u>

* Total may be off slightly due to rounding.



Existing Debt Service by All Issuers
As of June 30, 2025

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 178,813,774	\$ 126,323,064	\$ 305,136,838
2027	180,645,390	117,282,440	297,927,831
2028	153,645,463	108,620,352	262,265,815
2029	146,667,362	101,502,938	248,170,299
2030	154,120,026	94,658,091	248,778,117
2031	134,945,427	87,529,907	222,475,334
2032	140,757,711	81,419,948	222,177,659
2033	147,079,521	75,384,238	222,463,759
2034	157,386,820	69,113,639	226,500,459
2035	126,700,616	62,972,692	189,673,309
2036	136,561,968	57,449,125	194,011,093
2037	142,196,987	51,809,219	194,006,206
2038	148,666,836	46,175,348	194,842,184
2039	155,562,739	39,317,595	194,880,334
2040	61,930,979	31,820,155	93,751,134
2041	64,727,901	29,015,483	93,743,384
2042	67,664,918	26,082,516	93,747,434
2043	51,688,511	23,014,823	74,703,334
2044	54,135,235	20,568,098	74,703,334
2045	56,644,722	18,004,512	74,649,234
2046	59,269,826	15,319,158	74,588,984
2047	31,694,905	12,505,879	44,200,784
2048	33,125,126	11,077,457	44,202,584
2049	34,617,468	9,583,916	44,201,384
2050	36,179,003	8,022,381	44,201,384
2051	37,811,909	6,389,675	44,201,584
2052	22,083,469	4,682,515	26,765,984
2053	23,171,080	3,594,904	26,765,984
2054	24,312,256	2,453,728	26,765,984
2055	25,509,634	1,256,349	26,765,984
Total *	<u>\$ 2,788,317,582</u>	<u>\$ 1,342,950,143</u>	<u>\$ 4,131,267,726</u>

* Totals may be off slightly due to rounding.



Net Pledged Revenues
For the Fiscal Years Ended June 30

	2020	2021 Restated ⁽⁷⁾	2022 Restated ⁽⁸⁾	2023	2024
Operating Revenues					
Wholesale Delivery Charge	\$ 145,992,532	\$ 150,770,017	\$ 149,758,833	\$ 154,732,456	\$ 165,476,445
Regional Connection Charge	79,318,598	104,048,099	111,110,114	106,522,272	90,293,423
Regional Water Charges ⁽¹⁾	72,894,294	77,622,015	79,620,810	82,869,198	87,392,088
Regional Infrastructure Charges	167,503,236	171,062,310	180,478,489	199,087,470	213,396,859
Total Operating Revenues	465,708,660	503,502,441	520,968,246	543,211,396	556,558,815
Operating Expenses ⁽²⁾	178,900,875	179,836,948	197,865,394	231,908,209	225,164,155
Net Operating Revenues	286,807,785	323,665,493	323,102,852	311,303,187	331,394,660
Annual Debt Service on the Superior Obligations ⁽³⁾	1,218,416	-	-	-	-
Remaining Operating Revenues Available for Debt Service	285,589,369	323,665,493	323,102,852	311,303,187	331,394,660
Quarter Cent Sales Tax Revenues ⁽⁴⁾	-	-	-	-	98,605,514
Total Net Revenues Available for Debt Service	285,589,369	323,665,493	323,102,852	311,303,187	430,000,174
Beginning Unrestricted Fund Balance ⁽⁵⁾	668,048,175	778,382,776	888,219,468	936,581,669	1,063,759,952
Funds Available for Debt Service	953,637,544	1,102,048,269	1,211,322,320	1,247,884,856	1,493,760,126
Annual Debt Service on the Parity Obligations ⁽⁶⁾	\$ 247,348,664	\$ 261,661,238	\$ 280,121,332	\$ 289,984,485	\$ 289,835,575
Parity Obligations Debt Service Coverage	3.86	4.21	4.32	4.30	5.15

(1) Consist of Regional Commodity Charge and Regional Reliability Surcharge.

(2) Other non-cash adjustments are included. Excludes depreciation.

(3) Debt service accrued in each fiscal year is accounted for when owed to entities issuing the SNWA's Superior Obligations as required by the terms of the agreements with those entities.

(4) The Master Bond Repayment Agreement was amended in November 2023 to include sales tax proceeds among the pledged revenues.

(5) SNWA also may use other legally available moneys (including available fund balance) to pay debt service on its outstanding obligations. These figures represent beginning unrestricted fund balances (comprised of unrestricted cash, unrestricted investments and sales tax revenues regardless of classification for each fiscal year). The numbers in this table are not presented using Generally Accepted Accounting Principles (GAAP). Fiscal year 2019-20 amount does not reflect application in October 2019 of approximately \$36.3 million of unrestricted funds to defease the Clark County Revenue Refunding Bond, Series 2009. Fiscal year 2022-23 amount does not reflect application in February 2023 of approximately \$22.0 million of unrestricted funds to defease the State Bond Bank Refunding Bonds, Series 2013A.

(6) Includes debt service on the LVWD Bonds and County Bonds but does not include debt service on the subordinate debt or Commercial Paper Notes. The Commercial Paper Notes program was terminated in March 2021. Debt service is reduced by the "Build America Bond" subsidies with respect to the 2009A Bonds which were refunded on March 13, 2019.

(7) Fiscal year 2021 was restated in fiscal year 2022 to reflect the impact of the implementation of GASB Statement No. 87, Leases, which required reclassification of expenses from operations and maintenance expenses to amortization.

(8) Fiscal year 2022 was restated in fiscal year 2023 to reflect the impact of the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which required reclassification of expenses from operations and maintenance expenses to amortization.



SECTION 9
FINANCIAL POLICIES

Reserve Policy 9 - 221
Investment Policy 9 - 223
Capitalization Policy 9 - 240



Financial Policy

As operating agent for the Southern Nevada Water Authority, the Las Vegas Valley Water District (LVVWD) conducts a process to update and improve its operating policies and procedures on an ongoing basis. The attached financial policies represent a portion of the approved operating policies of the LVVWD.



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



LAS VEGAS VALLEY WATER DISTRICT BOARD POLICY	SUBJECT: LAS VEGAS VALLEY WATER DISTRICT INVESTMENT POLICY	NUMBER: 12
	APPROVED BY: 	ISSUE: 1
ISSUING DEPARTMENT: FINANCE	BOARD OF DIRECTORS December 1, 2020	PAGE: 1 OF 16

**AMENDED AND RESTATED LAS VEGAS VALLEY WATER
DISTRICT INVESTMENT POLICY**

I. Purpose

To provide a policy for the investment of funds to ensure the preservation of principal, ensure adequate liquidity to meet cash flow needs, and earn a market rate of return while conforming to all Nevada Revised Statutes (NRS) and other regulations governing the investment of public funds.

II. Scope

This policy applies to the investment activities of the Las Vegas Valley Water District (LVVWD) and for other entities which the LVVWD has fiduciary responsibility, i.e., the Southern Nevada Water Authority. Should bond covenants be more restrictive than this policy, bond proceeds will be invested in full compliance with those restrictions. The pension and other retirement related investment activities are excluded from this policy and are governed by the Amended and Restated Retirement Plan Investment Policy (Retirement Plan Investment Policy). Except for the Retirement Plan Investment Policy or other retirement related investment policies, this policy shall supersede and replace any previous or existing LVVWD investment policy.



III. Objectives

The primary objectives of the investment activities are, in order of importance:

- A. Safety: Safety of principal is the foremost objective of the investment program. Investments by the CFO shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated.
- B. Liquidity: The investment portfolios will remain sufficiently liquid to ensure that all operating requirements which might be reasonably anticipated are met.
- C. Yield: The investment portfolios shall be structured with the objective of earning a market rate of return in relation to the prevailing budgetary and economic environments and considering the LVVWD's investment risk constraints and the cash flow characteristics of the portfolios.

IV. Standard of Prudence

The investment activities shall comply with the "Prudent Person" standard which states: *"There shall be exercised the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived"*.

V. Responsibility

In accordance with NRS 355.175, the Board of Directors (Board) has delegated the authority to conduct investment activities to the Chief Financial Officer (CFO). This delegation includes the authority to conduct business with banks, broker-dealers, custody agents, advisors, money managers, and others to carry out the investment activities. Investment advisors must be registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The investment advisor must provide to the CFO a copy of their form ADV Part 1 and Part 2 on an annual basis or confirm on an annual basis there have been no substantive changes.

VI. Ethics and Conflicts of Interest

Officers, employees, and external managers involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Moreover, all employees shall comply with the LVVWD's Professional Code of Ethics as well as the LVVWD's Conflict of Interest policies.



VII. Broker-Dealers

Investment transactions may be executed internally by staff or externally by money managers.

A. When executed internally by staff, a list of authorized broker-dealers will be maintained. Transactions are only permissible with authorized brokers, which will be selected according to the following guidelines:

1. Primary dealers are eligible. A primary dealer is a bank or securities broker-dealer that may trade directly with the Federal Reserve System of the U.S.
2. Banks are eligible if they are chartered to do business within the U.S., including U.S. branches or agencies of foreign banks.
3. Those not considered primary dealers or chartered banks must provide:
 - a. Audited financial statements annually
 - b. Proof of registration with the Financial Industry Regulatory Authority (FINRA) as a broker or broker-dealer
 - c. Proof that they meet the minimum capital requirements of the Uniform Net Capital Rule set forth in 17 CFR s 240.15c3-1
4. All must provide proof that they are registered to conduct business in the State of Nevada
5. All must certify that they:
 - d. Are familiar with the precautions appropriate to public sector investments
 - e. Understand the LVVWD's investment policy and will not participate in transactions with the LVVWD that violate this policy
6. Preference will be given to firms whose operations are housed in Nevada

B. In the case of external money managers, they are authorized to manager their broker-dealer relationship according to their own policies and practices.

VIII. Authorized Investments

The LVVWD may buy, sell, or trade securities authorized by NRS 355. The following is a summary of some of those securities:



U.S. Treasury Obligations

NRS:	355.170,1(a) and 355.170,1(e)
Maximum Term:	10 years
Maximum Type Allocation:	Not applicable
Maximum Issuer Concentration:	Not applicable
Minimum Issuer Rating:	Not applicable
Other:	Any bonds, bills, notes, or other debentures of the federal government of the U.S.A.

Federal Agencies Obligations

NRS:	355.170,1(f)
Maximum Term:	10 years
Maximum Type Allocation:	Not applicable
Maximum Issuer Concentration:	Not applicable
Minimum Issuer Rating:	Not applicable
Other:	Obligations of any agency or instrumentality of the federal government of the U.S.A. Examples include FHLB, FFCB, FHLMC, FNMA, FAMC, GNMA, and TVA

Money Market Mutual Funds (MMF)

NRS:	355.170,1(n)
Maximum Term:	Not applicable
Maximum Type Allocation:	Not applicable
Maximum Issuer Concentration:	Not applicable
Minimum Fund Rating:	AAA equivalent or better by a NRSRO
Other:	Registered with the Securities and Exchange Commission. Invest only in U.S. treasuries, U.S. federal agencies, or repurchase agreements fully collateralized by U.S. treasury/federal agency securities, and maintain a constant net asset value (NAV)

Commercial Paper

NRS:	355.170,1(m)
Maximum Term:	270 days
Maximum Type Allocation:	25%
Maximum Issuer Concentration:	5% in aggregate with corporate notes/bonds and CDs
Minimum Issuer Rating:	A-1, P-1, F-1 equivalent or better by a NRSRO
Other:	Issued by a corporation organized and operating in the U.S. or by a depository institution licensed by the U.S. or any state

Negotiable Certificates of Deposit

NRS:	355.170,1(g)
Maximum Term:	5 Years
Maximum Type Allocation:	25%
Maximum Issuer Concentration:	5% in aggregate with corporate notes/bonds and CP
Minimum Issuer Rating:	A-1, P-1, F-1 equivalent or better by a NRSRO. If longer than one year, the issuing entity shall have a long-term rating of "A"



category, equivalent or better, by a NRSRO. Not applicable if at or below the FDIC limit.

Other: Issued by commercial banks, insured credit unions, savings and loan associations, or savings banks

Non-Negotiable Certificates of Deposit (At or below the FDIC Limit)

NRS: 355.170,1(i)

Maximum Term: 5 years

Maximum Type Allocation 25%

Maximum Issuer Concentration: FDIC limit

Minimum Issuer Rating: Not applicable

Other: Issued by commercial banks, insured credit unions, savings and loan associations, or savings banks

Corporate Notes, Bonds, and Other Unconditional Obligations

NRS: 355.171,1(a)

Maximum Term: 5 years

Maximum Type Allocation 25%

Maximum Issuer Concentration: 5% in aggregate with CDs and CP

Minimum Issuer Rating: "A" category, equivalent or better by a NRSRO

Other: Purchased from a registered broker-dealer, issued by corporations organized and operating in the United States

Asset-Backed Securities

NRS: 355.171,1(c)

Maximum Term: Not applicable

Maximum Type Allocation 20%

Maximum Issuer Concentration: 5%

Minimum Issuer Rating: AAA equivalent or better by a NRSRO

Collateralized Mortgage Obligations (Federal Agencies)

NRS: 355.171,1(c)

Maximum Term: Not applicable

Maximum Type Allocation 20%

Maximum Issuer Concentration: 40%, combined with federal agencies

Minimum Issuer Rating: AAA equivalent or better by a NRSRO

State and Local Government Obligations

NRS: 355.170,1(l)

Maximum Term: 10 years

Maximum Type Allocation 20%

Maximum Issuer Concentration: 5%

Minimum Issuer Rating: "A" category, equivalent or better by a NRSRO

Other: Must be tax exempt



Bankers' Acceptances

NRS:		355.170,1(k)
Maximum Term:		180 days
Maximum Type Allocation	20%	
Maximum Issuer Concentration:		5%
Minimum Issuer Rating:		A-1, P-1, F-1 equivalent or better by a NRSRO
Other:		The kind and maturities made eligible by law for rediscount with Federal Reserve Banks, and generally accepted by banks or trust companies which are members of the Federal Reserve System

State of Nevada Local Government Investment Pool (LGIP)

NRS:		355.167,2 and 355.170,1(h)
Maximum Term:		Not applicable
Maximum Type Allocation	Not applicable	
Maximum Issuer Concentration:		Not applicable
Minimum Fund Rating:		Not applicable

Supranational Obligations

NRS:		355.170,1(b)
Maximum Term:		5 years
Maximum Type Allocation	15%	
Maximum Issuer Concentration:		10%
Minimum Issuer Rating:		"AA" category, equivalent or better by a NRSRO
Other:		Issued by International Bank for Reconstruction and Development, the International Finance Corporation, or the Inter-American Development Bank. Obligations shall be denominated in U.S. dollars, be senior unsecured unsubordinated debt.

Foreign Financial Institutions, Corporations, and Governments

NRS:		355.170,1(c)
Maximum Term:		5 years
Maximum Type Allocation	10%	
Maximum Issuer Concentration:		5%; 2.5% for Corporations (in aggregate with CP, CDs)
Minimum Issuer Rating:		"AA" category, equivalent or better by a NRSRO
Other:		Denominated in US Dollars, publicly traded, and purchased from a registered broker dealer. Securities must be registered with the Securities and Exchange Commission in accordance with the provisions of the Securities Act, must be senior unsecured unsubordinated obligations.

Repurchase Agreements

NRS:		355.170,2
Maximum Term:		90 days
Maximum Type Allocation	20%	
Maximum Issuer Concentration:		Not applicable
Minimum Issuer Rating:		Not applicable



Collateral:	102%, by treasury and federal agency securities with a stated final maturity of 10 years or less
Marked-to-Market	At least weekly
Other:	Executed with a bank organized and operating or licensed to operate in the United States under federal or state law or a securities dealer which is a registered broker-dealer, designated by the Federal Reserve Bank of New York as a primary dealer in United States government securities, and in full compliance with all applicable capital requirements, City Treasurer maintains a list of approved counterparties following a thorough review, counterparties execute a SIFMA Master Repurchase Agreement, counterparties regularly provide audited financial statements.

XI. Safekeeping and Custody

Securities purchased by the LVVWD shall be delivered against payment (delivery vs. payment) and held in a custodial safekeeping account with the trust department of a third-party bank insured by the Federal Deposit Insurance Corporation designated by the CFO for this purpose in accordance with NRS 355.172. A custody agreement between the bank and the LVVWD is required before execution of any transactions.

XII. Collateralization of Deposits

All LVVWD money deposited with a bank, savings and loan, savings bank or credit union including checking accounts, savings accounts, NOW accounts, non-negotiable certificates of deposit, time deposits or similar type accounts provided by the financial institution in excess of the amount of federal insurance will be fully collateralized in accordance with the guidelines set forth in NRS 356.

IX. Recordkeeping

For investment activities conducted internally, the CFO and their staff shall maintain records of those transactions. Those records shall include, but are not limited to, a description of the securities, disposition of those securities, date and amount of transactions. If an external money manager is used, then these records will be maintained by those money managers and be made available upon request by the LVVWD. The transactions shall be recorded in the accounting system of the respective entity in accordance in compliance with standards established by the Governmental Accounting Standards Board and other Generally Accepted Accounting Principles.

X. Reporting

An investment summary report shall be prepared monthly and reviewed by the CFO or their designee. Such reports will include a complete listing of securities held, income earned, weighted average maturity, aggregate current yield, and comparison to appropriate benchmark to



determine whether competitive market returns are being achieved.

Investment activities shall be reported in the Comprehensive Annual Financial Report for their respective entity in compliance with the standards established by the Governmental Accounting Standards Board and other Generally Accepted Accounting Principles.

XIII. Training

The District strives for professionalism and accountability in the investment of its funds. In order to assure the highest possible professional standards, District personnel responsible for overseeing the investment activities of an external money manager shall complete at least four hours of continuing professional education (CPE) each fiscal year. Internal staff whose primary responsibility is to execute investment activities shall obtain eight hours of CPE per fiscal year.

XIV. Audit and Internal Control

The transaction records, account statements, and monthly reports must be made available to the internal auditors and duly authorized external auditors within a reasonable time. In addition, internal controls will be implemented to prevent and/or detect losses of public funds arising from fraud, error, misrepresentation by third parties, or imprudent actions by employees and officers of the LVVWD as well as external managers.



APPENDIX A - SUMMARY OF AUTHORIZED INVESTMENTS

AUTHORIZED INVESTMENTS	MAXIMUM % HOLDINGS	PURCHASE RESTRICTIONS	MAXIMUM MATURITY	CREDIT QUALITY
US Treasury Obligations	100%	N/A	10 years	N/A
Federal Agency Obligations	100%	N/A	10 years	N/A
Money-Market Mutual Funds	100%	Government only, must maintain constant NAV	N/A	AAA rated from a NRSRO
Commercial Paper	25%	Max issuer 5%, combined with corporates and CD	270 days	A-1 equivalent or better by a NRSRO
Negotiable CDs	25%	Max issuer 5%, combined with corporates and CP	5 Years	A-1 equivalent or better by a NRSROs. Not applicable if at or below FDIC limit.
Non-Negotiable CDs	25%	FDIC limit (currently \$250,000)	5 years	N/A
Corporate Notes/Bonds	25%	Max issuer 5%, combined with CDs and CP	5 years	A equivalent or better by a NRSROs
Asset-Backed Securities	20%	Max issuer 5%	N/A	AAA by a NRSRO
Collateralized Mortgage Obligations	20%	Max issuer 40%, combined with federal agencies	N/A	AAA by a NRSRO
State and Local Government Bonds	20%	Max issuer 5%, tax exempt from federal taxes	5 years	A equivalent or better by a NRSRO
Bankers' Acceptances	20%	Max issuer 5%, generally accepted by banks or trust companies which are members of the Federal Reserve System	180 days	A-1 equivalent or better by a NRSRO
State of NV LGIP	N/A	N/A	Daily	N/A
Supranational Obligations	15%	Max 10% issuer, senior unsecured unsubordinated or unconditionally guaranteed by IBRD, IFC, or IADB	5 years	AA equivalent or better by a NRSRO
Foreign Financial Institutions, Corporations, and Governments	10%	Max issuer 5%, combined with CDs and CP. Denominated in US dollars. Publicly traded.	5 Years	AA equivalent or better by a NRSRO
Repurchase Agreements	20%	Counter-party restrictions, collateral to be US Government or Federal Agency securities with maximum maturity of 10 years. 102% of funds borrowed and marked-to-market weekly	90 days	N/A



APPENDIX B – GLOSSARY OF CASH MANAGEMENT AND INVESTMENT TERMS

The following is a glossary of key investment terms, many of which appear in the Association of Public Treasurers of the United States & Canada Model Investment Policy:

Accretion – The change in the price of a bond bought at a discount to the par value of the bond. Accretion can be thought as the antonym of amortization.

Accrued Interest - The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency - A debt security issued by a federally sponsored agency. They are backed by each agency with a market perception that there is an implicit government guarantee. An example of an agency is Federal National Mortgage Association (FNMA).

Amortization - The systematic reduction of an amount over a period of time.

Bankers Acceptances - A short-term credit instrument created by a non-financial firm and guaranteed by a bank as to payment. Acceptances are traded at discounts from face value in the secondary market based on the credit quality of the guaranteeing banks.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Settlement - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Certificate of Deposit - A debt instrument issued by a bank that will pay interest periodically or at maturity and principal when it reaches maturity. Maturities range from a few weeks to several years.

Collateralization – A process by which a borrower pledges securities, property, or other deposits for the



purpose of securing the repayment of a loan and/or security.

Collateralized (Guaranteed) Investment Contracts (CIC) – A CIC is a fixed rate, fixed maturity contract like a bond that is typically collateralized by an insurance company. However, unlike a bond, a CIC is always carried or valued at par. CICs are primarily utilized for the investment of bond proceeds.

Commercial Paper - An unsecured short-term promissory note issued by corporations with short maturities i.e., less than 270 days.

Convexity - A measure of a bond's price sensitivity to changing interest rates. This measure is generally applied to callable bonds. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Corporate Security – A debt obligation issued by a corporation.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk - The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return) - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Derivative Security - Financial instrument created from or whose value depends upon one or more underlying assets or indexes of asset values.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Discount Rate – The interest rate member banks pay the Federal Reserve when the banks use securities as collateral.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration - A measure of the timing of the cash flows, such as the interest payments and the principal



repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Effective Return - The sum of all investment income plus realized gains and losses.

External Manager – A person or persons not employed by the LVVWD that are engaged by the LVVWD to administer the LVVWD's cash and investments portfolio.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds) - Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend Fed Funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed Funds are immediately available funds.

Federal Funds Rate - Interest rate charged by one institution lending federal funds to the other.

Federal Reserve Board (FRB) - The governing body of the Federal Reserve System (12 regional Federal banks monitoring the commercial and savings banks in their regions). The board establishes policies on such key matters as reserve requirements and other regulations, sets the discount rate, and tightens or loosens the availability of credit in the economy.

Fitch – A company that as one of its services analyzes and rates securities (like S&P or Moody's).

Financial Industry Regulatory Agency (FINRA) - A self-regulatory organization of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Floating Rate Securities – A bond whose interest rate is adjusted according to the interest rates of other financial instruments. These instruments provide protection against rising interest rates but pay lower yields than fixed rate notes.

Governmental Accounting Standards Board (GASB) – GASB is a non-profit entity that was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities. Its standards guide the preparation of external financial reports of those entities.

Interest Rate - See "Coupon Rate."

Interest Rate Risk - The risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than



short-term securities. This configuration usually occurs during periods of (or anticipation of) high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 - Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity - An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Monetary Policy - The way in which the money supply is managed by the Federal Reserve Board. The FRB manipulates the money supply either through open market transactions, member bank reserve requirements, or through changing the Fed Funds Rate or the Discount Rate.

Money Market Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos, and federal funds).

Moody's Investors Service - A company that as one of its services analyzes and rates securities (like S&P and Fitch).

Mortgage-backed Security (MBS) - A security, generally issued or guaranteed by a federal agency that is backed by a pool of mortgages.

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the



security. It is also known as the "coupon," "coupon rate," or "interest rate."

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically in \$1,000 increments.

Positive (Normal) Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Prime Rate - A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal - The face value or par value of a debt instrument. Also, may refer to the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule or Standard of Prudence - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Regular Delivery - Securities settlement that calls for delivery and payment one business day following the trade date (T+1).

Reinvestment Risk - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (Repo) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act - Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping - Holding of assets (e.g., securities) by a financial institution.



Securities and Exchange Commission (SEC) – The government agency that regulates and supervises the securities industry. The commission administers federal law, formulates and enforces rules to protect against malpractice, and seeks to ensure that companies provide the fullest possible disclosure to investors. All the national exchanges and virtually all institutions in the securities industry fall under its jurisdiction.

Standard and Poor's (S&P) – A company that as one of its services analyzes and rates securities (like Fitch and Moody's Investors Service).

Swap - Trading one asset for another.

Total Return - The sum of all investment income plus realized and unrealized gain and losses.

Treasury Bills - Short-term U.S. government non-interest-bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to ten years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000.

Uniform Net Capital Rule - SEC Rule 15C3-1 outlining capital requirements for broker-dealers who must maintain a maximum ratio of indebtedness to liquid capital of 15 to 1. Indebtedness covers all money owed to a firm, including margin loans, and commitments to purchase securities (one reason new issues are spread among members of underwriting syndicates). Liquid capital includes cash and assets easily converted to cash.

Volatility - A degree of fluctuation in the price and valuation of securities.

"Volatility Risk" Rating - A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns ("aaa" by S&P; "V-1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc-" by S&P, "V-10" by Fitch).

Weighted Average Maturity (WAM) - The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.



Yield-to-call (YTC) - The rate of return an investor earns from a bond, assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



AUTHORIZATION

This Investment Policy has been adopted by the undersigned, as of December 1, 2020:



Marilyn Kirkpatrick, President



John Entsminger, General Manager



Kevin Bethel, Chief Financial Officer



LAS VEGAS VALLEY WATER DISTRICT FINANCE POLICY		
SUBJECT:	CAPITALIZATION POLICY	NUMBER: 2
APPROVED BY:	CHIEF FINANCIAL OFFICER	<i>E.L. Bethel</i>
DATE:	January 2, 2023	PAGES: 9

I. PURPOSE

This policy establishes the standards and procedures for ensuring that accounting for capital assets and depreciation follow management's objectives and generally accepted accounting principles ("GAAP").

II. SCOPE

This policy applies to the Las Vegas Valley Water District (LVVWD), the Southern Nevada Water Authority (SNWA) and other entities for which the LVVWD has fiduciary responsibility.

III. CAPITAL ASSETS

Capital assets are defined as tangible and intangible assets used in operations that generally provide benefits well beyond a single reporting period.

Costs related to capital assets can be classified into one of two categories. The accounting treatment of the same type of cost will vary depending upon which of the two categories below that it falls under:

A. Costs to the original purchase/construction of an asset.

For costs related to the original purchase/construction of an asset - All land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets other than software (assets that lack physical substance such as easements, water rights, etc.) that are used in operations, with an initial individual cost greater than \$10,000 and an estimated useful life of at least three years should be capitalized.



- Cost includes freight, taxes, fees, installation, labor, materials, as well as any other allowable costs necessary to place the asset into service in its intended location.
- Identifying details of any new capital asset will be gathered by Finance and added to the capital asset subledger when applicable. Examples of identifying details consist of, but are not limited to – Model, Manufacturer, General Description, Serial Number, Capital Project Number, Physical Location and Department Owner.
- Generally, the capitalization threshold is applied to individual items rather than groups of items. However, groups of assets with individual unit costs equal to or less than \$10,000 have been identified as significant to our operations and are capitalized regardless of individual unit cost. These groups of assets include meters, service laterals and pipelines. Assets/asset groups deemed significant may be revised only with written approval of the Chief Financial Officer.

B. Costs to an already existing asset, such as a repair or an improvement.

For costs related to an already existing asset, such as a repair or an improvement - A decision must be made as to whether the cost can be capitalized as an improvement to the original asset or should be recorded as an operating maintenance expense.

Capital asset related costs are deemed improvements and should be capitalized only if:

1. The costs exceed the capitalization dollar threshold, and
2. At least one of the following criteria is met:
 - The useful life of the asset is significantly extended past its original estimated life, or
 - The capacity of the asset is significantly increased, or
 - The quality of the output of the asset is significantly increased, or
 - The efficiency of the asset is significantly increased

Otherwise, the cost is considered normal maintenance and repairs since it does no more than return a capital asset to its original condition and does not qualify for capitalization. Costs related to normal maintenance and repairs are expensed and not capitalized. See [Attachment A](#) for a decision-tree to assist in determining whether expenditures are capital or operating and maintenance.



IV. COMPUTER SYSTEM SOFTWARE

Major on-premises computer software and Software-as-a-Service (SaaS) that includes a software license component that allows both the contractual right to take possession of the software at any time during the hosting period without significant penalty, and the ability to run the software on our own hardware or contract with another party unrelated to the vendor to host the software, whether purchased or internally developed, should be capitalized if the capitalizable cost exceeds \$100,000 and the useful life is at least three years.

Internally developed software has three phases of development. The accounting treatment of internally developed software costs depend heavily on both the nature of the activity and what phase of the project the cost is incurred. The type of costs typically found in each phase of the project and its proper accounting treatment are listed in the phases below.

- A. Preliminary Project Phase (Period before the date a commitment was made to purchase the software) – Expensed as incurred
 - Due diligence leading up to selection of software, including evaluation of alternatives and conceptual formulation
- B. Application Development Phase (Period starting after the date a commitment was made to purchase the software, but before the software is deemed substantially complete and operational) – Capitalized into the cost of software and amortized over useful life
 - Initial cost of software
 - Design of chosen path
 - Software configuration and software interfaces
 - Coding
 - Installation of software to hardware
 - Testing (Including parallel processing phase)
 - Data conversion (Only to the extent it is determined to be necessary to make the software operational)
- C. Post-Implementation/Operation Phase (Period after the date that the software is considered substantially complete and operational) – Depends on the situation, see below
 - Software support/maintenance agreement costs – Expense
 - Application training costs – Expense
 - Annual licensing fees – Expense
 - Data conversion – Expense (Only for data conversion that takes place after the software is determined to be operational)



- Modifications/updates – Depends on the situation, see below
 1. Modifications made to the software post-implementation that exceed \$100,000, by either internal parties such as IT, or an outside party, that do any of the following should be capitalized as an improvement to the existing software.
 - a. An increase in the functionality of the computer software, that is, the computer software can perform tasks that it was previously incapable of performing.
 - b. An increase in the efficiency of the computer software, that is, an increase in the level of service provided by the computer software without the ability to perform additional tasks.
 - c. An extension of the original useful life of the software.
 - d. If the modification/update does not result in any of the above outcomes (a., b., or c.) the modification should be considered maintenance, and the associated costs should be expensed as incurred.

NOTE: The activities within the phases of development may occur in a sequence different than described above. The recognition guidance for costs associated with the development of internally generated software should be applied based on the nature of the activity as the overriding factor, not the timing of its occurrence. For example, costs associated with application training activities that occur during the application development phase should still be expensed as incurred.

V. DONATED FACILITIES

Donated developer facilities are capitalized at the engineering estimates of acquisition value at the time the assets are donated.

VI. DISPOSAL OF CAPITAL ASSETS

Departments should notify Finance, via the Capital Asset Change Form found in [Attachment B](#), when disposing of capital assets so that Finance can remove the disposed assets from the capital asset system and properly calculate any gain/loss on disposal.

VII. TRANSFER OF CAPITAL ASSETS

Departments should notify Finance, via the Capital Asset Change Form found in [Attachment B](#), when an asset under their custody is being transferred to another department/location. This allows for Finance to update the location of the asset in the capital asset system.



VIII. IMPAIRMENT OR LOSS OF CAPITAL ASSETS

An impairment of a capital asset is defined as a significant, unexpected decline in the service utility of a capital asset. A capital asset should be tested for impairment by Finance when any one of the following triggering events occurs:

- Significant decline in the market value of the asset
- Significant change in the way the asset is used or a physical change in the asset
- Adverse changes in legal factors or business climate that affect the asset
- Current expectation that the asset will be disposed of significantly before the end of its useful life
- Project cancellation for capital asset still in development/construction
- An asset is lost or stolen

NOTE: If it is determined that a significant and unexpected decline in service utility has occurred that is more than temporary, it must be measured and reported in the financial statements. Departments should notify Finance, via the Capital Asset Change Form found in [Attachment B](#), of any potentially impaired or lost assets.

IX. CONSTRUCTION WORK-IN-PROCESS

In-process capital project costs will be recorded as Construction Work-in-Process (CWIP) until the project is deemed ready to be placed into service. Departments should notify Finance of any capital projects that reach substantial or final completion as soon as possible. Costs to be capitalized include material costs and labor, as well as any allowable ancillary costs that are necessary to place the asset into service in its intended location.

X. DEPRECIATION

Capital assets will be depreciated in the month placed into service using the straight-line method over the assets estimated useful life. Useful lives are determined by asset category. See below for a list of asset types and their useful lives. Assets with indefinite lives, such as land, will not be depreciated.



Major Capital Asset Categories

LVVWD, and other entities for which LVVWD has fiduciary responsibility	Global #	Useful Life (Years)
Collect/Impounding Structure	10201	20-50
Land/Land Rights	10101	Indefinite
Office Furniture/Equip (Excluding Computer System Software)	10901	5-10
Office Furniture/Equip (Computer System Software)	10901	5
Organizations & Improvements	10001	20-50
Pump Station/Wells	10401	11-30
Purification Equipment	10501	15-25
Services/Meters	10801	20-30
Telemetering/Valves/Miscellaneous	10701	10-75
Transportation/Work/Equipment	11001	3-10
Transmission/Distribution/Mains	10601	75

SNWA	Global #	Useful Life (Years)
SNWA - Land Warm Springs Ranch	19513	Indefinite
SNWA - Communication Equipment	19556	12
SNWA - Distribution Reservoirs	19526	50
SNWA - Laboratory Equipment	19552	15
SNWA - Lakes, Rivers, Other Intake	19512	75
SNWA - Land/Land Rights	19506	Indefinite
SNWA - Leasehold Improvement	19500	10
SNWA - Miscellaneous Equipment	19558	15
SNWA - Office Furniture/Equip (Excluding Computer System Software)	19548	5
SNWA - Office Furniture/Equip (Computer System Software)	19548	5
SNWA - Power Operated Equipment	19554	10
SNWA - Pumps & Pumping Equipment	19518	40
SNWA - Silverhawk Power Plant	19564	30
SNWA - Stores Equipment	19560	15
SNWA - Structures & Improvement	19508	20
SNWA - Supply Mains	19514	50
SNWA - Tool Shop/Garage Equipment	19550	15
SNWA - Transmission & Distribution Mains	19528	75
SNWA - Transportation Equipment	19562	5-10
SNWA - Water Treatment Equipment	19534	15
SNWA - Ranch Fencing	19576	7
SNWA - Ranch Machinery & Equipment	19577	7
SNWA- Ranch Miscellaneous	19582	5-7
SNWA- Ranch Office/Computer Equipment	19583	5
SNWA- Ranch Pumping Equipment	19580	7
SNWA- Ranch Residential Property	19579	27
SNWA- Ranch Structures	19578	10
SNWA- Ranch Vehicles	19581	5
SNWA- Ranch Wells	19575	15



XI. PHYSICAL INVENTORY

Departments who are in custody of major capital asset equipment or vehicles shall perform physical inventories of those assets compared to their internal listings and/or listings provided from Finance from the capital assets subledger at least once every five years. The results of these inventories are shared with Finance personnel responsible for updating the asset listing in the capital assets subledger. Those counts are reconciled to the capital asset subledger by Finance.

XII. ANNUAL REVIEW

This policy is to be reviewed annually to ensure compliance with accounting standards, evaluate efficiency of capitalization-related processes, and periodically review established capitalization thresholds.

XIII. GLOSSARY

Capital Assets: Capital assets are constructed or acquired for use in operations and not for resale. They are long term in nature.

Depreciation: The systematic and rational allocation of the historical cost of a capital asset – or if donated, the acquisition value of the capital asset at the time of donation – over its estimated useful service life.

Estimated Useful life: The estimated amount of time that an asset is expected to be useful. It is the period over which an asset's cost will be depreciated.

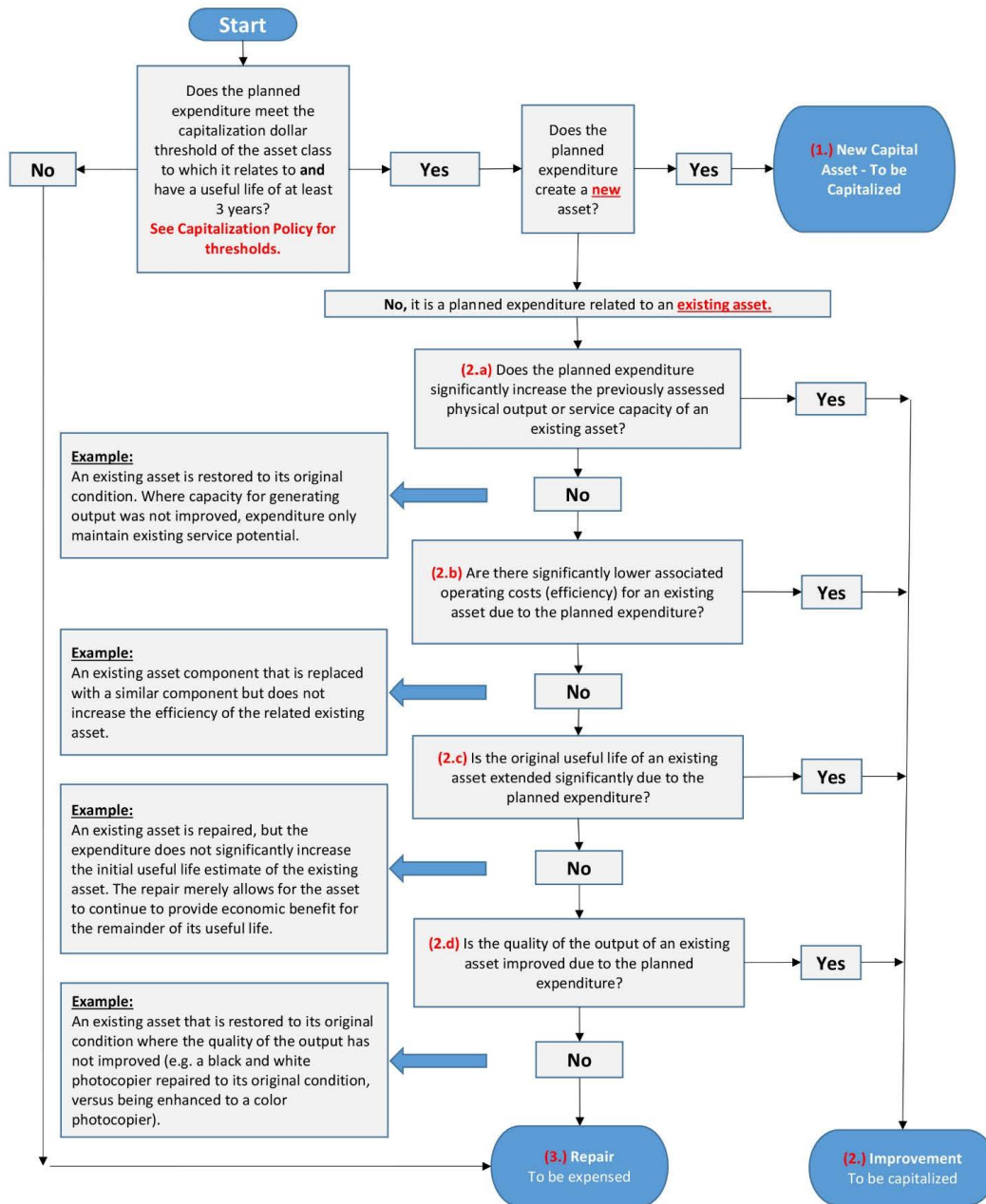
Historical Cost: The actual exchange value in dollars at the time the asset was acquired. It is measured by cash or cash equivalent price of obtaining the asset and any charges necessary to bring it to its intended location and to place the asset in its intended condition for use.

Straight-Line Depreciation Method: Is determined by the formula: $\text{Cost} - \text{Salvage value} / \text{Estimated useful life} = \text{Depreciation per period}$.

XIV. AUTHORITY

- GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*
- GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*
- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*
- GFOA Best Practices, *Capitalization Thresholds for Capital Assets*
- GFOA Best Practices, *Inventories of Tangible Capital Assets*



ATTACHMENT A**New Asset vs. Improvement vs. Repair Decision Tree**

ATTACHMENT B

Three companies, one job:
Working for a sustainable Nevada
LVVWD • SNWA • SPRINGS PRESERVE

Capital Asset Change Form

Date of Action: _____

Reason for disposal/move action:

- ☐ Damaged Beyond Repair
☐ Obsolete
☐ Destroyed
☐ Donated to: _____ . Please attach documentation.
☐ Lost/Stolen
☐ Sold, Sale Price \$ _____ . Please attach sales paperwork.
☐ Transfer
☐ Traded In
☐ Other

Explain:

Property Detail				
Asset Manufacturer	Serial #/VIN	Asset Description	Physical Location Before Action Date	New Physical Location

(Attach additional pages if necessary)

Person Completing this form

Date

Transfer Details (If Transferring)

From Department _____ To Department _____

Approvals

Signature of Department Releasing the Capital Asset

Date

Signature of Department Receiving the Capital Asset
(If Transferring)

Date

Please send the completed form to Finance at AssetAccounting@lvvwd.com. Contact Finance with any questions regarding completion of this form:



SECTION 10

GLOSSARY

Glossary	10 - 250
----------------	----------



Southern Nevada Water Authority
Operating and Capital Budget
Glossary

Fiscal Year Ending June 30, 2026

Accrual Basis Accounting. An accounting method that measures the performance and position of a company by recognizing revenue or expense events regardless of when cash transactions occur.

Acre-Foot (AF). A water measurement equating to 325,851 gallons or 43,560 cubic feet. An acre foot will supply the annual water needs of approximately 2 single family homes in the LVVWD's service area.

Alfred Merritt Smith Water Treatment Facility (AMSWTF). Built in 1971, the Alfred Merritt Smith Water Treatment Facility currently treats most of the Las Vegas Valley's drinking water. The facility can treat up to 600 million gallons a day (MGD).

American Water Works Association (AWWA). A 50,000-member nonprofit dedicated to science, technology, education and the managing and treating of water.

Amortization. Amortization is paying off a debt with a fixed repayment schedule in incremental installments over a period of time.

Annual Comprehensive Financial Report. A set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

Arizona Groundwater Banking Program. A program between SNWA and the Arizona Water Banking Authority (AWBA). In exchange for financial consideration, the AWBA will bank recharged water in Arizona for future use by Clark County, Nevada.

Arizona Water Banking Authority. (AWBA)

Army Corps of Engineers. (ACE)

Association for Supply Chain Management. (ASCM)

Association of Metropolitan Water Agencies (AMWA). An organization of the largest publicly owned water utilities in the USA speaking on water policy issues and programs that foster sustainable innovation.

Atmospheric Water Generator. (AWG)

Automatic Transfer Switch (ATS). An electrical switch that switches a load between two sources.

Average Speed of Answer. (ASA)

Balanced Budget. A budget where sources of funds are equal to uses of funds. The LVVWD is not required to issue a balanced budget.

Beginning Balance. Cash and cash equivalent balances at the beginning of an accounting period. For budget years this amount is an estimate. For actual years this amount is the actual amount of cash either in demand deposits or investments.

Big Bend Water District (BBWD). A general improvement district created in 1983 to supply water to Laughlin, Nevada.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary

Fiscal Year Ending June 30, 2026

Bond. A certificate of debt issued by a government or corporation guaranteeing payment of the original investment plus interest by a specified future date.

Bond Funds. Monies raised through debt issuance that are used for the acquisition or construction of capital assets.

Budget. Proposed financial plan over a given period of time, usually one year.

Budget Calendar. The schedule of key dates or milestones the LVVWD follows in the preparation and adoption of the budget.

Budget Document. The official written document prepared by the LVVWD and approved by the LVVWD's Board of Directors.

Budgetary Control. The management or control of a governmental unit or enterprise in accordance with an approved budget to keep expenditures within limitations of available appropriations and available revenues.

Budgeted Positions. A position that has been authorized (created by action of the LVVWD Board of Directors) and may be specifically funded through the budget process.

Bureau of Labor Statistics (BLS). A unit of the United States Department of Labor, serves as a statistical resource to the United States Department of Labor, and conducts research into how much families need to earn to be able to enjoy a decent standard of living.

Bureau of Reclamation (BOR). A federal agency under the U.S. Department of the Interior, which oversees water resource management, specifically as it applies to the oversight and operation of the diversion, delivery, and storage projects that it has built throughout the western United States for irrigation, water supply, and attendant hydroelectric power generation.

Capital Contributions. For net position purposes, defined as regional connection, commodity, reliability and infrastructure surcharge revenues as well as grant receipts.

Capital Expenditure. Funds used by a company to acquire, upgrade, and maintain fixed assets during a fiscal year, generally with a value of over \$10,000 and an estimated life of over three years.

Capital Improvement Plan (CIP). A multi-year plan project portfolio that identifies the time, cost and scope of capital projects and identifies options for financing.

Capital Revenue. A revenue source that is used solely to either retire debt or pay for construction of capital assets.

Captive Insurance. An alternative to self-insurance in which a parent group or groups create a licensed insurance company to provide coverage for itself.

Cathodic Protection (CP). A technique used to control the corrosion of a metal surface by making it the cathode of an electrochemical cell.

Center for Business and Economic Research. (CBER)



Southern Nevada Water Authority
Operating and Capital Budget
Glossary
Fiscal Year Ending June 30, 2026

Citizens Advisory Committee (CAC). A group of citizens convened to seek recommendations and help guide decision-making of the organization.

City of Henderson. (COH)

City of Las Vegas. (COLV)

City of North Las Vegas. (CONLV)

Clark County School District. (CCSD)

Clark County Water Reclamation District (CCWRD). Nevada's largest wastewater agency, treating wastewater from 248,000 accounts with over 2,200 miles of pipeline and 23 pumping stations.

Client-Defined Entity. (CDEs)

Closed-Circuit Television (CCTV). Also known as video surveillance, is the use of video cameras to transmit a signal to a specific place, on a limited set of monitors.

Colorado River Commission (CRC). An agency of the of the State of Nevada created to acquire and hold in trust Nevada's right to water and power resources from Colorado River water apportioned among the seven Colorado River Basin states and Mexico.

Commercial Driver's License. (CDL)

Commercial Paper. Short-term, unsecured, discounted, and negotiable notes sold through the open market. In most cases commercial paper provides immediate cash needs at lower rates than standard debt issues.

Connection. Generic term for a retail customer. Currently a connection is estimated to increase the annual load on the water delivery system by 0.45 acre-foot per year. A customer whose annual load is estimated at more than 0.45 acre-foot per year is said to have multiple connections.

Conservation. The act of reducing demands for water in the most efficient manner. Encompassing policies, strategies and activities to manage water as a sustainable resource and protect the environment while meeting current and future demands. The LVVWD achieves the benefits of conservation through education of the end user, promoting water efficient hardware, and pricing signals.

Content Services Platform.(CSP)

Construction Expenditures. Generally, expenses made to build, supervise, or provide materials used in the construction of capital assets.

Continuity of Operations Plan. (COOP)

Consumer Price Index. (CPI)

Coyote Springs Water Resources General Improvement District (CSWRD). Created in 2006 to provide necessary water and wastewater services to the Coyote Springs community.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary
Fiscal Year Ending June 30, 2026

Cross Departmental Team. (CDT)

Debt Issuance Proceeds. Principal amount or face value of debt issues. These proceeds are used to pay for major construction expenditures incurred by the LVVWD.

Debt Service Payments. Funds used for the repayment of annual principal and interest charges on debt the LVVWD has issued.

Deoxyribonucleic Acid (DNA). A self-replicating material which is present in nearly all living organisms as the main constituent of genetic information.

Department. A basic organizational unit of the LVVWD that is functionally unique in its delivery of services.

Depreciation. A reduction in the value of a physical asset with the passage of time.

Disbursements. Funds actually expended.

Disinfection by Products. (DBPs)

Dissolved Air Flotation (DAF). A water treatment process that clarifies wastewaters (or other waters) by the removal of suspended matter such as oil or solids.

Division. Organizational component of a department.

Drought Contingency Plan (DCP). Due to the historic drought conditions since 2000, the Department of the Interior requested State Governors along the Colorado River to submit Drought Contingency Plans (DCPs) to reduce the risks the Colorado River Basin is facing for Lake Powell and Lake Mead.

Eastern Nevada Transmission Project (ENTP). A 230 kV transmission system that would allow for the interconnection of SSEA members' electrical systems with each other and with the mead substation.

Emergency Response Plan (ERP). A plan created by the EHS&CS department to prepare for and mitigate risk.

Employee Performance Development System. (EPDS)

Ending Balance. Cash and cash equivalent balances at the ending of an accounting period. For budget years this amount is an estimate. For actual years this amount is the actual amount of cash either in demand deposits or investments.

Energy. Collective name for electricity and natural gas purchases used to treat and distribute water throughout the LVVWD's service area as well as power office buildings and other ancillary locations.

Engineering Department Management System. (EDMS)

Engineering News Record. (ENR)

Engineering Project Management. (EPM)

Engineering Project Scheduling and Management System. (EPSM)



Southern Nevada Water Authority
Operating and Capital Budget
Glossary

Fiscal Year Ending June 30, 2026

Enterprise Asset Management. (EAM)

Enterprise Funds. Funds used to account for operations: 1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise Risk Management. (ERM)

Environmental Protection Agency (EPA). An agency of the U.S. federal government which was created for the purpose of protecting human health and the environment by writing and enforcing regulations based on laws passed by Congress.

Environmental, Health, Safety & Corporate Security (EHSCS). A department of the SNWA and LVVWD. Also abbreviated as EHS&CS.

Environmental, Health, and Safety (EHS). A division of the SNWA and LVVWD EHSCS department.

Escherichia Coli (EC). A bacterium commonly found in the intestines of humans and other animals, some strains of which can cause severe food poisoning.

Excessive Use Charge. (EUC)

Expenditure. The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Federal Bureau of Investigation. (FBI)

Fiscal Year (FY). For the Las Vegas Valley Water District, the 12-month period begins with July 1, and ends with June 30 of the designated fiscal year; e.g. FY 2025-26 ends on June 30, 2026.

Fringe Benefits. Various types of non-wage compensation provided to employees in addition to their normal wages or salaries.

Full-Time Equivalent (FTE). The number of positions that equate to a 40-hour work week for 52 weeks, or one full year. For example, two part-time positions, each working 20 hours per week, equals one FTE.

Full-Time Equivalent Employee (FTE). A person employed in the capacity of a Full-Time Equivalent.

Fund. A fiscal and accounting tool with a self-balancing set of accounts to record revenue and expenditures.

Fund Balance. Also known as beginning balance and ending balance. This represents the estimated cash balance in a specific fund at the beginning or ending of an accounting period.

Fund Equity. The excess of an entity's assets over its liabilities.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary

Fiscal Year Ending June 30, 2026

Gallons Per Minute (GPM). Also known as ‘flow rate’, GPM is a measure of how many gallons of water flow out of your shower head each minute.

General Obligation Debt. Bonds where the full faith and credit of the issuer is pledged to the repayment of the bonds.

Generally Accepted Accounting Principles (GAAP). A body of accounting and financial reporting standards set by the Governmental Accounting Standards Board (GASB) for state and local governments, and by the Financial Accounting Standards Board (FASB) for private sector organizations.

Government Finance Officers Association (GFOA). A professional association of approximately 21,000 state, provincial, and local government finance officers in the United States and Canada. In 1984, the GFOA signed an agreement with the Financial Accounting Foundation that gave them a voice and appointments in the creation of the Governmental Accounting Standards Board (GASB).

Grant. A contribution by a government or other organization to support a particular function. Grants may be classified as categorical or block, depending upon the amount of discretion allowed the grantee.

Great Recession. A global economic decline which began after 2005 and lasted roughly through the end of 2010.

Groundwater Management Fees. Fees imposed on municipalities and individual well owners. The proceeds of these fees are used to implement artificial recharge to benefit well users, provide financial assistance to well owners who are required to connect to municipal water by the Nevada State Engineer, and pay for general maintenance costs of the groundwater management program.

Home Owner Association (HOA). An organization in a subdivision, planned community or condominium that makes and enforces rules for the properties within its jurisdiction.

Human Resources Information System. (HRIS)

IDEXX. Diagnostic and software production company.

Incident Command System. (ICS)

Information Governance. (IG)

Information Technology. (IT)

Information Technology Customer Support team. (ITCS)

Intake No. 3. One of the largest municipal water projects in the United States constructed to draw water from Lake Mead at levels as low as 1,000 feet, 75 feet lower than SNWA’s highest intake.

Intelligent Water (iWater). A tool to provide additional features, making it easier to create pumping plans, and will incorporate PRV and pressure station data for model calibration.

Intentionally Created Surplus. A type of surplus water that has been created or credited to a water agency through actions that conserve water and increase Lake Mead storage.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary

Fiscal Year Ending June 30, 2026

Interest Earned. Monies earned by investing idle funds in the open market.

Inter-fund Loan. An internal financing device used by the wholesale delivery operations, capital improvements plan, and Las Vegas wash sub funds wherein money is “loaned” to the sub funds by the new expansion debt service sub fund. The WDO sub fund will repay the loan as the actual market price of power falls below the model clearing price. The M CCP sub fund will repay the loan when additional bond proceeds become available. The LVW sub fund will repay the loan with future sales tax revenues. In each case the repayments will include amounts equal to the estimated amount of interest the NEDS could have earned from the loan proceeds in addition to the principal.

Interest Earned. Monies earned by investing idle funds in the open market.

Intergovernmental Revenue. Revenue received from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

International Ozone Association – Pan American Group (IOA-PAG). A nonprofit educational and scientific organization dedicated to the collection and dissemination of information on, and to promote research in, any and all aspects of ozone and related oxygen species technologies.

Investment. Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

Kyle Canyon Water District. (KCWD)

Labor. A budget category that includes all LVVWD employee salaries including overtime, longevity pay, and benefits. Labor can either be paid by operating funds or capital funds according to then activity/project in which it was expended.

Laboratory Information Management System (LIMS). A laboratory information management system is a software-based laboratory and information management system with features that support a modern laboratory's operations.

Las Vegas Metropolitan Police Department. (LVMPD)

Las Vegas Review Journal. (LVRJ)

Las Vegas Valley Groundwater Management Program (LVVGMP). In 1997, the Nevada Legislature directed the Southern Nevada Water Authority (SNWA) to develop the Las Vegas Valley Groundwater Management Program to protect and manage the valley's primary groundwater supply. The program protects the local groundwater basin from over-drafting and potential sources of contamination.

Las Vegas Valley Groundwater Management Program Sub Fund. Sub fund that tracks revenues and expenses incurred from the SNWA program designed to protect and manage the Las Vegas valley's primary groundwater supply.

Las Vegas Valley Water District (LVVWD). The major largest water retailer in southern Nevada with a customer base of more than 1.5 million people. The LVVWD is the operating agent of the Southern Nevada Water Authority although the two companies are autonomous and produce financial records and statements independent of each other.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary

Fiscal Year Ending June 30, 2026

Las Vegas Wash (LVW). The primary channel through which the valley's excess water returns to Lake Mead. The water flowing through the wash comprises less than 2 percent of the water in Lake Mead and consists of urban runoff, shallow groundwater, storm water and releases from the valley's three water reclamation facilities.

Las Vegas Wash Program Fees. Fees imposed on signatories of the Las Vegas Wash Inter local Agreement that will be used for Las Vegas Wash operating expenses. The fees are net of any anticipated grant proceeds. Participants in the Inter local Agreement are the SNWA, the City of Henderson, the City of Las Vegas, Clark County, the Clark County Regional Flood Control District, and the Clark County Water Reclamation District.

Las Vegas Wash (LVW) Sub Fund. Sub fund that tracks capital and operational revenues and expenses pertaining to the Las Vegas Wash.

Leading Utilities of the World (LOUW). A global network of the world's most successful and innovative water and wastewater utilities.

Leak Repair Reimbursement Program. (LKRP)

Lease. A contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract. Lease contracts are bound by a period of time.

Light Detection and Ranging. (LiDAR)

London Interbank Offered Rate (LIBOR). An interest rate index used in financial contracts worldwide.

Long-Term Operating Plan. (LTOP)

Low Lake Level Pumping Station (L3PS). A significant component of the entire Intake No.3 Project, this portion includes the construction of a pumping station which will facilitate drawing water from lower levels of Lake Mead.

Major Construction and Capital Program (MCCP). A schedule of approved capital projects for SNWA, their estimated costs, and funding sources.

Megawatt Hour (MWh). A unit of power equal to one-million-watt hours. Energy in watt hours is the multiplication of power in watts and time in hours.

Metropolitan Water District of Southern California. (MWD)

Million-Gallon per Day (MGD). A unit of flow measurement. MGD is a standard measurement in the water utility industry.

Model Clearing Price. A power cost calculated per MWh and established to reflect the projected cost of electrical power over a ten-year period.

Moderate Resolution Imaging Spectroradiometer (MODIS). A key instrument that helps scientists determine the amount of water vapor in a column of the atmosphere and the vertical distribution of temperature and water vapor.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary
Fiscal Year Ending June 30, 2026

Modified Accrual Accounting. A basis of accounting in which expenditures are accrued when liability is incurred, but revenues are recognized only when they are measurable and available as net current assets. This method of accounting is statutorily required in Nevada.

Nellis Air Force Base's fifth Unregulated Contaminant Monitoring Rule. (UCMR 5)

Net Gallons per Capita per Day (GPCD). Measurement of water used in comparison between communities.

Net Position. Financial liabilities minus cash and cash equivalents. Net position was formerly known as fund equity until the application of GASB 65.

Nevada Department of Environmental Protection-Bureau of Safe Drinking Water. (NDEP-BSDW)

Nevada Department of Transportation. (NDOT)

Nevada Division of Environmental Protection (NDEP). State of Nevada agency whose mission is to preserve and enhance the environment of the State in order to protect public health, sustain healthy ecosystems, and contribute to a vibrant economy.

Nevada Revised Statutes (NRS). The current codified laws of the State of Nevada.

Nevada State Engineer (NSE). Leader of the Nevada Division of Water Resources and responsible for administering and enforcing Nevada Water Law.

New Expansion Debt Service (NEDS) Sub Fund. Sub fund that tracks revenues and expenses relating to debt service incurred from the expansion of the SNWA transmission and distribution system.

Northern Resources. All-inclusive term for water rights, land, and ranching operations owned by the SNWA and found in Lincoln and White Pine County, Nevada.

NvWARN. Network to support Nevada safe drinking water/wastewater facility resilience.

Occupational Health and Safety Administration (OSHA). An agency of the United States Department of Labor. OSHA's mission is to "assure safe and healthful working conditions for working men and women by setting and enforcing standards and by providing training, outreach, education and assistance".

Open Access Technology International Trade Capture System. (OATI)

Operating Budget. Authorized expenditures for on-going day-to-day services, e.g., maintenance, materials, supplies, etc.

Operating Expenses. This classification contains expenses such as professional services, rental expenses, research, and studies, etc. that are projected to be spent in the course of operations. On a GAAP prepared financial statement, these costs will appear on the Statement of Revenues, Expenses and Changes in Net Position.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary

Fiscal Year Ending June 30, 2026

Operating Revenue. For net position purposes, defined as wholesale delivery charge, net income from ranch operations, program fees collected from the operation of the Las Vegas Wash and groundwater management fees.

Other Revenues. Various sundry revenues from minor sources. Other revenues include, but are not limited to, reimbursement of Authority operating expenses for purveyors who do not use the SNWA's treatment facilities and income from the SNWA's Northern Resource holdings.

Period. The date (usually a 12 month span) that expenditures, encumbrances, etc. are recorded for reporting purposes.

Period Ending. The last date any expenditures, encumbrances, etc. are recorded for reporting purposes. Any data received after this date will be reflected in the next report. A Period Ending may be the end of a pay period, the end of the last pay period of a month, or the end of a calendar month.

Polyfluoroalkyl Substances (PFAS). A group of synthetic chemicals that have been used in many consumer products since the 1950s. PFAS are made up of carbon and fluorine atoms linked in a chain, which makes them difficult to break down in the environment.

Polymerase Chain Reaction (PCR). A method widely used in molecular biology to make many copies of a specific DNA segment.

Positions. Authorized (created by the LVVWD Board of Directors) employee slots (either currently filled or vacant) that are specifically funded through the budget process.

Potable Water. Water that has been treated and meets or exceeds standards set by the Safe Water Drinking Act.

Power. Electricity and natural gas costs that are used for the transportation and transmission of water throughout the LVVWD distribution system.

Power Purchase Agreement. (PPA)

Pressure Reducing Valve. (PRV)

Programmable Logic Controller. (PLC)

Proprietary Funds. Enterprise Funds and Pension Funds.

Public Records Requests. (PRRs)

Purveyor. A subset of the members of SNWA consisting of City of Boulder City, City of Henderson, City of Las Vegas, City of North Las Vegas, and the Las Vegas Valley Water District. These members purchase potable water from SNWA and remit a form of capital revenue.

Rate-of-Flow Control Systems (ROFCS). Flow control in a hydraulic system is to regulate speed. The device control the speed of an actuator by regulating the flow rate.

Recharge. Lake water injected directly into the aquifer by wells to store it for future use.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary

Fiscal Year Ending June 30, 2026

Regional. Pertaining to the area of Clark County, Nevada (the jurisdiction of SNWA).

Regional Commodity Charge. Charge placed each thousand gallons of potable water sold. This charge is collected by SNWA's purveyor members (City of Henderson, City of North Las Vegas, and Las Vegas Valley Water District only) and remitted monthly to SNWA.

Regional Connection Charge. Charge placed on new connections to the system. Mainly based on service size, although adjustments to certain customer classes are made. This charge is collected by SNWA's purveyor members (City of Henderson, City of North Las Vegas and Las Vegas Valley Water District only) and remitted monthly to SNWA.

Regional Infrastructure Surcharge. Surcharge placed on all retail water bills. Revenue collected by the purveyors on this charge is forwarded to SNWA monthly. The charge is based on the size of meter or meters that service a customer. Different rates apply for residential, nonresidential, and nonresidential fire services. Residential fire services are not assessed this charge.

Reliability Centered Maintenance.(RCM)

Reliability Surcharge. Surcharge placed on retail water bills. Currently the charge is 0.25% of total retail bill for residential customers, and 2.5% of total retail bill for non-residential services. This charge is collected by SNWA's purveyor members (City of Henderson, City of North Las Vegas, and Las Vegas Valley Water District only) and remitted monthly to SNWA.

Remote Operated Vehicle (ROV). Unoccupied, highly maneuverable underwater robots, typically operated by at, or above, the water surface.

Remote Terminal Unit, Programmable Logic Controller (RTU/PLC). A microprocessor-controlled electronic device that interfaces objects in the physical world to a distributed control system or SCADA.

Request for Proposal. (RFP)

Research and Development (R&D). Work directed toward the innovation, introduction, and improvement of products and processes.

Restricted Revenues. For net position purposes, defined as operating capital and expenses, payroll, recharge purchases and power costs. However, it excludes these costs if they are present in the MCCC sub-fund or if they are associated with capital costs for the Las Vegas Wash.

Revenues. Funds received from various sources and treated as income to LVVWD to finance expenditures.

Revenue Bonds. Bonds where pledges are made to dedicate specific revenue sources to repay the bonds.

Risk Management. An organized attempt to protect organization's assets against accidental loss in the most economical method.

River Mountains Treatment Plant (RMTP). Facility treats up to 300 million gallons of water per day. The facility provides additional reliability and capacity to Southern Nevada's municipal water treatment and distribution capabilities. It began delivering treated water in October 2002.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary
Fiscal Year Ending June 30, 2026

Rural System Operator. (RSO)

Safe Drinking Water Act (SDWA). Act is the principal federal law in the United States intended to ensure safe drinking water for the public. Pursuant to the act, the Environmental Protection Agency (EPA) is required to set standards for drinking water quality and oversee all states, localities, and water suppliers who implement these standards.

Safety Stand Down Day (SSDD). An educational safety event.

Salaries and Benefits. A budget category that includes all LVVWD employee salaries including overtime, longevity pay, and benefits. Labor can either be paid by operating funds or capital funds according to then activity/project in which it was expended.

Sales Tax. One quarter of one penny of the Clark County sales tax rate that is remitted to SNWA monthly. The rate was added on April 1999, and is shared with wastewater agencies, rural water and wastewater systems and the Las Vegas Wash.

Securities Industry and Financial Markets Association (SIFMA). A United States industry trade group representing securities firms, banks, and asset management companies. SIFMA was formed on November 1, 2006, from the merger of the Bond Market Association and the Securities Industry Association.

Senior Management Team. (SMT)

Significant Financial Impact. Five years immediately following when a capital item is placed into service. The term is required by the Government Finance Officers Association.

Silver State Energy Association (SSEA). A cooperative association created to purchase energy for members consisting of the SNWA, City of Boulder Nevada, Overton Power District, Lincoln County Power District and the Colorado River Commission of Nevada.

Sloan Army Reserve Center. (SARC)

Snow Telemetry Network. (SNOTEL)

Solar Photovoltaic (PV). A technology that converts sunlight (solar radiation) into direct current electricity by using semiconductors.

Southern Nevada Health District. (SNHD)

Southern Nevada Public Lands Funds. A federal law governing the disposition of certain public lands in the Las Vegas Valley by the Bureau of Reclamation. The SNPLMA calls for SNWA to receive 10% of the purchase price of all public lands sold pursuant to the Act. These funds are restricted in use to paying for the SNWA Capital Improvement Plan.

Southern Nevada Water Authority (SNWA). Formed in 1991 to manage Southern Nevada's water needs on a regional basis. The Authority comprises seven member agencies including the city of Henderson, city of Las Vegas, city of North Las Vegas, Big Bend Water District (Laughlin), the Clark County Water Reclamation District and the Las Vegas Valley Water District. SNWA provides wholesale



water treatment and delivery for the greater Las Vegas Valley and is responsible for acquiring and managing long-term water resources for Southern Nevada.

Southern Nevada Water System (SNWS). Refers to the system of distribution facilities that delivers raw Colorado River water from Lake Mead and delivers potable water to Southern Nevada's municipal water providers.

State Revolving Fund (SRF). A fund administered by a U.S. state for the purpose of providing low-interest loans for investments in water and sanitation.

Steel Cylinder Concrete Pipe. (SCCP)

Sub Fund. An internal control measure used to ensure that revenues and expenses from similar operations are matched. Although SNWA is an enterprise fund under Nevada law, the sub fund philosophy assists SNWA in analyzing and controlling its costs throughout the year.

Subscription Based Information Technology Arrangements (SBITA). A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets for a period of time specified in the contract.

Supervisory Control and Data Acquisition (SCADA). Water operations control systems.

Supplemental Environmental Impact Statement. (SEIS)

Technical Purchasing Review. (TPR)

Total Coliform (TC). A group of related bacteria that are (with few exceptions) not harmful to humans.

Ultraviolet Light Emitting Diode. (UV-LED)

Uniform Design and Construction Standards (UDACS). The Uniform Design and Construction Standards for Potable Water Distribution Systems represent the minimum design and construction criteria for water distribution systems within the participating Agency's jurisdiction.

US Bureau of Reclamation. (USBR)

U.S. Environmental Protection Agency. (USEPA)

Utility Pipeline and Coordinating Group. (UPCG)

Vacuum Pressure Swing Adsorption. (VPSA)

Variable Frequency Drive (VFD). A type of motor controller that drives an electric motor by varying the frequency and voltage supplied to the electric motor.

Warehousing Education and Research Council. (WERC)

Warm Springs Natural Area (WSNA). A facility opened in 2017 that includes public access walking trails and interpretive signage to educate and inform the public about its environmental resources.



Southern Nevada Water Authority
Operating and Capital Budget
Glossary

Fiscal Year Ending June 30, 2026

Water Investment Rating tool (WIR). A tool that integrates water sustainability considerations into local decision-making associated with economic development.

Water Quality and Treatment (WQ&T). A department of the LVVWD/SNWA that ensures the quality of the water meets or surpasses SDWA standards.

Water Quality Process Improvement Team. (WQPIT)

Water Smart Landscape (WSL). The SNWA's rebate of \$3 per square foot of grass removed and replaced with desert landscaping up to the first 10,000 square feet converted per property, per year.

Water Utility Network. (WUN)

Wholesale Delivery Charge (WDC). The per acre-foot charge that SNWA charges purveyor members for the treatment and delivery of treated, potable water.

Wholesale Delivery Operations (WDO) Sub Fund. Sub fund that tracks revenues and expenses incurred from the production of potable water.

