



LAS VEGAS VALLEY
WATER DISTRICT

OPERATING & CAPITAL **BUDGET 2026**

FISCAL YEAR ENDING JUNE 30, 2026

ON THE COVER

Crews work to refurbish an 18-inch diameter pipeline that provides water to customers in the Las Vegas Valley Water District service area. The Las Vegas Valley water system consists of a complex network of pipelines, pumps and reservoirs that work in harmony to deliver water to homes and businesses in our community. The Water District continually invests in proactive maintenance of water pipelines, which form the backbone of our water distribution system. Thanks to this investment, our water system has a world-class efficiency rating and is recognized as one of the most reliable in the nation.

Las Vegas Valley Water District

**Operating & Capital Budget
Fiscal Year Ending June 30, 2026**



LAS VEGAS VALLEY WATER DISTRICT™

Board of Directors

Marilyn Kirkpatrick, President

James Gibson, Vice President

April Becker

Justin Jones

William McCurdy II

Michael Naft

Tick Segerblom

John J. Entsminger

General Manager

E. Kevin Bethel

Chief Financial Officer

Mariliese S. Horsewood

Director of Finance/Controller

**Prepared by the Finance Department
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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 **Las Vegas Valley Water District (LVVWD) 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 LVVWD 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

**Las Vegas Valley Water District
Nevada**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morill

Executive Director

Las Vegas Valley Water District
Operating and Capital Budget
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SECTION 1

GENERAL MANAGER'S INFORMATION REPORT

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**LAS VEGAS VALLEY
WATER DISTRICT™**



LAS VEGAS VALLEY WATER DISTRICT

GENERAL MANAGER’S INFORMATION REPORT

DATE: April 15, 2025

No. 180

SUBJECT: LAS VEGAS VALLEY WATER DISTRICT
PROPOSED OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2025-26

The Tentative Operating and Capital Budget of the Las Vegas Valley Water District (LVVWD) 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

In line with its mission, the LVVWD delivers world-class water service to more than 1.5 million residents of Las Vegas and surrounding areas, as well as to more than 40 million annual visitors. The LVVWD is responsible for maintaining the city's water delivery infrastructure while serving a growing customer base. By employing sustainable technologies, the LVVWD enhances efficiency and manages the costs associated with water distribution in the desert. This commitment extends to the management of rural water systems across Clark County, including those in Kyle Canyon, Blue Diamond, Searchlight, Jean, and Laughlin (Big Bend Water District).

As drought conditions continue to affect the Southwest, reducing water flows across the Colorado River Basin, the Southern Nevada Water Authority (SNWA) has implemented key measures to boost conservation, particularly regarding consumptive water use. These efforts include changes to policies, codes, and ordinances. As a member agency, the LVVWD has also adapted its business operations, communication strategies, and Service Rules to support and align with SNWA's initiatives.

To ensure ongoing water service reliability, the LVVWD continues to execute on its 10-year Capital Improvement Plan (CIP), which focuses on infrastructure renewal, including repair and replacement of facilities and aging pipes, coupled with an expansion initiative to increase system capacity. This document continues to serve as the roadmap for the reliable operation, appropriate maintenance and ongoing development of the water distribution system.

LVVWD Board of Directors

The LVVWD Board of Directors re-appointed Marilyn Kirkpatrick as President and Jim Gibson as Vice President for calendar year 2025. April Becker replaced Ross Miller as a member of the Clark County Commission and the Las Vegas Valley Water District Board of Directors.

Conservation Initiatives

As Nevada's largest water utility, the LVVWD is dedicated to collaborating with other water providers to meet regional conservation goals. Over the past fiscal year, the LVVWD has continued to focus on initiatives that help customers achieve conservation success in their homes and businesses. This effort included regular updates to the Board of Directors on the progress and effectiveness of the Excessive Use Charge and Tier Equalization measures. The implementation of the Excessive Use Charge and Tier Equalization have led to a reduction in water usage of over 10,000 acre-feet in 2024 compared to the 2022 baseline. Additionally, the LVVWD launched new conservation programs for its customers, including financial assistance for identifying and repairing leaks.



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Leak Mitigation Customer Assistance Programs. The LVVWD recognizes that finding and repairing leaks can be not only frustrating, but costly. Some customers may find the cost of repairing a leak is prohibitive, and instead, continue to pay a higher monthly bill rather than taking action to repair the leak. For this reason, the LVVWD modified and initiated programs aimed to encourage customers to find and repair leaks faster, thereby eliminating wasted water.

A single-family residential customers who incurs an exceptionally high bill due to a leak may qualify for the LVVWD Leak Adjustment Program after fixing the leak. Adjustments may include a reduction of 50 percent of the volumetric charges for the water use attributable to the leak, and/or an excessive use charge adjustment, but only for the portion of water use attributable to the leak.

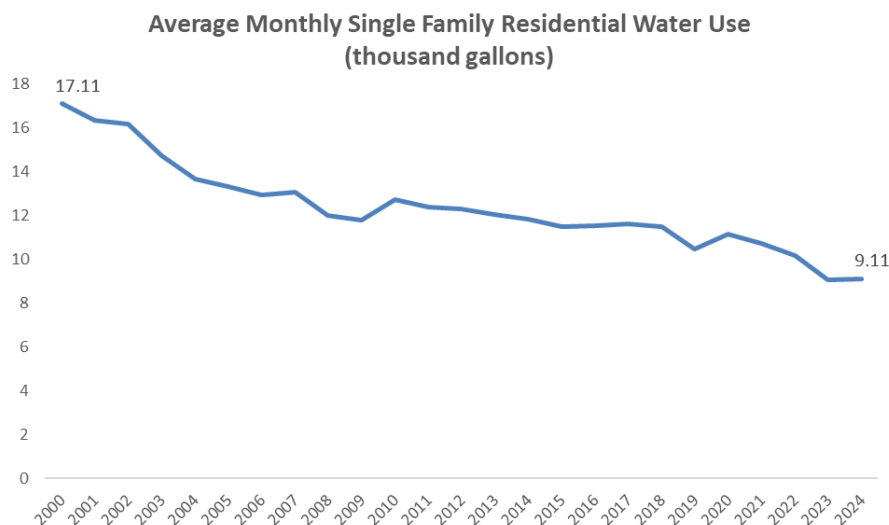
The LVVWD Leak Repair Reimbursement Program (LKR) will reimburse qualified property owners up to 50 percent of the cost to repair a leak (up to \$1,000 per event) if the leak is repaired within 60 days of detection. In addition, the LVVWD, in partnership with community organizations, is committed to supporting qualified homeowners by providing financial assistance for necessary leak repairs. If a homeowner served by LVVWD meets income eligibility criteria, the homeowner could qualify for up to \$7,500 per leak event to cover repair costs.

New this year, the LVVWD account holders now have the option to purchase a reduced-cost warranty from American Water Resources to help minimize or eliminate the cost of leak repairs to their property's water service line. As millions of gallons of water are lost annually due to residential service line leaks, and with chance of these leaks increasing significantly as homes age, this program will help residents fix costly leaks faster.

Water Resources and Conservation

Southern Nevada's main water source is the state's allocation from the Colorado River, which supplies 90 percent of the region's water needs. The remaining demand is met through local groundwater rights. The LVVWD purchases Colorado River water from the SNWA, which diverts it from Lake Mead and treats it to strict standards for both municipal and drinking water use.

The LVVWD's average monthly water use for residential single services, as shown in the following chart, was approximately 9,110 gallons in 2024, representing a 46.8 percent decrease from fiscal year 2000 average monthly consumption use.



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The LVVWD staff is actively evaluating and seeking opportunities to enhance conservation efforts across the community.

Drought and Aridification

Continued drought conditions and climate change impacts have reduced flows throughout the Colorado River Basin for the past two decades. A tier one shortage is currently in effect, reducing Nevada's consumptive Colorado River water use by 21,000 acre-feet. However, Nevada is not currently using its full Colorado River allocation, and near-term shortage declarations will not likely affect current customer use. By the end of 2024, Nevada's consumptive Colorado River water use was approximately 212,000 acre-feet. Nevada's combined reduction under the Interim Guidelines and Drought Contingency Plan ranges from 8,000 to 30,000 acre-feet per year, depending on Lake Mead's water level. These agreements expire at the end of 2026 and stakeholders are currently negotiating new operating rules for post-2026 Colorado River operations.

Conservation

Water conservation continues to be one of the most important components to Southern Nevada's water resource portfolio as it not only reduces existing and future demands but extends available supply. As the drought throughout the Colorado River Basin continues, efforts to reduce consumptive water use while seeking additional water resources are imperative.

The LVVWD continues to promote and educate its customers on the importance of using water efficiently by following the mandatory watering schedule, replacing grass with desert-friendly landscaping, taking advantage of financial incentives, and reporting water waste found in the community. In addition, the LVVWD launched new initiatives to assist customers with finding and repairing leaks.

The SNWA Board of Directors approved the 2025 Water Resource Plan and the 2024-2029 Joint Conservation Plan. These documents outline the water resource and conservation strategies of the SNWA and its member agencies. The Joint Water Conservation Plan, which is updated every five years in accordance with state law, emphasizes the collaborative efforts of the SNWA and its members to improve water conservation and efficiency in Southern Nevada. Recent updates include new goals aimed at reducing water system losses and enhancing water efficiency, as well as the initiatives being implemented by water providers to achieve these targets. Currently, the SNWA and LVVWD have some of the lowest water loss rates in the nation.

Service Rules Update. The LVVWD continues to update its Service Rules to limit consumptive water uses and address the changing landscape. Previously approved revisions to the LVVWD's Service Rules remain in place, helping to ensure a more sustainable Southern Nevada. In December 2024, the LVVWD Board of Directors approved changes to the LVVWD Service Rules related to non-potable water rates for golf courses. As reclaimed water is no longer being delivered, the LVVWD updated water rates to transition golf courses previously on the non-potable rate to the potable rate to ensure equity in rates across the golf course industry sector. In addition, the Big Bend Water District, Kyle Canyon Water District, and the Blue Diamond and Searchlight water systems also saw Service Rules changes that added charges and fees applicable to those who engage in water theft.



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The LVVWD continues to look for opportunities to update its Service Rules to further encourage conservation and minimize wasteful water practices.

Water Use Compliance

The LVVWD continues to increase its public outreach efforts, educate customers on sustainable practices, and help customers self-impose additional standards to conserve water. This includes more aggressive water waste enforcement and increased efforts for residents to report water waste. The Water Use Compliance team continued the enforcement of water theft rules, including daily patrol and investigation of theft reports. During 2024, the Water Use Compliance team transitioned all its processes to a new system which streamlined the way the field and office staff complete Water Waste investigations.

Reporting Water Waste. Between the LVVWD's water waste reporting form on its website and the LVVWD's mobile app, more than 12,000 water waste reports were submitted in 2024, immediately notifying LVVWD staff of the date, time, location, and type of water waste occurring so that proper investigation and citation procedures could take place. More than 8,800 of those resulted in investigation or customer notification.

Investigations. The LVVWD continues to strengthen its water waste enforcement efforts. During 2024, the Water Use Compliance team consisted of 19 full-time and limited-term investigators who responded to reports and completed investigations within the LVVWD Service Area. Thanks to a cooperative agreement among other water purveyors, LVVWD staff also patrolled the entire Las Vegas Valley, including Henderson and North Las Vegas, 24 hours a day and 7 days a week. Below is a table highlighting staff's investigation efforts in 2024, compared to previous years. Beginning in 2021, investigations were also conducted by using customer analytical meter data to identify continuous flow on properties, and are included in the following table:

Water Waste Investigation Efforts					
	2020*	2021	2022	2023	2024
Water Waste Investigations	10,713	23,980	27,976	46,099	38,558
Courtesy Notices	3,194	5,397	5,728	4,475	3,904
Formal Notices	4,982	6,719	6,124	10,319	12,597
Assessed Fees	811	1,931	1,966	3,298	3,973
Assessed Fees \$	\$180,720	\$560,320	\$664,800	\$1,151,440	\$1,569,600

**There was a brief interruption in enforcement due to the COVID-19 pandemic between mid-March to mid-June 2020.
Fee assessments were also paused from mid-March to mid-September 2020.*

Water Theft Investigation Efforts					
	2020	2021	2022	2023	2024
Water Theft Assessed Fees			43	41	27
Assessed Fees \$			\$304,631	\$275,073	\$192,136

** Water theft investigations began in 2022.*



LVVWD Operations

The LVVWD supplies water to residents in the City of Las Vegas, certain unincorporated areas of Clark County, and several rural systems not connected to the local water infrastructure. It also manages public water systems in Blue Diamond, Jean, Kyle Canyon, Laughlin, Searchlight, and the Sloan Army Reserve Center. In 2024, the LVVWD delivered approximately 106 billion gallons of water to customers across its service area.

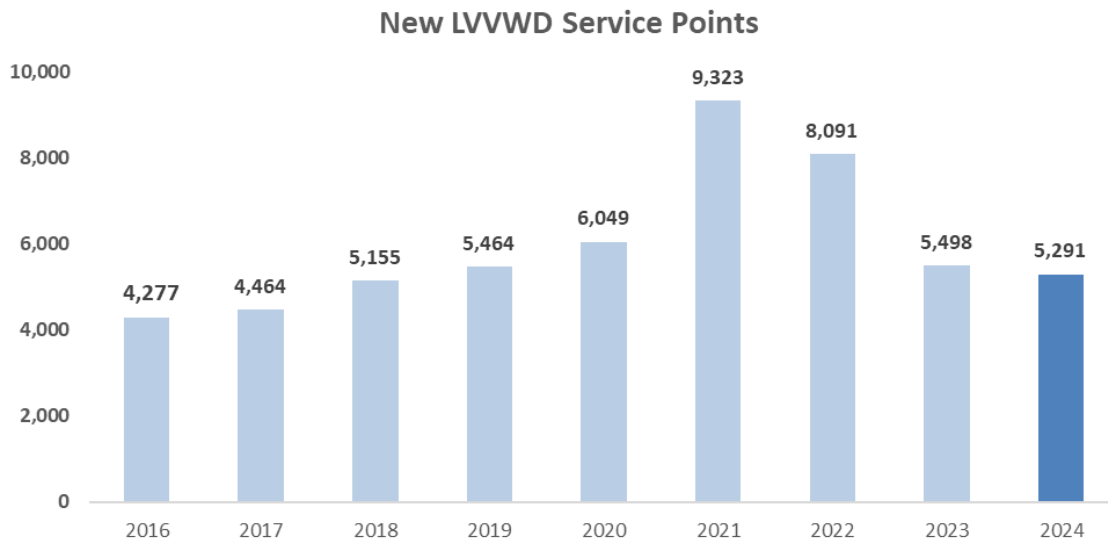
System Profile

The LVVWD manages a vast water distribution network that serves homes and businesses. Essential elements of the system include:

- 7,260 miles of transmission, distribution, and service lines
- 82 reservoir basins with a combined storage capacity of nearly one billion gallons of water
- 54 pump stations capable of moving more than 1.25 million gallons of water per minute
- 62 production wells

These components are vital for ensuring that LVVWD customers have consistent and dependable access to water.

New Service Points. With continued growth and construction development in the valley, the LVVWD added 5,291 new service points to its customer base in 2024, which is similar to the previous year.



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Capital Improvements and Asset Management

In 2017, the LVVWD Board of Directors approved a 10-year, \$616 million (in 2016 dollars) Capital Improvements Plan. This plan outlines the operation, maintenance, and development of the LVVWD water distribution system, ensuring the long-term stability and reliability of the community's water infrastructure. The following projects are either currently under construction or set to begin in the next fiscal year:

- Rome 2745 Reservoir, 2975 Zone Pumping Station, and 2975-2860 Zone Pressure Reducing Valve
- Las Vegas Boulevard Improvements
- Equipping Wells W124 and W125
- Rehabilitation of steel cylinder concrete pipe on Sahara Avenue
- 2745 South Boulevard Reservoir and Pipeline
- 4505 Zone Reservoir
- Cliffs Edge 3355 Zone Pumping Station and Pipelines
- Washburn 3355 Zone Reservoir
- Vegas Heights Subdivision
- Various reservoir trihalomethanes mitigation system installations

Part of the LVVWD's Capital Improvements Plan, the Rome Reservoir includes a 10-million-gallon below-ground reinforced concrete reservoir and 28-million-gallon-per-day pumping station. LVVWD is upgrading water storage and delivery infrastructure in the area to bolster the reliability of the community's water system for existing customers, provide regulatory and emergency storage, and minimize the potential for service interruptions.

These projects are designed to increase capacity and ensure reliability for both current and future water demands across the valley. In addition to the listed projects, \$53 million is allocated for pipeline replacements and rehabilitations, valve replacements, electrical and communications upgrades, and other necessary infrastructure enhancements to maintain optimal water facility performance. A Minor Capital Program, with a budget of \$4 million, will also begin this fiscal year to address smaller-scale distribution system improvements through job order contracting.

Water Quality Report

The 2024 Water Quality Report highlights the organization's commitment to ensuring the community's water quality meets or exceeds the standards set by the Safe Drinking Water Act. Our primary method of water treatment is advanced ozonation, a highly effective disinfectant capable of eliminating bacteria and other microscopic organisms that may be present in the source water. Staff performed nearly 320,000 water analyses across more than 55,000 samples taken from 367 community-wide sampling stations, including those in customer meter boxes. These tests cover 91 U.S. EPA-regulated contaminants and 75 unregulated ones, with continuous monitoring of the water quality around the clock, every day of the year.

Customer Focused Initiatives

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.



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Call Volume. In 2024, despite receiving a higher volume of calls compared to the previous year, various process improvements and enhanced agent productivity led to a 50 percent reduction in average customer wait times. Other customer improvements include the launch of an automated start/stop service feature accessible on the LVVWD's website, www.lvvwd.com, enabling customers to complete transactions without waiting in line or speaking to a representative. Additionally, a new telephone system, set to replace the outdated Genesys platform, will offer significant benefits to both agents and customers.

Leak Programs. New leak mitigation programs, including the Leak Repair Reimbursement Program, the Low-Income Leak Repair Assistance Program and the Service Line Protection Program were established to support customers in quickly identifying and resolving leaks.

Advanced Metering Infrastructure (AMI) and Software. The LVVWD has made ongoing efforts to improve the AMI network, and as a result, automated daily read transmission is performing well and exceeding industry standards. These efforts include an evaluation of mitigation strategies on transmission obstacles, such as metal lids and distance to collector units. This year, the Field Services team will begin systematically replacing metal lids with composite units, focusing on areas with poor transmission. These initiatives aim to bolster the LVVWD's leak notification program, which issued over 173,000 notices in 2024. As a result of these efforts, there are currently no residential service points with a continuous trickle lasting 12 months or longer, and fewer than 300 with continuous flows for six months.

Since the initial AMI infrastructure was completed in January 2023, the team has reduced the meter reading staff by approximately 75 percent while increasing the AMI data collection rate to 98 percent. Staff are actively working to address the remaining meter population to meet the organizational goal of 99 percent coverage, utilizing drive-by processes to capture data from non-AMI meters. The LVVWD also conducted an analysis of its positive displacement small meter inventory, nearly all of which was installed approximately 15 years ago, to identify the optimal replacement schedule based upon a combination of age and throughput. This analysis informed a meter replacement cycle decompression strategy that will support the systematic replacement of meters over a much longer period of time than previously executed, maximizing the accuracy and service life of these units. This strategy entails an accelerated replacement schedule over the next four years, followed by a tapering period until equilibrium is reached.

Large Meter Operations. This year, Meter Shop staff tested nearly 5,000 small domestic meters using a state-certified test bench and conducted field tests on 1,525 commercial meters. The team also monitors the AMI system daily to identify any service interruptions. Additionally, they are mapping areas for system expansion and have developed a preventative maintenance program to ensure the system remains reliable. The first phase of this maintenance plan was launched in January 2024, and the next phase includes remote drone inspections, piloted by trained and certified staff, to facilitate quicker assessments and identify components that may require further attention. Furthermore, Field Services has started implementing AMI readings for the LVVWD's Construction Fire Hydrant meters, now collecting daily data from 75 locations across the service area.



Springs Preserve

The Springs Preserve team oversees the daily operations of the 180-acre site, ensuring the seamless functioning of a diverse range of attractions, such as museums, exhibits, meeting venues, a botanical garden, nature trails, and recreated animal habitats and ecosystems. In addition to managing these facilities, the staff is responsible for developing and executing educational programs, organizing community events, building strategic partnerships, securing grant funding, and producing outreach content. In fiscal year 2024-2025, the Springs Preserve welcomed over 250,000 visitors.

Focused on its mission, the Springs Preserve continues to prioritize expanding educational outreach. Ongoing programs include "Conservation for Kids" classes, drop-in activities, the SPRINGBOARD virtual learning platform, and the Youth Conservation Council. The Springs Preserve's community partnerships grew, notably through the Clark County School District (CCSD) Family Engagement Office's Block Party, which is aimed at students from underserved schools and their families and features interactive activities and demonstrations.

The Springs Preserve's annual community outreach events experienced growth in both attendance and sponsorships. These events celebrate cultural heritage and promote environmental stewardship and drew over 40,000 visitors this year. Highlights from the fall season included Haunted Harvest, Día de Muertos celebrations, and Nevada Day, which attracted 5,700 visitors in a single day. The winter and spring events also set new attendance records, including the 16th anniversary of the Black History Month Festival, and the fourth annual Earth Day celebration.

With support from the State of Nevada's Conserve Nevada bond program, the Springs Preserve advanced the redesign of the OriGen Museum's west gallery and outdoor exhibit space. This second phase of the remodel will transform the OriGen Museum into a center for science and sustainability. The west gallery and outdoor areas will emphasize sustainability science, while the middle and east galleries are nearing the completion of designs for a groundbreaking exhibit on the Colorado River.

The well derricks at the Springs Preserve, a visual reminder of our community's history, were recently restored. Staff performed restoration work on derricks 4, 5, 6 and 7, with substantial work done on Derrick No. 5 due to subsidence. The first well was drilled in July 1924 and the remaining six were drilled from 1936 to 1942.

The Springs Preserve serves as a vital refuge for the federally endangered Pahrump poolfish and the state-protected relict leopard frog. Thanks to dedicated preservation efforts by biologists, in collaboration with the Nevada Department of Wildlife, both species are thriving. The Pahrump poolfish population has surged to 757, based on counts from the Springs Preserve's Upstream and Downstream ponds. After biologists began removing the invasive Stonewort macroalga in May 2022, the poolfish numbers increased by more than 500 percent within just one year. Meanwhile, the relict leopard frog population in the Cienega has doubled between 2023 and 2024, with 15 egg masses counted this year, signaling a promising number of newly transformed frogs.

This past year, the Springs Preserve received grant funding through several local and federal funding sources, including \$25,000 from Clark County's Outside Agency Grant program to provide free admission for the community to the Butterfly Habitat, \$10,000 from Wells Fargo to support the 2025 Youth Conservation Council and the Earth Day celebration, and \$2,500 from Cox Charities for STEM activity materials.

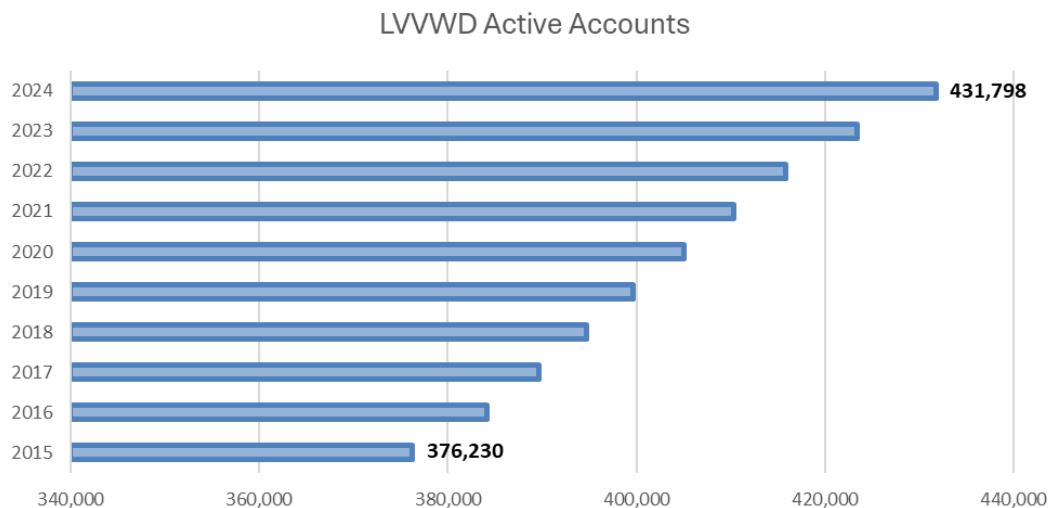


Awards and Accomplishments

The LVVWD has been recognized for its leadership and collaborative efforts within the utility industry. Recently, staff had the privilege of accepting the One Team, One Dream: Utility Award, which honors utilities and leaders who foster collaboration, engagement, and support among peers to drive progress in the water sector. This award further highlights LVVWD's ongoing commitment to growth and technological innovation in the water industry.

Finance

The LVVWD remains committed to ensuring a reliable water supply for both residents and businesses for years to come, currently serving about 70 percent of Clark County's population. Customer account growth within the LVVWD service area serves as a key indicator of the community's development. As shown below, the number of active LVVWD service accounts has steadily increased since 2015, reflecting consistent economic growth over the past decade. In 2024, the LVVWD reported nearly 431,800 active accounts, marking a 14.8 percent increase, or more than 55,000 additional accounts, compared to 2015.



Reserve Policy

In 2016, the Board adopted a policy providing guidance for maintaining adequate cash and investment reserves. Since then, the LVVWD Reserve Policy has been a critical fixture in the organization's financial planning efforts.

The LVVWD'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 last fiscal year, the LVVWD met and exceeded its established unrestricted reserve target, an important indicator of the organization's financial health. To the extent actual balances are



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higher than the unrestricted reserve target, management will assess opportunities to either redeem existing debt or delay timing of projected issuances.

Project Funding

Water Rates. The LVVWD maintains water rates that are set to fund the necessary operations of the agency and, in some cases, send conservation signals to customers. Like many water utilities facing drought and water supply uncertainties, the LVVWD maintains tiered water rates for both its residential and non-residential customers. In 2023 and on the heels of one of the worst years of Colorado River inflows on record, the LVVWD also implemented an Excessive Use Charge, which adds a surcharge to single-family residential customer water bills whose water use exceeds established seasonal levels. As designed, the charge was expected to impact the top 10 percent of residential customers; however, many users have changed watering practices as a result of the charge. Today, the charge affects approximately five percent of single-family residential customer water bills.

Grant Funding. To help offset project costs within the LVVWD's service area and the rural water systems, staff monitors grants and low-interest loan opportunities on both state and federal levels. This year, staff received two grants for the Big Bend Water District in Laughlin, NV. The Capital Improvement Grant was for \$174,642 and the State Revolving Fund Forgivable Loan was for \$325,358, both to complete improvements to the BBWD system. In addition, funding to increase storage and develop a new secondary source well for the Big Bend Water District was authorized through the Water Resources Development Act grant and the Army Corps of Engineers.

Debt Reduction. On September 4, 2024, the LVVWD issued its series 2024A bonds in the original amount of \$286.3 million. The proceeds were used to refund the series 2015 bonds, which were issued on behalf of the SNWA. This refunding generated gross savings of \$68.4 million, or net present value savings of \$52.0 million.



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Financial Summary

The following tables and descriptions contain a summary of operating and capital sources and uses of funds for the LVVWD's 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						
Tiered consumption	\$ 297,187,740	\$ 300,447,148	\$ 319,785,640	\$ 19,338,492	6 %	
Excessive use charge (EUC)	28,503,501	27,134,024	27,594,531	460,507	2 %	
Service charge	88,930,415	92,730,848	96,382,525	3,651,677	4 %	
Backflow charge	12,963,740	12,939,053	13,156,816	217,763	2 %	
Reclaimed water	6,756,166	6,342,897	7,030,637	687,740	11 %	
Other water bill charges	9,604,721	8,256,600	10,422,454	2,165,854	26 %	
Connection charge	19,954,233	16,356,606	21,017,843	4,661,237	28 %	
Application and inspection fees	2,815,294	3,112,198	2,626,095	(486,103)	(16)%	
Investment income	38,366,303	5,744,693	6,893,632	1,148,939	20 %	
Springs Preserve	2,304,132	2,177,642	2,227,746	50,104	2 %	
Other sources	5,695,463	2,111,629	6,075,554	3,963,925	**	
LVVWD Sources	513,081,709	477,353,338	513,213,473	35,860,135	8 %	
USES						
Purchased water	107,171,082	108,179,422	115,400,686	7,221,264	7 %	
Energy	14,820,107	15,788,039	15,025,807	(762,233)	(5)%	
Salaries and benefits	136,704,559	165,976,178	173,106,189	7,130,012	4 %	
Operating expenses	40,598,631	53,286,903	68,028,407	14,741,505	28 %	
Lease/SBITAs amortization	7,691,301	8,202,450	15,990,379	7,787,929	95 %	
Debt service	83,844,871	88,310,003	88,345,753	35,750	— %	
EUC deployment	43,421	25,381,157	24,550,865	(830,292)	(3)%	
Transfers to reserves	122,207,737	12,229,187	12,765,387	536,200	4 %	
LVVWD Uses	513,081,709	477,353,338	513,213,473	35,860,135	8 %	
SNWA CHARGES						
Infrastructure charge	149,146,139	156,698,737	169,097,723	12,398,986	8 %	
Commodity charge	56,014,958	58,655,398	61,402,619	2,747,221	5 %	
Connection charge	49,913,958	39,852,917	49,679,412	9,826,495	25 %	
Reliability surcharge	4,718,668	4,804,279	5,284,129	479,850	10 %	
SNWA Charges	259,793,723	260,011,331	285,463,883	25,452,552	10 %	
TOTAL SOURCES	772,875,432	737,364,669	798,677,356	61,312,687	8 %	
TOTAL USES	\$ 772,875,432	\$ 737,364,669	\$ 798,677,356	\$ 61,312,687	8 %	



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Operating Sources

The fiscal year 2025-26 tentative budget's operating sources of funds including SNWA pass through charges are projected to be \$798.7 million, or an eight percent increase as compared to the 2024-25 Adopted Budget Plan.

Tiered consumption charges are projected to increase \$19.3 million, or six percent. The EUC is estimated to increase \$0.5 million, or two percent. The service charge is anticipated to increase \$3.7 million, or four percent, due to growth in accounts. Tiered consumption charges and service charge revenues also factored in a 2.8 percent CPI increase effective on January 1, 2026 and projected growth in the number of active services. Other water bill charges are projected to increase by \$2.2 million, or 26 percent, to align to recent historical trends. Connection charge revenue is expected to increase by \$4.7 million, or 28 percent, as compared to the 2024-25 Adopted Budget Plan which reflected a more conservative outlook on economic growth conditions.

Operating Uses

The fiscal year 2025-26 tentative budget's operating uses of funds including SNWA pass through charges are projected to be \$798.7 million, or an eight percent increase compared to the 2024-25 Adopted Budget Plan, mostly from increases in operating expenses, purchased water, and the pass-through charges from the SNWA.

Purchased water costs are projected to increase by \$7.2 million, or seven percent, due to increase sales volumes. Energy costs are projected to decrease by \$0.8 million or five percent, due to an updated outlook on market pricing. Salaries and benefits are anticipated to increase by \$7.1 million, or four percent. The full-time equivalent employee count across the entire organization is expected to remain steady compared to the 2024-25 Adopted Budget Plan.

Non-payroll operating expenses are projected to increase by \$14.7 million or 28 percent, due to increased cost for insurance premiums, software subscriptions, expenses related to conservation programs, and meter improvements. Debt service is anticipated to essentially remain flat, compared to 2024-25. EUC Deployment represents the commitment of funds collected through Excessive Use Charge fees to fund conservation-related initiatives and is projected to increase by \$0.8 million. Transfers to reserves are expected to total \$12.8 million.

Capital Budget Summary

	Actual	Budget	Budget	Budget-to-Budget Variance	
	2023-24	2024-25	2025-26	\$	%
SOURCES					
Developer/grant funds	\$ 2,792,015	\$ 8,563,610	\$ 45,189,000	\$ 36,625,390	**
Debt issuance proceeds	200,017,080	—	—	—	**
Other sources	3,033,916	6,684,291	4,060,512	(2,623,779)	(39)%
Transfers from reserves	—	153,958,054	129,742,570	(24,215,484)	(16)%
LVVWD Sources	205,843,011	169,205,955	178,992,082	9,786,127	6 %
USES					
Capital expenditures	123,560,064	169,205,955	178,992,082	9,786,127	6 %
Transfers to reserves	82,282,947	—	—	—	— %
LVVWD Uses	\$ 205,843,011	\$ 169,205,955	\$ 178,992,082	\$ 9,786,127	6 %



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Capital Sources

The fiscal year 2025-26 tentative budget's capital sources of funds are projected to be \$179.0 million or a six percent increase as compared to the 2024-25 Adopted Budget Plan. The slight growth is due to the increase in anticipated developer/grant funds associated with budgeted projects offset by transfers from reserves decreasing due to flat capital expenditures. The transfers from reserves are a combination of remaining debt proceeds and unrestricted reserves.

Capital Uses


The fiscal year 2025-26 tentative budget's capital uses of funds are projected to be \$179.0 million, or a six percent increase compared to the 2024-25 Adopted Budget Plan. Capital expenditures are projected to increase by \$9.8 million reflecting adjustments made to project cash flows for multi-year projects resulting in lower amounts for the current budget year and increased amounts in future years.

Summary

Overall, the LVVWD's fiscal year 2025-26 Operating and Capital Budget Plan presents a stable outlook as the LVVWD navigates through the ongoing drought, with operating revenues matching operating expenses and an assortment of revenues, reserves, and debt proceeds funding capital expenditures.

Approval

The public hearing on the LVVWD's 2025-26 Tentative Budget, and adoption of the 2025-26 Final Budget, is scheduled for 10:00 a.m., Monday, May 19, 2025.


John J. Entsminger, General Manager



SECTION 2

INTRODUCTION AND STRATEGIC PLAN

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**LAS VEGAS VALLEY
WATER DISTRICT™**



Introduction

Purposes and Powers

The Las Vegas Valley Water District (LVVWD) was created under a special act of the State of Nevada's legislature in 1947 for the purpose of obtaining and distributing water primarily in the Las Vegas Valley, including Blue Diamond, Jean and Searchlight, Nevada. The LVVWD also manages the water districts of Kyle Canyon, Searchlight, Coyote Springs and Big Bend under contracts with Clark County. The map on the following page shows the areas served by the LVVWD in relation to Clark County, Nevada.

The LVVWD has been granted certain powers to achieve its purpose, including the right of eminent domain, the right to cause taxes to be levied, the right to create assessment districts, the responsibility to operate and maintain the Southern Nevada Water Authority's (SNWA) regional treatment and transmission system and the right to incur indebtedness.

The LVVWD is governed by a seven-member Board of Directors (LVVWD Board), all of whom are elected Clark County Commissioners. The LVVWD Board has the sole power to set rates and charges for water, and charges cannot be put into effect until the conclusion of a public hearing process. The Las Vegas Valley Water District Act and applicable Bond Covenants provide that rates and charges should be sufficient to provide for operation and maintenance costs, general expenses of the LVVWD, and principal and interest payments on outstanding debt. Although the LVVWD Board may levy a tax on all taxable property within the LVVWD service area, such a tax never has been levied. The daily operations of the LVVWD are overseen by the General Manager, appointed by the LVVWD Board.

Intergovernmental Relationships

The LVVWD plays a vital role in the management of water resources in Southern Nevada. To fulfill this role, the LVVWD must work effectively and cooperate with state and federal governments, numerous local jurisdictions and other local water purveyors. These relationships play a vital role in shaping not only the demands on the LVVWD, but also the fiscal year 2025-26 Budget Plan. The following describes these intergovernmental relationships.

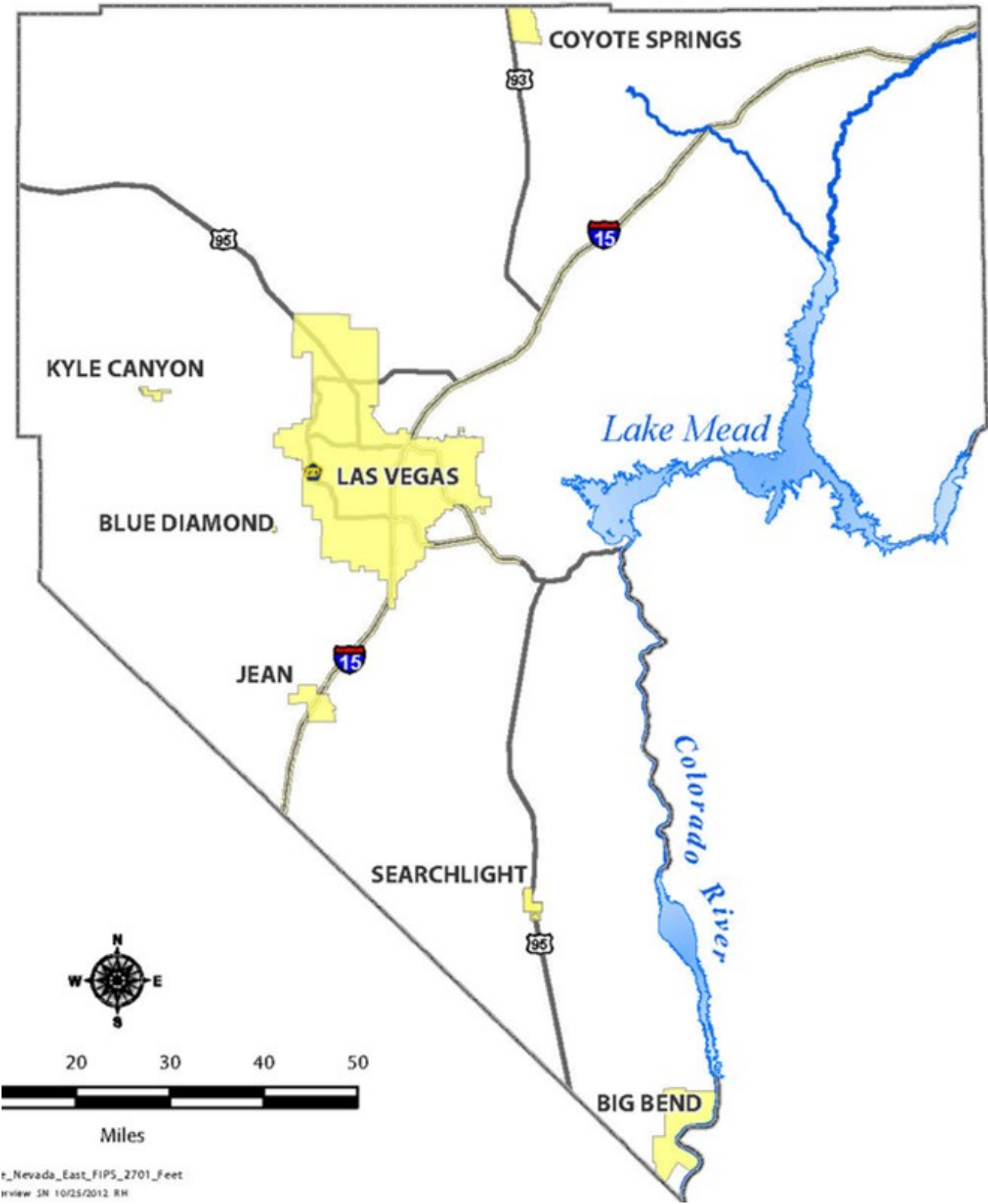
Las Vegas Valley Water District. The LVVWD serves potable water to customers in the City of Las Vegas and unincorporated urban areas of Clark County, Nevada. As the largest water purveyor in Southern Nevada, the LVVWD has taken a leadership role in conservation and regional water issues. The LVVWD provides the operating staff for the SNWA. The General Manager of the LVVWD serves as the General Manager of the SNWA.

Southern Nevada Water Authority. In 1991, the cities of Las Vegas, North Las Vegas, Henderson, and Boulder City, and the Big Bend Water District, Clark County Water Reclamation District and the LVVWD formed the SNWA to develop additional water resources and to address water issues on a regional basis. The Board of Directors of the SNWA (SNWA Board) consists of one member selected from each of the member agencies.



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Areas Currently Served



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Southern Nevada Water System (SNWS). The SNWS is the regional system consisting of water treatment plants, pumping and distribution facilities supplying water to the water purveyors in Southern Nevada. Prior to 1996, the SNWS was owned by the Colorado River Commission (CRC) and operated by the LVVWD. In accordance with legislation passed by the Nevada State Legislature during its 1995 session, the SNWS was transferred to the SNWA in January 1996. The LVVWD continues to operate the SNWS.

Major Water Purveyors. The major water purveyors and the percentages of Colorado River water distributed in the Las Vegas area for the fiscal year ended June 30, 2024 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. The wastewater treatment agencies are as follows: City of Henderson, City of Las Vegas, City of North Las Vegas and the Clark County Water Reclamation District.

Colorado River Commission. The CRC is a Nevada State agency created in the mid-1930s to acquire and protect Nevada's right to water and power resources from the Colorado River. Colorado River water is apportioned among the seven Colorado River basin states and Mexico. The seven-member CRC consists of four members appointed by the Governor (including the Chairperson) and three SNWA Board members.

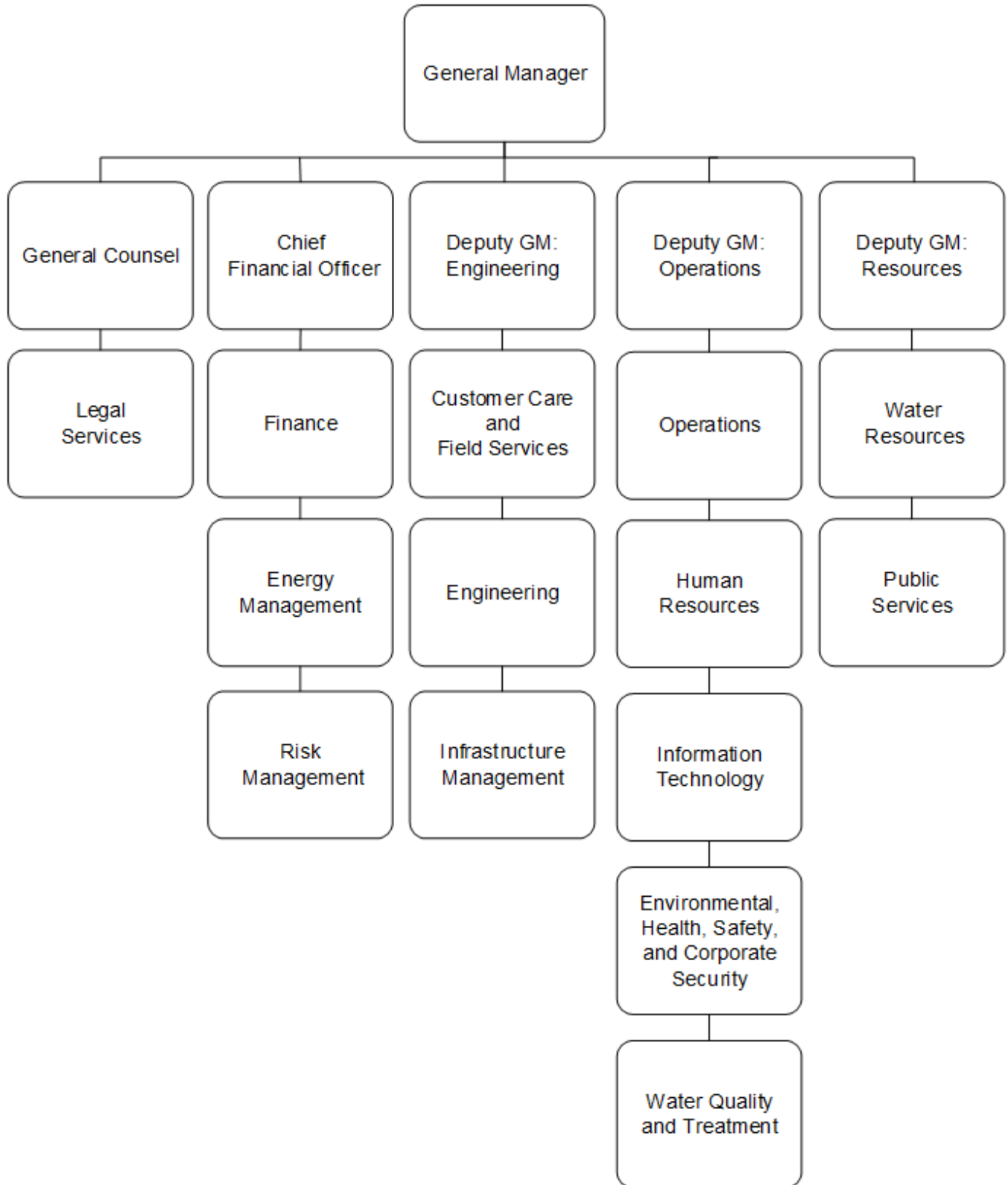
Bureau of Reclamation (BOR). The Bureau of Reclamation, within the U.S. Department of the Interior, is responsible for managing the Colorado River to benefit the users with Colorado River water rights. Any changes to the laws governing the Colorado River benefiting Nevada require the cooperation and approval of the federal government and all seven of the basin states.

Organizational Structure

The LVVWD's organizational structure has evolved to meet the demands of major water facility expansions, conservation, customer service initiatives, and special projects. The organization chart on the following page reflects the LVVWD's current organizational structure.



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Las Vegas Valley Water District Strategic Plan

Strategic Plan Background

The LVVWD's Strategic Plan represents the latest iteration in the LVVWD's long-standing commitment to self-assessment, continuous improvement, and comprehensive planning. The Strategic Plan provides future direction for the LVVWD, 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 LVVWD, senior management and employees of the LVVWD, with policy guidance from the LVVWD Board, completed a comprehensive Strategic Plan in 1993. The LVVWD's Strategic Plan identified forces influencing decision-making and formulated goals and strategies to guide the LVVWD in responding to the challenges, and evolve into a dynamic, responsive, and effective organization. In 1997, the LVVWD 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 LVVWD's Strategic Plan, and a revised plan with new goals and strategies was presented to and adopted by the LVVWD 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 LVVWD and the SNWA.

In fall 2012, the Senior Management Team began meeting to develop a new strategic plan. This strategic planning process allows the LVVWD and the SNWA 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 LVVWD's Strategic Plan serves as a guide in the development of the LVVWD'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 LVVWD has undergone several strategic planning initiatives over the past several 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 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 a decrease in 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 next three to five years which



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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 develop goals and strategies to support these objectives. By involving all levels of employees in the development of measures, milestones and standards of excellence, and incorporating their input into the strategic plan, the entire workforce has 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

The **VALUES** of the Las Vegas Valley Water District are

- **Respect for People**
- **Integrity**
- **Service**
- **Excellence**
- **Sustainability**

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.



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Strategic Plan Strategies

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

GOALS	STRATEGIES
<p>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>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>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>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>



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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> <hr/> <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 LVVWD's financial reporting structure presents the activities of the LVVWD 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. The LVVWD uses two types of funds: a proprietary (enterprise) fund and a fiduciary (pension trust and other postemployment benefits trust) fund.

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

Fiduciary Funds. The fiduciary fund financial statements include two fiduciary funds related to LVVWD employee benefit plans. The Las Vegas Valley Water District Pension Plan fund accounts for the assets, liabilities, and changes in net position of the LVVWD's defined benefit pension plan in accordance with GASB Statement No. 67, Financial Reporting for Pension Plans. The fiduciary pension trust fund is accounted for in essentially the same manner as the proprietary (enterprise) fund using the same measurement focus and basis of accounting.

Retiree benefits not accounted for in the fiduciary pension trust fund were purchased through annuity contracts funded in a contractual allocated Pension Account with an insurance company through December 31, 2013. Beginning January 1, 2014, retiree benefits are paid by the fiduciary pension trust fund account held by a large multi-national bank and are accounted for in the fiduciary pension trust fund. The assets and liabilities of the Pension Account are not recorded on the LVVWD's books.

The LVVWD contributes to a single-employer defined benefit "other postemployment benefit plan" (OPEB Plan). Benefit provisions are established and may be amended by the LVVWD's Board subject to collective bargaining agreements. During fiscal year 2019, the LVVWD established the Las Vegas Valley Water District, Nevada OPEB Trust Fund (OPEB Trust) where OPEB Plan assets are held in a trust to provide a means to fund the post-retirement benefits provided by the LVVWD.



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Summary of Significant Fiscal Policies and Procedures

The following financial policies and procedures apply to the Las Vegas Valley Water District (LVVWD) and other entities for which the LVVWD has fiduciary responsibility i.e., Southern Nevada Water Authority (SNWA), 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 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.



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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 LVVWD'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 amounts due from the SNWA for the repayment of the LVVWD's notes and bonds whose proceeds were delivered to the SNWA. Restricted assets also include certain resources set aside to repay bond debt in accordance with bond covenants. Further, the LVVWD has restricted investments for customer security deposits, sales tax and oversized mains. Oversized mains are constructed to meet estimated future demands on the LVVWD's distribution system. Unspent bond proceeds are also classified as restricted assets and are only used for capital expenditures. When both restricted and unrestricted resources are available, it is the LVVWD'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. The LVVWD's investments are held in its own name and are reported at fair value, with the exception of investments of the pension plan and OPEB plan. The securities the LVVWD is authorized to buy, sell, or trade are outlined in the Investment



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Policy and are authorized by NRS 355, *Public Investments*. The Investment Policy for the organization is shown in Section 9.

Pension and OPEB Plan investments are separately governed by the Retirement Plan Investment Policy. Pension assets are comprised of equity and bond funds, a real asset income fund (real assets), insurance contracts, pooled accounts, and a money market account. OPEB Plan assets are held in trust and consist of a money market account and investments in the Nevada Retirement Benefits Investment Fund (RBIF). The Nevada Legislature established the RBIF with an effective date of July 1, 2007. The purpose of the RBIF is to invest contributions made by participating entities such as the LVVWD, as defined in Section 355.220 of the NRS, to enable such entities to support financing of other postemployment benefits at some time in the future.

Long-Range Operating Financial Plan. LVVWD'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 LVVWD 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 LVVWD 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.



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Financial Controls and Guidelines

Leases. The LVVWD is a lessee for noncancellable leases of office space and equipment. The LVVWD 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. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. In addition, the LVVWD is a lessor for noncancellable leases of 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 LVVWD 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 LVVWD monitors changes in circumstances that would require a remeasurement of its leases.

Subscription-Based Information Technology Arrangements. The LVVWD 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 LVVWD monitors changes in circumstances that would require a remeasurement of its SBITAs.

Internal Controls. In developing and evaluating the LVVWD'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 LVVWD's internal accounting controls safeguard assets and provide reasonable assurance of proper recording of financial transactions. On an ongoing basis, the LVVWD evaluates its internal controls and implements changes in response to dynamic operations.

Risk Management. The LVVWD 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.

In 2021, the 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. The Captive provides retention for property and terrorism, commercial general/auto liability, cyber liability, pollution, employment practices liability, and workers' compensation.



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In excess of the Captive, LVVWD 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 and a \$250M terrorism policy providing coverage for all terrorist acts.

LVVWD also maintains \$20M of commercial general/auto liability insurance, \$5M of cyber liability insurance, \$5M of drone liability insurance, \$5M pollution liability insurance, \$3M of employee fidelity/crime insurance, and excess workers' compensation insurance, and other miscellaneous coverages.

In contracts, LVVWD obtains indemnification and hold-harmless agreements. These agreements usually require that contractors name LVVWD 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 Las Vegas Valley Water District 2023 Purchasing Resolution (NRS 332) and Resolution No. 2006-02 (NRS 338), the District's Board has delegated authority to the General Manager and the General Manager's designees to authorize various purchasing functions on behalf of the District and sign contracts.



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Budget Controls and Process

Budget Process. The LVVWD's budget process starts in October of each year, and proceeds with a series of meetings involving department directors and/or managers. Financial analysis is done to project the revenues under the projected water rate structure. The revenue projections are based on the estimated water the LVVWD is planning to deliver in the coming year. The budget reflects the strategies and goals adopted by the LVVWD.

The LVVWD's budget staff distributes current and historical information to managers to assist in the preparation of budgets within the budgeting guidelines. The budget process consists of three major phases. The first phase includes preparing new requests for capital equipment, construction projects 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 the departments' budgets have been reviewed and approved by Executive Management, the budget is consolidated for the entire LVVWD, and a tentative budget document is submitted to the Nevada State Department of Taxation by April 15, in compliance with NRS 354.596. The State then reviews the proposed budget and issues a notice of compliance or noncompliance with the statutory laws of the State of Nevada.

The LVVWD, typically in late April, conducts a working session with the LVVWD Board to review the proposed budget in detail. On the third Monday in May, the LVVWD Board conducts a public hearing to allow the public an opportunity to discuss the proposed budget, and after discussion and/or amendments, the proposed budget receives final approval from the LVVWD Board. The approved final budget document is filed with the State of Nevada, in compliance with NRS 354.598. Once approved and filed, copies of their budgets are provided to departments. The approved budget is implemented on July 1, the first day of the new fiscal year.

Budget Controls. By state statutes, the LVVWD's budget is approved annually, following a public hearing process, by the LVVWD Board. The LVVWD annually prepares and submits a budget to the Nevada State Department of Taxation in accordance with statutory laws based on a full accrual basis. Budgetary controls are established at the levels of total estimated operating and nonoperating 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, revenues and expenditures will vary.

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 the Finance department 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. The Finance department prepares and distributes monthly budget variance reports, and division managers can electronically access their budget information using the Oracle Financial System or related systems. Division managers are accountable for variances between the budgeted and actual expenditures. The LVVWD's staffing is controlled by the Human Resources department.



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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 LVVWD Board must adopt a resolution providing for an augmentation at a regular meeting of the LVVWD 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 of Nevada Department of Taxation.



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	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			



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	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)	
	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)	Tue Mar 27 Preliminary update of positions list based on Executive Management's final budget decisions
	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)	



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	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

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LAS VEGAS VALLEY
WATER DISTRICT™



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

The fiscal year 2025-26 Operating Budget total sources of funds are projected to be \$798.7 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 \$798.7 million, or an eight percent increase compared to the fiscal year 2024-25 Adopted Budget Plan. The table below shows the Operating Sources and Uses of Funds Summary for the 2023-24, 2024-25, and 2025-26 fiscal years.

Operating Budget Summary

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Budget-to-Budget Variance	
				\$	%
SOURCES					
Tiered consumption	\$ 297,187,740	\$ 300,447,148	\$ 319,785,640	\$ 19,338,492	6 %
Excessive use charge (EUC)	28,503,501	27,134,024	27,594,531	460,507	2 %
Service charge	88,930,415	92,730,848	96,382,525	3,651,677	4 %
Backflow charge	12,963,740	12,939,053	13,156,816	217,763	2 %
Reclaimed water	6,756,166	6,342,897	7,030,637	687,740	11 %
Other water bill charges	9,604,721	8,256,600	10,422,454	2,165,854	26 %
Connection charge	19,954,233	16,356,606	21,017,843	4,661,237	28 %
Application and inspection fees	2,815,294	3,112,198	2,626,095	(486,103)	(16)%
Investment income	38,366,303	5,744,693	6,893,632	1,148,939	20 %
Springs Preserve	2,304,132	2,177,642	2,227,746	50,104	2 %
Other sources	5,695,463	2,111,629	6,075,554	3,963,925	**
LVVWD Sources	513,081,709	477,353,338	513,213,473	35,860,135	8 %
USES					
Purchased water	107,171,082	108,179,422	115,400,686	7,221,264	7 %
Energy	14,820,107	15,788,039	15,025,807	(762,233)	(5)%
Salaries and benefits	136,704,559	165,976,178	173,106,189	7,130,012	4 %
Operating expenses	40,598,631	53,286,903	68,028,407	14,741,505	28 %
Lease/SBITAs amortization	7,691,301	8,202,450	15,990,379	7,787,929	95 %
Debt service	83,844,871	88,310,003	88,345,753	35,750	— %
EUC deployment	43,421	25,381,157	24,550,865	(830,292)	(3)%
Transfers to reserves	122,207,737	12,229,187	12,765,387	536,200	4 %
LVVWD Uses	513,081,709	477,353,338	513,213,473	35,860,135	8 %
SNWA CHARGES					
Infrastructure charge	149,146,139	156,698,737	169,097,723	12,398,986	8 %
Commodity charge	56,014,958	58,655,398	61,402,619	2,747,221	5 %
Connection charge	49,913,958	39,852,917	49,679,412	9,826,495	25 %
Reliability surcharge	4,718,668	4,804,279	5,284,129	479,850	10 %
SNWA Charges	259,793,723	260,011,331	285,463,883	25,452,552	10 %
TOTAL SOURCES	772,875,432	737,364,669	798,677,356	61,312,687	8 %
TOTAL USES	\$ 772,875,432	\$ 737,364,669	\$ 798,677,356	\$ 61,312,687	8 %



Operating Sources

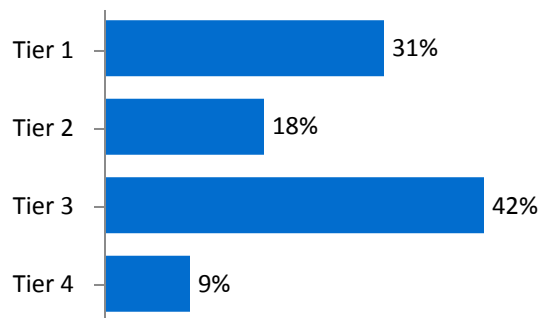
The fiscal year 2025-26 Operating Budget total sources of funds are projected to be \$798.7 million, which is an eight percent increase compared to the 2024-25 Adopted Budget Plan.

The LVVWD revenue-based operating sources of funds are projected to increase as they are impacted by the implementation of water rate adjustments. These water rate adjustments, as adopted by the LVVWD Board in January 2017, are inflation-indexed annually.

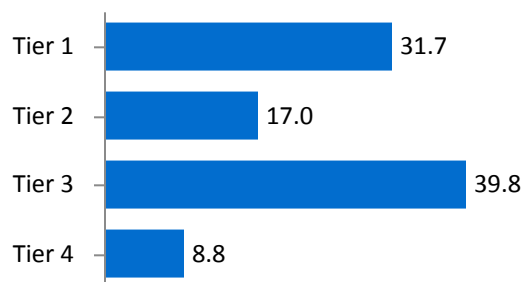
Tiered Consumption

The LVVWD service rules have consumption rates of four tiers with thresholds for each tier varying by meter size and customer class. In establishing water rates, the LVVWD strives to set reasonable rates and considerations for the equitable allocation and recovery of costs of providing facilities and delivery of water service, except that the rates may be established in such a way as to encourage the conservation of water. Construction water and reclaimed water are sold at uniform rates. The historical 10-year average mix of actual water deliveries between the consumptive tiers is as follows:

**10-year Average Water Deliveries
by Tier**



**2025-26 Budgeted Water
Deliveries by Tier
(gallons in billions)**



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Tier 1. Tier 1 rates have typically been considered the rate for “lifeline” water (i.e. the amount of water a small residence needs to satisfy typical indoor water uses such as bathing, washing clothes, toilets, etc.). The tier 1 consumption rate is currently set at \$1.56 per 1,000 gallons.

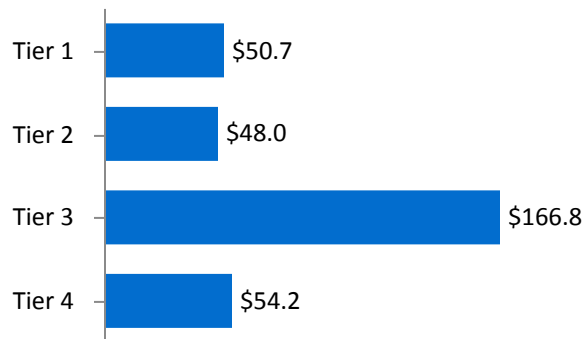
Tier 2. Tier 2 rates allow a typical small residence with very limited outdoor water use to avoid the 3rd tier. In addition, tier 2 thresholds have been compressed for residential services with a meter size of ¾” or above in order to encourage conservation. The tier 2 consumption rate is currently set at \$2.78 per 1,000 gallons.

Tier 3. Tier 3 typically delivers 40 – 45 percent of the water sold. The tier 3 consumption rate is currently set at \$4.14 per 1,000 gallons.

Tier 4. Tier 4 rates are designed to encourage conservation. The tier 4 consumption rate is currently set at \$6.14 per 1,000 gallons.

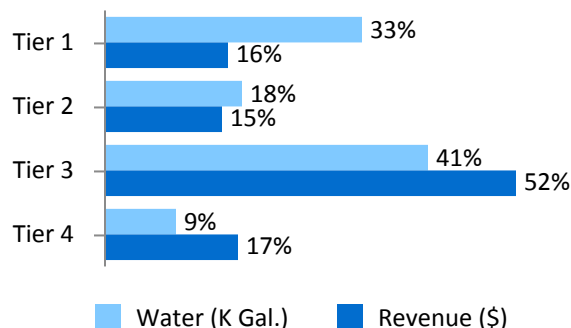
Construction Water. Construction water is sold at a uniform rate equal to the tier 3 rate. This water is typically delivered through a fire hydrant and is often used for dust suppression at construction sites.

2025-26 Budgeted Revenue by Tier
(\$ in millions)



The following chart shows the percent of budgeted water deliveries and revenue by tier for the fiscal year 2025-26. This chart illustrates the revenue impact on the water flowing through the tiers. In tiers 1 and 2, the percentage revenue impact is less than the percent of water delivered, and the reverse is true in tiers 3 and 4. While conservation is important, from a revenue perspective, it is financially beneficial to the LVVWD to deliver water in the upper tiers.

Percent Budgeted Water Deliveries
& Revenue by Tier

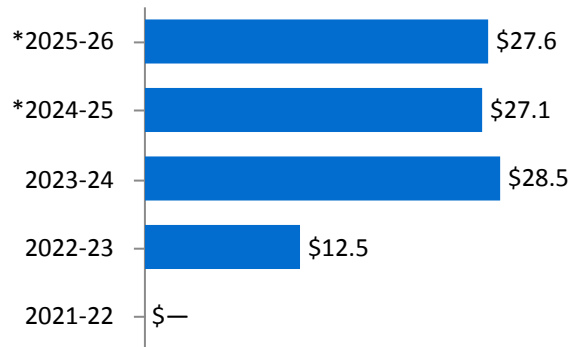


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Excessive Use Charge

The excessive use charge is a volumetric charge applicable to single-family residential water users effective January 2023. In addition to standard tiered water rates, the excessive use charge is intended to help reduce water use among the highest single-family residential water users. The charge and thresholds were developed by analyzing and evaluating seasonal water use patterns of the top 10 percent of single-family residential customers. If a customer exceeds the applicable threshold in a given month (see following table), they will be assessed a surcharge of \$9.00 per thousand gallons in excess of that threshold.

Excessive Use Charge
(\$ in millions)



*= Budgeted

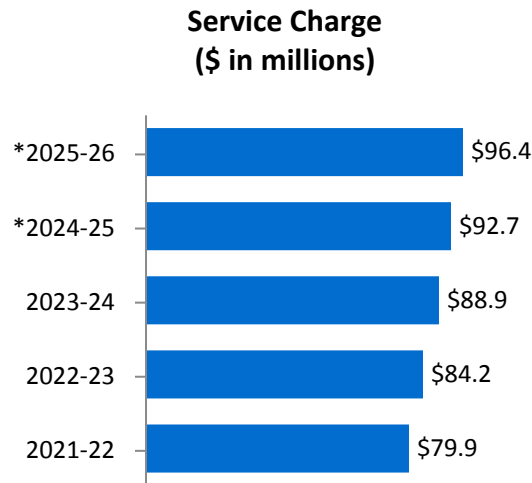
	Winter	Spring	Summer	Fall
	Nov. 1–Feb. 28/29	Mar. 1–Apr. 30	May 1–Aug. 31	Sep. 1–Oct. 31
Monthly Threshold	14,000 gal	16,000 gal	28,000 gal	26,000 gal
Daily Threshold Equivalent	467 gal	533 gal	933 gal	867 gal



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Service Charge

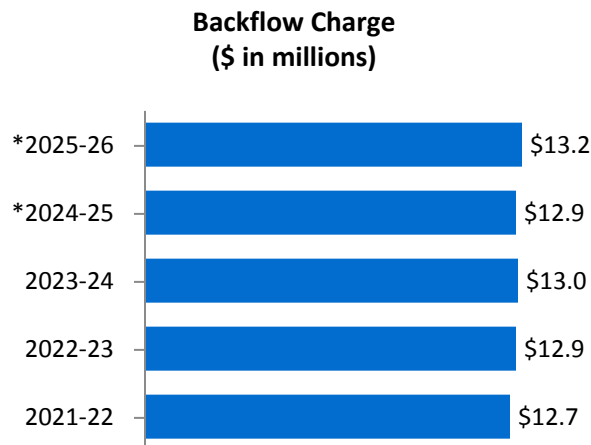
The daily service charge is a fixed charge designed to cover the costs of servicing an account, regardless of the amount of water consumed. For example, costs like meter reading, meter maintenance, preparing the bill, postage, and remittance processing are approximately the same regardless of the amount of water consumed, and almost regardless of the size of the service.



*= Budgeted

Backflow Charge

The backflow charge is a fixed charge applied to customers with a backflow device. In the event of negative water pressure (a rare occurrence), a backflow device prevents water from flowing from pipes on the customer's premises back into the potable water system and thereby potentially contaminating the potable water system. The backflow charge is designed to cover the cost of maintaining those devices.



*= Budgeted



Reclaimed Water

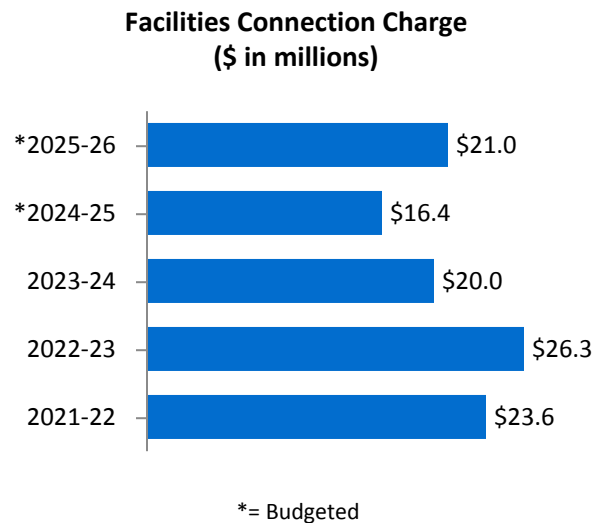
Reclaimed water is treated effluent from water reclamation centers, typically blended with potable water, and delivered to golf courses. The flat rate for reclaimed, or non-potable, water is \$2.33 per 1,000 gallons. For the fiscal year 2025-26 Budget Plan, reclaimed water revenues are estimated to be \$7.0 million.

Other Water Bill Charges

The water bill may contain various other charges which appear on customers' water bills, such as turn on charges, late fees, delinquent processing charges, water waste fees, lockout fees, returned check charges, etc. Also, the allowance for doubtful accounts is included in other water bill charges. For the fiscal year 2025-26 Budget Plan, other water bill charges are anticipated to total \$10.4 million.

Connection Charge

The connection charge is based on meter size and is designed to offset costs of providing and/or expanding the LVVWD's water facilities. For the fiscal year 2025-26 Budget Plan, connection charges are anticipated to be \$21.0 million, which represents a \$4.7 million increase compared to the fiscal year 2024-25 Adopted Budget Plan. The facilities connection charge will be increased annually each March based on the Engineering News Record Construction Cost Index. These annual increases ensure the charged fee keeps pace with the expenditures required to render services.



Application & Inspection Fees

The application and inspection fees are developer fees charged at the time a customer applies to connect to the water system or applies for changes in water service connection. These fees cover the costs associated with handling the application, setting up the service and reviewing plans. Inspection fees are those developer fees charged for the inspection of all new water facility installations and water services constructed by private contractors. In the fiscal year 2025-26 Budget Plan, application and inspection fees total \$2.6 million, a decrease of \$0.5 million compared to the fiscal year 2024-25 Adopted Budget Plan.



Investment Income

Investment income represents earnings on accumulated reserve balances. For the fiscal year 2025-26, interest earnings are anticipated to be \$6.9 million, a \$1.1 million increase compared to the fiscal year 2024-25 Adopted Budget Plan estimate.

Springs Preserve

In 1998, the LVVWD entered into a partnership with the Las Vegas Springs Preserve Foundation, a tax-exempt charitable organization founded to provide funding for the Springs Preserve.

The Springs Preserve is a cultural and historic attraction located on the LVVWD property. The 180-acre national historic site is widely known as the “birthplace” of Las Vegas. The presence of an abundant water supply at the site was the original catalyst for the growth, development, and the resulting economic prosperity of the Las Vegas area. The Springs Preserve opened in June 2007.

For the fiscal year 2025-26 Budget Plan, revenues for the Springs Preserve are anticipated to total \$2.2 million, a two percent increase compared to the fiscal year 2024-25 Adopted Budget Plan.

Other Sources

The 2025-26 Operating Budget Plan includes other sources of \$6.1 million. This amount reflects nonoperating revenues for amounts charged to SNWA for its portion of certain costs as required by the Governmental Accounting Standards Board (GASB) Statements No. 87, *Leases*, and No. 96, *Subscription-Based Information Technology Arrangements* (SBITA).

SNWA Infrastructure Charge

In October 2011, the SNWA Board of Directors (SNWA 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 capital projects and additional debt was issued to fund ongoing capital needs. After the completion of a rate study and a public outreach process, the SNWA Board on February 29, 2012, unanimously approved an infrastructure charge to help offset declines in other sources of revenue. Subsequently, on March 6, 2012, the SNWA infrastructure charge was unanimously approved by the LVVWD’s Board.

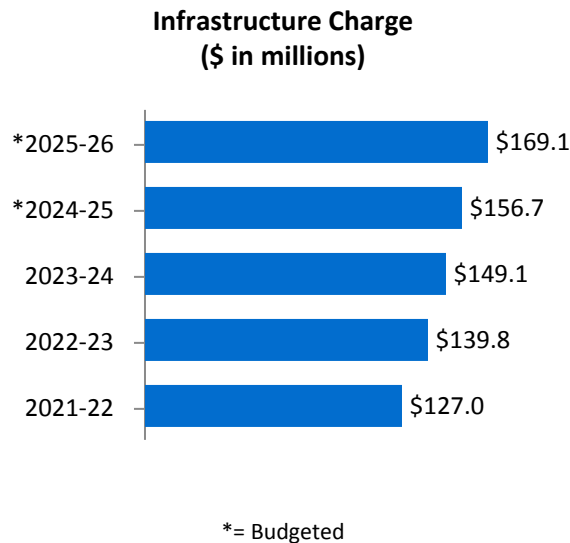
In October 2019, the SNWA Board appointed a citizens advisory committee, named Integrated Resource Planning Advisory Committee (IRPAC 2020), to examine Southern Nevada’s long-term water planning efforts. One of the IRPAC 2020’s recommendations was to implement a six-year annual increase effective January 2022 to phase-in an inflationary catch up, as well as adjust for annual inflation. All of the IRPAC 2020’s recommendations were approved by the SNWA Board in September 2020, and the rate adjustments themselves were adopted by the SNWA 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 unexpected inflation, IRPAC 2020 reconvened in December 2021 to ensure that fees charged maintained pace with current and future inflation. Subsequently, IRPAC 2020 recommended to the SNWA Board to amend the previously approved current year fixed rate increases to variable rates. The variable rates would be the actual Engineering News Record Construction Cost Index, which will allow the cost of services to keep pace with the associated fee structure. The recommendation was approved by the SNWA Board in February 2022. In addition to the new rates, the SNWA Board also approved



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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.

This source of revenue for the SNWA is projected to generate \$169 million from the LVVWD customers. This represents an increase of \$12.4 million, or eight percent, in the fiscal year 2025-26 Operating Budget Plan when compared to the fiscal year 2024-25 Adopted Operating Budget Plan. This charge is on the LVVWD customers' water bills and the funds pass directly to the SNWA. The infrastructure charge receipts have no impact on the LVVWD's net surplus or deficit.

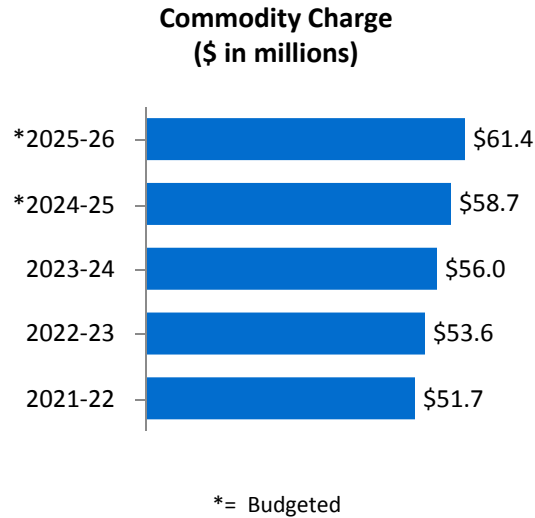


SNWA Commodity Charge

The commodity charge was approved by the SNWA Board and the LVVWD Board in December 1995 and went into effect on purveyor water bills beginning in November 1996. This charge consists of a usage cost per 1,000 gallons sold by each of the SNWA's participating purveyor members to their customers. The commodity charge was implemented as a fixed fee per 1,000 gallons consumed. In November 2020, the SNWA Board approved tying the commodity charge to future annual increases in the Consumer Price Index (CPI) starting in 2028, with a six-year set rate schedule for current year inflation as well as catch-up inflation which accounts for inflation since the last increase in January 2017. Catch-up inflation was set at 2.3 percent for six years starting in January 2022. Due to unexpected inflation, IRPAC 2020 reconvened in December 2021 to ensure that fees charged maintained pace with current and future inflation. Subsequently, IRPAC 2020 recommended to the SNWA 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 SNWA Board in February 2022. In addition to the new rates, the SNWA 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. For fiscal year 2025-26, commodity charge revenues are anticipated to be around \$61.4 million, an increase of \$2.7 million, or 5 percent, compared to the fiscal year 2024-25 Adopted Operating Budget Plan. The commodity charge receipts have no impact on the LVVWD's net surplus or deficit.



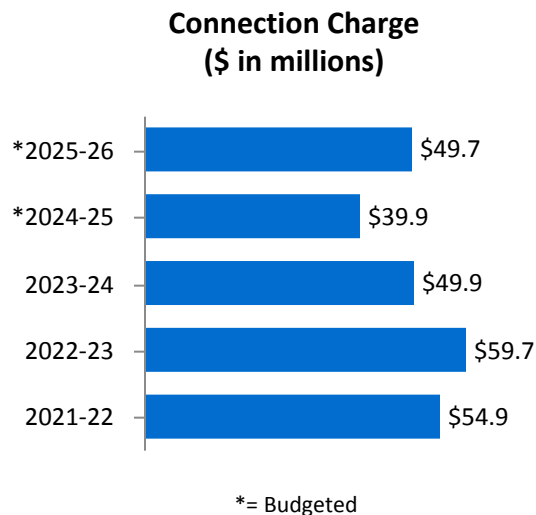
Las Vegas Valley Water District
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026



SNWA Connection Charge

The connection charge was approved by the SNWA Board and the LVVWD Board in December of 1995 and became effective March 1, 1996. It was established to pay the majority of the costs of expanding the SNWA's regional water treatment and transmission system. It assesses new development to partially pay the costs of the system's current and future expansions. 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. These revenues are passed directly from the LVVWD to the SNWA and are offset in the LVVWD's sources of funds with an equal amount of uses of funds.

The fiscal year 2025-26 Budget Plan anticipates the SNWA connection charge collections of \$49.7 million, an increase of \$9.8 million compared to the fiscal year 2024-25 Adopted Budget Plan. As with other sources of development-based revenue, this increase reflects the projected growth and development in the LVVWD's service area. The connection charge receipts have no impact on the LVVWD's net surplus or deficit.



SNWA Reliability Surcharge

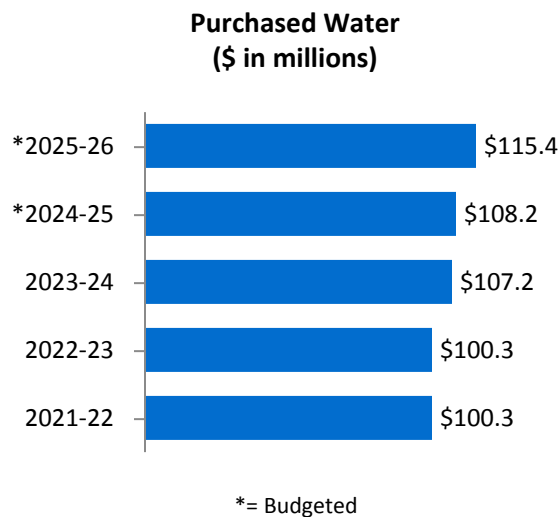
The reliability surcharge was approved by the SNWA Board and the LVVWD Board in November 1997 and went into effect on purveyor water bills beginning in April 1998. It is applied to the total dollar amount of customers' bills, excluding the SNWA infrastructure charge. Residential customers are charged 0.25 percent of their total bill, while all other customers are charged 2.5 percent. The reliability surcharge is an additional charge to be 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. In the fiscal year 2025-26 Budget Plan, it is estimated this charge will total \$5.3 million, an increase of \$0.5 million compared to the fiscal year 2024-25 Adopted Budget Plan. The reliability charge receipts have no impact on the LVVWD's net surplus or deficit.

Operating Uses

The fiscal year 2025-26 Budget Plan's total uses of funds are projected to be \$798.7 million, which is an eight percent increase compared to the 2024-25 budget.

Purchased Water

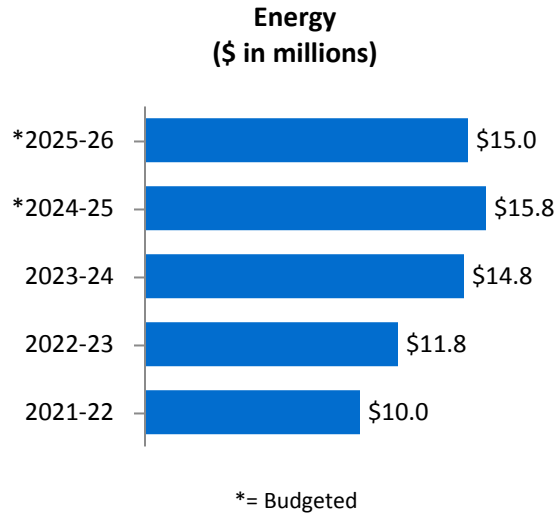
The LVVWD purchases approximately 90 percent of its water from the SNWA. For the fiscal year 2025-26 Budget Plan, water costs are projected to be \$115.4 million, which is a seven percent increase compared to the fiscal year 2024-25 Adopted Budget Plan. The increase is predominantly a result of increase in the volume of purchased water.



Las Vegas Valley Water District
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

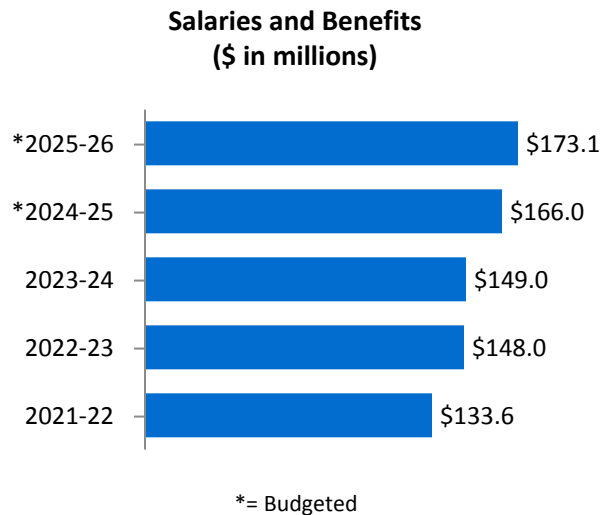
Energy

The cost of energy for fiscal year 2025-26 is projected to be \$15.0 million. This is a decrease of \$0.8 million over the prior fiscal year 2024-25.



Salaries and Benefits

Salaries and benefits costs include wages, salaries and benefits paid to employees. For the fiscal year 2025-26 Budget Plan, salaries and benefits expenses are anticipated to be \$173.1 million. This represents an increase of \$7.1 million, or four percent, compared to the fiscal year 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 LVVWD's FTE count is expected to decrease by six employees compared to the fiscal year 2024-25 Adopted Budget Plan.



Las Vegas Valley Water District
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	5.5	5.5	5.0
Legal Services	15.8	17.1	15.5
Finance	29.9	31.6	30.7
Risk Management	3.0	3.0	4.0
Customer Care & Field Services	147.0	160.9	161.9
Engineering	76.5	84.6	91.7
Infrastructure Management	127.1	115.5	116.6
Operations	195.5	200.4	193.3
Human Resources	19.6	56.0	47.9
Information Technology	60.5	62.7	61.8
Environmental Health Safety & Corporate Security	85.6	62.3	63.8
Water Quality & Treatment	3.7	0.8	0.8
Water Resources	26.4	27.6	27.9
Public Services	55.3	56.0	57.0
Total	851.4	884.0	877.9

*Totals may vary slightly due to rounding

Operating Expenses

Operating expenses include materials and supplies, maintenance and repairs, rental and certain leases, other employee expenses, and other expenses, which are described in detail after the following table.

Operating Expense Detail

CATEGORY	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 18.2	\$ 19.0	\$ 22.0
Maintenance and repairs	21.1	23.1	29.8
Rental and leases	0.9	0.9	0.4
Other employee expenses	1.9	2.8	2.9
Other operating expenses	(1.6)	7.6	13.0
Total	\$ 40.6	\$ 53.4	\$ 68.0

Materials and Supplies. This classification includes, but is not limited to, pipe, asphalt, concrete, office supplies, and materials required for the normal operation of the LVVWD's facilities. The fiscal year 2025-26 Budget Plan anticipates total expenditures of \$22.0 million for this expense category. This represents an increase of \$2.9 million, or 15 percent, compared to the fiscal year 2024-25 Adopted Budget Plan.



Las Vegas Valley Water District
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

Maintenance and Repairs. This classification includes, but is not limited to, the outside purchase of goods and services associated with maintaining and repairing the water transmission system; buildings and grounds; and computer equipment. The fiscal year 2025-26 Budget Plan anticipates this expense will total \$29.8 million, an increase of \$6.7 million, or 29 percent, compared to the fiscal year 2024-25 Adopted Budget Plan.

Rental and Leases. The fiscal year 2025-26 Budget Plan anticipates expenses of \$0.4 million, which includes short term rent/lease office space, communication equipment and outside storage facilities. This expense decreased by \$0.5 million when compared to the fiscal year 2024-25 Adopted Budget Plan.

Other Employee Expense. This classification includes such items as safety equipment, dues, and travel and training. The Budget Plan anticipates a total of \$2.9 million spent within this category. This amount represents an increase of \$0.1 million when compared to the fiscal year 2024-25 Adopted Budget Plan.

Other Operating Expense. This classification includes, but is not limited to postage, legal fees and professional services. For the fiscal year 2025-26 Budget Plan, other operating expenses are anticipated to total \$13.0 million, an increase of \$5.4 million compared to the fiscal year 2024-25 Adopted Budget Plan.

Lease and SBITA Amortization

The fiscal year 2025-26 Budget Plan anticipates expenses of \$16.0 million for long term rent/lease agreements and long term subscription-based information technology arrangements. This expense increased by \$7.8 million when compared to the fiscal year 2024-25 Adopted Budget Plan.

Debt Service

This classification includes debt service payments made for debt that the LVVWD has issued, or expects to issue, for funding capital projects as well as ongoing capital needs. For the fiscal year 2025-26 Budget Plan, total debt service payments are expected to total \$88.3 million, which is flat compared to the fiscal year 2024-25 Adopted Budget Plan.

EUC Deployment

This classification includes the planned deployment of EUC revenues collected for conservation-related activities. For the fiscal year 2025-26 Budget Plan, total deployment is expected to total \$24.6 million, a slight decrease of \$0.8 million compared to the fiscal year 2024-25 Adopted Budget Plan.

Transfers To Reserves

The fiscal year 2025-26 2022-23 Operating Budget Plan's transfers to reserves are projected to be \$12.8 million, an increase of \$0.5 million compared to the 2024-25 Adopted Budget Plan.

SNWA Charges

As described in the Sources section previously, the overall SNWA Charges for the fiscal year 2025-26 Budget Plan are expected to be \$285.5 million. This amount represents an increase of \$25.5 million, or 9.8 percent, when compared to the fiscal year 2024-25 Adopted Budget Plan.



Las Vegas Valley Water District
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

Capital Budget Summary

The fiscal year 2025-26 Capital Budget total sources of funds are projected to be \$179.0 million, or a 5.8 percent increase 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 \$179.0 million, or a 5.8 percent increase 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					
Developer/grant funds	\$ 2,792,015	\$ 8,563,610	\$ 45,189,000	\$ 36,625,390	**
Debt issuance proceeds	200,017,080	—	—	—	**
Other sources	3,033,916	6,684,291	4,060,512	(2,623,779)	(39)%
Transfers from reserves	—	153,958,054	129,742,570	(24,215,484)	(16)%
LVVWD Sources	205,843,011	169,205,955	178,992,082	9,786,127	6 %
USES					
Capital expenditures	123,560,064	169,205,955	178,992,082	9,786,127	6 %
Transfers to reserves	82,282,947	—	—	—	**
LVVWD Uses	\$ 205,843,011	\$ 169,205,955	\$ 178,992,082	\$ 9,786,127	6 %

Capital Sources

The fiscal year 2025-26 Capital Budget total sources of funds are projected to be \$179.0 million, which is a 5.8 percent increase compared to the 2024-25 Adopted Budget Plan. This increase is due to updated projections for debt issuances and the increases in developer/grant funds.

Developer/Grant Funds

The 2025-26 Capital Budget includes developer/grant funds of \$45.2 million. This amount is comprised of sources to fund a developer-requested 4125 zone south reservoir (\$29.7m), an open channel to the Spring Preserve Cienega (wetlands) in order to meet the City of Las Vegas regional flood control master plan requirements (\$4.5m), and a new science and sustainability center at the Springs Preserve Origen museum (\$2.0m).

Debt Issuance Proceeds

Municipal Bond Proceeds. The LVVWD does not plan to issue bonds during fiscal year 2025-26.

Other Sources

The 2025-26 Capital Budget includes other sources of \$4.1 million. This grouping of revenue reflects other capital sources such as contributed capital.



Transfers From Reserves

The 2025-26 Capital Budget Plan includes Transfers From Reserves of \$129.7 million. This amount is the required funds to fund the current fiscal year's capital budget.

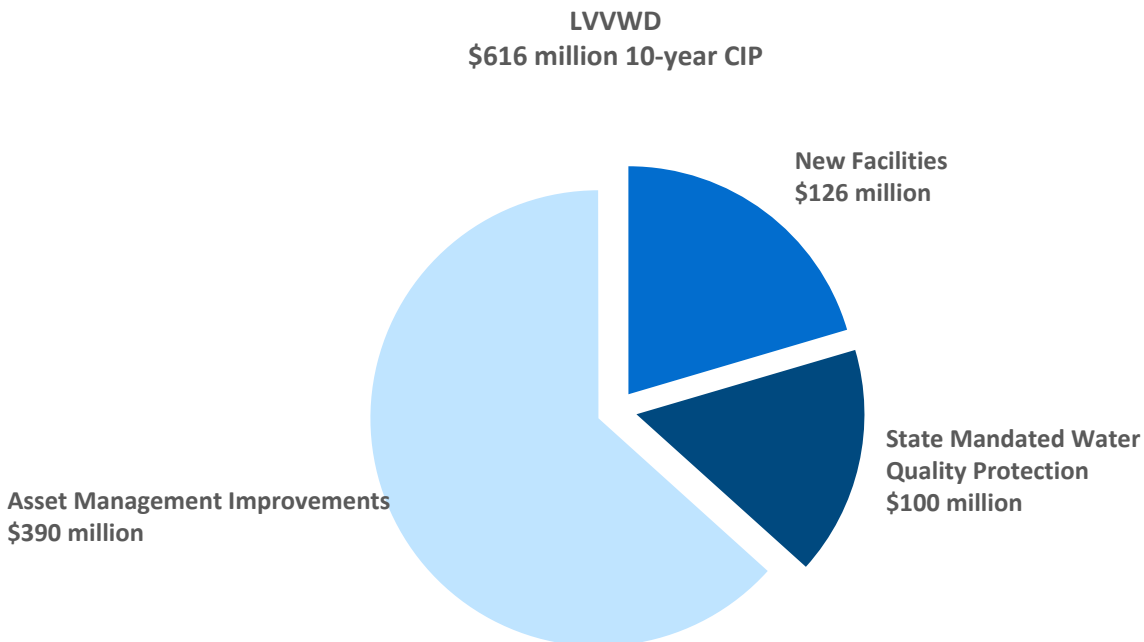
Capital Uses

The fiscal year 2025-26 Capital Budget's total uses of funds are projected to be \$179.0 million, which is a 5.8 percent increase compared to the 2024-25 budget.

Capital Expenditures

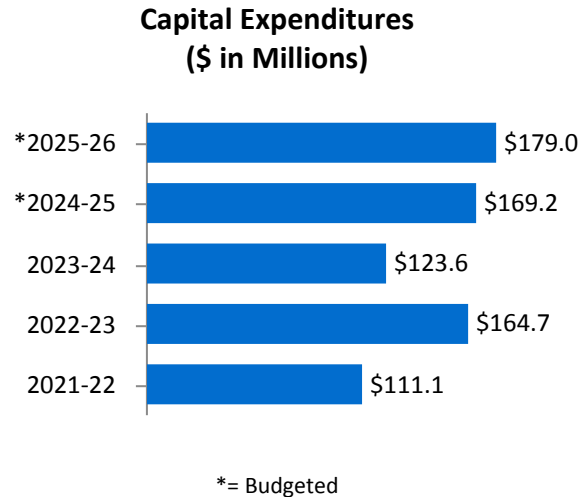
Capital expenditures are primarily driven by the need to expand and maintain the LVVWD's water storage, pumping, distribution system, facilities and equipment.

As mentioned earlier, in January 2017, the Board adopted the \$616 million (in 2016 dollars) 10-year CIP with the major components shown in the following chart.



Las Vegas Valley Water District
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

For the fiscal year 2025-26 Capital Budget, the CIP and continued focus on asset management efforts to replace and maintain the LVVWD's essential equipment and water distribution facilities resulted in an increase in construction expenditures and capital equipment. For the fiscal year 2025-26 Budget Plan, total construction expenditures and equipment are budgeted at \$179.0 million, or an increase of 5.8 percent, compared to the fiscal year 2024-25 Adopted Budget Plan.



Capital Equipment and Vehicles. For the fiscal year 2025-26 Capital Budget, equipment purchases are anticipated to total \$8.1 million, a decrease of \$5.1 million, or 39 percent, compared to the fiscal year 2024-25 Adopted Budget Plan.

Capital Projects. For the fiscal year 2025-26 Capital Budget, the adopted CIP enhances the emphasis in capital projects, along with asset management, maintenance, and improvement of the LVVWD's water distribution system. In the fiscal year 2025-26 budget, the LVVWD anticipates spending \$170.9 million on capital projects, which is an increase from the fiscal year 2024-25 Adopted Budget Plan. Included projects are considered to be crucial for the continued operation of the water distribution system and include reservoir, well, pump, vault, pipe, motor and valve renovation and replacement projects.

Transfers To Reserves

This classification includes transfers of capital funds in excess of the capital budget. For the fiscal year 2025-26 Budget Plan, LVVWD 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 LVVWD accounts for its Net Assets in accordance with GASB Statement 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.



Las Vegas Valley Water District
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

Estimated Net Assets Detail
From Revenues, Expenses, and Net Income Schedule (RENI)
Fiscal Year 2025-26 Budget

	Invested in Capital Assets			Total Proprietary	Pension	OPEB	Total Net
	Net of Related Debt	Restricted	Unrestricted	Fund Net Position	Trust Fund	Trust Fund	Assets
Estimated net position on June 30, 2025	\$ 1,013,751,966	\$ 36,863,883	\$ 595,372,645	\$ 1,645,988,494	\$ 1,031,297,145	\$ 35,819,196	\$ 2,713,104,835
Operating revenue	—	—	479,408,174	479,408,174	55,000,000	3,000,000	537,408,174
Capital contributions	—	—	66,206,843	66,206,843	—	—	66,206,843
Interest earned	—	3,555,056	3,338,576	6,893,632	—	—	6,893,632
Salaries and benefits	—	—	(173,106,189)	(173,106,189)	—	—	(173,106,189)
Energy	—	—	(15,025,807)	(15,025,807)	—	—	(15,025,807)
Operating expenses	—	—	(183,429,093)	(183,429,093)	(42,107,979)	(5,000)	(225,542,072)
Depreciation expense	(108,267,044)	—	—	(108,267,044)	—	—	(108,267,044)
Non operating revenues	—	—	14,469,161	14,469,161	68,865,990	2,586,753	85,921,904
Non operating expenses	—	—	(24,078,214)	(24,078,214)	—	—	(24,078,214)
Interest expense (debt service)	50,432,325	—	(88,818,404)	(38,386,079)	—	—	(38,386,079)
Subtotal from RENI	(57,834,719)	3,555,056	78,965,047	24,685,384	81,758,011	5,581,753	112,025,148
Items not on RENI							
Capitalized expenditures	178,992,082	(40,418,940)	(138,573,142)	—	—	—	—
Debt issuance proceeds	—	—	—	—	—	—	—
Subtotal Items not on RENI	178,992,082	(40,418,940)	(138,573,142)	—	—	—	—
Estimated net position on June 30, 2026	\$ 1,134,909,329	\$ —	\$ 535,764,550	\$ 1,670,673,879	\$ 1,113,055,156	\$ 41,400,949	\$ 2,825,129,984



Las Vegas Valley Water District
Operating and Capital Budget
Operating and Capital Budget
Fiscal Year Ending June 30, 2026

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 LVVWD's standards by developers and then donated to the LVVWD.

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 \$88.3 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 water revenue, application and inspection fees, other revenues (backflow and hydrant service charges; delinquent charges, late charges and returned-check charges), and Springs Preserve revenues. For the fiscal year 2025-26, these revenues are anticipated to total approximately \$479.4 million.
- **Operating Expense** - Operating expenses include all categories in the Uses of Funds, excluding pension expense, which is listed separately in preceding table, bond payments, capital equipment, major construction expenditures, and the SNWA charges (regional connection, commodity, reliability surcharge and the infrastructure charge). For the fiscal year 2025-26, these expenses are anticipated to total approximately \$479.8 million.
- **Pension Expense** - For the fiscal year 2025-26, this expense has been separated from the payroll expense listed in the Uses of Funds, and is shown as a separate operating expense in the preceding table in order to clarify and better track the transfer of this expense from the LVVWD's Proprietary Fund to the Pension Trust Fund.
- **Other Post Employment Benefits (OPEB) Expense** – For the fiscal year 2025-26, this expense has been separated from the payroll expense listed in the Uses of Funds, and is shown as a separate operating expense in the preceding table in order to clarify and better track the transfer of this expense from the LVVWD's Proprietary Fund to the OPEB Trust Fund.
- **Nonoperating Revenues (net)** - Nonoperating revenue consists of facilities connection charge and investment income.
- **Nonoperating Expenses (net)** - Nonoperating expense consists of excessive use charge.

Pension Trust Fund. This is cumulative activity in the LVVWD's pension plan. The plan is a single-employer pension trust fund, established to provide pension benefits for the LVVWD's employees. Anticipated operating revenues shown for this fund include contributions from the operating revenues discussed above and are expensed within the operating expenses discussed above as part of overall payroll expenses. For the purpose of estimating the impact of the LVVWD's operations on the Pension Trust Fund, the pension expense included as part of the LVVWD's operations is shown.

OPEB Trust Fund. LVVWD contributes to a single-employer defined benefit OPEB Trust Fund. During 2018-19, the OPEB Trust Fund was established to provide a means to fund the post-retirement benefits provided by the LVVWD. Anticipated operating revenues shown for this fund include contributions from the operating revenues discussed above and are expensed within the operating expenses discussed above as part of overall payroll expenses. For the purpose of estimating the impact of the LVVWD's operations on the OPEB Trust Fund, the OPEB expense included as part of the LVVWD's operations is shown.



SECTION 4

STATE OF NEVADA

BUDGET DOCUMENTS

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**LAS VEGAS VALLEY
WATER DISTRICT™**





LAS VEGAS VALLEY WATER DISTRICT™

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

Las Vegas Valley Water District _____ 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 _____ 0 _____ If the final computation requires, the tax rate will be
lowered.

This budget contains _____ 0 _____ governmental fund types with estimated expenditures of \$ _____ 0 _____ and
_____ 1 _____ proprietary funds with estimated expenses of \$ _____ 827,756,310 _____

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: _____ 5/19/2025 _____

Phone: _____ (702) 822-8809 _____

APPROVED BY THE GOVERNING BOARD

Only necessary for **FINAL** Budget
(Signature by DocuSign is acceptable)

x _____
Marilyn Kirkpatrick, President

x _____
James Gibson, Vice President

x _____
April Becker

x _____
Justin Jones

x _____
William McCurdy II

x _____
Michael Naft

x _____
Tiki Segerblom

SCHEDULED PUBLIC HEARING:

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

Date and Time: _____ Monday, May 19, 2025 at 1:00 PM _____

Publication Date: _____ May 9, 2025 _____

Place: _____ Clark County Government Center, Grand Central Parkway, Las Vegas, NV _____

Page: _____ 1 _____
Schedule 1



**LAS VEGAS VALLEY WATER DISTRICT
BUDGET DOCUMENT INDEX**

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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	851.3	881.3	877.7
Hospitals			
Transit Systems			
Airports			
Other			
TOTAL	851.3	881.3	877.7

POPULATION (AS OF JULY 1)	1,627,904	1,642,481	1,659,104
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.**

Las Vegas Valley Water District
(Local Government)

SCHEDULE S-2 - STATISTICAL DATA



SCHEDULE A-2 PROPRIETARY AND NONEXPENDABLE TRUST FUNDS

Budget For Fiscal Year Ending June 30, 2025

Budget Summary for Las Vegas Valley Water District
(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)	
Las Vegas Valley Water District	E	\$ 764,872,057	\$ 765,292,016	\$ 87,569,636	\$ 62,464,293	\$ -	\$ -	\$ 24,685,383
TOTAL		\$ 764,872,057	\$ 765,292,016	\$ 87,569,636	\$ 62,464,293	\$ -	\$ -	\$ 24,685,383

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

** Include Depreciation



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				
Water Sales	\$ 443,946,284	\$ 472,388,909	\$ 474,372,603	\$ 474,372,603
Application & Inspection Fees	2,815,294	2,582,198	2,626,095	2,626,095
Springs Preserve	2,304,132	2,167,068	2,227,746	2,227,746
Other Operating Revenue	1,600,542	170,791	181,730	181,730
SNWA Infrastructure Charge	149,146,139	158,639,604	169,097,723	169,097,723
SNWA Commodity Charge	56,014,958	60,339,954	61,402,619	61,402,619
SNWA Connection Charge	49,913,958	51,374,779	49,679,412	49,679,412
SNWA Reliability Charge	4,718,668	5,130,223	5,284,129	5,284,129
Total Operating Revenue	710,459,974	752,793,526	764,872,057	764,872,057
OPERATING EXPENSE				
Purchased Water	107,171,082	114,872,805	115,400,686	115,400,686
Energy	14,820,107	15,753,555	15,025,807	15,025,807
Payroll & Related	136,704,559	154,918,051	173,106,189	173,106,189
Operations & Maintenance	42,674,051	42,612,977	68,028,407	68,028,407
SNWA Infrastructure Charge	149,146,139	158,639,604	169,097,723	169,097,723
SNWA Commodity Charge	56,014,958	60,339,954	61,402,619	61,402,619
SNWA Connection Charge	49,913,958	51,374,779	49,679,412	49,679,412
SNWA Reliability Charge	4,718,668	5,130,223	5,284,129	5,284,129
Depreciation/Amortization	94,661,413	96,039,988	108,267,044	108,267,044
Total Operating Expense	655,824,934	699,681,936	765,292,016	765,292,016
Operating Income or (Loss)	54,635,040	53,111,591	(419,960)	(419,960)
NONOPERATING REVENUES				
Capital Contributions	53,502,862	51,356,455	66,206,843	66,206,843
Amortization of Refunding Costs	839,524	750,222	669,596	669,596
Amortization of Bond Premiums & Discounts	9,818,321	8,866,858	7,724,011	7,724,011
Investment Income - Unrestricted Funds	32,732,484	25,744,440	3,338,576	3,338,576
Investment Income - Restricted Funds	5,633,819	9,996,811	3,555,056	3,555,056
Other Nonoperating Revenue	4,094,921	6,573,010	6,075,554	6,075,554
Total Nonoperating Revenues	106,621,931	103,287,797	87,569,636	87,569,636
NONOPERATING EXPENSES				
Interest Expense	40,084,275	40,339,714	38,386,079	38,386,079
Other Nonoperating Expenses	-	29,884,009	24,078,214	24,078,214
Total Nonoperating Expenses	40,084,275	70,223,723	62,464,293	62,464,293
Net Income before Operating Transfers	121,172,696	86,175,664	24,685,383	24,685,383
Transfers (Schedule T)				
In				
Out				
Net Operating Transfers				
CHANGE IN NET POSITION	\$ 121,172,696	\$ 86,175,664	\$ 24,685,383	\$ 24,685,383

Las Vegas Valley Water District
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

FUND _____ ENTERPRISE _____



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	\$ 439,646,416	\$ 477,138,175	\$ 479,226,444	\$ 479,226,444
Cash Payments to Suppliers for Goods and Services	(143,360,359)	(173,239,337)	(222,149,431)	(222,149,431)
Cash Payments to Employees for services	(147,618,266)	(154,918,051)	(173,106,189)	(173,106,189)
Other Cash Receipts	4,751,683	6,573,010	6,075,554	6,075,554
Other Cash Payments	(38,985)	(10,000,000)	(10,000,000)	(10,000,000)
a. Net cash provided by (or used for) operating activities	153,380,489	145,553,797	80,046,377	80,046,377
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	(123,560,064)	(155,976,948)	(178,992,082)	(178,992,082)
Capital Contributed for Construction	30,354,919	51,356,455	66,206,843	66,206,843
Proceeds from Sale of Property and Equipment	394,089	-	-	-
Right-of-use Leases	(1,890,541)	(1,968,887)	(3,347,554)	(3,347,554)
Subscription asset	(6,219,445)	(6,353,004)	(13,115,476)	(13,115,476)
Proceeds from Sale of Bonds	200,017,080	-	-	-
Bond Issue Costs		(99,900)	(383,683)	(383,683)
Principal Paid on Debt	(45,878,570)	(48,134,729)	(50,432,325)	(50,432,325)
Interest Paid on Debt	(39,389,278)	(40,175,273)	(37,913,428)	(37,913,428)
BAB interest rebate	1,422,977	1,422,977	1,422,977	1,422,977
Construction Deposits	(2,579,914)	(1,862,412)	-	-
c. Net cash provided by (or used for) capital and related financing activities	12,671,253	(201,791,720)	(216,554,728)	(216,554,728)
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investment Securities	(790,905,683)	(634,013,424)	(732,285,505)	(732,285,505)
Proceeds from Maturities of Investment Securities	624,431,325	606,824,297	861,841,563	861,841,563
Investment Income	14,346,671	28,586,863	6,893,632	6,893,632
d. Net cash provided by (or used in) investing activities	(152,127,687)	1,397,736	136,449,690	136,449,690
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	13,924,055	(54,840,187)	(58,660)	(58,660)
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	40,984,903	54,908,958	68,771	68,771
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	\$ 54,908,958	\$ 68,771	\$ 10,111	\$ 10,111

Las Vegas Valley Water District
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

FUND ENTERPRISE



FIDUCIARY 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
ADDITIONS				
Contributions - Employer	\$ 2,690,565	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Net Investment Earnings	3,917,726	4,094,938	2,586,753	2,586,753
Total Additions	6,608,291	7,094,938	5,586,753	5,586,753
DEDUCTIONS				
Administrative & General Expenses	1,000	1,000	5,000	5,000
Benefits Paid	2,690,565	-	-	-
Net Investment Losses	-	-	-	-
Total Deductions	2,691,565	1,000	5,000	5,000
Net Increase in Net Position before Operating Transfers	3,916,726	7,093,938	5,581,753	5,581,753
Transfers (Schedule T)				
In				
Out				
Net Operating Transfers				
CHANGE IN NET POSITION	\$ 3,916,726	\$ 7,093,938	\$ 5,581,753	\$ 5,581,753

Las Vegas Valley Water District
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

FUND OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST

Page: 8
Schedule F-1



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) REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/26		(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	INTEREST PAYABLE	PRINCIPAL PAYABLE	(9)+(10) TOTAL
2010A BABS	2	30 Years	\$ 75,995,000	06/15/10	03/01/40	5.6% - 5.7%	\$ 75,995,000	\$ 4,311,398	\$ -	\$ 4,311,398
2014 SRF	10	20 Years	19,929,329	12/01/14	07/01/34	2.6%	12,186,500	305,864	1,148,072	1,453,936
2015A	2	12 Years	172,430,000	06/01/15	06/01/27	2.0% - 5.0%	29,105,000	1,455,250	18,630,000	20,085,250
2016B	2	20 Years	108,220,000	04/06/16	06/01/36	2.5% - 5.0%	72,045,000	3,602,250	5,075,000	8,677,250
2016 SRF	10	20 Years	15,000,000	09/15/16	01/01/37	1.8%	10,672,193	186,225	844,122	1,030,347
2017A	2	21 Years	130,105,000	03/14/17	02/01/38	4.0% - 5.0%	97,300,000	4,345,400	5,570,000	9,915,400
2017 SRF	10	20 Years	15,000,000	05/03/17	01/01/37	2.4%	10,922,591	258,472	795,131	1,053,604
2018A	2	30 Years	100,000,000	06/26/18	06/01/48	3.0% - 5.0%	86,115,000	3,266,913	2,420,000	5,686,913
2020B	2	18 Years	22,240,000	03/03/20	03/01/38	2.0% - 5.0%	17,760,000	642,875	1,030,000	1,672,875
2020D	2	16 Years	98,080,000	04/01/20	06/01/36	2.0% - 5.0%	75,080,000	2,665,519	5,450,000	8,115,519
2020C	2	30 Years	100,000,000	07/16/20	06/01/50	2.0% - 5.0%	90,130,000	2,504,663	2,330,000	4,834,663
2021B	2	6 Years	32,795,000	03/03/21	06/01/27	5.0%	12,010,000	600,500	5,860,000	6,460,500
2022B	2	10 Years	31,495,000	03/03/22	06/01/32	5.0%	31,495,000	1,574,750	-	1,574,750
2022D	2	30 Years	70,555,000	06/29/22	06/01/52	4.0% - 5.0%	66,840,000	2,900,350	1,280,000	4,180,350
2023A	2	30 Years	185,860,000	10/04/23	06/01/53	5.0%	185,860,000	9,293,000	-	9,293,000
TOTAL ALL DEBT SERVICE							\$ 873,516,285	\$ 37,913,428	\$ 50,432,325	\$ 88,345,753

SCHEDULE C-1 - INDEBTEDNESS

Las Vegas Valley Water District

Budget Year 2025-2026

(Local Government)

Page: 9

Schedule C-1



SCHEDULE OF EXISTING CONTRACTS
Budget Year 2025-2026

Local Government: Las Vegas Valley Water District
Contact: E. Kevin Bethel
E-mail Address: kevin.bethel@lvvwd.com
Daytime Telephone: 702-822-8809

Total Number of Existing Contracts: 44

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	Altour	07/01/20	06/30/27	22,000	22,000	Travel Services
2	Cardino Inc	01/10/19	01/09/26	14,000	-	Horizontal & Vertical Utility Location Services
3	Darrel W. Cook & Associates	10/30/19	10/29/26	30,000	7,500	Legal Services
4	DC Plumbing & Heating LLC Db Purified Plumbing	11/08/20	11/06/26	20,000	5,000	Plumbing On-Call Services for Field Services
5	DJA Inspection Services	09/06/18	09/05/27	50,000	50,000	Storage Tank Inspection Services For Condition Assessment For Asset Management
6	DR Backflow Services LLC	05/06/20	08/08/27	50,000	50,000	Testing Of Below Ground And Rural Area Backflow Assemblies
7	Holland And Hart	09/23/08	upon notice	100,000	100,000	Environmental Legal Services
8	Hunton Andrew Kurth	01/15/20	01/14/27	30,000	16,000	Cybersecurity And Data Privacy Legal Advice
9	Hydromax USA LLC	10/01/21	09/30/27	100,000	100,000	Pipeline Inspection Services for Asset Management
10	Las Vegas Plumbing Inc	03/01/21	02/28/26	12,000	-	Miscellaneous On-Call Plumbing Services For Distribution
11	Las Vegas Plumbing Inc	03/01/21	02/28/26	15,000	-	Miscellaneous On-Call Plumbing Services For Field Services
12	McDermott, Will & Emery, LLP	04/02/20	04/01/27	25,000	20,000	Legal Consulting Services
13	Nevada Pneumatic	04/11/19	04/10/26	17,000	-	Maintenance/Repairs
14	Nevada Tap Master	12/31/19	12/30/26	36,000	18,000	Large Diameter Pipeline Hot Tap Services For Asset Management
15	Nevada Tap Master Inc CCR	03/16/20	03/18/26	37,500	-	Pipeline Hot Tapping and Valve Installation service for Distribution
16	Ogletree Deakins	07/20/16	Upon notice	100,000	100,000	Counsel on ADA Issues
17	Parson Water & Infrastructure	06/23/20	06/22/27	98,000	98,000	Construction Inspections Support Services
18	Precision Plumbing Inc (AAA Precision Plumbing)	10/28/20	10/27/26	23,017	23,017	Miscellaneous Plumbing Services for Field Services
19	Precision Plumbing Inc (AAA Precision Plumbing)	10/29/20	10/28/26	20,000	20,000	Miscellaneous Plumbing Services for Distribution
20	Red Rock Window Cleaning Inc	10/20/21	10/19/27	25,000	25,000	Window Cleaning Services
21	Simpson Gumpertz & Heger Inc	01/01/20	12/31/25	80,000	80,000	Pipeline Leak Analysis For Asset Management
22	Veterinarian Aquarium Group	3/2/2021	03/01/26	85,000	85,000	Springs Preserve Veterinarian Services
23	West Charleston Upholstery	05/01/20	04/30/27	30,000	30,000	Vehicle Upholstery Services
24	Filta Environmental Kitchen Solutions dba Kismet Enterprise LLC	12/01/22	11/30/28	50,000	50,000	Fleet On Site Vehicle Washing
25	Glide Installations LLC	09/07/22	09/06/27	150,000	150,000	Installation and Maintenance of System Furniture
26	Henriksen Butler Nevada	01/20/22	01/05/27	200,000	100,000	Furniture, Installation, and Related Products and Services
27	R&R Partners	04/01/22	03/31/27	1,000,000	800,000	Integrating Advertising/Marketing Services
28	Joshua Tree Productions	07/06/23	07/05/28	80,000	80,000	Video Production Services
29	Premier Property Preservation	06/01/23	05/31/30	125,000	125,000	Springs Preserve Janitorial Services
30	Preventive Pest Control Las Vegas	03/29/23	03/28/29	200,000	200,000	Pest Control Services
31	Whitmire Law PLLC	02/17/23	02/16/30	300,000	300,000	Outside Litigation Services
32	Converse Consultants	11/13/23	11/12/29	100,000	100,000	Legal Services Consultant
33	Affordable Tree Service	03/21/23	03/20/28	100,000	100,000	On-call Tree Pruning, Removal and Related Services
34	Nevada Furniture Installation	05/01/23	04/30/30	150,000	150,000	Installation and Maintenance of Systems Furniture
35	Echologics LLC	10/18/23	10/17/30	100,000	100,000	Pipeline Leak Detection and Condition Assessment Services
36	Dr Backflow Services LLC	03/22/23	03/21/30	528,000	528,000	Annual Backflow Assembly Testing
37	Dr Backflow Services LLC	09/01/23	08/31/30	50,000	50,000	Below Ground and Rural Areas Backflow Testing
38	Work Zone Traffic Services Inc	02/16/23	02/15/29	500,000	500,000	Traffic Control and Barricade Services
39	BrightView Landscape Services Inc.	07/18/24	07/17/30	25,000	25,000	On Call Landscape Services
40	Par 3 Landscape & Maintenance Inc	11/5/2024	11/04/30	25,000	25,000	Springs Preserve On-Call Landscaping Services
41	Cal Pac Painting of Nevada Inc.	9/5/2024	06/04/30	25,000	25,000	Springs Preserve On-Call Painting Services
42	Capitol North American	6/27/2024	06/26/30	50,000	50,000	Supplementary Systems Furniture Installation Services
43	Premier Property Preservation	5/1/2024	04/30/30	23,000	23,000	Janitorial Services for the Springs Preserve
44	Baker Tilly US, LLP	03/10/22	12/31/27	100,000	100,000	Professional Auditing Services LVVWD
Total Proposed Expenditures				4,900,517	4,430,517	

Additional Explanations (Reference Line Number and Vendor):



SCHEDULE OF PRIVATIZATION CONTRACTS

Budget Year 2025-2026

Local Government: Las Vegas Valley Water District

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 2025-26	Proposed Expenditure FY 2026-27	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: __11__

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
Las Vegas Valley Water District
1001 South Valley View Blvd.
Las Vegas, NV 89153

Re: Final Budget – Fiscal Year 2025-26
Las Vegas Valley Water District

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 - 79
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**LAS VEGAS VALLEY
WATER DISTRICT™**



Las Vegas Valley Water District
Operating and Capital Budget
Department Budgets
Fiscal Year Ending June 30, 2026

This section contains summaries of budgets for each of the Las Vegas Valley Water District's (LVVWD) 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.

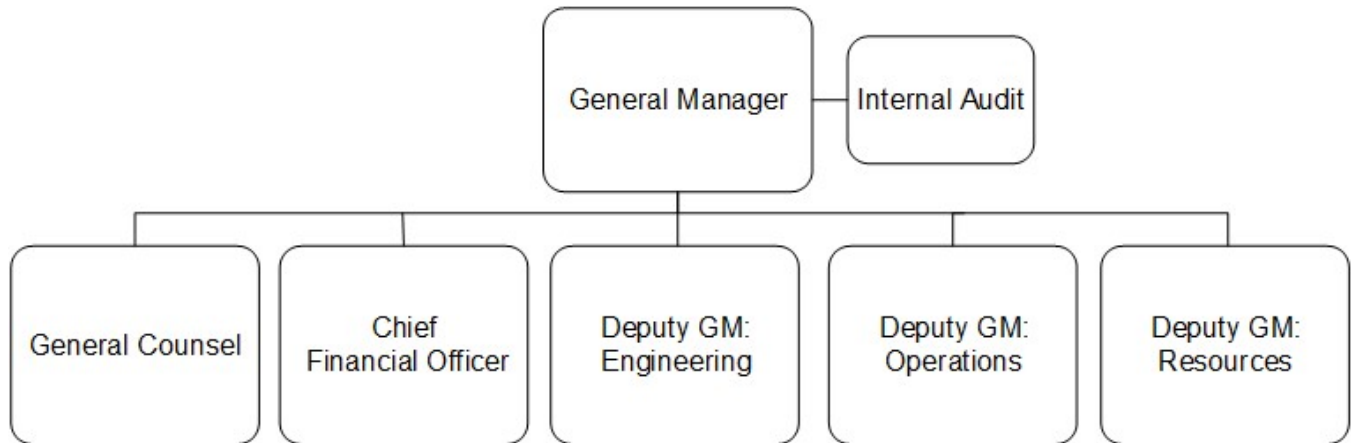
LVVWD
Summary of Department Expenditures

DEPARTMENTS	Actual 2023-24	Budget 2024-25	Budget 2025-26	Budget-to-Budget Variance
Executive Management	\$ 2,085,768	\$ 1,969,779	\$ 1,988,005	\$ 18,226
Legal Services	5,971,498	9,023,477	8,848,695	(174,782)
Finance	358,452,693	385,640,304	421,693,033	36,052,729
Energy Management	40	—	—	—
Risk Management	2,426,549	5,204,257	5,272,243	67,986
Customer Care & Field Services	39,960,767	45,125,483	55,734,572	10,609,089
Engineering	86,677,375	116,832,890	128,166,703	11,333,813
Infrastructure Management	37,037,165	51,985,709	57,997,310	6,011,601
Operations	80,080,598	67,729,248	69,037,122	1,307,874
Human Resources	4,884,431	10,848,005	10,054,118	(793,887)
Information Technology	35,371,271	46,698,206	42,664,204	(4,034,002)
Environmental Health Safety & Corporate Security	21,560,250	25,101,567	28,007,828	2,906,261
Water Quality & Treatment	518,909	443,653	376,479	(67,174)
Water Resources	4,695,495	12,080,284	13,549,304	1,469,020
Public Services	16,137,217	19,679,307	17,178,304	(2,501,003)
Total Department Expenditures	\$ 695,860,026	\$ 798,362,169	\$ 860,567,920	\$ 62,205,751
Debt Service	83,844,871	88,310,003	88,345,753	35,750
TOTAL USES OF FUNDS	\$ 779,704,897	\$ 886,672,172	\$ 948,913,673	\$ 62,241,501



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.



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Expenditures

LVVWD USES	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 4,133	\$ 1,460	\$ 4,050
Maintenance and repairs	7,440	—	400
Rental and leases	—	—	—
Other employee expenses	55,804	67,470	64,650
Other operating expenses	60,450	61,520	61,320
Total Operating Expenses	127,827	130,450	130,420
Capital expenditures	—	—	—
Salaries and benefits	1,957,941	1,839,329	1,857,585
TOTAL DEPARTMENT EXPENDITURES	\$ 2,085,768	\$ 1,969,779	\$ 1,988,005
FTE POSITIONS	5.5	5.5	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.
- Working with federal, state and local agencies to coordinate logistics and assess potential water infrastructure needs and risks associated with one-time and recurring major events.
- Continued implementation of LVVWD's 10-year Capital Improvement Plan.
- 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. Additionally, LVVWD partners with community organizations to assist qualifying homeowners with



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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.



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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

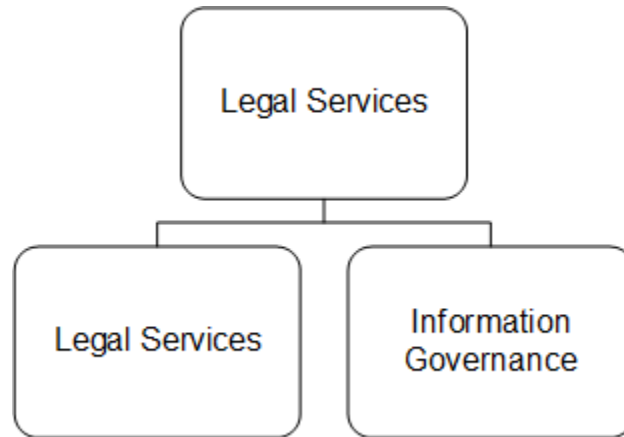
The Executive Management Team oversees and manages the implementation of the strategic plan goals identified by the LVVWD and the SNWA.

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



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LVVWD USES	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 3,858	\$ 15,556	\$ 13,081
Maintenance and repairs	39,793	96,300	132,000
Rental and leases	21	—	—
Other employee expenses	75,813	178,700	174,600
Other operating expenses	983,989	2,927,754	2,914,684
Total Operating Expenses	1,103,474	3,218,310	3,234,365
Capital expenditures	1,496,993	1,900,000	1,900,000
Salaries and benefits	3,371,031	3,905,167	3,714,330
TOTAL DEPARTMENT EXPENDITURES	\$ 5,971,498	\$ 9,023,477	\$ 8,848,695
FTE POSITIONS	15.8	17.1	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 Supreme Courts



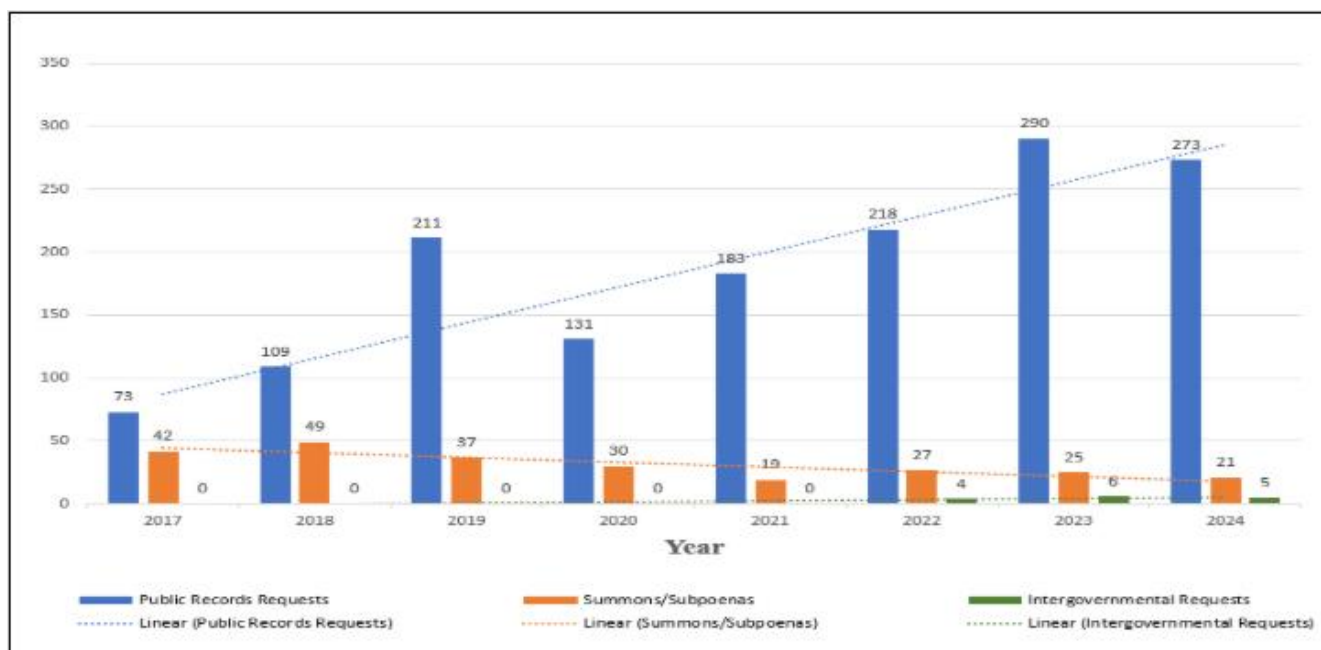
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Legal Services

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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.

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



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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. The Strategic Plans and Objectives are included in the below chart.

2025-26 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 giving advice and counsel on transactional matters and on sensitive personnel issues. This aligns with SPG-6 "Strengthen and uphold a culture of service, excellence and accountability."						X
V	Assessment of organizational contract management processes, workflows, and technologies. This aligns with SPG-5 "Ensure organizational efficiency and manage financial resources to provide maximum customer value."					X	



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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 Federal, State, and Administrative Cases that are open and completed.	IV	Q2 2026	Ongoing	Ongoing	Q2 2026
Complete contracting assessment and develop summary recommendation package of business process and technology improvements to streamline workflows and ensure the organization's contractual and fiscal compliance.	V	Q1 2025	N/A	Complete	N/A
Implement recommendations resulting from the contract management assessment and contract workflow audit.	V	Q2 2026	N/A	N/A	Q2 2026



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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 to align 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.

Completed contracting assessment with Quality, outside Consulting experts in both contracting lifecycle management software and organizational best practices. Also completed an internal contract management audit.



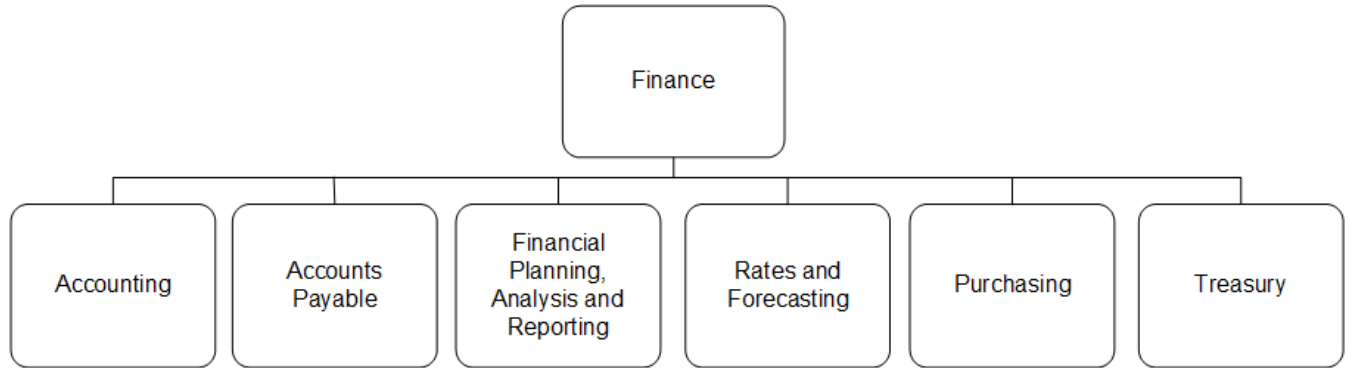
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FINANCE

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).



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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.

	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
LVVWD USES			
Purchased water	\$ 107,154,117	\$ 108,159,422	\$ 115,380,686
Energy	—	—	—
Materials and supplies	1,111,595	933,920	1,419,869
Maintenance and repairs	116,305	89,650	120,579
Rental and leases	26,977	—	—
Other employee expenses	64,870	67,610	74,555
Other operating expenses	242,769,848	244,783,159	273,853,440
Total operating expenses	351,243,712	354,033,761	390,849,129
Nonoperating expenses	878,785	25,381,157	24,550,865
Capital expenditures	—	—	—
Salaries and benefits	6,330,196	6,225,386	6,293,039
TOTAL DEPARTMENT EXPENDITURES	\$ 358,452,693	\$ 385,640,304	\$ 421,693,033
FTE POSITIONS	29.9	31.6	30.7

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,



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conservation-related activities, Las Vegas Wash activities, energy management, and various activities related to water rights.

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 & 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 & 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



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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.

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



**Las Vegas Valley Water District
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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

2024-25 Department Accomplishments

Revised the Purchasing Guidelines and P-Card Policy to reflect updated processes and procedures.

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.

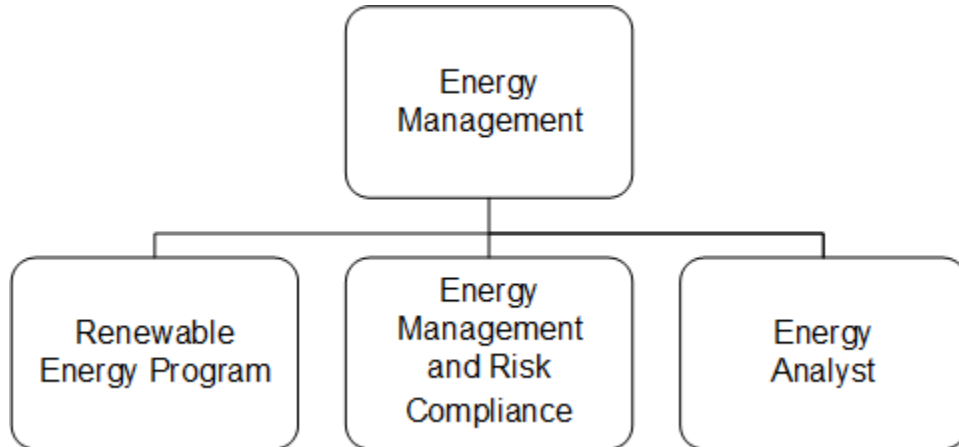
Implemented an invoice processing automation tool.

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, the City of Henderson, the Clark County Water Reclamation District and the City of North Las Vegas.

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.



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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.

	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
LVVWD USES			
Materials and supplies	\$ 40	\$ —	\$ —
Maintenance and repairs	—	—	—
Rental and leases	—	—	—
Other employee expenses	—	—	—
Other operating expenses	—	—	—
Total operating expenses	40	—	—
Capital expenditures	—	—	—
Salaries and benefits	—	—	—
TOTAL DEPARTMENT EXPENDITURES	\$ 40	\$ —	\$ —
FTE POSITIONS	0.0	0.0	0.0

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

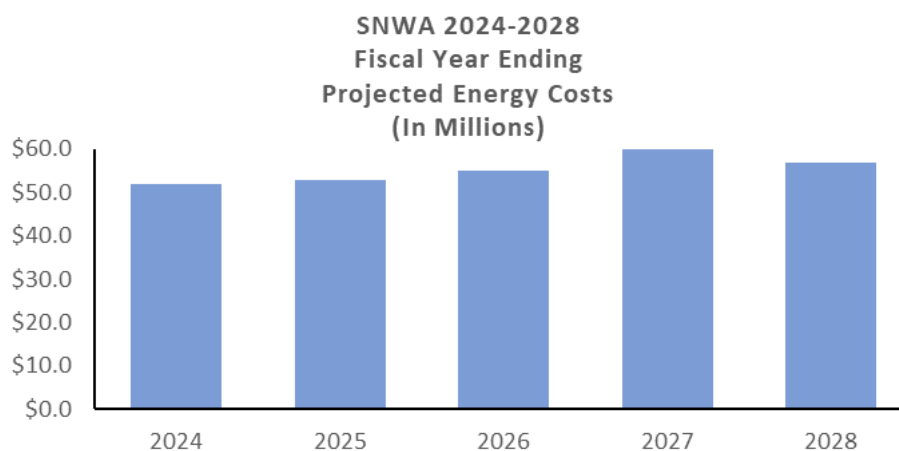


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manage it. Over \$1 million per year of general overhead and operating costs are now being paid for by non-SNWA entities, costs that otherwise would be paid for by the SNWA.

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 2027. 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 2028 (excluding capital costs) as of the end of January 2024.



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 \$55 million, excluding the estimated cost of capital associated with the SNWA's energy assets for the fiscal year 2024-25. This amount is recovered through the SNWA wholesale water delivery charge.



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Boulder Flats Solar and 230 kV Transmission Project. The SNWA is working with ibV Energy Partners 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 2023 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.



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LVVWD USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 1,008	\$ 1,300	\$ 1,500
Maintenance and repairs	28,263	—	1,000,000
Other employee expenses	24,030	28,250	37,470
Other operating expenses	1,804,422	4,573,937	3,399,180
Total Operating Expenses	1,857,723	4,603,487	4,438,150
Capital expenditures	—	—	—
Salaries and benefits	568,826	600,770	834,093
TOTAL DEPARTMENT EXPENDITURES	\$ 2,426,549	\$ 5,204,257	\$ 5,272,243
FTE POSITIONS	3.0	3.0	4.0

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.



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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			

Leak Repair Reimbursement Program. Risk Management is working in conjunction with Customer Care and Field Services to provide a solution to help the community by funding a program with the Excessive Use Charges (EUC). The Leak Repair Reimbursement Program (LKRPP) pilot went live as of April 1, 2024 and full implementation started on July 1, 2024. The LVVWD paid 583 applicants a total of \$384,000.

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



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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.

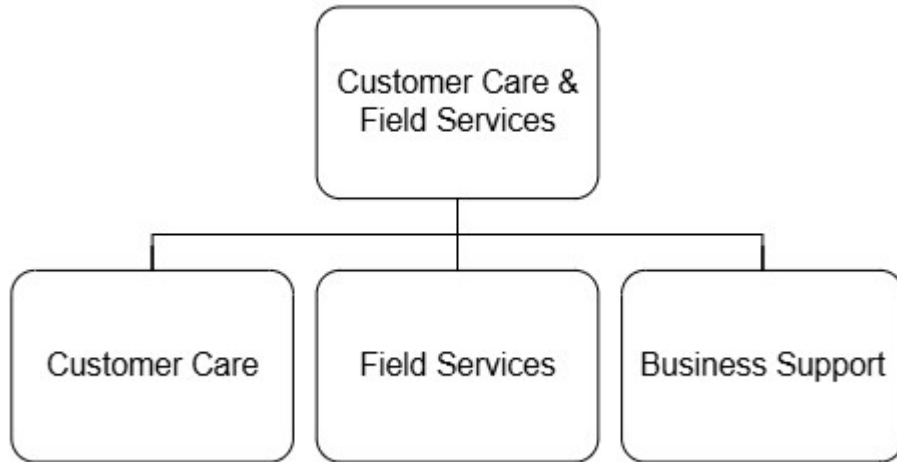
Completed Full Property Appraisal.

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.



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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.

LVVWD USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 1,932,470	\$ 1,288,308	\$ 3,595,685
Maintenance and repairs	5,913,245	7,228,400	9,498,700
Rental and leases	4,100	3,400	—
Other employee expenses	111,945	310,173	167,388
Other operating expenses	2,752,707	3,159,578	5,509,600
Total Operating Expenses	10,714,467	11,989,859	18,771,373
Capital expenditures	4,753,575	4,990,500	7,154,000
Salaries and benefits	24,492,725	28,145,124	29,809,199
TOTAL DEPARTMENT EXPENDITURES	\$ 39,960,767	\$ 45,125,483	\$ 55,734,572
FTE POSITIONS	147.0	160.9	161.9

Department Descriptions

During calendar year 2024, Customer Care and Field Services focused on four critical areas of the business: achieving and maintaining acceptable call center customer wait times, creating/enhancing leak-related customer assistance programs, supporting demand management-related customer engagement through leak- and compliance-related notifications, and managing the meter population and AMI network to maintain target meter billing read performance standards and enhance customer visibility to usage patterns.

Customer Care – The Customer Care division serves as the primary point of contact for internal and external inquiries and transactions requests, supporting approximately 440,000 active services. The



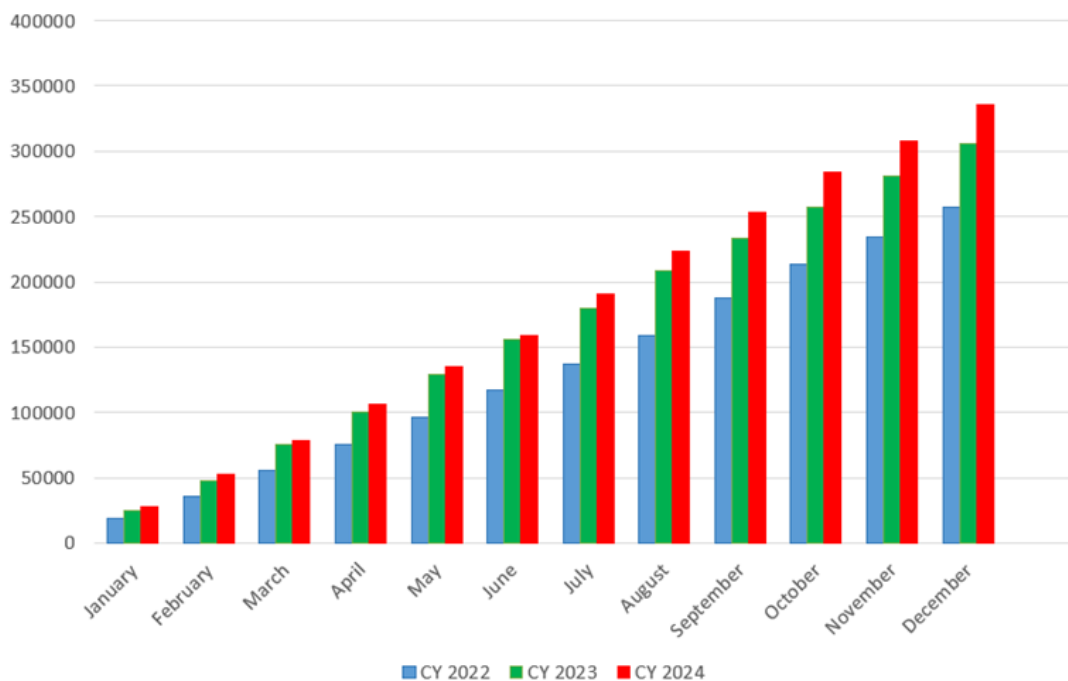
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division manages customer care interactions that include phone, kiosk, chat, web requests, correspondence, and appointment requests. Customer Care processes payments, develops payment arrangements, implements liens and collections for delinquent debt, addresses billing and other account-related inquiries, conservation inquiries, and water loss prevention activities, 24/7 emergency phone coverage, and Field Services and Operations dispatch activities.

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.

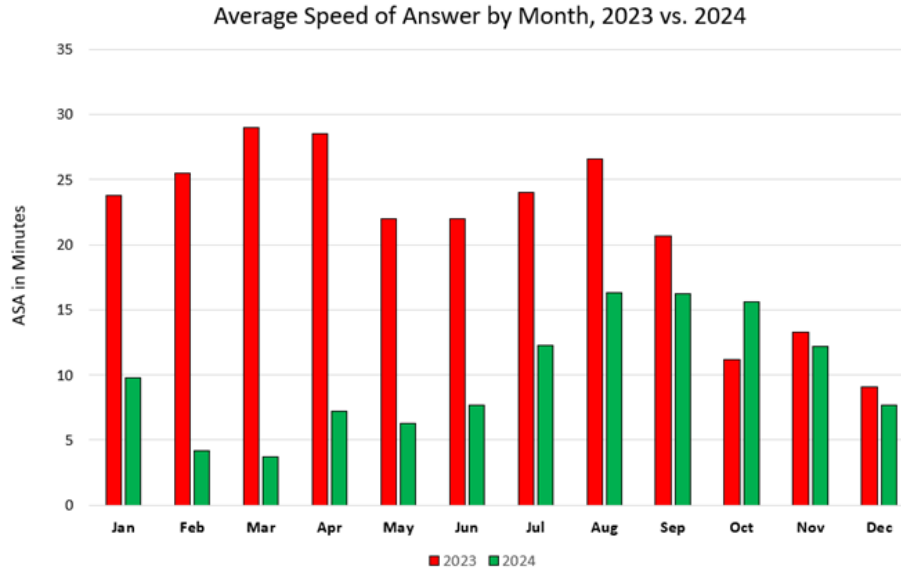


During the current Fiscal Year, Customer Care Operations has continued to employ strategies to maintain and build upon previously achieved reductions to customer wait times. Enhanced training focused on reducing average call durations, combined with automated start/stop transaction capabilities and other 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.



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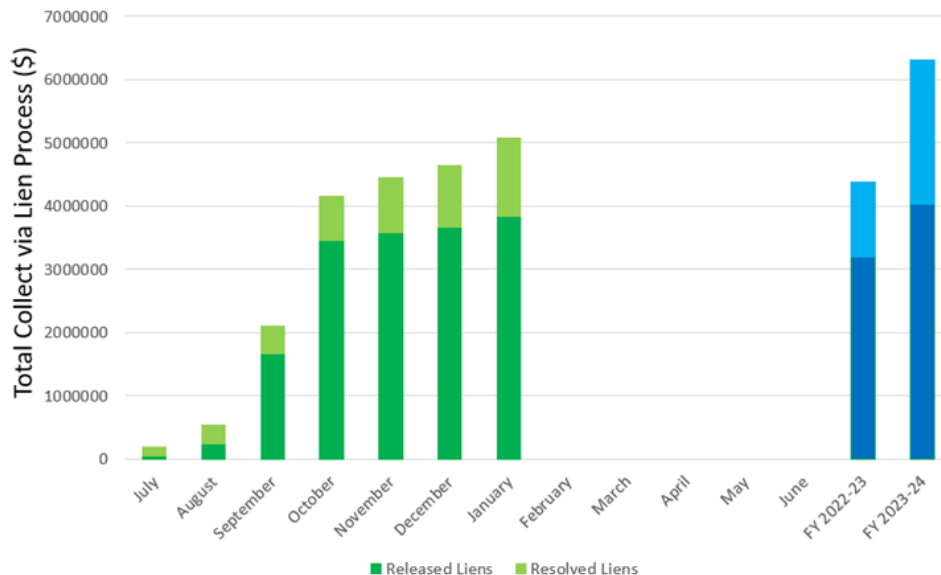
The Average Speed of Answer in 2024 was significantly faster than in the previous year despite a year-over-year call volume increase of approximately 30,000



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)



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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.



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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	0.4%	0.4%	0.3%	0.3%
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	99.0%	97.7%	99.2%	99.4%
Customer participation in leak-related assistance programs *(not including service line protection program).	V	2500	1650	3439	3500



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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).

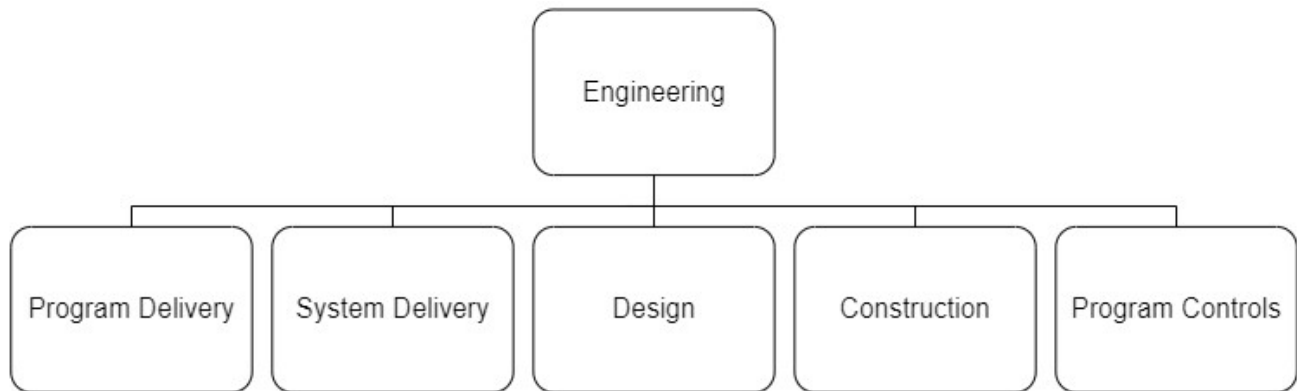
Managed more than 330,000 incoming customer phone calls in addition to chat and email volumes.

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



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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.

LVVWD USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 226,030	\$ 333,436	\$ 372,400
Maintenance and repairs	2,704,576	2,190,000	3,666,000
Rental and leases	—	—	—
Other employee expenses	67,978	106,596	142,781
Other operating expenses	211,806	912,330	881,900
Total operating expenses	3,210,390	3,542,362	5,063,081
Capital expenditures	68,462,903	96,320,999	104,531,000
Salaries and benefits	15,004,082	16,969,529	18,572,622
TOTAL DEPARTMENT EXPENDITURES	\$ 86,677,375	\$ 116,832,890	\$ 128,166,703
FTE POSITIONS	76.5	84.6	91.7



Department Descriptions

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.

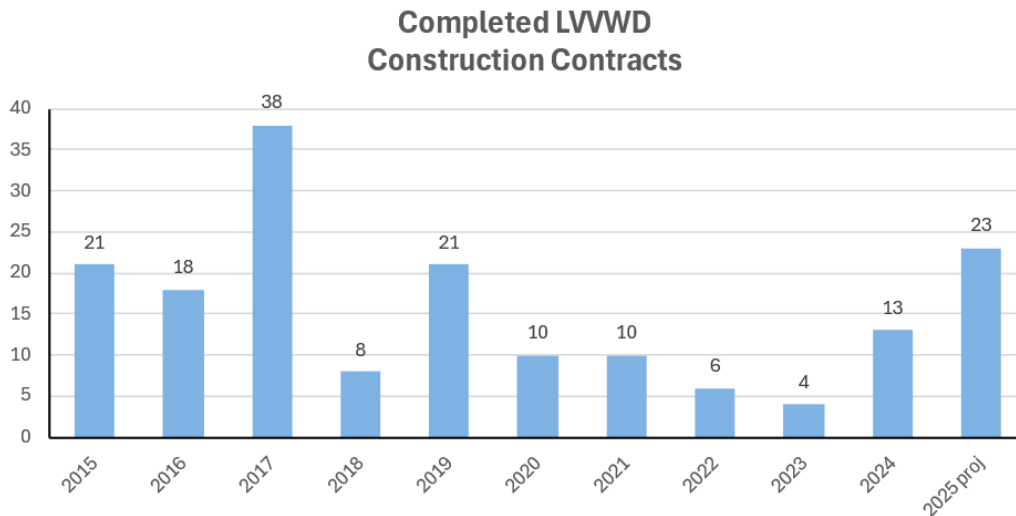
Land Survey and Property Management. Professional staff within the department support design and construction of infrastructure by providing land surveying, water rights surveying, line location, right of way acquisition and property management for both the LVVWD and SNWA systems. These services are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



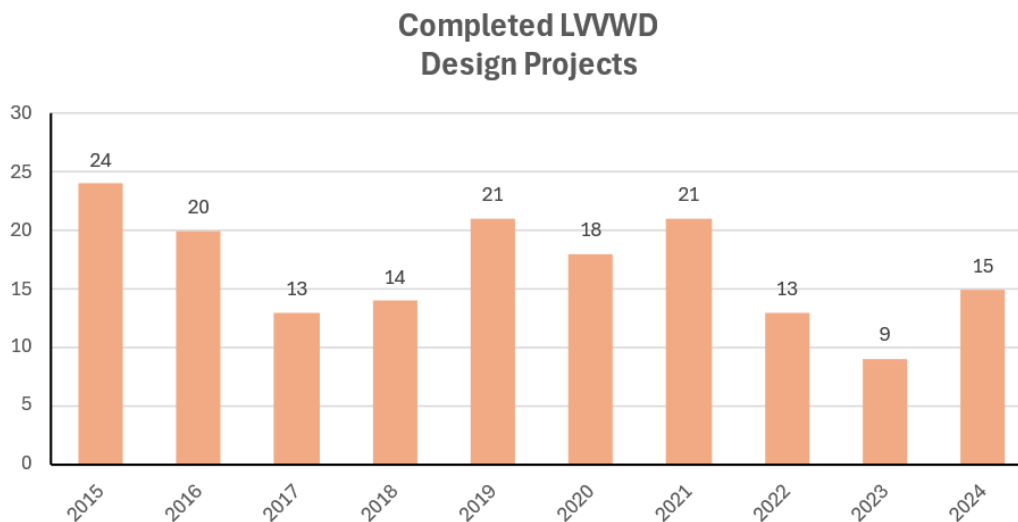
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The chart below (Completed LVVWD Construction Projects) represents the number of the LVVWD construction projects completed by Engineering since 2014 and the number expected to be completed in 2024.



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.



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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				

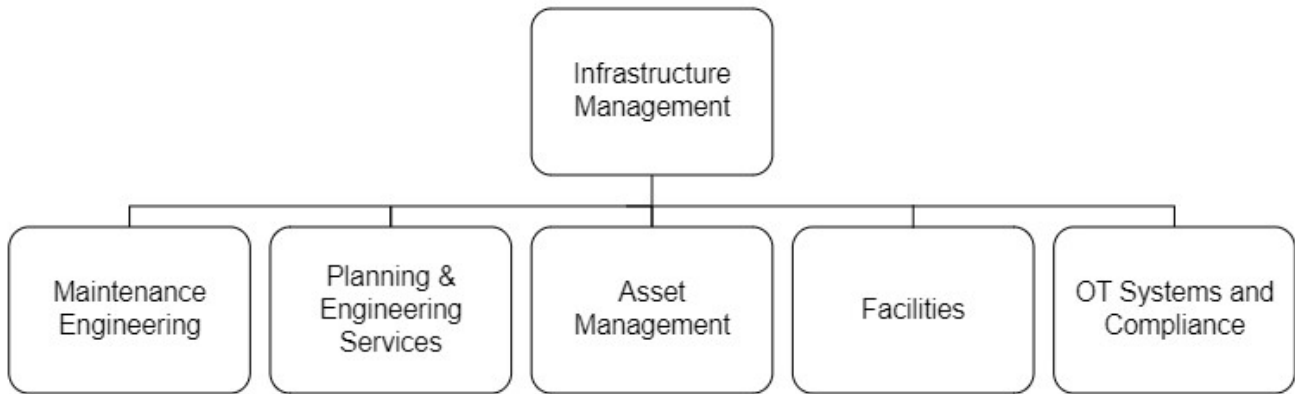
Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Pay consultant invoices for work executed by the Engineering Department within 30-days of submittal through our Project Management Information System.	III	99%	99%	99%	99%
Pay contractor invoices for construction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

2024-25 Department Accomplishments
Completed construction and placed into service the Cougar 3090 Zone Reservoir. Completed the design and initiated construction on THM Mitigation systems for Cactus 2538 Zone Reservoir, Elkhorn 2975 Zone Reservoir, and Beltway 3090 Zone Reservoir.
Nearing construction completion of the Centennial 2635 Zone Reservoir and 2745 Zone Pumping Station.
Nearing construction completion of the Rome 2745 Zone Reservoir and 2975 Zone Pumping Station. Completed construction on Las Vegas Blvd Improvements, Phase III.



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.



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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 LVVWD projects.

LVVWD USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 1,455,611	\$ 2,364,359	\$ 1,319,050
Maintenance and repairs	3,094,786	4,984,097	4,555,013
Rental and leases	—	—	—
Other employee expenses	125,621	237,481	273,745
Other operating expenses	918,397	1,128,265	1,063,200
Total Operating Expenses	5,594,415	8,714,202	7,211,008
Capital expenditures	10,146,247	20,426,500	26,234,000
Salaries and benefits	21,296,503	22,845,007	24,552,302
TOTAL DEPARTMENT EXPENDITURES	\$ 37,037,165	\$ 51,985,709	\$ 57,997,310
FTE POSITIONS	127.1	115.5	116.6

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.



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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.



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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.



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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	Maintain an industry leading hydraulic model that is used daily for pumping operations and for engineering analysis and decision support for distribution system additions and modifications.	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	
V	Strive to continuously improve the Infrastructure Leakage Index (ILI) which is a ratio of actual to unavoidable real losses in the distribution system.	X					

Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Percentage spend of capital budget	I	70%	91%	85%	70%
Less than 3 psi different between hydraulic model and actual field measurements in 95% of the nodes	II	95%	95%	97%	97%
Miles of pipeline that received condition assessment	III	25	37	28	25
Achieve 99.9% system availability of the wide area communications network supporting OT and IT	IV	99.9%	100.0%	99.9%	99.9%
Infrastructure Leakage Index	V	<3	2.1	2.3	2.2



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2024-25 Department Accomplishments

Maintenance Engineering completed 28 projects that extended the useful life of facilities. Capital expenditures totaled \$8.2M.

Asset Management performed condition assessment on a total of 37 miles of pipelines and identified 92 individual leaks that saved the LVVWD over 234 million gallons of water.

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.

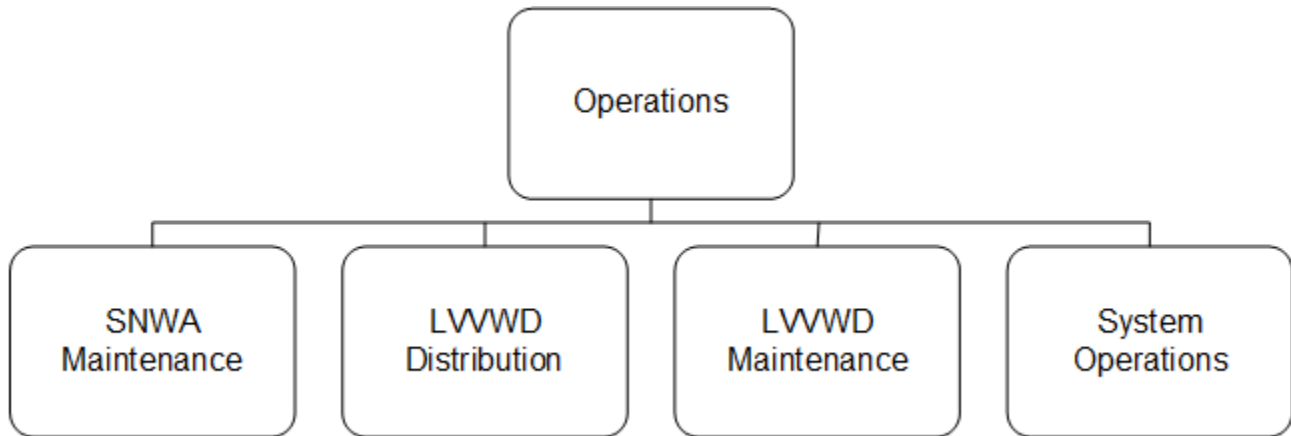
Published a revision to the Uniform Design and Construction Standards, a crucial reference manual to ensure consistent construction standards for water facilities <24" in diameter. This manual is a key factor to ensure longevity of our distribution system infrastructure.

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



OPERATIONS

Level: 4100



Mission

To serve the Southern Nevada Water Authority (SNWA) 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.



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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.

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 \$7.0 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 \$69.0 million for fiscal year 2025-26.

	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
LVVWD USES			
Purchased water	\$ 16,965	\$ 20,000	\$ 20,000
Energy	14,820,106	15,788,039	15,025,807
Materials and supplies	8,777,238	8,769,807	9,512,900
Maintenance and repairs	953,455	971,554	1,042,040
Rental and leases	35,725	15,445	16,000
Other employee expenses	304,359	265,590	272,500
Other operating expenses	102,458	407,550	253,550
Total Operating Expenses	25,010,306	26,237,985	26,142,797
Capital expenditures	21,698,354	5,554,000	7,034,690
Salaries and benefits	33,371,938	35,937,263	35,859,635
TOTAL DEPARTMENT EXPENDITURES	\$ 80,080,598	\$ 67,729,248	\$ 69,037,122
FTE POSITIONS	195.5	200.4	193.3



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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 in-house repair and fabrication of equipment needed to support the mission.

LVVWD Distribution. The Distribution division (Distribution) is responsible for maintaining 7,263 miles of pipeline and laterals, 153,721 valves, 441,182 service laterals, 43,807 fire hydrants, and all related appurtenances comprising the LVVWD's distribution system. In fiscal year 2023-2024, Distribution crews completed 9,715 work orders consisting of repairs to pipelines and the repair and replacement of valves and fire hydrants. Additionally, 2,084 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 73,380 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 exercised 5,048 valves in fiscal year 2023-2024, 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



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are certified by the California/Nevada section of the American Water Works Association (AWWA). They are currently managing approximately 36,028 backflow prevention devices.

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, analyzing, and reporting on energy billing, usage, and budget; water diversion and delivery; maintenance management information; and asset management information; including combining information across the company to produce and monitor Operations cost and kWh per MG system-wide and by location and non-revenue water for all water systems.

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 operating pumps and wells to maintain reservoir levels and water system pressure, maintaining proper system residuals utilizing sodium hypochlorite feed systems, performing regular filed inspections of pump stations and reservoirs, and monitoring THM levels. This section



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remains dedicated to preparing daily pumping plans to fine tune pumping decisions which improve the 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 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 LVVWD's critical assets. They continually find ways to incorporate innovative water technologies to optimize operational performance 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	Systems Operation- Preparing daily pumping plans to fine tune decisions which improve the distribution system water quality and reduce electricity costs.	X	X	X	X	X	X
II	Distribution-Replace leaking service line laterals to ensure water quality and conservation.	X	X	X		X	X
III	LVVWD 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



**Las Vegas Valley Water District
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Department Budgets**

Operations

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Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Pumping Plans-Average annual energy costs.	I	14,929,071	14,400,000	14,862,813	14,630,489
Service Line Annual Replacements.	II	2,500	2,072	2,000	2,500
Pump Annual Availability Percentage.	III	90%	94%	95%	90%

2024-25 Department Accomplishments

Combining information across the Enterprise to produce and monitor Operations cost and kWh per MG system-wide and by location and non-revenue water for all water systems.

Preparing daily pumping plans to fine tune pumping decisions which improve the distribution system water quality and save electricity costs.

Provide around-the-clock monitoring and control of wholesale water transmission and distribution system equipment using the SCADA computer system.

Management and disinfection of the potable water storage network of reservoirs and wells to meet Safe Drinking Water standards.

Ensure sound decision-making and transparency for each of the rural water systems.

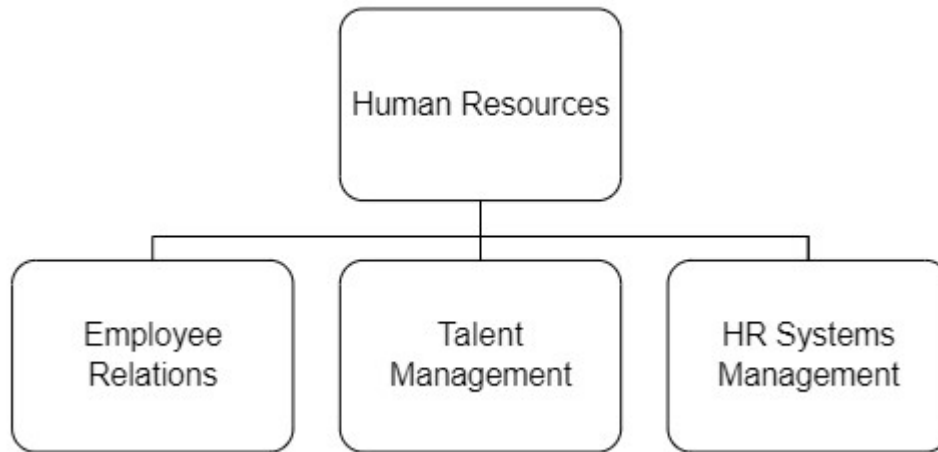
Maintaining 7,263 miles of pipeline and laterals, 153,721 valves, 441,182 service laterals, 43,807 fire hydrants, and all related appurtenances comprising the LVVWD's distribution system.

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.



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Human Resources
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LVVWD USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 6,593	\$ 9,150	\$ 10,300
Maintenance and repairs	5,468	13,000	13,000
Other employee expenses	525,656	582,600	690,643
Other operating expenses	930,794	930,346	953,250
Total Operating Expenses	1,468,511	1,535,096	1,667,193
Capital expenditures	—	—	—
Salaries and benefits	3,415,920	9,312,909	8,386,925
TOTAL DEPARTMENT EXPENDITURES	\$ 4,884,431	\$ 10,848,005	\$ 10,054,118
FTE POSITIONS	19.6	56.0	47.9

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 being a trusted and reliable partner to providing work environments where employees are encouraged to perform at their highest potential.



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Department Goals & Objectives		Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
I	Develop a reliable, redundant, fully versed bench of talent, confident in core HR competencies.		X			X
II	Integrate efficient and effective business work-flow processes and procedures.				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			
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	N/A	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.

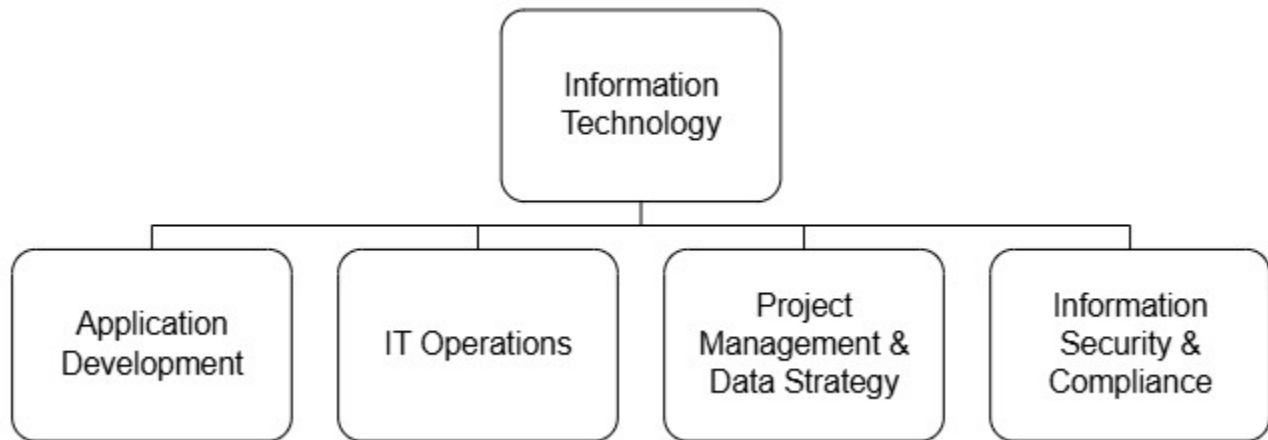
Strengthened community involvement through active participation in job fairs and partnership building with our local schools to develop talent pipelines.

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.



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Information Technology
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LVVWD USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 1,305,005	\$ 1,375,200	\$ 1,884,100
Maintenance and repairs	7,287,671	6,191,396	8,255,592
Rental and leases	617,100	669,000	169,080
Other employee expenses	78,872	206,667	259,393
Other expenses	1,711,604	3,134,970	3,445,144
Total Operating Expenses	11,000,252	11,577,233	14,013,309
Capital expenditures	9,292,551	20,980,000	14,064,050
Salaries and benefits	15,078,468	14,140,973	14,586,845
TOTAL DEPARTMENT EXPENDITURES	\$ 35,371,271	\$ 46,698,206	\$ 42,664,204
FTE POSITIONS	60.5	62.7	61.8

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.



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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.



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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



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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 advisory and 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	100%	99%	100%	100%
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%



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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.

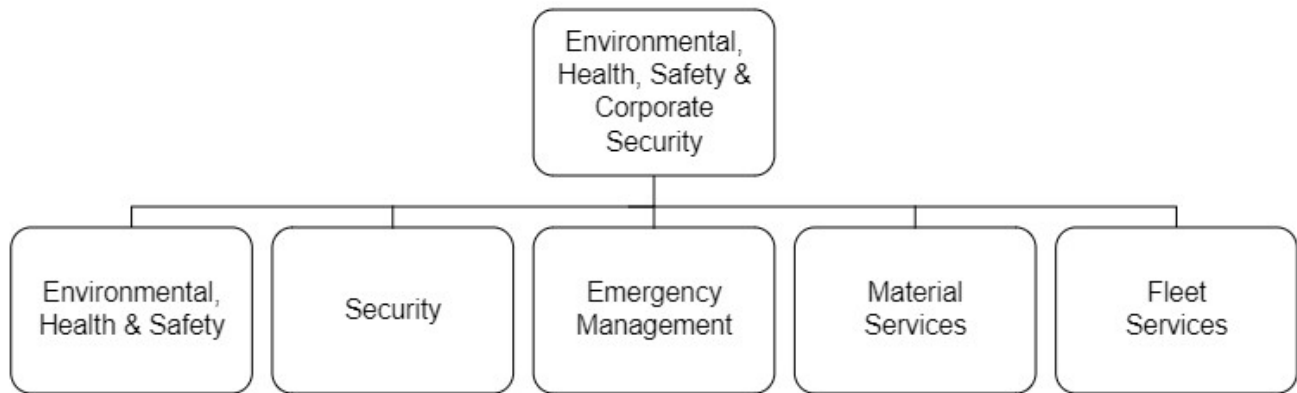
Accomplished the following significant IT projects on schedule and with success: deployment of customer daily consumption online, development of a new application for managing water use compliance, replacement of the legacy customer care contact center solution, and upgrading the Oracle infrastructure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



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

Expenditures

LVVWD USES	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 2,769,024	\$ 3,065,226	\$ 3,123,467
Maintenance and repairs	544,082	405,000	587,000
Rental and leases	207,099	240,000	256,000
Other employee expenses	397,767	419,564	493,066
Other operating expenses	3,593,937	2,790,003	3,109,270
Total Operating Expenses	7,511,909	6,919,794	7,568,803
Capital expenditures	4,386,643	7,950,956	9,321,342
Salaries and benefits	9,661,698	10,230,817	11,117,683
TOTAL DEPARTMENT EXPENDITURES	\$ 21,560,250	\$ 25,101,567	\$ 28,007,828

FTE POSITIONS	85.6	62.3	63.8
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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.



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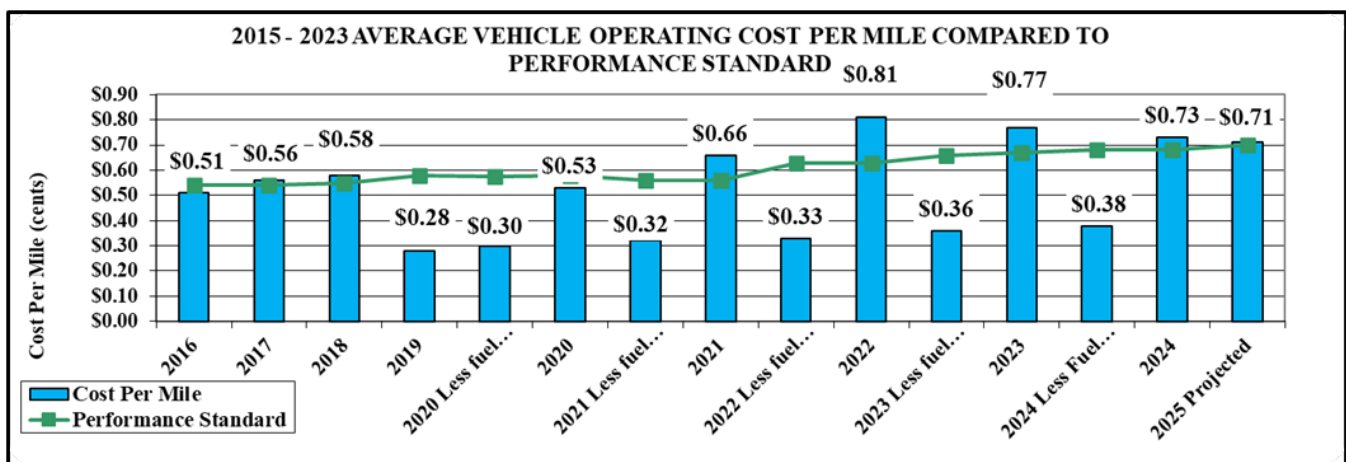
Physical security networks and systems—including electronic access control, security cameras, alarms, and locks—work in coordination with a 24/7 centralized call center to support officers in maintaining campus control. Corporate Security also collaborates with federal, state, and local law enforcement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

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 LVVWD. 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 LVVWD's service area.

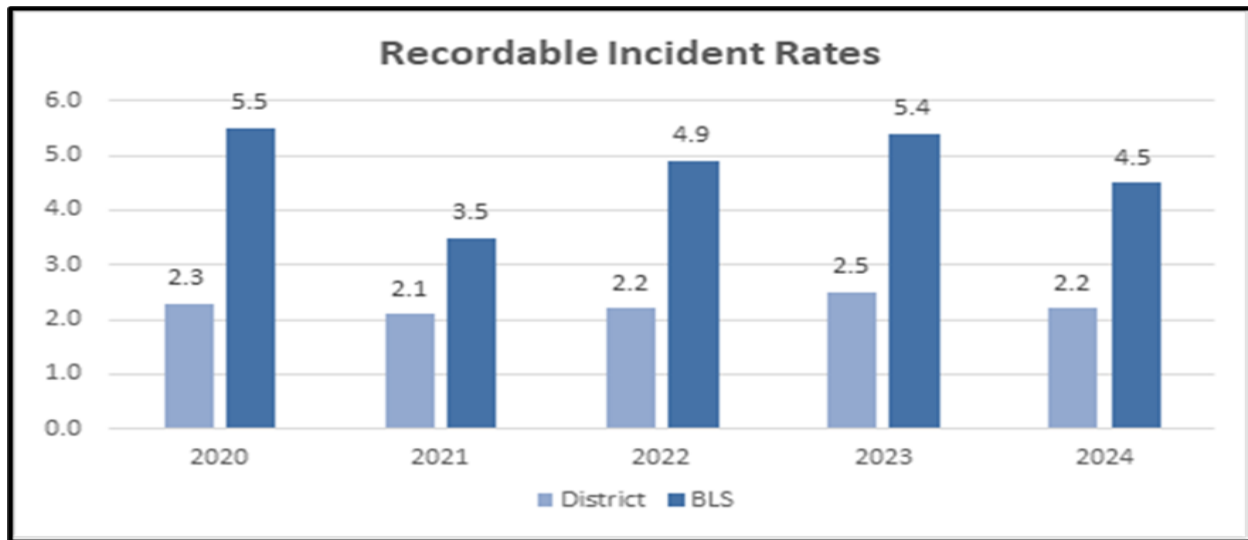
The chart below illustrates the LVVWD's average vehicle operating cost per mile compared to established industry performance benchmarks.



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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

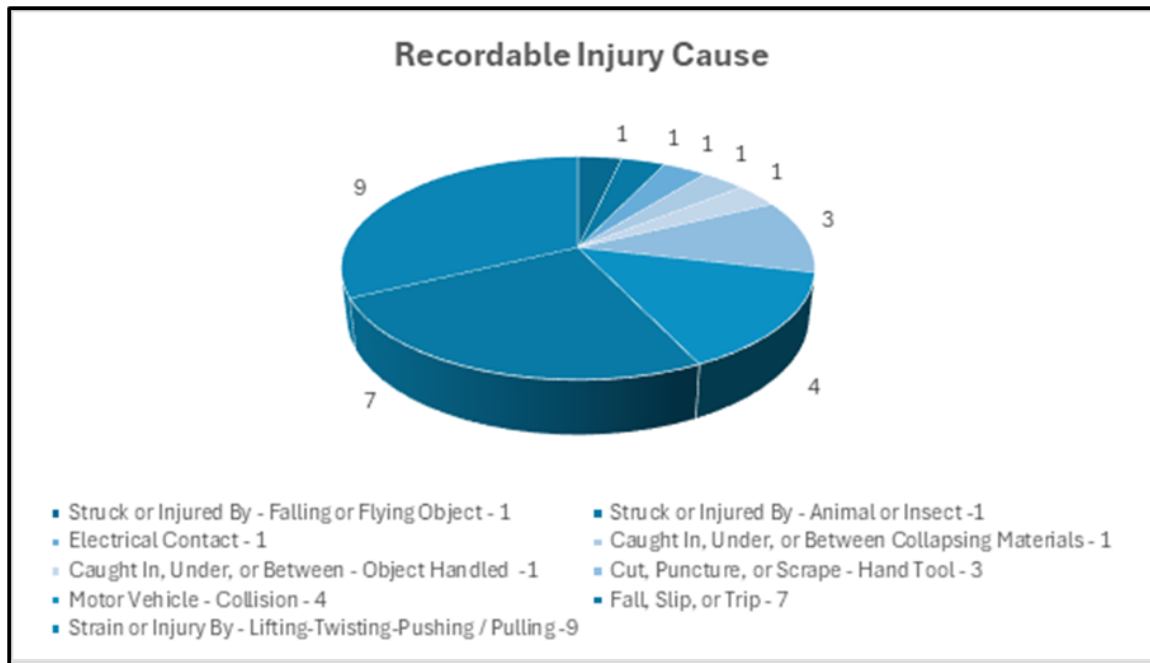
In 2024, the District's recordable injuries decreased to 28, from 31 in 2023, though total claim costs, time away from work, and severity increased.

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 job sites.



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Vehicle Accidents

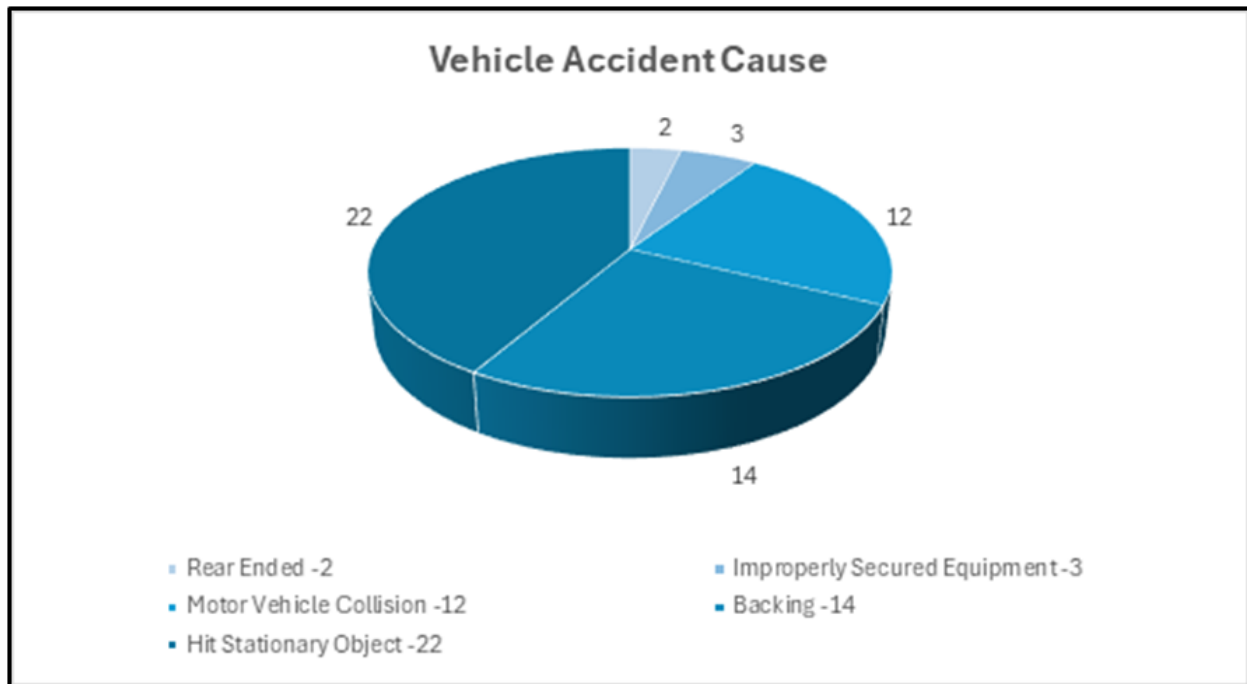
In 2024, the LVVWD experienced a 26 percent increase in preventable vehicle accidents, rising from 42 to 53 incidents. As a result, the vehicle accident rate increased from 9.5 to 12.6.

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.



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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).



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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 LVVWD 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 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 document.	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



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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

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 LVVWD 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 LVVWD 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%



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Department Budgets
Environmental, Health, Safety & Corporate Security
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2024-25 Department Accomplishments

Integration of Fleet Parts and Material into LVVWD 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. LVVWD 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.

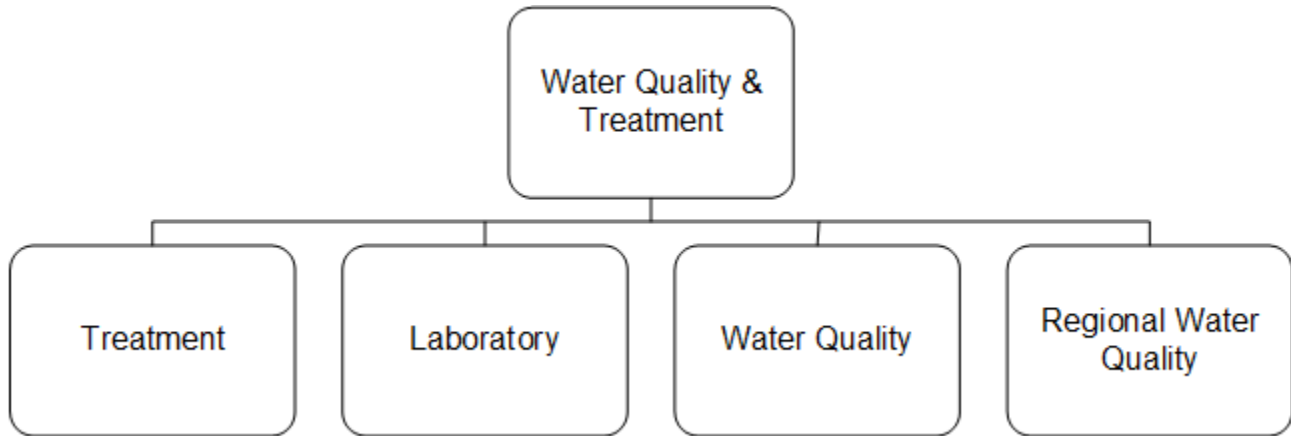
Recognized as one of the 100 Best Fleets in North America.

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.



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LVVWD USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 22,158	\$ —	\$ —
Maintenance and repairs	—	—	—
Rental and leases	—	—	—
Other employee expenses	633	50,000	60,000
Other operating expenses	5,003	—	—
Total Operating Expenses	27,794	50,000	60,000
Capital expenditures	—	90,000	—
Salaries and benefits	491,115	303,653	316,479
TOTAL DEPARTMENT EXPENDITURES	\$ 518,909	\$ 443,653	\$ 376,479
FTE POSITIONS	3.7	0.8	0.8

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.



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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.



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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

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.



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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.

Laboratory staff completed all Safe Drinking Water Act (SDWA) monitoring requirements for the Southern 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 October 16, 2024. There were zero monitoring violations for any member agencies.

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, WateReuse Nevada Committee (multiple subcommittees), Water Reuse Research Committee, Isle Utilities PFAS Partnership.

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.



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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).

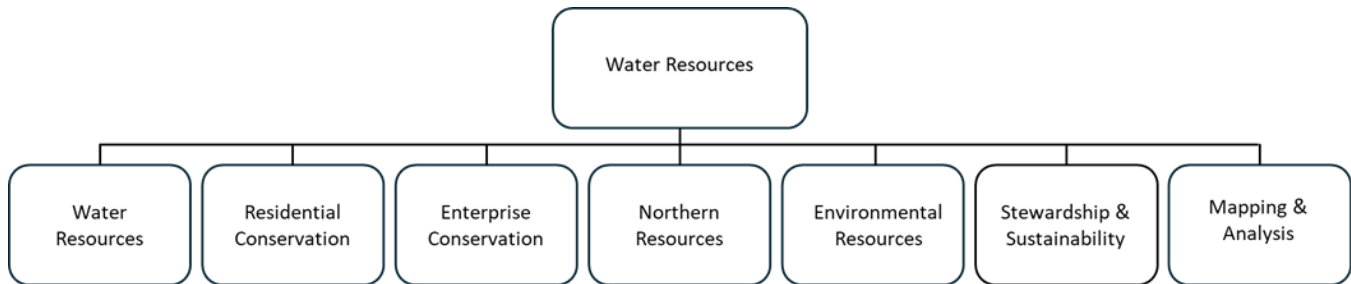
Regional WQ staff worked with USBR and AECOM on Decision Making Under Deep Uncertainty to predict and explore a wide range of future WQ changes that could be possible under a wide range of future flow scenarios.

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.



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Water Resources
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LVVWD USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 10,799	\$ 191,400	\$ 122,200
Maintenance and repairs	10,403	7,500	6,500
Rental and leases	—	—	—
Other employee expenses	11,439	64,750	51,450
Other operating expenses	4,083	61,350	63,000
Total operating expenses	36,724	325,000	243,150
Capital expenditures	405,053	5,946,000	7,173,000
Salaries and benefits	4,253,718	5,809,284	6,133,154
TOTAL DEPARTMENT EXPENDITURES	\$ 4,695,495	\$ 12,080,284	\$ 13,549,304
FTE POSITIONS	26.4	27.6	27.9

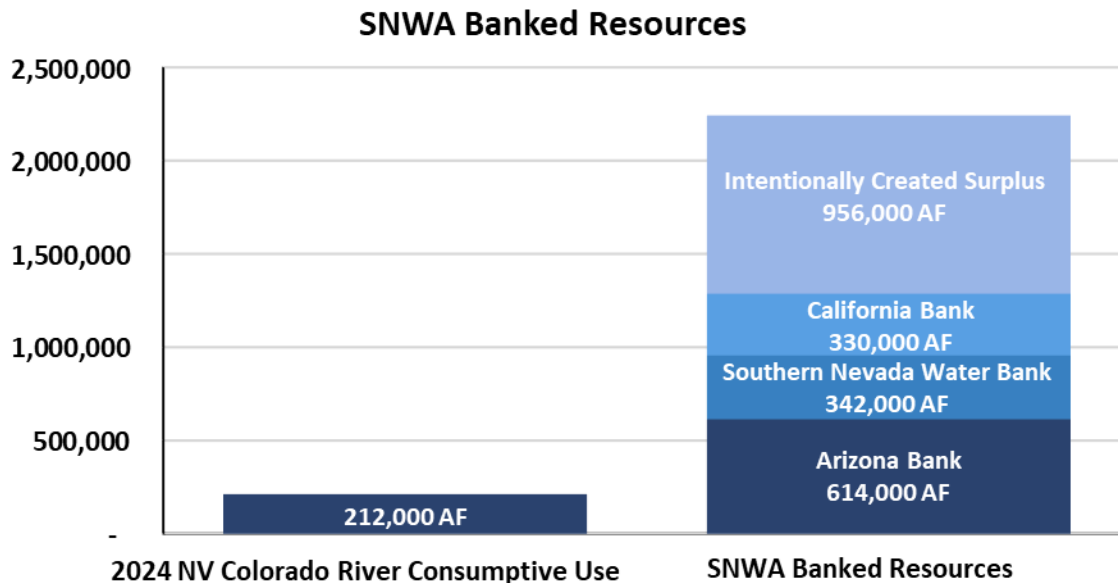
Department Descriptions

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.



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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.

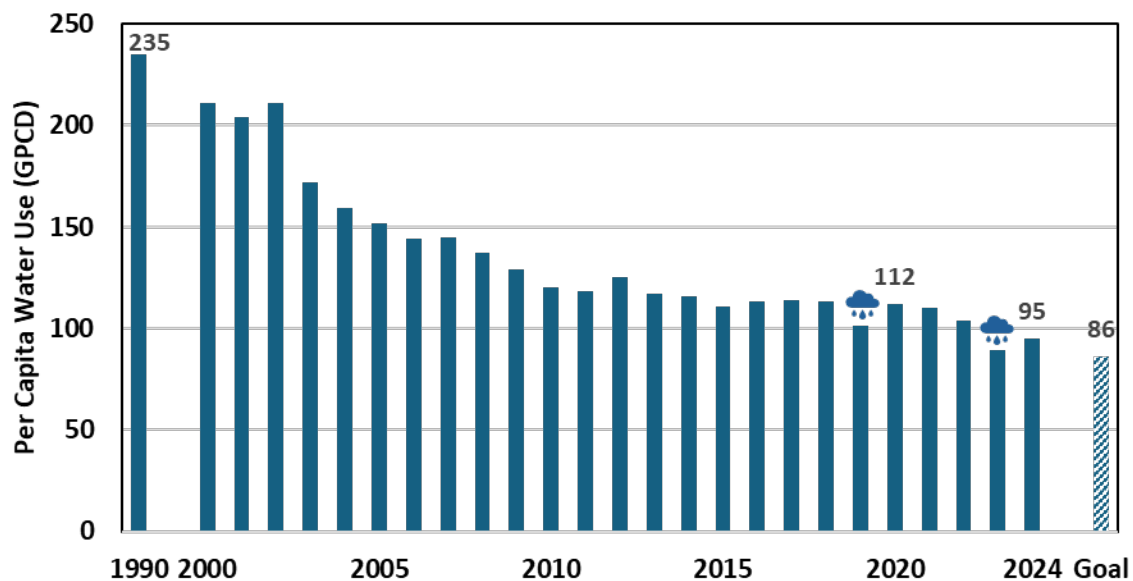
The two conservation divisions work collaboratively to develop and administer regional conservation programs aimed at helping the community achieve its water conservation goal of 86 gallons per capita per day (GPCD) by 2035. The SNWA monitors regional water demand trends and calculates GPCD by dividing 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.



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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.

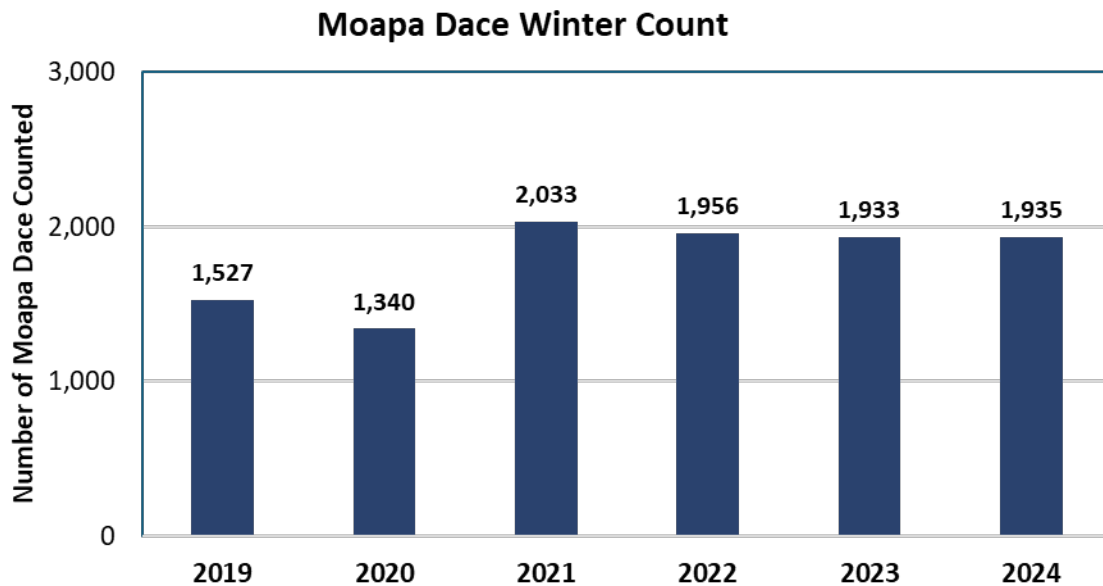
Stewardship and Sustainability. The Stewardship and Sustainability division manages Las Vegas Wash (Wash) programs and the Warm Springs Natural Area (WSNA), including restoration, monitoring, compliance, and outreach activities. The Wash Team is responsible for the Wash Coordination



Las Vegas Valley Water District
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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	Manage permitted water resources and associated facilities.	X	X	X	X	X	X
III	Preserve and protect environmental resources to protect access to water supplies and enhance climate change resilience.			X			



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Department Performance Measure	Dept Goal	Target	2023-24 Actuals	2024-25 Estimate	2025-26 Budget
Regional per capita water use, SNWA service area, including LVVWD (gpcd).	I	86 GPCD by 2035	89 GPCD in CY2023	95 GPCD in CY2024	<95 GPCD in CY2025
Number of water use compliance investigations (investigations per 100 accounts).	I	7.5 per 100 accounts	TBD	9.0 per 100 accounts in CY2024	7.5 to 9.0 per 100 accounts in CY2024
Amount of non-functional grass converted by Enterprise customers (regionally), as percent of target.	I	74.3 million total sf. by 2027	15%	28%	54%
Maintain LVVWD and small system groundwater rights in good standing in accordance with permit terms; maintain facilities.	II	Yes	Yes	Yes	Yes
Maintain compliance with rights-of-way and environmental permits for LVVWD construction, operation and maintenance activities.	II, III	Yes	Yes	Yes	Yes

2024-25 Department Accomplishments

Finalized and adopted SNWA Joint Conservation Plan (covering SNWA purveyors including LVVWD and Big Bend Water District) and Small Systems Conservation Plan (covering Kyle Canyon, Blue Diamond, Searchlight and Jean water systems), effective for 2024-2029.

Conducted more than 38,500 water use compliance investigations in the LVVWD service area in CY2024.

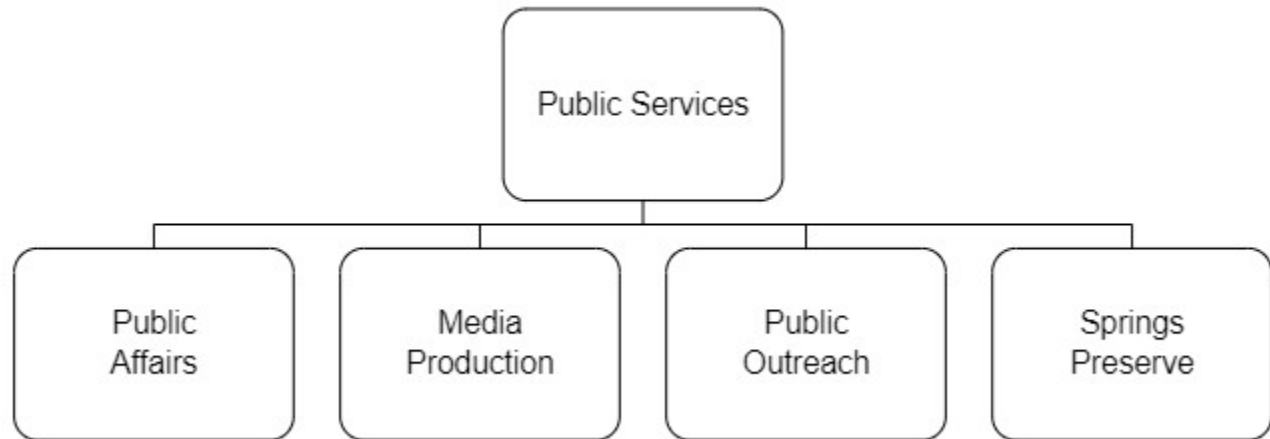
Continued to patrol for water theft within the LVVWD service area; issued 27 water theft fee notices and collected \$170,000 in fees for CY2024.

Developed and implemented a Groundwater Management and Well Maintenance and Operations Plan in collaboration with other departments to coordinate activities supporting production well construction and equipping, well system maintenance and operation, and compliance with water quality regulations and permit terms.



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.

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.



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Public Services
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LVVWD USES	Expenditures		
	Actual 2023-24	Budget 2024-25	Budget 2025-26
Materials and supplies	\$ 589,028	\$ 669,750	\$ 582,450
Maintenance and repairs	413,452	886,135	889,635
Rental and leases	834	2,500	2,500
Other employee expenses	91,664	174,410	136,660
Other operating expenses	2,381,123	2,700,362	2,914,762
Total Operating Expenses	3,476,101	4,433,157	4,526,007
Capital expenditures	2,917,746	5,047,000	1,580,000
Salaries and benefits	9,743,370	10,199,150	11,072,297
TOTAL DEPARTMENT EXPENDITURES	\$ 16,137,217	\$ 19,679,307	\$ 17,178,304
FTE POSITIONS	55.3	56.0	57.0

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 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.



Las Vegas Valley Water District
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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.

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)



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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.



Community Engagement and 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.



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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	2023-24 Actuals	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

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**LAS VEGAS VALLEY
WATER DISTRICT™**



Capital Budget

The Las Vegas Valley Water District (LVVWD) maintains a long-range facility planning process to determine the type, size and location of water distribution facilities needed to meet the water services demands of the areas in Clark County served by the LVVWD. As water system facilities are defined, they are added to the LVVWD's overall construction program. The ongoing capital equipment and construction program is a dynamic program, with projects added, changed, or deleted as necessary to meet the changing conditions in the LVVWD's Service Areas. The construction program, totaling \$170.9 million, consists of new pumping stations, reservoirs and wells, land acquisition, new water pipelines, and other distribution system facilities. The capital equipment budget, totaling \$8.1 million, consists of vehicles, information technology equipment, and industrial operations equipment. Some of the capital projects will become operational by the end of fiscal year 2025-26, while other projects will be completed in subsequent fiscal years.

In January 2017, the LVVWD Board of Directors approved a 10-year Capital Improvement Plan (CIP) that will guide decisions related to asset management, necessary water system expansion and water quality compliance activities. The plan represents an investment of \$616 million (2016 dollars) over a 10-year planning horizon to construct new facilities and make improvements to key system components, ensuring a reliable water system for the LVVWD's customers.

Impact of Construction Program on Operation and Maintenance Expenses

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

- First, the facilities being added to the LVVWD'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 LVVWD until they are fully inspected and tested and ready for operation.
- Third, over the past several years the LVVWD 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 LVVWD anticipates incurring maintenance expenses for the rehabilitation of facilities such as reservoirs, pump stations, and pipelines. However, these costs are minimized through the LVVWD'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 new customers 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 expenses.

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



The LVVWD's overall construction program is funded by debt proceeds and pay-as-you-go funding sources. The projects consist of new pumping stations, reservoirs and wells, land acquisition, new water pipelines and recycled water distribution system facilities.

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.



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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.

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 show a listing of the specific capital equipment and capital projects included in the LVVWD's capital expenditures for the 2025-26 fiscal year.

LVVWD: CAPITAL BUDGET 2025-26

Capital Equipment

EHS & Corporate Security	\$	6,796,342
1055 790KW @ 480 208V Trailer Load Bank with Manual Cable Reels		90,000
250 CFM COMPRESSOR TOWABLE		22,000
4 DOOR MIDSIZE SUV 4X4		70,000
410 KVA GENERATOR		1,100,000
700 KVA GENERATOR		320,000
76K lb column lift.		65,000
8.5x20 Utility Trailer Tandem #5200		22,000
ARTICULATING MAN LIFT SELF PPLD		166,000
CREW CAB SHORTBED 4X2		130,000
CREW CAB UTILITY 4X2		210,207
CREW CAB UTILITY 4X4		68,000
CREW CAB UTILITY 6X6		187,000
DOUBLE CAB SHORT BED 4X4		56,000
EXT CAB SHORTBED 4X2		65,000
EXT CAB UTILITY 4X2		68,000
EXT CAB UTILITY 6X4		210,207
EXTENDED CAB SHORT BED 4X2		130,000
Golf Cart 2 seater with storage		18,500
International Reg Cab Utility w/sand blaster 6x4		252,000
New Elgin Regenix Street Sweeper		370,000
REG CAB 12 YARD DUMP 10X8		217,571
REG CAB 50T WELL RIG 10X8		625,000
REG CAB FLAT BED 22T CRANE 10X8		416,145
REG CAB TRACTOR 5TH WH 10X8		217,000
REG CAB UTILITY 4X2		220,000



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REG CAB UTILITY 6X4	87,000
REG CAB UTILITY W/CRANE 6X4	485,712
REGULAR CAB 12 YARD HYDRO EXCAVATOR	611,000
REGULAR CAB UTILITY 4X2	195,000
Skydio x10 UnManned Aerial Systems	50,000
WEED SPRAYER TOWABLE	52,000

Information Technology	968,050
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Data Storage - Isilion Replacement	480,000
Data Storage - PureStorage Replacement	280,000
Rugged Switches for Satellite Sites	143,000
Tipping Point Intrusion Prevention System (IPS) External Network Year 1 of 3	12,579
Tipping Point Intrusion Prevention System (IPS) Year 2 of 3 Project 50015	52,471

Operations	343,690
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ETI PRECISION ACDC-20 PORTABLE AC/DC POWER SUPPLY	15,000
ETI PRECISION PI-6000 PORTABLE CIRCUIT BREAKER TEST SET	75,000
EXISCAN XA-640-L46 IR CAMERA W/ARTICULATING BODY	20,000
H95 Backhoe Hammer	23,690
Megger ADX-12-PPI - 12kV ADX	50,000
Megger/Baker ADX-12-PPI - 12kV ADX with Surge and Insulation Resistance	40,000
Remote Switch Actuator	50,000
THM Analyzer	50,000
Vibration Analyzer System	20,000

TOTAL CAPITAL EQUIPMENT	8,108,082
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Capital Projects

Customer Care & Field Services	\$	7,154,000
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AMI Endpoint Replacement	756,000
Large Meter Replacements	2,128,000
Small Meter Replacements	4,270,000

EHS & Corporate Security	2,525,000
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Security Center Upgrades	2,525,000
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Engineering	104,531,000
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2150 ZONE & CHRISTY LANE EMERGENCY PRVS (C1521)	2,466,000
2500 West Bonanza Rd. Pipeline Replacement	1,500,000
3355 Zone Discharge and Inlet/Outlet Pipeline Phase I	100,000



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3355 Zone Discharge and Inlet/Outlet Pipeline Phase II	100,000
4125 Zone South Pipelines Phase 2	38,000
4125 Zone South Pipelines Phase 3	161,000
4125 Zone South Reservoir	29,733,000
4505 Zone Pumping Station	390,000
4505 Zone Reservoir	4,173,000
60/42-inch 2168 Zone Transmission Main Access Vault Improvements	400,000
Angel Park Site - THM Mitigation System Installation	1,000,000
Backflow Retrofit Program (L0089)	500,000
Backflow Retrofit Survey and ROW Support (G0999)	1,871,000
Blue Diamond 3530 Tank and 3630 Pumping Station, Discharge Pipeline and PRV	1,496,000
Cactus Site - THM Mitigation System Installation	1,800,000
Cliffs Edge 3355 Zone Pumping Station	645,000
Distribution System Improvement Pipeline Replacement in Highland Drive	727,000
EAST ADMIN HUMAN RESOURCES RENOVATION (C1500)	1,824,000
El Capitan Site - El Capitan THM Mitigation System Installation (MEPS6612)	27,000
Fuel station relocation at Valley View	550,000
Iron Mountain 3205 Zone North Pipeline	200,000
LAS VEGAS BOULEVARD IMPROVEMENTS, PHASE III (C1497)	1,902,000
LVVWD - Miscellaneous Small Backflow Installations, Phase XVII	2,692,000
LVVWD Operations Building Telemetry Radio Room Fire Suppression	236,000
MEDICAL DISTRICT ZONE CONVERSION (C1515)	5,500,000
Meranto Pumping Station Sewer Lateral Installation	345,000
Meranto Site - Install New THM system (MEPS7275)	89,000
MISCELLANEOUS LARGE BACKFLOW INSTALLATIONS, PHASE XI (C1556)	800,000
MISCELLANEOUS RESERVOIR MODIFICATIONS (C1523)	58,000
Miscellaneous Vault Rehabilitations	534,000
Miscellaneous Vaults, Reconstruction and Repair, Phase XXIV	750,000
MISCELLANEOUS VAULTS, RECONSTRUCTION AND REPAIR, PHASE XXV	1,490,000
Native Plant Greenhouse	50,000
New Facilities Fiber Optic Cable Installation	864,000
Origen Remodel	2,000,000
PARADISE ROAD WATER LINE REPLACEMENT (C1477)	335,000
Paving Work Order Project	5,000,000
Pipeline Installation and Zone Conversion near Buffalo Drive and Eldora Avenue	432,000
Pipeline Installation and Zone Conversion near Warm Springs Road and Hinson	1,503,000
Pipeline Installation in Tamarus Street from Flamingo Road to Rochelle Avenue	1,050,000
Pipeline Replacement in Vegas Valley Drive	250,000
Pipeline Replacement in Wendell Avenue	500,000
REHAB SCCP IN SAHARA AVENUE (C1509)	2,000,000
Reno THM Mitigation System Installation	500,000
RESERVOIR SLIDING HATCH REPLACEMENT (C1522)	34,000
Restore Garden Wetlands Area	400,000



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ROME 2745 RESERVOIR, 2975 ZONE PUMPING STATION & 2975-2860 ZONE PRV	9,867,000
South Boulevard 2745 Zone Reservoir	1,730,000
South Boulevard 2745 Zone Reservoir Inlet Outlet Pipeline	2,500,000
Springs Preserve - Renovation of 3 sets of restrooms on the Springs Preserve Campus (C1581)	200,000
Springs Preserve Cienega Modifications, PHASE II	4,500,000
Springs Preserve Security Gates	252,000
Valley View Campus Central Chiller Plant (JOAN L0248)	957,000
Vegas Heights Subdivision	3,568,000
Washburn 3355 Zone Reservoir	1,942,000
Information Technology	13,096,000
C2M Upgrade	1,428,000
Data Warehouse Fabric Migration	650,000
Enterprise Asset Management Software Replacement	7,372,000
Fleet Management System Upgrade/Cloud Migration	75,000
Mobile Workforce Management	200,000
Oracle Financials + Chart of Accounts	2,000,000
Oracle Supercluster	1,200,000
PMIS: Pluto	171,000
Infrastructure Management	26,234,000
2035 Zone Flowmeter Installation at Stewart Washington	100,000
Anasazi PS Electrical Equipment Upgrade	150,000
Annual Transformer Replacements	250,000
Artificial Turf Replacement	150,000
Campbell PS Backup Generator Receptacles	100,000
Campus/Valley AC units	320,000
Charleston Heights PS Electrical Equipment Replacement	1,825,000
Developer Assisted Service Upgrades	400,000
District Service Area - Cathodic Protection Test Station Installation/Repair	220,000
District Service Area - Replace Wells at End of Service Life	75,000
East Admin Phone Room UPS Improvements	50,000
Electric Shop Operations Bldg - Install AC	170,000
Elkhorn 3205 Zone Pumping Station Generator	244,000
Equip well 26a	250,000
Facility Roof Replacement	131,000
Fiber Conduit Installation for Well 29 and Well 33	50,000
Infrastructure Management Innovation Projects	500,000
Jean Groundwater Treatment	59,000
LVVWD - Network Switch Upgrades	200,000
LVVWD - Replace PLC 5 Remote Racks From Sites	370,000
LVVWD - SCADA - PC/Server Hardware Upgrades	125,000
LVVWD Facility Improvements	300,000



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Minor Capital Program	4,000,000
Multi Site - NaOCl Building Repairs	200,000
Multisite - Automate well de-sanders	25,000
Multi-Site Modify Well Waste Lines	175,000
Northwest Reliability PRVs	550,000
Oversizing Project	4,250,000
Pipeline Participation Projects (City/County)	5,000,000
PRV 3 Enclosure Upgrade	200,000
Pump Station Compressed Air System Upgrades	95,000
Rainbow Well Rooftop Safety Improvements	113,000
Real Property Improvements	750,000
Reservoir Hatch Retrofit	150,000
Reservoir Ventilation Improvements	50,000
Rice South PS Mechanical Upgrades	445,000
SCADA Radio Upgrades	250,000
Settling Basin Roof	100,000
Steel Pipeline Renewals	1,252,000
Summerlin Reservoir Service Water Conversion	100,000
UV Installation at Five Well Sites	125,000
Well 124 Equipping Construction	1,030,000
Well 125 Equipping	850,000
West Admin Bldg Backup Generator Relocation	235,000
WRC Potable Conversions	250,000
Legal Services	1,900,000
ATLAS Content Services Platform Classification and Search for M365	1,900,000
Operations	6,691,000
Add UV Treatment to Existing Wells	640,000
Annual Pump Repair	100,000
Electric Motors Repair or Replace	100,000
LVVWD Campus Site - LVVWD Coating and Blast Booth Installation	30,000
LVVWD Distribution Division Pipeline Rehabilitation, Replacement, & Installation	300,000
Motor Control Center, Starters, Transformers, and Other Repairs	400,000
Repair or Replace System Valves	320,000
Replace Aging/Failed Surveillance and Networking Equipment	513,000
Replace Large Magnetic Flow Meters	100,000
Service Line Replacement	3,000,000
Switchgear IR windows	100,000
Well and Pump Rehabilitation	1,088,000
Public Services	1,580,000
Evaporative Cooling Replacement at Springs Preserve	1,083,000



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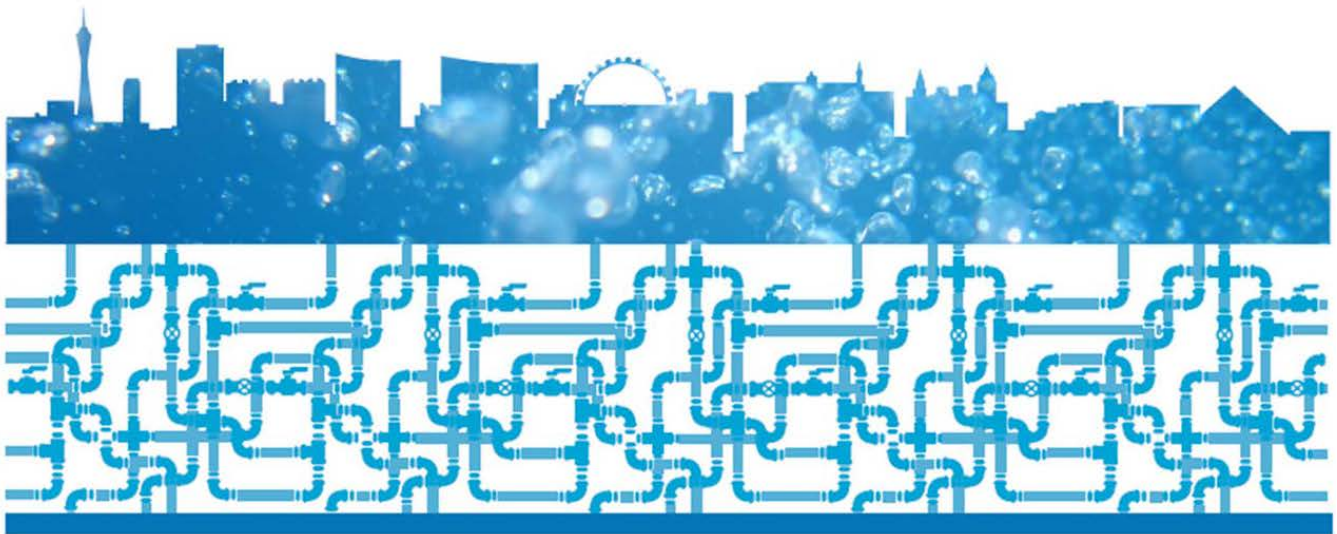
South Fork Refugia Pond Project	97,000
Springs Preserve Misc. Capital 22-32	400,000

Water Resources	7,173,000
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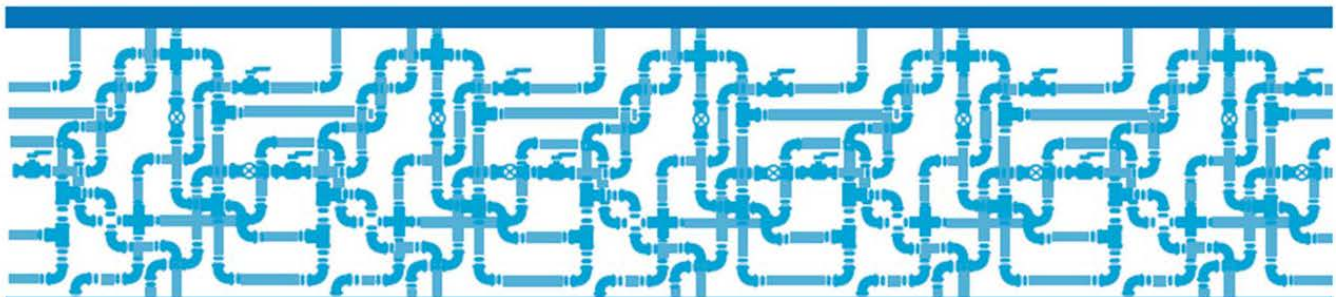
Blue Diamond Backup Well - Exploration and Well Construction	845,000
Construct LVVWD Replacement / New Wells	2,500,000
Construct LVVWD Replacement Well W026A	2,537,000
Hinson Well-Site Evaluation and Near-Field Monitor Well Construction	286,000
Land Acquisition for New LVVWD Production Well Sites	1,005,000

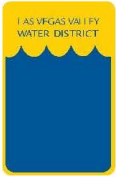
TOTAL CAPITAL PROJECTS	170,884,000
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LAS VEGAS VALLEY WATER DISTRICT CAPITAL IMPROVEMENTS PLAN 2017





LAS VEGAS VALLEY WATER DISTRICT
Capital Improvement Plan 2017-2027



**Las Vegas Valley Water District
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About the Las Vegas Valley Water District

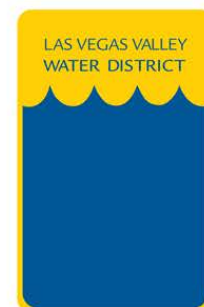
The Las Vegas Valley Water District (LVVWD) is a subdivision of the State of Nevada. The agency was created by a special act of the Nevada Legislature in 1947 to acquire and distribute water, primarily in the Las Vegas Valley. The not-for-profit LVVWD commenced operations in July 1954 and has served as the Southern Nevada region's largest municipal water provider since that time. As of 2017, the water distribution system comprises more than 6,500 miles of pipeline, 53 pumping stations, 70 reservoirs/tanks, 76 production wells, approximately 400,000 water meters and a 3.1 megawatt solar-electric system.

Vision

The Las Vegas Valley Water District's aims to be a global leader in service, innovation and stewardship.

Mission

The Las Vegas Valley Water District's strives to provide world class water service in a sustainable, adaptive and responsible manner to our customers through reliable, cost effective systems.



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CAPITAL IMPROVEMENT PLAN

EXECUTIVE SUMMARY

The Capital Improvement Plan (CIP) outlines the District's plan for achieving organizational goals and objectives. The plan outlines the projected capital needs over a 10-year period.

Doing Business

For much of its past, the District focused on developing new facilities to meet the evolving needs of the community. Between 1980 and 1998, Clark County was among the fastest-growing communities in the nation, which necessitated major capital investments in new infrastructure. However, beginning in late 2007, these conditions changed significantly when much of the nation began to experience significant economic disruption. Local expansion efforts halted abruptly and many projects in progress were put on hold.

During this time and continuing today, the Water District's focus shifted from system expansion to asset management, with an increased emphasis on customer care. In accordance with its mission, the District works to provide a safe, reliable water supply to more than 1.4 million residents within the City of Las Vegas and unincorporated portions of Clark County, Nevada. All functions in support of this mission—from maintaining infrastructure to ensuring accurate metering and protecting water quality—require properly functioning physical assets.

Capital Improvement Plan

Capital improvements are needed to reliably operate and maintain the District's extensive water distribution system, as well as to address state-mandated water quality issues and new development needs. This 10-Year Capital Improvement Plan serves to guide decisions related to maintaining and, as required, replacing those assets, as well as necessary water system expansion and water quality compliance activities.

The following provides a brief introduction to system needs, which are further detailed in the latter portions of this document. Costs represented herein are intended only to detail the size and scope of improvements needed over the 10-year planning

horizon. Cost authorizations for improvements will be considered by the Board of Directors annually as part of the organization's regular budget process.

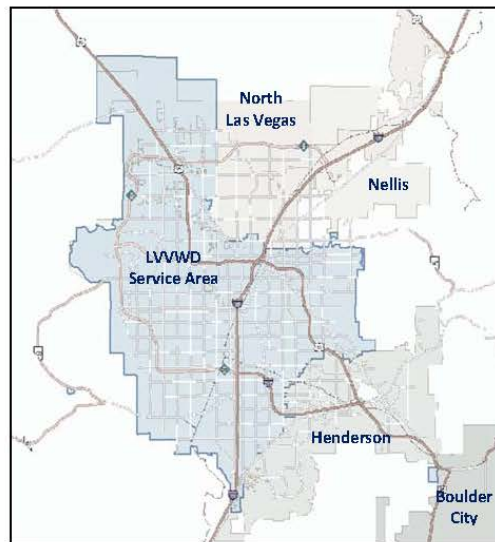


Image: LVVWD Service Area

Asset Management Improvements

The Infrastructure Management department is primarily responsible for overseeing the organization's physical assets, with considerable input and support from the Engineering, Operations, Water Quality and Finance work groups. Because the service life of individual components comprising a large water system can vary by decades, Infrastructure Management uses sophisticated planning tools to develop repair/replacement schedules, allowing for orderly and fiscally prudent implementation.

The agency's infrastructure management strategy is based on five foundational principles:

- Extend infrastructure life and prevent failures through timely maintenance and repairs
- Protect system assets through continual condition assessments
- Assess and prioritize projects to ensure critical



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system operations remain functional

- Minimize financial impacts through orderly, phased implementation
- Minimize financial outlays by maximizing asset life cycle

A substantial percentage of the community's water system was constructed in the 1980s to address increasing demands. As a result, numerous facilities now exceed 30 years of age. Research has demonstrated that replacing or repairing utility components under emergency conditions—for instance, a broken water main—is both more expensive and disruptive to customers than affecting maintenance through a systematic approach. Key system components that must be addressed during the 10-year planning horizon include:

- Reservoirs
- Pumping Stations
- Pipelines and Service Laterals
- Valves and Vaults
- Meters
- Water Quality Systems
- Groundwater Wells
- Facilities and Building Improvements
- Electrical Systems
- Communication Systems

Cumulative costs associated with the repair and/or replacement of these hundreds of thousands of components—measures necessary to maintain current service levels, system reliability and water quality—are projected to be approximately \$390 million over the next decade.

Maintaining Water Quality

As a Public Water System, the LVVWD is responsible for ensuring compliance with all water quality regulations, enforced by the Environmental Protection Agency and the Nevada Division of Environmental Protection's Bureau of Safe Drinking Water. In addition to rigorous testing for more than 100 constituents—the Water District collects more than 33,000 water samples annually for analysis—it must comply with mandates from these agencies designed to protect water quality.

Chief among these mandates is what is termed "backflow protection," a mechanism that prevents the reintroduction of water from private properties into the

municipal water system. Compliance with this State requirement will entail the installation of approximately 35,000 backflow prevention devices on meters throughout the District's service area.

New Development Improvements

During the recession, the District deferred all non-essential construction projects. While this decision was fiscally prudent, it required engineers to devise mid-term solutions that could provide access to the municipal water supply for residents and businesses in newly developed areas without investing in additional reservoirs and pumping stations. While those solutions proved effective, the absence of core infrastructure in affected areas undermines system reliability and subjects customers to vulnerability that is inconsistent with organizational standards.



Image: LVVWD Field Repair

To address this issue and ensure these customers receive the same level of reliability as their counterparts in other parts of the valley, the District plans to construct a total of four reservoirs, four pumping stations and associated appurtenances during the planning horizon. The District anticipates to expend approximately \$125.7 million to design and construct these facilities, which will both serve existing customers and support additional development. Additional costs associated with facilities needed to support new communities will be borne by developers.



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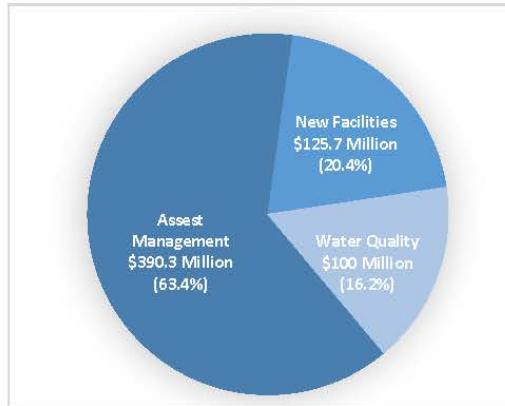


Figure 1.2: Cost Distribution by Improvement Type

10-Year Capital Planning

In total, the asset management, water quality protection and system expansion activities outlined in this document represent an investment of \$616 million over the 10-year planning horizon. These improvements will help the District to maintain current service and water quality standards, ensuring continued reliability for the residents and businesses that depend upon this vital resource.



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CAPITAL IMPROVEMENT PLAN

ORGANIZATIONAL OVERVIEW

Introduction

The Nevada State Legislature created the Las Vegas Valley Water District in 1947 to help manage local groundwater supplies. The newly-formed agency acquired the assets of its predecessor and began operations in 1954 as the municipal water provider for Las Vegas and unincorporated Clark County.

Transition and Growth

In the period between its creation and the early 1970s, the District got to work repairing and expanding the water system to meet the growing needs of the community. These efforts included installing more than 800 linear miles of pipeline and increasing reservoir storage to approximately 160 million gallons. At the same time, the District also entered into an agreement with what is now known as Basic Management Inc. for expansion of its small industrial line to deliver Colorado River water to the District's service area. These efforts decreased the community's reliance on groundwater supplies and marked the organization's first major initiative to help stabilize the local water table.

Post-war expansion paled in comparison to the unprecedented population growth that occurred over the years that followed. In the 1980s and '90s, Las Vegas ranked as the nation's fastest-growing city virtually every year. In response and to fulfill its mission of meeting the community's water needs, the District engaged in an infrastructure construction initiative without parallel in the United States. At the same time, water demands soared, necessitating a cohesive, regional approach to resource management. This resulted in the creation of the Southern Nevada Water Authority (SNWA), of which the District serves as the administrative entity.

Current Environment and Operating Priorities

Beginning in 2007, the nation began to experience the most significant economic downturn since the Great Depression. Southern Nevada was hit harder than almost any other region in the nation, and this period of recession marked the first time in decades

that the Las Vegas area experienced a sustained period of little or no growth. During this time, most new residential and commercial development projects came to a halt. While economic recovery is occurring, the massive booms of prior decades have not returned. As a result, the District's operational priorities have changed in response to meet the evolving needs of the community. While expanding the water system to accommodate new customers remains a core responsibility, the emphasis has shifted to ongoing operations and infrastructure management.

Today, the District provides water service to an area approximately 300 square miles in size, serving more than 375,000 residential and commercial customers through a network of approximately 6,500 linear miles of pipelines and service laterals. Accomplishing this task requires the agency to maintain millions of individual components, ranging in size from the small service laterals that deliver water to individual homes to massive pumping stations and reservoirs.

Strategic Approach

As a public, not-for-profit water agency, the District is committed to managing its finances and assets responsibly. The system represents a significant community investment; in total, the agency's capital assets were valued at \$1.7 billion as of the last fiscal year. As with all capital assets, depreciation is inevitable, although the rate and degree thereof are influenced by many factors. The responsibility for optimizing the value of these assets—maximizing service life while maintaining the reliability of water delivery—rests with the LVVWD's infrastructure management and maintenance programs.

Calculating the necessary rate of replacement for water facilities is the responsibility of the District's Infrastructure Management department, which maintains an inventory of water system components categorized by type, age and material. The service life of a given pipeline, pump or valve is influenced by a variety of factors, but knowing when to replace assets is the key to operational efficiency, as well as minimizing leaks and service interruptions. These engineering professionals also work to optimize



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infrastructure value by refurbishing equipment when possible instead of prematurely replacing it.

Given that the community's water system comprises millions of discrete components—from small 5/8" laterals serving individual homes to massive pumping stations that move water to the Las Vegas Strip—fully accounting for the entirety of an infrastructure network is a significant challenge. Infrastructure Management, Operations and Engineering work in concert to ensure that facilities are maintained in working condition and upgraded or replaced when needed.

As shown in Figure 1.3, the LVVWD evaluates the condition of its assets to identify potential issues, manage operational risks and reduce costs. By maintaining a comprehensive infrastructure inventory and reflecting factors such as age, material type, operating environment and historical failure rates, LVVWD is able to project capital reinvestment needs over decades, phasing projects to minimize spikes in financial outlays while maintaining the system's integrity. This strategy has proven highly effective; LVVWD customers enjoy one of the nation's most reliable water systems, with a leak rate far below the national average and an efficiency rating that has been classified as "world-class" by the International Water Association.

As with all systems, age is becoming a factor for the LVVWD infrastructure network. Some system components are now approaching or are more than 50 years old. The issue of aging infrastructure is hardly unique to Southern Nevada. To the contrary, the LVVWD's system is relatively young compared to other metropolitan communities. It is incumbent upon the LVVWD to undertake strategically guided rehabilitation and replacement initiatives in order to assure that Las Vegas does not experience similar service outages and leak rates such as have befallen other metropolitan communities. In total, current estimates by the American Water Works Association indicate that communities in the United States will need to collectively invest more than \$1 trillion over the next 25 years to restore and expand public water systems.

To finance capital projects associated with system maintenance and expansion, the LVVWD uses funds generated through a combination of bond proceeds, water rate revenue and low-interest loans from the State Revolving Fund for drinking water systems. These three revenue streams provide access to funds for necessary improvements and save ratepayers money by reducing interest costs, a benefit of the LVVWD's AA Standard & Poor's rating and Aa1 Moody's rating.



Figure 1.3: LVVWD Asset Management Life Cycle



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Maintaining a fiscal balance between the “pay-as-you-go” approach and long-term financial instruments is key. Overuse of bonds can negatively impact the agency’s credit rating, resulting in higher interest rates, while funding all projects as they occur results in financial instability and significant rate fluctuations. Another important aspect related to project financing is maintaining appropriate reserves; strong reserves positively impact credit ratings and improve the agency’s ability to respond to short-term capital needs or economic fluctuations.

This Capital Improvement Plan is intended to reflect projected capital improvement needs in the LVVWD service area over a 10-year planning horizon (2017 – 2027). The precise timing and cost of individual elements will be prioritized from year to year based on need and accounted for as part of the LVVWD’s annual budget process. The following section provides an overview of purpose and need, and estimated cost in the areas of asset management, new facilities and water quality improvements.



CAPITAL IMPROVEMENT PLAN

ASSET MANAGEMENT

Introduction

In the context of a public water system, asset management refers to the proactive approach employed by utilities to reduce the life-cycle cost of infrastructure while maintaining high levels of reliability and meeting water-quality standards. At the District, this initiative is spearheaded by the Infrastructure Management department with considerable support and input from the Engineering, Operations and Finance work groups. Given the millions of individual water system components that must be evaluated based upon age, materials and projected service life, the District's asset management process is complex. However, the objective is simple: optimize system efficiency and the use of ratepayer dollars.

Achieving this goal requires the District to balance several factors, including cost, quality, reliability and safety. An excessively conservative approach could result in higher cost, particularly if equipment and facilities are replaced well before the end of their useful life cycle. Conversely, too little vigilance opens the door to frequent service outages, high leak rates and compromised water quality.

The LVVWD's infrastructure management strategy is based on several foundational principles:

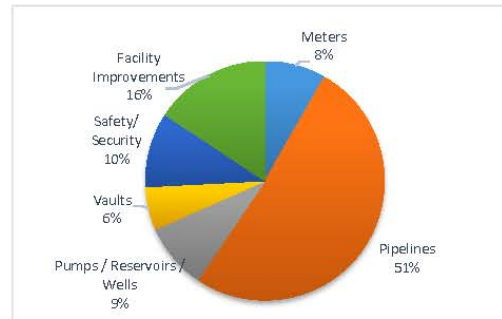
- Extend infrastructure life and prevent failures through timely maintenance and repairs
- Protect system assets through continual condition assessments
- Assess and prioritize projects to ensure critical system operations remain functional
- Minimize financial impacts through orderly, phased implementation
- Minimize financial outlays by maximizing asset life cycle

While it is not unusual to implement numerous asset management-related projects simultaneously, the overall program must be managed on a longer-term basis to execute activities in an orderly manner. For the LVVWD, that means anticipating needs and

scheduling work over a 10-year planning horizon. On an annual and ongoing basis, the LVVWD will conduct assessments to gauge progress and identify any necessary course adjustments.

The agency projects that an investment of approximately \$390 million will be required over the planning horizon to maintain system infrastructure in a manner that meets current service levels and water quality standards. As shown in the Figure 1.5, key projects include: reservoir and pumping station maintenance and rehabilitation; replacement and renewal of vaults and valves; pipeline and service lateral replacement; cyclical water meter replacement; upgrades to the Supervisory Control and Data Acquisition (SCADA) operations control system and improvements to existing facilities throughout the valley.

Figure 1.5: Cost Distribution (%) by Asset Type



Asset Management Activity Detail

A detailed overview of major asset management activities included in the District's 10-year Capital Improvement Plan is provided below. While this plan reflects long-term projected expenditures, it does not represent a blanket authorization of funding for these improvements. Projected expenditures will be considered before the Board of Directors through an annual budgeting process for consideration and authorization. Each individual project also requires further authorization, with a majority of the projects requiring Board approval. This ensures that the Board is provided timely and complete information about asset management priorities and associated annual



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costs, and has the opportunity to assess progress related to the plan's implementation.

Reservoirs

The Las Vegas Valley's bowl-like topography features approximately 2,000 feet of elevation change from downtown to the far reaches of the community, effectively precluding a "direct delivery" water system. Instead, water is pumped to higher-elevation storage reservoirs and delivered to customers via gravity. Reservoirs provide far greater reliability than direct-delivery systems, which are vulnerable to service interruptions caused by outages. In total, the District maintains more than 70 reservoir basins and tanks throughout the Las Vegas Valley. Collectively, these facilities hold nearly a billion gallons of water for delivery to customers.



Image: Alta Reservoir

District reservoirs are typically constructed of concrete and installed below ground. This design protects them from the elements, helps safeguard water quality, stabilizes temperatures and provides for an exceptionally long service life if properly maintained. The District also maintains a small number of above-ground steel tanks as dictated by operating conditions and location. In addition to regular inspections of reservoir components critical to protecting water quality, these facilities are fully assessed every five years and serviced as needed. Typical capital reinvestment needs associated with these facilities include replacement of basin inlet and outlet valves, cathodic protection anodes, valve actuators, mixers, aeration systems, vent screening and back-up electrical generators. Over the next 10 years, the District projects that annual costs associated with maintaining reservoirs will be less than \$500,000, bringing the cumulative 10-year total to approximately \$4.65 million.

Pumping Stations

Most of Southern Nevada's drinking water comes from the Colorado River, drawn from pipelines within Lake Mead. The regional entity responsible for treating this water, the Southern Nevada Water Authority, sells water to local purveyors like the District at a wholesale rate and delivers it through facilities called Rate-of-Flow-Control Stations into receiving reservoirs.



Image: LVVWD Pumping Station

For most customers, this is only the beginning of their water's journey. From these receiving reservoirs, water is pumped to dozens of District-operated reservoirs located

throughout the valley. During summer months, when water use is highest, the District delivers more than 400 million gallons a day to its customers. To accomplish this, the agency operates more than 50 pumping stations that collectively produce 90,000-plus horsepower and have the capacity of 1.2 million gallons of water per minute. This is sufficient to meet even the highest "peak" demand. The ability to move water quickly around the valley is especially critical for fire suppression; there are approximately 30,000 fire hydrants within the District service area.

While variables such as the manufacturer and usage patterns affect the service life of individual pumps and ancillary equipment, a full pumping station is estimated to have a 100-year service life. The District evaluates pump performance semiannually by using an analysis of SCADA data to identify any issues. Major rehabilitation is typically performed at intervals of 35 and 65 years, while individual pumps undergo regular preventative maintenance. Performance monitoring systems automatically shut pumps down if anomalies occur, minimizing the impact of a failure. Several of the LVVWD's major pumping stations are



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at or beyond the 35-year threshold and require refurbishment.

Expenditures associated with pumping stations are expected to be relatively modest given the District's successful ongoing maintenance activities. The cumulative 10-year cost associated with asset management on these facilities will be approximately \$6.7 million.

Pipelines and Service Laterals

If pumping facilities represent the water system's heart, pipelines and service laterals are the veins that keep the community's lifeblood flowing. From the 5/8" service laterals that connect homes to the water mains beneath neighborhood streets to enormous 7-foot pipelines, the District must maintain approximately 6,500 miles of pipes, all constructed during different decades from a variety of materials.

The type of material from which pipelines are manufactured largely dictates their service life. In many parts of the District's service area, water mains are more than 40 years old. Where feasible, engineers incorporate auxiliary interconnections into the design that allow water to be rerouted to a property in the event of a pipeline break. Areas without such interconnections are most vulnerable to service outages, making their maintenance or replacement an even greater priority.

Given the immensity of the pipeline and service lateral network, it is not surprising that this category of infrastructure represents the largest reinvestment need for the organization. The pipeline system consists primarily of ACP (cement), PVC, steel and ductile-iron, while service laterals are fabricated largely from copper with a small percentage of polyethylene lines. Service life projections vary dramatically by material. For instance, polyethylene (an industry standard during the 1970s and '80s) has a far shorter service life than copper, exemplified by a failure rate 50 times that of copper. As a result, the District is aggressively replacing these laterals, which pose an unacceptable risk to the organization's high service reliability standards.

The District uses an array of tools—including acoustic wave technology—to perform pipe condition assessments, often without excavation. Based upon data collected in the field and service life status, the

Asset Management team prioritizes replacement activities. To minimize disruption to customers and commuters during replacement, the District coordinates with other entities that may be executing construction projects such as road repaving or sewer system upgrades. For example, the District has developed a comprehensive master plan for replacement of the major pipelines serving the Las Vegas Strip; given the implications of major construction-related traffic impacts to employees and businesses in that corridor, the District will work in tandem with other agencies to minimize the duration of construction windows.



Image: LVVWD Pipeline Repair

Throughout the distribution system, the LVVWD is scheduling replacement of older sections of pipeline based upon leak incidence, breakage history and direct assessments. Addressing these issues systematically and proactively is critical given the implications of a prolonged service interruption for residential and commercial customers. Over the next decade, the LVVWD projects pipeline replacement costs of \$130 million, with an additional \$70 million required for service lateral replacements.

Valves

Most people are familiar with the water valves used in their landscape irrigation system. Within the context of a community water system, valves serve much the same function, but on a far larger scale—allowing water to be quickly shut off or rerouted in the event of a pipeline break or other failure. Given the importance of an uninterrupted water supply in this desert community, the ability to isolate a failed pipeline or appurtenance does more than simply reduce water loss. It also expedites the repair or replacement of the faulty component, minimizing the duration of service interruptions. Operations crews work to ensure that



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the system's approximately 120,000 valves are maintained in working condition, "cycling" them periodically to prevent seizing and replacing them as necessary. Valves are also systematically changed out when the water main they serve is replaced. As a result of these efforts, the average elapsed time between notification of a pipeline break and shutdown is less than one hour.

Valves associated with large-diameter pipelines are housed in below-ground concrete structures called vaults; within the District's service area, there are approximately 2,300 vaults, which allow working access to underground equipment for testing, maintenance and replacement without excavating streets or private property. There are two categories of vaults: system vaults and meter vaults. System vaults house the isolation valves and are installed in public rights-of-way. Meter vaults, which house equipment used for accounts with meters sized 3" and larger, are located on individual properties. While both types of vaults are structurally designed to withstand traffic and soil loadings, they do have a finite service life. Inspections are conducted on a three-year cycle, with repair/replacement conducted as warranted by conditions.

On average, the District anticipates the need to replace 240 valves and execute 40 vault rehabilitation projects per year, in addition to "cycling" nearly 10,000 valves annually to ensure that they remain functional. The total cost associated with these activities is cumulatively projected at \$22.5 million during the next decade.

Meters

In the early days of the District, the introduction of meters to measure water use was controversial, which is not surprising given that the average person used more than 600 gallons per day. Today, our community is among the world's leaders in water conservation, and meters are the foundation of a system that rewards efficiency by directly linking costs with water consumption. In addition to providing an equitable way to share costs for both the water and the infrastructure necessary to deliver it, metering encourages water efficiency. Allowing customers to track their water consumption is one of the tools Southern Nevada has used to cumulatively save more than half a trillion gallons of water during the current Colorado River drought.

The LVVWD is responsible both for installing meters at new services and for maintaining approximately 375,000 water meters already installed in the LVVWD service area. There are currently 11 different meter sizes in the system, ranging from the 5/8" units that serve many homes to 12" meters that support large-scale water users such as resort properties. New technology allows meter reading to be performed remotely, saving on labor costs.

However, as with all mechanical devices, meters have a finite service life and must be replaced



Image: Valve/Vault Repair

periodically. Additionally, because meter technology has changed significantly over time, many meters—particularly large meters serving businesses—can no longer be repaired because the parts have become obsolete and are no longer

manufactured. As meters age, they can begin to under-report usage, resulting in customers using more water than is accounted. Potential revenue loss associated with this is estimated to be as much as \$1 million annually.

To address failing meters, the District has implemented a Preventative Maintenance Program to replace aging metering equipment. In addition to ensuring that customers' bills are commensurate with their demand, replacing high-volume meters with new technology—such as turbine meters—mitigates pressure loss, improving those properties' level of service. The LVVWD anticipates that costs associated with this program will be approximately \$3.25 million annually over the next decade. A portion of those outlays will be recovered as those customers' water use is more accurately billed through the new meters.



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Water Quality Controls

Although water delivered to the District from the Southern Nevada Water Authority and groundwater wells has been treated and tested to ensure it meets all state and federal health standards, the integrity of customers' drinking water must be maintained and carefully monitored all the way to the tap. For instance, chlorine levels dissipate over time, requiring periodic rechlorination to prevent bacteria from entering the water. Conversely, levels of chlorination byproducts—which themselves can have harmful effects—must be carefully managed.

To maintain water quality in the distribution system, the District operates scores of sampling stations, from which more than 30,000 samples are drawn annually for analysis. Additionally, the centralized Supervisory Control and Data Acquisition (SCADA) center allows operators to monitor the water system 24 hours a day, including the use of in-line sensors to detect subtle changes in water quality.

Costs associated with this critical function are relatively modest. The high-tech SCADA center, for instance, is projected to require approximately \$6 million in upgrades over the planning horizon—much of it associated with upgrades to rapidly-advancing computer hardware and software. Other investments in water quality are embedded in broader facility maintenance initiatives that cover security enhancements and a host of other water quality protection-oriented projects.



Image: Supervisory Control and Data Acquisition (SCADA) center.

Groundwater Wells

Originally the sole source of water for Las Vegas residents, groundwater today represents about 10 percent of the District's supply. Despite its relatively modest role as a resource, groundwater is integral to meeting summer peak demand. The ability to supplement water from Lake Mead with this renewable supply reduces the strain on the region's water treatment facilities and extends our community's Colorado River allocation. Additionally, wells—which can be operated if necessary by generators—represent an excellent emergency water source.

To prevent adverse hydrologic impacts associated with withdrawals, groundwater pumping is distributed through more than 70 wells, largely located in the central and western parts of the Las Vegas Valley. Some of these wells are also used to store water saved through the community's successful conservation efforts; by reversing the powerful pumps, water can be injected into the aquifer for storage and future use.

A well system is comprised of two major components: the pumping equipment, and the wellbore itself. The service life expectancy of a wellbore can vary significantly depending upon its composition. Newer



Image: LVVWD Groundwater Well

wells have an expected lifespan of 75 years, while older wells typically last between 40 and 60 years. Pumping equipment has a far shorter service life, rarely exceeding 13 years. Technicians monitor pumping efficiency to determine the optimal replacement or refurbishment window.

Over the next 10 years, 13 wellbores will require significant rehabilitation or redrilling, while five well pumps require replacement or rebuilding annually. During the 10-year planning horizon, the District anticipates that well- and pump-related costs will be approximately \$15.6 million.



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Facilities and Capital Improvements

Treating and delivering water requires a tremendous amount of electrical energy; from pumping stations and reservoirs to well facilities and the LVVWD's main campus, maintaining the reliability of the power supply is critical to the agency's operations. This entails assessing and servicing transformers and electrical panels throughout the valley. In support of its sustainability initiatives, the LVVWD also operates several solar photovoltaic generation facilities, which are co-located with existing infrastructure and provide electrical power to support operations.

Information systems also play a crucial role in ensuring that the community's water supply remains both reliable and safe. As noted above, the SCADA control center—which monitors water quality and production levels in virtually real-time—relies upon an extensive communications network. In addition, electronic facility intrusion detection and cyber-security are central to the ongoing protection of the community's water system.

The District maintains a fleet of more than 600 automotive vehicles and a similar number of heavy machines, including cranes, used to support facility maintenance and replacement, respond to emergency service outages, and conduct routine functions like valve cycling and meter reading. This award-winning fleet is housed at the District's main campus on Valley View Boulevard, which also serves as the base for the agency's customer service center,

equipment warehouse, fleet maintenance center, administrative offices and other core functions. This 300,000-square-foot complex encompasses numerous buildings with all of the associated electrical, HVAC, communications and office infrastructure, and equipment.

Security, safety and fleet-related expenditures are projected at approximately \$3.9 million annually over the next decade. Costs associated with electrical, telemetry and other related infrastructure is budgeted at \$3.45 million per year over the next 10 years, with an additional \$2.7 million annually for repair, replacement, and upgrades to infrastructure and equipment housed at the primary campus.

Asset Management Summary

A summary of forecasted Asset Management activities and associated costs over the 10-year planning horizon is detailed in Figure 1.6. Costs are represented in aggregate; however, LVVWD work efforts will be executed in a phases based on asset assessment results and need. Proposed expenditures to support this work will be presented to the Board of Directors for consideration and authorization as part of the annual budget process.

Figure 1.6: Projected Asset Management Activity and Cost by Asset Type

ACTIVITY	10-YEAR	PERCENTAGE
Meter Program	\$32.4 million	8%
Vault Program	22.5 million	6%
Service Laterals	70.0 million	18%
Pipeline Rehabilitation and Replacement	130.0 million	33%
Facilities Improvements	27.0 million	7%
SCADA	6.0 million	2%
Pump Stations	6.7 million	2%
Reservoirs	4.65 million	1%
Wells	15.6 million	4%
Reclaimed Water	1.7 million	<1%
Fleet, Safety and Security	39.3 million	10%
Misc. Capital	34.5 million	9%
TOTAL	\$390.3 million	



CAPITAL IMPROVEMENT PLAN

WATER QUALITY

The District is responsible for ensuring that municipal water supplies meet strict state and federal health standards. To accomplish this, the agency collects more than 33,000 water samples a year and analyzes them for more than 100 regulated and unregulated contaminants. The instrumentation used to test water quality can detect some compounds at one part per trillion, the equivalent of one teaspoon of water in 2,100 Olympic-size swimming pools. Additionally, the LVVWD's high-tech SCADA operations center uses advanced instrumentation to detect minute changes in water quality, providing a greater degree of protection.

To support its mission of providing customers with a safe, reliable water supply, the District works closely with the State of Nevada to identify and reduce any potential vulnerabilities to water contamination, including conditions known as backsiphonage or backpressure, more commonly referred to as backflow. This occurs when negative pressure in the system causes water to reverse its flow. There are a number of situations that can potentially cause this to occur. For example, a sudden decrease of water pressure due to a main break or a significant draw on hydrants for firefighting efforts can potentially cause backflow conditions. When this occurs, water from an individual property's plumbing system can be drawn back into the public portion of the water distribution network.

To prevent this from occurring, the State of Nevada in the mid-1990s began requiring the installation of backflow prevention devices on all new properties except single-family homes. These valve-like devices protect the community's drinking water system by preventing water from being siphoned back into water mains from private properties. This mandatory program is managed by the Nevada Division of Environmental Protection and requires that all backflow devices be tested annually by a certified technician.

System Needs

Approximately 35,000 meters within the District's service area require backflow protection. To fulfill state requirements, the District prioritized backflow installations based on their degree of risk to the system and has begun systematically retrofitting properties that require backflow protection. An annual cost of \$10 million is needed over the 10-year planning horizon to implement its backflow retrofit program. The cost of individual retrofits varies by meter size and range from approximately \$3,000 for small meters to more than \$33,000 for 10" meters. The projected cost is anticipated to address approximately one-third of outstanding retrofit needs over the next decade. The quantity of devices involved and labor-intensive nature of the installations precludes a more aggressive approach.



Image: Commercial Backflow Assembly



CAPITAL IMPROVEMENT PLAN

NEW FACILITIES

Since its inception, the District has worked to develop, operate and maintain its water distribution system in a manner that meets the needs of the community. This includes ensuring the reliable delivery of high-quality water to all customers. Over the decades, this has required the agency to install thousands of miles of water mains, hundreds of millions of gallons worth of reservoir storage and massive pumping stations necessary to move water around the valley.

When the recession that began in 2007 brought commercial and residential development to a virtual standstill, the District quickly responded by curtailing facility expansion and reliability enhancement projects, and by deferring many of the major asset management needs discussed in the preceding section. In total, hundreds of millions of dollars' worth of construction activities were postponed, which increased the strain on the community's water system. Given the uncertain financial climate, it was determined this action to be in the best interest of both ratepayers and the organization.

System Needs

Today, development activity has resumed in Southern Nevada, although certainly not to the degree experienced in the decades prior to the recession. Accordingly, the LVVWD has resumed planning activities associated with expansion of the community's water delivery system. This action is necessary for the organization to fulfill its mission of providing a safe, reliable water system to all municipal water customers in its service area.

Below is a summary of three major system improvement projects planned for development within the 10-year planning horizon. None of these projects are being constructed exclusively for prospective development; rather, all simultaneously benefit existing customers while facilitating access to the municipal water supply for planned developments.

NEW FACILITIES

Northwest Major Facilities (NW)

Within the northwest portion of the Las Vegas Valley, approximately 21,000 customers in three separate pressure zones are serviced by a single pumping

station and a single reservoir; a major development currently under construction is anticipated to bring that number to nearly 30,000 customers. In the event of a service interruption, current reservoir storage is inadequate to support customers for extended periods of time. New facilities are needed to address the strain on existing infrastructure and to reduce residents' vulnerability to service interruptions associated with scheduled or emergency outages.

New facilities planned for construction include the development of two new water storage reservoirs—one with a capacity of 10 million gallons, the other with a capacity of 5 million gallons—along with two pumping stations and associated appurtenances. The estimated cost of these improvements is \$61.8 million.

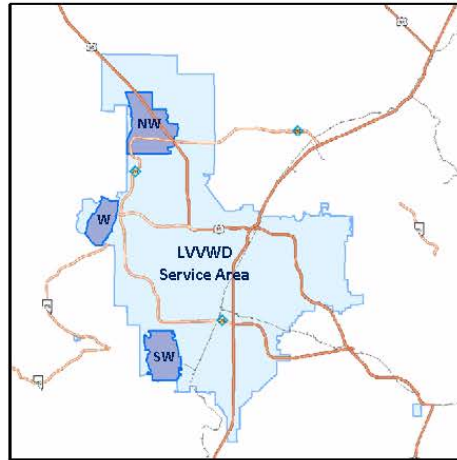


Figure 1.7: Customers to be served by new facilities

West Major Facilities (W)

Unlike the vast majority of customers in the District's service area, residents and businesses in this portion of the valley depend on direct delivery for their water service. As discussed previously, direct delivery is less reliable and impacts could arise in the event of scheduled and unanticipated outages, such as a water main break. Without storage or other redundant systems, customers could experience immediate service impacts.



SECTION 7

STATISTICAL INFORMATION

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**LAS VEGAS VALLEY
WATER DISTRICT™**



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	LVVWD Service Area Population	School Enrollment (4)	Total Labor Force(5)	Unemployment Rate (6)
2024	1,587,809	296,145	1,222,275	5.8%
2023	1,562,846	299,186	1,194,580	5.4%
2022	1,539,277	304,276	1,153,898	5.6%
2021	1,539,067	310,556	1,098,458	7.8%
2020	1,583,746	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. Data are for School Year (e.g. 2024 is for School Year 2024-2025)

(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 2024

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-	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 Force³ 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.

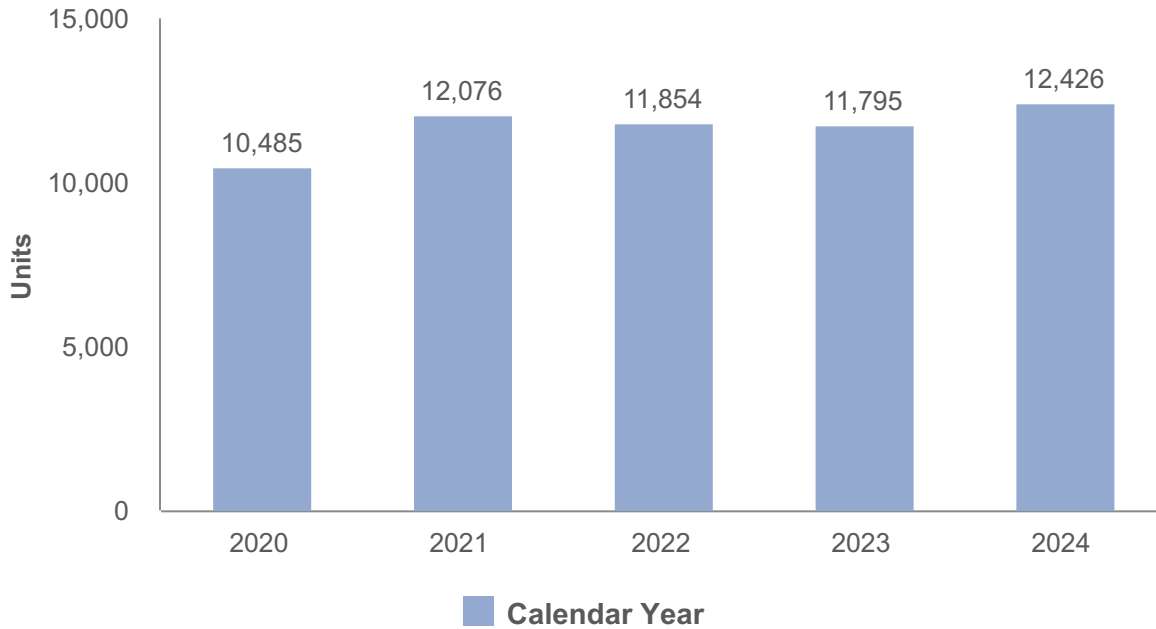
(2) Nevada law prohibits the disclosure of exact employee counts. All employee counts are shown in ranges.

(3) Total Labor Force is sourced from Bureau of Labor Statistics (Local Area Unemployment Statistics) for calendar year 2023 for the Clark County.

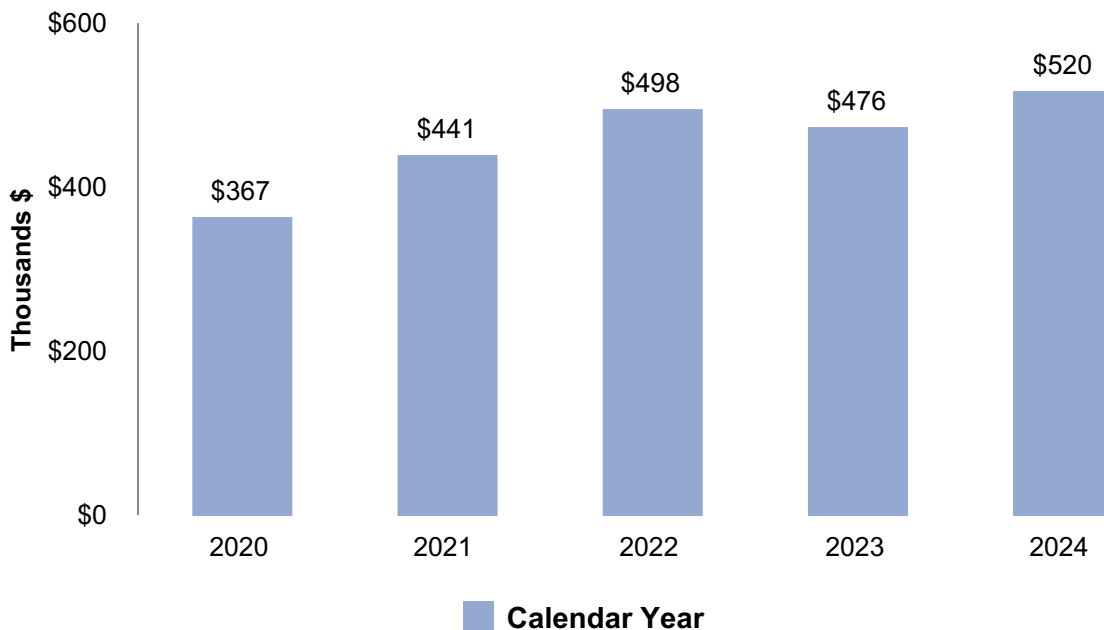


Residential Real Estate Clark County, Nevada

New Home Sales



New Home Median Price



Secured Tax Roll
Clark County, Nevada
2025-26

<u>Taxpayer</u>	<u>Taxable Assessed</u>	<u>Taxable Appraised</u>
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 CORPORATION	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 COMPANY	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	59	42	1.0	60	41	0.0	59	40	0.2
February	56	39	2.1	64	44	0.3	64	45	0.0
March	70	51	0.4	67	50	1.6	68	47	0.6
April	82	60	0.4	80	59	0.4	83	60	0.0
May	82	61	0.8	92	69	0.0	90	67	0.0
June	99	77	0.0	99	75	0.0	104	81	0.0
July	105	83	0.0	107	83	0.0	106	84	0.5
August	107	82	0.0	107	84	0.0	104	82	0.0
September	95	73	0.2	99	74	0.0	97	75	0.1
October	78	55	0.0	88	62	0.0	78	57	0.1
November	69	48	1.1	69	48	0.0	74	53	0.0
December	57	42	0.9	59	38	0.0	58	41	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	60	39	0.1	55	39	0.7	58	42	0.3
February	64	42	0.0	59	40	0.3	61	45	1.0
March	73	50	0.1	63	46	0.5	66	49	0.7
April	81	59	0.0	80	57	0.0	79	56	0.2
May	89	66	0.0	89	67	0.0	91	69	0.0
June	101	78	0.0	93	72	0.2	106	83	0.0
July	104	82	0.7	109	86	0.0	112	88	0.1
August	101	82	0.6	100	79	1.2	105	83	0.0
September	97	76	0.5	92	71	1.5	98	75	0.0
October	83	62	0.0	83	61	0.1	88	65	0.0
November	62	43	0.1	68	49	0.1	64	46	0.0
December	58	40	0.1	63	44	0.1	63	43	0.0
Average Annual Temperature/ Total Rainfall	82.6	61.9	2.3	79.4	59.1	4.6	82.6	61.9	2.3



Average Monthly Consumption Per Active Service
Thousands of Gallons

Month	2020	2021	2022	2023	2024	Average
January	12.8	13.9	13.5	13.3	13.3	13.4
February	14.8	13.0	13.1	13.0	12.0	13.2
March	16.3	16.6	17.4	15.3	14.3	16.0
April	15.9	20.3	20.4	16.4	17.5	18.1
May	21.8	24.9	23.6	23.0	21.5	23.0
June	31.0	32.1	30.1	27.7	28.5	29.9
July	30.6	30.2	28.7	24.6	26.1	28.1
August	32.8	29.9	29.2	29.7	28.7	30.1
September	30.0	28.1	24.4	21.9	25.1	25.9
October	23.5	22.7	22.7	19.1	20.7	21.7
November	18.3	17.1	17.6	17.3	17.0	17.5
December	13.2	14.4	13.2	13.8	13.0	13.5
Total for Year	261.0	263.3	253.9	235.1	237.6	250.2
Average Month	21.8	21.9	21.2	19.6	19.8	20.9
Maximum Month	32.8	32.1	30.1	29.7	28.7	30.1
Minimum Month	12.8	13.0	13.1	13.0	12.0	13.2



Average Annual Water Billed Per Active Service By Class of Service
Thousands of Gallons

Class of Service	2020	2021	2022	2023	2024
Residential - Single Service	124	129	123	110	103
Residential - Duplex/Triplex/Fourplex	234	233	226	208	190
Apts. Condos, & Townhomes	3,773	3,956	3,972	3,731	3,693
Residential, Other	5,382	5,513	5,254	5,240	5,406
Subtotal (Residential)	9,513	9,831	9,575	9,289	9,392
Hotels	30,860	29,816	34,375	33,822	35,091
Motels	4,261	4,583	4,614	4,473	4,697
Community Facilities	1,964	2,006	1,885	1,809	1,923
Schools	2,235	2,159	2,352	2,057	1,966
Fireline	109	108	136	140	114
Irrigation	2,061	2,153	1,960	1,861	1,712
Commercial/Business	980	995	1,019	973	953
Recreational	2,922	2,859	2,840	2,473	2,553
Industrial	1,011	1,032	1,089	1,036	980
Construction Water	350	593	579	383	324
Other	3,418	3,243	148	5,592	3,594
Subtotal (Non-Residential)	50,171	49,547	50,997	54,619	53,907
TOTAL	59,682	59,379	60,574	63,908	63,299



Percent of Total Water Billed by Class of Service

Class of Service	2019	2020	2021	2022	2023	2024
Residential - Single Service	43.1%	43.7%	43.9%	42.4%	41.2%	40.4%
Residential - Duplex/Triplex/Fourplex	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Apts. Condos, & Townhomes	15.9%	16.0%	16.2%	16.4%	16.5%	17.0%
Residential, Other	1.0%	1.1%	1.1%	1.0%	1.1%	1.1%
Subtotal (Residential)	60.6%	61.4%	61.7%	60.4%	59.3%	59.1%
Hotels	9.0%	7.6%	6.8%	8.4%	8.7%	9.4%
Motels	1.1%	1.0%	1.0%	1.1%	1.1%	1.1%
Community Facilities	2.0%	2.0%	2.0%	1.9%	1.9%	2.1%
Schools	1.6%	1.6%	1.5%	1.6%	1.6%	1.6%
Fireline	0.5%	0.6%	0.6%	0.7%	0.8%	0.7%
Irrigation	13.2%	14.1%	14.4%	13.6%	13.9%	13.5%
Commercial/Business	8.6%	8.2%	8.1%	8.4%	8.6%	8.7%
Recreational	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Industrial	1.3%	1.2%	1.2%	1.3%	1.3%	1.3%
Construction Water	1.3%	1.3%	1.8%	1.4%	1.4%	1.5%
Other	0.5%	0.8%	0.8%	1.0%	1.2%	0.8%
Subtotal (Non-Residential)	39.4%	38.6%	38.3%	39.6%	40.7%	40.9%
TOTAL	100%	100%	100%	100%	100%	100%



Average Consumption and Monthly Revenue from Water Sales
Per Active Account (kgal)

Month	2019		2020		2021	
	<u>Avg. Use</u>	<u>Avg. Revenue</u>	<u>Avg. Use</u>	<u>Avg. Revenue</u>	<u>Avg. Use</u>	<u>Avg. Revenue</u>
January	14.1	\$83.5	12.8	\$80.7	13.9	\$84.9
February	13.2	79.3	14.8	86.3	13.0	79.7
March	14.6	86.5	16.3	92.8	16.6	95.1
April	20.2	104.7	15.9	87.7	20.3	108.0
May	24.0	119.7	21.8	111.6	24.9	126.1
June	26.6	140.9	31.0	155.8	32.1	161.3
July	31.5	141.5	30.6	143.5	30.2	149.4
August	32.9	157.7	32.8	159.1	29.9	152.4
September	29.4	143.2	30.0	149.1	28.1	141.2
October	23.1	114.8	23.5	120.3	22.7	118.2
November	18.5	98.2	18.3	99.2	17.1	96.9
December	12.6	78.6	13.2	81.6	14.4	86.7
Monthly Average	21.7	\$112.4	21.8	\$114.0	21.9	\$116.7

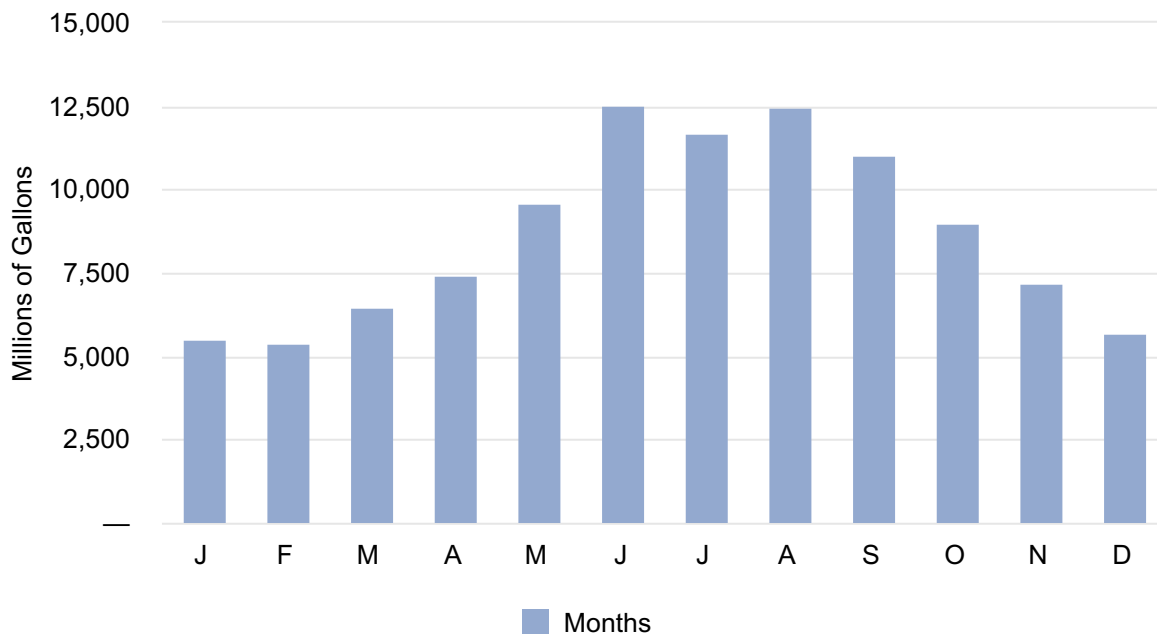
Month	2022		2023		2024	
	<u>Avg. Use</u>	<u>Avg. Revenue</u>	<u>Avg. Use</u>	<u>Avg. Revenue</u>	<u>Avg. Use</u>	<u>Avg. Revenue</u>
January	13.5	\$86.2	13.3	\$94.9	13.3	\$101.5
February	13.1	84.4	13.0	97.6	12.0	94.7
March	17.4	103.6	15.3	107.4	14.3	104.9
April	20.4	114.3	16.4	110.4	17.5	119.0
May	23.6	129.5	23.0	143.7	21.5	137.6
June	30.1	163.1	27.7	161.0	28.5	171.6
July	28.7	152.4	24.6	159.2	26.1	172.1
August	29.2	152.0	29.7	181.1	28.7	184.0
September	24.4	134.4	21.9	140.1	25.1	163.6
October	22.7	125.3	19.1	123.8	20.7	131.6
November	17.6	104.6	17.3	115.3	17.0	116.0
December	13.2	87.9	13.8	99.4	13.0	102.2
Monthly Average	21.2	\$119.8	19.6	\$127.8	19.8	\$133.2



Water Billed by Month
Millions of Gallons

Month	2020	2021	2022	2023	2024
January	5,139	5,636	5,569	5,539	5,632
February	5,950	5,297	5,403	5,414	5,120
March	6,570	6,749	7,161	6,392	6,087
April	6,387	8,291	8,397	6,881	7,478
May	8,778	10,168	9,735	9,636	9,169
June	12,490	13,129	12,413	11,631	12,208
July	12,359	12,360	11,864	10,357	11,207
August	13,246	12,236	12,086	12,491	12,340
September	12,134	11,527	10,097	9,226	10,801
October	9,533	9,292	9,392	8,085	8,932
November	7,407	7,028	7,313	7,330	7,324
December	5,355	5,921	5,491	5,830	5,606
Total	105,345	107,635	104,922	98,815	101,903

2020-2024 Average Water Billed By Month



SECTION 8

DEBT MANAGEMENT POLICY

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**LAS VEGAS VALLEY
WATER DISTRICT™**



Debt Management Policy

In Accordance With
NRS 350.013



**LAS VEGAS VALLEY
WATER DISTRICT™**

June 30, 2025



Debt Management Policy

NRS 350.013 Subsection 1(c)

Introduction

The Las Vegas Valley Water District (LVVWD) is a quasi-municipal corporation created by the State of Nevada (State) pursuant to a Special Act (the Act) of the Legislature in March 1947. The Las Vegas Valley Water District Act is available online at:

<https://www.leg.state.nv.us/SpecialActs/66-LasVegasValleyWater.html>

The LVVWD was created for the purpose of obtaining and distributing water, primarily in the Las Vegas Valley, which includes the metropolitan area of Clark County (County) and the City of Las Vegas. Because the County Board of Commissioners serves as the LVVWD Board of Directors (Board), the LVVWD is included as a blended component unit within the County's Comprehensive Annual Financial Report. A component unit can be a legally separate organization for which the elected officials of the primary government are financially accountable. For purposes of this report, the LVVWD alone is the reporting entity.

The LVVWD's current debt structure is presented in the Appendix. The LVVWD has three options to issue debt:

- The LVVWD can issue debt in its own name. Standard & Poor's rates the LVVWD bonds "AA+", and Moody's Investors Service rates them "Aa1". This rating makes the LVVWD Bonds "high investment" grade.
- The LVVWD can issue debt through the Clark County Bond Bank. Standard & Poor's rates County bonds "AA+", and Moody's Investors Service rates them "Aa1".
- The LVVWD can issue debt through the State Bond Bank. Standard & Poor's rates State bonds "AA+", and Moody's Investors Services rates them "Aa1".

By contract, the LVVWD operates the Southern Nevada Water Authority (SNWA), and the LVVWD has issued debt for the SNWA, which is additionally secured by the SNWA's Pledged Revenues. See the appendix for a listing of the LVVWD debt secured by the LVVWD revenues, and debt the LVVWD has issued for the SNWA, additionally secured by the SNWA's Pledged Revenues.

The proceeds of debt issued by the LVVWD is restricted for the purchase and/or construction of capital assets. The LVVWD Capital Improvement Plan (CIP) is a phased construction program outlining current construction expenditures, as well as projected future expenditures for construction of capital assets. In addition to issuing debt to fund the purchase and/or construction of capital assets, the LVVWD also budgets a portion of operating revenues to fund capital assets on a pay-as-you-go basis.

This document is not intended to review the LVVWD's total financial position. In addition to being required by state law, this analysis of the LVVWD's debt position is important for capital asset planning purposes, and to determine if the LVVWD rates and charges are sufficient to cover current and future operating expenses and debt service. Decisions regarding the use of debt will be based in part on the long-term needs of the LVVWD and the amount of funds dedicated in a given year to capital expenditures.



Below are excerpts from Nevada Law which requires local governments to submit a 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 the 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 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 Bond Indebtedness Additionally Secured by LVVWD Pledged Revenues ("LVVWD Water Bonds")

The LVVWD Water Bonds 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. The LVVWD Water Bonds are payable from general property taxes on all taxable property in the LVVWD service area, subject to Nevada constitutional and statutory limitations on the aggregate amount of property taxes. The LVVWD Water Bonds are secured additionally by certain pledged revenues described below. The LVVWD has never levied a property tax because the LVVWD's revenues have been sufficient to pay debt service on all of the LVVWD's bonds and obligations secured by such revenues.

In any year in which the total property taxes levied within the LVVWD service area by all applicable taxing units (e.g. the State of Nevada, 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 Water 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.

The payment of the LVVWD Water Bonds is not secured by an encumbrance, mortgage, or other pledge of property of the LVVWD, and no property shall be liable to be forfeited or taken in payment of the LVVWD Water Bonds, provided the payment of the bonds is secured by the proceeds of general (*property*) taxes and the LVVWD's revenues, which are pledged for the payment of the Bonds. Furthermore, section 350.606 of the Bond Act provides that no recourse shall be had for the payment of principal or interest, or any prior redemption premiums due in connection with municipal securities such as the LVVWD Water 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, past, present or future, either directly or indirectly by virtue of any statute or rule of law.

Pledged Revenues. The LVVWD Water Bonds are additionally secured by the revenue received from the sale and distribution of water, connection charges or otherwise derived from the works or property of the LVVWD, after payment of reasonable and necessary costs of the operation and maintenance



expenses of the water system (Water System) and the general expenses of the LVVWD (Net Pledged Revenues). Operation expenses generally include the costs of the purchase of water from the SNWA, power and pumping, purification, transmission and distribution, materials and supplies, maintenance and repairs, purchased and professional services, and customer accounting and collection.

The LVVWD Act authorizes the Board to establish, from time to time, reasonable rates and charges for the products and services furnished by the LVVWD's works and properties. Subject to the limitation that rates and charges must be reasonable, the Board must fix rates and charges which will produce sufficient revenues to pay (1) operating and maintenance expenses of the Water System, (2) the general expenses of the LVVWD, and (3) the principal of and interest on the LVVWD's first lien bonds and second lien bonds (the "Superior Lien Bonds") including any required sinking fund payments, and (4) debt service on all other securities payable from Net Pledged Revenues. It is the general intent of the LVVWD Act and policy of the Board that rates and charges be adequate to provide for all costs and that reliance on property taxes is to be avoided. There has, historically, been no reliance on property taxes to support the LVVWD's operations and there is no current plan or intention to call upon property taxes to support the LVVWD's financial requirements.

Authorized and Proposed Future LVVWD Water Bonds. The LVVWD intends to issue revenue bonds to secure a \$30 million State Revolving Fund (SRF) loan in fiscal year 2025-26. In addition, the bond market is monitored for savings opportunities via refunding or restructuring existing debt issues.

Debt Service Requirements. See Appendix for a table showing the debt service to maturity on the LVVWD Water Bonds.

Property Tax Rate Impact. Principal and interest on the LVVWD Water Bonds is payable from the Water System pledged revenues. There will be no direct impact on the property tax rate as long as pledged revenues are sufficient to pay debt service on the outstanding bonds. See Appendix for a table illustrating the LVVWD's historic pledged revenues and debt service coverage.

Bonded Indebtedness. The following table shows the outstanding LVVWD Water Bonds as of June 30, 2025.



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Bond Series	Issue Date	Original Amount Issued	Outstanding Principal
2010A BABS	Jun-10	\$ 75,995,000	\$ 75,995,000
2014 SRF Loan	Dec-14	19,929,329	12,186,500
2015A	Jun-15	172,430,000	29,105,000
LVVWD 2016B	Apr-16	108,220,000	72,045,000
2016 SRF Loan	Sep-16	15,000,000	10,672,193
2017 SRF Loan	May-17	15,000,000	10,922,591
2017A	Mar-17	130,105,000	97,300,000
2018A	Jun-18	100,000,000	86,115,000
2020B	Mar-20	22,240,000	17,760,000
2020D	Apr-20	98,080,000	75,080,000
2020C	Jul-20	100,000,000	90,130,000
2021B	Mar-21	32,795,000	12,010,000
2022B	Mar-22	31,495,000	31,495,000
2022D	Jun-22	70,555,000	66,840,000
2023A	Oct-23	185,860,000	185,860,000
Total			<u>\$ 873,516,285</u>

Existing Authorized and Proposed General Obligation Indebtedness of the LVVWD Supported by the SNWA Pledged Revenues (“SNWA Water Bonds”)

The LVVWD has issued general obligation bonds for the SNWA. The SNWA Water Bonds 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. The SNWA Water Bonds are payable from property taxes on all taxable property within the LVVWD service area, subject to Nevada constitutional and statutory limitations on the aggregate amount of property taxes. The SNWA Water Bonds are additionally secured by certain pledged revenues (the “SNWA Pledged Revenues”) as set forth in NRS 350.13 (4). The SNWA Pledged Revenues currently consist of fees and charges for water imposed by the SNWA upon its wholesale water customers (the LVVWD, Henderson, North Las Vegas, and Boulder City). Under the SNWA Revenue Act, the SNWA is required to maintain its fees and charges for water at a level sufficient to allow it to meet its obligations to the LVVWD to pay the LVVWD’s SNWA Water Bonds.

Nevada statutes provide that no act concerning the SNWA Water 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.

The payment of the SNWA Water Bonds is not secured by an encumbrance, mortgage, or other pledge of property of the SNWA (other than the SNWA Pledged Revenues) and no property shall be liable to be forfeited or taken in payment of the SNWA Water Bonds, provided the payment of the Bonds is secured by the proceeds of general (property) taxes and the SNWA Pledged Revenues, which are pledged for the payment of the Bonds. Furthermore, section 350.606 of the Bond Act provides no



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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 SNWA Water 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, past, present or future, either directly or indirectly by virtue of any statute or rule of law.

The LVVWD has never levied a property tax to pay the SNWA Water Bonds because SNWA Pledged Revenues have always been sufficient to pay debt service on all the LVVWD's bonds and obligations secured by such revenues.

Authorized and Proposed Future SNWA Water Bonds. The LVVWD intends to issue for the SNWA approximately \$415 million in bonds during fiscal year 2025-26. In addition, the bond market is monitored for other savings opportunities via refunding or restructuring existing debt issues.

Debt Service Requirements. See Appendix for a table that shows the debt service to maturity for the SNWA Water Bonds.

Property Tax Rate Impact. Principal and interest on the SNWA Water Bonds are payable from the SNWA Pledged Revenues. There will be no direct impact on the property tax rate as long as pledged revenues are sufficient to pay debt service on the outstanding bonds.

The following table shows the outstanding SNWA Water 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



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 LVVWD does not have a specific debt limit dollar amount threshold. The LVVWD has no power to incur debt in excess of express authorization granted by the Nevada Legislature in Chapter 167, Statutes of Nevada 1947, as amended. The LVVWD's ability to issue debt is a function of its capital needs and revenues generated from LVVWD 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 the 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.

Currently, the LVVWD does not have any outstanding bonds payable directly from property taxes. The existing LVVWD Water Bonds and SNWA Water 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 will sell its bonds at a competitive or negotiated sale. The LVVWD will follow the 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 related to 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 LVVWD.
- 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 LVVWD to conclude that competitive sale would not be effective, including market conditions.

It is the policy of the LVVWD to provide minority owned business enterprises, women owned business enterprises and all other business enterprises an equal opportunity to participate in the performance of all LVVWD contracts. At a competitive sale, bidders are requested to assist the LVVWD 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 LVVWD 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 LVVWD's competitive 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 LVVWD financings, or have submitted financing ideas and concepts for LVVWD's consideration over the past five years.

The CFO will distribute, or request that LVVWD's Financial Advisors distribute on behalf of LVVWD, a Request for Proposal (RFP) to underwriting firms on the list. The RFP will include, at a minimum, information regarding the firm's qualifications, staffing and personnel assigned to LVVWD, 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, conduct interviews of firms who submit responses to the RFP.

The selection of underwriter(s) will be based on the overall quality of the response, qualifications of the firm, demonstrated success in pricing bonds, understanding of the LVVWD's objectives, qualifications of the banking and underwriting team to be assigned to the LVVWD, 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 LVVWD. 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 5 percent to any firm. The CFO will also determine the maximum amount to be designated to single firm (typically 50 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 the 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 SDC Credit.

The Syndicate Policy Memo may include other relevant information (e.g., management fee or other fees, description of the sale timeline, etc.).

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 LVVWD'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 (c), 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 LVVWD's intent to finance future operational costs with water revenues and will therefore have no effect on property taxes. New capital improvement projects will



allow the LVVWD 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 all debt service on the refunded bonds. Advance refundings were eliminated with passage of the 2017 H.R. 1 legislation (The Tax Cuts and Jobs Act).
- **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 LVVWD'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 LVVWD's reserves or debt service fund.

Prior to beginning a refunding bond issue the LVVWD will review an estimate of the savings achievable from the refunding. The LVVWD may also review a pro forma schedule estimating the savings assuming that the refunding is done at various points in the future.

The LVVWD will generally consider refunding outstanding bonds if one or more of the following conditions exist:

- Present value savings are at least 3 percent of the par amount of refunded or refunding bonds.
- Escrow efficiency is defined as net present value savings divided by the sum of net present value savings and negative arbitrage in the escrow.
- The bonds to be refunded have restrictive or outdated covenants.
- Restructuring debt is deemed to be desirable.

The LVVWD may pursue a refunding not meeting the above criteria if:

- Present value savings exceed the costs of issuing the bonds.
- The date of the option to call is three years or less.

Debt Structure

Maturity Structures. The term of the LVVWD debt issues will not extend beyond the useful life of the project or equipment financed. As appropriate, debt issued by the LVVWD 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 LVVWD are sufficient to pay debt service, or where the deferral of principal allows the LVVWD 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 of the LVVWD to purchase bond insurance from bond proceeds

Bond insurance can be purchased directly by the LVVWD 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 LVVWD, 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

The LVVWD may issue fixed rate debt or variable rate debt, 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 rate 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, the LVVWD will not issue more than 25 percent of its debt in the form of variable rate debt. The CFO, in consultation with the General Counsel and the LVVWD's Financial Advisors, will determine the appropriate form of variable rate debt, subject to the approval of the Board.

Financing Sources. The LVVWD will evaluate available State and County bond financing programs before choosing the financing source. The LVVWD will consider utilizing a State or County program if bonds can be sold by the State or County in a manner meeting the LVVWD'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 Additionally Secured by LVVWD Pledged Revenues
3. Existing Debt Service Additionally Secured by SNWA Pledged Revenues
4. Existing Debt Service all Pledged Revenues
5. Net Pledged Revenues



Next Five Years of Existing and Proposed Debt Service
As of June 30, 2025

Fiscal Year	LVVWD Revenue Pledge ⁽¹⁾	SNWA Revenue Pledge ⁽²⁾	Total
2026	\$ 88,345,753	\$ 223,869,886	\$ 312,215,639
2027	82,658,503	214,387,961	297,046,464
2028	73,771,502	178,646,586	252,418,088
2029	73,787,372	165,662,086	239,449,458
2030	73,768,832	164,716,699	238,485,531
Total ⁽³⁾	<u>\$ 392,331,962</u>	<u>\$ 947,283,219</u>	<u>\$ 1,339,615,181</u>

⁽¹⁾ This is debt service on the existing and proposed outstanding principal balance of general obligation debt additionally secured by LVVWD pledged revenues.

⁽²⁾ This is debt service on the existing and proposed outstanding principal balance of general obligation debt additionally secured by SNWA pledged revenues in accordance with interlocal agreements.

⁽³⁾ Totals may be off slightly due to rounding.



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<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 50,432,325	\$ 37,913,428	\$ 88,345,753
2027	47,191,390	35,467,113	82,658,503
2028	40,586,961	33,184,542	73,771,502
2029	42,544,073	31,243,300	73,787,372
2030	44,562,763	29,206,070	73,768,832
2031	46,713,069	27,069,853	73,782,922
2032	48,845,030	24,927,622	73,772,653
2033	43,718,685	22,785,947	66,504,633
2034	45,434,076	21,076,104	66,510,180
2035	46,409,275	19,376,870	65,786,145
2036	47,428,149	17,624,178	65,052,327
2037	31,950,490	15,800,046	47,750,536
2038	31,645,000	14,531,906	46,176,906
2039	32,480,000	13,225,318	45,705,318
2040	34,045,000	11,661,038	45,706,038
2041	17,375,000	10,016,713	27,391,713
2042	18,065,000	9,332,013	27,397,013
2043	18,780,000	8,612,963	27,392,963
2044	19,525,000	7,863,313	27,388,313
2045	20,315,000	7,076,600	27,391,600
2046	21,140,000	6,256,050	27,396,050
2047	21,990,000	5,400,063	27,390,063
2048	22,880,000	4,507,438	27,387,438
2049	18,135,000	3,576,463	21,711,463
2050	18,870,000	2,832,375	21,702,375
2051	14,830,000	2,043,900	16,873,900
2052	15,535,000	1,341,050	16,876,050
2053	12,090,000	604,500	12,694,500
Totals *	<u>\$ 873,516,285</u>	<u>\$ 424,556,771</u>	<u>\$ 1,298,073,056</u>

* Totals may be off slightly due to rounding.



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<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 117,950,000	\$ 79,245,800	\$ 197,195,800
2027	114,370,000	73,343,875	187,713,875
2028	83,930,000	68,042,500	151,972,500
2029	74,815,000	64,173,000	138,988,000
2030	77,555,000	60,487,613	138,042,613
2031	66,470,000	56,656,125	123,126,125
2032	86,165,000	53,447,000	139,612,000
2033	102,250,000	49,683,200	151,933,200
2034	106,660,000	45,272,000	151,932,000
2035	78,060,000	41,069,450	119,129,450
2036	81,670,000	37,462,600	119,132,600
2037	85,445,000	33,685,650	119,130,650
2038	113,885,000	29,730,800	143,615,800
2039	143,635,000	24,365,350	168,000,350
2040	49,420,000	17,451,150	66,871,150
2041	51,605,000	15,258,400	66,863,400
2042	53,900,000	12,967,450	66,867,450
2043	37,250,000	10,573,350	47,823,350
2044	38,990,000	8,833,350	47,823,350
2045	40,815,000	7,011,250	47,826,250
2046	42,720,000	5,103,000	47,823,000
2047	14,330,000	3,104,800	17,434,800
2048	14,905,000	2,531,600	17,436,600
2049	15,500,000	1,935,400	17,435,400
2050	16,120,000	1,315,400	17,435,400
2051	16,765,000	670,600	17,435,600
Totals *	<u>\$ 1,725,180,000</u>	<u>\$ 803,420,713</u>	<u>\$ 2,528,600,713</u>

* Totals may be off slightly due to rounding.



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Existing Debt Service all Pledged Revenues
As of June 30, 2025

<u>Fiscal Year</u>		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2026	\$	168,382,325	\$	117,159,228	\$	285,541,553
2027		161,561,390		108,810,988		270,372,378
2028		124,516,961		101,227,042		225,744,002
2029		117,359,073		95,416,300		212,775,372
2030		122,117,763		89,693,682		211,811,445
2031		113,183,069		83,725,978		196,909,047
2032		135,010,030		78,374,622		213,384,653
2033		145,968,685		72,469,147		218,437,833
2034		152,094,076		66,348,104		218,442,180
2035		124,469,275		60,446,320		184,915,595
2036		129,098,149		55,086,778		184,184,927
2037		117,395,490		49,485,696		166,881,186
2038		145,530,000		44,262,706		189,792,706
2039		176,115,000		37,590,668		213,705,668
2040		83,465,000		29,112,188		112,577,188
2041		68,980,000		25,275,113		94,255,113
2042		71,965,000		22,299,463		94,264,463
2043		56,030,000		19,186,313		75,216,313
2044		58,515,000		16,696,663		75,211,663
2045		61,130,000		14,087,850		75,217,850
2046		63,860,000		11,359,050		75,219,050
2047		36,320,000		8,504,863		44,824,863
2048		37,785,000		7,039,038		44,824,038
2049		33,635,000		5,511,863		39,146,863
2050		34,990,000		4,147,775		39,137,775
2051		31,595,000		2,714,500		34,309,500
2052		15,535,000		1,341,050		16,876,050
2053		12,090,000		604,500		12,694,500
Totals *	\$	<u>2,598,696,285</u>	\$	<u>1,227,977,484</u>	\$	<u>3,826,673,768</u>

* Totals may be off slightly due to rounding.



Las Vegas Valley Water District
Operating and Capital Budget
Debt Management Policy
Fiscal Year Ending June 30, 2026

Net Pledged Revenues
For Fiscal Years Ended June 30

	2020	2021 ⁽⁵⁾	2022 ⁽⁶⁾	2023	2024
Revenues ⁽¹⁾					
Water Sales	\$ 367,251,189	\$ 393,153,616	\$ 400,207,485	\$ 414,230,368	\$ 443,946,284
Inspection/Application Fees	3,091,750	4,311,045	3,825,425	2,982,630	2,815,294
Springs Preserve	1,965,658	387,554	1,699,744	1,948,609	2,304,132
Facilities Connection Charges	17,628,602	33,131,272	23,578,591	26,310,060	19,954,233
Investment Earnings ⁽²⁾	20,110,119	(681,187)	(24,163,160)	6,203,836	32,655,577
Other	12,260	11,845	753,804	1,451,868	1,600,542
Total Revenues	\$ 410,059,578	\$ 430,314,145	\$ 405,901,889	\$ 453,127,371	\$ 503,276,062
Operating Expenses ⁽³⁾	\$ 276,072,659	\$ 248,183,391	\$ 270,310,741	\$ 282,164,924	\$ 301,369,799
Net Revenues	\$ 133,986,919	\$ 182,130,754	\$ 135,591,148	\$ 170,962,447	\$ 201,906,263
Add Beginning Unrestricted Fund Balances	\$ 422,313,800	\$ 421,854,132	\$ 501,332,244	\$ 547,970,863	\$ 524,539,568
Amounts Available for Debt Service	\$ 556,300,719	\$ 603,984,886	\$ 636,923,392	\$ 718,933,310	\$ 726,445,831
Parity and Subordinate Lien Obligations Debt Service ⁽⁴⁾	\$ 67,560,760	\$ 74,228,063	\$ 73,831,659	\$ 77,723,105	\$ 83,844,871
Coverage	8.23	8.14	8.63	9.25	8.66

⁽¹⁾ Excludes the SNWA Regional Commodity Charge, the Regional Reliability Surcharge, the Regional Connection Charge and the Regional Infrastructure Charge. The District excludes SNWA charges and operating expenses from its financial statements.

⁽²⁾ Includes unrealized gains and losses due to fair market value adjustments in accordance with GAAP.

⁽³⁾ Excludes depreciations expense. Decrease in fiscal year 2021 is primarily attributable to decreased pension and OPEB expenses resulting from gains on asset investments and lower power and purchased water costs and reductions in expenses in response to the COVID-19 pandemic.

⁽⁴⁾ The debt service includes the federal subsidy for the District's Build America Bonds. The District did not have any Superior Lien Obligations outstanding.

⁽⁵⁾ 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.

⁽⁶⁾ 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 Arrangement, which required reclassification of expenses from operations and maintenance to amortization, as well as capital asset additions added during the year.



SECTION 9
FINANCIAL POLICIES

Reserve Policy 9 - 227
Investment Policy 9 - 229
Capitalization Policy 9 - 246



Financial Policy

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.



LAS VEGAS VALLEY WATER DISTRICT BOARD POLICY	SUBJECT: LAS VEGAS VALLEY WATER DISTRICT RESERVE POLICY	NUMBER: 11
	APPROVED BY: BOARD OF DIRECTORS	ISSUE: 1
ISSUING DEPARTMENT: FINANCE	January 5, 2016	PAGE: 1 OF 2

Purpose

The purpose is to establish a 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 Las Vegas Valley Water District (LVVWD).

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 LVVWD's reserve policy:

1. Volatility in Sources of Funds – Some of the LVVWD's sources of funds have experienced significant volatility; for example, connection charges and sales tax, in periods where the local economy suffers.
2. Likelihood of Successful Rate Increases – Although the LVVWD has enjoyed tremendous support from its Board of Directors and the community, it is possible that these conditions could change in the future, thus impacting the LVVWD's ability to adjust rates to meet increasing costs.
3. Asset Age and Condition – As the infrastructure ages, maintenance and replacement costs will increase. Also, there is the possibility of unexpected failures that can be quite expensive. Such failures could result from age-related causes, terrorism, or natural disasters.



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

Reserve Components

The following four components identified for the LVVWD'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 LVVWD 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 LVVWD 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 operations, and provide assurances to investors that the LVVWD 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, a capital improvement plan may be used. This reserve will fluctuate over time as projects change. This level of capital reserve will enable the LVVWD 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 LVVWD 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: BOARD OF DIRECTORS December 1, 2020	ISSUE: 1
ISSUING DEPARTMENT: FINANCE		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"



Other: category, equivalent or better, by a NRSRO. Not applicable if at or below the FDIC limit.
 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.

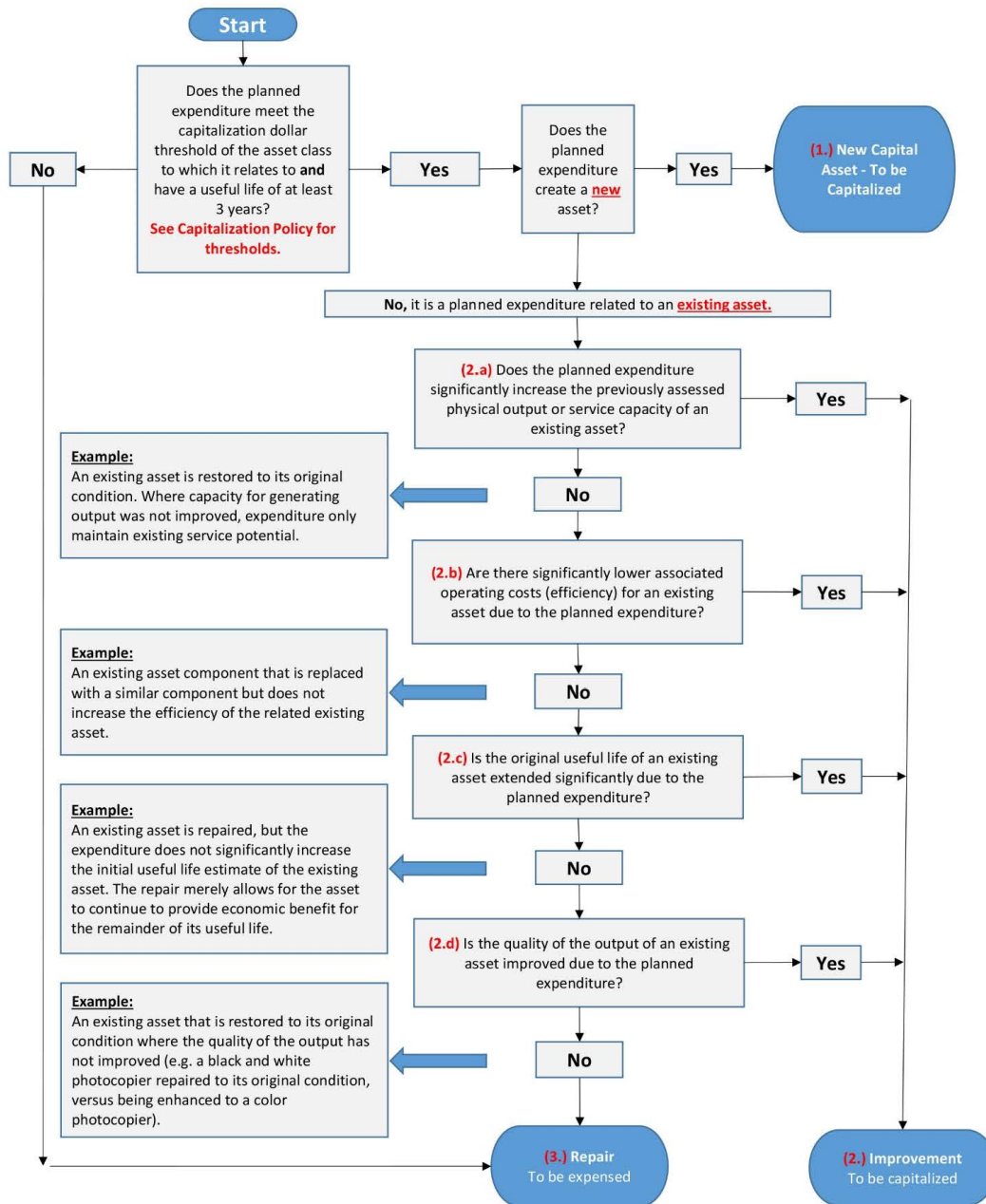
Historical Cost: The actual exchange value in dollars at the time the asset was acquired. It is measured by cash or cash equivalent price of obtaining the asset and any charges necessary to bring it to its intended location and to place the asset in its intended condition for use.

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

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**LAS VEGAS VALLEY
WATER DISTRICT™**



Las Vegas Valley Water District
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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.

Advanced Metering Infrastructure. (AMI)

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).

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)

Automated Mapping / Facilities Management (AM/FM). The term AM/FM/GIS mostly refers to Geographic Information Software (GIS) that allows utility users to digitize, manage and analyze their utility network data. This data is stored in an underlying GIS database which also maintains the associations between the graphical entities and the attributes.

Automatic Transfer Switch (ATS). An electrical switch that switches a load between two sources.

Automatic Vehicle Locator (AVL). An automatic vehicle locator (AVL) is a device that makes use of a Global Positioning System (GPS) to enable a business or agency to remotely track the location of its vehicle fleet by using the Internet.

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.



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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.

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.

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.

Budget Document. The official written document prepared by the LVVWD and approved by the LVVWD's Board of Directors.

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 that 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. The BOR 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 Budget. Used to evaluate potential investments or expenditures for specific projects or purposes. Fixed assets to be acquired during a fiscal year, with a value of over \$10,000 and an estimated life of over three years.

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 project portfolio that identifies the time, cost and scope of capital projects and identifies options for financing.

Captive Insurance. An alternative to self-insurance in which a parent group or groups create a licensed insurance company to provide coverage for itself.



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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)

Certificates of Insurance.(COIs)

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). The CRC is an executive agency of the State of Nevada responsible for acquiring and managing Nevada's share of water and hydropower resources from the Colorado River.

Commercial Driver's License. (CDL)

Computer Maintenance Management System. (CMMS)

Computerized Work Order Maintenance Management System. (CWOMMS)

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)

Coyote Springs Water Resources General Improvement District (CSWRD). Created in 2006 to provide necessary water and wastewater services to the Coyote Springs community.



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Cross Departmental Team. (CDT)

Customer to Meter System. (C2M)

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.

Electric Vehicle. (EV)

Emergency Response Plan (ERP). A plan created by the EHS&CS department to prepare for and mitigate risk.

Employee Performance Development System. (EPDS)

Endangered Species Act (ESA). Signed into law by President Richard Nixon on December 28, 1973, it was designed to protect critically imperiled species from extinction as a "consequence of economic growth and development un-tempered by adequate concern and conservation."

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.



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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 Project Management. (EPM)

Engineering Project Scheduling and Management System. (EPSM)

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.



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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.

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.

Geographical Information Systems (GIS). Geographical Information System is a system designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data.

Global Positioning System (GPS). The Global Positioning System is a space-based navigation system that provides location and time information in all weather conditions, anywhere on or near the Earth where there is an unobstructed line of sight to four or more GPS satellites.

Government Finance Officers Association (GFOA). A professional association of more than 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).

Governmental Funds. The General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

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.



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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.

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 Metropolitan Statistical Area (MSA). Las Vegas metropolitan area, is in the southern part of the U.S. state of Nevada, coextensive since 2003 with Clark County, Nevada. A central part of the metropolitan area is the Las Vegas Valley, a 600 sq. mi (1,600 km²) basin that includes the metropolitan area's largest city, Las Vegas.



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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 Water District (LVVWD). The 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.

Las Vegas Wash Comprehensive Adaptive Management Plan. (LVWCAMP)

Lead and Copper Rule Improvements. (LCRI)

Lead and Copper Rule Revisions. (LCRR)

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. (LKRPP)

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)

Line Item. Unique identification number and title for an expenditure category; represents the most detailed level of budgeting and recording expenditures.

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.

Lower Colorado River Multi-Species Conservation Program.(LCRMSCP)

Maintenance Improvement Team. (MIT)

Major Construction and Capital Program (MCCP). A schedule of approved capital projects for SNWA, their estimated costs, and funding sources.

Major Construction and Program (MCP). A schedule of approved capital projects, their estimated costs, and funding sources.



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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.

Mission. A description of the basic purpose and responsibility of an organizational unit.

Mobile Data Dispatch System and Mobile Data Terminals. (MDT)

Mobile Workforce Management System. (MWFMS)

Mobile Workforce Management Team. (MWM)

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.

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.

National Environmental Policy Act (NEPA). A United States environmental law that established a U.S. national policy promoting the enhancement of the environment.

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.

NvWARN. Network to support Nevada safe drinking water/wastewater facility resilience.



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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.

Other Post-Employee Benefits. (OPEB)

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)



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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.

Reclaimed Water Distributions (RWDS). This is wastewater that has been treated to specific standards.

Reliability Centered Maintenance. (RCM)

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.

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.

Right-of-Way (ROW). A right of way is a type of easement granted or reserved over the land for transportation purposes, this can be for a highway, public footpath, rail transport, canal, as well as electrical transmission lines, oil and gas pipelines.

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.

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.



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 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.

Special Assessments. Fees that are charged to property owners in certain geographical areas for improvements. A fee is levied only to those property owners that receive direct benefit.

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)

Streamlined Reliability Centered Maintenance (SRCM). A systematic evaluation of plant equipment and maintenance requirements.

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)

Tax Exempt Commercial Paper Program. (TECP). Tax-exempt commercial paper is short-term debt for which the interest payments are tax-exempt at the federal, state or local level.

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.

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.

