AGENDA AND NOTICE OF PUBLIC HEARINGS

JOINT MEETING OF THE
LAS VEGAS VALLEY WATER DISTRICT BOARD OF DIRECTORS
COYOTE SPRINGS WATER RESOURCES DISTRICT BOARD OF TRUSTEES
AND BIG BEND WATER DISTRICT BOARD OF TRUSTEES

SPECIAL MEETING
10:00 A.M. – MAY 18, 2026

COMMISSION CHAMBERS
CLARK COUNTY GOVERNMENT CENTER
500 S. GRAND CENTRAL PARKWAY, LAS VEGAS, NEVADA
(702) 258-3100

Board of Directors
Marilyn Kirkpatrick, President
Jim Gibson, Vice President
April Becker
Justin Jones
William McCurdy II
Michael Naft
Tick Segerblom

John J. Entsminger, General Manager

Date Posted: May 11, 2026

The District makes reasonable efforts to assist and accommodate persons with physical disabilities who desire to attend the meeting. For assistance, call the Agenda Coordinator (702) 258-3277 at least 24 hours prior to the meeting.

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

LAS VEGAS VALLEY WATER DISTRICT
1001 SOUTH VALLEY VIEW BOULEVARD
LAS VEGAS, NEVADA

CLARK COUNTY GOVERNMENT CENTER
500 SOUTH GRAND CENTRAL PARKWAY
LAS VEGAS, NEVADA

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

Visit our website at www.lvvwd.com for Las Vegas Valley Water District, Coyote Springs Water Resources District and Big Bend Water District agenda postings, copies of supporting material and approved minutes. To receive meeting information, including supporting material, contact the LVVWD Agenda Coordinator at (702) 258-3277 or agendas@lvvwd.com.

CALL TO ORDER

COMMENTS BY THE GENERAL PUBLIC

NO ACTION MAY BE TAKEN: At this time, the Board will hear general comments from the public on items listed on the agenda. If you wish to speak to the Board about items within its jurisdiction, but not appearing on this agenda, you must wait until the "Comments by the General Public" period listed at the end of this agenda. Please limit your comments to three minutes or less. Public comment can also be provided in advance of the meeting and submitted to publiccomment@lvvwd.com. Public comment received through May 17, 2026, will be included in the meeting's minutes.

ITEM NO.

1. *For Possible Action*: Approve agenda with the inclusion of tabled and/or reconsidered items, emergency items and/or deletion of items, and approve the minutes from the joint meeting of April 27, 2026.

CONSENT AGENDA

Items 2 - 3 are routine and can be taken in one motion unless a Director requests that an item be taken separately.

2. *For Possible Action:* Approve and authorize the General Manager to sign, in substantially the same form as attached hereto, an amendment to the existing interlocal agreement between the City of Henderson and the District that authorizes the City of Henderson to provide temporary potable water service to the Nevada Environmental Response Trust in an area of unincorporated Clark County previously supplied by the Basic Water Company.

3. *For Possible Action:* Approve annual cost-of-living adjustments for non-represented employees to correspond with adjustments for represented employees under the proposed collective bargaining agreements effective July 1, 2026, through June 30, 2031, if approved.

BUSINESS AGENDA

4. *For Possible Action:* Conduct a public hearing and approve the Collective Bargaining Agreement for employees represented by the Las Vegas Valley Public Employees Association, effective July 1, 2026, through June 30, 2031.

5. *For Possible Action:* Conduct a public hearing and approve the Collective Bargaining Agreement for employees represented by the Water Employees Association of Nevada, effective July 1, 2026, through June 30, 2031.

6. *For Possible Action:* Conduct a public hearing and approve the Collective Bargaining Agreement for employees represented by the Water Supervisors Association of Nevada, effective July 1, 2026, through June 30, 2031.

7. *For Possible Action:* Approve and authorize the General Manager to sign, in substantially the same form as attached hereto, an agreement among Titanium Metals Corporation, the Southern Nevada Water Authority, and the District outlining the framework for permanent water service to Titanium Metals Corporation within the Black Mountain Industrial Complex and addressing the assignment of a portion of Titanium Metals Corporation's Colorado River water rights to the Southern Nevada Water Authority.

8. *For Possible Action:* Approve and authorize the General Manager to sign a Leak Repair Program Funding Agreement that will increase customer support payments to eligible homeowners for the detection and repair of purveyor-identified excessive and/or ongoing leaks, in an amount not to exceed $500,000 annually.

9. *For Possible Action:* Conduct a joint Public Hearing on the Tentative Budgets for fiscal year 2026/2027, and by a single combined motion constituting a separate action of each Board, adopt final budgets for each respective District for Fiscal Year 2026/27.

COMMENTS BY THE GENERAL PUBLIC

NO ACTION MAY BE TAKEN: At this time, the Board will hear general comments from the public on matters under the jurisdiction of these Districts. Please limit your comments to three minutes or less.

JOINT MEETING OF THE
LAS VEGAS VALLEY WATER DISTRICT BOARD OF DIRECTORS
COYOTE SPRINGS WATER RESOURCES DISTRICT BOARD OF TRUSTEES
BIG BEND WATER DISTRICT BOARD OF TRUSTEES
SPECIAL MEETING
APRIL 27, 2026
MINUTES

CALL TO ORDER	1:00 p.m., Colorado River Conference Rooms, Southern Nevada Water Authority 100 N. City Parkway, Las Vegas, Nevada
DIRECTORS PRESENT	Marilyn Kirkpatrick, President Jim Gibson, Vice President April Becker Justin Jones William McCurdy II Michael Naft Tick Segerblom
STAFF PRESENT	John Entsminger, Doa Ross, Colby Pellegrino, Andy Belanger, Greg Walch, and Paul Johnson

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

COMMENTS BY THE GENERAL PUBLIC
For full public comment, visit www.lvvwd.com/apps/agenda/lvvwd/index.cfml

Laura McSwain, representing the Water Fairness Coalition, spoke on item #5, and expressed concern about a proposed budget increase that is roughly 2.5 times higher than previously approved. While acknowledging the board considers larger expenditures elsewhere, she said even smaller items warrant scrutiny. She questioned the justification for the increase, noting that vehicle prices have normalized compared to a few years ago when supply shortages drove costs above market. Based on her business experience managing fleet vehicles, she emphasized the importance of scheduled equipment rotation. Ms. McSwain asked whether the request reflects unspent funds rolled over or an ongoing annual increase and stated that the lack of supporting backup materials made it difficult to fully evaluate the agreement.

Kathy Ochs, Vice Chair of the Laughlin Town Advisory Board, spoke in support of item #6. She expressed strong support for the agreement and loan to fund a hydraulic study, design plan, and the potential construction of one to two water storage tanks. She explained that Laughlin has experienced a water storage deficit for many years, and that the community, with assistance from Commissioner Naft, worked to develop a solution. Ms. Ochs emphasized that the project is critical to Laughlin's future growth, noting that the agreement is favorable for the Big Bend Water District. She concluded by urging the board to support the item.

ITEM NO.

1. Approval of Agenda

FINAL ACTION: A motion was made by Vice President Gibson to approve the agenda and the minutes from the regular meeting of March 3, 2026. The motion was approved.

CONSENT AGENDA Items 2 – 5 are routine and can be taken in one motion unless a Director requests that an item be taken separately.

2. Approve and authorize the President to sign an interlocal agreement between the City of Las Vegas and the District for installation of water facilities for the Health and Wellness at Bonanza Road and Lamb Boulevard Project.

3. Approve and authorize the General Manager to sign, in substantially the same form as attached hereto, an amendment to the existing interlocal agreement between the City of Henderson and the District authorizing the City of Henderson to provide temporary potable water service to Saguaro Power Company LP in an area of unincorporated Clark County previously supplied by the Basic Water Company.

4. **Approve and authorize the General Manager, or designee, to acquire a temporary construction easement that is necessary to construct, operate, and maintain District water facilities for a fair market value not to exceed $25,623, and authorize an extension of the temporary easement term if needed to accommodate project delays for an additional amount not to exceed $25,623.**

5. **Authorize an increase in annual expenditures to $2,750,000 from $1,066,000 under the District's existing joinder agreement to the State of Nevada Vehicle purchasing contract for light and medium duty fleet vehicles.**

John Entsminger, General Manager, clarified that this agreement is a joinder agreement, meaning the District is receiving the same negotiated terms and conditions already secured by the State of Nevada and other local governments. He emphasized that District crews operate around the clock, maintain water pipelines, and drive over one million miles annually, making adequate and reliable vehicles essential to daily operations.

FINAL ACTION: A motion was made by Vice President Gibson to approve staff's recommendations. The motion was approved.

BUSINESS AGENDA

Big Bend Water District ***(Las Vegas Valley Water District Board of Directors sitting as the Big Bend Water District Board of Trustees)***

6. **Approve a cooperative agreement between Clark County and the Big Bend Water District to receive loan funding to finance the design and construction of water storage infrastructure in Laughlin, Nevada.**

John Entsminger stated that additional storage in Laughlin is critical infrastructure for the community. He noted that although the contract contemplates up to two water tanks, the current funding level is sufficient for only one tank.

Commissioner Naft thanked the Laughlin Town Advisory Board, County staff, and District staff for their collaborative work over the past year to advance the project. He stressed that this investment is essential to prevent stagnation and support continued growth in Laughlin.

FINAL ACTION: A motion was made by Big Bend Water District Board of Trustees Chair Naft to approve the cooperative agreement. The motion was approved.

7. **Approve and authorize the General Manager, or designee, to sign a joinder agreement between Mythics, LLC and the District for the purchase of Oracle Corporation software, products, cloud services, and support in an amount not to exceed $5,500,000 for the period from May 1, 2026, through November 30, 2028.**

FINAL ACTION: A motion was made by Vice President Gibson to approve staff's recommendation. The motion was approved.

8. **Adopt a resolution notifying the Clark County Debt Management Commission of the District's proposal to issue general obligation bonds, additionally secured by pledged revenues, in the maximum principal amount of $93,000,000, and to provide related details.**

FINAL ACTION: A motion was made by Vice President Gibson to adopt the resolution. The motion was approved.

9. **Adopt a resolution notifying the Clark County Debt Management Commission of the District's proposal to issue general obligation bonds, additionally secured by SNWA pledged revenues, in the maximum aggregate principal amount of $515,000,000, and to provide related details.**

FINAL ACTION: A motion was made by Vice President Gibson to adopt the resolution. The motion was approved.

10. **Receive an overview of and discuss the Fiscal Year 2026/27 Tentative Budgets for the Las Vegas Valley Water District, the Coyote Springs Water Resources District, and the Big Bend Water District.**

John Entsminger, General Manager, presented the Las Vegas Valley Water District's Fiscal Year 2026-2027 tentative budget. He began by providing highlights and completed construction projects from the 2025-2026 Fiscal Year. He

also provided an update on several capital projects that will incur expenses over the next fiscal year. Mr. Entsminger gave an overview of the excessive use charge, noting that it affects only a small fraction of customers. Revenue is being deployed to fund water efficiency and conservation programs, including leak adjustment programs, low-income leak repair assistance, water system leak detection and repairs, and conservation incentives. Mr. Entsminger stressed that although annual water saving figures due to the implementation of this charge may appear modest, approximately 12,000 acre-feet of conserved water is highly valuable, especially when compared to regional investments that cost hundreds of millions of dollars to secure similar water supplies. Mr. Entsminger also gave an overview of the 2026-2027 budget, showing both sources and uses of that budget. He concluded that the utility is in a very strong and healthy financial position.

Mr. Entsminger then presented the Big Bend Water District's (BBWD) Fiscal Year 2026-2027 tentative budget. He acknowledged that a rate increase was implemented in December, and the utility is now on the expected trajectory toward financial balance.

Mr. Entsminger then presented the Coyote Springs Water Resources District's Fiscal Year 2026-2027 tentative budget.

A copy of the presentation is attached to these minutes.

COMMENTS BY THE GENERAL PUBLIC

Kathy Ochs clarified details regarding the water storage project for Laughlin, emphasizing that careful planning has been built into the agreement. She explained that the Fort Mohave Development Fund is capped at $11 million, with the first $2 million allocated specifically for a hydraulic study and design plan for two potential tanks. She noted that conducting the hydraulic study first is critical to accurately understand existing system conditions. Designing for two tanks upfront was chosen for efficiency and economy of scale, even though construction of two tanks is not guaranteed. She stated that the agreement includes safeguards so that after the study and design phase, the project returns to the town board with real cost data.

Doa Ross, Deputy General Manager, Engineering and Operations, responded to the public comment by confirming alignment with the town's approach to the water storage project. She explained that the District plans to issue a request for proposal for an engineer to conduct the hydraulic study and design both the first and second tanks. While final costs will depend on bid results, she agreed that the goal is to have two tanks designed and ready, with at least one completed under the current funding.

Carrie Larson, LTAB, noted that recent utility line markings have highlighted confusion and discrepancies between how the system is described and how it appears to be physically laid out. She explained that current utility plans show a single 27-inch distribution line along Needles Highway, which raises questions about whether water can flow as previously described, specifically, whether it can flow simultaneously into tanks and out to homes. She also cited inconsistencies about backup generators, saying the community was told none existed, yet generators appear to be installed at all pump stations. Ms. Larson stressed that these uncertainties are why the hydraulic study is critical—to definitively confirm how the system is designed and operates. She closed by urging trustees to tour the system themselves to better understand the concerns and ensure the system is being operated as represented.

Pam Walker, Chair of the Laughlin Town Advisory Board, echoed earlier concerns about Laughlin's water system and emphasized the need for clarity before making long-term infrastructure decisions. She explained that Laughlin operates a pumping-based water system, which can pump over 17 million gallons, while current usage is less than 8 million gallons. Ms. Walker raised concerns that historical data used in prior studies indicates required usage levels slightly above current demand, meaning that Laughlin does not currently meet established requirements, particularly for insurance and fire protection purposes. She urged trustees to visit Laughlin and review the system to better understand how it operates, verify whether water tanks are truly necessary, and ensure the system is being operated at adequate capacity to meet safety and regulatory needs.

Adjournment

There being no further business to come before the board, the meeting adjourned at 1:32 p.m.

2025-26 Highlights

- Continued to implement several leak detection, mitigation, and repair and reimbursement customer assistance programs.
- Alerted more than 30,000 customers using AMI–powered analytics of potential onsite leaks, helping conserve community water resources and lowering customers' bills.
- Approved an additional $2 per sq. ft. for LVVWD residential and enterprise customers who participate in the Water Smart Landscapes program (combined with SNWA's $5 per sq. ft. incentive).
- Welcomed more than 270,000 visitors to the Springs Preserve.

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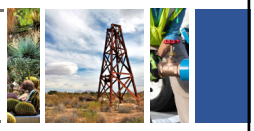
CAPITAL PROJECTS
UPDATE



FY25/26 Completed Projects

Projects that were completed this past fiscal year:

- 4125 Zone North Reservoir - $18.5 million
- Cougar 3090 Zone Reservoir - $34.4 million
- Centennial 2635 Zone Reservoir and 2745 Zone Pumping Station - $40.9 million
- Rome 2745 Reservoir, 2975 Zone Pumping Station & 2975-2860 Zone PRV - $6.4 million
- Rome Facilities Pipelines - $13.3 million
- Power Extension for Rome 2745 Reservoir, 2975 Zone Pumping Station & 2975-2860 Zone PRV- $4.4 million

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Las Vegas Boulevard Improvements

Partnering with CC Public Works, this project focuses on pipeline improvements from Sahara to CC-215 Beltway. The original main was installed in 1963.

Improvements are separated into distinct phases:
- Phase A: Spring Mountain to Sahara (completed)
- Phase B: CC-215 to Russell (in construction)
- Phase C/D: Spring Mountain to Russell (in construction)
- Phases E & F: Tropicana to Flamingo (substantially completed)
- Construction: August 2019 – April 2028

Las Vegas Boulevard

FY 26/27 Budget: $13.6 million
Total Project: $88.7 million

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Sahara Avenue Pipeline Replacements

Rehabilitation failure Steel Cylinder Concrete Pipe (SCCP) in Sahara Avenue, which is at a high-risk of failure due to age and use. This section of pipeline was installed in 1955.

- 2,500 linear feet of 18-inch SCCP
- Construction: July 2026 – April 2027

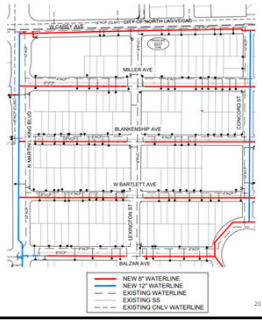
FY 26/27 Budget: $2 million
Total Project: $4.5 million

Vegas Heights Subdivision Pipeline Improvements

Installation of approximately 30,500 feet of 8-inch and 12-inch pipeline in the Vegas Heights Subdivision.

- Project mitigates existing fire flow deficiencies in the area.
- Located near Martin Luther King Blvd. and Lake Mead Blvd.
- In addition, existing water service laterals will be reconnected; fire hydrants and reduced pressure principal assemblies will be installed.
- Construction: September 2026 – May 2028

FY 26/27 Budget: $4 million
Total Project: $22.7 million

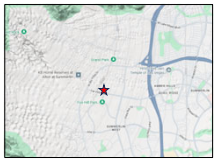


4532 Zone Reservoir and Pumping Station

A new reservoir and pumping station is needed to support development in the far west part of the Las Vegas Valley.

- Developer-funded
- The pumping station will be the sole source of supply for the 4300 and 4532 Pressure Zones.
- 8 million gallons (MG) reservoir; 6.5 million gallons per day (MGD) pumping station
- Pumping station construction: April 2027 – September 2028
- Reservoir construction: June 2027 – September 2028

Pumping Station – FY 26/27 Budget: $268,000; Total Project: $16.3 million
Reservoir – FY 26/27 Budget: $7.1 million; Total Project: $36.6 million

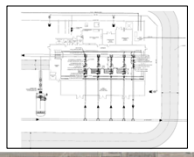


Cliffs Edge 3355 Zone Pumping Station

A new pumping station is needed to support continued development in the northwest of the Las Vegas Valley.

- Developer-funded
- 7,000 gpm pumping station will transfer water from 3205 to 3355 pressure zone
- Will provide additional capacity to support existing and future development
- Construction: September 2027 – October 2028

Pumping Station – FY 26/27 Budget: $756,000; Total Project: $39 million

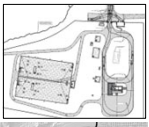


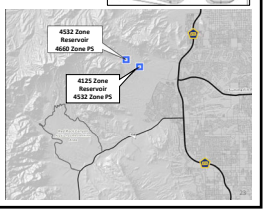
4125 Zone South Reservoir

A new 10-million-gallon reservoir is needed to provide reliable water services to meet operational, firefighting and emergency water storage in the Summerlin area.

- Developer-funded
- Construction: December 2025 – November 2027

FY 26/27 Budget: $21.3 million
Total Project: $40.8 million



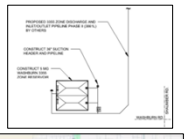


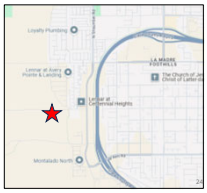
Washburn 3355 Zone Reservoir

A new reservoir in the northwest is needed to maintain adequate pressures and provide storage to serve future development and serve as a source for upper zones.

- Developer-funded
- 5 MG 3355 Zone Reservoir at the BLM 3355 Zone site.
- To serve future development in the 3205, 3280, and 3355 Pressure Zones
- Reservoir construction: December 2026 – May 2029

FY 26/27 Budget: $6.8 million
Total Project: $26.5 million



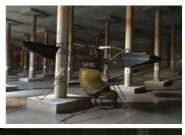


Trihalomethanes Mitigation Project

An ongoing project that consists of installing spray aeration trihalomethanes (THM) removal systems within the reservoir basins.

- The spray aeration system allows for effective THM volatilization and thorough mixing of the water with the intake located close to the reservoir floor
- Angel Park, Meranto, Reno reservoirs (in construction)
- Elkhorn, Cactus, Beltway, El Capitan, Carlton Square reservoirs (completed)
- Construction: January 2026 – May 2028

FY 26/27 Budget: $2.3 million
Total Project: $5.6 million

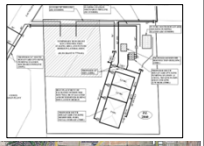


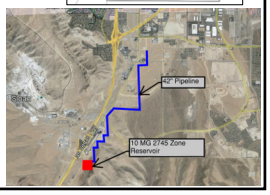
THM example system installation

South Boulevard Facilities

Provide design of water service and storage capacity to expand service to the southern portion of the District's service area near Sloan.

- Design for the future installation of major components:
  - 10 MG 2745 Zone Reservoir
  - 18,500 ft of 42" pipeline
- Construction: August 2026 – March 2028



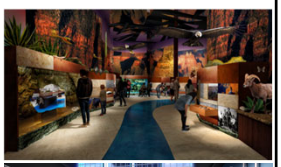


FY 26/27 Budget: $40 million
Total Project: $92.0 million

Springs Preserve Origen Remodel

This project will construct a new Science & Sustainability Center in the existing Springs Preserve Origen Museum.

- Project is fully funded by the State AB84 grant
- Visitors will immerse themselves in a rich, interactive history of the Colorado River, how it's shared today and issues affecting the river.
- Construction: November 2026 – March 2029



FY 26/27 Budget: $6.5 million
Total Project: $30.2 million

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BUDGET OVERVIEW

Excessive Use Charge Overview

- In 2023, the LVVWD implemented an excessive use charge, which adds an additional conservation tier for single-family residential customer water bills whose use exceeds established seasonal levels.
- The excessive use charge tier aims to reduce high water use among single-family residential customers.
- Less than 1% (0.4%) of residential customers were assessed an excessive use charge every month in 2025 (~1,600 of 388k total accounts).
- 59% of those who exceeded the thresholds did so only one or two billing periods within the year.
- Excessive use charge revenues help fund several conservation-related initiatives, including:
  - Leak Adjustment Program
  - Leak Repair Reimbursement Program
  - Low-Income Leak Repair Assistance Program
  - Service Line Protection
  - Additional SNWA conservation program incentives for LVVWD customers

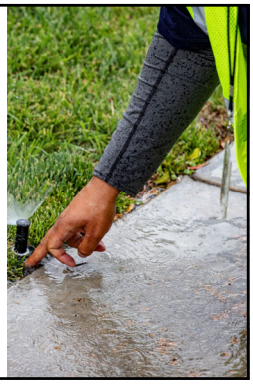
Excessive Use Charge Revenues

Excessive use charge revenue (2023-present): $96.3 million

Uses of excessive use charge funds (to-date)	
Leak Adjustment Program	$5.5 million
Leak Repair Reimbursement Program	$1.5 million
Low-Income Leak Repair Assistance Program	$950,000
Service Line Protection Reimbursement	$1.8 million
Water Smart Landscape Topper	$1.8 million
Water System Leak Detection and Repairs	$8.0 million

Conservation Programs

Deployment of excessive use charge funds (projected FY 2026-27)	
Leak Adjustments to Customer Bills	$2.2 million
Leak Repair Reimbursement Program	$1.8 million
Low-Income Leak Repair Assistance Program	$1.5 million
Service Line Protection Reimbursement	$350,000
Water Smart Landscape Topper	$8 million
Water Efficient Technologies Topper	$4.5 million
AMI Enhancement Program	$2 million
Fully Funded Septic Program Match	$3 million
Water System Leak Detection and Repairs	$4 million

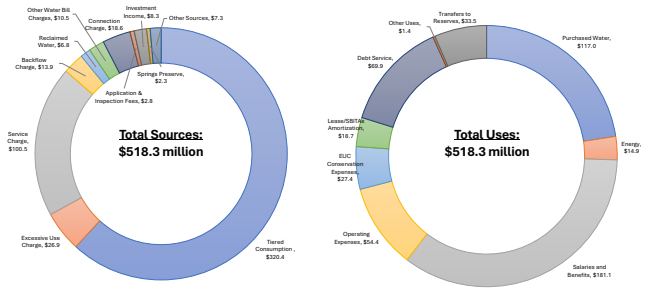


Water Savings

Cumulatively, since the implementation of the excessive use charge, LVVWD has saved 32,187 acre-feet (10.5 billion gallons) of water from the top 10% of users.

Year	Top 10% Use (AF)	Diff. from 2022 (AF)
2022	40,468	-
2023	30,994	-9,474
2024	30,109	-10,359
2025	28,114	-12,354

2026-27 LVVWD Operating Budget Overview



Amounts in million dollars. Totals are rounded.

Operating Sources of Funds

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $
SOURCES				
Tiered Consumption	$321.7	$319.8	$320.4	$0.6
Excessive Use Charge (EUC)	30.3	27.6	26.9	(0.7)
Service Charge	92.4	96.4	100.5	4.1
Backflow Charge	13.1	13.2	13.9	0.7
Reclaimed Water	7.3	7.0	6.8	(0.2)
Other Water Bill Charges	10.5	10.4	10.5	0.1
Connection Charge	20.2	21.0	18.6	(2.4)
Application and Inspection Fees	2.6	2.6	2.8	0.2
Investment Income	51.4	6.9	8.3	1.4
Springs Preserve	2.3	2.2	2.3	0.1
Other Sources	5.9	6.1	7.3	1.2
LVVWD Sources	**$557.8**	**$513.2**	**$518.3**	$5.1

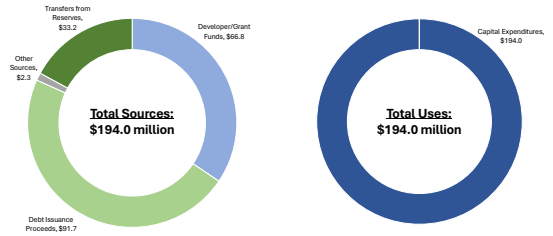
Amounts in million dollars. Totals are rounded.

Operating Uses of Funds

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $
USES				
Purchased Water	$114.9	$115.4	$117.0	$1.6
Energy	12.0	15.0	14.9	(0.1)
Salaries and Benefits	134.5	173.1	181.1	8.0
Operating Expenses	40.3	40.6	54.4	13.8
EUC Conservation Expenses	2.4	27.6	27.4	(0.2)
Lease/SBITAs Amortization	10.1	16.0	18.7	2.7
Debt Service	87.1	88.3	69.9	(18.4)
Other Uses	-	0.9	1.4	0.5
Transfers to Reserves	156.5	36.3	33.5	(2.8)
LVVWD Uses	**$557.8**	**$513.2**	**$518.3**	$5.1

Amounts in million dollars. Totals are rounded.

LVVWD Capital Budget Summary



Amounts in million dollars. Totals are rounded.

LVVWD Capital Budget

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $
SOURCES				
Developer/Grant Funds	$36.0	$45.2	$66.8	$21.6
Debt Issuance Proceeds	-	-	91.7	91.7
Other Sources	5.7	4.1	2.3	(1.7)
Transfers from Restricted Reserves	78.8	129.7	33.2	(96.5)
LVVWD Sources	**$120.5**	**$179.0**	**$194.0**	$15.0
USES				
Capital Expenditures	120.5	179.0	194.0	$15.0
LVVWD Uses	**$120.5**	**$179.0**	**$194.0**	$15.0

Amounts in million dollars. Totals are rounded.

LVVWD Budget Summary

- The District maintains a balanced operating and capital budget.
- Capital initiatives continue to be supported by the budget.
- 48% increase from developer/grant funding indicates an increase in funding for ongoing capital projects.
- Unrestricted reserves remain above reserve policy target.
- Continue to monitor the influence of inflation on cost of materials.

LAS VEGAS VALLEY WATER DISTRICT

Big Bend Water District

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $
SOURCES				
Water charges	$4,316,977	$4,215,279	$4,848,666	$633,387
Interest income	-	-	-	-
System development charges	-	-	-	-
Sales tax	299,958	328,050	351,680	23,630
Other sources	1,129,723	399,953	2,450,000	2,050,047
Subtotal	5,746,657	4,943,282	7,650,346	2,707,064
Debt issuance proceeds	-	-	-	-
BBWD Sources	5,746,657	4,943,282	7,650,346	2,707,064
USES				
Energy	337,618	500,000	405,757	(94,243)
Salaries and benefits	1,760,961	1,993,232	2,161,211	146,295
Operating expenses	3,925,955	1,875,679	2,233,270	354,138
Capital expenditures	1,082,481	1,448,000	3,185,000	1,737,000
Debt service	-	-	-	-
BBWD Uses	7,107,014	5,816,911	7,985,238	2,143,190
BBWD NET SURPLUS/(DEFICIT)	$(1,360,357)	$(873,629)	$(334,892)	$563,874

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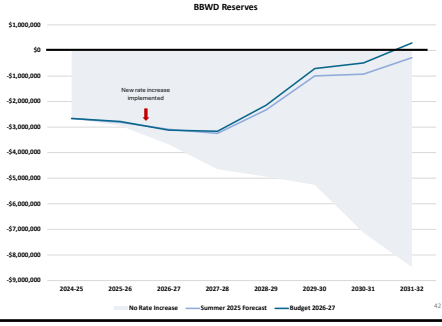
Big Bend Water District Reserves

The Big Bend Water District Board of Trustees approved new water rates which took effect on January 1, 2026.



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Coyote Springs Water Resources District

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $
SOURCES				
Operating revenues	$ -	$ -	$ -	$-
Developer contributions[1]	602	50,000	50,000	-
Total Sources	**$602**	**$50,000**	**$50,000**	$-
USES				
Operating expenses	$ -	$ -	$ -	$-
Invoiced developer costs[2]	602	50,000	50,000	-
Total Uses	**$602**	**$50,000**	**$50,000**	$-
TOTAL NET SURPLUS/(DEFICIT)	$ -	$ -	$ -	$-

[1]Per contractual agreement, the developer(s) will reimburse any costs not covered by operating revenues
[2]Based on recent costs billed to the developer(s)

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LAS VEGAS VALLEY WATER DISTRICT
BOARD OF DIRECTORS
AGENDA ITEM

May 18, 2026

Subject:
Amendment

Petitioner:
Doa J. Ross, Deputy General Manager, Engineering and Operations

Recommendations:
That the Board of Directors approve and authorize the General Manager to sign, in substantially the same form as attached hereto, an amendment to the existing interlocal agreement between the City of Henderson and the District that authorizes the City of Henderson to provide temporary potable water service to the Nevada Environmental Response Trust in an area of unincorporated Clark County previously supplied by the Basic Water Company.

Fiscal Impact:
None by approval of the above recommendation.

Background:
On June 6, 2023, the Board of Directors approved an interlocal agreement between the City of Henderson (City) and the District (2023 Interlocal) to provide temporary water service to the Nevada Environmental Response Trust (NERT) within the District's service area in unincorporated Clark County surrounded by the incorporated boundary of the City. Due to the distance of District water distribution facilities from the service area, service by the District was determined to be prohibitively expensive. The 2023 Interlocal, effective June 27, 2023, and due to expire on June 26, 2026, authorized the City to provide temporary water service to NERT for up to three years from a nearby City water main.

To ensure sufficient water for its ground water contamination remediation, NERT has designed and contracted for a filtration system that will allow it to filter groundwater used in its remediation operations and day to day needs. This filtered water will replace most of NERT's potable water demand, however, NERT has a continued need for a maximum of 1.5 acre-feet per year of potable water to provide for redundancy, plus additional water to provide for emergency services when required.

If approved, the attached First Amendment to the Interlocal Agreement for City of Henderson Provision of Temporary Water Service to Nevada Environmental Response Trust for Delivery of Potable Water by City to an Area Within the Las Vegas Valley Water District Service Area (Amendment) includes the terms and conditions necessary for the continued provision of temporary water service to NERT through June 30, 2028. As a condition of this service, NERT is obligated to pay all necessary charges and fees to the City.

This Amendment is being entered into pursuant to NRS 277.180 and Section 1(13) of the Las Vegas Valley Water District Act, Chapter 167, Statutes of Nevada 1947. The office of the General Counsel has reviewed and approved the Amendment.

JJE:DJR:BO:td
Attachments: Amendment, Agreement

AGENDA ITEM # 2

FIRST AMENDMENT TO INTERLOCAL AGREEMENT FOR CITY OF HENDERSON PROVISION OF TEMPORARY WATER SERVICE TO NEVADA ENVIRONMENTAL RESPONSE TRUST FOR DELIVERY OF POTABLE WATER BY CITY TO AN AREA WITHIN THE LAS VEGAS VALLEY WATER DISTRICT SERVICE AREA

The Interlocal Agreement effective as of June 27, 2023 ("Agreement"), entered into by and between the CITY OF HENDERSON, a municipal corporation and political subdivision of the State of Nevada ("City") and the LAS VEGAS VALLEY WATER DISTRICT, a political subdivision of the State of Nevada ("District"), is hereby affirmed and amended as stated below by this First Amendment thereto (hereinafter, "First Amendment"). District and City are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS:

WHEREAS, the Parties entered into the Agreement pursuant to NRS 277.180 to facilitate the provision of temporary potable water service to the Nevada Environmental Response Trust within the Temporary Service Area and to provide related agreements related thereto; and

WHEREAS, the Term was effective on June 27, 2023, and, because the Filtration System was determined to be operational and operating as designed and intended, will terminate 36 months thereafter pursuant to Article II, Section 1.b. of the Agreement; and

WHEREAS, the Parties desire to change the date the Term ends to June 30, 2028.

AGREEMENT:

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

1. Article II, Section 1 of the Agreement is hereby deleted in its entirety and replaced as follows:

    1. Term of Agreement

        a. This Agreement will be effective on the Effective Date and will terminate on June 30, 2028 (the "Term"), unless terminated earlier by mutual written agreement of the Parties signed by the District's General Manager and the City's City Manager.

        b. The Parties may agree to extend the Term by mutual written agreement by the Parties signed by the District's General Manager and City's City Manager and approved by their governing bodies.

2. Except as provided in this First Amendment, any initially capitalized terms used in this First Amendment that are not otherwise defined shall have the meanings ascribed to those terms in the Agreement.

3. Except as modified hereby, the Agreement shall remain in full force and effect and is hereby confirmed and ratified by the Parties hereto. In the event of any conflict between the terms of this First Amendment and the terms of the Agreement, the terms of this First Amendment shall control.

4. This First Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

5. This First Amendment shall be governed by and construed in accordance with the laws of the State of Nevada.

6. This First Amendment may be executed in electronic form and/or in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same First Amendment.

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IN WITNESS, the Parties have caused this First Amendment to be executed and delivered by their duly authorized representatives on the dates set forth by their signatures below.

DISTRICT:

APPROVED AS TO FORM:

GREGORY J. WALCH
General Counsel

LAS VEGAS VALLEY WATER DISTRICT

JOHN J. ENTSMINGER
General Manager

Dated: _____

CITY:

CITY OF HENDERSON
CLARK COUNTY, NEVADA

STEPHANIE GARCIA-VAUSE,
ICMA-CM, FAICP
City Manager/CEO

Dated: _____

ATTEST:

JOSE LUIS VALDEZ, CMC
City Clerk

APPROVED AS TO CONTENT:

PRISCILLA HOWELL
Director of Utility Services

Date of City Council Action:

APPROVED AS TO FORM:

NICHOLAS G. VASKOV
City Attorney

CAO
Review

APPROVED AS TO FUNDING:

MARIA GAMBOA
Director of Finance

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INTERLOCAL AGREEMENT FOR CITY OF HENDERSON PROVISION OF TEMPORARY WATER SERVICE TO NEVADA ENVIRONMENTAL RESPONSE TRUST FOR DELIVERY OF POTABLE WATER BY CITY TO AN AREA WITHIN THE LAS VEGAS VALLEY WATER DISTRICT SERVICE AREA

THIS INTERLOCAL AGREEMENT ("Agreement"), is entered into as of the Effective Date, by and between the CITY OF HENDERSON ("City"), a municipal corporation and political subdivision of the State of Nevada, and the LAS VEGAS VALLEY WATER DISTRICT ("District"), a political subdivision of the State of Nevada. District and City are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, the District is engaged in the business of distributing potable water in the City of Las Vegas, Nevada, and portions of Clark County, Nevada;

WHEREAS, the City operates a public water system and provides potable water service to properties located within the City and to certain properties located outside City corporate boundaries;

WHEREAS, Basic Water Company, a Nevada corporation (successor-in-interest to Basic Management, Inc.) ("BWC"), the Producing Companies (defined below), the United States of America ("United States"), and the Colorado River Commission of Nevada are parties to Contract No. 14-06-300-2083, executed September 18, 1969, and thereafter amended, for the annual delivery of 8,208 acre-feet per year (AFY) of Colorado River water ("Raw Water") by the United States to BWC at BWC's intake structure on Saddle Island at Lake Mead ("Intake") (defined below) ("1969 Contract");

WHEREAS, the "Producing Companies" are comprised of (a) EMD Acquisition LLC, a Nevada limited liability company, d/b/a Borman Specialty Materials (successor-in-interest to American Potash & Chemical Corporation) ("Borman"), (b) Lhoist North America of Arizona Inc., an Arizona corporation, (successor-in-interest to The Flintkote Company), (c) Titanium Metals Corporation, a Delaware corporation, (successor-in-interest to Titanium Metals Corporation of America), and (d) Pioneer Americas LLC, a Delaware limited liability company, d/b/a Olin Chlor Alkali Products (successor-in-interest to Stauffer Chemical Company);

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WHEREAS, pursuant to the 1969 Contract, BWC redelivered Raw Water through water infrastructure ("Water Infrastructure") privately owned by Basic Water Company SPE 1, LLC, a Nevada limited liability company ("BWC SPE" and, collectively with BWC, "Basic") to the Producing Companies for beneficial consumptive use, for industrial purposes, by the Producing Companies within a particular area, as set forth in subarticle 3(a) in the 1969 Contract ("Basic Water Delivery Area"), which area is located within the Black Mountain Industrial Complex ("BMI Complex"), is outside the City's corporate boundaries, and is within the District's service area;

WHEREAS, in or about 1997, perchlorate was discovered in the vicinity of the Las Vegas Wash, in or about 1999, Kerr-McGee Corporation began operating a temporary treatment system for environmental remediation of the perchlorate-impacted groundwater, and in or about 2002, that treatment system was replaced with the currently existing groundwater extraction and treatment system;[1]

WHEREAS, in 2005, Kerr-McGee Corporation spun off a subsidiary company named Tronox LLC, in 2009, Tronox LLC filed for bankruptcy, and, in 2011, the Nevada Environmental Response Trust ("NERT") was established and became the owner of the property that was previously owned by Tronox LLC while NERT performs its purpose to remediate this historical legacy contamination;[1]

WHEREAS, until July of 2022, NERT (as Borman's express assignee of Raw Water re-delivery), in connection with its ground water treatment and remediation operations within the BMI Complex, used Raw Water delivered by BWC through the Water Infrastructure;

WHEREAS, in June of 2022, due to rapidly lowering surface elevations at Lake Mead and in order to ensure continued access to water while interested parties sought a longer-term solution, the District and the City entered into the Interlocal Agreement for City of Henderson Provision of Temporary Water Service to Basic Water, dated June 23, 2022, District Agreement No. 010231.0

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[1] Information concerning NERT and this legacy perchlorate contamination was taken from and is available on the "Environmental Cleanup" section of the Nevada Division of Environmental Protection's website and accessible through the link to the "Nevada Environmental Response Trust (NERT)" subpage through the "Black Mountain Industrial (BMI) Complex" page at https://ndep.nv.gov/environmental-cleanup/black-mountain-industrial-bmi-complex (location as of May 16, 2023).

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and City CMTS #26525 ("2022 ILA"), which authorized the City to provide temporary potable water service to Basic within the City's corporate boundaries for Basic to deliver to the Basic Water Delivery Area, and the City and Basic entered into the Agreement for Temporary Potable Water Service, dated June 13, 2022, City CMTS #26526, as amended on December 5, 2022 ("Water Service Contract"), which authorized the provision of the City's temporary potable water service to Basic for Basic to deliver to the Producing Companies for use by the Producing Companies, NERT, and Saguaro Power Company, A Limited Partnership within the Basic Water Delivery Area;

WHEREAS, on or about July 1, 2022, the surface elevation of Lake Mead fell below the elevation of the Intake, the Water Infrastructure failed, and Basic terminated redelivery of Raw Water to the Producing Companies, and thereafter the City began delivering temporary potable water service to Basic under the Water Service Contract for Basic to deliver to the Producing Companies and Borman to redeliver to NERT;

WHEREAS, on September 10, 2022, claiming lost revenues from the sale of Raw Water had impaired its ability to pay debt obligations, both BWC and BWC SPE filed for bankruptcy protection and sought to sell their assets, including the Water Infrastructure, through a bankruptcy sale process;

WHEREAS, due to the failure of the Water Infrastructure and Basic's bankruptcy, NERT, in order to ensure adequate water to maintain its operations, has designed and contracted for a water filtration system that will allow it to filter and use, for most of its operational needs, treated ground water ("Filtration System") which will replace most of its potable water demand, however, NERT seeks to obtain access to potable water for its toilets, sinks and on-site lab use in its two on-site trailers and the D-1 building and fire water top off, to provide redundancy for its Filtration System and provide potable water for emergency services and therefore approached both LVVWD and the City in order to its obtain water service;

WHEREAS, subject to the execution of the Water Service Contract described in subarticle I(2)(b) of this Agreement, the City is willing to provide to NERT temporary potable water service of up to a maximum of 1.5 AFY, plus additional potable water as specifically provided in subarticle II(2) of this Agreement, from a connection to an existing water service lateral within the City's service area on the north side of West Warm Springs Road, as further shown in Exhibit "A", attached hereto and incorporated by this reference, to and for use by NERT for its ground water

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treatment and remediation operations within NERT's property, currently known as Clark County Assessor's Parcel Numbers 178-12-201-007, 178-12-301-005, 178-12-601-015, 178-12-601-018, 178-12-701-004, and 178-12-801-008, as depicted in Exhibit "A," (the "Temporary Service Area");

WHEREAS, the District is willing to authorize the City to provide temporary potable water service to NERT within the Temporary Service Area in accordance with this Agreement; and

WHEREAS, the City and the District desire to facilitate the provision of temporary potable water service to NERT within the Temporary Service Area pursuant to NRS 277.180.

In consideration of the above recitals, the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the City and the District agree as follows:

ARTICLE I

The City agrees:

1. Its provision of temporary potable water service to NERT is subject to all rights-of-way and easements being granted and conveyed to the City for City-owned water facilities.
2. The City will provide NERT temporary potable water service subject to:
   a. The Henderson City Council's adoption of an ordinance permitting the City's service of water to the Temporary Service Area, if required by Henderson Municipal Code (HMC) 14.02.030; and
   b. NERT signing and delivering to the City the Agreement for Temporary Water Service, City CMTS #27248, ("Water Service Contract") that sets forth the terms and conditions for the provision of temporary potable water service to NERT.
3. The City will collect from NERT and remit to SNWA or District, as applicable, any costs SNWA or District incur to accelerate the construction of facilities necessary to deliver potable water to the City to the extent such costs are determined by the City and District to be attributable to temporary potable water service to NERT under this Agreement.
4. The City may impose and collect charges and establish liens for temporary potable water service provided to NERT in accordance with the City's established rates, the HMC, the Water Service Contract, and City rules, policies and procedures, as amended.

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ARTICLE II

It is mutually agreed:

1. Term of Agreement

   a. Except as further provided in subarticle II(1)(b), this Agreement will be effective on the Effective Date and will terminate 6 months thereafter (the "Term"), unless terminated earlier by mutual written agreement by the Parties signed by the General Manager and the City Manager.

   b. If, within 6 months of the Effective Date, Southern Nevada Water Authority ("SNWA") or District provides the City notice that the Filtration System is operational and, based on the information then available, is operating as designed and intended, then the Term will automatically extend for an additional 30 months and will terminate 36 months from the Effective Date. Such determination and notice shall be in writing and shall not be unreasonably withheld or delayed and shall not be conditioned.

   c. The Parties may agree to extend the Term by mutual written agreement by the Parties signed by the General Manager and City Manager and approved by their governing bodies.

2. Except as specifically provided in this subarticle II(2), throughout the Term, the City's direct potable water service to NERT within the Temporary Service Area shall not exceed 1.5 AFY during any calendar year. Notwithstanding the foregoing, the City's direct potable water service to NERT may exceed 1.5 AFY if:

   a. the Filtration System fails and NERT advises the City that NERT is actively working to repair or replace the Filtration System (and then NERT may receive up to .1 AFY per day until NERT advises the City that the Filtration System is operational); or

   b. NERT requires potable water to replace water used from its onsite fire suppression system to combat fires within the Temporary Service Area (and then NERT may receive the amount of potable water needed to replace water used from its onsite fire suppression system).

3. Each Party will be responsible, as required by law, for any loss, damage, liability, cost or expense, except those exempted by law, caused by the actions or inactions of its employees,

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consultants, contractors, or agents arising under this Agreement. In accordance with NRS Chapter 41, each Party will assert the defense of sovereign immunity as appropriate in all cases.

4. This Agreement shall not be deemed to be for the benefit of any entity or person who is not a Party to the Agreement and does not create any rights, benefits or causes of action for any other person, entity or member of the general public. Accordingly, Basic, the Producing Companies, and the fee owner of the Temporary Service Area, individually or collectively, are not third-party beneficiaries of this Agreement and have no rights, benefits or causes of action under or in connection with this Agreement, and this Agreement does not provide for the service of water to any individual or organization other than NERT regardless of whether such individuals or organizations own or occupy property within the Temporary Service Area.

5. Neither this Agreement, nor any interest therein, may be assigned without the prior written consent of the non-assigning Party. To the extent that a Party assigns any portion of their obligations under this Agreement without written permission from the other Party, that assignment shall be deemed void ab initio rather than voidable.

6. This Agreement and its Exhibits contain the entire agreement between the Parties regarding temporary potable water service to NERT.

7. Should any part of this Agreement be rendered void, invalid, or unenforceable by any court of law, for any reason, such determination shall not render void, invalid, or unenforceable, any other part of this Agreement, and the Parties agree to replace such void, invalid, or unenforceable provision with a valid provision that has as nearly as possible, the same effect.

8. The laws of the State of Nevada will govern as to the interpretation, validity, and effect of this Agreement, and exclusive venue shall be in Clark County, Nevada.

9. Any waiver of any provision of this Agreement must be approved in writing by the General Manager and the City Manager. The failure of either Party to enforce at any time, or for any period of time, the provisions hereof shall not be construed as a waiver of such provisions or of the rights of such Party to enforce each and every such provision.

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10. This Agreement may be amended only by written agreement executed by the General Manager and the City Manager and approved by the Parties' governing bodies with the same formality as this instrument.

11. Nothing herein shall be construed to imply a joint venture, an employer and employee relationship, or principal and agent relationship.

12. The Parties shall not enter into any agreements with third parties, including but not limited to the Water Service Contract, which alter the terms and provisions of this Agreement. In the event of any conflict or inconsistency between the terms and provisions of this Agreement and the terms and provisions of any contract, instrument, or other agreement between the Parties and any third party, the terms and provisions of this Agreement shall control unless otherwise prohibited by law.

13. Each Party represents and covenants with the other that they have full authority to enter into this Agreement.

14. Any notice required under this Agreement shall (a) be in writing and signed by a person with authorization to bind the City or the District, (b) be delivered personally, sent by email, sent by registered or certified mail (postage prepaid, return receipt requested), or sent by a nationally-recognized courier, and (c) be addressed to a Party as set forth below:

To City:
City of Henderson
Department of Utility Services
Attention: Director
P.O. Box 95050
240 Water Street, MSC 124
Henderson, Nevada 89015
priscilla.howell@cityofhenderson.com

With copy to (excluding invoices):
City of Henderson
City Attorney's Office
Attention: City Attorney
240 Water Street
Henderson, Nevada 89015
nicholas.vaskov@cityofhenderson.com

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To District: Las Vegas Valley Water District
Attention: Janelle Boelter
1001 South Valley View Boulevard, MS 610
Las Vegas, Nevada 89153
janelle.boelter@lvvwd.com

With copy to (excluding invoices):
Las Vegas Valley Water District
Attention: General Counsel
1001 South Valley View Boulevard, MS 475
Las Vegas, Nevada 89153
general.counsel@lvvwd.com

Each notice required under this Agreement is deemed to have been received by the Party to whom it was addressed (a) on the date delivered if delivered personally; (b) on the date transmitted (provided the sending Party does not receive a failed delivery notification) if transmitted by email during the receiving Party's normal business hours or, if not transmitted by email during the receiving Party's normal business hours, on the next business day following the day the email was originally transmitted; (c) on the date officially recorded as delivered (or delivery refused) according to the record of delivery if mailed by certified or registered mail; or (d) on the date officially recorded as delivered (or delivery refused) according to the record of delivery if delivered by courier. Each Party may change its contact information for purposes of the Agreement by giving written notice to the other Party in the manner set forth above.

15. Each Party agrees that the electronic signatures, whether digital or encrypted, of the Parties are intended to authenticate this writing and to have the same force and effect as manual signatures. The Parties may execute this Agreement in one or more counterparts, each of which when so signed and delivered shall be deemed an original, and all of which, when taken together, shall constitute one and the same Agreement.

16. As used in this Agreement, any reference to "business days" shall mean days on which the offices of each of the District and City are open for normal business, which days are currently acknowledged to be Monday through Thursday of each week, exclusive of federal and State of Nevada holidays. A Party's normal business hours are currently 7:30 a.m. to 5:30 p.m. on a business day. If performance of any act required hereunder falls on a Friday,

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Saturday, Sunday or a federal or State of Nevada holiday, that act may performed on the next business day.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their duly authorized representatives as of the date of full execution of this Agreement, as reflected on this signature page, (the "Effective Date").

DISTRICT:

APPROVED AS TO FORM:

DocuSigned by:
Brent Gunson
E8EFFE604DDF490...

GREGORY J. WALCH
General Counsel

LAS VEGAS VALLEY WATER DISTRICT

DocuSigned by:
John Entsminger
EB14263C7E98480...

JOHN J. ENTSMINGER
General Manager

Dated: 06/21/2023 | 5:28 PM PDT

CITY:

CITY OF HENDERSON
CLARK COUNTY, NEVADA

DocuSigned by:
FOR
BCA33BA61AAA426...

RICHARD DERRICK
City Manager/CEO

Dated: 06/27/2023 | 8:09 AM PDT

ATTEST:

DocuSigned by:
Jose Luis Valdez
D8624203149447F...

JOSE LUIS VALDEZ, CMC
City Clerk

APPROVED AS TO CONTENT:

DocuSigned by:
Priscilla Howell
296022B7AF2C4B8...

PRISCILLA HOWELL
Director of Utility Services

Date of City Council Action:

June 20, 2023

APPROVED AS TO FORM:

DocuSigned by:
C8274A57AA6A4AD...

NICHOLAS G. VASKOV
City Attorney

DS
BR

CAO
Review

APPROVED AS TO FUNDING:

DocuSigned by:
Maria Gamboa
E9FAA0693CAC42A...

MARIA GAMBOA
Director of Finance

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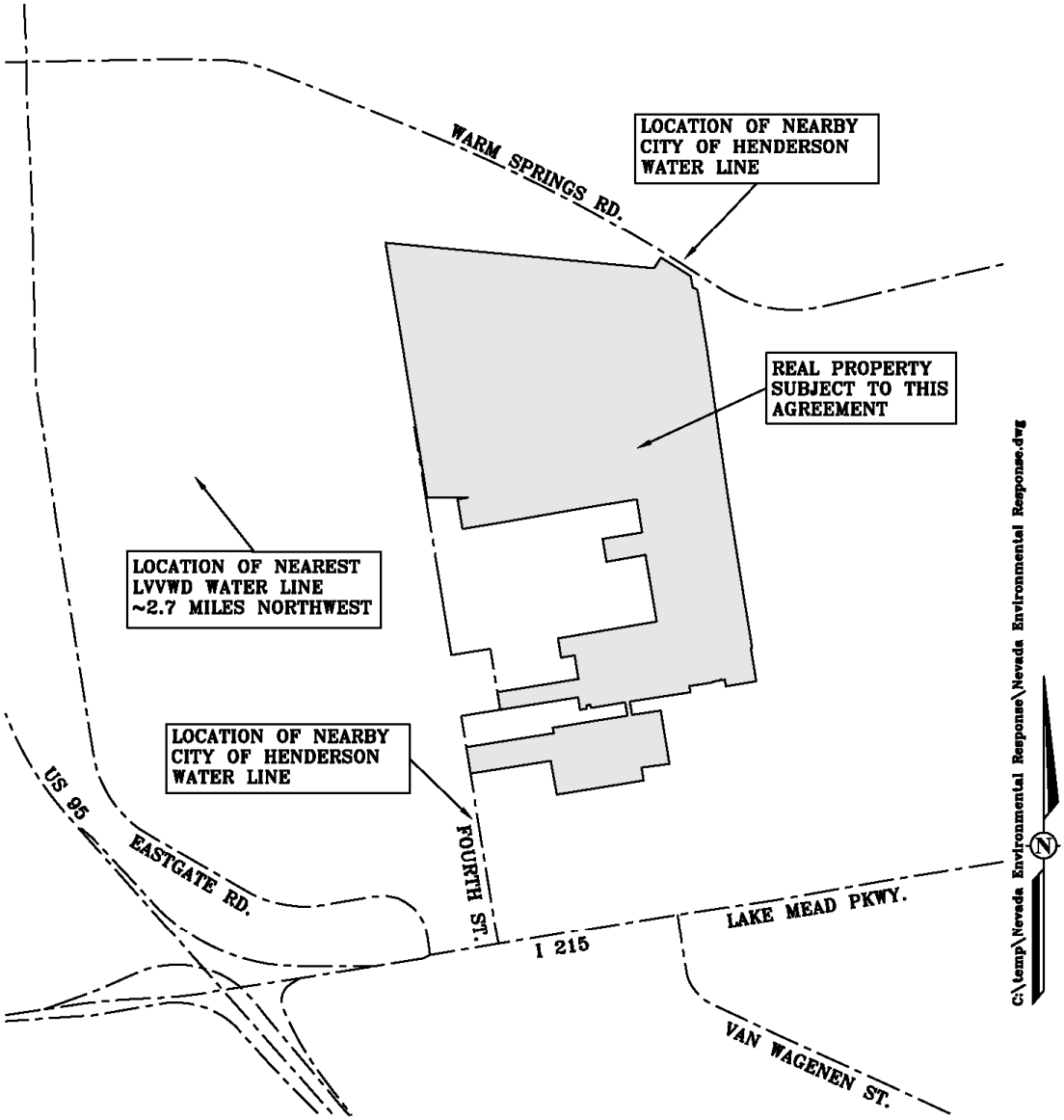
Exhibit "A"

Map of Temporary Service Area



LAS VEGAS VALLEY WATER DISTRICT
BOARD OF DIRECTORS
AGENDA ITEM

May 18, 2026

Subject:
Wage Adjustments for Non-Represented Employees

Petitioner:
Andy Belanger, Deputy General Manager, Administration

Recommendations:
That the Board of Directors approve annual cost-of-living adjustments for non-represented employees to correspond with adjustments for represented employees under the proposed collective bargaining agreements effective July 1, 2026, through June 30, 2031, if approved.

Fiscal Impact:
If approved, payroll cost is estimated to increase by approximately $3,682,200 for Fiscal Year 2026/27, which is available in the District's Operating Budget.

Background:
Non-represented employees exist throughout the District. They include professional employees such as engineers, scientists, information technology staff, and hourly employees, as well as management.

Annual cost-of-living adjustments for represented employees, if approved under the proposed collective bargaining agreements with the District's three employee associations, will be calculated based on increases in the Consumer Price Index for Pacific Cities, West A, as of March of each year. Upon approval, this item would provide the same cost-of-living adjustments over the next five years for non-represented employees.

This action is authorized pursuant to Section 9(1) of the Las Vegas Valley Water District Act, Chapter 167, Statutes of Nevada 1947. The office of the General Counsel has reviewed and approved this agenda item.

JJE:AB:MEM:LO:FG:nd
Attachments: None

AGENDA ITEM # 3

LAS VEGAS VALLEY WATER DISTRICT
BOARD OF DIRECTORS
AGENDA ITEM

May 18, 2026

Subject:
Collective Bargaining Agreement with the Las Vegas Valley Public Employees Association

Petitioner:
Andy Belanger, Deputy General Manager, Administration

Recommendations:
That the Board of Directors conduct a public hearing and approve the Collective Bargaining Agreement for employees represented by the Las Vegas Valley Public Employees Association, effective July 1, 2026, through June 30, 2031.

Fiscal Impact:
If approved, payroll cost is estimated to increase by approximately $646,611 for Fiscal Year 2026/27, which is available in the District's Operating Budget.

Background:
The Las Vegas Valley Public Employees Association (LVVPEA) has represented District employees under collective bargaining agreements since 1991. The attached Collective Bargaining Agreement (Agreement) is for a five-year term.

This Agreement contains two items with a financial impact, which are a cost-of-living adjustment and the addition of bilingual pay. Annual cost-of-living adjustments will be calculated based on increases to the Consumer Price Index for Pacific Cities, West A, as of March of the same year.

Attachment I summarizes the differences between the proposed Agreement and existing LVVPEA agreement. Although some of these language changes refine how pay will be allocated, none of these changes increase or decrease the base pay for employees under this Agreement.

Attachment II contains the entire proposed Agreement with the new language underlined and deleted language denoted by strikethrough.

Attachment III is the LVVPEA 2026/27 Fiscal Impact Assessment Summary, which outlines by article elements unchanged from the existing LVVPEA agreements; elements consisting of language changes only; and elements changed that could possibly result in a fiscal impact.

Attachment IV is the LVVPEA 2026/27 Fiscal Impact Summary, which outlines the total cost of the proposed changes in year one of the Agreement for the 203 employees currently covered by this Agreement. Costs of remaining contract years depend on future data.

This action is authorized pursuant to NRS Chapter 288 and Sections 1(13) and 9(1) of the Las Vegas Valley Water District Act, Chapter 167, Statutes of Nevada 1947. The office of the General Counsel has reviewed and approved this agenda item.

JJE:AB:MEM:LO:FG:nd
Attachments: Attachments I, II, III, and IV

AGENDA ITEM # 4

Attachment I
2026 Las Vegas Valley Public Employees Association Agreement
Summary of Article Changes

Preamble
Updated the effective date of agreement

Article 1 – Recognition
Clarified departments whose staff are excluded from the bargaining unit.

Article 4 – Cost of Living Wage Adjustments
Updated the terms of the reopener clause to align with the cap of water rates increases and adjusted effective dates of future cost of living adjustments.

Article 5 – Holidays
Updated observed holidays to formally include Juneteenth.

Article 13 - Group Health Insurance
Clarified required number of hours worked to be eligible for group health insurance. Removed outdated language referencing prior plan offerings.

Article 21 – Uniforms
Added language to address loss and damage of uniform items due to negligence.

Article 26 – Hours, Overtime and Premium Pay
Established requirements for bilingual pay differential.

Article 33 – Discharge, Discipline and Personnel Files
Removed language referencing physical personnel files and allow for review of digital personnel files.

Article 44 – Duration
Update effective dates for reopener requests.

* The terms “his/her” and “he/she” were updated to “they, them and their” throughout the Agreement where appropriate.

ATTACHMENT II

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

LAS VEGAS VALLEY PUBLIC EMPLOYEES ASSOCIATION

AND

LAS VEGAS VALLEY WATER DISTRICT

JULY 1, ~~2021~~ 2026 – JUNE 30, ~~2026~~2031

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PREAMBLE

This Agreement is made and entered into this 1st day of July, ~~2021~~2026, by and between the LAS VEGAS VALLEY WATER DISTRICT, whose address is 1001 South Valley View Boulevard, Las Vegas, Nevada, hereinafter referred to as the "District," and the LAS VEGAS VALLEY PUBLIC EMPLOYEES ASSOCIATION, hereinafter referred to as the "Association," as a product of the good faith bargaining efforts of both parties, and for the purpose of promoting harmonious employer/employee relationships and the efficiency of the District operations.

ARTICLE 1 - RECOGNITION

The District recognizes the Association as the exclusive collective bargaining representative for all regular full-time and part-time employees in the classifications listed in Appendix A, excluding positions in Human Resources, ~~LVSP~~Springs Preserve, the General Manager's staff, Management Aid Positions, ~~Secretary to the Public Information Manager, and the Secretary to the Management Services Manager~~and positions in Public Services and Legal.

The parties have agreed that the above unit is the only appropriate unit, and that neither party shall seek a change to include or exclude an employee, position, or classification therein without mutual agreement, Employee-Management Relations Board decisions involving other employers and/or statutory revisions notwithstanding.

The District shall notify the Association, in writing, of its intent to establish any new position or classification, and its position on whether the new classification is a bargaining unit classification.

The Association shall notify the District within 14 calendar days of receipt of notification of any disagreement if the Association believes a classification belongs in the bargaining unit. The District and the Association shall meet and attempt to resolve the disagreement within seven (7) calendar days of the Association's notice to the District. If the parties are unable to agree at that meeting, or at subsequent mutually agreed-upon meetings, the District may post and fill the position, and the dispute shall be resolved by the Local Government Employee-Management Relations Board as provided under NRS 288.170.

If the new position is agreed to be, or determined by the Employee-Management Relations Board to be, a bargaining unit classification, the parties shall meet promptly and discussions shall be conducted pursuant to Article 28 (Classifications and Rates of Pay).

ARTICLE 2 - NON-DISCRIMINATION

A. There shall be no unlawful discrimination of any kind by the Association or the District against any employee on account of race, color, religion, sex, sexual orientation, sexual identity or expression, national origin, age, physical, visual or aural handicap, or Association membership or non-membership.

B. Any use of gender in this Agreement, including job classifications, shall be interpreted to either male, female or they.

ARTICLE 3 - EMPLOYER RETAINED RIGHTS

A. In order to operate its business and to maintain the efficiency of its operations, the District, at its sole discretion, retains the exclusive right and power to determine, change, discontinue, alter, or modify, in whole or in part, temporarily or permanently, any of the following:

1. The number, location, or types of plants, facilities, equipment, and water conduits, and the personnel and work functions assigned thereto;

2. The products to be produced and sold, the facilities or water conduits to be constructed, and the services to be rendered, their quality and quantity, the methods and processes of service, maintenance, production, operation and construction, and the materials to be used;

3. The sales methods and sales price of all products and services; the purchase price of all purchases; and the legal, operational, organizational and financial structure of the District;

4. The services, tools, equipment, and machinery, except as limited by Article 20 (Safety); the production, maintenance and service standards;

5. The utilization of all District properties, easements, premises, equipment, and facilities;

6. The selection and hiring of all new employees; the promotion and demotion of all employees, except as limited by Article 29 (Recruitment, Selection, Placement, Promotions and Transfers); and

7. The number of employees; whether, when or where there is a job opening; whether to lay off employees as the result of the exercise of any rights of the District not limited by the clear and explicit language of this Agreement, and the number of employees to be laid off.

B. Any dispute arising out of or in any way connected with either the existence of or the exercise of any of the rights of the District enumerated in Section (A) above not expressly limited by the clear and explicit language of this Agreement, or arising out of or in any way connected with the effects of the exercise of any of such above-described rights, is not subject to the grievance and arbitration provisions set forth in Articles 37 (Grievance Procedure) and 38 (Arbitration).

C. In addition to the retained rights enumerated above, the District shall also retain the right to determine, change, discontinue, alter, or modify, in all or in part, temporarily or permanently, any of the following matters except as limited by the clear and explicit language of this Agreement:

1. The subcontracting of the products to be produced, the services to be rendered, and the construction, operation, and maintenance of plants, facilities and water conduits, provided that this right shall not be exercised in any arbitrary or capricious manner;

2. The work pace, work performance levels, and standards of performance, provided that this right shall not be exercised in an arbitrary or capricious manner;

3. Whether any employee meets the established work pace, work performance levels, and standards of performance, provided that such rights shall be exercised in a reasonable manner;

4. Affirmative action plans to encourage the recruitment, training, retention, and promotion of minority group members and women, provided that this right will not be exercised in an arbitrary or capricious manner, and that the District will discuss with the Association any substantial changes in its affirmative action program prior to implementation thereof;

5. The methods of reporting and recording time worked, provided that this right shall not be exercised in an arbitrary or capricious manner;

6. The job classifications and the content, duties, and qualifications thereof, provided that this right shall not be exercised in an arbitrary or capricious manner, and that the District will discuss with the Association any substantial changes therein prior to implementation;

7. The direction and supervision of all of the employees, provided that this right shall not be exercised in an arbitrary or capricious manner;

8. The assignment and transfer of employees District-wide between job classifications, between shifts, and between reporting points, provided that this right shall not be exercised in an arbitrary or capricious manner;

9. Reasonable rules and regulations for all employees; provided that the District will discuss with the Association District-wide new rules governing employee conduct and behavior prior to implementation thereof, and will post and distribute copies of same to the employees and to the Association;

10. The hours of work, the workweek, and shift schedules, provided that this right shall not be exercised in an arbitrary or capricious manner;

11. The method of funding of each benefit including the identity and selection of each carrier, insurer, or trustee, provided that this right shall not be exercised in an arbitrary or capricious manner;

12. The procedures for the security of the employees, plants, premises, facilities, equipment, and properties of the District, provided that this right shall not be exercised in an arbitrary or capricious manner; and

13. The number of employees assigned to any particular task, function, machine, equipment, operation, or shift, except as limited by Article 20 (Safety), provided that this right shall not be exercised in an arbitrary or capricious manner.

D. The District retains the right to use surveillance cameras on a 24 hour/7 day per week/365-day basis with prior notification to the affected bargaining unit employees and the Association. The existing camera surveillance in the ~~Customer Service Cashier area,~~ Customer Care and Public Lobby areas and entrance doors to various buildings and work areas is exempt from this notice requirement. The District also retains the right to use surveillance for temporary purposes, such as suspicion of theft, sleeping on the job or threats of workplace violence/harassment with prior notification to the Association.

E. The rights of the District set forth in Sections (A) and (C) of this article are listed by way of example rather than limitation. All other rights of the District are also retained.

The exercise of any right reserved to the District herein in a particular manner, or the non-exercise of any such right, shall not be deemed a waiver of the District's right nor preclude the District from exercising the rights in a different manner.

F. None of the rights of the District set forth in this article may be exercised for the purpose of undermining the Association.

G. If there is a direct conflict between any of the above-mentioned rights of the District and the terms of other articles of this Agreement, the latter shall prevail.

ARTICLE 4 – COST-OF-LIVING WAGE ADJUSTMENTS

A. Effective with the first full pay period in July ~~2021~~2026, ~~2022~~2027, ~~2023~~2028, ~~2024~~2029 and ~~2025~~2030, LVVPEA unit employees shall receive a cost-of-living wage adjustment (COLA) equal to the annual increase as of March, per the Consumer Price Index, All items, All Urban Consumers, Pacific Cities, West-A.

B. The pay plan will be adjusted by the same percentage defined above at the same time employees receive their cost-of-living wage adjustment.

C. This article shall be automatically reopened if the Consumer Price Index, All Items, All Urban Consumers, Pacific Cities, West-A, as above in A, is above four and one-half ~~three~~ percent (4.5~~3~~%) or falls below one and one-half percent (1.5%).

ARTICLE 5 – HOLIDAYS

A. The District shall observe the following scheduled holidays:

New Year's Day (January 1)
Martin Luther King, Jr.'s Birthday (3rd Monday in January)
Presidents' Day (3rd Monday in February)
Memorial Day (Last Monday in May)
Juneteenth (June 19)
Independence Day (July 4)
Labor Day (1st Monday in September)
Nevada Day (Last Friday in October)
Veterans Day (November 11)
Thanksgiving Day (4th Thursday in November)
Day after Thanksgiving (4th Friday in November)
Christmas Day (December 25)

Any day that may be declared by the Governor as a legal holiday shall be considered as an additional scheduled holiday.

B. Employees are eligible for pay equal to their established workday at their regular rate (including shift differential) if a scheduled holiday falls on their established work day.

Unless the Governor declares an additional legal holiday, each employee working 4/10's is eligible for a maximum of ~~90~~ 100 hours of holiday pay per calendar year. Each employee working 5/8's is eligible for a maximum of ~~96~~ 104 hours of holiday pay per calendar year. All holiday hours not used during the calendar year will be forfeited.

During some years the scheduled holidays that fall during an employee's established workweek may not total the ~~90~~ 100 or ~~96~~ 104 hours for which the employee is eligible. In those instances, an employee shall be eligible to use the difference between the total scheduled holiday hours for that year and ~~90~~ 100 or ~~96~~ 104 hours as "floating" holiday hours.

Floating holiday hours may be used in increments of not less than two (2) hours.

Each employee is responsible for ensuring that ~~he/she~~they do~~es~~ not use floating holidays hours in excess of the eligible amount. Should this happen, the employee will have scheduled holiday time charged to accrued vacation or Leave With Out Pay (LWOP) for any scheduled holidays for which no paid holiday hours are available. Calendars for various work schedules showing scheduled and floating holiday amounts for each year are available on the Hydroweb.

C. Newly hired employees will be entitled to the floating holiday hours during their first year of employment according to the following schedule:

Hired between January 1 – April 30	100%
Hired between May 1 – August 31	50%
Hired between September 1 – December 31	0%

D. An employee will be entitled to holiday pay if ~~he/she~~they ~~is~~ are in ~~pay~~ paid status on the last working day before, and on ~~his/her~~their first working day after, the holiday.

E. If a holiday occurs during an employee's annual leave, it will be paid as holiday and not charged against accrued annual leave.

F. The District may, at its discretion, require employees to work on a holiday that falls on their regularly scheduled workday. An employee required to work on such a holiday shall receive, in addition to ~~his/her~~their holiday pay, pay at time-and- one-half for all hours worked on that day.

G. There will be no pay-off of unused holiday hours (scheduled or floating) upon separation from employment, unless the employee has been denied a timely request to use such hours.

ARTICLE 6 - ANNUAL PAID LEAVE (VACATION)

A. Each employee, after completion of the probationary period, is entitled to paid annual leave.

B. One (1) year of credited service as used in this article means the same as the term is used in Article 33 (Seniority).

C. Annual leave will be determined pursuant to the table set forth below:

RATE OF ACCRUAL	FOR YEARS OF SERVICE
3.70 hours/pay period	0 – 3 years
4.62 hours/pay period	4 – 12 years
6.20 hours/pay period	Over 12 years

D. Employees working 4/10's must have at least 60 paid hours during a pay period to earn an annual leave accrual. Employees working 5/8's must have at least 64 paid hours during a pay period to earn an annual leave accrual.

E. The maximum amount of annual leave an employee can carry over is 280 hours on the employee's service (anniversary) date. While additional hours can accumulate during the service year, if not used or sold back it will be lost as of that date.

The District will continue its present practice of notification to employees when their annual leave accrual balance exceeds 200 hours.

F. **Sell Back**: An employee is eligible to "sell back" accrued leave in excess of 280 hours prior to ~~his/her~~their service date if the eligibility criteria outlined in paragraph (H) has been met.

G. **Cash Out**: An employee may "cash out" annual leave one time during any calendar year providing that a minimum balance of 80 hours will remain after the cash out and the eligibility criteria outlined in paragraph (H) has been met.

The minimum amount an employee may cash out is 20 hours and requests must be made in accordance with the payroll schedule.

The maximum amount eligible to be cashed out is one-half (1/2) of the annual accrual rate; i.e., assuming all eligibility criteria are met, an employee earning leave at an annual rate of 96 hours per year could cash out up to 48 hours; an employee earning 160 hours per year could cash out up to 80 hours.

H. **Eligibility Criteria For Sell Back Or Cash Out:** An employee working 4/10's may sell back or cash out accrued leave on ~~his/her~~ their service date if, during the preceding 12 months, the employee was permitted, after a timely request to do so, to take a minimum of 70 hours of leave, including one full week off.

An employee working 5/8's may sell back or cash out accrued leave on ~~his/her~~their service date if, during the preceding 12 months, the employee was permitted, after a timely request to do so, to take a minimum of 72 hours of leave, including one full week off.

A combination of leave and one (1) scheduled holiday may comprise the week as long as the employee is off a full-week.

For the purpose of qualifying for a sell back or cash out under this provision, the leave taken may include annual leave, floating holidays and compensatory time. Sick leave IS NOT included.

NOTE: The "full week" may be broken by a weekend. For example, a 5/8's employee may take vacation on Thursday and Friday, a holiday on Monday and vacation on Tuesday and Wednesday. Another example, a 4/10 employee may take floating holidays on Wednesday and Thursday, a holiday on Monday, and annual leave on Tuesday.

I. Annual leave must be scheduled in advance, whenever possible, and will be scheduled by the District so as to minimize interference with normal operations. If more than one employee in a group requests the same vacation leave days at the same time, if all else is equal, seniority will break the tie. Except for scheduled preventive examinations (Article 7, Section B of Sick Leave), annual leave shall not be used for sick leave purposes unless all sick leave is exhausted.

J. Annual leave shall be paid at the employee's regular rate of pay (excluding shift differentials) in effect on the shift immediately preceding the day the leave commences.

K. An employee shall accumulate paid annual leave on a pay period basis and upon termination of ~~his~~ their employment shall be paid for all accumulated time not previously taken. Probationary employees shall not be entitled to payment for leave upon separation.

ARTICLE 7 - SICK LEAVE

A. **Sick Leave Accrual**: Sick leave shall accrue for regular full- time employees at the rate of 3.70 hours per pay period. Employees working 4/10's must have at least sixty (60) paid hours during a pay period to earn a sick leave accrual. Employees working 5/8's must have at least sixty- four (64) paid hours during a pay period to earn a sick leave accrual. There shall be no limit to the amount of sick leave that can be accumulated.

B. **Illness and Injuries**: Any employee is entitled to use accrued sick leave when:

1. Incapacitated by illness, pregnancy, termination of pregnancy, or childbirth;
2. Prevented from working by public health requirements;
3. Receiving required medical or dental service or examinations; or
4. There is illness in the employee's immediate family or stepfamily where such illness requires the employee's attendance.

Sick leave may also be utilized in cases of industrial injury after expiration of the income maintenance provisions under Article 19 (Industrial Injury).

Annual leave and floating holidays shall not be used for sick leave purposes unless all sick leave is exhausted. The only exception to this is that an employee may at ~~his/her~~their option use annual leave or floating holidays for scheduled preventive medical, dental, or optical examinations. This exception doesn't apply to scheduled treatment for an existing condition.

C. **Notice of Intended Absence and Physical Examination Upon Return**: An employee who has been informed by ~~his~~ their physician that ~~he/she~~they will be absent from work due to illness or disability for more than one (1) week shall inform ~~his/her~~their supervisor immediately and supply a notice from the physician of the anticipated length of absence as soon as a doctor's note can be obtained. An employee returning to work after an absence of 30 consecutive calendar days or more due to illness or disability shall submit certification by a licensed physician of fitness to perform ~~his~~ their normal work assignments. Any physician examination costs associated with obtaining this certificate of fitness shall be borne by the employee.

D. **Abuse of Sick Leave**: Sick leave is extended to assist District employees when illness prevents them from working. If the District reasonably suspects abuse, the employee may be counseled and placed "on notice" (in writing) that for a reasonable period of time, up to 12 months, a physician's certificate will be required for future absences chargeable to sick leave. This certification requirement may be either separate from or in conjunction with disciplinary action. Failure to provide a certificate, when an employee has been previously noticed of such a requirement, may result in the denial of paid leave and/or disciplinary action. Such a certificate is binding on the District in the absence of evidence to the contrary. Abuse of sick leave by an employee may result in disciplinary action.

E. **Additional Leave**: Upon written request to ~~his/her~~their Department Head, a leave of absence without pay up to a maximum of six (6) months may be granted by the District for purposes normally covered by sick leave when an employee's sick leave has been exhausted. During such a leave of absence, the District may require the employee to undergo examination by a District selected physician at the expense of the District. The District will compensate employees who are legitimately ill or injured at their regular rate of pay for the time spent for such physical examinations. If, on the other hand, the examination indicates abuse on the part of the employee, ~~he/she~~they shall receive no payment for time spent during the examination and will be subject to discipline or discharge.

F. **Light Duty Work/Temporary Disability Reassignment**: Following the illness or injury of an employee, the District shall provide such employee with available light duty work for which the employee is qualified and able to perform or the employee may be assigned to work less than a full workday within the employee's regular classification. This provision shall not require the District to create work. As soon as the employee is informed by ~~his/her~~their physician that ~~he/she is~~they are able to return for light duty work, the employee shall notify ~~his/her~~their supervisor of ~~his/her~~their release for light duty work pending ~~his/her~~their full release. The physician's written release for light duty must include a complete description of the employee's physical restrictions. The employee shall present the physician's release to ~~his/her~~their supervisor. The employee shall remain in available light duty assignment until ~~he/she is~~they are fully released for work by the employee's physician. If no light duty work is available, the District may temporarily reassign the employee to another position for which ~~he/she is~~they are qualified and able to perform if a vacancy exists, or the employee shall remain on sick leave until light duty work becomes available or the employee is fully released to work.

Eligibility for light duty work performed under this section shall be limited to a period not to exceed 90 calendar days. Eligibility for light duty may be extended by an additional 30 days if mutually agreed to between the Association and the District.

G. **Permanent Disability Reassignment**: If, in the opinion of the employee's physician and a District selected physician, the employee cannot perform, and will not be able to perform, ~~his/her~~their regularly assigned duties due to disability and

should be limited to performance of other, less physically demanding duties, the District shall make an effort to reassign the employee to a position for which ~~he/she is~~they are qualified and able to perform, provided such an opening exists at that time. Although the District is under no obligation to make a reassignment, such reassignment is in lieu of termination or sick leave, whichever is appropriate.

H. **Payment for Unused Sick Leave Upon Termination**: An employee shall receive payment for sick leave at ~~his/her~~their current rate of pay upon separation or layoff in accordance with the following formula:

COMPLETED YEARS OF SERVICE	PERCENTAGE OF ACCRUED LEAVE TO BE PAID
Less than 3	0%
3 through 14 years	50%
15 years or more	75%
Death	100%
Permanent disability separation, certified by a District selected physician at the expense of the District.	100%

All sick leave not paid off upon termination shall be deemed forfeited.

I. Note that certain other leaves in this Agreement are charged against accrued sick leave.

ARTICLE 8 - SPECIAL LEAVE

An employee's Department Head may, in ~~his/her~~their discretion, grant an employee special leave without pay. If the leave is to extend beyond 30 calendar days, or is to involve full or partial pay, final approval rests with the General Manager or designee. Disputes arising from this article are not subject to Grievance and Arbitration under Articles 37 (Grievance Procedure) and 38 (Arbitration).

ARTICLE 9 – FAMILY AND MEDICAL LEAVE

A. **Child Care**: Due to the birth, placement for adoption or foster care of a child, an employee (male or female) shall, upon written request, be granted annual leave to the extent accrued or be placed on an unpaid status for purposes of child care. The combined total of such leave may not exceed six (6) months. Persons employed to fill positions becoming vacant due to leaves under this article shall hold such positions subject to being reassigned to another position, if available, or terminated upon the return of the employee to the former position.

B. **Family and Medical Leave**: Family and medical leave will be provided consistent with the provisions of the Family and Medical Leave Act of 1993 and any subsequent amendments and/or interpretative guidelines.

ARTICLE 10 – BEREAVEMENT LEAVE

A. Employees who are required to absent themselves from work as a result of the death of a member of their immediate family or stepfamily shall be granted leave up to a maximum of 40 hours per bereavement. Bereavement leave shall be charged to accrued sick leave first, if available, then floating holiday, accrued annual leave or accrued compensatory time at the employee's option.

B. Any time required by the employee in excess of the above provision, or for the death of other than the employee's immediate family or stepfamily, shall be charged to either accrued sick leave, floating holiday, accrued annual leave or accrued compensatory time at the employee's option.

C. The immediate family or stepfamily is defined as: spouse, domestic partner, child, father, mother, brother, sister, adopted child and/or sibling, grandparent or grandchild, or any in-law of the employee having the above specified relationships.

ARTICLE 11 – COURT LEAVE

A leave of absence with pay shall be granted to any employee for the time required in service:

1. on a jury;
2. in court proceedings when the employee or the employee's spouse or child is a victim of a crime against the person (this is voluntary at the employee's option);
3. in court under subpoena.

This leave will be at the employee's regular rate for the duration of such duty. Remuneration received for such duty (excluding mileage) shall be submitted to the District for each day for which the employee received payment from the District under this provision.

ARTICLE 12 – MILITARY LEAVE

A. Whenever an employee, except temporary employees, enters the Armed Forces of the United States, whether by enlistment or Selective Service, ~~he/she~~they shall be granted military leave of absence for the duration of ~~his/her~~their compulsory service.

B. During the period of military service, the employee shall retain all rights to which ~~he/she is~~they are entitled under the provisions of this Agreement, provided that during a period of military leave in excess of 30 calendar days annual or sick leave shall not accrue. ~~His/Her~~Their salary upon ~~his/her~~their return shall be the same as ~~he/she was~~they were receiving at the time ~~he/she~~they went on leave, plus any economic adjustment accruing during the period of such leave, and ~~he/she~~they shall be credited with all seniority for past services.

C. Application for reinstatement following military leave must be made within 90 calendar days after receiving an honorable release from active duty.

D. Persons employed to fill positions becoming vacant under this article shall hold such position subject to being assigned to another position, if available, or terminated upon the reinstatement of the returning employee to ~~his/her~~their former position.

E. In order that no employee shall suffer any loss of income as a result of a reserve status in any of the Branches of the Armed Forces of the United States or the Nevada National Guard, the employee shall, upon presentation of official orders for active duty for training, be granted paid leave for a period not to exceed three (3) workweeks, or 120 hours if on a full-time schedule, in one (1) calendar year.

F. Each employee who is draft eligible and is required to submit to a pre-induction physical examination shall, upon furnishing documentary proof of such requirement, be granted time off with pay not to exceed three (3) working days at ~~his/her~~their basic straight-time hourly rate for the purpose of reporting for, or submitting to, any such ordered physical examination.

G. The intent of this article is to be consistent with federal and state law, and shall be interpreted by the parties and by any Arbitrator, to provide identical rights and obligations as provided in federal and state law.

ARTICLE 13 - GROUP HEALTH INSURANCE

A. The District shall pay 100% of the full premium cost for employee coverage for each full-time regular employee and 50% of the premium cost for each permanent part-time employee who works at least ~~20~~ 30 hours per week subject to the eligibility requirements of the group insurance plan.

B. For the duration of this Agreement, the District will contribute towards the payment of the employee's dependent coverage premium cost under the Group Insurance Plan as follows:

1. For permanent full-time employees, the District shall contribute 85% of the dependent coverage premium.

2. For permanent part-time employees, the District shall contribute 42.5% of the dependent coverage premium.

C. Employees retiring or going into unpaid leave status may continue coverage beyond the end of the month by arranging for personal payment of the full premiums, subject to the limitations of the group insurance plan, or as otherwise provided for or limited by law; e.g., the Family and Medical Leave Act of 1993. Employees who quit or are terminated shall be covered by applicable federal and/or state law; i.e., COBRA.

D. The District will pay 100% of the full premium cost for employee/retiree only coverage and contribute 85% toward the premium cost of dependent coverage for group health insurance for employees who retire during the term of this Agreement with an unreduced early retirement benefit as defined in the Las Vegas Valley Water District Retirement Plan (e.g., 30 years of service at any age or having attained age 60 with at least 10 years of service) until the employee first becomes eligible for Medicare, at which time the District contribution shall cease and the retiree will become responsible for 100% of the premium cost.

It is fully understood that both the premium rates and the benefit levels are subject to change from time to time. There are no guarantees, stated nor implied, as to either the levels of coverage or the premium rates. ~~The separate vision coverage that is provided to participants in the Clark County Self-Funded Plan is not included. Retirees wishing to continue the vision plan may do so but will be responsible for 100% of the premium.~~

E. It is acknowledged by both the District and the Association that District participation in the County and Local Affiliates Self-Funded Group Plan ~~and the advantage of larger group negotiation with the current Health Maintenance Organization (HPN),~~ is mutually beneficial to the employees and the District. It is also acknowledged by both parties that benefit changes are beyond the District's sole control and subject to the majority decision of the group participants. However, when changes to benefits, premium costs or insurance carriers occur during the term of this Agreement, the District shall provide adequate notification to the Association prior to the implementation of any change and the parties shall meet promptly to discuss such changes. Unless there is negotiation between the District and the Association, no changes shall be made by the District to the employer/employee percentage contributions outlined in Sections (A) and (B) above.

F. For reason of participation in any District committee responsible for review of benefits, the District agrees to release with pay, at least one (1) Employee Representative, designated by the Association, to attend scheduled meetings of any joint committee formed for such purpose.

G. In the unlikely event that the District ceases to participate in the Self-Funded Group Plan, the parties will immediately meet to negotiate any changes or adjustments necessary to continue health insurance coverage and protection, consistent with the provisions of NRS 288.150.

ARTICLE 14 – LONG-TERM DISABILITY INSURANCE

The District shall provide long-term disability insurance to all regular full-time employees covered by this Agreement. The District shall pay 100% of the cost for the Long-Term Disability Plan.

This Plan will include a pre-existing condition limitation; an income benefit of not less than 60% (subject to offset from SSA, Workers' Compensation, retirement, and other such incomes); a standard qualification (elimination) period of not more than 180 days; and benefits payable at least to age 65 with certain usual exceptions (such as mental/nervous disorders).

Employees are eligible for coverage the first of the month coinciding with or next following 60 calendar days of employment.

Current Benefit Level: The District has a benefit level of 66.67% with an elimination/qualification period of 120 calendar days. Should the arrangement with the County change and lessen the benefit level, coverage may revert to the minimum benefit level described above.

ARTICLE 15 – EMPLOYEE ASSISTANCE PROGRAM

The District shall provide an Employee Assistance Program (EAP) for all regular full- time and part-time employees covered by this Agreement who work at least 20 hours per week. Newly hired employees will be eligible for coverage the first of the month following employment. This program will be available to all household and dependent family members of the employee currently covered for up to a minimum of five sessions per incident. The District shall pay 100% of the cost for the program.

This program will:

1. provide confidential consultation, assessment, referral, and follow-up services, including a limited amount of counseling without charge to assist the employee and ~~his/her~~their family; and

2. provide assistance, either through the program itself or in conjunction with other benefit programs, to employees in seeking assistance beyond that provided through the Employee Assistance Program; and

3. include procedures for self and supervisory referrals.

This program provides assistance to help the employee, their dependents, and other household members resolve personal problems that may be interfering with the employee's work and home life. Services provided include: emotional distress, co- worker conflict, divorce or separation, custody issues, grief and loss, marital issues, relationships, alcohol and substance abuse, child and adolescent issues, aging family members, crisis situations, domestic violence, drug dependency, gambling, depression, retirement, anger, and stress.

All information developed under the program about employees, their dependents, and other members of their household shall be considered strictly confidential and shall be treated as such as the goal of the program is to help and provide guidance to any employee seeking professional and CONFIDENTIAL help to solve their problems.

Both the Association and the District recognize that family and personal problems may affect employees' attendance and/or job performance to the point that disciplinary action, up to and including discharge may result. However, the District recognizes the benefits of the EAP or similar programs and will be reasonably accommodating and understanding of the time needed for employees to participate in such programs.

When an employee refuses to seek assistance and/or resolution of ~~his/her~~their problems by actively participating in any program and attendance and/or job performance continues to be adversely affected, the District may administer discipline as is appropriate. However, both parties agree that this is not to be interpreted as impacting any of the rights and protections contained in the provisions of the current Collective Bargaining Agreement.

ARTICLE 16 – FLEXIBLE BENEFITS PROGRAM

On January 1, 2000, the District began providing a Flexible Benefits Program. Current core benefits (health insurance, long-term disability, life insurance, accidental death and dismemberment, and Employee Assistance Program) will not be affected by this program during the term of this Agreement. The exact design and administration of this program was determined prior to the date with participation and input from the Association; however, the intent is to make a variety of products and services available to employees obtaining the benefit of group rates.

Since the major purpose for a flexible benefits program is to provide more equality in benefit coverage and to be more responsive to the needs of a diverse workforce, the amount of the District's monthly contribution on behalf of each employee will be determined by the employee's enrollment status in the Group Health Insurance Plan:

Employee Only = $200; Employee and Spouse = $60; Employee and Child(ren) = $30; and Family = $20.

ARTICLE 17 - FAMILY CARE PROGRAM

The District currently offers a voluntary on-site daycare program at the Valley View campus. Any decisions regarding elimination of the on-site daycare center will be communicated to the employees a minimum of 60 days in advance.

ARTICLE 18 – PHYSICAL EXAMINATIONS

A. The District may have any employee or applicant undergo physical or psychological examinations for any reasonable purpose by a licensed physician of the District's choice. The cost for such examination shall be paid by the District. An

employee who has been required by the District to undergo an examination shall be paid for such time spent.

B. The District may demote, transfer, or layoff any employee when it is determined the employee does not meet the physical requirements of the job.

The District shall notify the Association, in writing, of any personnel actions under this provision.

ARTICLE 19 – INDUSTRIAL INJURY

A. For absence caused by a work-related injury or event, if an employee's net pay is not fully covered under Workers' Compensation regulations, the District shall provide a period of income maintenance, up to 45 calendar days, to provide the difference between that paid by Workers' Compensation or the insurer (if the District becomes self-insured or insured by a third party) to ensure the employee suffers no loss of net pay.

B. The District, under the income maintenance period, shall continue payment of employee group health plan, retirement pension plan contributions and/or any other benefits as though ~~he/she~~they were still on the job. In the event the recovery period is for more than the income maintenance period provided by the District, the employee may use accrued sick leave and then accrued annual leave to insure ~~he/she~~they shall suffer no loss of net pay.

C. For temporary and/or permanent light duty reassignment, the provisions of Article 7 (Sick Leave) shall control.

D. Payment of the difference of Workers' Compensation and regular pay will be computed on "net pay" not "gross pay." "Net pay" will be the employee's normal gross base pay less withholding taxes at each employee's rate for the preceding three (3) months and FICA at the prevailing rate.

E. When the disability payment is reduced pursuant to state statute because the employee failed to use required or provided protective gear or devices; was not following safety rules or procedures; or was injured as a result of a flagrant unsafe practice, such reduction shall also be applied under this article.

F. The income maintenance period is an upper limit per each unrelated Workers' Compensation claim.

G. The District may, in exceptional cases, and at its sole discretion, continue this maintenance of income at full or partial pay for additional periods of 30 days up to a maximum time limit of 12 months, including the initial income maintenance period. Denial of such an extension is not grievable, however, the District will inform the Association and provide an explanation for the denial.

H. When reimbursement is necessary for an overpayment, the District and employee will devise a mutually agreeable repayment plan pursuant to the District procedure.

I. Any employee who falsifies an industrial injury claim, or in any way attempts to receive benefits when the injury was not employment related, shall be subject to discipline up to and including immediate separation. Prior to any investigation, the District will inform the Association of its intent to investigate and upon its conclusion, will so inform the Association of the District's findings.

ARTICLE 20 – SAFETY

A. The District will provide safe, healthy working conditions and appropriate safety equipment for all employees in accordance with applicable federal and state laws or industry standards.

The District shall furnish at its expense any required personal standard safety and protective devices for which the employees shall thereafter be responsible.

The District shall furnish the employees with ice water and tablets for avoidance of dehydration when applicable.

B. The employees and Association recognize their responsibilities as partners with the District in maintaining a safe work environment and employees shall comply with all safety policies, practices, rules, and training as established by the District from time-to-time, and shall cooperate with management in enforcing all safety measures.

C. A Safety Committee, comprised of both District and Association appointees, shall meet as needed to review and discuss safety conditions, reports of unsafe practices and employee complaints or suggestions regarding safety.

ARTICLE 21 – UNIFORMS

A. Due to the nature of the work, the District at its discretion may determine that certain designated employees will be required to wear District supplied uniforms.

B. Employees required to wear uniforms are expected to wear a fresh uniform to work each day. Uniform laundry service will be supplied by the District. It is the employee's responsibility to see that all soiled uniforms are submitted on "laundry day" or pay the "late wash" fee for cleaning the uniform.

C. The District will provide certain designated employees with District-insignia warm weather T-shirts which are worn during periods prescribed by the District. Proper care and laundry of these shirts shall be the responsibility of the employee.

D. In the event of a change in job assignment or separation of employment, it is the employee's responsibility to return the entire uniform inventory issued.

E. The District will provide insignia jackets for those employees whose regular duties require working outside. Proper laundering and care of these jackets shall be the responsibility of the employee. Replacement jackets will be issued based on

Manager approval, but not more frequently than every three (3) years, except when the need is due to unusual circumstances.

F. In the event an employee loses or damages any uniform items as a result from negligence, they may be responsible for the cost of the replacement.

ARTICLE 22 - MISCELLANEOUS

A. **Mileage**: The District shall reimburse employees at the maximum rate allowed as non-taxable under the IRS regulations for the required use of personal vehicles for District business. Mileage will not be reimbursed for travel to and from designated work locations including local training or seminars.

B. **Copy of Agreement**: The District will make a copy of the Agreement available on the Hydroweb for employees in the bargaining unit to print at their convenience.

C. **Coffee and Other Hot Beverages**: The District shall continue its current practices with respect to furnishing coffee and other hot beverages.

D. **Blood Drive**: The District shall make a reasonable effort to cooperate with the needs of employees in connection with their donations of blood during District-sponsored or authorized blood drives, including the provision of a reasonable rest/recovery period, if needed.

ARTICLE 23 – PENSION-RETIREMENT

All employees covered by this Agreement shall, for the term of this Agreement, be entitled to participate in the District's Pension Retirement Plan and as governed by the terms of the Pension Plan Trust Agreement and applicable state and federal laws. The District agrees to furnish each employee a yearly statement indicating the contributions to the pension fund made by the District ~~in~~ on ~~his/her~~their behalf.

The LVVPEA Unit is entitled to one representative, either an employee from within the unit or a retained non-employee appointed by the LVVPEA, on any standing or special committee or task force, when such committee or task force is to include representatives from various identified interest groups, established for the purpose of discussing changes to and/or information regarding the District's Pension Plan.

Committee or task force meetings will be held when necessary within the 30 day period prior to Pension Subcommittee meetings for the purpose of discussing proposed changes to the District's Pension Plan. Other meetings will be convened as needed to disseminate information and discuss any problems or proposed changes to the District's Pension Plan.

Presently, the District pays 100 percent of the contributions to the District's Pension Plan. There will be no changes in the source of such contributions without prior negotiations with the Association.

ARTICLE 24 – EDUCATION ASSISTANCE

Education Assistance is available to employees who enroll in approved classes (including workshops, seminars, or training sessions for which continuing education units (CEU's) are awarded) offered by accredited institutions of higher learning or offered through recognized industry professional organizations for the purpose of either acquiring or maintaining professional certifications and which meet the criteria as established in this article.

A. **Criteria for Reimbursement:**

This program is not intended to finance degree programs or enhance an employee's personal growth and development other than as related to an employee's competencies and/or preparation for promotional opportunities within the District. Therefore, the definitions of "job-related" and "non-job-related" are relative to the opportunities and technology existing, or anticipated to exist, within the District.

1. "Job-related" is defined as increasing an employee's abilities, knowledge, and skills to directly improve performance in the present job or to enhance one's opportunity for jobs in their immediate line of progression.

2. Employees receiving a grade of C or better or, in those instances where grades are not given, the accompanying certification or certificate of successful completion will be for 100% of the tuition for an approved "job-related" course subject to the maximum allowable.

3. "Non-job-related" is defined as water-industry-related or related to a profession or career field existing at the District.

4. Employees receiving a grade of C or better, or in those instances where grades are not given, the accompanying certification or certificate of successful completion, will be for 75% of the tuition for an approved "non-job-related" course subject to the maximum allowable.

5. The maximum allowable reimbursement per employee for tuition, course fees and lab fees is 12 semester hours, or the equivalent thereof, per calendar year.

    a. Classes taken through institutions of higher learning (whether on-line or on-site) for which credit or semester hours are earned will be reimbursed at a rate not to exceed the applicable resident undergraduate or graduate rate in effect at UNLV for the semester when first enrolled.

    b. Education or training for which continuing education units (CEU's) or certificates are awarded will be reimbursed at the rate paid up to a maximum equivalent to the dollar amount established through the undergraduate rate in paragraph (a) above.

6. Only tuition, lab and technology fees will be reimbursed. Books, late registration fees or any other costs associated with the course are the responsibility of the employee.

B. **Process for Seeking Reimbursement:**

1. Prior to taking a course, the employee must complete the application for tuition reimbursement and receive the identified approvals. Reimbursement may be approved when applications are submitted after enrollment, but the employee is "at risk" as to meeting established criteria and receiving approval.

2. The employee shall submit the application to the department head. The department head will then forward the application to Human Resources with ~~his/he~~their~~r~~ recommendation for final approval. Human Resources will notify the employee as to whether the application has been approved/denied. Denial of approval is not grievable under the grievance resolution procedures of Articles 37 and 38 of this Agreement. However, the employee may appeal the decision to the Director of Human Resources. The decision of the Director of Human Resources will be made after discussions with all parties to the previous decision. If the decision to deny is upheld, it shall be stated in writing to the employee; if approved, the application will be processed without further delay.

3. Upon completion of the course, the employee must present a grade transcript and a receipt for tuition to Human Resources in order to be reimbursed for each approved course.

C. **General Provisions:**

1. If the employee voluntarily separates employment for any reason within 12 months of receiving reimbursement for tuition, the amount shall be deducted from the final paycheck.

2. If an employee receives Veteran's Administration benefits applied to the tuition of the approved course; the District shall not reimburse the employee for the amount paid by the Veteran's Administration. An employee who receives Veteran's Administration benefits applied to the tuition of an approved course must notify their department head prior to submitting the grade transcript and receipt.

3. The employee must arrange to attend the course outside of their work hours or receive approval to use annual leave.

ARTICLE 25 – SERVICE RECOGNITION

A. The following service recognition benefit is applicable for all employees hired prior to January 1, 2011:

1. All regular, full-time employees shall receive service recognition in the amount of $200.00 per full year of service after seven (7) continuous years of service. For example, an employee would receive $1,400.00 after ~~his/her~~their seventh (7^{th}) year of continuous service, $1,600.00 after ~~his/her~~their eighth (8^{th}), $1,800.00 after ~~his/her~~their ninth (9^{th}) and so on. Service recognition shall be paid in annual disbursements on each employee's anniversary date each year.

2. Employees who regain service credits pursuant to Article 33, Section (D) (Seniority) shall also be eligible for service recognition based on the "bridged", or reconstructed, length of service.

3. Part-time employees are also eligible for service recognition. A year of service shall be calculated as 2080 hours in paid status for part-time employees.

B. Employees hired on or after January 1, 2011, are not eligible for service recognition.

ARTICLE 26 – HOURS, OVERTIME AND PREMIUM PAY

A. **Hours and Workweek**: The standard workweek for District employees is 40 hours, consisting of ten (10) consecutive hours per day (exclusive of lunch break) during four (4) consecutive days commencing with the first hour and day of the employee's regularly assigned workweek and shift.

For those employees who are assigned to other than the standard workweek, namely a 5/8 workweek, their regular workweek shall consist of eight (8) consecutive hours per day (exclusive of lunch break) during five (5) consecutive days.

The District may adopt a work week that does not have four consecutive work days (a non-standard work week) in Customer Care; however, prior to doing so, the District will provide 30 days' notice to the Association, during which time the District shall make full disclosure of how employees will be selected, and all other pertinent information and shall, in good faith, discuss any issues raised with respect to that change.

If a non-standard work week is considered for other work groups, a pilot schedule will first be implemented. At least 30 days prior to the pilot beginning, the District will meet with the Association and engage in the same discussions as described in the paragraph above. The purpose of the pilot is to determine if the cost savings, efficiency and/or customer service objectives envisioned by the District will be achieved before a permanent schedule is implemented.

Except as provided in E(1), the workday, for purposes of the administration of the provisions of this Agreement, shall consist of a period of 24 consecutive hours

commencing with the first hour of the first day of the employee's regularly assigned workweek.

All references to workday or workweek will be interpreted relative to an employee's assigned schedule.

B. **Temporary Changes in Starting Time, Shift or Workweek**: A temporary change (one (1) to seven (7) days) in an employee's 1) starting time within the same shift, 2) regular shift (i.e., day, swing or graveyard), or 3) workweek may be made in emergency situations or for the purpose of facilitating attendance at seminars, training, or District-wide employee meetings/activities without incurring overtime liability unless the change results in the employee working more than ten (10) hours (eight (8) hours for employees on 5/8's) during a shift or more than 40 hours in a workweek.

Temporary changes for other than the reasons specified above require written notice to the employee 48 hours prior to the time the change is effective. If the temporary change is instituted without the required notice, overtime shall be paid for all hours worked during the remainder of the workweek of such change.

In no event shall the operation of the above rules result in the "pyramiding" of overtime.

C. **Permanent Changes in Starting Time, Shift or Workweek**: A permanent change in an employee's 1) starting time within the same shift, 2) regular shift (i.e., day, swing, or graveyard), or 3) workweek (i.e., 4/10's, 5/8's, or days off) may be made by the employer without incurring overtime liability only if written notice is received by the employee 48 hours prior to commencement of the employee's regularly scheduled workweek.

If the permanent change is initiated by the District without the required notice, the District shall pay the employee at the overtime rate plus shift differential (if applicable) commencing on the first irregular shift and continuing through the balance of the workweek.

In no event shall the operation of the above rules result in the "pyramiding" of overtime.

D. **Work Schedules**: Temporary work schedule changes, within the employee's normal work shift, may be verbally requested by an employee. An employee's immediate supervisor may authorize such changes should workload permit. However, in such instances, any contract provisions requiring advance notice and/or any overtime or other form of premium pay otherwise resulting from the change will not apply. Denial of such request is not subject to the Grievance and Arbitration Procedures of Articles 37 and 38.

E. **Overtime**: One-and-one-half (1-1/2) times an employee's regular hourly rate shall be paid for any hours in paid status in excess of 40 in any workweek, or in excess of ten (10) hours, or eight (8) hours for employees on 5/8's, in any workday, with

the exception of the additional premium pay as provided under Section (K). When applicable, the following pays shall be added to the regular hourly rate:

a. service recognition;
b. standby pay;
c. shift differential;
d. relief shift premiums.

Overtime pay, or any other premium pay, unless listed above, will be excluded from the regular hourly rate when calculating overtime pay.

1. The "workday," for the purpose of computing daily overtime, shall be as defined in paragraph (A) above. For employees assigned to irregular schedules, overtime is applicable only for more than ten (10) hours (eight (8) hours for employees on 5/8's) during a shift or more than 40 hours in a workweek except as provided in Sections (I) and (J) below.

2. The District has the sole right to require overtime services, to determine when overtime shall be worked, and who shall work overtime. However, the District will endeavor to distribute overtime assignments within the applicable classification as equitably as business demands will permit through methods such as development of skills inventories and assignment tracking.

3. Following each pay period, a copy of the overtime roster for each work section shall be sent to the affected supervisors and to the Association. Employees have the right to review their supervisor's copy of their work section overtime roster.

4. Any overtime must be authorized by an employee's supervisor prior to the time such work is performed and all overtime shall be compensated to the nearest 1/10 of an hour.

F. **Compensatory Time**: The maximum amount of compensatory time an employee may accrue is 160 hours. In lieu of overtime pay, compensatory (comp) time may be accrued at the employee's option if the employee has a balance that will accommodate the additional time without exceeding the 160-hour maximum.

Employee use (taking time off from work) of compensatory time is limited to 60 hours of compensatory time in a calendar year. However, in situations involving illness or maternity leave, usage may exceed 60 hours if all other leave is exhausted.

Overtime pay, pursuant to Sections (B), (C) and (K) of this article shall not be accrued as comp time.

Comp time shall accrue at one-and-one-half (1-1/2) hours comp time for each hour of overtime worked.

1. Requests for use of compensatory time off shall be administered in accordance with Article 6, Section (H) (Annual Paid Leave) of this Agreement.

2. Compensatory time may be "cashed out" up to four (4) times during any calendar year. Requests must be made in accordance with the payroll schedule.

3. Payment upon separation of employment shall be as required by the Fair Labor Standards Act.

G. **Relief Shift Premiums**: All employees who are temporarily assigned to a shift other than their regular assigned shift (i.e., day, swing or graveyard), for the purposes of providing relief for an established shift shall be paid a premium of $0.15 per hour (in addition to any applicable shift differentials) for all hours worked outside of their regular assigned shifts.

The District will attempt to schedule the least senior employee for relief shift whenever possible.

H. **Shift Differential**: A shift differential shall be paid for all hours worked to all employees whose regular shift does not begin between the hours of 4:00 a.m. and 12:00 noon. The amount of the differential shall be five percent (5%) of the employee's hourly rate.

The District retains the exclusive right to determine whether a second or third shift operation will be scheduled, but shall discuss with the Association prior to implementing, to determine how many and which employees will be assigned to them. However, the District shall endeavor to satisfy employee shift preferences as much as business demands reasonably permit, and when all other factors are equal shall rely upon seniority.

Only holidays and hours actually worked will be considered as time worked for the purpose of computing shift differentials. Thus, no shift differential will be paid for time off such as sick leave or annual leave. There shall be no duplication or pyramiding of overtime.

I. **Scheduled Overtime**: When an employee is assigned in advance to work overtime outside of ~~his/her~~their normally scheduled shift, it shall be considered as scheduled overtime.

In scheduling such overtime, the employee shall be given notice of the requirement prior to leaving ~~his/her~~their last shift and a minimum of 14 hours prior to the start of the scheduled overtime; otherwise, such work shall be considered non-scheduled overtime subject to the premium pay under Section (J) of this article.

It is understood that this provision excludes overtime hours when the employee works prior to or beyond the end of ~~his/her~~their day as an extension of ~~his/her~~their regular shift.

If an employee reports for scheduled overtime work and none is provided, or ~~he/she~~they work less than two (2) hours, the employee shall receive a minimum of two (2) hours' overtime pay.

J. **Non-Scheduled Overtime**: When an off-duty employee is required to return to work without having received notice prior to leaving ~~his/her~~their last shift and a minimum of 14 hours prior to the start of the scheduled overtime it shall be considered as non-scheduled overtime. The employee shall be paid on an overtime basis (see Section (E) above) for a minimum of four (4) hours, which includes, one-half (1/2) hour for travel time. If the non-scheduled overtime worked exceeds four (4) hours (which includes the one, one-half (1/2) hour for travel time), ~~he/she~~they shall be paid for the time actually worked.

An employee who works less than four (4) hours on the initial period of overtime and is then called back a second time during the initial four (4) hour period shall not be entitled to any additional overtime pay unless the aggregate time worked for both occurrences shall exceed four (4) hours, in which case ~~he/she~~they shall be paid for the aggregate time worked. In the event an employee is called back for a second time after the expiration of four (4) hours from the first call, ~~he/she~~they shall be paid for a minimum of four (4) hours for each occurrence, except as provided above.

For example:

1. An employee who is called Saturday and works from 9:30 a.m. until 11:00 a.m. is paid four (4) hours overtime.

2. The same employee who worked until 11:00 a.m. (1 above) is called back and works from noon until 3:30 p.m. is paid:

1/2 hour travel time
1-1/2 hours – 9:30 a.m. to 11:00 a.m.
3-1/2 hours – noon to 3:30 p.m.

5-1/2 hours overtime.

3. If the employee who works until 11:00 a.m. (1 above) is called back at 1:30 p.m. the same day, it is considered another four (4) hour overtime period, including the one-half hour paid travel time.

However, in the event the period of non-scheduled overtime actually worked runs into an employee's normal work shift, ~~he/she~~they shall be paid at the overtime rate only for the time actually worked outside of ~~his/her~~their regular shift hours; i.e., exclusive of travel time.

K. **Recovery Time**: Any employee who is required to work more than 16 consecutive hours (actual work) in any 24-hour period shall be entitled to an eight (8) hour period of recovery time without pay. To ensure the employee receives this recovery period, it may be necessary to adjust the starting time for ~~his/her~~their next shift.

This adjustment is not subject to the provisions of (B) and (C) above, however, the employee will be provided a minimum of ten (10) hours or eight (8) hours work that next workday as appropriate to their schedule (i.e., 4/10's or 5/8's).

Any employee who works more than 16 hours (as above) and is not provided an eight (8) hour period of recovery time will receive two (2) times the straight time rate of pay until the employee receives an eight (8) hour period of recovery.

L. **Standby Time**: Due to staff limitations, it may be necessary for a department head to schedule employees to be on standby, to be available for work which may arise outside normal working hours. Standby is defined as time during which an employee is required to be available and within 30 minutes response capability so that ~~he/she~~they may immediately respond to any calls received. An employee will be compensated for standby time at the rate of one-fourth (1/4) hour pay at ~~his/her~~their regular hourly rate for each one (1) hour period of standby time. Employees on standby called to perform work will be compensated for actual hours worked in accordance with Section (E) or two (2) hour minimum of Section (I) and shall not be subject to the provisions of Section (J) of this article.

M. **Bilingual Pay**~~—~~: The District shall designate certain positions as requiring bilingual capabilities. For those District designated positions, a differential pay of a flat $100.00 per pay period shall be given for those bilingual services where the employee passes a bilingual assessment, is working in the designated position, and is providing bilingual services for more than 50% of the pay period. This differential will not be included for purposes of calculating overtime.

ARTICLE 27 - LUNCH AND BREAK PERIODS

A. The normal shift schedule for employees (with the exception of employees assigned to work groups on a 24-hour continuous operation) shall include an unpaid lunch period of one-half hour to one (1) hour, depending upon the needs of the department involved.

B. An employee who has actually worked four (4) hours of overtime, and is required to continue to work in overtime status thereafter, shall receive an allowance of $7.00. Exempt from this meal allowance are scheduled overtime days worked on the employee's regular days off.

C. Employees shall receive two (2), 15-minute paid break periods each day: one (1) break period before the lunch period and one (1) break period after the lunch period.

ARTICLE 28 - CLASSIFICATIONS AND RATES OF PAY

A. **General**: The rate ranges and job classifications for all employees covered by this Agreement for the term hereof shall be as set forth in Appendix A, attached hereto.

B. **Determining Classifications/Rates of Pay**: Newly created job classifications in the bargaining unit and any changes to the job classifications as set forth in Appendix A are subject to discussion with the Association prior to implementation. The District shall notify the Association, in writing, of any proposed new or modified job classifications. The parties shall meet promptly, but no later than 16 calendar days following notification if the position is vacant, or 30 days if it is not vacant, before any District action is taken.

The District shall have the exclusive right to determine the duties, responsibilities, qualifications and description of new or revised job classifications.

Wage rates for newly created job classifications and for changed classifications shall be comparable, based upon job duties and responsibilities, with the wage assignments contained in this Agreement. Disputes under this article are subject to Grievance and Arbitration (Articles 37 and 38).

C. **Reclassification Request**: Employees may request a reclassification study if they reasonably believe the duties and/or responsibilities of their position have changed significantly. Such request shall be submitted in writing to the Human Resources Department. A copy of the request will be forwarded to the Association.

If the audit is denied, the employee shall be provided with a written decision stating the reasons for the denial. A copy of the denial will be forwarded to the Association.

If the request is deemed appropriate by the Human Resources Department, it shall conduct a job audit of the position and shall respond in writing as to its estimate of when the audit can be completed.

The employee and the Association shall be provided with a written decision upon the audit which shall include the reasons for the District's decision.

If a position is reclassified the effective date of the reclassification is upon completion of discussion with the Association as required in Section (B) of this article.

D. **Pay Administration**: Except in circumstances specifically indicated otherwise in paragraphs (1) through (5) below, no regular employee will be paid below the entry rate for a position nor shall any wage rate exceed the merit maximum for the position.

1. **Promotion**:

   a. Employees who are promoted to a new job classification in a higher salary range shall receive a promotional increase which is the greater of five percent (5%) or the entry level of the new range. If the difference between the employee's rate of pay and the control point of the new range is not sufficient to permit a five percent (5%) increase, the employee will be paid at the control point of the new range.

b. The Director of Human Resources may, with notification to the Association, set the promotional increase above five percent (5%), not to exceed ten percent (10%), if such is warranted taking into consideration the length of time since the last merit increase and the rates of pay of employees in the same class and work group. Promotional increases above five percent (5%) as set forth herein are not subject to the Grievance and Arbitration Procedure (Articles 37 & 38) of this Agreement.

2. **Transfer**: When an employee transfers to a different position, whether the same or a different title/classification, but in the same salary range, the employee shall retain the same rate of pay.

3. **Reinstatement**: When an employee is reinstated to a position upon return from a layoff (recall) or an extended leave of absence, the salary rate shall be established as the same rate the employee was earning immediately prior to the layoff/leave of absence, subject to any economic adjustments. If the employee is reinstated to a position in a lower grade/range than previously held and the employee's previous rate exceeds the control point for the range, the employee will be paid at the control point of the range.

4. **Demotion**: If an employee is demoted, whether voluntarily or involuntarily (including the avoidance of a layoff), the employee will maintain ~~his/her~~their current rate of pay prior to the demotion unless the rate exceeds the control point for the range, in which case ~~he/she~~they shall be paid at the control point of the lower range.

   If an employee is returned, or demoted, to a former or comparable job classification after or during the qualifying period following a promotion, the employee shall be paid the rate of pay in effect immediately prior to the promotion, including any economic adjustments.

5. **Reclassification**: In the event that a position with an incumbent is reclassified to a different salary range, the following applies:

   a. If the reclassification results in a higher salary range, the incumbent is not given a salary adjustment at the time of the reclassification unless the employee's salary is lower than the new entry level for the position, in which case the employee's salary is adjusted to the entry level.

   b. If the reclassification results in a lower salary range and the employee's salary is higher than the merit maximum of the new range, the employee's salary will remain at the current level until exceeded by the merit maximum.

   c. In either of the above instances, the employee's established merit review cycle remains unchanged.

E. **Temporary Assignments**: When an employee is assigned for a full day on a temporary basis, to a higher classification, the following will apply:

1. If the employee's rate of pay is less than the entry of the higher classification, the employee will be paid at the entry rate.

2. If the assignment is less than two (2) consecutive workweeks, and the employee's regular rate of pay exceeds the entry level of the higher classification, there will be no pay adjustment.

3. If the assignment is for two (2) consecutive workweeks or longer, a five percent (5%) increment will be added to the employee's regular rate of pay beginning with the first day of the assignment. If the assignment is to a supervisory/managerial classification, the increment will be ten percent (10%) beginning with the first day.

Pay increments are for assignments consistent with minimum performance requirements and are paid as follows:

1. Should an employee work overtime during the assigned period for which an increment is applicable, such overtime shall be paid at the assignment rate. Previously scheduled appointments or emergencies requiring leave of less than three (3) hours' duration will not cause the loss of "full day" status.

2. If a holiday falls during the assignment, and the increment is applicable to the assignment, the employee will receive holiday pay at the higher rate; i.e., the employee must be working in the higher classification both the last working day before and the first working day after the holiday.

3. When an employee is called out or works scheduled overtime and such assignment was made with the specific purpose of performing duties of a higher classification, and the employee makes less than the entry for the higher classification, the entry rate will be applicable to any assignment of four (4) or more hours.

   When an assignment is made, the supervisor will confirm such an assignment to the employee in writing "for the record." In no event will the District reschedule employees under this provision solely to avoid the payment of the premium provided herein.

F. **Merit Increases**: District employees are eligible for within range merit increases or lump sum increases at the completion of one (1) year of employment following the date of hire or promotion, and annually thereafter. Merit increases are based on performance reviews and the determination as to whether a merit increase will be granted and, if so, the amount of the increase is left solely to the District.

Statistical reports regarding merit increases, with organization-wide comparability, will be provided on an annual basis. Individual/unit data/statistics of the nature provided in the original report will be provided upon the request of the Association

up to a quarterly basis. The Association may request a meeting with District management to review/discuss this data at any time.

G. **Merit Increase Dispute Resolution Process**: Due to the major changes in Pay Plan administration, employees who receive no merit percentage increase (0%) based on the merit increase matrix may seek review of this decision through a meeting with Association representation and the Director of Human Resources or designated representative (s). If no resolution is reached at this level, a second level review may be requested through a meeting with the General Manager/Designee.

ARTICLE 29 - RECRUITMENT, SELECTION, PLACEMENT, PROMOTIONS AND TRANSFERS

A. Notice of all bargaining unit vacancies shall be posted on Workday Hydroweb, for not less than eight (8) calendar days prior to the position being filled. Should Workday become inaccessible for any reason, the District will increase the posting period one day for each day of inaccessibility. The District also agrees to post non-bargaining unit vacancies below the level of department head, but none of the remainder of this article applies to such postings.

B. The job posting notice, at a minimum, should include the following information, none of which is to be considered as a limitation of the employee's duty assignments once hired:

1. Title and job description of the position.
2. Salary or wage range on date.
3. Work location (general information, subject to change).
4. Minimum qualifications and any necessary or desirable requirements for the classification or position.
5. Selection criteria to be used, eligibility requirements including education, employment, training or experience, and whether equivalent factors will be recognized.
6. Whether there will be competitive testing and, if so, the nature and scope of the test.
7. Address and deadline for filing applications.
8. Number of hours per day (general information, subject to change).
9. Regular assigned work times (general information, subject to change).
10. Statement that the District is an equal opportunity employer.

C. When a new permanent position is created, or an existing permanent position becomes vacant, the hiring authority may, at any time during the selection process, fill the position by transfer of a permanent non-probationary employee who has the same classification as that of the vacancy. A transfer is a change in an employee's department, division or work location without any change to the employee's classification and rate of pay. Any permanent non-probationary employee having the same job classification as that of the vacancy shall be considered for transfer by having filed a request for transfer, on the prescribed form, with the District's Human Resources Department. The District will notify the Association when a vacancy is filled by transfer. Any such transfer requires the mutual consent of the involved supervisors.

D. The District may use a single or combination of selection devices to assist in determining the qualifications of applicants. The form, content and administration of such selection devices shall be at the sole discretion of the District. All examinations shall be under the supervision of the District's Human Resources Department. The District may decide whether there should be only a promotional list, or also an open competitive list established. Applications shall be accepted only during the period stated in a job posting.

E. Applications for promotional examinations will be accepted only from employees of the District who meet the minimum qualifications announced in the job posting; probationary employees and employees in a qualifying period may not apply. Applications for open competitive examinations will be accepted from the general public as well as any District employee who meets the minimum qualifications announced in the job posting. If a multi-part selection process is used, District employees following the above-described process, will be admitted to the next part in the same proportions that they passed the preceding part.

F. Eligibility lists for the posted vacancy may be established when the selection process is completed. The names of all applicants successfully completing all parts of the selection process will be placed on an eligibility list to be used for up to 12 months.

Vacancies may be filled following posting of the vacancy from the following sources: existing eligibility lists (outside applicants), transfers or promotions of bargaining unit employees from applicant pools or hiring a new employee.

G. The most qualified applicants shall be referred to the hiring authority.

When all qualifications and factors are equal, bargaining unit vacancies shall be filled by the applicant who has the most District seniority.

H. **GENERAL PROVISIONS:**

1. Involuntary transfers may be made by the District at any time independent of the selection process described in this article, but may not be made for disciplinary purposes.

2. Nothing in this article will preclude the District's filling positions on a provisional basis pending completion of this selection process.

3. The testing and ranking procedures shall not be subject to grievance nor shall the final selection or placement. However, the District employee applicants shall, upon request, be granted a courtesy interview with the hiring authority.

   Further, such applicants, upon request, shall be granted a feedback session with the Director of Human Resources or designee to discuss the process and any post-selection review procedures which may be available.

4. It is the mutual intent of the District and the Association to improve training and inter-departmental opportunities.

I. The District will provide a list to the Association of employees who have been hired, into the bargaining unit, each month, including the employee's name, date of hire, classification and rate of pay.

ARTICLE 30 - PROBATIONARY AND QUALIFYING PERIODS

A. The probationary period for new or rehired employees shall be six months of continuous employment. Probationary employees may be discharged for any reason without recourse to the Grievance and Arbitration Procedures contained in Articles 37 and 38. Upon completion of the probationary period, the employees shall accrue seniority retroactively to the date of hire.

B. The qualifying period for a newly promoted employee shall be six (6) months. An employee who does not meet the requirements necessary for a satisfactory completion of the qualifying period shall have ~~his/her~~their employment maintained at the rate of pay earned immediately prior to the promotion. The District shall return the employee to the same classification held prior to the promotion when possible. If a vacancy in the same classification is not available, the District will place the employee in a position which ~~he/she is~~they are qualified to perform. When a vacancy occurs in the unit in the classification the employee held immediately prior to the promotion or a comparable classification within the unit becomes available, the employee must accept the position. The District may offer and the employee may accept a position outside the bargaining unit; however, such is not required in fulfilling the intent of this provision. The actions resulting from a failure to successfully complete the qualifying period are not subject to the Grievance and Arbitration Procedures of Articles 37 and 38.

C. The probationary period and the qualifying period may be extended up to an additional three (3) months upon mutual agreement of the Association and the District.

ARTICLE 31 - PART-TIME AND TEMPORARY EMPLOYEES

The District retains the right to hire part-time and temporary employees. Part-time employees are those whose regular work schedule involves less than eight (8) hours per day or less than 40 hours per week. A temporary employee is one hired without a permanent assigned position which may or may not fit within the regular classification system. The District shall notify the Association in writing at the time the District suspects a temporary position is needed for more than six (6) months with the exception of temporary positions in Customer Care which are utilized for up to two (2) years. Temporary employees shall not be hired in a classification in which there is a regular employee on layoff who is qualified to perform the work. Where a regular employee in the same department is capable of performing the duties of the classification in that department by working out-of-range for training purposes, or where the work in that classification is light duty work and there is a regular employee who is disabled from working a heavier duty job but who is qualified and released for that light duty work in that classification, the District shall make a reasonable effort to utilize those employees before hiring a temporary employee. However, it is recognized that the District may utilize temporary employees without first offering the assignment to a permanent employee when such assignment involves special, one-time projects.

Service rendered in temporary status shall not count for purposes of seniority unless the employee is placed into a full-time position with no break in continuous service.

Part-time employees shall receive one-half of the regular holiday, sick leave, and vacation benefits. Part-time employees shall not be entitled to seniority rating, but upon becoming full-time shall receive seniority credit for their part-time service converted to full-time equivalent (e.g., half-time for one (1) year equals one-half year of seniority). Part-time employees who temporarily work full-time for three (3) or more consecutive months will receive sick and vacation leave at the full-time rate during the period for which they are working full-time. Should a holiday occur during the assignment, the employee will receive the full holiday pay. Should an assignment not be anticipated to be three (3) months, but in fact exceeds three (3) months, these benefits will be adjusted retrospectively. In no event will the District schedule assignments solely to avoid the payment of this increased benefit.

ARTICLE 32 - BARGAINING UNIT WORK - LVVPEA

Professional employees, supervisors and other members of management may perform duties normally assigned to the employees covered by this Agreement only when doing so for: limited purposes, emergency situations, incidental duties coincident to their work outside normal working hours, to cover absences of Unit employees in unique, specialized positions, or when the performance of such duties is necessary coincident to the performance of job-related professional, supervisory, or management duties.

The intent of this article is to safeguard against displacement of LVVPEA Unit personnel from overtime and other premium pay opportunities, and to protect against erosion of the Bargaining Unit.

ARTICLE 33 - SENIORITY

A. "Seniority" is defined as the length of an employee's continuous service with the District from the date of hire. An employee who has prior service and is rehired may regain prior seniority subject to the provisions of Section (C) in this article.

In calculating seniority for an employee in full-time status, an accumulated year of seniority shall consist of a minimum of 1250 hours in paid status (or on leave of absence because of a work-related injury) during a 12-month period.

B. All seniority rights accrued under this Agreement shall be terminated by:

1. Discharge;

2. Retirement;

3. Layoff without recall to work for a continuous period equal to one-half of the seniority accumulated at the time of layoff, or one (1) year, whichever is shorter;

4. Failure to report for work from layoff within five (5) working days after being notified by telephone, in person, e-mail or certified letter to the employee's last address on record, unless a reason satisfactory to the District is given.

C. Employees who have had prior service with the District and are rehired may regain previous seniority rights subject to the following conditions:

1. The employee was not separated for any of the reasons enumerated in Section (B) of this article.

2. The employee works in a permanent position for a period of time equal to the time of separation, or a minimum of six (6) months. (An employee who is separated for six (6) months or less must work a minimum of six (6) months due to the probationary period.)

D. "Bridging of Service" is defined as a recapture and reinstatement of credit for prior employment time. An employee who meets the conditions in this section, and is able to recapture the prior employment credit, shall have seniority rights and benefits for all period(s) of permanent employment. The seniority rights and benefits referred to in this provision include, but are not limited to, the following:

1. Layoff requirements;

2. Shift assignments;

3. Annual leave accrual;

4. Sick leave pay off;

5. Service recognition (pursuant to Article 25);

6. Regaining forfeited sick leave, with the following condition: An employee who has been paid for a portion of ~~his/her~~their sick leave accrual balance must repay to the District the amount of the sick leave pay off in order to be credited for the entire sick leave accrual ~~he/she~~they had prior to separation. In other words, if an employee had 100 hours of sick leave accrual balance at the time of separation, and was paid for 50 of those sick leave hours at $5 per hour, that employee would have to repay the $250 (50 hours X $5 per hour) in order to regain the 100 hours of accrued sick leave ~~he/she~~they had at the time of separation.

Repaying the amount of sick leave pay off shall be subject to the following time limits: If the period the employee wishes to bridge is less than two (2) years, the employee must repay the sick leave pay off within two (2) years from the date of rehire. If the employee is bridging two (2) years or more, then the employee must repay the sick leave pay off at the time ~~he/she~~they recapture~~s~~ all other prior employment credits. The repayment must be made in one (1) lump sum.

The forfeited sick leave will not be credited to the employee's account until payment has been made. An employee who did not receive pay for unused sick leave at separation shall regain the sick leave balance upon satisfying the conditions of Section (C) of this article.

ARTICLE 34 - LAYOFF AND RECALL PROCEDURE

A. **Layoffs**: If a layoff due to a reduction in force is found to be necessary, the District shall, except in cases of unusual emergency, provide 30 calendar days' prior written notice to the affected employees and the Association.

When a layoff becomes necessary, employees shall be laid off by District seniority from the affected job classifications as follows:

1. Temporary employees;

2. Initial hire probationary employees;

3. Part-time employees;

4. All other employees required to be removed, provided the remaining employees are capable of performing the remaining work at required performance levels and standards;

5. The designated Association Representatives shall be the last to be laid off, provided that they are capable of performing the remaining work at required levels and standards.

B. **Bumping**: Employees within the LVVPEA Unit who are subject to layoff but who have greater District seniority than an employee in lower-paid classification and who has previously worked in that classification or predecessor classification may,

bump the least senior employee from the lower-paid classification, if the District concludes that they are qualified.

C. **Temporary Work**: Employees who are subject to layoff may be assigned elsewhere on the basis of District seniority to available temporary work which they are qualified to perform or be laid off if no such work is available. In the event affected employees are assigned to other temporary work, such assignments shall be without loss of seniority or recall rights. The District shall notify the employee of the estimated duration of the temporary assignment and shall thereafter notify the employee of any changes in that estimate.

D. **Recall**: Laid-off employees shall be recalled to the jobs from which they were laid off in the inverse order of layoff. Employees whom the District decided to recall from layoff will be notified either by telephone, in person, e-mail or certified letter to the employee's last address on record, it being the responsibility of the employee to keep the District informed of ~~his/her~~their current correct address. The District may fill the vacancy on a temporary basis pending the return of such employee. An employee so notified shall report for work or notify the District of ~~his/her~~their intention to report for work within five (5) working days after notification has been given to the employee to report for work. The employee shall return to work at the agreed-upon date, but not later than five (5) working days after receipt of such notice unless a reason satisfactory to the District is given. For purposes of this article, it shall be conclusively assumed that employees have received such notice to report for work three (3) working days after notice is sent by certified mail or e-mail to their last known address, unless in fact such notice was received prior thereto. If an employee fails to comply with any of the provisions of this section ~~he/she~~they may be terminated.

ARTICLE 35 - LABOR/MANAGEMENT COMMITTEE

A. A Committee of the District and the Association shall meet at the request of either party. The meetings will be held at mutually agreed times and places and shall be for the purposes of:

1. Discussing the administration of this Agreement;

2. Exchanging general information of interest to the parties; and

3. Giving the Association the opportunity to share the views of its members and/or make suggestions on subjects of interest to its members.

B. Any issues to be discussed shall be advanced by the requesting party to the other at least 72 hours prior to the scheduled meeting time unless the issue is a matter of urgent nature.

C. Any conclusions or mutual recommendations of this Committee shall be reduced to writing. It is understood that this Agreement cannot be amended except by decision of the District's Board of Directors following mutual agreement between

the parties hereto. However, matters of interpretation and clarification can be resolved by written agreement between designated representatives of the District and the Association.

ARTICLE 36 - DISCHARGE, DISCIPLINE AND PERSONNEL FILES

A. The right to maintain discipline and efficiency of employees is vested exclusively in the District.

B. The District shall have the right to discharge or discipline any employee for cause, but in determining discipline the District shall not transfer, reassign, reclassify or demote any employee for disciplinary purposes. The term "cause" shall include, but not be limited to, the following: willfully falsifying or withholding material information on personnel questionnaires, personnel records, employment applications, production or work performance reports, time cards, or any other records or reports; recording on another employee's time card; failure to properly record time; performance of work below required standards; failure to perform assigned duties; refusing to work overtime, unless circumstances prevent it; negligence in the performance of duties likely to cause or actually causing personal injury or property damage; fighting or attempting injury to another employee; insubordination; dishonesty; stealing; destroying or willfully damaging the property of another employee or the District; the abuse or personal use of District vehicles or equipment; unauthorized performance of service for customers or contractors of the District; any conduct intended to avoid full payment of customer water bills; acceptance of remuneration from customers, vendors, suppliers, or others; the use or being under the influence of drugs or alcoholic beverages during working hours; carrying or possessing firearms or weapons while on the job; excessive tardiness or absenteeism; unsatisfactorily explained absences; unauthorized absence without proper notice; abuse of sick leave; malicious communication of false or defamatory oral or written statements directed against a fellow employee, the District, its Board of Directors or management, or the products or services of the District; sleeping on the job; or failure to comply with District rules, including safety rules.

The District shall be reasonable in determining "cause" in any particular case. The concept of "for cause" includes the principle of progressive discipline for minor offenses.

C. The District shall notify the Association within seven (7) calendar days after the issuance of a written reprimand.

D. The District shall notify the Association of the District's intent to suspend an employee. When suspension is contemplated, the last phase of the investigation process shall be a meeting wherein the employee and the Association Representative are informed of the allegations and given the opportunity to respond. The discipline may be postponed to allow for consideration of evidence the employee produced or further investigation of the employee's response.

E. If the District is considering termination for cause, it will first give the employee and the Association written notice a minimum of ten (10) working days prior to the termination action being taken. The employee shall be placed on administrative leave with pay during this period. If an extension beyond the ten (10) working days is mutually agreed upon between the District and the Association, or the employee (if not represented by the Association in this matter), the additional days may be with pay at the District's sole discretion.

The written notice shall contain the following:

1. It shall state that discharge is proposed and the specific charges.

2. A statement that the employee may request copies of materials upon which the proposed action is based.

3. A statement that the employee has ten (10) working days to meet with the District to discuss this situation.

This meeting is the employee's opportunity to present evidence and information regarding the intended termination. Therefore, the employee shall provide information in response to the charges as well as any other information ~~he/she~~they want~~s~~ the District to investigate or consider. Usually this meeting is with the member of management who has signed the pre-termination notice.

At the completion of this meeting the employee may remain in paid status at the District's sole discretion pending the investigation of information and evidence provided in the meeting. The District will provide a written decision after the conclusion of its investigation with a copy to the Association.

F. In cases of contemplated discharge or suspension concerning misconduct which presents possible harm to persons or property or pending criminal charges which adversely and directly affect the District or substantially disrupts District operations, the District may immediately suspend the employee with pay upon giving the appropriate notice in Sections (D) and (E) above.

G. The employee shall have access to ~~his/her~~their personnel file in their Workday documents.~~, and~~ ~~t~~The employee's representative shall also have access to review the personnel file documents ~~upon prior~~with written authorization of the employee. A written reprimand or warning which is given to an employee must, in order to remain effective, be placed in the employee's personnel file. An employee may ~~insert into the personnel file a~~send a rebuttal statement which is directly in response to written reprimands or other negative commentary in the file to Human Resources, which shall be included in the employee file. Also, if two (2) years have passed without any further warnings or reprimands or discipline of any kind, the reprimand, warning or suspension record shall be removed from the file. Formal periodic evaluations are exempt from this removal requirement.

ARTICLE 37 - GRIEVANCE PROCEDURE

A. **Grievance Defined:**

1. Employee grievance is a claim by one (1) or more employees covered by this Agreement (or by the Association on behalf of the employee(s) covered hereby with the consent of the employee(s)) that the District has violated an express term of this Agreement.

2. Association grievance is a claim by the Association alleging a violation of the provisions of this Agreement on matters impacting a group of employees, the bargaining unit as a whole, or upon the Association.

3. District grievance is a claim by the District alleging a violation of the provisions of this Agreement.

B. **Grievance Rights:**

1. The employee(s) may, if desired, be accompanied by a representative of the Association. If the employee has requested the presence of a representative, the person conducting the meeting shall schedule the meeting at a time and place to permit the representative to be present.

2. The person conducting the meeting may be accompanied by another member of management.

3. Any settlement of a grievance between an individual employee and the District shall be consistent with the terms and provisions of this Agreement, and an Association Representative shall have the opportunity to be present at these discussions regarding a settlement.

4. Not more than two (2) Association Representatives shall meet with the General Manager or designee at the second step of the Association Grievance Procedure. The General Manager also has the right to have one additional Management Representative present.

C. **Employee Grievance Procedure:**

In the interest of fostering the best employee/supervisory relationships and of facilitating problem resolution at the lowest possible level, the following procedure shall be utilized when a grievance is alleged by one or more employees.

1. **Informal Level**: Within five (5) workings day of the event giving rise to the grievance or of the date the employee had reasonable knowledge of such event, the employee will schedule a meeting with ~~his/her~~their immediate level of supervision to discuss the matter. The employee shall identify that this meeting is requested as an informal grievance resolution meeting. The supervisor (or the manager, if ~~he/she~~they ~~is~~are the first level of supervision for the employee) will schedule the discussion without delay. If a meeting cannot be held within five (5) working days after the employee's request is

made, the supervisor or manager will provide a written extension of time within which the meeting will take place. Employees are encouraged to meet and resolve the problem at this level without representation; however, if the employee believes circumstances warrant, the employee may be accompanied by a representative. The supervisor or manager shall render a written decision to the employee (with a copy to the Association) within five (5) working days after the meeting. The grievance presented is not required to be in writing at this level, although the informal step is mandatory.

2. **Formal Level:**

a. **Step One**: If the grievance is not settled in the informal level, the grievant (or Association Representative on behalf of and with the consent of the employee(s)), shall submit to the next level of management in the department a signed, written and dated grievance statement fully setting forth the facts surrounding the grievance and detailing the specific provisions of the Agreement alleged to have been violated and the remedy sought. The written grievance shall be submitted within five (5) working days after the decision at the informal level was given to the employee. Within five (5) working days from the date the formal grievance is received, the recipient of the grievance will hold a meeting to review and discuss the grievance. Within five (5) working days following completion of this meeting, management shall give a written reply to the grievant (with a copy to the Association), and such shall terminate Step One.

b. **Step Two**: NOTE: If the department head as the employee's next level of management hears the grievance at Step One, the grievance shall be considered as having been heard at Step Two and the provisions of Step Three shall govern.

If the grievance is not settled in Step One, the written grievance must be presented to the appropriate department head within five (5) working days after the termination of Step One. Within five (5) working days from the date the department head receives the grievance, the department head or designee will hold a meeting to review and discuss the grievance. Within five (5) working days following completion of this meeting, the department head or designee shall give a written reply to the grievant (with a copy to the Association), and such reply shall terminate Step Two.

c. **Step Three**: If the grievance is not settled in Step Two, the written grievance must be presented to the General Manager or designee within five (5) working days after the termination of Step Two. Within five (5) working days from the date the General Manager or designee receives the grievance, the General Manager or designee will hold a meeting to review and discuss the grievance. Within five (5) working

days following completion of this meeting, the General Manager or designee shall give a written reply to the grievant (with a copy to the Association), and such reply shall terminate Step Three.

D. **Association Grievance Procedure:**

1. **Step One:**

a. The President of the Association shall submit a letter to the Director of Human Resources advising of the occurrence of a grievable event, stating the facts surrounding the event and the alleged violations of the Collective Bargaining Agreement.

b. The letter must be submitted within ten (10) working days of the occurrence (or when the Association reasonably should have had knowledge of the event) which is the basis of the claim.

c. Within ten (10) working days of receipt of the letter, the Director of Human Resources will hold a meeting exclusively for discussion of the grievance. A reasonable number of Association and District Representatives may attend this meeting.

d. The meeting will be scheduled at such time and place to permit all representatives to be present.

e. Any resolution of the matter shall be reduced to writing and signed by both parties.

2. **Step Two:**

a. If the matter is not settled in Step One, the written grievance must be submitted directly to the General Manager within five (5) working days after the conclusion of the Step One meeting.

b. The written grievance shall be signed and dated fully setting forth the facts surrounding the grievance and detailing the specific provisions of the Agreement alleged to have been violated and the remedy sought.

c. Within five (5) working days from receipt of the written grievance, the General Manager or designee will hold a meeting to review and discuss the grievance.

d. Within five (5) working days following this meeting, the General Manager or designee shall give a written reply to the Association. This reply shall be considered the final step of the Association Grievance Procedure.

E. **District Grievance Procedure:**

1. A District grievance must be submitted in writing by the General Manager to the President of the Association within ten (10) working days of the occurrence or when the District reasonably should have had knowledge of the event which is the basis of the claim.

2. Such grievances shall be signed and dated, fully setting forth the facts surrounding the grievance and detailing the specific provisions of the Agreement alleged to have been violated and the remedy sought.

3. Upon receipt of a District grievance, the President of the Association or designee will contact the Director of Human Resources to schedule a meeting exclusively for discussion of the grievance.

4. This meeting will be held within ten (10) working days of receipt of the grievance.

5. A reasonable number of Association and District Representatives may attend this meeting. The meeting will be scheduled at such a time and place to permit such representatives to be present.

6. If the grievance is not resolved at this meeting, the parties shall participate in a mediation conference with a Mediator from the Federal Mediation and Conciliation Service to attempt to resolve the dispute.

7. Any resolution of the matter shall be reduced to writing and signed by both parties.

F. **Time Limits:**

In computing time limits in this article, “working day” shall be defined as a day the District offices are open for business. If a grievance is not processed in accordance with the time limits set forth in this article, it shall not be subject to arbitration. If the party receiving the grievance should fail to meet any time limits specified at any step herein, the grievance shall be deemed denied at that step and the grieving party may proceed to the next step within the applicable time limits.

Any time limits in this article may be extended by mutual written consent.

G. **Trainees:**

It is agreed that the District and the Association may utilize “trainees” to accompany their designated representatives to step meetings under this article. The Association trainee will be provided release time to attend these meetings.

ARTICLE 38 - ARBITRATION

A. Grievances which are not settled pursuant to Article 37 (Grievance Procedure), and which the Association desires to contest further, and which involve the

interpretation or application of the express terms of this Agreement (including the interpretation or application of the terms of Article 3, Section (B) (Employer Retained Rights), shall be submitted to arbitration as provided in this article, but only if the Association gives written notice to the District of its desire to arbitrate the grievance within five (5) working days after the termination of Step Three of the Employee Grievance Procedure or Step Two of the Association Grievance Procedure. It is expressly understood that the only matters which are subject to arbitration under this article are grievances which were processed and handled in accordance with the Grievance Procedure of Article 37, and which are not expressly excluded from arbitration by other provisions of this Agreement.

B. The parties shall participate in a pre-arbitration conference with a Mediator from the Federal Mediation and Conciliation Service to attempt to resolve the dispute.

The hearing must be held as promptly as possible if the grievance is a discharge.

Any grievance submitted to arbitration under the provisions of this article shall be in accordance with the rules of the Federal Mediation Conciliation Service.

C. As soon as possible, and in any event, no later than five (5) working days after the conclusion of the pre-arbitration conference, the parties shall request a list of seven (7) arbitrators from FMCS. Arbitrator selection process shall be decided by lot and each party shall alternately strike names until one name remains. Both parties shall make every effort to mutually set forth the issue(s) to be arbitrated in advance of the arbitration hearing date.

D. Employees called as witnesses shall be released from regularly scheduled duties without loss of pay while they are testifying. The District shall schedule such witnesses so as to minimize loss of work time. In no event shall an employee be paid for time served as a witness beyond ~~his/her~~their normal work schedule.

E. The decision of the Arbitrator shall be based solely upon the evidence and arguments presented to ~~him/her~~them by the respective parties in the presence of each other. The function and purpose of the Arbitrator is to determine disputed interpretation of terms actually found in the Agreement, or to determine disputed facts upon which application of the Agreement depends. The Arbitrator shall therefore not have authority, nor shall ~~he/she~~they consider it ~~his/her~~their function to decide any issue not submitted or to so interpret or apply the Agreement as to change what can fairly be said to have been the intent of the parties as determined by generally accepted rules of contract construction. The Arbitrator shall not give any decision which in practical or actual effects modifies, revises, detracts from or adds to any of the terms or provisions of this Agreement. The Arbitrator shall not render any decisions or award, or fail to render any decision or award, merely because in ~~his/her~~their opinion such decision or award is fair or equitable. The Arbitrator shall have no power to render an award on any grievance occurring before the effective date of this Agreement.

F. If the Arbitrator finds that the District has discharged an employee without cause and orders reinstatement with back pay, all earnings received by the employee and all wages for any comparable employment refused by the employee shall be credited against back pay. The employee will provide such evidence regarding the aforementioned as is required by the District.

G. The decision of the Arbitrator within the limits herein prescribed shall be final and binding upon the parties to the dispute.

H. All fees and expenses of the Arbitrator shall be shared equally by the Association and the District. Each party shall bear the expense of the presentation of its own case.

I. The Arbitrator may hear and determine only one (1) grievance at a time unless they are necessarily related or the parties expressly agree otherwise.

J. Time Limits: In computing time limits in this article, "working day" shall be defined as a day District offices are open for business. Any time limit in this article may be extended by mutual written consent.

ARTICLE 39 - ASSOCIATION REPRESENTATION

A. The Association shall have the right to designate its own representatives to participate in grievances, negotiations, meetings with management, and to attend to other business and activities of the Association.

Association Representatives are to promote harmony between the employees and the District and to advise the employees in the adjustment of their work- related problems.

The Association shall provide the District with a list of accredited employee representatives and maintain its currency.

B. Association Representatives shall be granted release time with pay to attend meetings with the District to adjust employees' work-related problems as set forth in Section (A) above; Article 37 (Grievance Procedure); Article 35 (Labor/Management Committee); Article 36 (Discharge, Discipline and Personnel Files); and any other meetings, including negotiations, which have a direct impact upon the Association. Association Representatives shall not leave their assigned work locations or interrupt their own duties or another employee's duties except as provided under this section and Section (C) of this article. Such meetings shall be scheduled at a mutually convenient time.

C. The Association has repeated its representation to the District that granting some release time to Association Representatives for the investigation of grievances would lead to the more expeditious resolution of problems, and would improve the efficiency of District operations. Release time will not be unreasonably withheld, but will be granted only upon advance approval by the supervisors in- volved, and will be scheduled by them so as to minimize interruption of the District's business.

If at any time the District determines that release time has been abused, or has proven not to have been a productive use of District time, it shall consult with the Association. If the situation does not thereafter improve, the District may discuss with the Association the limit of the privilege.

D. Subject to compliance with District rules, an authorized representative of the Association who is not a District employee may have reasonable access to District facilities to view the premises and the operations of the bargaining unit, and to attend Step Two and Three grievance meetings pursuant to Article 37 (Grievance Procedure), provided that such representative first notifies management of ~~his~~ their presence and does not interfere, in any way, with work in progress.

E. The Association shall, upon written request, and subject to other scheduled events, be permitted reasonable use of meeting space at reasonable times and places. The Association shall be subject to reasonable charge for any clean-up or other extra services provided by the District.

ARTICLE 40 - ASSOCIATION DUES DEDUCTIONS

A. During the term of this Agreement, the District shall deduct monthly Association dues from the available wages of those employees who have individually and voluntarily authorized such deductions to be made. The form of authorization shall be approved by the District and the Association. Said deduction, which is revocable at will, is limited in amount to monthly dues, and will not cover back dues, special assessments, initiation fees or other charges. The District shall each month furnish to the Association a list of employees for whom the deduction was made, together with a check for the total amount of deductions.

B. The District agrees not to honor any dues deduction authorizations executed by any employee in the Bargaining Unit in favor of any other labor organization, unless otherwise authorized by the Employee-Management Relations Board.

C. The Association agrees to indemnify, defend and hold the District harmless against any and all claims or suits that may arise out of or by reason of action taken by the District in reliance upon any authorization cards submitted by the Association or any employee to the District. The Association agrees to refund to the District any amounts paid to it in error on account of the payroll deduction provision upon presentation of proper evidence of error or mistake.

D. The Association will certify, to the appropriate department as determined by the District, in writing, annually, the current rate of membership dues. The District will be notified of any change in the rate of membership dues 30 days prior to the effective date of such change.

E. Said dues deduction will be withheld from the second pay period of each month. The District will not be required to honor for that month's deduction any authorizations or revocations that are delivered to it later than ten (10) days prior to the second pay period of the month.

ARTICLE 41 - WORK STOPPAGE

A. Neither the Association nor its members, or agents, or representatives, or the employees, or persons acting in concern with any of them, shall incite, encourage, or participate in any strike walkout, slowdown, or other work stoppage of any nature whatsoever or any picketing during the term of this Agreement. In the event of any strike, walkout, slowdown, work stoppage or picketing, or threat thereof, the Association and its officers will do everything within their power to end or avert the same. The District shall not cause or engage in a lockout.

B. An employee authorizing, engaging in, encouraging, sanctioning, recognizing or assisting any strike, slowdown, picketing, work stoppage, or other concerted interference in violation of this article, shall be subject to immediate dismissal notwithstanding NRS 288.250. The District reserves the right to selectively discipline employees hereunder.

C. If NRS 288 is amended during the term of this Agreement to permit strikes by local government employees, the operation of this clause shall remain in full force and effect notwithstanding any statutory changes.

ARTICLE 42 - PROVISIONS OF LAW

It is understood and agreed that this Agreement is subject to all current and future applicable Federal and State laws and regulations. Should any valid federal or state law or final determination of any administrative agency or court of competent jurisdiction affect any provision of this Agreement, the provision or provisions so affected shall be made to conform to the law or determination, and otherwise this Agreement shall continue in full force and effect. It is agreed that in the event a provision of this Agreement is so judged to be invalid or unlawful, the District and the Association shall meet immediately and commence negotiations to modify and bring the invalidated provision into compliance. The parties hereto agree to refrain from initiating any legal action or taking individual or collective action that would invalidate Articles of this Agreement.

ARTICLE 43 - EFFECT OF AGREEMENT

A. The Association and the District agree that this Agreement is intended to cover all matters affecting wages, hours, and other terms and all conditions of employment and similar or related subjects, and that during the term of this Agreement neither the District nor the Association will be required to negotiate on any further matters affecting these, except as specifically provided herein.

B. Certain managerial decisions may legally require the District to bargain with the Association over the effects of such decisions, and the Association does not waive its right to such “effects bargaining.”

C. The parties agree that both LVVPEA and the District have the obligation to comply with the provisions of NRS ch. 288.

D. If either party believes that a violation of NRS ch. 288 has occurred, it is anticipated that that party will immediately communicate the matter to the other party and seek to discuss the matter.

E. Both parties agree that by communicating and discussing a matter neither party forfeits or waives its right to seek a remedy provided for by NRS ch. 288.

ARTICLE 44 - DURATION

A. Except as provided in Section (D) below, this Agreement shall remain in full force and effect until June 30, ~~2026~~ 2031 unless extended by mutual written agreement.

B. It is agreed that each party may select three (3) non-economic issues to reopen each year.

C. On or before February 1 of each year, either party may give notice of its desire to negotiate under the provision in Section (B) above. Such reopened items to become effective upon agreement, but not earlier than July 1 of the year during which the notice is given, and to remain effective until the end of the Agreement.

D. It is agreed that for the second (2nd) year of this Agreement (~~2023~~2028), either party may select one (1) economic issue to reopen, one (1) for the third (3rd) year of this Agreement (~~2024~~2029) and up to two (2) for the fourth (4th) year (~~2025~~2030). Notice of the desire to negotiate under this provision shall be given anytime during the statutory notice period but in any event no later than prior to February 1, of the applicable year. The opportunities provided for by this paragraph are in addition to the Wage Adjustment reopener, included in Article 4, Paragraph C, herein.

E. It is agreed that any re-opener negotiations and any statutory impasse procedures will be limited solely to the items reopened for negotiation, and that all other terms and conditions of this Agreement shall remain in full force and effect for the entire duration hereof as provided in Section (A).

LAS VEGAS VALLEY WATER DISTRICT	LAS VEGAS VALLEY PUBLIC EMPLOYEES ASSOCIATION
BY: ***The Board of Directors***	**By:** _____
	Its: _____
Date: _____	**Date:** _____

DISTRICT POLICY – ALCOHOL AND SUBSTANCE ABUSE

The District and the Association are committed to providing a safe and healthy workplace that is free of the influence of alcohol and substance abuse and/or any illegal activity associated with such. The District has developed policies and procedures to carry forward the intent of this commitment and the Association has been involved in this process.

The policies and procedures are explicit, identify rights, authorities, mutual responsibilities and the consequences of abuse; ensure equitable treatment while safeguarding privacy, due process and confidentiality; and comply with the current Collective Bargaining Agreement as well as applicable federal, state and local statutes and regulations.

It is the responsibility of the District and the Association to thoroughly communicate the policies and procedures to all employees and to encourage employees to seek help through the Employee Assistance Program. It is the District's responsibility to train and educate management employees in objective enforcement.

APPENDIX A

CLASSIFICATION	RANGE
Accounting Assistant	19
Accounting Technician	23
Accounts Payable Technician	22
~~Accounting Technician II~~	~~24~~
Administrative Assistant	22
Administrative Secretary	24
CC&FS Data Support Assistant	23
CC&FS Data Support Associate	23
CC&FS Dispatcher	23
CC&FS Program Associate	27
CC&FS Technology Technician	24
~~CCFS Data Support Associate~~	~~23~~
Computer Operator	21
Conservation Aide	21
Customer Care Associate I	19
Customer Care Associate II	21
Customer Care Associate III	23
~~Development Services Associate I~~	~~20~~
Development Services Associate ~~II~~	22
~~Dispatcher~~	~~21~~
~~Dispatcher II~~	~~23~~
Engineering Plans Examiner I	26
Engineering Plans Examiner II	28
Engineering Technician I	25
Engineering Technician II	27
Geospatial Technician	24
~~GIS Technician~~	~~23~~
Graphics Artist	24
Inspection Work Scheduler	24
Inventory Management Technician I	21

CLASSIFICATION	RANGE
Inventory Management Technician II	23
IT Customer Support Technician	26
~~Lead Mail/Micrographics Technician (inactive)~~	~~21~~
~~Mail Delivery Services Technician~~	~~13~~
~~Meter Maintenance Work Scheduler~~	~~23~~
Office Assistant	11
Purchasing Assistant	21
Purchasing Technician	23
~~Records Management Associate~~	~~21~~
~~Remittance Processing Technician~~	~~20~~
Secretary	22
Senior Administrative Assistant	24
~~Senior Accounting Assistant~~	~~21~~
~~Senior Accounting Technician~~	~~26~~
Senior Customer Care Associate	25
Senior Development Services Associate	25
Senior Engineering Technician	28
Senior ~~GIS~~ Geospatial Technician	27
Senior Inventory Management Technician	25
Senior Office Assistant I	19
Senior Office Assistant II	21
~~Switchboard Operator~~	~~17~~
Technical Assistant	24
Work Scheduling Assistant I	19
Work Scheduling Assistant II	21

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ATTACHMENT III

LAS VEGAS VALLEY PUBLIC EMPLOYEES ASSOCIATION

FISCAL IMPACT ASSESSMENT SUMMARY

Article Number	Article Title	No Change Item	Language Change Only	Cost/(Savings) Item
Preamble			X	
Article 1	Recognition		X	
Article 2	Non-Discrimination	X		
Article 3	Employer Retained Rights		X	
Article 4	Cost-of-Living Wage Adjustments			X
Article 5	Holidays			X
Article 6	Annual Paid Leave (Vacation)		X	
Article 7	Sick Leave		X	
Article 8	Special Leave		X	
Article 9	Family and Medical Leave	X		
Article 10	Bereavement Leave	X		
Article 11	Court Leave	X		
Article 12	Military Leave		X	
Article 13	Group Health Insurance		X	
Article 14	Long-Term disability Insurance	X		
Article 15	Employee Assistance Program		X	
Article 16	Flexible Benefits Program	X		
Article 17	Family Care Program	X		
Article 18	Physical Examinations	X		
Article 19	Industrial Injury		X	
Article 20	Safety	X		
Article 21	Uniforms		X	X
Article 22	Miscellaneous	X		
Article 23	Pension-Retirement		X	
Article 24	Education Assistance		X	
Article 25	Service Recognition		X	
Article 26	Hours, Overtime and Premium Pay		X	X
Article 27	Lunch and Break Periods	X		
Article 28	Classifications and Rates of Pay		X	
Article 29	Recruitment, Selection Placement, Promotions and Transfers	X		
Article 30	Probtaionary and Qualifying Periods		X	
Article 31	Part-Time and Temporary Employees	X		
Article 32	Bargaining Unit Work - LVVPEA	X		
Article 33	Seniority		X	
Article 34	Layoff and Recall Procedure		X	
Article 35	Labor/Management Committee	X		
Article 36	Discharge, Discipline and Personnel Files		X	
Article 37	Grievance Procedure		X	
Article 38	Arbitration		X	
Article 39	Association Representation		X	
Article 40	Association Dues Deductions	X		
Article 41	Work Stoppage	X		
Article 42	Provisions of Law	X		
Article 43	Effect of Agreement	X		
Article 44	Duration		X	
Dist. Policy	Alcohol and Substance Abuse	X		
Appendix A	Job Class Listing		X	
MOU		X		

ATTACHMENT IV
LAS VEGAS VALLEY PUBLIC EMPLOYEES ASSOCIATION
FISCAL IMPACT SUMMARY

Article	Article Description	New Benefit of Change in Benefit	Summary of New Benefit or Change in Benefit	Current Contract Cost	Year 1 Contract Cost/(Savings)	Percent Increase/Decrease
4	COLA	Change	All employees will receive a 3.4 % increase effective the first full pay period in July	$ 17,870,912	$ 607,611	3.4%
26	Hours, Overtime and Premium Pay	New	Provide employees in District Designated positions $100/pay period bilingual differential	$ -	$ 39,000	0.2%

LAS VEGAS VALLEY WATER DISTRICT
BOARD OF DIRECTORS
AGENDA ITEM

May 18, 2026

Subject:
Collective Bargaining Agreement with Water Employees Association of Nevada

Petitioner:
Andy Belanger, Deputy General Manager, Administration

Recommendations:
That the Board of Directors conduct a public hearing and approve the Collective Bargaining Agreement for employees represented by the Water Employees Association of Nevada, effective July 1, 2026, through June 30, 2031.

Fiscal Impact:
If approved, payroll cost is estimated to increase by approximately $1,082,110 for Fiscal Year 2026/27, which is available in the District's Operating Budget.

Background:
The Water Employees Association of Nevada (WEANv) has represented District employees under collective bargaining agreements since approximately 1987. The attached Collective Bargaining Agreement (Agreement) is for a five-year term.

This Agreement contains two items with fiscal impacts. The first fiscal impact is a cost-of-living adjustment. Annual cost-of-living adjustments will be calculated based on increases to the Consumer Price Index for Pacific Cities, West A, as of March of the same year. The second fiscal impact is an increase in allowance for required safety boots.

Attachment I summarizes the differences between the proposed Agreement and existing WEANv agreement. Although some of these language changes refine how pay will be allocated, none of these changes increase or decrease the base pay for employees represented under this Agreement.

Attachment II contains the entire proposed Agreement with the new language underlined and deleted language denoted by strikethrough.

Attachment III is the WEANv 2026/27 Fiscal Impact Assessment Summary, which outlines by article elements of the Agreement unchanged from the existing WEANv agreement; elements consisting of language changes only; and elements changed that could potentially result in a fiscal impact.

Attachment IV is the WEANv 2026/27 Fiscal Impact Summary, which outlines the total cost of the proposed changes in year one of the Agreement for the 340 employees currently covered by this Agreement. Costs of remaining Agreement years depend on future data.

This action is authorized pursuant to NRS Chapter 288 and Sections 1(13) and 9(1) of the Las Vegas Valley Water District Act, Chapter 167, Statutes of Nevada 1947. The office of the General Counsel has reviewed and approved this agenda item.

JJE:AB:MEM:LO:FG:nd
Attachments: Attachment I, II, III, and IV

AGENDA ITEM # **5**

Attachment I
Water Employees Association of Nevada Agreement
Summary of Article Changes

Preamble
Updated the effective date of agreement

Article 5 Grievance Procedure
Clarified the general managers' designee may attend meetings.

Article 7 – Discharge, Discipline and Personnel Files
Removed language referencing physical personnel files and allow for review of digital personnel files.

Article 8 – Recruitment, Selection, Placement, Promotions and Transfers
Updated language to reflect current process for job postings and recruitment.

Article 13 – Hours and Premium Pay
Added examples to clarify when a recuperation period would apply.

Article 15 – Classifications and Rates of Pay
Clarified language regarding when merit increases will take place when an employee transfers to a different classification.

Article 16 – Holidays
Updated observed holidays to formally include Juneteenth.

Article 18 – Sick Leave
Clarified process for a reassignment due to permanent disability and language regarding payment of sick leave due to permanent disability.

Article 19 – Industrial Injury
Updated language to be consistent with NRS and current claim process.

Article 25 – Group Health Insurance
Clarified required number of hours worked to be eligible for group health insurance. Removed outdated language referencing prior plan offerings.

Article 27 – Pension-Retirement
Removed reference to life insurance.

Article 29 – Part-time and Temporary Employees
Clarified temporary employees may be hired for assignments greater than six months upon mutual agreement of the parties.

Article 30 – Uniforms
Added language to address loss and damage of uniform items due to negligence.

Article 31 – Safety
Updated to provide the same allowance for all safety shoes.

Article 38 – Cost of Living Wage Adjustments
Increased the threshold for reopener if CPI is over 4.5% and adjusted effective dates of future cost of living adjustments.

Article 41 – Family Care Program
Removed outdated language to reflect current program offering.

Article 42 – Flexible Benefits Program
Clarified employees must be in paid status to be eligible for the program.

Article 43 – Duration
Update effective dates for reopener requests.

* The terms “his/her” and “he/she” were updated to “they, them and their” throughout the Agreement where appropriate

ATTACHMENT II

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

WATER EMPLOYEES ASSOCIATION OF NEVADA

AND

JULY 1, 2021~~6~~6 – JUNE 30, ~~2026~~2031

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PREAMBLE

This Agreement is made and entered into this 1st day of July, ~~2021~~2026, by and between the LAS VEGAS VALLEY WATER DISTRICT, whose address is 1001 South Valley View Boulevard, Las Vegas, Nevada, hereinafter referred to as the "District," and the WATER EMPLOYEES ASSOCIATION OF NEVADA, whose address is Las Vegas, Nevada, hereinafter referred to as the "Association," as a product of the good faith bargaining efforts of both parties and for the purpose of promoting harmonious employer/employee relationships and the efficiency of the District operations.

ARTICLE 1 – RECOGNITION

The District recognizes the Association as the exclusive collective bargaining representative for all regular full-time and part-time employees in the classifications listed in Appendix A.

The parties have agreed that the above unit is the only appropriate unit, and that neither party shall seek a change to include or exclude an employee, position, or classification therein without mutual agreement, Employee-Management Relations Board decisions involving other employers and/or statutory revisions notwithstanding.

The District shall notify the Association, in writing, of its intent to establish any new position or classification, and its position on whether the new classification is a bargaining unit classification.

The Association shall notify the District within ten (10) working days of receipt of notification of any disagreement if the Association believes a classification belongs in the bargaining unit. The District and the Association shall meet and attempt to resolve the disagreement within five (5) working days of the Association's notice to the District. If the parties are unable to agree at that meeting, or at subsequent mutually agreed-upon meetings, the District may post and fill the position, and the dispute shall be resolved by the Local Government Employee-Management Relations Board as provided under NRS 288.170.

If the new position is agreed to be, or determined by the Employee-Management Relations Board to be, a bargaining unit classification, the parties shall meet promptly pursuant to the provisions of Article 15 (Classifications and Rates of Pay).

ARTICLE 2 - NON-DISCRIMINATION

A. There shall be no unlawful discrimination by the Association or the District of any kind against any employee on account of race, color, religion, sex, sexual orientation, sexual identity or expression, national origin, age, physical, visual or aural handicap, or Association membership or non-membership.

B. Any use of gender in this Agreement, including job classifications, shall be interpreted as referring to either male or female.

ARTICLE 3 - RETAINED RIGHTS

A. In order to operate its business and to maintain the efficiency of its operations, the District, at its sole discretion, retains the exclusive right and power to determine, change, discontinue, alter, or modify, in whole or in part, temporarily or permanently, any of the following:

1. The number, location, or types of plants, facilities, equipment, and water conduits, and the personnel and work functions assigned thereto;

2. The products to be produced and sold, the facilities or water conduits to be constructed, and the services to be rendered, their quality and quantity, the methods and processes of service, maintenance, production, operation and construction, and the materials to be used;

3. The sales methods and sales price of all products and services; the purchase price of all purchases; and the legal, operational, organizational and financial structure of the District;

4. The services, tools, equipment, and machinery, except as limited by Article 31 (Safety); the production, maintenance and service standards;

5. The utilization of all District properties, easements, premises, equipment, and facilities;

6. The selection and hiring of all new employees; the promotion and demotion of all employees, except as limited by Article 8 (Recruitment, Selection, Placement, Promotions and Transfers); and

7. The number of employees whether, when or where there is a job opening; whether to lay off employees as the result of the exercise of any rights of the District not limited by the clear and explicit language of this Agreement, and the number of employees to be laid off.

B. Any dispute arising out of or in any way connected with either the existence of or the exercise of any of the rights of the District enumerated in (A) above not expressly limited by the clear and explicit language of this Agreement, or arising out of or in any way connected with the effects of the exercise of any of such above-described rights, is not subject to the grievance and arbitration provisions set forth in Articles 5 (Grievance Procedure) and 6 (Arbitration).

C. In addition to the retained rights enumerated above, the District shall also retain the right to determine, change, discontinue, alter, or modify, in all or in part, temporarily or permanently, any of the following matters except as limited by the clear and explicit language of this Agreement:

1. The subcontracting of the products to be produced, the services to be rendered, and the construction, operation, and maintenance of plants,

facilities and water conduits, provided that this right shall not be exercised in any arbitrary or capricious manner;

2. The work pace, work performance levels, and standards of performance, provided that this right shall not be exercised in an arbitrary or capricious manner;

3. Whether any employee meets the established work pace, work performance levels, and standards of performance, provided that such rights shall be exercised in a reasonable manner;

4. Affirmative action plans to encourage the recruitment, training, retention, and promotion of minority group members and women, provided that this right will not be exercised in an arbitrary or capricious manner, and that the District will discuss with the Association any substantial changes in its affirmative action program prior to implementation thereof;

5. The methods of reporting and recording time worked, provided that this right shall not be exercised in an arbitrary or capricious manner;

6. The job classifications and the content, duties, and qualifications thereof, provided that this right shall not be exercised in an arbitrary or capricious manner, and that the District will discuss with the Association any substantial changes therein prior to implementation;

7. The direction and supervision of all of the employees, provided that this right shall not be exercised in an arbitrary or capricious manner;

8. The assignment and transfer of employees District-wide between job classifications, between shifts, and between reporting points, provided that this right shall not be exercised in an arbitrary or capricious manner;

9. Reasonable rules and regulations for all employees; provided that the District will discuss with the Association any new rules prior to implementation thereof, and will post and distribute copies of same to the employees and to the Association;

10. The hours of work, the workweek, and shift schedules, provided that this right shall not be exercised in an arbitrary or capricious manner;

11. The method of funding of each benefit including the identity and selection of each carrier, insurer, or trustee, provided that this right shall not be exercised in an arbitrary or capricious manner;

12. The procedures for the security of the employees, plants, premises, facilities, equipment, and properties of the District, provided that this right shall not be exercised in an arbitrary or capricious manner; and

13. The number of employees assigned to any particular task, function, machine, equipment, operation, or shift, except as limited by Article 31

(Safety), provided that this right shall not be exercised in an arbitrary or capricious manner.

D. The rights of the District set forth in Sections (A) and (C) of this article are listed by way of example rather than limitation. All other rights of the District are also retained.

The exercise of any right reserved to the District herein in a particular manner, or the non-exercise of any such right, shall not be deemed a waiver of the District's right nor preclude the District from exercising the rights in a different manner.

E. None of the rights of the District set forth in this article may be exercised for the purpose of undermining the Association.

F. If there is a direct conflict between any of the above-mentioned rights of the District and the terms of other articles of this Agreement, the latter shall prevail.

G. None of the rights of the District set forth in this article, or otherwise retained, may be exercised in a manner that is contrary to the provisions set forth in NRS 288.150 2(r), 3(c)(1), and 3(c)(2) regarding safety considerations.

ARTICLE 4 - WORK STOPPAGE

A. Neither the Association nor its members, or agents, or representatives, or the employees, or persons acting in concert with any of them, shall incite, encourage, or participate in any strike, walkout, slowdown, or other work stoppage of any nature whatsoever or any picketing during the term of this Agreement.

In the event of any strike, walkout, slowdown, work stoppage or picketing, or threat thereof, the Association and its officers will do everything within their power to end or avert the same. The District shall not cause or engage in a lockout.

B. An employee authorizing, engaging in, encouraging, sanctioning, recognizing or assisting any strike, slowdown, picketing, work stoppage, or other concerted interference in violation of this article, shall be subject to immediate dismissal notwithstanding NRS 288.250. The District reserves the right to selectively discipline employees hereunder.

C. If NRS 288 is amended during the term of this Agreement to permit strikes by local government employees, the operation of this clause shall remain in full force and effect notwithstanding any statutory changes.

ARTICLE 5 - GRIEVANCE PROCEDURE

A. GRIEVANCE DEFINED

1. **Employee Grievance** is a claim by one (1) or more employees covered by this Agreement that the District has violated an expressed term of this Agreement. Employee Grievances may be initiated either singly or jointly.

However, for an employee grievance to be initiated jointly, the pertinent facts or circumstances surrounding the grievance must be common to all parties.

2. **Unit Grievance** is a claim by the Association on behalf of an employee, or a designated employee work group or unit, that the District has violated an expressed term of this Agreement. Unit grievances will be processed according to the Employee Grievance Procedure.

3. **Association Grievance** is a claim by the Association alleging a violation of the provisions of this Agreement on matters impacting a group of employees or the bargaining unit as a whole, or when the subject matter in dispute involves a policy affecting one or more employees. Any relief afforded through an Association Grievance shall be prospective; i.e., change or cease and desist, from the date of filing such grievances.

B. **GRIEVANCE RIGHTS**

1. The grievant may, if desired, be accompanied by a representative of the Association. If the grievant has requested the presence of a representative, the person conducting the meeting shall schedule the meeting at a time and place to permit the representative to be present.

2. The person conducting the meeting may be accompanied by another member of management or a representative from Human Resources.

3. Any settlement of a grievance between an individual employee and the District shall be consistent with the terms and provisions of this Agreement, and an Association representative shall have the opportunity to be present at these discussions regarding a settlement.

4. Not more than two (2) Association Representatives shall meet with management at the three (3) levels of processing for Unit Grievances. The Management Representative conducting the meeting may be accompanied by another member of management or a representative from Human Resources.

5. Not more than two (2) Association representatives shall meet with the General Manager or designee at the second step of the Association Grievance Procedure. The General Manager or designee also has the right to have one additional management representative present.

6. All meetings held under these Grievance Procedures shall be scheduled at a time and place to permit all representatives to be present.

7. A grievance may be withdrawn by the filing party at any time during the process through notification of such to the other party.

C. **EMPLOYEE/UNIT GRIEVANCE PROCEDURE**

INFORMAL LEVEL - Both the District and the Association agree that it is mandatory that an employee make a reasonable attempt to resolve matters informally with the appropriate supervisor before filing a formal written grievance. The appropriate supervisor shall be the employee's immediate supervisor or the supervisor/manager who took the action or made the decision giving rise to the grievance. A request for this informal meeting must be made within ten (10) working days after the event giving rise to the grievance or the date the employee (or the Association when the grievance is a Unit Grievance) reasonably should have had knowledge of such event and scheduled as soon as possible thereafter.

The employee may have an Association Representative present for this meeting should ~~he/she~~they so desire.

If a Representative is present, the Representative may present information or argument on behalf of the employee.

The supervisor may be accompanied by another management representative or a representative from Human Resources.

To facilitate the resolution of grievances at the earliest possible point in time, the parties agree to cooperate in and discuss necessary information to insure that any necessary investigation of related matters can be conducted. Both parties will make full disclosure of the information, facts and evidence which bear on the grievance, including but not limited to furnishing copies of evidence, documents, reports, and written statements relied upon to support their basis of action.

FORMAL LEVELS

1. **Step One**: If a problem is not resolved informally, the grievant or Association Representative shall submit to the appropriate manager a signed, written and dated grievance statement, fully setting forth the facts and/or circumstances surrounding the grievance and detailing the specific provisions of the Agreement alleged to have been violated and the remedy sought. The written grievance shall be submitted within ten (10) working days after the conclusion of the informal process. Within five (5) working days from the date the formal grievance is received, the manager will hold a meeting to review and discuss the grievance. The grievant may, if desired, be accompanied by a representative of the Association, and the manager may be accompanied by another member of management. Within five (5) working days following completion of the meeting, the manager will give a written reply (with a copy to the Association), and such reply shall terminate Step One.

2. **Step Two**: If the grievance is not settled in Step One, the written grievance must be presented to the appropriate department head within five (5) working days after the termination of Step One. Within five (5) working days from the date the department head receives the grievance form, the

department head or designee will hold a meeting to review and discuss the grievance. Within five (5) working days following completion of this meeting, the department head or designee will give a written reply (with a copy to the Association), and such reply shall terminate Step Two.

3. **Step Three**: If the grievance is not settled in Step Two, the written grievance must be presented to the General Manager or designee within five (5) working days after the termination of Step Two. Within five (5) working days from the date the General Manager or designee receives the grievance form, the General Manager or designee will hold a meeting to review and discuss the grievance. Within five (5) working days following completion of this meeting, the General Manager or designee will give a written reply (with a copy to the Association), and such reply shall terminate Step Three.

D. **ASSOCIATION GRIEVANCE PROCEDURE**

1. **Step One**:

a. The President of the Association, or designee, shall submit a grievance form to the Director of Human Resources advising of the occurrence of a grievable event, stating the facts surrounding the event and the alleged violations of the Collective Bargaining Agreement.

b. The grievance form must be submitted within ten (10) working days of the occurrence, or of the date the Association reasonably should have had knowledge of the event which is the basis of the claim.

c. Within ten (10) working days of receipt of the grievance form, the Director of Human Resources or designee will hold a meeting exclusively for discussion of the grievance. A reasonable number of bargaining unit and District representatives may attend this meeting.

d. Any resolution of the matter shall be reduced to writing and signed by both parties. If there is no resolution, the Director of Human Resources or designee shall issue a Step One response within five (5) working days following the Step One meeting and such reply shall terminate Step One.

2. **Step Two**:

a. If the matter is not settled in Step One, a written grievance must be submitted directly to the General Manager or designee within five (5) working days after the conclusion of the Step One meeting.

b. The written grievance shall be signed and dated fully setting forth the facts surrounding the grievance and detailing the specific provisions

of the agreement alleged to have been violated and the remedy sought.

c. Within five (5) working days from receipt of the written grievance, the General Manager or designee will hold a meeting to review and discuss the grievance.

d. Within five (5) working days following this meeting, the General Manager or designee shall give a written reply to the Association and such reply shall terminate Step Two.

E. **TIME LIMITS** - In computing time limits in this article, "working day" shall be defined as a day District main offices are open for business. If a grievance is not processed in accordance with the time limits set forth in this article, it shall not be subject to arbitration and shall be considered settled on the basis of the decision last made by the District. If the District should fail to meet any time limits specified at any step herein, the grievance shall be deemed denied at that step and the grievant may proceed to the next step within the applicable time limits.

Any time limits in this article may be extended by mutual written consent.

F. It is agreed that the District and the Association may utilize "trainees" to accompany their designated representatives to step meetings under this article. An Association trainee will be provided release time to attend these meetings.

ARTICLE 6 - ARBITRATION

A. Grievances which are not settled pursuant to Article 5 (Grievance Procedure) or Article 7 (Discharge, Discipline and Personnel Files), and which the Association desires to contest further, and which involve the interpretation or application of the express terms of this Agreement (including the interpretation or application of the terms of Article 3 (Retained Rights, Section (B)), shall be submitted to arbitration as provided in this article, but only if the Association gives written notice to the District of its desire to arbitrate the grievance within five (5) working days after the termination of the final step of the Grievance Procedure.

It is expressly understood that the only matters which are subject to arbitration under this article are grievances which were processed and handled in accordance with the Grievance Procedure of Article 5 or the Appeal of Discipline from Article 7, and which are not expressly excluded from arbitration by other provisions of this Agreement.

B. Prior to contacting the Arbitrator, the parties shall participate in a pre-arbitration conference with a mediator from the Federal Mediation and Conciliation Service to attempt to resolve the dispute.

C. As soon as possible, and in any event, no later than five (5) working days after the conclusion of the pre-arbitration conference, the parties shall request a list of seven (7) arbitrators from FMCS. Arbitrator selection shall be made by alternate striking

of names until one name remains. The Association shall be the party to strike the first name. Both parties shall make every effort to mutually set forth the issue(s) to be arbitrated in advance of the arbitration hearing date.

D. Employees called as witnesses shall be released from regularly scheduled duties without loss of pay while they are testifying. The District shall schedule such witnesses so as to minimize loss of work time. In no event shall an employee be paid for time served as a witness beyond ~~his~~ their normal work schedule.

E. The decision of the Arbitrator shall be based solely upon the evidence and arguments presented to ~~him/her~~them by the respective parties in the presence of each other. The function and purpose of the Arbitrator is to determine disputed interpretation of terms actually found in the Agreement, or to determine disputed facts upon which application of the Agreement depends. The Arbitrator shall therefore not have authority nor shall ~~he/she~~they consider it ~~his/her~~their function to decide any issue not submitted or to so interpret or apply the Agreement as to change what can fairly be said to have been the intent of the parties as determined by generally accepted rules of contract construction. The Arbitrator shall not give any decision which in practical or actual effect modifies, revises, detracts from or adds to any of the terms or provisions of this Agreement. The Arbitrator shall not render any decision or award, or fail to render any decision or award, merely because in ~~his/her~~their opinion such decision or award is fair or equitable. The Arbitrator shall have no power to render an award on any grievance occurring before the effective date of this Agreement.

The Arbitrator retains jurisdiction for a period of 120 calendar days from issuance of an award for the limited purpose of clarifying or interpreting the award. Either party, after first having requested the participation of the other party for a joint request, may unilaterally request clarification or interpretation within 60 calendar days of the date the award was issued. The non-moving party then has 15 calendar days to submit any information it wishes to provide for the Arbitrator's consideration. Each party must simultaneously provide to the other party copies of any communications or information submitted to the Arbitrator.

F. If the Arbitrator finds that the District has discharged an employee without cause and orders reinstatement with back pay, all earnings received by the employee and all wages for any comparable employment refused by the employee shall be credited against back pay. The employee will provide such evidence regarding the aforementioned terms as is required by the District.

G. The decision of the Arbitrator within the limits herein prescribed shall be final and binding upon the parties to the dispute.

H. All fees and expenses of the Arbitrator shall be shared equally by the Association and the District. Each party shall bear the expense of the presentation of its own case.

I. The Arbitrator may hear and determine only one (1) grievance at a time unless they are necessarily related or the parties expressly agree otherwise.

J. Time Limits: In computing time limits in this article, “working days” shall be defined as a day District main offices are open for business. Any time limit in this article may be extended by mutual written consent.

ARTICLE 7 - DISCHARGE, DISCIPLINE AND PERSONNEL FILES

A. The right to maintain discipline and efficiency of employees is vested exclusively in the District.

B. The District shall have the right to discharge or discipline any employee for cause, but in determining discipline, the District shall not transfer, reassign, reclassify or demote any employee for disciplinary purposes. The term “cause” shall include, but not be limited to, the following: willfully falsifying or withholding material information on personnel questionnaires, personnel records, employment applications, production or work performance reports, time cards, or any other records or reports; recording on another employee’s time card; failure to properly record time; performance of work below required standards; failure to perform assigned duties; refusing to work overtime, unless exceptional circumstances prevent it; negligence in the performance of duties likely to cause or actually causing personal injury or property damage; fighting or attempting injury to another employee; insubordination; dishonesty; stealing; destroying or willfully damaging the property of another employee or the District; abuse or personal use of District vehicles or equipment; unauthorized performance of service for customers or contractors of the District; any conduct intended to avoid full payment of customer water bills; acceptance of remuneration from customers, vendors, suppliers or others; the use or being under the influence of drugs or alcoholic beverages during working hours; carrying or possessing firearms or weapons while on the job; excessive tardiness or absenteeism; unsatisfactorily explained absences; unauthorized absence without proper notice; abuse of sick leave; malicious communication of false or defamatory oral or written statements directed against a fellow employee, the District, its Board of Directors or management, or the products or service of the District; sleeping on the job; or failure to comply with District rules, including safety rules.

   The District shall be reasonable in determining “cause” in any particular case. The concept of “for cause” includes the principle of progressive discipline for minor offenses.

C. All investigatory interviews or meetings will be conducted consistent with the intent of what is commonly referred to as the “Weingarten Rule” which provides that “An employee is entitled, upon request, to the presence of a union representative at any employer interview if the employee reasonably fears that the interview may result in discipline.” An investigatory interview or meeting occurs when a supervisory or management employee questions an employee to obtain

information which could be used as a basis for discipline or asks an employee to defend ~~his or her~~their conduct.

The supervisory/management representative must inform the employee as to the subject of any such interview or meeting. If the employee has a reasonable belief that discipline may result from what ~~he or she~~they say~~s~~, the employee has the right to have a representative present during the meeting. Additionally, if the employee initially declines, or does not request, representation but later determines ~~he/she~~they want~~s~~ representation, the meeting must be recessed and re-scheduled to allow for the presence of a representative.

D. The District shall notify the Association, via email to the Association's executive board, within five (5) days after the issuance of a written warning.

E. The District shall notify the Association, via to the Association's executive board of the District's intent to suspend an employee. When suspension is contemplated, the last phase of the investigation process shall be a meeting wherein the employee and the Association Representative are informed of the allegations and given the opportunity to respond. The discipline may be postponed to allow for consideration of evidence the employee produced or further investigation of the employee's response.

F. The District may not discharge an employee for cause without first giving the employee and the Association written notice and a minimum of ten (10) working days following the transmittal of such information prior to the action being taken.

The written notice shall include the following:

1. A statement that discharge is proposed and the specific charges.

2. Copies of any materials or documents upon which the proposed action is based.

3. A statement that the employee has ten (10) working days to meet with the District to discuss the proposed action.

The employee and an Association Representative shall meet with the District to review the charges and be given an opportunity to state their position as to whether there are true and reasonable grounds for the proposed action. The discipline may be postponed to allow for consideration of evidence the employee produced or further investigation of the employee's response.

G. In cases of contemplated discharge or suspension concerning misconduct which presents possible harm to persons or property or pending criminal charges which adversely and directly affect the District or substantially disrupts District operations, the District may immediately suspend the employee with pay upon giving the appropriate notice in Sections (E) and (F) above.

H. Any record of disciplinary action, excluding oral warnings, in order to remain effective, must be placed in the employee's official personnel file. The employee shall have access to ~~his or her~~their personnel file in their Workday documents.~~,~~ T~~and t~~he employee's representative shall also have access to review the personnel file documents ~~upon prior~~ with written authorization of the employee. An employee may ~~insert into the personnel file~~send a rebuttal statement which is directly in response to written warnings or other negative commentary in the file to Human Resources, which shall be included in the employee file. Also, if two (2) years have passed without any further discipline the warning or suspension record shall be considered null and void and shall be removed from the file. Written warnings for at-fault accidents will only remain in an employee's personnel file for 12 months unless another at-fault vehicle accident occurs during that 12 month period. Formal periodic evaluations are exempt from this removal requirement.

I. Any record of discipline not previously provided to the employee will not be used as a basis for subsequent progressive discipline.

ARTICLE 8 - RECRUITMENT, SELECTION, PLACEMENT, PROMOTIONS AND TRANSFERS

A. ~~Effective January 1, 2016, n~~Notice of all bargaining unit vacancies shall be posted on ~~the Hydroweb~~Workday for not less than ~~e~~seven ight (~~7~~8) calendar days prior to the position being filled. ~~Posting locations will be clearly recognizable as such and shall include, as a minimum, the following: in the breezeway outside the Production work area, west wall of Vehicle Maintenance Shop, east wall of the Distribution building, north wall outside Building Maintenance area, Tropical and Montessori Station. Should additional facilities be added during the term of this Agreement with work areas housing members of this unit, additional posting locations will be identified as appropriate.~~ Should ~~the Hydroweb~~Workday become inaccessible for any reason, the District will increase the posting period one day for each day of inaccessibility. The District also agrees to post non-bargaining unit vacancies below the level of department head, but none of the remainder of this article applies to such postings.

B. The job posting notice, at a minimum, should include the following information, none of which is to be considered as a limitation of the employee's duty assignments once hired:

1. Title ~~and job description~~ of the position.
2. Salary ~~or wage range~~ on hiring date.
3. Work location (general information, subject to change).
4. Minimum qualifications and any necessary or desirable requirements for the classification or position.

5. Selection criteria to be used, eligibility requirements including education, employment, training or experience, and whether equivalent factors will be recognized.

6. Whether there will be competitive testing, and if so, the nature and scope of the test.

7. ~~Address and d~~Deadline for filing applications.

8. Number of hours per day (general information, subject to change).

9. Regular assigned work times (general information, subject to change).

10. Statement that the District is an affirmative action equal opportunity employer.

C. When a new permanent position is created, or an existing permanent position becomes vacant, the hiring authority may, at any time during the selection process, fill the position by transfer of a permanent non-probationary employee who has the same classification as that of the vacancy. A transfer is a change in an employee's department, division or work location without any change to the employee's classification and rate of pay. Any permanent non-probationary employee having the same job classification as that of the vacancy shall be considered for transfer by having filed a request for transfer ~~, on the prescribed form, with~~by contacting the District's Human Resources Department. ~~Upon receipt of the request the District shall forward a copy to the Association.~~The District will notify the Association when a vacancy is filled by transfer. Any such transfer requires the mutual consent of the involved ~~supervisors~~managers.

D. The District may use a single or combination of selection devices to assist in determining the qualifications of applicants. The form, content and administration of such selection devices shall be at the sole discretion of the District. All examinations shall be under the supervision of the District's Human Resources Department. The District may decide whether there should be only a promotional list, or also an open competitive list established. Applications shall be accepted only during the period stated in a job posting.

E. Applications for promotional examinations will be accepted only from permanent employees of the District who meet the minimum qualifications announced in the job posting; probationary employees, temporary employees and employees in a qualifying period may not apply. Applications for open competitive examinations will be accepted from the general public as well as any District employee who meets the minimum qualifications announced in the job posting. If a multi-part selection process is used, applicants must pass the preceding part in order to be admitted to the next part. In open competitive examinations, where a multi-part selection process is used, District employees following the above-described process, will be admitted to the next part in the same proportions that they passed the preceding part.

F. Eligibility lists for the posted vacancy may be established when the selection process is completed. The names of all applicants successfully completing all parts of the selection process will be placed on an eligibility list to be used for up to ~~24~~ 12- months or until the list is exhausted.

Vacancies may be filled following posting of the vacancy from the following sources: existing eligibility lists (outside applicants), transfers or promotions of bargaining unit employees from applicant pools or hiring a new employee.

G. An equal number of outside applicants and qualified employee applicants, if available, shall be referred to the hiring authority.

When all qualifications and factors are equal, bargaining unit vacancies shall be filled by the applicant who has the most District seniority.

H. **GENERAL PROVISIONS**

1. Involuntary transfers may be made by the District at any time independent of the selection process described in this article~~, but may not be made for disciplinary purposes~~.

2. Nothing in this article will preclude the District's filling positions on a provisional or temporary basis pending completion of the selection process. In the event a vacant position is to be filled temporarily and a qualified employee exists, except when business needs dictate otherwise, the initial vacancy shall be filled through the temporary assignment of a bargaining unit employee. The District is not obligated to continue this process for subsequent vacancies created due to the temporary assignment. The selection process for the temporary assignment is not governed by other provisions of this article, nor is it subject to the provisions of Article 5 (Grievance Procedure) or Article 6 (Arbitration).

3. The ~~testing and ranking procedures~~recruitment and eligibility lists, including testing and assessments, shall not be subject to grievance nor shall the final selection or placement. However, District employee applicants shall, upon request, be granted a courtesy interview with the hiring authority.

   Further, such applicants, upon request, shall be granted an interview with the Director of Human Resources or designee to discuss the process and any post-selection review procedures which may be available. Additionally, the Association may request a meeting with the Director of Human Resources or designee for specific inquiries, concerns or issues regarding a recruitment, promotion or reclassification.

4. It is the mutual intent of the District and the Association to improve training and Inter-departmental opportunities.

I. When a bargaining unit opening is filled, the District shall notify the Association, in writing, of the employee's name, date of hire, classification ~~and rate of pay~~on a monthly basis.

The District shall notify the Association~~, in writing,~~ of all posted vacancies prior to the position being filled. ~~Such notice shall include the job description.~~

ARTICLE 9 - ASSOCIATION REPRESENTATION

A. The Association shall have the right to designate its own representatives to participate in grievances, negotiations, meetings with management, and to attend to other business and activities of the Association. From time to time the Association may require information that is held by various employees or departments within the District. Such information may include but is not limited, payroll records, timesheets and employee forms. All such requests shall be made to the Director of Human Resources via e-mail.

Association Representatives are to promote harmony between the employees and the District and to advise the employees in the adjustment of their work-related problems.

The Association shall provide the District with a list of accredited employee representatives and maintain its currency.

B. Association Representatives shall be granted release time with pay to attend meetings with the District to adjust employees' work-related problems as set forth in Section (A) above; Article 5 (Grievance Procedure); Article 32 (Labor/Management Committee meetings); Article 7 (Discharge, Discipline and Personnel Files); any meetings effected pursuant to NRS 288.110, 288.190 or 288.200; and any other meetings, including negotiations, which have a direct impact upon the Association. Association Representatives shall not leave their assigned work locations or interrupt their own duties or another employee's duties except as provided under this section and Section (C) of this article. Such meetings shall be scheduled at a mutually convenient time.

C. Association Representatives will also be permitted to use a reasonable amount of release time for the investigation of grievances. Release time will not be unreasonably withheld, but will be granted only upon advance approval by the supervisors involved, and will be scheduled by them so as to minimize interruption of the District's business.

D. "Electronic communication" means any transfer of voice, signs, signals, writing, images, sounds, data, or intelligence of any nature transmitted in whole or in part by a wire, radio, electromagnetic, photo-electronic or photo-optical system and includes, but is not limited to, telephone calls, texts, emails, tweets, instagram, facebook, etc. The preferred method of communication is email.

The Associations' Executive Board shall be the sole point of contact for all officers, directors, members, attorney, or electronic communications. In additional to the

Release time currently specified in Article 9(B) (C), Release Time shall be provided for up to three Association officers, directors or authorized representatives of their choice during designated times, 30 minutes at the beginning of the shift and 30 minutes at the end of the shift, for viewing, reading, calling, answering, or replying to electronic communications received during the workday concerning Association business from members or management. In additional, District employees shall be able to contact their Association representatives throughout the day and leave an electronic message. The Association representatives will return messages only during the designated break times mentioned above or on their unpaid lunch and paid break periods. Except in the case of an emergency, all meetings scheduled between the District and Association officers, directors or authorized representatives shall be scheduled at least twenty-four hours in advance of the meeting time. The start time of any such meeting will be no earlier than 2:00 p.m.

The Association will inform its membership of the terms of this Release Time provision and of the necessity of abiding by its terms. This shall be the only release time provided for viewing, reading, calling, answering or replying to electronic communications.

If the Association changes their sole point of contact, they will provide a 30-day notice to the District.

E. Subject to compliance with District rules, authorized representative(s) of the Association who is not a District employee may have reasonable access to District facilities to view the premises and the operations of the bargaining unit, and to attend grievance meetings pursuant to Article 5 (Grievance Procedure), provided that such representative first notifies management of ~~his~~ their presence and does not interfere, in any way, with work in progress.

The District shall continue its present practices with respect to the provisions of exclusive bulletin board space to the Association in designated break and work areas. Any posted material will be signed by an Association officer or board member.

F. The Association shall, upon written request, and subject to other scheduled events, be permitted reasonable use of meeting space at reasonable times and places. The Association shall be subject to reasonable charge for any clean-up or other extra services provided by the District.

ARTICLE 10 - BARGAINING UNIT WORK

Supervisors and other management shall not be permitted to perform duties normally assigned to the employees covered by this Agreement, except as follows:

1. Duties performed for limited instructional purposes;

2. Emergency situations (this is intended to cover situations when the bargaining unit personnel who would normally perform the work are not immediately available, and also situations involving unforeseen and unscheduled requirements);

3. When the performance of such duties is of a casual or incidental nature, or when the performance of such duties is a necessary coincident to the performance of supervisory duties; however, the performing of "incidental or casual" duties shall be restrained in nature and not deny a unit employee a realistic overtime or premium pay opportunity.

The intent of this article is to not displace bargaining unit personnel from overtime or other premium pay opportunities within their normally assigned duties.

ARTICLE 11 - SENIORITY

A. 1. "District Seniority" is defined as the length of an employee's continuous service with the District from the date of hire. An employee who has prior service and is rehired may regain prior seniority subject to the provisions of Section (D) in this article.

2. In calculating District seniority for an employee in full-time status, an accumulated year of seniority shall consist of a minimum of 1250 hours in paid status (or on leave of absence because of a work-related injury) during a 12-month period.

3. "Classification Seniority" is defined as the length of an employee's cumulative service with the District in appointment to a specific classification or in the event of a term change in class title to the duties of a current or its predecessor classification. "Classification Seniority" shall be used in making shift assignments (see Article 13, Section H).

4. All references to "seniority" in this Agreement refer to "District Seniority" as defined in (1) and (2) above, unless specifically identified otherwise.

B. 1. The probationary period for new or rehired employees shall be six (6) months of continuous employment. Probationary employees may be discharged for any reason without recourse to the grievance and arbitration process contained in Article 5 and 6. Upon completion of the probationary period, the employees shall accrue seniority retroactively to the date of hire.

2. The qualifying period for newly promoted employees shall be six (6) months. Employees who do not meet the requirements necessary for a satisfactory completion of the qualifying period shall have their employment maintained at the rate of pay earned immediately prior to the promotion. The District shall return the employee to the same classification held prior to the promotion when possible. If a vacancy in the same classification is not available, the District will place the employee in a position which ~~he/she is~~they are qualified to perform. When a vacancy occurs in the classification the employee held immediately prior to the promotion, or a comparable

classification becomes available, the employee must accept the position. The District may offer and the employee may accept a position outside of the bargaining unit; however, such is not required in fulfilling the intent of this provision. The actions resulting from a failure to successfully complete the qualifying period are not subject to the Grievance and Arbitration Procedures of Articles 5 and 6.

3. The probationary period and the qualifying period may be extended up to an additional three (3) months upon mutual agreement of the Association and the District.

C. All seniority rights accrued under this Agreement shall be terminated by:

1. Discharge;

2. Retirement;

3. Layoff without recall to work for a continuous period equal to one-half of the seniority accumulated at the time of layoff, or one (1) year, whichever is shorter;

4. Failure to report for work from layoff within five (5) working days after being notified by telephone, in person or certified letter to the employee's last address on record, unless a reason satisfactory to the District is given.

D. Employees who have had prior service with the District and are rehired may regain previous seniority rights subject to the following conditions:

1. The employee was not separated for any of the reasons enumerated in Section (C) of this article.

2. The employee works in a permanent position for a period of time equal to the time of separation, or a minimum of six (6) months. (An employee who is separated for six (6) months or less must work a minimum of six (6) months due to the probationary period.)

E. "Bridging of Service" is defined as a recapture and reinstatement of credit for prior employment time. An employee who meets the conditions in this section, and is able to recapture the prior employment credit, shall have seniority rights and benefits for all period(s) of permanent employment. The seniority rights and benefits referred to in this provision include, but are not limited to, the following:

1. Layoff requirements;

2. Shift assignments;

3. Annual leave accrual;

4. Sick leave pay off;

5. Service recognition;

6. Regaining forfeited sick leave, with the following condition: An employee who has been paid for a portion of ~~his/her~~their sick leave accrual balance must repay to the District the amount of the sick leave pay off in order to be credited for the entire sick leave accrual ~~he/she~~they had prior to separation. In other words, if an employee had 100 hours of sick leave accrual balance at the time of separation, and was paid for 50 of those sick leave hours at $~~5~~ 5 per hour, that employee would have to repay the $250 (50 hours X $~~5~~ 5 per hour) in order to regain the 100 hours of accrued sick leave ~~he/she~~they had at the time of separation.

   Repaying the amount of sick leave pay off shall be subject to the following time limits: If the period the employee wishes to bridge is less than two (2) years, the employee must repay the sick leave pay off within two (2) years from the date of rehire. If the employee is bridging two (2) years or more, then the employee must repay the sick leave pay off at the time ~~he/she~~they recapture~~s~~ all other prior employment credits. The repayment must be made in one (1) lump sum.

   Current employees who have satisfied the conditions and have recaptured their prior service credits shall have two (2) years, from the effective date of this Collective Bargaining Agreement, to repay if they desire to reinstate their sick leave hours.

The forfeited sick leave will not be credited to the employee's account until payment has been made. An employee who did not receive pay for unused sick leave at separation shall regain the sick leave balance upon satisfying the conditions of Section (D) of this article.

ARTICLE 12 - LAYOFF AND RECALL PROCEDURE

A. **LAYOFFS** - If a layoff due to a lack of work or lack of money is found to be necessary, the District shall, except in cases of unusual emergency, provide 30 calendar days' prior written notice to the affected employee and the Association.

   When a layoff becomes necessary, employees shall be laid off by District seniority from the affected job classifications as follows:

   1. Temporary employees;

   2. Initial hire probationary employees;

   3. Part-time employees;

   4. All other employees required to be removed, provided the remaining employees are capable of performing the remaining work at required performance levels and standards;

5. The designated Association Representatives shall be the last to be laid off, provided that they are capable of performing the remaining work at required levels and standards.

B. **BUMPING** - Employees who are subject to layoff, but who have greater District seniority than employees in another lower-paid classification may, if the District concludes that they are qualified, be permitted to bump the least senior employee from the lower-paid classification.

C. **TEMPORARY WORK** - Employees who are subject to layoff may be assigned elsewhere on the basis of District seniority to available temporary work which they are qualified to perform, or be laid off if no such work is available. In the event affected employees are assigned to other temporary work, such assignments shall be without loss of seniority or recall rights. The District shall notify the employee of the estimated duration of the temporary assignment and shall thereafter notify the employee of any changes in that estimate.

D. **RECALL** - Laid off employees shall be recalled to the jobs from which they were laid off in the inverse order of layoff. Employees whom the District decided to recall from layoff will be notified either by telephone, in person or certified letter to the employee's last address on record, it being the responsibility of each employee to keep the District informed of ~~his/her~~their current correct address. The District may fill the vacancy on a temporary basis pending the return of such employee. An employee so notified shall report for work or notify the District of ~~his~~ their intention to report for work within five (5) working days after notification has been given to the employee to report for work. The employee shall return to work at the agreed-upon date, but not later than five (5) working days after receipt of such notice unless a reason satisfactory to the District is given. For purposes of this article, if the post office returns a certified letter as undeliverable, the District will have no further obligation for recall of that employee. If an employee fails to comply with any of the provisions of this section, ~~he/she~~they may be terminated.

ARTICLE 13 - HOURS, OVERTIME AND PREMIUM PAY

A. **HOURS AND WORKWEEK** - The standard workweek is 40 hours, consisting of ten (10) consecutive hours per day (exclusive of lunch break) during four (4) consecutive days commencing with the first hour and day of the employee's regularly assigned workweek and shift.

For those employees who are assigned to other than the standard workweek, namely a 5/8 workweek, their regular workweek shall consist of eight (8) consecutive hours per day (exclusive of lunch break) during five (5) consecutive days, commencing with the first hour and day of the employee's regularly assigned workweek and shift.

All references to workday or workweek will be interpreted relative to an employee's assigned schedule.

For employees who are changed from 4/10's to 5/8's or vice versa, if 48 hours' notice is not given, overtime shall be paid for all hours worked during the first week of such change.

A non-probationary employee who is scheduled and permitted to report to work during any particular workweek shall be provided with work for the balance of that workweek.

B. **CHANGES FROM ONE SHIFT TO ANOTHER** - The employee's regular shift, may be changed by the employer without incurring overtime liability only if 48 hours' written notice is received by the employee prior to commencement of the employee's regularly scheduled workweek.

If the change of an employee's regular shift is initiated by the District without the 48 hours' notice specified above, the District shall pay the employee at the overtime rate plus shift differential (if applicable) commencing on the first irregular shift and continuing through the balance of the workweek. Should the shift change result in more than ten (10) hours being worked in any 24-hour period, or more than eight (8) hours for employees on 5/8's, the shift differential (if applicable) plus overtime rate shall apply for all hours worked in the 24-hour period.

While it is agreed that as much advance notice as possible should be given, temporary shift changes may be made without the notice requirement being met and without incurring the specified overtime liability for the limited purposes of training, District-wide meetings, and jury duty, or at the request of an employee when such is acceptable to the affected supervisor/manager. However, when temporary changes are made for these reasons, the shift differential, where applicable, will continue to be paid.

In no event shall the operation of the above rules result in the "pyramiding" of overtime.

C. **CHANGES TO STARTING TIMES WITHIN THE SAME SHIFT** - Should a temporary change (1 to 7 days) in starting time within the same shift result in more than ten (10) hours being worked, or more than eight (8) hours for employees on 5/8's, in any 24-hour period, the overtime rate shall apply for all hours worked beyond the regularly assigned hours. In the event of a permanent change in starting times within the same shift or change in days off is instituted without 48 hours' notice, overtime shall be paid for all hours worked in the first workweek of such change.

D. **SEASONAL SHIFT** - If a majority of the affected employees within a given work unit or section requests, through the Association, the District may establish a seasonal work shift for said work unit or section. This seasonal shift shall be in effect from the first Monday in June to the second Friday in September, unless changed by the District and the Association pursuant to the Labor/Management Committee process of Article 32.

1. Unless mutually agreed otherwise, pursuant to the Labor/Management Committee process of Article 32, the seasonal shift for day shift employees shall start one hour prior to the regularly scheduled shift and end one hour prior to the end of the regularly scheduled shift.

2. Unless mutually agreed otherwise, pursuant to the Labor/Management Committee process of Article 32, the seasonal shift for early swing shift employees shall start one hour after the beginning of the regularly scheduled shift and end one hour after the end of the regularly scheduled shift.

E. **OVERTIME** - One-and-one-half (1-1/2) times an employee's regular hourly rate shall be paid for any hours in paid status in excess of 40 in any workweek, or in excess of ten (10) hours, or eight (8) hours for employees on 5/8's, in any workday. When applicable, the following pays shall be added to the regular hourly rate:

1. service recognition;
2. standby pay;
3. shift differential;
4. relief shift premiums.

Overtime pay, or any other premium pay, unless listed above, will be excluded from the regular hourly rate when calculating overtime pay. Except in the cases listed below, the "workday" shall commence, for the purpose of computing daily overtime, at the employee's regular assigned starting time and shall end 24 hours thereafter. Exceptions to this workday provision are:

1. Employees working in 24-hour continuous operations divisions and who are regularly assigned to mixed shifts during their workweek;

2. Employees whose shifts are reassigned to provide relief for any reason.

The District has the sole right to require overtime services, to determine when overtime shall be worked, and who shall work overtime. However, the District will endeavor to distribute overtime assignments within the applicable classification as equitably as business demands will permit through methods such as development of skills inventories and assignment tracking. Following each pay period, an overtime roster in each division shall be posted. The District will post overtime for all overtime, including continuation, call-out, etc., on the roster. Any overtime must be authorized by an employee's supervisor prior to the time such work is performed and all overtime shall be compensated to the nearest 1/10th of an hour.

When employees working in a 24-hour continuous operation are required to provide relief to a permanent shift, such relief hours shall be evenly divided between two (2) employees, and neither shall receive recuperation premium under Section (K) of this article.

F. **COMPENSATORY TIME** - The maximum amount of compensatory time an employee may accrue is 200 hours. In lieu of overtime pay, compensatory (comp) time may be accrued at the employee's option if the employee has a balance that will accommodate the additional time without exceeding the 200-hour maximum.

Employee use (taking time off from work) of compensatory time is limited to 100 hours of compensatory time in a payroll year.

Overtime pay, pursuant to Sections (B), (C) and (K) of this article shall not be accrued as comp time.

Comp time shall accrue at one-and-one-half (1-1/2) hours comp time for each hour of overtime worked.

1. Requests for use of compensatory time off shall be administered in accordance with Article 17 (Annual Leave), Section (I) of this Agreement.

2. Compensatory time may be "cashed out" up to four times during any payroll year. Requests must be made with a minimum of four (4) working days' written notice for processing and must be for a minimum of 20 hours.

3. Payment upon separation of employment shall be as required by the Fair Labor Standards Act.

G. **RELIEF SHIFT PREMIUMS** - All employees who are temporarily assigned to a shift other than their regular assigned shift (i.e., day, swing or graveyard), for the purposes of providing relief shall be paid a premium of $0.30 per hour (in addition to any applicable shift differentials) for all hours worked outside of their regular assigned shifts. Such employees are exempt from the workday provisions as provided in Sections (A) and (E) of this article. The District will attempt to schedule the least senior employee for relief shift whenever possible.

H. **SHIFT DIFFERENTIAL** - A shift differential shall be paid for all hours worked to all employees whose regular shift begins between the hours of 12:00 noon and 8:00

p.m. (designated as swing shift). The amount of the swing shift differential shall be four percent (4%) of the employee's hourly rate.

A shift differential shall be paid for all hours worked to all employees whose regular eight (8) hour shift begins between the hours of 8:00 p.m. and 4:00 a.m. (designated as graveyard shift). The amount of graveyard shift differential shall be) six percent (6%) of the employee's hourly rate.

The District retains the exclusive right to determine whether a second or third shift operation will be scheduled, but shall discuss with the Association prior to implementing, to determine how many and which employees will be assigned to them. However, the District shall endeavor to satisfy employee shift preferences as much as business demands reasonably permit, and when all other factors are equal shall rely upon classification seniority.

Only holidays (including floating holidays) and hours actually worked will be considered as time worked for the purpose of computing shift differentials. Thus, no shift differential will be paid for time off such as sick leave or annual leave. There shall be no duplication or pyramiding of overtime.

I. **SCHEDULED OVERTIME** - When an employee is assigned in advance to work overtime outside of their normally scheduled shift, it shall be considered as scheduled overtime.

In scheduling such overtime, the employee shall be provided a minimum of 16 hours' notice prior to the start of the scheduled overtime and prior to the employee leaving their last shift; otherwise, such work shall be considered a call out subject to the premium pay under Section (J) of this article. It is understood that this provision excludes overtime hours when the employee works as an extension of their regular shift. An extension is defined as a continuation of the subject shift without a break.

If an employee reports for scheduled overtime work, the employee shall receive a minimum of two (2) hours' overtime pay.

J. **CALL OUT AND TRAVEL TIME**

CALL OUT – Off-duty employees who are called out shall be paid on an overtime basis for a minimum of four (4) hours per call out except when the condition(s) in either paragraphs (1) or (2) exist:

1. The period of call out runs into an employee's normal work shift. In this situation ~~he~~ they shall be paid at the overtime rate only for the time actually worked outside of ~~his~~ their regular shift hours plus the one-half (1/2) hour for travel time.

2. An employee who actually works less than four (4) hours, including the one-half (1/2) hour of travel time on the initial call out and is then called out a second time during the initial four (4) hour period, shall not be entitled to

any additional overtime pay unless the aggregate time worked, plus travel time for both occurrences, exceeds four (4) hours.

For employees reporting to District facilities, pay status starts at the time they report to the District facility. For employees with take home vehicles, pay status starts when they report to the job site.

An employee will be eligible for call out pay if ~~he is~~they are en route to or arrives at the designated destination prepared to work and the call out is canceled. However, the employee is not eligible for call out pay if ~~he/she~~they ~~is~~are notified of the cancellation of such call out prior to the employee leaving ~~his~~ their residence.

The District shall adopt a reasonable system for fairly distributing call out assignments within the applicable classification(s).

TRAVEL TIME – Off-duty employees who are called out shall be paid at the overtime rate for one-half (1/2) hour of travel time for each call out. However, travel time will only be paid in addition to the four (4) hour minimum when the actual time worked for the call out plus the one-half (1/2) hour of travel time exceeds four (4) hours. Travel time will not be paid in addition to the four (4) hour minimum when the actual time worked for the call out plus the one-half (1/2) hour of travel time is less than four (4) hours. For example, for an employee who actually works two (2) hours and 15 minutes, adding the one-half (1/2) hour of travel time still totals less than four (4) hours so the employee only receives the four (4) hour minimum for the call out. However, for an employee who actually works three (3) hours and 45 minutes, the total overtime is four (4) hours and 15 minutes (3 hours 45 minutes + 1/2 hour = 4 hours, 15 minutes). This provision applies regardless of whether the employee reports to District facilities or has a take home vehicle and reports directly to the job site.

K. **RECUPERATION** - Any employee required to work call out**,** continuation or scheduled overtime within the eight (8) hour period immediately preceding ~~his/her~~their regular scheduled starting time shall be entitled to paid time off from ~~his~~ their regular shift as a recuperation period (at ~~his~~ their regular straight time hourly rate) for a period of time equal to the time actually worked on the call out, except that an employee on 4/10's shall be entitled to ten (10) hours of recuperation period if ~~he~~ they ~~is~~are called out eight (8) hours or more before the beginning of ~~his~~ their shift. For example, an employee scheduled Monday through Thursday 5:00 am to 3:30 pm.

- Called out at 7:00 pm and works until 1:00 am, the employee will be entitled to a four (4) hour recuperation period.
- Called out at 9:00 pm and works until 5:00 am, the employee will be entitled to a ten (10) hour recuperation period.

However, this section is not applicable to call out or scheduled overtime which commences within the three (3) hour period immediately preceding ~~his~~ their regular scheduled starting time. If the District fails to provide such a recuperation period, it shall pay the employee on an overtime basis (see Section (E) above) for the time worked within the recuperation period. Employees entitled to recuperation must declare, either prior to or at the beginning of their regular shift, when they will take their recuperation time; i.e., at the beginning or end of the shift.

L. **STANDBY STATUS** - The District may require employees to remain on "standby status" in order to be available for emergencies. When so designated, employees shall be paid a sum equal to 12 hours of pay at their regular hourly rate for each seven (7) calendar days of standby service, or, at the employee's option, 12 hours of annual leave shall be added to the annual leave accrual balance. If one (1) or more paid holidays occurs during a seven (7) calendar day period of standby service, the employee who is on standby will be paid an additional sum equal to eight (8) hours of pay at the regular hourly rate for each such holiday, or, at the employee's option, an additional eight (8) hours of annual leave for each such holiday shall be added to the annual leave accrual balance.

The personnel assigned to standby status shall be those persons normally performing the work and will be selected by seniority among those deemed qualified by the District using the following system:

> Volunteers from the eligible group shall sign up; if volunteers are insufficient to fill the assigned positions, then management shall assign the openings equally among those who remain.
>
> Selection and assignment shall be scheduled at least 30 days in advance, except for emergencies.

Standby status will coincide with the pay week, starting time shall begin at 12:00 a.m. midnight, Saturday, and shall conclude at 11:59 p.m. on Friday. For example, if an employee works Monday through Friday, 7:00 a.m. to 3:30 p.m., their standby will start at 12:00 a.m. midnight on Saturday and will end at 11:59 p.m. on Friday.

Employees on an existing standby list may voluntarily exchange weeks on the list. When employees make arrangements for another employee to cover a portion of their standby assignment, as opposed to the entire week, the standby premium will be paid to the employee assigned for the week. All exchanges, whether for full or partial weeks, must be approved, in advance.

The District may place employees on "standby status" for a weekend. Employees so designated will be paid a sum equal to six (6) hours of pay at their regular hourly rate for each weekend of standby or, at the employee's option, six (6) hours of annual leave shall be added to their annual leave balance. In the event that one (1) or more holiday(s) occur in conjunction with a weekend standby assignment, the affected employee shall be paid an additional sum equal to eight (8) hours of

pay at the regular hourly rate for each holiday or, at the employee's option, an additional eight (8) hours of annual leave for each such holiday shall be added to the employee's annual leave accrual balance. Weekend standby will commence at the end of shift on Friday and end at the beginning of shift on Monday, or Tuesday if Monday is a holiday.

M. Should an employee be in a District or private vehicle and on District business (as defined by the current workers' compensation regulations), the employee will be eligible for workers' compensation.

If the employee has permission to drive a District vehicle, they will be covered under the District's automobile insurance.

ARTICLE 14 - LUNCH AND BREAK PERIODS

A. The normal shift schedule for employees (with the exception of employees assigned to work groups on a 24-hour continuous operation) shall include an unpaid lunch period of one-half hour to one (1) hour, depending upon the needs of the department involved.

B. An employee who has actually worked four (4) hours of overtime, and is required to continue to work in overtime status thereafter, shall receive a paid meal period of one-half hour at the end of each such four (4) hour period. Exempt from this paid meal requirement are scheduled overtime days worked on the employee's regular days off.

C. Employees shall receive two (2) 15 minute paid break periods each day: one (1) break period before the lunch period and one (1) break period after the lunch period.

ARTICLE 15 - CLASSIFICATIONS AND RATES OF PAY

A. **GENERAL** - The rate ranges and job classifications for all employees covered by this Agreement for the term hereof shall be as set forth in Appendix A, attached hereto.

B. **DETERMINING CLASSIFICATION/RATES OF PAY** - Newly created job classifications in the bargaining unit and any changes to the job classifications as set forth in Appendix A are subject to discussion with the Association prior to implementation. The District shall notify the Association, in writing, of any proposed new or modified job classifications. The parties shall meet promptly, but no later than eight (8) working days following notification if the position is vacant, or 30 days if it is not vacant, before any District action is taken.

The District shall have the exclusive right to determine the duties, responsibilities, qualifications and description of new or revised job classifications.

Wage rates for newly created job classifications and for changed classifications shall be comparable, based upon job duties and responsibilities, with the wage

assignments contained in this Agreement. Disputes under this article are subject to Grievance and Arbitration (Articles 5 and 6).

C. **RECLASSIFICATION REQUESTS** - Employees may request a reclassification study if they reasonably believe the duties and/or responsibilities of their position have changed significantly. Such request shall be submitted in writing to the Human Resources Department.

If the request is deemed appropriate by the Human Resources Department, it shall conduct a job audit of the position and shall respond in writing as to its estimate of when the audit can be completed.

The employee and the Association shall be provided with a written decision upon the audit which shall include the reasons for the District's decision.

If a position is reclassified the effective date of the reclassification is upon completion of discussion with the Association as required in Section (B). of this article.

D. **PAY ADMINISTRATION** - Except in circumstances specifically indicated otherwise in paragraphs (1) through (5) below, no regular employee will be paid below the entry rate for a position nor shall any wage rate exceed the merit maximum for the position.

1. **Promotion:**

   a. Employees who are promoted to a new job classification in a higher salary range shall receive a promotional increase which is the greater of five percent (5%) or the entry level of the new range. If the difference between the employee's rates of pay and the control point of the new range is not sufficient to permit a five percent (5%) increase, the employee will be paid at the control point of the new range.

   b. The Director of Human Resources may, with notification to the Association, set the promotional increase above five percent (5%), not to exceed ten percent (10%), if such is warranted taking into consideration the length of time since the last merit increase and the rates of pay of employees in the same class and work group. Promotional increases above five percent (5%) as set forth herein are not subject to the Grievance and Arbitration Procedure (Articles 5 & 6) of this Agreement.

2. **Transfer:** When an employee transfers to a different position, whether the same or a different title/classification, but in the same salary range, the employee shall retain the same rate of pay. However, if the employee transfers to a different title/classification, their merit increase date will be updated to the date of transfer.

3. **Reinstatement:** When an employee is reinstated to a position upon return from a layoff (recall) or an extended leave of absence, the salary rate shall be established as the same rate the employee was earning immediately prior to the layoff/leave of absence, subject to any economic adjustments. If the employee is reinstated to a position in a lower grade/range than previously held and the employee's previous rate exceeds the control point for the range, the employee will be paid at the control point of the range.

4. **Demotion:** If an employee is demoted, whether voluntarily or involuntarily (including the avoidance of a layoff), the employee will maintain ~~his/her~~their current rate of pay prior to the demotion unless the rate exceeds the control point for the range, in which case ~~he/she~~they shall be paid at the control point of the lower range.

   If an employee is returned, or demoted, to a former or comparable job classification after or during the qualifying period following a promotion, the employee shall be paid the rate of pay in effect immediately prior to the promotion, including any economic adjustment.

5. **Reclassification:** In the event that a position with an incumbent is reclassified to a different salary range, the following applies:

   a. If the reclassification results in a higher salary range, the incumbent is not given a salary adjustment at the time of the reclassification unless the employee's salary is lower than the new entry level for the position, in which case the employee's salary is adjusted to the entry level.

   b. If the reclassification results in a lower salary range and the employee's salary is higher than the merit maximum of the new range, the employee's salary will remain at the current level until exceeded by the merit maximum.

   c. In either of the above instances, the employee's established merit review cycle remains unchanged.

E. **TEMPORARY ASSIGNMENTS** - When an employee is assigned for a full day on a temporary basis, to a higher classification, the following will apply:

1. If the employee's rate of pay is less than the entry of the higher classification, the employee will be paid at the entry rate.

2. If the assignment is less than two (2) consecutive workweeks, and the employee's regular rate of pay exceeds the entry level of the higher classification, there will be no pay adjustment.

3. If the assignment is for two (2) consecutive workweeks or longer, a five percent (5%) increment will be added to the employee's regular rate of pay beginning with the first day of the assignment. If the assignment is to a

supervisory/managerial classification, the increment will be ten percent (10%) beginning with the first day.

Pay increments are for assignments consistent with minimum performance requirements and are paid as follows:

1. Should an employee work overtime during the assigned period for which an increment is applicable, such overtime shall be paid at the assignment rate. Previously scheduled appointments or emergencies requiring leave of less than three (3) hours' duration will not cause the loss of "full day" status.

2. If a holiday falls during the assignment, and the increment is applicable to the assignment, the employee will receive holiday pay at the higher rate; i.e., the employee must be working in the higher classification both the last working day before and the first working day after the holiday.

3. When an employee is called out or works scheduled overtime and such assignment was made with the specific purpose of performing duties of a higher classification, and the employee makes less than the entry for the higher classification, the entry rate will be applicable to any assignment of four (4) or more hours.

When an assignment is made, the supervisor will confirm such an assignment to the employee in writing "for the record." In no event will the District reschedule employees under this provision solely to avoid the payment of the premium provided herein.

Employees in the Distribution Service Person II classification that have been trained to act out of range for Heavy Equipment Operators, with the intent of having two employees trained per crew, currently totals eight.

1. Should business needs demand additional Distribution Service Persons II, beyond eight, be trained to act out of range for Heavy Equipment Operators, the District will notify the WEANv of such necessity.

2. The District agrees not to use trained Distribution Persons II for the sole purpose of avoiding premium pay to Heavy Equipment Operators. The District further agrees to follow the Overtime provisions (Article 13) and will schedule overtime among employees in the Heavy Equipment Operator classification, if available, before utilizing an employee trained to act out of range.

F. **MERIT INCREASES** - District employees are eligible for within range merit increases at the completion of one (1) year of employment following the date of hire or promotion, and annually thereafter. Merit increases are based on performance reviews and the determination as to whether a merit increase will be granted and, if so, the amount of the increase is left solely to the District.

Statistical reports regarding merit increases, with organization-wide comparability, will be provided on an annual basis. Individual data/statistics of the nature provided in the original report will also be provided on an annual basis or upon the request of the Association up to a quarterly basis. The Association may request a meeting with District management to review/discuss this data at any time.

ARTICLE 16 – HOLIDAYS

A. The District shall observe the following scheduled holidays:

New Year's Day (January 1)
Martin Luther King, Jr.'s Birthday (3rd Monday in January)
Presidents' Day (3rd Monday in February)
Memorial Day (Last Monday in May)
Juneteenth (June 19)
Independence Day (July 4)
Labor Day (1st Monday in September)
Nevada Day (Last Friday in October)
Veterans Day (November 11)
Thanksgiving Day (4th Thursday in November)
Day after Thanksgiving (4th Friday in November)
Christmas Day (December 25)

Any day that may be declared by the Governor as a legal holiday shall be considered as an additional scheduled holiday.

B. Employees are eligible for pay equal to their established workday at their regular rate (including shift differential) if a scheduled holiday falls during their established workweek.

Each employee working 4/10's is eligible for a maximum of ~~90~~ 100 hours of holiday pay per calendar year. Each employee working 5/8's is eligible for a maximum of ~~96~~ 104 hours of holiday pay per calendar year. All holiday hours not used during the calendar year will be lost. There will be no carry-over from year to year.

During some years the scheduled holidays that fall during an employee's established workweek may not total the ~~90~~ 100 or ~~96~~ 104 hours for which the employee is eligible. In those instances, an employee shall be eligible to use the difference between the total scheduled holiday hours for that year and ~~90~~ 100 or ~~96~~ 104 hours as "floating" holiday hours.

Floating holiday hours may be used in increments of not less than two (2) hours. Each employee is responsible for ensuring that ~~he/she does~~they do not use floating holidays hours in excess of the eligible amount. Should this happen, the employee will have scheduled holiday time charged to accrued vacation or Leave WithOut Pay (LWOP) for any scheduled holidays for which no paid holiday hours

are available. Calendars for various work schedules showing scheduled and floating holiday amounts for each year are available on the Hydroweb.

C. Newly hired employees will be entitled to the floating holiday hours during their first year of employment according to the following schedule:

Hired between January 1 – April 30	100%
Hired between May 1 – August 31	50%
Hired between September 1 – December 31	0%

D. An employee will be entitled to holiday pay if ~~he/she is~~they are in pay status or on unpaid voluntary furlough on the last working day before, and on ~~his/her~~their first working day after, the holiday.

E. If a holiday occurs during an employee's annual leave, it will be paid as holiday and not charged against accrued annual leave.

F. The District may, at its discretion, require employees to work on a holiday that falls in their regularly scheduled workweek. An employee required to work on such a holiday shall receive, in addition to ~~his/her~~their holiday pay, pay at time-and-one-half for all hours worked on that day.

G. There will be no pay-off of unused holiday hours (scheduled or floating) upon separation from employment.

ARTICLE 17 - ANNUAL PAID LEAVE (VACATION)

A. Each employee, after completion of the probationary period, is entitled to paid annual leave.

B. One (1) year of credited service as used in this article means the same as the term is used in Article 11 (Seniority).

C. Annual leave will be determined pursuant to the table set forth below:

RATE OF ACCRUAL	FOR YEARS OF SERVICE
3.70 hours/pay period	0-3 years
4.62 hours/pay period	4 years - 12 years
6.20 hours/pay period	Over 12 years

D. Employees working 4/10's must have at least 60 paid hours during a pay period to earn an annual leave accrual. Employees working 5/8's must have at least 64 paid hours during a pay period to earn an annual leave accrual.

E. The maximum amount of annual leave an employee can carry over is 280 hours on the employee's service (anniversary) date. Additional hours accumulated during the service year, if not used or sold back, will be lost as of that date.

The District will continue its present practice of notification to employees when their annual leave accrual balance exceeds 200 hours.

F. **SELL BACK** - An employee is eligible to "sell back" accrued leave in excess of 280 hours prior to ~~his/her~~their service date if the eligibility criteria outlined in paragraph (H) has been met.

G. **CASH OUT** - An employee may "cash out" annual leave one time during any calendar year providing that a minimum balance of 80 hours will remain after the cash out and the eligibility criteria outlined in paragraph (H) has been met.

The minimum amount an employee may cash out is 20 hours and a minimum of four (4) working days' written notice must be given to process such request.

The maximum amount eligible to be cashed out is one-half (1/2) of the annual accrual rate; i.e., assuming all eligibility criteria are met, an employee earning leave at an annual rate of 96 hours per year could cash out up to 48 hours; an employee earning 160 hours per year could cash out up to 80 hours.

H. **ELIGIBILITY CRITERIA FOR SELL BACK OR CASH OUT**

An employee working 4/10's may sell back or cash out accrued leave on ~~his/her~~their service date if, during the preceding 12 months, the employee was permitted, after a reasonably timely request to do so, to take a minimum of 70 hours of leave, including one full week off.

An employee working 5/8's may sell back or cash out accrued leave on ~~his/her~~their service date if, during the preceding 12 months, the employee was permitted, after a reasonably timely request to do so, to take a minimum of 72 hours of leave, including one full week off.

A combination of leave and one (1) scheduled holiday may comprise the week as long as the employee is off a full-week.

For the purpose of qualifying for a sell back or cash out under this provision, the leave taken may include annual leave, floating holidays and compensatory time. Sick IS NOT included.

NOTE: The "full week" may be broken by a weekend. For example, a 5/8's employee may take vacation on Thursday and Friday, a holiday on Monday and vacation on Tuesday and Wednesday. Another example, a 4/10 employee may take floating holidays on Wednesday and Thursday, a holiday on Monday, and annual leave on Tuesday.

I. Annual leave must be scheduled in advance, whenever possible, and will be scheduled by the District so as to minimize interference with normal operations. Annual leave shall not be used for sick leave purposes unless all sick leave is exhausted.

J. Annual leave shall be paid at the employee's regular rate of pay (excluding shift differentials) in effect on the shift immediately preceding the day the leave commences.

K. An employee shall accumulate paid annual leave on a pay period basis and upon termination of ~~his~~ their employment shall be paid for all accumulated time not previously taken. Probationary employees shall not be entitled to payment for leave upon separation.

ARTICLE 18 - SICK LEAVE

A. **SICK LEAVE ACCRUAL** - Sick leave shall accrue for regular full-time employees at the rate of 3.70 hours per pay period. Employees working 4/10's must have at least 60 paid hours during a pay period to earn a sick leave accrual. Employees working 5/8's must have at least 64 paid hours during a pay period to earn a sick leave accrual. There shall be no limit to the amount of sick leave that can be accumulated.

B. **ILLNESS AND INJURIES** - Any employee is entitled to use accrued sick leave when:

1. Incapacitated by illness, injury, pregnancy, termination of pregnancy, or childbirth;

2. Prevented from working by public health requirements;

3. Receiving required medical or dental service or examinations; or

4. There is illness in the employee's immediate family or stepfamily where such illness requires the employee's attendance.

Sick leave may also be utilized in cases of industrial injury after expiration of the income maintenance provisions under Article 19.

Annual leave shall not be used for sick leave purposes unless all sick leave is exhausted.

C. **PHYSICAL EXAMINATIONS** - An employee returning to work after an absence of 30 consecutive calendar days or more due to illness or injury, shall submit certification by a licensed physician of fitness to perform ~~his/her~~their normal work assignments. Any physician examination costs associated with obtaining this certification of fitness shall be borne by the employee.

D. **ABUSE OF SICK LEAVE** - Sick leave is extended to assist District employees when illness prevents them from working. If the District reasonably suspects abuse, it may require a physician's certificate. Such a certificate is binding on the District in the absence of evidence to the contrary. Abuse of sick leave by an employee may result in disciplinary action.

E. **ADDITIONAL LEAVE** - A leave of absence without pay up to a maximum of six (6) months may be granted by the District for purposes normally covered by sick leave when an employee's sick leave has been exhausted. During such a leave of absence, the District may require the employee to undergo examination by a District selected physician at the expense of the District. The District will compensate employees who are legitimately ill or injured at their regular rate for the time spent for such physical examinations. If, on the other hand, the examination indicates abuse on the part of the employee, ~~he/she~~they shall receive no payment for time spent during the examination and will be subject to discipline or discharge.

F. **LIGHT DUTY WORK/TEMPORARY SICK REASSIGNMENT** - Following the illness or injury of an employee, the District shall provide such employee with available light duty work for which the employee is qualified and able to perform or the employee may be assigned to work less than a full workday within the employee's regular classification. This provision shall not require the District to create work. As soon as the employee is informed by ~~his/her~~their physician that ~~he/she is~~they are able to return for light duty work, the employee shall notify ~~his/her~~their supervisor of ~~his/her~~their release for light duty work pending ~~his/her~~their full release. The physician's written release for light duty must include a complete description of the employee's physical restrictions. The employee shall present the physician's release to ~~his/her~~their supervisor. The employee shall remain in available light duty assignment until ~~he/she is~~they are fully released for work by the employee's physician.

If no light duty work is available, the District may temporarily reassign the employee to another position for which ~~he/she is~~they are qualified and able to perform if a vacancy exists, or the employee shall remain on sick leave until light duty work becomes available or the employee is fully released to work.

Light duty work performed under this section shall be limited to a period not to exceed 60 paid days.

G. **PERMANENT DISABILITY REASSIGNMENT** - If, in the opinion of the employee's physician ~~and a District selected physician~~, the employee cannot perform, and will not be able to perform, ~~his/her~~their regularly assigned duties due to disability and should be limited to performance of other, less physically demanding duties, the District will engage in the interactive accommodation process and shall make an effort to reassign the employee to a position for which ~~he/she is~~they are qualified and able to perform, provided such an opening exists at that time. Such reassignment is in lieu of termination or leave of absence, whichever is appropriate. At the District's discretion, the employee may be required to obtain a certification by a District selected physician.

H. **PAYMENT FOR UNUSED SICK LEAVE UPON TERMINATION** - An employee shall receive payment for sick leave at ~~his/her~~their current rate of pay upon separation or layoff in accordance with the following formula:

COMPLETED YEARS OF SERVICE	PERCENTAGE OF ACCRUED LEAVE TO BE PAID
Less than Three	0%
Three through 14	50%
15 years or more	75%
Death	100%
Permanent disability separation~~,~~ ~~certified~~ The District may require certification by a District selected physician at the expense of the District.	100%

All sick leave not paid off upon termination shall be deemed forfeited.

I. Note that certain other leaves in this Agreement are charged against accrued sick leave.

J. It is hereby acknowledged by the parties that prior agreements used the terminology "disability leave" and that such language is being replaced in this Agreement with "sick leave" in many instances. It is not the intent of the parties to change the nature of such leave, but only to make a terminology change, and all prior accruals of disability leave shall be incorporated into sick leave as though disability leave were always termed as sick leave.

ARTICLE 19 - INDUSTRIAL INJURY

A. For absence caused by a work-related injury or event, if an employee's net pay is not fully covered under ~~State Industrial Insurance System (SIIS) regulations~~Nevada Revised Statutes for Worker's Compensation, the District shall provide a period of income maintenance to provide the difference between that paid by ~~SIIS or~~ the District's insurer ~~(if the District becomes self-insured or insured by a third party)~~ to ensure the employee suffers no loss of net pay.

The period of income maintenance will be calendar days for specific types of injuries as agreed upon by the parties. If a dispute arises regarding the diagnosis, because of either medical or clerical error, ~~the District may require the employee to undergo an examination by a District selected physician at District expense~~the claims administrator will render a determination as to if the claim meets the criteria for compensability. If the claim is determined to be non-compensable, there are no temporary total disability benefits due or paid. If a claim is overturned, retroactive benefits will be due and payable, at which time income maintenance will also be paid retroactively. If the injury is clearly not covered in the income maintenance agreement, or, after the above mentioned examination, the nature of the injury is in reasonable dispute between the District and the employee, the income maintenance period will be a maximum of 45 calendar days.

B. The District, under the income maintenance period, shall continue payment of employee group health plan, retirement pension plan contributions and/or any other benefits as though ~~he/she~~they were still on the job. In the event the recovery period is for more than the sick period established by the guide and the income maintenance period provided by the District, the employee may use accrued sick leave and then accrued annual leave to insure ~~he/she~~they shall suffer no loss of net pay.

C. For temporary and/or permanent light duty reassignment, the provisions of Article 18 (Sick Leave) shall control.

D. Payment of the difference of ~~SIIS~~ Temporary Total Disability Benefits and regular pay will be computed on "net pay" not "gross pay." "Net pay" will be the employee's normal gross base pay less withholding taxes at each employee's rate for the preceding three (3) months and FICA at the prevailing rate.

E. When the sick payment is reduced pursuant to state statute because the employee failed to use required or provided protective gear or devices; was not following safety rules or procedures; or was injured as a result of a flagrant unsafe practice, such reduction shall also be applied under this article.

F. The income maintenance period is an upper limit per each unrelated ~~SIIS~~ industrial injury claim.

G. The District may, in exceptional cases, and at its sole discretion, continue this maintenance of income at full or partial pay for additional periods of 30 calendar days up to a maximum time limit of 12 months, including the initial income maintenance period. Denial of such an extension is not grievable.

H. When reimbursement is necessary for an overpayment, the District and employee will devise a mutually agreeable repayment plan.

I. The District and the Association shall establish a committee consisting of three (3) Association Representatives and three (3) management representatives to review accident reports, unsafe working conditions and develop cost-containment measures.

J. Any employee who falsifies an industrial injury claim, or in any way attempts to receive benefits when the injury was not employment related, shall be subject to discipline up to and including immediate separation of employment.

ARTICLE 20 - CHILD CARE

A. **CHILD CARE** ~~-~~ After the birth or adoption of a child, an employee (male or female) shall, upon written request, be granted sick leave where appropriate, annual leave to the extent accrued or be placed on an unpaid status for purposes of child care. Sick leave shall be used consistent with practice and the provisions of Article 18, Sick Leave, herein.

B. The combined total of the above leaves may not exceed six (6) months. Persons employed to fill positions becoming vacant due to leaves under this article shall hold such positions subject to being reassigned to another position, if available, or terminated upon the return of the employee to the former position.

ARTICLE 21 - BEREAVEMENT LEAVE

A. Employees who are required to absent themselves from work as a result of the death of a member of their immediate family or stepfamily shall be granted leave with pay up to a maximum of 40 hours per bereavement. Bereavement leave shall be charged to accrued sick leave, accrued annual leave or accrued compensatory time at the employee's option.

B. Any time required by the employee in excess of the above provision, or for the death of other then the employee's immediate family or stepfamily, shall be charged to either accrued sick leave, accrued annual leave or accrued compensatory time at the employee's option.

C. The immediate family or stepfamily is defined as: spouse, domestic partner, child, father, mother, brother, sister, grandparent or grandchild, or any in-law of the employee having the above specified relationships.

ARTICLE 22 - COURT LEAVE

A. A leave of absence with pay shall be granted to any employee for the time required in service:

1. on a jury;

2. in court proceedings when the employee or the employee's spouse or child is a victim of a crime against the person (this is voluntary at the employee's option);

3. in court under subpoena.

This leave will be at the employee's regular rate for the duration of such duty. Remuneration received for such duty (excluding mileage) shall be submitted to the District for each day for which the employee received payment from the District under this provision.

B. Employees involved in civil or administrative proceedings may utilize accrued annual leave to attend any meetings, hearings or proceedings required.

ARTICLE 23 - MILITARY LEAVE

A. Whenever an employee, except temporary employees, enters the Armed Forces of the United States, whether by enlistment or Selective Service, ~~he/she~~they shall be granted military leave of absence for the duration of ~~his/her~~their compulsory service.

B. During the period of military service, the employee shall retain all rights to which ~~he/she is~~they are entitled under the provisions of this Agreement, provided that during a period of military leave in excess of 30 calendar days annual or sick leave shall not accrue. ~~His/her~~Their salary upon ~~his/her~~their return shall be the same as what ~~he/she~~they ~~was~~ were receiving at the time ~~he/she~~they went on leave, plus any economic adjustment accruing during the period of such leave, and ~~he/she~~they shall be credited with all seniority for past services.

C. Application for reinstatement following military leave must be made within 90 calendar days after receiving an honorable release from active duty.

D. Persons employed to fill positions becoming vacant under this article shall hold such position subject to being assigned to another position, if available, or terminated upon the reinstatement of the returning employee to ~~his/her~~their former position.

E. In order that no employee shall suffer any loss of income as a result of a reserve status in any of the Branches of the Armed Forces of the United States or the Nevada National Guard, the employee shall, upon presentation of official orders for active duty for training, be granted leave for a period not to exceed three (3) workweeks (120 hours) in one (1) calendar year. In the event that the amount of the employee's military base pay is less than the amount of ~~his/her~~their regular District base pay, the District will make up the difference.

F. Each employee who is draft eligible and is required to submit to a pre-induction physical examination shall, upon furnishing documentary proof of such requirement, be granted time off with pay not to exceed three (3) working days at ~~his/her~~their basic straight-time hourly rate for the purpose of reporting for, or submitting to, any such ordered physical examination.

G. The intent of this article, except for Section (E), is to be consistent with federal and state law, and shall be interpreted by the parties and by any Arbitrator, to provide identical rights and obligations as provided in federal and state law.

ARTICLE 24 - SPECIAL LEAVE

An employee's Department Head may, in ~~his/her~~their discretion, grant an employee special leave without pay. If the leave is to extend beyond 30 calendar days, or is to involve full or partial pay, final approval rests with the General Manager. Disputes arising from this article are not subject to Grievance and Arbitration under Articles 5 (Grievance Procedure) and 6 (Arbitration).

ARTICLE 25 - GROUP HEALTH INSURANCE

A. The District shall pay 100% of the full premium cost for employee coverage for each full-time regular employee and 50% of the premium cost for each permanent

part-time employee who works at least ~~20~~ 30 hours per week subject to the eligibility requirements of the group insurance plan.

B. For the duration of this Agreement, the District will contribute towards the payment of the employee's dependent coverage premium cost under the Group Insurance Plan as follows:

1. For permanent full-time employees, the District shall contribute 85% of the dependent coverage premium.

2. For permanent part-time employees, the District shall contribute 42.5% of the dependent coverage premium.

C. Employees retiring or going into unpaid leave status may continue coverage beyond the end of the month by arranging for personal payment of the full premiums, subject to the limitations of the group insurance plan, or as otherwise provided for or limited by law; e.g., the Family and Medical Leave Act of 1993. Employees who quit or are terminated shall be covered by applicable federal and/or state law; i.e., COBRA.

D. The District will pay 100% of the full premium cost for employee/retiree only coverage and contribute 85% toward the premium cost of dependent coverage for group health insurance for employees who retire during the term of this Agreement with an unreduced early retirement benefit as defined in the Las Vegas Valley Water District Retirement Plan (e.g., 30 years of service at any age or having attained age 60 with at least ten (10) years of service) until the employee first becomes eligible for Medicare, at which time the District contribution shall cease and the retiree will become responsible for 100% of the premium cost.

It is fully understood that both the premium rates and the benefit levels are subject to change from time to time. There are no guarantees, stated nor implied, as to either the levels of coverage or the premium rates. ~~The separate vision coverage that is provided to participants in the Clark County Self-Funded Plan is not included. Retirees wishing to continue the vision plan may do so but will be responsible for 100% of the premium.~~

E. It is acknowledged by both the District and the Association that District participation in the County and Local Affiliates Self-Funded Group Plan ~~and the advantage of larger group negotiation with the current Health Maintenance Organization (HPN),~~ is mutually beneficial to the employees and the District. It is also acknowledged by both parties that benefit changes are beyond the District's sole control and subject to the majority decision of the group participants. However, when changes to benefits, premium costs or insurance carriers occur during the term of this Agreement, the District shall provide adequate notification to the Association prior to the implementation of any change and the parties shall meet promptly to discuss such changes. Unless there is negotiation between the District and the Association, no changes shall be made by the District to the employer/employee percentage contributions outlined in Sections (A) and (B) above.

F. For reason of participation in any District committee responsible for review of benefits, the District agrees to release with pay, at least one (1) Employee Representative, designated by the Association, to attend scheduled meetings of any joint committee formed for such purpose.

G. In the unlikely event that the District ceases to participate in the Self-Funded Group Plan, the parties will immediately meet to negotiate any changes or adjustments necessary to continue health insurance coverage and protection, consistent with the provisions of NRS 288.150.

ARTICLE 26 - SERVICE RECOGNITION

A. The following service recognition benefit is applicable for all employees hired prior to January 1, 2011:

1. All regular, full-time employees shall receive service recognition in the amount of $200.00 per full year of service after seven (7) continuous years of service. For example, an employee would receive $1,400.00 after ~~his/her~~their seventh (7^{TH}) year of continuous service, $1,600.00 after ~~his/her~~their eighth (8^{TH}), $1,800.00 after ~~his/her~~their ninth (9^{TH}) and so on. Service recognition shall be paid in annual disbursements on each employee's anniversary date each year.

2. Employees who regain service credits pursuant to Article 11 (Seniority), shall also be eligible for service recognition based on the "bridged", or reconstructed, length of service.

B. Employees hired on or after January 1, 2011, are not eligible for service recognition.

ARTICLE 27 - PENSION-RETIREMENT

All employees covered by this Agreement shall, for the term of this Agreement, be entitled to participate in the District's Pension Retirement Plan~~, including life insurance as revised from time to time, and~~ as governed by the terms of the Pension Plan Trust Agreement and applicable state and federal laws. The District agrees to furnish each employee a yearly statement indicating the contributions to the pension fund made by the District ~~in his/her~~on their behalf.

The parties agree to the creation of a Pension Committee consisting of up to three (3) representatives from the Field Bargaining Unit and three (3) representatives from District management. The Pension Committee will meet when necessary within the 30 day period prior to Pension Subcommittee meetings for the purpose of discussing proposed changes to the District's Pension Plan document.

Presently, the District pays 100% of the contributions to the District's Pension Plan. There will be no changes in the source of such contributions without prior negotiations with the Association.

ARTICLE 28 - PHYSICAL EXAMINATIONS

A. The District may have any employee or applicant undergo physical or psychological examinations for any reasonable purpose by a licensed physician of the District's choice. The cost for such physical examination shall be borne by the District. An employee who has been required by the District to undergo such a physical examination shall be paid for such time spent.

B. The District may demote, transfer, or layoff any employee when it is determined the employee does not meet the physical requirements of the job. However, prior to any such action, the District will attempt to place the employee in another position that is vacant; looking first at positions in the same pay range and then to vacant positions in a lesser pay range.

The District shall notify the Association, in writing, of any personnel actions under this provision.

ARTICLE 29 - PART-TIME AND TEMPORARY EMPLOYEES

The District retains the right to hire part-time and temporary employees. Part-time employees are those whose regular work schedule involves less than 40 hours per week. A temporary employee is one hired without a permanent assigned position, which may or may not fit within the regular classification system.

Temporary employees will be hired for assignments of six (6) months or less except when hired to replace a regular employee on leave, ~~or~~ a regular employee on a temporary assignment, or upon mutual agreement of the parties.

When a regular employee is capable of performing the duties of a classification by working out-of-range for training purposes, except in limited instances when business needs dictate otherwise, the initial vacancy shall be filled through the temporary assignment of a bargaining unit employee, rather than by a temporary employee. The District is not obligated to continue this process for subsequent vacancies created due to the temporary assignment.

Temporary employees shall not be hired when there is a regular employee on layoff who is qualified to perform the work. Where the work in that classification is light duty work and there is a regular employee who is disabled from working a heavier duty job but who is qualified and released for that light duty work in that classification, the District shall make a reasonable effort to utilize those employees before hiring a temporary employee.

Service rendered in temporary status shall not count for purposes of seniority unless the employee is placed into a full-time position with no break in continuous service.

Part-time employees shall receive one-half of the regular holiday, sick leave and vacation benefits. Part-time employees shall not be entitled to seniority rating, but upon becoming

full-time shall receive seniority credit for their part-time service converted to full-time equivalent (e.g., half-time for one (1) year equals one-half (1/2) year of seniority).

ARTICLE 30 - UNIFORMS

A. Due to the nature of their work, certain designated District employees will be furnished a sufficient number of uniforms so that they may report to work in a fresh uniform each day.

B. Laundry service will be provided for employees' uniforms at District expense. Uniformed employees are expected to wear a fresh uniform to work each day. Each employee using the laundry service is responsible for bringing in soiled uniforms on "laundry day" so that fresh uniforms are always available. Any "late wash" charges resulting from employees who take their uniform to the laundry for cleaning after the prescribed "laundry day" shall be borne by the employee and not the District.

C. The District will provide certain designated groups of employees with District-insignia warm weather T-shirts which are worn during periods prescribed by the District. Proper care and laundry of these shirts shall be the responsibility of the employee. In addition, during hot weather schedules, Meter Readers and Meter Servicemen may wear District-approved shorts.

D. The District will provide District insignia jackets for those employees whose regular duties require working outside. Proper care and laundry of these jackets shall be the responsibility of the employee. Replacement jackets will be issued based on manager approval, but not more frequently than every three (3) years, except when the need is due to unusual circumstances.

E. In the event an employee loses or damages any uniform items as a result from negligence, they may be responsible for the cost of the replacement.

ARTICLE 31 - SAFETY

A. The District shall remain in compliance with state and federal law with respect to the health and safety of the employees during their employment. The District shall furnish at its expense any required personal standard safety and protective devices for which the employees shall thereafter be responsible.

B. Employees shall comply with all safety policies, practices and rules established by the District from time-to-time, and shall cooperate with management in enforcing all safety measures.

C. Supervisors and/or management representatives of the District will transport employees to post-accident drug testing or medical treatment unless emergency situations require otherwise.

D. Employees in jobs that require safety glasses shall be eligible for a $150 allowance per year for prescription safety glasses. This allowance will be provided through

a vendor selected by the District. It is mutually agreed that all frames must be ANSI (American National Standards Institute) certified and have side shields for employee protection.

E. ~~Effective as of July 1, 2021, e~~Employees in jobs that require basic safety boots ~~with steel toe~~ shall be eligible for a $~~125~~ 225~~-~~ voucher for safety shoes per year. ~~Employees in jobs that require safety boots beyond a basic steel toe shall be eligible for a $225 voucher.~~ Employees are only eligible for one voucher per calendar year unless an exception is made in coordination with the supervisor and EH&S.

F. The District shall furnish the employees with ice water and tablets for avoidance of dehydration.

G. No employee shall be required to work with an energized electrical potential of 400 volts nominal or more without the assistance of a qualified person as defined by OSHA.

H. The District-Association Safety Committee, comprised of both District and Association appointees, shall meet as needed to review and discuss safety conditions, reports of unsafe practices and employee complaints or suggestions regarding safety.

ARTICLE 32 - LABOR/MANAGEMENT COMMITTEE

A. A Committee of the District and the Association shall meet every other month. The meetings will be held at mutually agreed times and places and shall be for the purposes of:

1. Discussing the administration of this Agreement;

2. Exchanging general information of interest to the parties; and

3. Giving the Association the opportunity to share the views of their members and/or make suggestions on subjects of interest to their members.

B. The District will request a labor/management meeting to discuss any organizational changes; i.e., department reorganizations, contracting with private interests and/or process improvements that will impact Unit employees. Such discussions will take place prior to any plan becoming finalized or implemented so a thorough discovery and disclosure of potential negative impacts as perceived by the Association can be undertaken and such concerns will be considered and discussed.

C. Any issues to be discussed shall be advanced by the requesting party to the other at least 72 hours prior to the scheduled meeting time.

D. Any conclusions or mutual recommendations of this Committee shall be reduced to writing. It is understood that this Agreement cannot be amended except by

decision of the District's Board of Directors following mutual agreement between the parties hereto. However, matters of interpretation and clarification can be resolved by written agreement between designated representatives of the District and the Association.

ARTICLE 33 - EDUCATION ASSISTANCE

Education Assistance is available to employees who enroll in approved classes (including workshops, seminars, or training sessions for which continuing education units (CEU's) are awarded) offered by accredited institutions of higher learning or offered through recognized industry professional organizations for the purpose of either acquiring or maintaining professional certifications and which meet the criteria as established in this article.

A. CRITERIA FOR REIMBURSEMENT

This program is not intended to finance degree programs or enhance an employee's personal growth and development other than as related to an employee's competencies and/or preparation for promotional opportunities within the District. Therefore, the definitions of "job-related" and "non-job-related" are relative to the opportunities and technology existing, or anticipated to exist, within the District.

1. "Job-related" is defined as increasing an employee's abilities, knowledge, and skills to directly improve performance in the present job or to enhance one's opportunity for jobs in their immediate line of progression.

2. Employees receiving a grade of C or better or, in those instances where grades are not given, the accompanying certification or certificate of successful completion will be reimbursed for 100% of the cost for an approved "job-related" class subject to the maximum allowable.

3. "Non-job-related" is defined as water-industry-related or related to a profession or career field existing at the District.

4. Employees receiving a grade of C or better, or in those instances where grades are not given, the accompanying certification or certificate of successful completion, will be reimbursed for 75% of the cost for an approved "non-job-related" class subject to the maximum allowable.

5. The maximum allowable reimbursement for tuition, class fees and lab fees is 12 semester hours, or the equivalent thereof, per calendar year.

    a. Classes taken through institutions of higher learning (whether on-line or on-site) for which credit or semester hours are earned will be reimbursed at a rate not to exceed the resident undergraduate or graduate rate in effect at UNLV for the semester when first enrolled.

b. Education or training for which continuing education units (CEU's) or certificates are awarded will be reimbursed at the rate paid up to a maximum equivalent to the dollar amount established through the undergraduate or graduate rate in paragraph (a) above.

6. Only tuition, class fees and lab fee, tech fees will be reimbursed. Books, late registration fees, or any other costs associated with the course are the responsibility of the employee.

B. PROCESS FOR SEEKING REIMBURSEMENT

1. Prior to taking a class, the employee must complete the "Application for Education Assistance" and receive the identified approvals. Reimbursement may be approved when applications are submitted after enrollment, but the employee is "at risk" as to meeting established criteria and receiving approval.

2. The employee shall submit the application to the department head. The department head will then forward the application to Human Resources with ~~his/her~~their recommendation for final approval. Human Resources will notify the employee as to whether the application has been approved/denied. Denial of approval is not grievable under the grievance resolution procedures of Articles 5 and 6 of this Agreement. However, the employee may appeal the decision to the Director of Human Resources. The decision of the Director of Human Resources will be made after discussions with all parties to the previous decision. If the decision to deny is upheld, it shall be stated in writing to the employee; if approved, the application will be processed without further delay.

3. Upon completion of the class, the employee must present a grade transcript or certificate of successful completion and a receipt for reimbursable costs to Human Resources in order to be reimbursed for each approved class.

C. GENERAL PROVISIONS

1. If the employee voluntarily separates employment for any reason within 12 months of receiving reimbursement, the amount shall be deducted from the final paycheck.

2. If an employee receives Veteran's Administration benefits applied to the cost of the approved class; the District shall not reimburse the employee for the amount paid by the Veteran's Administration. An employee who receives Veteran's Administration benefits applied to the cost of an approved class must notify their department head prior to submitting the grade transcript and receipt.

3. The employee must arrange to attend the class outside of their work hours or receive approval to use annual leave.

ARTICLE 34 - MISCELLANEOUS

A. **MILEAGE** - The District shall reimburse employees at the maximum rate allowed as non-taxable under the IRS regulations for the required use of personal vehicles for District business.

B. **COPY OF CONTRACT** - The District will promptly furnish a copy of the contract to employees in the bargaining unit.

C. **PROTECTION FROM THE ELEMENTS** - The District shall continue its current practices with respect to the furnishing of protection from the elements.

D. **COFFEE AND OTHER HOT BEVERAGES** - The District shall continue its current practices with respect to furnishing coffee and other hot beverages. See Memorandum of Understanding, effective January 31, 2011.

E. **BLOOD DRIVE** - The District shall make a reasonable effort to cooperate with the needs of employees in connection with their donations of blood during District-sponsored or authorized blood drives, including the provision of a reasonable rest/recovery period, if needed.

F. **FUND RAISING** - The District recognizes that, from time to time, the Association may be involved in fund raising projects. Should such projects involve District time or property, and/or exception to policies, procedures, or the terms of this Agreement, such projects will be a proper subject of discussion under the provisions of the Labor/Management Committee.

ARTICLE 35 - ASSOCIATION DUES DEDUCTIONS

A. During the term of this Agreement, the District shall deduct monthly Association dues from the available wages of those employees who have individually and voluntarily authorized such deductions to be made. The form of authorization shall be approved by the District and the Association. Said deduction, which is revocable at will, is limited in amount to monthly dues, and will not cover back dues, special assessments, initiation fees or other charges. The District shall each month furnish to the Association a list of employees for whom the deduction was made, together with a check for the total amount of deductions.

B. The District agrees not to honor any dues deduction authorizations executed by any employee in the Bargaining Unit in favor of any other labor organization, unless otherwise authorized by the Employee-Management Relations Board.

C. The Association agrees to indemnify, defend and hold the District harmless against any and all claims or suits that may arise out of or by reason of action taken by the District in reliance upon any authorization cards submitted by the Association or an employee to the District. The Association agrees to refund to the District any amounts paid to it in error on account of the payroll deduction provision upon presentation of proper evidence of error or mistake.

D. The Association will certify, to the appropriate department as determined by the District, in writing, annually, the current rate of membership dues. The District will be notified of any change in the rate of membership dues 30 days prior to the effective date of such change.

E. Said dues deduction will be withheld from the second pay period of each month. The District will not be required to honor for that month's deduction any authorizations or revocations that are delivered to it later than ten (10) days prior to the second pay period of the month.

ARTICLE 36 - SAVINGS CLAUSE

Should any valid federal or state law or final determination of any administrative agency or court of competent jurisdiction affect any provision of this Agreement, the provision or provisions so affected shall be made to conform to the law or determination, and otherwise this Agreement shall continue in full force and effect. It is agreed that in the event a provision of this Agreement is so judged to be invalid or unlawful, the District and the Association shall meet immediately and commence negotiations to modify and bring the invalidated provision into compliance.

ARTICLE 37 - EFFECT OF AGREEMENT

A. The Association and the District agree that this Agreement is intended to cover all matters affecting wages, hours, and other terms and all conditions of employment and similar or related subjects, and that during the term of this Agreement neither the District nor the Association will be required to negotiate on any further matters affecting these, except as specifically provided herein.

B. Certain managerial decisions may legally require the District to bargain with the Association over the effects of such decisions, and the Association does not waive its right to such "effects bargaining."

ARTICLE 38 - COST-OF-LIVING WAGE ADJUSTMENT

A. Effective with the first full pay period in July ~~2021~~2026, ~~2022~~2027, ~~2023~~2028, ~~2024~~ 2029 and ~~2025~~2030, Field Unit employees shall receive a cost-of-living wage adjustment equal to the annual increase as of March, per the Consumer Price Index, All items, All Urban Consumers, Pacific Cities, West-A.

B. The Field Unit pay plan will be adjusted by the same percentage defined above at the same time employees receive their cost-of-living wage adjustment.

C. This article shall be automatically reopened if the Consumer Price Index, All Items, All Urban Consumers, Pacific Cities, West-A, as above in A, is above ~~three~~ four and one-half percent (4.5~~3~~%) or falls below one-and-one-half percent (1.5%). Additionally, should a Consumer Price Index be developed for the Las Vegas Metropolitan area, the parties may discuss its applicability.

ARTICLE 39 - EMPLOYEE ASSISTANCE PLAN

The District shall provide an Employee Assistance Program (EAP) for all regular full-time and part-time employees covered by this Agreement who work at least 20 hours per week. Newly hired employees will be eligible for coverage the first of the month following employment. This program will be available to all household and dependent family members of the employee currently covered for up to a minimum of five sessions per incident. The District shall pay 100% of the cost for the program.

This program will:

1. provide confidential consultation, assessment, referral, and follow-up services, including a limited amount of counseling without charge to assist the employee and ~~his/her~~their family; and

2. provide assistance, either through the program itself or in conjunction with other benefit programs, to employees in seeking assistance beyond that provided through the Employee Assistance Program; and

3. include procedures for self and supervisory referrals.

This program provides assistance to help the employee, their dependents, and other household members resolve personal problems that may be interfering with the employee's work and home life. Services provided include: emotional distress, co-worker conflict, divorce or separation, custody issues, grief and loss, marital issues, relationships, alcohol and substance abuse, child and adolescent issues, aging family members, crisis situations, domestic violence, drug dependency, gambling, depression, retirement, anger, and stress.

All information developed under the program about employees, their dependents, and other members of their household shall be considered strictly confidential and shall be treated as such as the goal of the program is to help and provide guidance to any employee seeking professional and CONFIDENTIAL help to solve their problems.

Both the Association and the District recognize that family and personal problems may affect employees' attendance and/or job performance to the point that disciplinary action, up to and including discharge may result. However, the District recognizes the benefits of the EAP or similar programs and will be reasonably accommodating and understanding of the time needed for employees to participate in such programs.

When an employee refuses to seek assistance and/or resolution of ~~his/her~~their problems by actively participating in any program and attendance and/or job performance continues to be adversely affected, the District may administer discipline as is appropriate. However, both parties agree that this is not to be interpreted as impacting any of the rights and protections contained in the provisions of the current Collective Bargaining Agreement.

ARTICLE 40 - LONG-TERM DISABILITY INSURANCE

The District shall provide long-term disability insurance to all regular full-time employees covered by this Agreement. The District shall pay 100% of the cost for the Long-Term Disability Plan.

This Plan will include a pre-existing condition limitation; an income benefit of not less than 60% (subject to offset from ~~SSA~~Social Security, Workers' Compensation, retirement, and other such incomes); a standard qualification (elimination) period of not more than 180 days; and benefits payable at least to age 65 with certain usual exceptions (such as mental/nervous disorders).

Employees hired after the effective date of this Agreement will be eligible for coverage the first of the month coinciding with or next following 60 days of employment.

Current Benefit Level: The District has a benefit level of ~~67~~66.67% with an elimination/qualification period of 120 days.

ARTICLE 41 – FAMILY CARE PROGRAM

~~Under a prior Agreement, the District developed and implemented an on-site day care program for school age children during traditional school and track breaks. The purpose of this program was to assist employees with their day care needs. Recently, the track break system was eliminated and, for this and other reasons, the employees' on-site day care needs lessened significantly resulting in an unsustainable financial condition. However, the District is working to develop programs that are responsive to our current employees' needs as well as being financially feasible.~~

~~After January 1, 2011, the District and the WEA representatives will meet and evaluate the current financial situation and any potential options. The existing program will continue and no action will be taken to eliminate the on-site daycare center before the parties meet.~~The District currently offers a voluntary on-site day care program at the Valley View campus.~~-~~ Any decisions regarding elimination of the on-site daycare center will be communicated to the employees a minimum of 60 days in advance.

ARTICLE 42 – FLEXIBLE BENEFITS PROGRAM

The District will continue providing a Flexible Benefits Program. Current core benefits (health insurance, long-term disability, life insurance, accidental death and dismemberment, and Employee Assistance Program) will not be affected by this program.

Since the major purpose for a flexible benefits program is to provide more equality in benefit coverage and to be more responsive to the needs of a diverse workforce, the amount of the District's monthly contribution on behalf of each employee will be determined by the employee's enrollment status in the Group Health Insurance Plan: Employee Only = $200; Employee and Spouse = $60; Employee and Child(ren) = $30; and Family = $20. Employees must be in paid status to be eligible to receive flexible benefit plan dollars.

The providers and specific product list may vary from year to year but will be designed to the extent possible, to respond to employee needs and maintain a balance of service and value.

ARTICLE 43 - DURATION

A. Except as provided in Section (D) below, this Agreement shall remain in full force and effect until June 30, ~~2026~~2031, unless extended by mutual written agreement.

B. It is agreed that each party may select up to three (3) non-economic issues to reopen each year.

C. On or before February 1 of each year, either party may give notice of its desire to negotiate under the provision in Section (B) above. Items re-opened under this provision or Section (D) below to become effective upon agreement, but not earlier than July 1 of the year during which the notice is given, and to remain effective until the end of the Agreement.

D. It is agreed that for the second year (~~2023~~2028) of this Agreement, either party may select one (1) economic issue to reopen, two (2) for the third year (~~2024~~2029) and three (3) for the fourth year (~~2025~~2030). Notice of the desire to negotiate under this provision shall be given prior to February 1 of the applicable year. The opportunities provided for by this paragraph are in addition to the Wage Adjustment re-opener, included in Article 38, Paragraph (C), herein.

E. It is agreed that any re-opener negotiations and any statutory impasse procedures will be limited solely to the items reopened for negotiation, and that all other terms and conditions of this Agreement shall remain in full force and effect for the entire duration hereof as provided in Section (A).

LAS VEGAS VALLEY WATER DISTRICT	WATER EMPLOYEES ASSOCIATION OF NEVADA
BY: ***The Board of Directors***	**BY:** _____
	ITS: _____
DATE: _____	**DATE:** _____

APPENDIX A

CLASSIFICATION	RANGE
Backflow Technician	24
Corrosion Control System Technician	28
Custodian I	8
Custodian II	11
Disinfection Systems Technician I	21
Disinfection Systems Technician II	24
Distribution Facility Locator	21
Distribution System Crew Leader	27
Distribution System Operator	27
Distribution System Serviceperson I	~~19~~21
Distribution System Serviceperson II	~~23~~25
Distribution Work Planner	29
Electrical/Electronics System Technician I	25
Electrical/Electronics System Technician II	28
Facilities Locator Technician I	21
Facilities Locator Technician II	24
Facilities Maintenance Mechanic I	23
Facilities Maintenance Mechanic II	25
~~Field System Operator I~~	~~21~~
~~Field System Operator II~~	~~23~~
Fleet Electronics Technician	~~25~~27
~~Fleet Mechanic I~~	~~23~~
~~Fleet Mechanic II~~	~~25~~
Fleet Paint & Body ~~Mechanic~~Technician	~~25~~27
~~Fleet Parts Technician I~~	~~21~~
Fleet Parts Technician ~~II~~	~~23~~24
Fleet Service Worker I	~~11~~19
Fleet Service Worker II	~~19~~21
Fleet Tool & Equipment Technician	24

CLASSIFICATION	RANGE
Fleet Vehicle & Equip Repair Tech I	24
Fleet Vehicle & Equip Repair Tech II	27
Groundskeeper I	11
Groundskeeper II	19
Heavy Equipment Operator ~~- Distribution~~	~~25~~26
~~Heavy Equipment Operator - Facilities~~	~~24~~
Industrial Engine Mechanic I	25
Industrial Engine Mechanic II	27
Inspector I	23
Inspector II	25
Inventory Management Tech II	23
Lead Custodian	21
~~CLASSIFICATION~~	~~RANGE~~
Lead Facilities Maintenance Mechanic	27
Lead Groundskeeper	22
Lead Material Handler	25
Lead Meter Operations Mechanic	26
Machinist	28
Maintenance Assistant I	10
Maintenance Assistant II	17
Major Construction Project Inspector	29
Material Handler I	21
Material Handler II	23
Meter Mechanic I	21
Meter Mechanic II	24
Meter Service Field Representative I	19
Meter Service Field Representative II	21
Meter Service Field Representative III	24
Painter I	21
Painter II	24
Rural System Operator	27

CLASSIFICATION	RANGE
Senior Distribution System Operator	29
Senior Inspector	27
Senior Planner/Scheduler – Elect/Comm	29
Senior Planner/Scheduler – Treatment	29
Senior Planner/Scheduler - Mechanical	29
Senior Planner/Scheduler – Facilities	27
Survey Technician	22
Tool/Equipment Mechanic	24
Transmission System Inspector I	24
Transmission System Inspector II	27
Utility Driver	11
Water Waste Investigator	18
Water Works Mechanic I	24
Water Works Mechanic II	27
Welder CNC Programmer Operator	27
Work Scheduling Assistant I	19

MEMORANDUM OF UNDERSTANDING

BETWEEN

WATER EMPLOYEES ASSOCIATION OF NEVADA

AND

LAS VEGAS VALLEY WATER DISTRICT

REGARDING

EPDS REVIEW PROCESS

The Association and the District have implemented, and with this MOU have agreed to continue, a process whereby a review of EPDS issues, as requested by either a supervisor or employee, will be facilitated by Human Resources. The employee may have an Association Representative accompany ~~him/her~~them to the initial meeting with the Human Resources facilitator.

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ATTACHMENT III
WATER EMPLOYEES ASSOCIATION OF NEVADA
FISCAL IMPACT ASSESSMENT SUMMARY

Article Number	Article Title	No Change Item	Language Change Only	Cost/(Savings) Item
Preamble			X	
Article 1	Recognition	X		
Article 2	Non-Discrimination	X		
Article 3	Retained Rights	X		
Article 4	Work Stoppage	X		
Article 5	Grievance Procedure		X	
Article 6	Arbitration		X	
Article 7	Discharge, Discipline, & Personnel Files		X	
Article 8	Recruitment, Selection, Placement, Promotions and Transfers		X	
Article 9	Association Represenation		X	
Article 10	Bargaining Unit Work		X	
Article 11	Seniority		X	
Article 12	Layoff and Recall Procedure		X	
Article 13	Hours, Overtime and Premium Pay		X	
Article 14	Lunch and Break Periods	X		
Article 15	Classifications and Rates of Pay		X	
Article 16	Holidays		X	X
Article 17	Annual Paid Leave (Vacation)		X	
Article 18	Sick Leave		X	
Article 19	Industrial Injury		X	
Article 20	Child Care	X		
Article 21	Bereavement Leave	X		
Article 22	Court Leave	X		
Article 23	Military Leave		X	
Article 24	Special Leave		X	
Article 25	Group Health Insurance		X	
Article 26	Service Recognition		X	
Article 27	Pension- Retirement		X	
Article 28	Physical Examinations	X		
Article 29	Part-Time and Temporary Employees		X	
Article 30	Uniforms		X	X
Article 31	Safety		X	X
Article 32	Labor/Management Committee	X		
Article 33	Education Assistance		X	
Article 34	Miscellaneous	X		
Article 35	Association Dues Deductions	X		
Article 36	Savings Clause	X		
Article 37	Effect of Agreement	X		
Article 38	Cost-of-Living Wage Adjustment		X	X
Article 39	Employee Assistance Plan		X	
Article 40	Long-Term Disability Insurance		X	X
Article 41	Family Care Program		X	
Article 42	Flexible Benefits Program		X	
Article 43	Duration		X	
Appendix A	(Classification Listing)		X	
INDEX			X	

ATTACHMENT
WATER EMPLOYEES ASSOCIATION OF NEVADA
FISCAL IMPACT SUMMARY

Article	Article Description	New Benefit of Change in Benefit	Summary of New Benefit or Change in Benefit	Current Contract Cost	Year 1 Contract Cost/(Savings)	Percent Increase/Decrease
38	COLA	Change	All employees will receive a 3.4 % increase effective the first full pay period in July	$ 31,826,766	$ 1,082,110	3.4%
31	Safety	Change	Updated to provide same allowance for all safety shoes	$73,050	$1,200	1.6%

LAS VEGAS VALLEY WATER DISTRICT
BOARD OF DIRECTORS
AGENDA ITEM

May 18, 2026

Subject:
Collective Bargaining Agreement with the Water Supervisors Association of Nevada

Petitioner:
Andy Belanger, Deputy General Manager, Administration

Recommendations:
That the Board of Directors conduct a public hearing and approve the Collective Bargaining Agreement for employees represented by the Water Supervisors Association of Nevada, effective July 1, 2026, through June 30, 2031.

Fiscal Impact:
If approved, payroll cost is estimated to increase by approximately $183,420 for Fiscal Year 2026/27, which is available in the District's Operating Budget.

Background:
The Water Supervisors Association of Nevada (WSAN) has represented Front-Line Supervisor employees under collective bargaining agreements with the District since approximately 1987. The attached Collective Bargaining Agreement (Agreement) is for a five-year term.

This Agreement contains one item with a financial impact, which is a cost-of-living adjustment. Annual cost-of-living adjustments will be calculated based on increases to the Consumer Price Index for Pacific Cities, West A, as of March of the same year.

Attachment I summarizes the differences between the proposed Agreement and existing WSAN agreement. Although some of these language changes refine how pay will be allocated, none of these changes increase or decrease the base pay for employees represented under this Agreement.

Attachment II contains the entire proposed Agreement with the new language underlined and deleted language denoted by strikethrough.

Attachment III is the WSAN 2026/27 Fiscal Impact Assessment Summary, which outlines by article elements unchanged from the existing WSAN agreement; elements consisting of language changes only; and elements changed that could potentially result in a fiscal impact.

Attachment IV is the WSAN 2026/27 Fiscal Impact Summary, which outlines the total cost of the proposed changes in year one of the Agreement for the 38 employees currently covered by this Agreement. Costs of remaining Agreement years depend on future data.

This action is authorized pursuant to NRS Chapter 288 and Sections 1(13) and 9(1) of the Las Vegas Valley Water District Act, Chapter 167, Statutes of Nevada 1947. The office of the General Counsel has reviewed and approved this agenda item.

JJE:AB:MEM:LO:FG:nd
Attachments: Attachments I, II, III, and IV

AGENDA ITEM # **6**

Attachment I
2026 Water Supervisors Association of Nevada Agreement
Summary of Article Changes

Preamble
Updated the effective date of agreement

Article 1 – Recognition
Clarified departments whose staff are excluded from the bargaining unit.

Article 5 – Grievance Procedure
Added dispute resolution language from Article 32 – Management Committee.

Article 8 – Recruitment, Selection, Placement, Promotions and Transfers
Updated language to reflect current process for job postings and recruitment.

Article 13 – Hours and Premium Pay
Incorporated language specifying FLSA Exempt status of unit members, clarified work week, schedules and hours of work, reorganized article to clarify instances in which premium pay would be paid, and clarified condition in which additional hours would be paid.

Article 16 – Holidays
Updated observed holidays to formally include Juneteenth.

Article 22 – Personal Leave
Adjusted personal leave to align with 10 hour per day schedule.

Article 26 – Group Health Insurance
Clarified required number of hours worked to be eligible for group health insurance. Removed outdated language referencing prior plan offerings.

Article 32 – Management Committee
Moved dispute resolution language to Article 5.

Article 33 – Discharge, Discipline and Personnel Files
Removed language referencing physical personnel files and allow for review of digital personnel files.

Article 38 – Cost of Living Wage Adjustments

Increased the threshold for reopener if CPI is over 4.5% and adjusted effective dates of future cost of living adjustments.

Article 43 – Duration

Update effective dates for reopener requests.

ATTACHMENT II

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

WATER SUPERVISORS ASSOCIATION OF NEVADA

AND

LAS VEGAS VALLEY WATER DISTRICT

JULY 1, 2026 – JUNE 30, ~~2026~~2031

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PREAMBLE

This Agreement is made and entered into this 1st day of July, ~~2021~~ 2026, by and between the LAS VEGAS VALLEY WATER DISTRICT, hereinafter referred to as the "District," and the WATER SUPERVISORS ASSOCIATION OF NEVADA, hereinafter referred to as the "Association," as a product of the good faith bargaining efforts of both parties, and for the purpose of promoting harmonious employer/employee relationships and the efficiency of the District operations.

ARTICLE 1 - RECOGNITION

The District recognizes the Association as the exclusive collective bargaining representative for all regular full-time and part-time employees in the classifications listed in Appendix A except for positions at AMS, RMTF and LVSP facilities and offices.

The parties have agreed that the above unit is the only appropriate unit, and that neither party shall seek a change to include or exclude an employee, position, or classification therein without mutual agreement; Employee-Management Relations Board decisions involving other employers and/or statutory revisions notwithstanding.

The District shall notify the Association, in writing, of its intent to establish any new position or classification, and its position on whether the new classification is a bargaining unit classification.

The Association shall notify the District within ten (10) working days of receipt of notification of any disagreement if the Association believes a classification belongs in the bargaining unit. The District and the Association shall meet and attempt to resolve the disagreement within five (5) working days of the Association's notice to the District. If the parties are unable to agree at that meeting, or at subsequent mutually agreed-upon meetings, the District may post and fill the position, and the dispute shall be resolved by the Local Government Employee-Management Relations Board as provided under NRS 288.170. If the new position is agreed to be, or determined by the Employee-Management Relations Board to be, a bargaining unit classification, the parties shall meet promptly and discussions shall be conducted pursuant to Article 15 (Classifications and Rates of Pay).

ARTICLE 2 - NON-DISCRIMINATION

A. There shall be no unlawful discrimination by the Association or the District of any kind against any employee on account of race, color, religion, sex, sexual orientation, sexual identity or expression, national origin, age, physical, visual or aural handicap, or Association membership or non-membership.

B. Any use of gender in this Agreement, including job classifications, shall be interpreted as referring to either male or female.

ARTICLE 3 - RETAINED RIGHTS

A. In order to operate its business and to maintain the efficiency of its operations, the District, at its sole discretion, retains the exclusive right and power to determine, change, discontinue, alter, or modify, in whole or in part, temporarily or permanently, any of the following:

1. The number, location, or types of plants, facilities, equipment, and water conduits, and the personnel and work functions assigned thereto;

2. The products to be produced and sold, the facilities or water conduits to be constructed, and the services to be rendered, their quality and quantity, the methods and processes of service, maintenance, production, operation and construction, and the materials to be used;

3. The sales methods and sales price of all products and services; the purchase price of all purchases; and the legal, operational, organizational and financial structure of the District;

4. The services, tools, equipment, and machinery, except as limited by Article 31 (Safety); the production, maintenance and service standards;

5. The utilization of all District properties, easements, premises, equipment, and facilities;

6. The selection and hiring of all new employees; the promotion and demotion of all employees, except as limited by Article 8 (Recruitment, Selection, Placement, Promotions and Transfers); and

7. The number of employees; whether, when or where there is a job opening; whether to lay off employees as the result of the exercise of any rights of the District not limited by the clear and explicit language of this Agreement, and the number of employees to be laid off.

B. Any dispute arising out of or in any way connected with either the existence of or the exercise of any of the rights of the District enumerated in section (A) above not expressly limited by the clear and explicit language of this Agreement, or arising out of or in any way connected with the effects of the exercise of any of such above-described rights, is not subject to the grievance and arbitration provisions set forth in Articles 5 (Grievance Procedure) and 6 (Arbitration).

C. In addition to the retained rights enumerated above, the District shall also retain the right to determine, change, discontinue, alter, or modify, in all or in part, temporarily or permanently, any of the following matters except as limited by the clear and explicit language of this Agreement:

1. The subcontracting of the products to be produced, the services to be rendered, and the construction, operation, and maintenance of plants,

facilities and water conduits, provided that this right shall not be exercised in any arbitrary or capricious manner;

2. The work pace, work performance levels, and standards of performance, provided that this right shall not be exercised in an arbitrary or capricious manner;

3. Whether any employee meets the established work pace, work performance levels, and standards of performance, provided that such rights shall be exercised in a reasonable manner;

4. Affirmative action plans to encourage the recruitment, training, retention, and promotion of minority group members and women, provided that this right will not be exercised in an arbitrary or capricious manner, and that the District will discuss with the Association any substantial changes in its affirmative action program prior to implementation thereof;

5. The methods of reporting and recording time worked, provided that this right shall not be exercised in an arbitrary or capricious manner;

6. The job classifications and the content, duties, and qualifications thereof, provided that this right shall not be exercised in an arbitrary or capricious manner, and that the District will discuss with the Association any substantial changes therein prior to implementation;

7. The direction and supervision of all of the employees, provided that this right shall not be exercised in an arbitrary or capricious manner;

8. The assignment and transfer of employees District-wide between job classifications, between shifts, and between reporting points, provided that this right shall not be exercised in an arbitrary or capricious manner;

9. Reasonable rules and regulations for all employees; provided that the District will discuss with the Association any new rules prior to implementation thereof, and will post and distribute copies of same to the employees and to the Association;

10. The hours of work, the workweek, and shift schedules, provided that this right shall not be exercised in an arbitrary or capricious manner;

11. The method of funding of each benefit including the identity and selection of each carrier, insurer, or trustee, provided that this right shall not be exercised in an arbitrary or capricious manner;

12. The procedures for the security of the employees, plants, premises, facilities, equipment, and properties of the District, provided that this right shall not be exercised in an arbitrary or capricious manner; and

13. The number of employees assigned to any particular task, function, machine, equipment, operation, or shift, except as limited by Article 31

(Safety), provided that this right shall not be exercised in an arbitrary or capricious manner.

D. The rights of the District set forth in sections (A) and (C) of this Article are listed by way of example rather than limitation. All other rights of the District are also retained.

The exercise of any right reserved to the District herein in a particular manner, or the non-exercise of any such right, shall not be deemed a waiver of the District's right nor preclude the District from exercising the rights in a different manner.

E. None of the rights of the District set forth in this Article may be exercised for the purpose of undermining the Association.

F. If there is a direct conflict between any of the above-mentioned rights of the District and the terms of other Articles of this Agreement, the latter shall prevail.

ARTICLE 4 - WORK STOPPAGE

A. Neither the Association nor its members, or agents, or representatives, or the employees, or persons acting in concert with any of them, shall incite, encourage, or participate in any strike, walkout, slowdown, or other work stoppage of any nature whatsoever or any picketing during the term of this Agreement. In the event of any strike, walkout, slowdown, work stoppage or picketing, or threat thereof, the Association and its officers will do everything within their power to end or avert the same. The District shall not cause or engage in a lockout.

B. An employee authorizing, engaging in, encouraging, sanctioning, recognizing or assisting any strike, slowdown, picketing, work stoppage, or other concerted interference in violation of this Article, shall be subject to immediate dismissal notwithstanding NRS 288.250. The District reserves the right to selectively discipline employees hereunder.

C. If NRS 288 is amended during the term of this Agreement to permit strikes by local government employees, the operation of this clause shall remain in full force and effect notwithstanding any statutory changes.

ARTICLE 5 - GRIEVANCE PROCEDURE

A. **Grievance Defined:**

1. Employee Grievance is a claim by one or more employees covered by this Agreement (or by the Association on behalf of the employee(s) covered hereby with the consent of the employee(s)) that the District has violated an express term of this Agreement.

2. Association Grievance is a claim by the Association alleging a violation of the provisions of this Agreement on matters impacting a group of employees or the bargaining unit as a whole, or when the subject matter in dispute

involves a policy affecting one or more employees. Any relief afforded through an Association Grievance shall be prospective; i.e., change or cease and desist, from the date of filing such grievances.

B. **Grievance Rights:**

1. The grievant may, if desired, be accompanied by a representative of the Association. If the grievant has requested the presence of a representative, the person conducting the meeting shall schedule the meeting at a time and place to permit the representative to be present.

2. The person conducting the meeting may be accompanied by another member of management.

3. Any settlement of a grievance between an individual employee and the District shall be consistent with the terms and provisions of this Agreement, and an Association representative shall have the opportunity to be present at these discussions regarding a settlement.

4. Not more than two (2) Association Representatives shall meet with the General Manager or designee at the second step of the Association Grievance Procedure. The General Manager also has the right to have one additional management representative present.

5. A grievance may be withdrawn by the filing party at any time during the process through notification of such to the other party.

6. All meetings held under these Grievance Procedures shall be scheduled at a time and place to permit all representatives to be present.

C. **Employee Grievance Procedure**: In order to facilitate problem resolution at the lowest possible level in the organization, the following procedures shall be utilized when a grievance is alleged by one or more employees.

Informal Level:

Before filing a formal written grievance, the District and the Association strongly urge the employee to make a reasonable attempt to resolve the matter informally with the appropriate supervisor. The appropriate supervisor shall be the employee's immediate supervisor and/or the supervisor who took the action or made the decision giving rise to the grievance.

If the appropriate supervisor is absent, the employee may meet with the next level of supervision to discuss the matter.

Step One:

If the grievance is not settled at the Informal Level, the grievant (or Association Representative on behalf of, and with the consent of, the employee(s)) shall submit to the appropriate department head a signed, written and dated grievance

statement fully setting forth the facts surrounding the grievance and detailing the specific provisions of the Agreement alleged to have been violated and the remedy sought. The written grievance statement must be submitted within ten (10) working days after the event giving rise to the grievance. Within five (5) working days from the date the formal grievance is received, the department head or designee will hold a meeting to review and discuss the grievance. Within five (5) working days following completion of this meeting, the department head or designee shall give a written reply to the grievant and a copy of the decision to the Association and such reply shall terminate Step One.

Step Two:

If the grievance is not settled in Step One, the written grievance must be submitted to the General Manager within five (5) working days after the termination of Step One. Within five (5) working days from the date the General Manager receives the grievance, the General Manager or a designee will hold a meeting to review and discuss the grievance. Within five (5) working days following completion of this meeting, the General Manager or designee shall give a written reply to the grievant and a copy to the Association and such reply shall terminate Step Two.

D. **Association Grievance Procedure:**

1. **Step One:**

   a. The President of the Association, or his/her designee, shall submit a grievance form to the Director of Human Resources advising of the occurrence of a grievable event, stating the facts surrounding the event and the alleged violations of the Collective Bargaining Agreement. If the alleged offending Department Head is the Director of Human Resources, the grievance will be filed with the appropriate Deputy General Manager.

   b. The grievance form must be submitted within ten (10) working days of the occurrence (or when the Association reasonably should have had knowledge of the event) which is the basis of the claim.

   c. Within ten (10) working days of receipt of the grievance form, the Director of Human Resources or Deputy General Manager, if applicable, will hold a meeting exclusively for discussion of the grievance. A reasonable number of bargaining unit and District representatives may attend this meeting.

   d. The meeting will be scheduled at such time and place to permit all representatives to be present.

   e. Any resolution of the matter shall be reduced to writing and signed by both parties. If there is no resolution, the Director of Human Resources or Deputy General Manager, if applicable, shall issue a Step One response within five (5) working days following the Step One meeting and such reply shall terminate Step One.

2. **Step Two:**

a. If the matter is not settled in Step One, the written grievance must be submitted directly to the General Manager within five (5) working days after the conclusion of the Step One meeting.

b. The written grievance shall be signed and dated fully setting forth the facts surrounding the grievance and detailing the specific provisions of the Agreement alleged to have been violated and the remedy sought.

c. Within five (5) working days from receipt of the written grievance, the General Manager or designee will hold a meeting to review and discuss the grievance.

d. Within five (5) working days following this meeting, the General Manager or designee shall give a written reply to the Association and such reply shall terminate Step Two.

E. **Time Limits**: In computing time limits in this Article, "working day" shall be defined as a day District main offices are open for business. If a grievance is not processed in accordance with the time limits set forth in this Article, it shall not be subject to arbitration. If the party receiving the grievance should fail to meet any time limits specified at any step herein, the grievance shall be deemed denied at that step and the grieving party may proceed to the next step within the applicable time limits.

Any time limits in this Article may be extended by mutual written consent.

F. **Management Committee Disputes:** Any dispute arising through an allegation by the District that the Association is violating a provision of Article 32 will be handled in the following manner:

1. A written statement setting forth the facts or circumstances surrounding the allegation shall be submitted by the General Manager to the President of the Association within ten (10) working days of the occurrence or when the District reasonably should have had knowledge of the occurrence which is the basis of the allegation.

2. Within five (5) working days of receipt of this written statement, the President of the Association, or designee, will contact the Director of Human Resources to schedule a meeting exclusively for discussion of this allegation. This meeting shall be held within ten (10) working days of receipt of the written statement.

3. A reasonable number of bargaining unit and District representatives may attend this meeting. The meeting will be scheduled at such a time and place to permit such representatives to be present.

4. If the dispute is not resolved at this meeting, the parties shall participate in a mediation conference with a Mediator from the Federal Mediation and Conciliation Service to attempt to resolve the dispute.

5. Any resolution of the dispute shall be reduced to writing and signed by both parties.

6. Any time limit of this provision may be extended by mutual consent.

G. It is agreed that the District and the Association may utilize "trainees" to accompany their designated representatives to step meetings under this Article. The Association trainee will be provided release time to attend these meetings.

ARTICLE 6 - ARBITRATION

A. Grievances which are not settled pursuant to Article 5 (Grievance Procedure) or Article 7 (Discharge, Discipline and Personnel Files), and which the Association desires to contest further, and which involve the interpretation or application of the express terms of this Agreement (including the interpretation or application of the terms of Article 3, Retained Rights, section B), shall be submitted to arbitration as provided in this Article, but only if the Association gives written notice to the District of its desire to arbitrate the grievance within five (5) working days after the termination of Step Two of the Grievance Procedure. It is expressly understood that the only matters which are subject to arbitration under this Article are grievances which were processed and handled in accordance with the grievance procedure of Article 5 or the Appeal of Discipline from Article 7, and which are not expressly excluded from arbitration by other provisions of this Agreement.

B. Prior to contacting the Arbitrator, the parties shall participate in a pre-arbitration conference with a mediator from the Federal Mediation and Conciliation Service to attempt to resolve the dispute.

C. As soon as possible, and in any event, no later than five (5) working days after the conclusion of the pre-arbitration conference, the parties shall request a list of seven (7) arbitrators from FMCS. Arbitrator selection shall be made by alternate striking of names until one name remains. The Association shall be the party to strike the first name. Both parties shall make every effort to mutually set forth the issue(s) to be arbitrated in advance of the arbitration hearing date.

D. Employees called as witnesses shall be released from regularly scheduled duties without loss of pay for all time necessary to attend and testify. However, witnesses shall be scheduled, to the extent possible, to minimize loss of work time. In no event shall an employee be paid for time served as a witness beyond his or her normal work schedule.

E. The decision of the Arbitrator shall be based solely upon the evidence and arguments presented to him by the respective parties in the presence of each other. The function and purpose of the Arbitrator is to determine disputed interpretation of terms actually found in the Agreement, or to determine disputed

facts upon which application of the Agreement depends. The Arbitrator shall therefore not have authority nor shall he/she consider it his/her function to decide any issue not submitted, or to so interpret or apply the Agreement as to change what can fairly be said to have been the intent of the parties as determined by generally accepted rules of contract construction. The Arbitrator shall not give any decision which in practical or actual effects modifies, revises, detracts from or adds to any of the terms or provisions of this Agreement. The Arbitrator shall not render any decision or award, or fail to render any decision or award, merely because in his/her opinion such decision or award is fair or equitable.

The Arbitrator retains jurisdiction for a period of 120 calendar days from issuance of an award for the limited purpose of clarifying or interpreting the award. Either party, after first having requested the participation of the other party for a joint request, may unilaterally request clarification or interpretation within 60 calendar days of the date the award was issued. The non-moving party then has 15 calendar days to submit any information it wishes to provide for the Arbitrator's consideration. Each party must simultaneously provide to the other party copies of any communications or information submitted to the Arbitrator.

F. If the Arbitrator finds that the District has discharged an employee without cause and orders reinstatement with back pay, all earnings received by the employee and all wages for any comparable employment refused by the employee shall be credited against back pay. The employee will provide such evidence regarding the aforementioned terms as is required by the District.

G. The decision of the Arbitrator within the limits herein prescribed shall be final and binding upon the parties to the dispute.

H. All fees and expenses of the Arbitrator shall be shared equally by the Association and the District. Each party shall bear the expense of the presentation of its own case.

I. The Arbitrator may hear and determine only one grievance at a time unless they are necessarily related or the parties expressly agree otherwise.

J. **Time Limits**: In computing time limits in this Article, "working day" shall be defined as a day District main offices are open for business. Any time limit in this Article may be extended by mutual written consent.

ARTICLE 7 - DISCHARGE, DISCIPLINE AND PERSONNEL FILES

A. The right to maintain discipline and efficiency of employees is vested exclusively in the District.

B. The District shall have the right to discharge or discipline any employee for cause, but in determining discipline, the District shall not transfer, reassign, reclassify or demote any employee for disciplinary purposes.

The District must be reasonable in determining "cause" in any particular case. The concept of "for cause" includes the principle of progressive discipline for minor offenses. The District shall notify the Association within five (5) working days of the issuance of a written warning.

C. All investigatory interviews or meetings will be conducted consistent with the intent of what is commonly referred to as the "Weingarten Rule" which provides that "An employee is entitled, upon request, to the presence of a union representative at any employer interview if the employee reasonably fears that the interview may result in discipline." An investigatory interview or meeting occurs when a supervisory or management employee questions an employee to obtain information which could be used as a basis for discipline or asks an employee to defend his or her conduct. The supervisory/management representative must inform the employee as to the subject of any such interview or meeting. If the employee has a reasonable belief that discipline may result from what he or she says, the employee has the right to have a representative present during the meeting. Additionally, if the employee initially declines, or does not request representation, but later determines he/she wants representation, the meeting must be recessed and re-scheduled to allow for the presence of a representative.

D. The District must notify the Association of the District's intent to suspend an employee. When suspension is contemplated, the last phase of the investigation process shall be a meeting, wherein the employee and the Association Representative are informed of the allegations and given the opportunity to respond. The discipline may be postponed to allow for consideration of evidence the employee produced or further investigation of the employee's response.

E. The District may not discharge an employee for cause without first giving the employee and the Association written notice and a minimum of ten (10) working days following the final transmittal of such information prior to the action being taken. The employee shall be placed on administrative leave with pay during this period. If an extension beyond the ten (10) working days is mutually agreed upon between the District and the Association, or the employee (if not represented by the Association in this matter), the additional days may be with pay.

The written notice shall include the following:

1. A statement that discharge is proposed and the specific charges.

2. Copies of any materials or documents upon which the proposed action is based.

3. A statement that the employee has ten (10) working days to meet with the District to discuss the proposed action.

Within the ten (10) working day period following the transmittal of information, the employee and an Association Representative shall schedule a meeting with the District to review the charges and be given an opportunity to state their position as to whether there are true and reasonable grounds for the proposed action. The

discipline may be postponed to allow for consideration of evidence the employee produced or further investigation of the employee's response.

At the completion of this meeting, the employee may remain in paid status pending the investigation of information and evidence provided in the meeting. The District will provide a written decision after the conclusion of their investigation with a copy to the Association.

F. In cases of contemplated discharge or suspension concerning misconduct which presents possible harm to persons or property or pending criminal charges which adversely and directly affect the District or substantially disrupts District operations, the District may immediately suspend the employee with pay upon giving the appropriate notice in sections (D) and (E) above.

G. The employee will have access to his or her personnel file, and the employee's representative will also have access upon prior written authorization of the employee. A written warning which given to an employee must, in order to remain effective, be placed in the employee's personnel file. An employee may insert into the personnel file a rebuttal statement which is directly in response to written warnings or other negative commentary in the file. Also, if two (2) years have passed without any further discipline, the warning or suspension record will be considered null and void, and shall be removed from the file. Written warnings for at-fault vehicle accidents will only remain in an employee's personnel file for 12 months unless another at-fault vehicle accident occurs during that 12-month period. Formal periodic evaluations are exempt from this removal requirement.

ARTICLE 8 - RECRUITMENT, SELECTION, PLACEMENT, PROMOTIONS AND TRANSFERS

A. Notice of all bargaining unit vacancies shall be posted on Workday for not less than ~~seven~~ eight (~~8~~7) calendar days prior to the position being filled. Should Workday become inaccessible for any reason, the District will increase the posting period one day for each day of inaccessibility. The District also agrees to post non-bargaining unit vacancies below the level of department head, but none of the remainder of this Article applies to such postings.

B. The job posting notice, at a minimum, should include the following information, none of which is to be considered as a limitation of the employee's duty assignments once hired:

1. Title ~~and job description~~ of the position.

2. Salary ~~or wage range~~ on hiring date.

3. Work location (general information, subject to change).

4. Minimum qualifications and any necessary or desirable requirements for the classification or position.

5. Selection criteria to be used, eligibility requirements including education, employment, training or experience, and whether equivalent factors will be recognized.

6. Whether there will be competitive testing, and if so, the nature and scope of the test.

7. ~~Address and d~~Deadline for filing applications.

8. Number of hours per day (general information, subject to change).

9. Regular assigned work times (general information, subject to change).

10. Statement that the District is an equal opportunity employer.

C. When a new permanent position is created, or an existing permanent position becomes vacant, the hiring authority may, at any time during the selection process, fill the position by transfer of a permanent non-probationary employee who has the same classification as that of the vacancy. A transfer is a change in an employee's department, division or work location without any change to the employee's classification and rate of pay. Any permanent non-probationary employee having the same job classification as that of the vacancy shall be considered for transfer by having filed a request for transfer ~~, on the prescribed form, with~~by contacting the District's Human Resources Department. The District will notify the Association when a vacancy is filled by transfer. Any such transfer requires the mutual consent of the involved ~~supervisors~~managers.

D. The District may use a single or combination of selection devices to assist in determining the qualifications of applicants. The form, content and administration of such selection devices shall be at the sole discretion of the District. All exams shall be under the supervision of the District's Human Resources Department. The District may decide whether there should be only a promotional list, or also an open competitive list established. Applications shall be accepted only during the period stated in a job posting.

E. Applications for promotional exams will be accepted only from employees of the District who meet the minimum qualifications announced in the job posting; probationary employees in a qualifying period may not apply. Applications for open competitive exams will be accepted from the general public as well as any District employee who meets the minimum qualifications announced in the job posting. If a multi-part selection process is used, applicants must pass the preceding part in order to be admitted to the next part. In open competitive exams, where a multi-part selection process is used, District employees following the above-described process, will be admitted to the next part in the same proportions that they passed the preceding part.

F. Eligibility lists for the posted vacancy may be established when the selection process is completed. The names of all applicants successfully completing all

parts of the selection process will be placed on an eligibility list to be used for up to 12 months or until the list is exhausted.

Vacancies may be filled following posting of the vacancy from the following sources: existing eligibility lists (outside applicants), transfers or promotions of bargaining unit employees from applicant pools or hiring a new employee.

G. The most qualified applicants shall be referred to the hiring authority.

When all qualifications and factors are equal, bargaining unit vacancies shall be filled by the applicant who has the most District seniority.

H. **General Provisions:**

1. Involuntary transfers may be made by the District at any time independent of the selection process described in this Article~~, but may not be made for disciplinary purposes~~.

2. Nothing in this Article will preclude the District's filling positions on a provisional basis pending completion of the selection process.

3. The ~~testing and ranking procedures~~recruitment and eligibility lists, including testing and assessments, shall not be subject to grievance nor shall the final selection or placement. However, District employee applicants shall, upon request, be granted a feedback session with the hiring authority.

   Further, such applicants, upon request, shall be granted a feedback session with the Director of Human Resources or designee to discuss the process and any post-selection review procedures which may be available. Additionally, the Association may request a meeting with the Director of Human Resources or designee for specific inquiries, concerns or issues regarding a recruitment, promotion or reclassification.

4. It is the mutual intent of the District and the Association to improve training and inter-departmental opportunities.

I. The District will provide a list to the Association of employees who have been hired, into the bargaining unit, each month, including the employee's name, date of hire, and classification ~~and rate of pay~~.

ARTICLE 9 - ASSOCIATION REPRESENTATION

A. The Association shall have the right to designate its own representatives to participate in grievances, negotiations, meetings with management, and to attend to other business and activities of the Association.

Association Representatives are to promote harmony between the employees and the District, and to advise the employees in the adjustment of their work-related problems.

The Association shall provide the District with a list of accredited employee representatives, including non-employee representatives, and maintain its currency.

B. Association Representatives shall be granted release time with pay to attend meetings with the District to adjust employees' work-related problems as set forth in section (A) above; Article 5 (Grievance Procedure); meetings with management pursuant to Article 32 (Management Committee); Article 7 (Discharge, Discipline and Personnel Files), and any other meetings, including negotiations, which have a direct impact upon the Association. Association Representatives shall not leave their assigned work locations or interrupt their own duties or another employee's duties except as provided under this section and section (C) of this Article. Such meetings shall be scheduled at a mutually convenient time.

C. Association Representatives will also be permitted to use a reasonable amount of release time for the investigation of grievances. Release time will not be unreasonably withheld, but will be granted only upon advance approval by the supervisors involved, and will be scheduled by them so as to minimize interruption of the District's business. If at any time the District determines that release time has been abused, or has proven not to have been a productive use of District time, it shall consult with the Association. If the situation does not thereafter improve, the District may in its sole discretion limit or eliminate the privilege.

D. Subject to compliance with District rules, an authorized representative of the Association who is not a District employee may have reasonable access to District facilities to view the premises and the operations of the bargaining unit, and to participate in any Association activities sanctioned by the terms of this Agreement, provided that such representative first notifies management of his presence and does not interfere, in any way, with work in progress.

E. The District shall provide exclusive bulletin board space to the Association in designated break and work areas. Any posted material will be signed by an Association Officer or Board Member.

F. The Association shall, upon written request, and subject to other scheduled events, be permitted reasonable use of meeting space at reasonable times and places. The Association shall be subject to reasonable charge for any clean-up or other extra services provided by the District.

G. Upon the hiring (new hire or promotion) of an employee into a bargaining unit position, an Association Representative and the newly hired employee may use release time for a period not to exceed four (4) hours for the purpose of orienting the newly hired bargaining unit employee to the terms and conditions of this Agreement. Scheduling will be through the approval of the responsible manager and will be coordinated consistent with District business needs.

ARTICLE 10 - BARGAINING UNIT WORK

Although employees in this bargaining unit perform work similar in nature to that of other members of management, the District shall not engage in day-to-day work assignment practices designed solely to erode this bargaining unit, eliminate bargaining unit classifications, or deny premium pay opportunities to the employees within this unit.

ARTICLE 11 - SENIORITY

A. 1. "District Seniority" is defined as the length of an employee's continuous service with the District from the date of hire. An employee who has prior service and is rehired may regain prior seniority subject to the provisions of section (D) in this Article. All references to "seniority" in this Agreement refer to "District Seniority" unless specifically identified otherwise.

2. In calculating District seniority for an employee in full-time status, an accumulated year of seniority shall consist of a minimum of 1250 hours in paid status (or on leave of absence because of a work-related injury) during a 12-month period.

3. "Classification Seniority" is defined as the length of an employee's cumulative service with the District in appointment to a specific classification or in the event of a term change in class title to the duties of a current or its predecessor classification. "Classification Seniority" shall be used in making shift assignments (see Article 13, Section H).

B. 1. The probationary period for new or rehired employees shall be six (6) months of continuous employment. Probationary employees may be discharged for any reason without recourse to the grievance and arbitration process contained in Articles 5 and 6. Upon completion of the probationary period, the employees shall accrue seniority retroactively to the date of hire.

2. The qualifying period for newly promoted employees shall be six (6) months. Employees who do not meet the requirements necessary for a satisfactory completion of the qualifying period shall have their employment maintained at the rate of pay earned immediately prior to the promotion. The District shall return the employee to the same classification held prior to the promotion when possible.

If a vacancy in the same classification is not available, the District will place the employee in a position which he/she is qualified to perform. When a vacancy occurs in the bargaining unit in the same classification the employee held immediately prior to the promotion, or a comparable classification becomes available within the unit, the employee must accept the position. The District shall offer and the employee may accept a position in the same or comparable classification outside the bargaining unit providing such becomes available. The actions resulting from a failure to

successfully complete the qualifying period are not subject to the grievance and arbitration procedures of Article 5 and 6.

3. The probationary period and the qualifying period may be extended up to an additional three (3) months upon mutual agreement of the Association and the District.

C. 1. All seniority rights accrued under this Agreement shall be terminated by:

a. Discharge;

b. Retirement;

c. Layoff without recall to work for a continuous period equal to one-half of the seniority accumulated at the time of layoff, or one year, whichever is shorter.

d. Failure to report for work from layoff within five (5) working days after being notified by telephone, in person, e-mail or certified letter to the employee's last address on record, unless a reason satisfactory to the District is given.

D. Employees who have had prior service with the District and are rehired may regain previous seniority rights subject to the following conditions:

1. The employee was not separated for any of the reasons enumerated in section (C) of this Article.

2. The employee works in a permanent position for a period of time equal to the time separation, or a minimum of six (6) months. (An employee who is separated for six (6) months or less must work a minimum of six (6) months due to the probationary period.)

3. "Bridging of Service" is defined as a recapture and reinstatement of credit for prior employment time. An employee who meets the conditions in this paragraph, and is able to recapture the prior employment credit, shall have seniority rights and benefits for all period(s) of permanent employment. The seniority rights and benefits referred to in this provision include, but are not limited to, the following:

a. Layoff requirements;

b. Shift assignments;

c. Annual leave accrual;

d. Sick leave pay off;

e. Service recognition;

f. Regaining forfeited sick leave, with the following condition: An employee who has been paid for a portion of his/her sick leave accrual balance must repay to the District the amount of the sick leave pay off in order to be credited for the entire sick leave accrual he/she had prior to separation. In other words, if an employee had 100 hours of sick leave accrual balance at the time of separation, and was paid for 50 of those sick leave hours at $5 per hour, that employee would have to repay the $250 (50 hours X $5 per hour) in order to regain the 100 hours of accrued sick leave he had at the time of separation. There is a two (2) year time limit from the date of rehire on when this may be repaid, and it must be repaid in one lump sum. The forfeited sick leave will not be credited to the employee's account until payment has been made. An employee who did not receive pay for unused sick leave at separation shall regain the sick leave balance upon satisfying the conditions of section (D) of this Article.

ARTICLE 12 - LAYOFF AND RECALL PROCEDURE

A. **Layoffs**: If a layoff due to a lack of work or lack of money is found to be necessary, the District shall provide 30 calendar days' prior written notice, except in extraordinary emergency circumstances, to the affected employee and the Association.

When a layoff becomes necessary, employees shall be laid off by District seniority from the affected job classifications as follows:

1. Temporary employees;

2. Initial hire probationary employees;

3. Part-time employees;

4. All other employees required to be removed, provided the remaining employees are capable of performing the remaining work at required performance levels and standards.

5. The designated Association Representatives shall be the last to be laid off, provided that they are capable of performing the remaining work at required levels and standards.

B. **Bumping**: Employees who are subject to layoff, but who have greater District seniority than other bargaining unit employees in another lower-paid classification may, if the District concludes that they are qualified, be permitted to bump the least senior employee from the lower-paid classification.

Employees may have the right to bump into another bargaining unit subject to the condition that, at the time of bumping, the other bargaining unit has a current

Collective Bargaining Agreement which expressly permits such bumping from this bargaining unit.

C. **Temporary Work**: Employees who are subject to layoff may be assigned elsewhere on the basis of District seniority to available temporary work which they are qualified to perform, or laid off if no such work is available. In the event affected employees are assigned to other temporary work, such assignments shall be without loss of seniority or recall rights. The District shall notify the employee of the estimated duration of the temporary assignment and shall thereafter notify the employee of any changes in that estimate.

D. **Recall**: Laid-off employees shall be recalled to the jobs from which they were laid off in the inverse order of layoff. Employees whom the District decided to recall from layoff will be notified either by telephone, in person, e-mail or certified letter to the employee's last address on record, it being the responsibility of each employee to keep the District informed of his or her current correct address. The District may fill the vacancy on a temporary basis pending the return of such employee. An employee so notified shall report for work or notify the District of his intention to report for work within five (5) working days after notification has been given to the employee to report for work. The employee shall return to work at the agreed-upon date, but not later than five (5) working days after receipt of such notice unless a reason satisfactory to the District is given. For purposes of this Article it shall be conclusively assumed that employees have received such notice to report for work three (3) working days after notice is sent by certified mail or e-mail to their last known address, unless in fact such notice was received prior thereto. If an employee fails to comply with any of the provisions of this paragraph he may be terminated.

ARTICLE 13 - HOURS AND PREMIUM PAY

A. **Exempt Status**: Employees covered by this Agreement shall be classified as *exempt* for purposes of the Fair Labor Standards Act (FLSA) and Nevada Revised Statutes Chapter 608 and, therefore, are not entitled to overtime compensation or other wage-and-hour benefits applicable to non-exempt employees under those laws.

B. **Time Tracking**: Employees subject to this Agreement are required to accurately track their hours of work in accordance with the District's time tracking policies and/or procedures, which may be subject to change from time-to-time, at the District's sole discretion.

C. **Workweek**: The District's workweek begins at 12:00 a.m. on Saturday and ends at 11:59 p.m. the following Friday. Except as otherwise provided in this agreement, employees shall be required to work during all hours necessary to carry out the duties of their position, as established by the District.

D. **Work Schedules**: A work schedule is defined as an employee's regular hours of work during the workweek. The District will assign employees work schedules at

least 48 hours in advance of the start of the workweek. Work schedules will generally encompass forty (40) hours during the workweek divided between four or five days of work, unless otherwise established by the District. Employees subject to this Agreement may be required to work outside of their regular shift/work schedule from time to time. Except as otherwise provided below, work outside of an employee's regular shift/work schedule will be completed without additional compensation.

1. Assignment of Work Schedules: Employee work schedules will be established and assigned by the District, at its discretion, based on the needs of the District. Work schedule assignments are not subject to grievance under this Agreement.

2. Changes/Amendments to Work Schedules:

   a. Work Schedules Subject to Change/Amendment: Work schedules may be changed/amended from time-to-time at the sole discretion of the District. Changes/Amendments to a work schedule may be temporary (lasting 7 days or less) or permanent (lasting more than 7 days).

   b. Notice of Changes/Amendments to Work Schedules: The District will strive to notify employees in writing of any amendments/changes to their work schedule at least 48 hours in advance of the start of the workweek in which the change/amendment to their work schedule first occurs. If the District is unable to provide 48 hour notice of the amendment/change to an employee's work schedule, written notice of the change/amendment to their schedule will be provided as soon as practicable by the District.

   c. Premium Pay for Changes Without Advance Notice: If the District is unable to provide notice of a change/amendment to an employee's work schedule at least 48 hours of advance the workweek in which the change/amendment takes effect – including formal noticed changes to shift length and start times, the employee will be paid at a Premium Rate, equal to one and one-half (1– 1/2) times that employee's base rate of pay, for all hours worked during the work week in which the amendment first takes effect. This provision only applies to formally noticed work schedule changes/amendments, it does not apply to situations where an employee starts a shift early or holds over to complete work without prior written approval from the District.

   d. Shift Differential Pay: Employees are also entitled to receive any shift differential pay attributable to any irregular/amended shift they work as part of an amended/changed work schedule.

e. Irregular Work Schedule Changes: Should a noticed amendment/change to an employee's work schedule result in that employee working more than ten (10) hours during any 24 hour period, or more than eight (8) hours for employees on a 5/8's schedule, any eligible shift differential (if applicable) plus the Premium Rate shall apply for all hours worked in the 24 hour period, regardless of whether the irregular shift started in the middle of the 24 hour period. This provision is only applicable to changes to an employee's schedule which are noticed and approved by the District.

3. Employee Requests to Amend Work Schedules: Employee's may request a preferred work schedule or to change their existing work schedule. While these requests will be considered by the District, any decision to amend an employee's work schedule based on an employee request is subject to the discretion of the District and will be made based on its management and staffing needs. Amendments based on employee requests must be authorized by the District in writing before they may be implemented, and do not require 48 hours' notice. Employees who require an accommodation related to their work schedule are encouraged to contact the Human Resources Department.

4. All references to workday or workweek will be interpreted relative to an employee's assigned schedule.

5. Shifts: A shift is defined as one workday of an employee's work schedule during a workweek. A shift will typically fall into one of three classifications: day, swing, or grave, and will be ten (10) hours long or eight (8) hours long, depending on whether the employee is assigned to a 4/10's (4, 10-hour shifts) or 5/8's (5, 8-hour shifts) work schedule, and will typically occur on consecutive days during the workweek. However, alternative shift structures may be established at the District's discretion. For example, the District may adopt a work schedule that does not implement consecutive work days (a non-standard work week) in Customer Care; however, prior to implementing a non-standard work week, the District will provide 30 days' notice to the Association, during which time the District shall make full disclosure of how employees will be selected, and all other pertinent information and shall, in good faith, discuss any issues raised with respect to that change.

6. Changes to Starting Times Within the Same Work Schedule~~–~~: Should a temporary change (1 to 7 days) in starting time within a shift result in an employee working more than ten (10) hours, or more than eight (8) hours for employees on 5/8's, in any 24 hour period, employees shall be paid at a rate equal to one-and-one-half (1 ½) times their regular base rate of pay during all hours the employee worked beyond their regularly assigned hours. In the event of a permanent change in starting times within the same shift or change in days off is instituted without 48 hours' notice, the rate set

forth in this paragraph shall be paid for all hours worked in the first workweek of such change.

Hours and Workweek - The standard workweek is 40 hours, consisting of ten (10) consecutive hours per day (exclusive of lunch break) during four (4) consecutive days commencing with the first hour and day of the employee's regularly assigned workweek and shift.

For those employees who are assigned to other than the standard workweek, namely a 5/8 workweek, their regular workweek shall consist of eight (8) consecutive hours per day (exclusive of lunch break) during five (5) consecutive days, commencing with the first hour and day of the employee's regularly assigned workweek and shift.

All references to workday or workweek will be interpreted relative to an employee's assigned schedule.

The District may adopt a work week that does not have four consecutive work days (a non-standard work week) in Customer Care; however, prior to doing so, the District will provide 30 days' notice to the Association, during which time the District shall make full disclosure of how employees will be selected, and all other pertinent information and shall, in good faith, discuss any issues raised with respect to that change.

For employees who are changed from 4/10's to 5/8's or vice versa, if 48 hours' notice is not given, overtime shall be paid for all hours worked during the first week of such change.

B. **Changes from One Shift to Another** - The employee's regular shift, i.e. day, swing or grave, may be changed by the employer without incurring premium rate liability only if 48 hours' notice is received by the employee prior to commencement of the employee's regularly scheduled workweek.

If the change of an employee's regular shift, i.e. day, swing or grave, is initiated without the 48 hours' notice specified above, the District shall pay the employee at the premium rate of one and one-half (1-1/2) hours of pay per each hour plus shift differential commencing on the first irregular shift and continuing through the balance of the workweek. Should the shift change result in more than ten (10) hours being worked in any 24-hour period, or more than eight (8) hours for employees on 5/8's, the shift differential (if applicable) plus the premium rate shall apply for all hours worked in the 24-hour period.

C. **Changes to Starting Times Within the Same Shift** - Should a temporary change (1 to 7 days) in starting time within the same shift result in more than ten (10) hours being worked, or more than eight (8) hours for employees on 5/8's, in any 24-hour period, the premium rate of one and one-half (1-1/2) hours of pay shall apply for all hours worked beyond the regularly assigned hours. In the event of a permanent change in starting times within the same shift or change in days off is instituted

~~without 48 hours' notice, the premium rate shall be paid for all hours worked in the first workweek of such change.~~

E. **Seasonal Shift**: If a majority of the ~~affected~~ employees within a given work unit or section request~~s~~ a seasonal shift, through the Association, the District may establish a seasonal work shift for said work unit or section in its sole discretion. This seasonal shift shall run from the first Monday in June to the second Friday in September, unless changed by the District pursuant to the ~~Joint~~ Management Committee Process of Article 32.

1. Unless mutually agreed otherwise, pursuant to the Joint Committee process of Article 32, the seasonal shift for day shift employees shall start one (1) hour prior to the regularly scheduled shift and end one hour prior to the end of the regularly scheduled shift.

2. Unless mutually agreed otherwise, pursuant to the Joint Committee process of Article 32, the seasonal shift for swing shift employees shall start one (1) hour after the beginning of the regularly scheduled shift and end one hour after the end of the regularly scheduled shift.

F. ~~**Additional Hours**~~**Emergency Response Pay**: ~~Additional hours worked as a result of call-out, emergencies, scheduled and pre-approval shall be paid~~Where an employee is required to respond to an emergency situation, as solely determined by the District, by appearing in person at the emergency site outside of their regular work schedule, the responding employee will be paid for any hours worked over an initial four hour period, at straight time or hour-for-hour comp time at the employee's option, worked in connection with their response to the emergency. Employees must designate their chosen option during the pay period in which the hours are worked.

G. **Compensatory Time**: The maximum amount of compensatory (comp) time an employee may accrue is 160 hours. In lieu of pay, comp time may be accrued at the employee's option if the employee has a balance that will accommodate the additional time without exceeding the 160-hour maximum.

Employee use (taking time off from work) of comp time is limited to 60 hours of comp time in a payroll year.

Compensated time off will be on an hour-for-hour basis.

1. Requests for use of compensatory time off shall be administered in accordance with Article 17 (Annual Paid Leave) of this Agreement.

2. Compensatory time may be "cashed out" up to four times during any payroll year. Requests must be made in accordance with the payroll schedule.

3. Payment upon separation of employment shall be as required by the Fair Labor Standards Act.

H. **Relief Shift Premiums**: All employees who are temporarily assigned to a shift other than their regular assigned shift (i.e. day, swing or grave), for purposes of providing relief shall be paid a premium of $0.15 per hour (in addition to any applicable shift differentials) for all hours worked outside of their regular assigned shifts. Such employees are exempt from the workday provisions as provided in sections (DA) and (~~E~~F) of this Article.

I. **Shift Differential**: A shift differential shall be paid for all hours worked to all employees whose regular shift begins between the hours of 12:00 noon and 8:00 p.m. (swing shift). The dollar amount of the shift differential shall be established as four percent (4%) of the employee's hourly rate.

A shift differential shall be paid for all hours worked to all employees whose regular shift begins between the hours of 8:00 p.m. and 4:00 a.m. (graveyard shift). The amount of this differential shall be six percent (6%) of the employee's hourly rate.

The District retains the exclusive right to determine whether a swing or grave shift operation will be scheduled, but will discuss with the Association prior to implementing to determine how many and which employees will be assigned to them. However, the District will endeavor to satisfy employee shift preferences as much as business demands reasonably permit, and when all other factors are equal will rely upon classification seniority.

Only holidays and regularly scheduled hours will be considered for the purpose of computing shift differentials. Thus, no shift differential will be paid for time off such as sick leave or annual leave.

J. **Standby ~~Status~~ Service**: The District may require employees to remain on "standby status" in order to be available ~~for~~ in case an issue or emergenc~~ies~~y arises outside of their regularly scheduled shift(s). Employees required to remain on "standby status" are said to be on a "standby service" and must remain both ready, able, and available to return to work within sixty (60) minutes during their standby service and must be able to field emails, telephone calls, and/or text messages from their Department should an emergency arise. Standby service must be preapproved in writing by the District and reported in accordance with the District's regular reporting practices/policies. Decisions regarding whether standby service days will be paid or comp time, must be made in the pay period in which the hours are worked.

1. Employees designated on standby status for a full calendar week shall be paid a sum equal to 12 hours of pay at their regular hourly rate for each seven (7) calendar days of standby service, or, at the employee's option, 12 hours of annual leave shall be added to the annual leave accrual balance. If one or more paid holidays occurs during a seven (7) calendar day period of standby service, the employee who is on standby will be paid an additional sum equal to eight (8) hours of pay at the regular hourly rate for each such holiday or, at the employee's option, an additional eight (8)

hours of annual leave for each such holiday shall be added to the annual leave accrual balance.

2. Employees designated on standby status for an entire weekend (Friday-Sunday) will be paid a sum equal to six (6) hours of pay at their regular hourly rate for each weekend of standby or, at the employee's option, six (6) hours of annual leave shall be added to their annual leave balance. In the event that one or more holiday(s) occur in conjunction with a weekend standby assignment, the affected employee shall be paid an additional sum equal to eight (8) hours of pay at the regular hourly rate for each holiday or, at the employee's option, an additional eight (8) hours of annual leave for each such holiday shall be added to the employee's annual leave accrual balance.

   For example: An employee assigned weekend standby on Memorial Day weekend would be on standby from Friday afternoon through Tuesday morning and would receive six (6) plus eight (8) hours.

   An employee assigned standby on Thanksgiving weekend would be on standby from Wednesday afternoon through Monday morning and would receive eight (8) plus eight (8) plus six (6) hours.

3. Employees designated on standby status for a holiday only will be in standby from close of business the day prior to the holiday until the morning following. Employees designated on standby status for a holiday will receive eight (8) hours of pay at the regular hourly rate. At the employee's option, eight (8) hours will be added to the employee's annual leave accrual balance.

   For example: Should the Fourth of July fall on Wednesday, a designated employee would be on standby status from close of business Tuesday through Thursday morning and would receive eight (8) hours.

ARTICLE 14 - MEAL PERIODS

A. The normal shift schedule for employees (with the exception of employees assigned to work groups on a 24-hour continuous operation) shall include an unpaid meal period of one-half hour to one hour, depending upon the needs of the department involved.

B. An employee who works an additional four (4) hours and is required to continue to work shall receive a $7.00 meal allowance at the end of each four (4)-hour period. This meal allowance does not apply to additional hours worked on the employee's regular days off.

ARTICLE 15 - CLASSIFICATIONS AND RATES OF PAY

A. **General**: The wage rates and job classifications for all employees covered by this Agreement for the term hereof shall be as set forth in Appendix A, attached hereto.

B. 1. Newly created job classifications in the bargaining unit and any changes to the job classifications as set forth in Appendix A are subject to discussion with the Association prior to implementation. The District shall notify the Association, in writing, of any proposed new or modified job classifications. The parties shall meet promptly, but no later than eight (8) working days following notification if the position is vacant, or 30 calendar days if it is not vacant before any District action is taken.

The District shall have the exclusive right to determine the duties, responsibilities, qualifications and description of new or revised job classifications.

Wage rates for newly created job classifications and for changed classifications shall be comparable, based upon job duties and responsibilities, with the wage assignments contained in this Agreement. Disputes under this Article are subject to grievance and arbitration (Articles 5 and 6).

2. **Changes in Pay Rates**: When a position with an incumbent is reclassified to a different salary range, the following shall apply:

a. If the reclassification results in a salary increase, the employee's salary shall receive a minimum five percent (5%) increase.

b. If the salary range for the classification is decreased, the employee's salary rate shall remain unchanged until general pay adjustments increase the salary range to correspond with the employee's salary rate. The employee shall then be placed within the new salary range without any loss of pay.

3. **Reclassification Request**: Employees may request a reclassification study if they reasonably believe their duties and/or responsibilities of their position have changed significantly. Such request shall be submitted in writing to the Human Resources Department.

If the request is deemed appropriate by the Human Resources Department, it shall conduct a job audit of the position and shall respond in writing as to its estimate of when the audit can be completed.

The employee and the Association shall be provided with a written decision upon the audit which shall include the reasons for the District's decision. If position is reclassified the effective date of the reclassification is upon completion of discussion with the Association as required in section (B.1) of this Article.

C. **Permanent Transfers**: A transfer is a change in an employee's department, division or work location without any change to the job classification or rate of pay.

D. **Promotions**: Employees who are promoted to a new job classification in a higher salary range shall receive a promotional increase which is the greater of five percent (5%) or the entry level of the new range. If the new range is not sufficient to permit a five percent (5%) increase, the employee will be paid at the control point of the new range.

The Director of Human Resources may, with notification to the Association, set the promotional increase above five percent (5%), not to exceed ten percent (10%), if such is warranted taking into consideration the length of time since the last merit increase and the rates of pay of employees in the same class and work group. Promotional increases above five percent (5%) as set forth herein are not subject to the Grievance and Arbitration Procedure (Articles 5 and 6) of this Agreement.

When an employee bids upon a vacancy in a different classification, but the same salary range, the employee's regular rate of pay shall be maintained.

E. **Demotions**: If an employee is demoted, whether voluntarily or involuntarily (including the avoidance of a layoff), the employee will maintain his/her current rate of pay prior to the demotion unless the rate exceeds the control point for the range, in which case he/she shall be paid at the control point of the lower range.

If an employee is returned, or demoted, to a former or comparable job classification after or during the qualifying period following a promotion, the employee shall be paid the rate of pay in effect immediately prior to the promotion, including any economic adjustments.

F. **Temporary Assignments**: When the District, in its discretion, assigns an employee on a temporary basis to a higher classification, the pay increment will be a ten percent (10%) increase or the entry salary of the position, whichever is higher. The pay increment is for assignments consistent with minimum performance requirements and is paid as follows:

1. If the employee works in the higher classification for a minimum of two (2) consecutive workweeks, the increment will apply for the entire assignment.

2. If a holiday falls during the assignment, and the increment is applicable to the assignment, the employee will receive holiday pay at the higher rate.

When an assignment is made, the manager will confirm such an assignment to the employee in writing "for the record." In no event will the District reschedule employees under this provision solely to avoid the payment of the premium provided herein.

G. **Merit Increases**: Employees covered by this Agreement are eligible for merit reviews based on an annual rating period of July 1 – June 30 with merit increases effective September 1 of each year. Employees hired or newly promoted to the

Front-Line Supervisor Unit will be phased into this process through one of the following options:

OPTION A. FOR EMPLOYEES WITH LESS THAN 6 MONTHS IN POSITION AS OF JUNE 30. The first merit review will be conducted on the first anniversary of hire or promotion. At that time the employee, with the concurrence of his/her supervisor, has the option to 1) be considered for a merit increase effective at that time with a "mini-review" and eligibility for a pro rata increase (less than 12/12) effective September 1 for the interim period OR 2) extend the review period to include the time between the anniversary date and September with eligibility for a pro rata increase (greater than 12/12) effective September 1. In either case, future reviews would be with a July 1 - June 30 rating period with a September 1 effective date for increases. For example, an employee hired or promoted to Supervisor effective March 28 would have the first annual review in March one year later and 1) a merit increase effective March 28 and a 5/12 increase effective the following September 1 OR 2) a review in March extended to September with a 17/12 pro rata increase.

OPTION B. FOR EMPLOYEES WITH 6 MONTHS OR MORE IN POSITION AS OF JUNE 30. If the employee and his/her supervisor agree that there has been sufficient time to establish a fair and valid review, the review may be completed with eligibility for a pro rata increase (less than 12/12) effective September 1. If either party feels that there has been insufficient time, the first review should be conducted on the first anniversary following the process outlined in Option A.

Employees at or above the control point are eligible for a lump sum increase or a merit increase according to their performance. Merit increases and lump sum increases are based on performance reviews and the determination as to whether an increase will be granted is left solely to the District. The formula for eligibility and the increases available are found in Appendix B.

Statistical reports regarding merit increases, with organization-wide comparability, will be provided on an annual basis, on or about November 1 of each year. The Association may request a meeting to discuss this information pursuant to Article 32, Management Committee.

ARTICLE 16 - HOLIDAYS

A. The District shall observe the following scheduled holidays:

New Year's Day (January 1)
Martin Luther King, Jr.'s Birthday (3rd Monday in January)
Presidents' Day (3rd Monday in February)

Memorial Day (Last Monday in May)
Juneteenth (June 19)
Independence Day (July 4)
Labor Day (1st Monday in September)
Nevada Day (Last Friday in October)
Veterans Day (November 11)
Thanksgiving Day (4th Thursday in November)
Day after Thanksgiving (4th Friday in November)
Christmas Day (December 25)

Any day that may be declared by the Governor as a legal holiday shall be considered as an additional scheduled holiday.

B. Employees are eligible for pay equal to their established workday at their regular rate (including shift differential) if a scheduled holiday falls during their established workweek.

Each employee working 4/10's is eligible for a maximum of ~~90~~ 100 hours of holiday pay per calendar year. Each employee working 5/8's is eligible for a maximum of ~~96~~ 104 hours of holiday pay per calendar year. All holiday hours not used during the calendar year will be lost. There will be no carry-over from year to year.

During some years the scheduled holidays that fall during an employee's established workweek may not total the ~~90~~ 100 or ~~96~~ 104 hours for which the employee is eligible. In those instances, an employee shall be eligible to use the difference between the total scheduled holiday hours for that year and ~~90~~ 100 or ~~96~~ 104 hours as "floating" holiday hours.

Floating holiday hours may be used in increments of not less than two (2) hours.

Each employee is responsible for ensuring that he/she does not use floating holidays hours in excess of the eligible amount. Should this happen the employee will have scheduled holiday time charged to accrued vacation or Leave WithOut Pay (LWOP) for any scheduled holidays for which no paid holiday hours are available. Calendars for various work schedules showing scheduled and floating holiday amounts for each year are available on the Hydroweb.

C. Newly hired employees will be entitled to the floating holiday hours during their first year of employment according to the following schedule:

Hired between January 1 – April 30	100%
Hired between May 1 – August 31	50%
Hired between September 1 – December 31	0%

D. An employee will be entitled to holiday pay if he/she is in pay status on the last working day before, and on his/her first working day after, the holiday.

E. If a holiday occurs during an employee's annual leave, it will be paid as holiday and not charged against accrued annual leave.

F. The District may, at its discretion, require employees to work on a holiday that falls on their regularly scheduled work day. An employee required to work on such a holiday shall receive, in addition to his/her holiday pay, pay at time-and-one-half for all hours worked on that day.

G. There will be no pay-off of unused holiday hours (scheduled or floating) upon separation from employment.

ARTICLE 17 - ANNUAL PAID LEAVE (VACATION)

A. Each employee, after completion of the probationary period, is entitled to paid annual leave.

B. One (1) year of credited service as used in this article means the same as the term is used in Article 11 (Seniority).

C. Annual leave will be determined pursuant to the table set forth below:

RATE OF ACCRUAL	FOR YEARS OF SERVICE
4.62 hours/pay period	0 - 12 years
6.20 hours/pay period	Over 12 years

D. Employees working 4/10's must have at least 60 paid hours during a pay period to earn an annual leave accrual. Employees working 5/8's must have at least 64 paid hours during a pay period to earn an annual leave accrual.

E. The maximum amount of annual leave an employee can carry over is 280 hours on the employee's service (anniversary) date. Additional hours accumulated during the service year, if not used or sold back, will be lost as of that date.

The District will continue its present practice of notification to employees when their annual leave accrual balance exceeds 200 hours.

F. **Sell Back**: An employee is eligible to "sell back" accrued leave in excess of 280 hours prior to his/her service date if the eligibility criteria outlined in paragraph (H) has been met.

G. **Cash Out**: An employee may "cash out" annual leave one time during any calendar year providing that a minimum balance of 80 hours will remain after the cash out and the eligibility criteria outlined in paragraph (H) has been met.

The minimum amount an employee may cash out is 20 hours and requests must be made in accordance with the payroll schedule.

The maximum amount eligible to be cashed out is one-half (1/2) of the annual accrual rate; i.e., assuming all eligibility criteria are met, an employee earning leave

at an annual rate of 96 hours per year could cash out up to 48 hours; an employee earning 160 hours per year could cash out up to 80 hours.

H. **Eligibility Criteria for Sell Back or Cash Out:**

An employee working 4/10's may sell back or cash out accrued leave on his/her service date if, during the preceding 12 months, the employee was permitted, after a reasonably timely request to do so, to take a minimum of 70 hours of leave, including one full week off.

An employee working 5/8's may sell back or cash out accrued leave on his/her service date if, during the preceding 12 months, the employee was permitted, after a reasonably timely request to do so, to take a minimum of 72 hours of leave, including one full week off.

A combination of leave and one (1) scheduled holiday may comprise the week as long as the employee is off a full-week.

For the purpose of qualifying for a sell back or cash out under this provision, the leave taken may include annual leave, personal leave, floating holidays and compensatory time. Sick IS NOT included.

NOTE: The "full week" may be broken by a weekend. For example, a 5/8's employee may take vacation on Thursday and Friday, a holiday on Monday and vacation on Tuesday and Wednesday. Another example, a 4/10 employee may take floating holidays on Wednesday and Thursday, a holiday on Monday, and annual leave on Tuesday.

I. Annual leave must be scheduled in advance, whenever possible, and will be scheduled by the District so as to minimize interference with normal operations. Annual leave shall not be used for sick leave purposes unless all sick leave is exhausted.

J. Annual leave shall be paid at the employee's regular rate of pay (excluding shift differentials) in effect on the shift immediately preceding the day the leave commences.

K. An employee shall accumulate paid annual leave on a pay period basis and upon termination of his employment shall be paid for all accumulated time not previously taken. Probationary employees shall not be entitled to payment for leave upon separation.

ARTICLE 18 - SICK LEAVE

A. **Sick Leave Accrual**: Sick leave shall accrue for regular full-time employees at the rate of 3.70 hours per pay period. Employees working 4/10's must have at least 60 paid hours during a pay period to earn a sick leave accrual. Employees

working 5/8's must have at least 64 paid hours during a pay period to earn a sick leave accrual. There shall be no limit to the amount of sick leave that can be accumulated.

B. **Illness and Injuries**: Any employee is entitled to use accrued sick leave when:

1. Disabled by illness, injury, pregnancy, termination of pregnancy, or childbirth;

2. Prevented from working by public health requirements;

3. Receiving required medical or dental service or examinations; or

4. There is illness in the employee's immediate family or step-family where such illness requires the employee's attendance.

Sick leave may also be utilized in cases of industrial injury after expiration of the income maintenance provisions under Article 19.

Annual leave shall not be used for sick leave purposes unless all sick leave is exhausted.

C. **Physical Examinations**: An employee returning to work after an absence of 30 calendar days or more due to illness or injury; shall submit certification by a licensed physician of fitness to perform his/her normal work assignments. Any physician examination costs associated with obtaining this certification of fitness shall be borne by the employee.

D. **Abuse of Sick Leave**: Sick leave is extended to assist District employees when illness prevents them from working. [If the District reasonably suspects abuse, it may require a physician's certificate.] Abuse of sick leave by an employee may result in disciplinary action.

E. **Additional Leave**: A leave of absence without pay up to a maximum of six (6) months may be granted by the District for purposes normally covered by sick leave when an employee's sick leave has been exhausted. During such a leave of absence, the District may require the employee to undergo examination by a District selected physician at the expense of the District. The District will compensate employees who are legitimately ill or injured at their regular rate for the time spent for such physical examinations. If, on the other hand, the examination indicates abuse on the part of the employee, he/she shall receive no payment for time spent during the examination and will be subject to discipline or discharge.

F. **Light Duty Work/Temporary Disability Reassignment**: Following the illness or injury of an employee, the District shall provide such employee with available light duty work for which the employee is qualified and able to perform or the employee may be assigned to work less than a full workday within the employee's regular classification. When an employee is able to return for light duty work, the employee

shall notify his/her supervisor of his/her release to return to work for light duty pending his full release. The employee shall remain in available light duty assignment until he/she is fully released for work by the employee's physician.

If no light duty work is available the District may temporarily reassign the employee to another position for which he/she is qualified and able to perform if a vacancy exists, or the employee shall remain on sick leave until light duty work becomes available or the employee is fully released to work.

G. **Permanent Disability Reassignment**: If, in the opinion of the employee's physician and a District selected physician, the employee cannot perform, and will not be able to perform, his/her regularly assigned duties due to disability and should be limited to performance of other, less physically demanding duties, the District shall make an effort to reassign the employee to a position for which he/she is qualified and able to perform, provided such an opening exists at that time. Such reassignment is in lieu of termination or sick leave, whichever is appropriate.

H. **Payment for Unused Sick Leave Upon Termination**: An employee shall receive payment for sick leave at their current rate of pay upon separation or layoff in accordance with the following formula:

COMPLETED YEARS OF SERVICE	PERCENTAGE OF ACCRUED LEAVE TO BE PAID
Less than Three	0%
Three through 14 years	50%
15 years or more	75%
Death	100%
Permanent disability separation, certified by a District selected physician at the expense of the District.	100%

All sick leave not paid off upon termination shall be deemed forfeited.

I. Note that certain other leaves in this Agreement are charged against accrued sick leave.

ARTICLE 19 - INDUSTRIAL INJURY

A. For absence caused by a work-related injury or event, if an employee's net pay is not fully covered by a workers' compensation insurance program, the District shall provide a 60 calendar day period of income maintenance to insure that the employee suffers no loss of net pay.

B. The District, under income maintenance for the 60 calendar day period, shall continue payment of employee group health plan, retirement-pension plan

contributions and/or any other benefits as though he/she were still on the job. In the event the injury is for more than the 60 calendar day period of income maintenance provided by the District, the employee may use accrued sick leave and then accrued annual leave to insure he/she shall suffer no loss of net pay.

C. During any absence due to an industrial injury or accident, when a doctor of the employee's choice and/or of the District's choice indicates the injured worker is available for light duty, the District may provide him with light duty. If no light duty is available, the employee shall continue on workers' compensation pay and income maintenance as outlined above.

D. Payment of the difference of workers' compensation pay and regular pay will be computed on "net pay" not "gross pay." "Net pay" will be the employee's normal gross base pay less withholding taxes at each employee's rate for the preceding three (3) months and FICA at the prevailing rate.

E. The 60-calendar day period is an upper limit per each unrelated workers' compensation claim.

F. The District may, in exceptional cases, and at its sole discretion, continue this maintenance of income at full or partial pay for additional periods of 30 calendar days up to a maximum time limit of 12 months, including the first 60 calendar day benefit. Denial of such an extension is not grievable.

G. When reimbursement is necessary for an overpayment, the District and the employee will devise a mutually agreeable repayment plan.

ARTICLE 20 - CHILD CARE

A. **Child Care**. After the birth or adoption of a child, an employee (male or female) may, upon written request, be granted sick leave where appropriate, personal leave, compensatory time, annual leave to the extent accrued or be placed on an unpaid status for purposes of child care.

B. The combined total of the above leaves may not exceed six (6) months. Persons employed to fill positions becoming vacant due to leaves under this Article shall hold such positions subject to being reassigned to another position, if available, or terminated upon the return of the employee to the former position.

ARTICLE 21 - BEREAVEMENT LEAVE

A. Employees who are required to absent themselves from work as a result of the death of a member of their immediate family or stepfamily shall be granted leave with pay up to a maximum of 40 hours per bereavement. Bereavement leave shall be charged to either sick or annual leave at the employee's option.

B. Any time required by the employee in excess of the above provision, or for the death of other than the employee's immediate family or stepfamily shall be charged to either accrued sick leave or accrued annual leave at the employee's option.

C. The immediate family or stepfamily is defined as: spouse, domestic partner, child, father, mother, brother, sister, grandparent or grandchild, or any in-law of the employee having the above specified relationships.

ARTICLE 22 - PERSONAL LEAVE

Employees who have completed their probationary period may take personal leave with pay up to ~~24~~ 30 hours per calendar year, which shall not be charged against annual or sick leave or accrued compensatory time. Personal leave may be taken for any personal reason at any time requested by the employee with prior approval, and may be taken in hourly increments.

Total personal leave taken in any calendar year shall not exceed ~~24~~ 30 hours.

Unused personal leave may not be carried forward to the next calendar year; however, unused personal leave is payable upon separation.

ARTICLE 23 - COURT LEAVE

A. A leave of absence with pay shall be granted to any employee for the time required in service:

1. on a jury;

2. in court proceedings when the employee or the employee's spouse or child is a victim of a crime against the person (this is voluntary at the employee's option);

3. in court under subpoena.

This leave will be at the employee's regular rate for the duration of such duty. Remuneration received for such duty (excluding mileage) shall be submitted to the District for each day for which the employee received payment from the District under this provision.

B. Employees involved in civil or administrative proceedings may utilize accrued annual leave to attend any meetings, hearings or proceedings required.

ARTICLE 24 - MILITARY LEAVE

A. Whenever an employee, except temporary employees, enters the Armed Forces of the United States, whether by enlistment or Selective Service, he/she shall be granted military leave of absence for the duration of his/her compulsory service.

B. During the period of military service, the employee shall retain all rights to which he/she is entitled under the provisions of this Agreement, provided that during a period of military leave in excess of 30 calendar days annual or sick leave shall not accrue. His or her salary upon his/her return shall be the same as he/she was receiving at the time he/she went on leave, plus any economic adjustment accruing

during the period of such leave, and he/she shall be credited with all seniority for past services.

C. Application for reinstatement following military leave must be made within 90 calendar days after receiving an honorable release from active duty.

D. Persons employed to fill positions becoming vacant under this Article shall hold such position subject to being assigned to another position, if available, or terminated upon the reinstatement of the returning employee to his former position.

E. In order that no employee shall suffer any loss of income as a result of a reserve status in any of the Branches of the Armed Forces of the United States or the Nevada National Guard, the employee shall, upon presentation of official orders for active duty for training, be granted leave for a period not to exceed three (3) workweeks (120 hours) in one (1) calendar year. In the event that the amount of the employee's military base pay is less than the amount of his/her regular District base pay, the District will make up the difference.

F. Each employee who is draft eligible and is required to submit to a pre-induction physical examination shall, upon furnishing documentary proof of such requirement, be granted time off with pay not to exceed three (3) working days at his/her basic straight-time hourly rate for the purpose of reporting for, or submitting to, any such ordered physical examination.

G. The intent of this Article, except for section (E), is to be consistent with federal and state law, and shall be interpreted by the parties and by any arbitrator, to provide identical rights and obligations as provided in federal and state law.

ARTICLE 25 - SPECIAL LEAVE

An employee's Department Head may, in his or her discretion, grant an employee special leave without pay. If the leave is to involve full or partial pay, final approval rests with the General Manager.

ARTICLE 26 - GROUP HEALTH INSURANCE

A. The District shall pay 100% of the full premium cost for employee coverage for each full-time, regular employee and 50% of the premium cost for each permanent, part-time employee who works at least ~~20~~ 30 hours per week subject to eligibility under the group insurance plan.

B. For the duration of this Agreement, the District will contribute towards the payment of the employee's dependent coverage premium cost under the group insurance plan as follows:

1. For permanent, full-time employees, the District shall contribute 85% of the dependent coverage premium.

2. For permanent, part-time employees, the District shall contribute 42.5% of the dependent coverage premium.

C. Employees retiring or going into unpaid leave status may continue coverage beyond the end of the month by arranging for personal payment of the full premiums, subject to the limitations of the group insurance plan. Employees who quit or are terminated, shall be covered by applicable federal and/or state law, i.e. COBRA.

D. The District will pay 100% of the full premium cost for employee/retiree only coverage and contribute 85% toward the premium cost of dependent coverage for group health insurance for employees who retire during the term of this Agreement with an unreduced early retirement benefit as defined in the Las Vegas Valley Water District Retirement Plan (e.g., 30 years of service at any age or having attained age 60 with at least ten (10) years of service) until the employee first becomes eligible for Medicare, at which time the District contribution shall cease and the retiree will become responsible for 100% of the premium cost.

It is fully understood that both the premium rates and the benefit levels are subject to change from time to time. There are no guarantees, stated nor implied, as to either the levels of coverage or the premium rates. ~~The separate vision coverage that is provided to participants in the Clark County Self-Funded Plan is not included. Retirees wishing to continue the vision plan may do so but will be responsible for 100% of the premium.~~

E. It is acknowledged by both the District and the Association that District participation in the County and Local Affiliates Self-Funded Group Plan ~~and the advantage of larger group negotiation with the current Health Maintenance Organization (HPN), has the prospect of being~~is mutually beneficial to the employees and the District. It is also acknowledged by the parties that benefit changes are beyond the District's sole control and subject to the majority decision of the group participants. However, when changes to benefits, premium costs or insurance carriers occur during the term of this Agreement, the District shall provide adequate notification to the Association prior to the implementation of any change and the parties shall meet promptly to discuss such changes. Unless there is negotiation between the District and the Association, no changes shall be made by the District to the employer/employee percentage contributions outlined in (A) and (B) above.

For reason of participation in Benefit Structure Review, the District agrees to release with pay, one (1) Employee Representative, designated by the Association, to attend scheduled meetings of the joint committee formed for such purpose.

In the unlikely event that the District ceases to participate in the Self-Funded Group Plan, the parties will immediately meet to negotiate any changes or adjustments necessary to continue health insurance coverage and protection, consistent with the provisions of N~~.~~R~~.~~S~~.~~ 288.150.

ARTICLE 27 - SERVICE RECOGNITION

A. The following service recognition benefit is applicable for all employees hired prior to January 1, 2011:

1. All regular, full-time employees shall receive service recognition in the amount of $200.00 per full year of service after seven (7) continuous years of service. For example, an employee would receive $1,400.00 after his/her seventh (7^{TH}) year of continuous service, $1,600.00 after his/her eighth (8^{TH}), $1,800.00 after his/her ninth (9^{TH}) and so on. Service recognition shall be paid in annual disbursements on each employee's anniversary date each year.

2. Employees who regain service credits pursuant to Article 11 (Seniority), shall also be eligible for service recognition based on the "bridged", or reconstructed, length of service.

B. Employees hired on or after January 1, 2011, are not eligible for service recognition.

ARTICLE 28 - PENSION-RETIREMENT

All employees covered by this Agreement shall, for the term of this Agreement, be entitled to participate in the District's Pension-Retirement Plan, as governed by the terms of the Pension Plan Trust Agreement and applicable state and federal laws. The District agrees to furnish each employee a yearly statement indicating the contributions to the pension fund made by the District in his/her behalf.

The Supervisory Bargaining Unit is entitled to one representative, either an employee from within this unit or a retained non-employee appointed by the Association, on any standing or special committee or task force, when such committee or task force is to include representatives from various identified interest groups, established for the purpose of discussing changes to and/or information regarding the District's Pension Plan.

Committee or task force meetings will be held when necessary within the 30 day period prior to Pension Subcommittee meetings for the purpose of discussing proposed changes to the District's Pension Plan. Other meetings will be convened as needed to disseminate information and discuss any problems or proposed changes to the District's Pension Plan.

Presently, the District pays 100% of the contributions to the District's Pension Plan. There will be no changes in the source of such contributions without prior negotiations with the Association.

ARTICLE 29 - PHYSICAL EXAMINATIONS

A. The District may have any employee or applicant undergo physical or psychological examinations for any reasonable purpose by a licensed physician of the District's choice. The cost for such physical examination shall be borne by the

District. An employee who has been required by the District to undergo such a physical examination shall be paid for such time spent.

B. The District may demote, transfer, reassign or layoff any employee when it is determined the employee does not meet the physical requirements of the job.

The District shall notify the Association, in writing, of any personnel actions under this provision.

ARTICLE 30 - PART-TIME AND TEMPORARY EMPLOYEES

The District retains the right to hire part-time and temporary employees. Part-time employees are those whose regular work schedule involves less than 40 hours per week. A temporary employee is one hired to fill a position of six (6) months or less which may or may not fit within the regular classification system.

Temporary employees shall not be hired in a classification in which there is a regular employee on layoff with recall rights or where a regular employee is capable of performing the duties of the classification by working out of range for training purposes; or where a regular employee is available for light duty work. Service rendered in temporary status shall not count for purposes of seniority unless the employee is placed into a full-time position with no break in continuous service.

Part-time employees shall receive one-half of the regular holiday and vacation benefits. Part-time employees shall not be entitled to seniority rating, but upon becoming full-time shall receive seniority credit for their part-time service converted to full-time equivalent (e.g., half-time for one year equals one-half year of seniority).

ARTICLE 31 - SAFETY

A. The District shall remain in compliance with state and federal law with respect to the health and safety of the employees during their employment. The District shall furnish, at its expense, any required standard personal safety and protective devices by employees.

B. Employees in jobs that require safety glasses shall be eligible for an $80 allowance per year for prescription safety glasses. This allowance will be provided through a vendor selected by the District. It is mutually agreed that all frames must be ANSI (American National Standards Institute) certified and have side shields for employee protection.

C. The District-Association Safety Committee, comprised of both District and Association appointees, shall meet as needed to review and discuss safety conditions, reports of unsafe practices and employee complaints or suggestions regarding safety.

ARTICLE 32 - MANAGEMENT COMMITTEE

A. A Committee of the District and the Association shall meet ~~every other month~~at the request of either party. The meetings will be held at mutually agreed times and places and shall be for the purposes of:

1. Discussing the administration of this Agreement;

2. Exchanging general information of interest to the parties; and

3. Giving the Association the opportunity to share the views of its members and/or make suggestions on subjects of interest to their members.

B. The District will request a Management Committee meeting to discuss any organizational changes; i.e., department reorganizations, contracting with private interests and/or process improvements that will impact Unit employees. Such discussions will take place prior to any plan becoming finalized or implemented so a thorough discovery and disclosure of potential negative impacts as perceived by the Association can be undertaken and such concerns will be discussed and considered.

C. Any issues to be discussed shall be advanced by the requesting party to the other at least 72 hours prior to the scheduled meeting time unless the issue is a matter of urgent nature.

D. Any conclusions or mutual recommendations of this Committee shall be reduced to writing. It is understood that this Agreement cannot be amended except by decision of the District's Board of Directors following mutual agreement between the parties hereto. However, matters of interpretation and clarification can be resolved by written agreement between designated representatives of the District and the Association.

~~E. Any dispute arising through an allegation by the District that the Association is violating a provision of this Agreement will be handled in the following manner:~~

~~1. A written statement setting forth the facts or circumstances surrounding the allegation shall be submitted by the General Manager to the President of the Association within ten (10) working days of the occurrence or when the District reasonably should have had knowledge of the occurrence which is the basis of the allegation.~~

~~2. Within five (5) working days of receipt of this written statement, the President of the Association, or designee, will contact the Director of Human Resources to schedule~~

~~a meeting exclusively for discussion of this allegation. This meeting shall be held within ten (10) working days of receipt of the written statement.~~

~~3. A reasonable number of bargaining unit and District representatives may attend this meeting. The meeting will be scheduled at such a time and place to permit such representatives to be present.~~

~~4. If the dispute is not resolved at this meeting, the parties shall participate in a mediation conference with a Mediator from the Federal Mediation and Conciliation Service to attempt to resolve the dispute.~~

~~5. Any resolution of the dispute shall be reduced to writing and signed by both parties.~~

~~Any time limit of this provision may be extended by mutual consent.~~

ARTICLE 33 - EDUCATION ASSISTANCE

Education Assistance is available to employees who enroll in approved classes (including workshops, seminars, or training sessions for which continuing education units (CEU's) are awarded) offered by accredited institutions of higher learning or offered through recognized industry professional organizations for the purpose of either acquiring or maintaining professional certifications and which meet the criteria as established in this article.

A. **Criteria for Reimbursement**:

This program is not intended to finance degree programs or enhance an employee's personal growth and development other than as related to an employee's competencies and/or preparation for promotional opportunities within the District. Therefore, the definitions of "job-related" and "non-job-related" are relative to the opportunities and technology existing, or anticipated to exist, within the District.

1. "Job-related" is defined as increasing an employee's abilities, knowledge, and skills to directly improve performance in the present job or to enhance one's opportunity for jobs in their immediate line of progression.

2. Employees receiving a grade of C or better or, in those instances where grades are not given, the accompanying certification or certificate of successful completion will be reimbursed for 100% of the cost for an approved "job-related" class subject to the maximum allowable.

3. "Non-job-related" is defined as water-industry-related or related to a profession or career field existing at the District.

4. Employees receiving a grade of C or better, or in those instances where grades are not given, the accompanying certification or certificate of successful completion, will be reimbursed for 75% of the cost for an approved "non-job-related" class subject to the maximum allowable.

5. The maximum allowable reimbursement for tuition, class fees and lab fees is 12 semester hours, or the equivalent thereof, per calendar year.

   a. Classes taken through institutions of higher learning (whether on-line or on-site) for which credit or semester hours are earned will be reimbursed at a rate not to exceed the resident undergraduate or graduate rate in effect at UNLV for the semester when first enrolled.

   b. Education or training for which continuing education units (CEU's) or certificates are awarded will be reimbursed at the rate paid up to a maximum equivalent to the dollar amount established through the undergraduate rate in paragraph (a) above.

6. Only tuition, class fees and lab fee, tech fees will be reimbursed. Books, late registration fees, or any other costs associated with the course are the responsibility of the employee.

B. **Process for Seeking Reimbursement**:

1. Prior to taking a class, the employee must complete the "Application for Education Assistance" and receive the identified approvals. Reimbursement may be approved when applications are submitted after enrollment, but the employee is "at risk" as to meeting established criteria and receiving approval.

2. The employee shall submit the application to the department head. The department head will then forward the application to Human Resources with his/her recommendation for final approval. Human Resources will notify the employee as to whether the application has been approved/denied. Denial of approval is not grievable under the grievance resolution procedures of Articles 5 and 6 of this Agreement. However, the employee may appeal the decision to the Director of Human Resources. The decision of the Director of Human Resources will be made after discussions with all parties to the previous decision. If the decision to deny is upheld, it shall be stated in writing to the employee; if approved, the application will be processed without further delay.

3. Upon completion of the class, the employee must present a grade transcript or certificate of successful completion and a receipt for reimbursable costs to Human Resources in order to be reimbursed for each approved class.

C. **General Provisions**:

1. If the employee voluntarily separates employment for any reason within 12 months of receiving reimbursement, the amount shall be deducted from the final paycheck.

2. If an employee receives Veteran's Administration benefits applied to the cost of the approved class; the District shall not reimburse the employee for

the amount paid by the Veteran's Administration. An employee who receives Veteran's Administration benefits applied to the cost of an approved class must notify their department head prior to submitting the grade transcript and receipt.

3. The employee must arrange to attend the class outside of their work hours or receive approval to use annual leave.

ARTICLE 34 - ASSOCIATION DUES DEDUCTIONS

A. During the term of this Agreement, the District shall deduct monthly Association dues from the available wages of those employees who have individually and voluntarily authorized such deductions to be made. The form of authorization shall be approved by the District and the Association. Said deduction, which is revocable at will, is limited in amount to monthly dues, and will not cover back dues, special assessments, initiation fees or other charges. The District shall, each month, furnish to the Association a list of employees for whom the deduction was made, together with a check for the total amount of deductions.

B. The District agrees not to honor any dues deduction authorizations executed by any employee in the bargaining unit in favor of any other labor organization, unless otherwise authorized by the Employee-Management Relations Board.

C. The Association agrees to indemnify, defend and hold the District harmless against any and all claims or suits that may arise out of, or by reason of, action taken by the District in reliance upon any authorization cards submitted by the Association or an employee to the District. The Association agrees to refund to the District any amounts paid to it in error on account of the payroll deduction provision upon presentation of proper evidence of error or mistake.

D. The Association will certify, to the appropriate District department as determined by the District, in writing, annually, the current rate of membership dues. The District will be notified of any change in the rate of membership dues 30 days prior to the effective date of such change.

E. Said dues deduction will be withheld from the second pay period of each month. The District will not be required to honor for that month's deduction any authorizations or revocations that are delivered to it later than ten (10) days prior to the second day of the month.

ARTICLE 35 - MISCELLANEOUS

A. **Mileage**: The District shall reimburse employees at the maximum rate allowed as non-taxable under the IRS regulations for the required use of personal vehicles for District business.

B. **Copy of Contract**: The District will promptly make a copy of the contract available on the Hydroweb for employees newly hired and/or promoted into the bargaining unit to print at their convenience.

C. **Protection from the Elements**: The District shall continue its current practices with respect to the furnishing of protection from the elements.

The District will provide District insignia jackets for those employees whose regular duties require working outside. Proper care and laundry of these jackets shall be the responsibility of the employee. Replacement jackets will be issued based on manager approval, but not more frequently than every three (3) years, except when the need is due to unusual circumstances.

D. **Coffee and Other Hot Beverages**: The District shall continue its current practices with respect to furnishing coffee and other hot beverages.

E. **Blood Drive**: The District shall make a reasonable effort to cooperate with the needs of employees in connection with their donations of blood during District-sponsored or authorized blood drives, including the provision of a reasonable rest/recovery period, if needed.

ARTICLE 36 - SAVINGS CLAUSE

It is understood and agreed that this Agreement is subject to all current and future applicable Federal and State laws and regulations. Should any valid federal or state law or final determination of any administrative agency or court of competent jurisdiction affect any provision of this Agreement, the provision or provisions so affected shall be made to conform to the law or determination, and otherwise this Agreement shall continue in full force and effect. It is agreed that in the event a provision of this Agreement is so judged to be invalid or unlawful, the District and the Association shall meet immediately and commence negotiations to modify and bring the invalidated provision into compliance. The parties hereto agree to refrain from initiating any legal action or taking individual or collective action that would invalidate Articles of this Agreement, without first participating in good faith negotiations regarding the invalidated provision.

ARTICLE 37 - EFFECT OF AGREEMENT

A. The Association and the District agree that this Agreement is intended to cover all matters affecting wages, hours, and other terms and all conditions of employment and similar or related subjects, and that during the term of this Agreement neither the District nor the Association will be required to negotiate on any further matters affecting these, except as specifically provided herein.

B. Certain managerial decisions may legally require the District to bargain with the Association over the effects of such decisions, and the Association does not waive its right to such “effects bargaining.”

ARTICLE 38 - COST-OF-LIVING WAGE ADJUSTMENT

A. Effective with the first full pay period in July ~~2021~~2026, or the first pay period following Board approval of this Agreement, whichever is later. Effective the first full pay period in July ~~2022~~2027, ~~2023~~2028, ~~2024~~ 2029 and ~~2025~~2030, WSAN

employees shall receive a cost-of-living wage adjustment equal to the annual increase as of March, per the Consumer Price Index, All items, All Urban Consumers, Pacific Cities, West-A.

B. The Front-Line pay plan will be adjusted by the same percentage defined above at the same time employees receive their cost-of-living wage adjustment.

C. This article shall be automatically reopened if the Consumer Price Index, All Items, All Urban Consumers, Pacific Cities, West-A, as above in A, is above ~~three~~ four and one-half percent (4.5~~3~~%) or falls below one-and-one-half (1.5%). Additionally, should a Consumer Price Index be developed for the Las Vegas Metropolitan area, the parties may discuss its applicability.

ARTICLE 39 - LONG-TERM DISABILITY INSURANCE

The District shall provide long-term disability insurance to all regular full-time employees covered by this Agreement. The District shall pay 100% of the cost for the Long-Term Disability Plan.

This Plan will include a pre-existing condition limitation; an income benefit of not less than 60% (subject to offset from SSA, Workers' Compensation, retirement, and other such incomes); a standard qualification (elimination) period of not more than 180 days; and benefits payable at least to age 65 with certain usual exceptions (such as mental/nervous disorders).

Employees hired after the effective date of this Agreement will be eligible for coverage the first of the month coinciding with or next following 60 days of employment.

Current Benefit Level: The District has benefit level of 66.67% with an elimination/qualification period of 120 days. Should the arrangement with the County change and lessen the benefit level, coverage may revert to the previously described level.

ARTICLE 40 - EMPLOYEE ASSISTANCE PLAN

The District shall provide an Employee Assistance Program (EAP) for all regular full-time and part-time employees covered by this Agreement who work at least 20 hours per week. Newly hired employees will be eligible for coverage the first of the month following employment. This program will be available to all household and dependent family members of the employee currently covered for up to five sessions per incident. The District shall pay 100% of the cost for the program.

This program will:

1. provide confidential consultation, assessment, referral, and follow-up services, including a limited amount of counseling without charge to assist the employee and his/her family; and

2. provide assistance, either through the program itself or in conjunction with other benefit programs, to employees in seeking assistance beyond that provided through the Employee Assistance Program; and

3. include procedures for self and supervisory referrals.

This program provides assistance to help the employee, their dependents, and other household members resolve personal problems that may be interfering with the employee's work and home life. Services provided include: emotional distress, co-worker conflict, divorce or separation, custody issues, grief and loss, marital issues, relationships, alcohol and substance abuse, child and adolescent issues, aging family members, crisis situations, domestic violence, drug dependency, gambling, depression, retirement, anger, and stress.

All information developed under the program about employees, their dependents, and other members of their household shall be considered strictly confidential and shall be treated as such as the goal of the program is to help and provide guidance to any employee seeking professional and CONFIDENTIAL help to solve their problems.

Both the Association and the District recognize that family and personal problems may affect employees' attendance and/or job performance to the point that disciplinary action, up to and including discharge may result. However, the District recognizes the benefits of the EAP or similar programs and will be reasonably accommodating and understanding of the time needed for employees to participate in such programs.

When an employee refuses to seek assistance and/or resolution of his/her problems by actively participating in any program and attendance and/or job performance continues to be adversely affected, the District may administer discipline as is appropriate. However, both parties agree that this is not to be interpreted as impacting any of the rights and protections contained in the provisions of the current Collective Bargaining Agreement.

ARTICLE 41 - FAMILY CARE PROGRAM

The District currently provides a voluntary on-site day care program at the Valley View campus. Any decisions regarding elimination of the on-site daycare center will be communicated to the employees a minimum of 60 days in advance. At all times the District makes available a family care program to any of its employees, it shall also make such program available to WSAN unit members on similar terms.

ARTICLE 42 - FLEXIBLE BENEFITS PROGRAM

The District will continue providing a Flexible Benefits Program. Current core benefits (health insurance, long-term disability, life insurance, accidental death and dismemberment, and Employee Assistance Program), will not be affected by this program during the term of this Agreement.

Since the major purpose for a flexible benefits program is to provide more equality in benefit coverage and to be more responsive to the needs of a diverse workforce, the

amount of the District's monthly contribution on behalf of each employee will be determined by the employee's enrollment status in the Group Health Insurance Plan: Employee Only = $200; Employee and Spouse = $60; Employee and Child(ren) = $30; and Family = $20.

The providers and specific product list may vary from year to year but will be designed, to the extent possible, to respond to employee needs and maintain a balance of service and value.

ARTICLE 43 - DURATION

A. Except as provided in Section (D) below, this Agreement shall remain in full force and effect until June 30, ~~2026~~2031, unless extended by mutual written agreement.

B. It is agreed that each party may select up to three (3) non-economic issues to reopen each year.

C. On or before February 1 of each year, either party may give notice of its desire to negotiate under the provision in Section (B) above. Items re-opened under this provision or Section (D) below to become effective upon agreement, but not earlier than July 1 of the year during which the notice is given, and to remain effective until the end of the Agreement.

D. It is agreed that for the second year of this Agreement (~~2023~~2028), either party may select one (1) economic issue to reopen, two (2) for the third year (~~2024~~2029) and three (3) for the fourth year (~~2025~~2030). Notice of the desire to negotiate under this provision shall be given prior to February 1st of the applicable year. The opportunities provided for by this paragraph are in addition to the Wage Adjustment re-opener, included in Article 38, Paragraph (C), herein.

E. It is agreed that any re-opener negotiations and any statutory impasse procedures will be limited solely to the items reopened for negotiation, and that all other terms and conditions of this Agreement shall remain in full force and effect for the entire duration hereof as provided in Section (A).

LAS VEGAS VALLEY WATER DISTRICT	WATER SUPERVISORS ASSOCIATION OF NEVADA
BY: ***The Board of Directors***	**BY:** _____
	ITS: _____
DATE: _____	**DATE:** _____

APPENDIX A

CLASSIFICATION	RANGE
Backflow Supervisor	6
Customer ~~Service~~ Care Supervisor	6
Distribution System Supervisor	7
Electrical Supervisor	7
Electronics Supervisor	7
Engineering Services Supervisor	7
Facilities Maintenance Supervisor	6
Facilities Services Supervisor	4
Fleet ~~Maintenance~~ Services Supervisor	5
Grounds Maintenance Supervisor	4
Inspection Supervisor	7
~~Mail Services Supervisor~~	~~2~~
Material Services Supervisor	5
Mechanical Supervisor	7
Meter Maintenance & Operations Supervisor	6
Meter Services Office Supervisor	3
~~Production Supervisor~~	~~7~~
Work Order Management Supervisor	7

APPENDIX B - MERIT INCREASE MATRIX

POSITION IN RANGE				
PERFORMANCE RATING	**LOWER ZONE** ENTRY TO 90% OF CONTROL POINT	**MIDDLE ZONE** 90 TO 100% OF CONTROL POINT	**AT OR ABOVE CONTROL POINT**	**UPPER ZONE** ABOVE CONTROL POINT TO MERIT MAXIMUM
	Overall Rating % Increase	Overall Rating % Increase		Overall Rating % Increase
	BASE RATE	BASE RATE	LUMP SUM	BASE RATE
DISTINGUISHED PERFORMANCE (3.51 – 4.0)	3.91 – 4.00 8.00 3.81 – 3.90 7.75 3.71 – 3.80 7.50 3.61 – 3.70 7.25 3.51 – 3.60 7.00 7 – 8%	3.91 – 4.00 6.00 3.81 – 3.90 5.75 3.71 – 3.80 5.50 3.61 – 3.70 5.25 3.51 – 3.60 5.00 5 – 6%	Up to 4%	3.51 – 4.0 4.00 4%
EXCEEDS FULL PERFORMANCE (2.76 – 3.5)	3.41 – 3.50 6.50 3.30 – 3.40 6.25 3.20 – 3.29 6.00 3.09 – 3.19 5.75 2.98 – 3.08 5.50 2.87 – 2.97 5.25 2.76 – 2.86 5.00 5 – 6.5%	3.36 – 3.50 4.50 3.21 – 3.35 4.25 3.06 – 3.20 4.00 2.91 – 3.05 3.75 2.76 – 2.90 3.50 3.5 – 4.5%	Up to 3%	3.36 – 3.50 3.00 3.21 – 3.35 2.75 3.06 – 3.20 2.50 2.91 – 3.05 2.25 2.76 – 2.90 2.00 2 – 3%
FULL PERFORMANCE (2.0 – 2.75)	2.66 – 2.75 4.50 2.55 – 2.65 4.25 2.44 – 2.54 4.00 2.33 – 2.43 3.75 2.22 – 2.32 3.50 2.11 – 2.21 3.25 2.00 – 2.10 3.00 3 – 4.5%	2.68 – 2.75 3.00 2.59 – 2.67 2.75 2.51 – 2.58 2.50 2.42 – 2.50 2.25 2.34 – 2.41 2.00 2.25 – 2.33 1.75 2.17 - 2.24 1.50 2.08 – 2.16 1.25 2.00 – 2.07 1.00 1 – 3%	Up to 2%	0
NEEDS TO IMPROVE PERFORMANCE	0	0	0	0

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ATTACHMENT III
WATER SUPERVISORS ASSOCIATION OF NEVADA
FISCAL IMPACT ASSESSMENT SUMMARY

Article Number	Article Title	No Change Item	Language Change Only	Cost/(Savings) Item
Preamble			X	
Article 1	Recognition	X		
Article 2	Non-Discrimination	X		
Article 3	Retained Rights	X		
Article 4	Work Stoppage	X		
Article 5	Grievance Procedure		X	
Article 6	Arbitration	X		
Article 7	Discharge, Discipline and Personnel Files	X		
Article 8	Recruitment, Selection, Placement, Promotions and Transfers		X	
Article 9	Association Representation	X		
Article 10	Bargaining Unit Work	X		
Article 11	Seniority	X		
Article 12	Layoff and Recall Procedure	X		
Article 13	Hours and Premium Pay		X	X
Article 14	Meal Periods	X		
Article 15	Classifications and Rates of Pay	X		
Article 16	Holidays		X	X
Article 17	Annual Paid Leave (Vacation)	X		
Article 18	Sick Leave	X		
Article 19	Industrial Injury	X		
Article 20	Child Care	X		
Article 21	Bereavement Leave	X		
Article 22	Personal Leave		X	X
Article 23	Court Leave	X		
Article 24	Military Leave	X		
Article 25	Special Leave	X		
Article 26	Group Health Insurance		X	
Article 27	Service Recognition	X		
Article 28	Pension-Retirement	X		
Article 29	Physical Examinations	X		
Article 30	Part-Time and Temporary Employees	X		
Article 31	Safety	X		
Article 32	Management Committee		X	
Article 33	Education Assistance	X		
Article 34	Association Dues Deductions	X		
Article 35	Miscellaneous	X		
Article 36	Savings Clause	X		
Article 37	Effect of Agreement	X		
Article 38	Cost-of-Living Wage Adjustment		X	X
Article 39	Long-Term Disability Insurance	X		
Article 40	Employee Assistance Plan	X		
Article 41	Family Care Program	X		
Article 42	Flexible Benefits Program	X		
Article 43	Duration		X	
Appendix A	Job Class Listing		X	
Appendix B	Merit Increase Matrix	X		
Index		X		

ATTACHMENT IV
WATER SUPERVISORS ASSOCIATION OF NEVADA
FISCAL IMPACT SUMMARY

Article	Article Description	New Benefit of Change in Benefit	Summary of New Benefit or Change in Benefit	Current Contract Cost	Year 1 Contract Cost/(Savings)	Percent Increase/Decrease
38	COLA	Change	All employees will receive a 3.4 % increase effective the first full pay period in July	$ 5,394,702	$ 183,420	3.4%

LAS VEGAS VALLEY WATER DISTRICT
BOARD OF DIRECTORS
AGENDA ITEM

May 18, 2026

Subject:
Agreement

Petitioner:
Doa J. Ross, Deputy General Manager, Engineering and Operations

Recommendations:
That the Board of Directors approve and authorize the General Manager to sign, in substantially the same form as attached hereto, an agreement among Titanium Metals Corporation, the Southern Nevada Water Authority, and the District outlining the framework for permanent water service to Titanium Metals Corporation within the Black Mountain Industrial Complex and addressing the assignment of a portion of Titanium Metals Corporation's Colorado River water rights to the Southern Nevada Water Authority.

Fiscal Impact:
None by approval of the above recommendation.

Background:
Titanium Metals Corporation (TIMET) operates a titanium melting and processing facility within the Black Mountain Industrial Complex (BMI Complex), an island of unincorporated Clark County surrounded by the City of Henderson (City) within Las Vegas Valley Water District service territory. Beginning in the 1950s, Colorado River water was delivered to the BMI Complex industries, most recently through a 1969 contract with the Bureau of Reclamation, the Colorado River Commission of Nevada, Basic Water Company (Basic), and the producing companies at the BMI Complex (1969 Water Rights Agreement). On or about July 1, 2022, declining Lake Mead levels rendered Basic's intake inoperable, and Basic terminated raw water deliveries to the BMI Complex.

On June 23, 2022, the District and the City entered into an interlocal agreement authorizing the City to temporarily supply potable water to Basic for redelivery to the BMI Complex industries while a long-term solution was developed. In September 2022, Basic and its affiliate filed for Chapter 11 bankruptcy protection. On October 20, 2023, the bankruptcy court approved a plan under which Basic's assets, including the Basic water infrastructure and Basic's interest in the 1969 Water Rights Agreement, were sold to Precision Castparts Corp., TIMET's parent company. That sale closed in November 2023.

If approved, the attached Agreement Relating to Colorado River Contract Rights Owned by Titanium Metals Corporation (Agreement) includes the terms and conditions to establish the framework for permanent water service to TIMET. Under the Agreement, the District will enter into a permanent interlocal agreement with the City authorizing the City to provide retail water service to TIMET within the District's service territory for use in TIMET Service Area (Permanent

AGENDA ITEM # 7

ILA).

In addition, TIMET will assign to the Southern Nevada Water Authority (Authority) 900 acre-feet of its 1969 Water Rights, covering TIMET's expected operations and reasonable expansion within TIMET-owned parcels in the BMI Complex (TIMET Service Area), plus an additional 10 acre-feet held by the Authority for the benefit of any third-party purchaser of portions of the TIMET Service Area. The Authority will grant TIMET an irrevocable license to divert and use the assigned water rights within the TIMET Service Area, subject to metering, accounting, and notice requirements. The Agreement also includes provisions for the Authority to refund a portion of TIMET's previously paid Regional Connection Charge following the three-year audit of the actual annual usage. This Agreement will be taken to the Authority's Board of Directors on May 21, 2026.

The Agreement will become effective only upon (1) approval by both the Authority's and the District's Boards, (2) execution by all parties, (3) documentation of SNWA ownership of the assigned water rights by the Bureau of Reclamation, and (4) Board approval and execution of the Permanent ILA between the District and the City, which will be brought before the Board of Directors at a later date.

This Agreement is being entered into pursuant to Sections 1(6), (13), and (14), of the Las Vegas Valley Water District Act, Chapter 167, Statutes of Nevada 1947. The office of the General Counsel has reviewed and approved the Agreement.

JJE:DJR:GJW:BG:td
Attachments: Disclosure, Agreement, Exhibit

Las Vegas Valley Water District
Southern Nevada Water Authority
Springs Preserve™

LVVWD/SNWA/SSEA
DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Information

Business Entity Type:	Privately Held Corporation
Business Designation Group:	
Number of Clark County Residents Employed:	207
Corporate/Business EntityName:	Titanium Metals Corporation
Doing Business As:	
Street Address:	5885 Meadows Road, Ste. 620
City, State, and Zip Code	Lake Oswego, Oregon 97035
Website:	
Contact Name:	Chad P. Seber
Contact Email:	cseber@precastcorp.com
Telephone No:	(503) 946-4800 x4731
Fax No:	(503) 946-4817

Nevada Local Business Information (if applicable)

Local Street Address:	181 N. Water Street 89015
Local Website:	
Local Contact Name:	Ken Ferriabough
Local Contact Email:	Kenneth.Ferriabough@timet.com
Telephone No:	(702) 564-2544
Fax No:	(702) 565-2689

BUSINESS ENTITY OWNERSHIP LIST

All entities, with the exception of *publicly-traded corporations* and *non-profit organizations*, must list the names of individuals, either directly or indirectly, holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board of Directors. (*If no parties own more than five percent (5%), then a statement relaying that information should be included in lieu of listing the parties).*

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

Publicly-traded corporations and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest.

No Ownership More than Five Percent (5%) Statement (if applicable):

Subsidiary Company Titanium Metals Corporation, is a wholly-owned subsidiary of Precision Castparts Corp. ("PCC"). PCC is a wholly-owned subsidiary of Berkshire Hathaway Inc ("Berkshire"). Berkshire is a publicly traded company.

See attached document listing Titanium Metals Corporation current Officers and Directors.

Listed Disclosures Below *(additional supplemental information may be attached, if necessary):*

Additional Supplemental Information to be Attached?	**Yes**
Number of Board members/Officers?	
Number of Owners?	**1**

Names, Titles and Percentage Owned:

Full Name	**Title**	**% Owned** (Not required for Publicly Traded Corporations/Non-profit organizations)

DISCLOSURE OF RELATIONSHIPS

Disclosure of Relationship/Ownership

Business Owner/Principal relationships to any Employee and/or Official of LVVWD, SNWA or SSEA must be listed whether that relationship is by blood "Consanguinity" or by marriage "Affinity". "Degree of consanguinity", first or second, of *blood* relatives is as follows:

Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)

Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

A.	Do any business/corporate entity members, partners, owners or principals have a spouse, registered domestic partner,child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a LVVWD, SNWA, or SSEA full-time employee(s) and/or appointed/elected official(s)?	**No**
B.	Are any LVVWD, SNWA, or SSEA employee(s) and/or appointed/elected official(s) an individual member, partner, owner or principal involved in the business entity?	**No**

Disclosure of Employee Relationship/Ownership/Involvement: *(List any disclosures below)*

Category A/B	Business Owner/Principal Name	LVVWD/SNWA/SSEA Employee/Official and Job Title	Business Owner/Official Relationship to LVVWD/SNWA/SSEA Employee/Official	LVVWD/SNWA/SSEA Employee's/Official's Department

Business Entity Authorized Signature:

By providing an electronic signature in the indicated area below*, the signatory acknowledged and agreed to sign documents and contracts electronically and to receive by electronic delivery documents, contracts, notices, communications, and legally-required disclosures. Signatory also* certified, under penalty of perjury, that all of the information provided herein is current, complete, and accurate and that signatory is authorized to sign. Signatory also understands that the LVVWD/SNWA/SSEA Board of Directors will not take action on any item without the completed disclosure form.

Signer Name:	Chad P. Seber
Signer Title:	Senior Litigation Counsel
Signer Email:	cseber@precastcorp.com
Signed Date:	4/29/2026
E-signed Acknowledgement:	Yes

LVVWD/SNWA/SSEA Review

This section to be completed and signed by the LVVWD/SNWA/SSEA Authorized ***Department*** Representative.

N ***No*** Disclosure or Relationship is noted above or the section is not applicable.

Disclosure or Relationship ***IS*** noted above (complete the following):

– Is the LVVWD/SNWA/SSEA representative listed above involved in the contracting/selection processfor this item?

– Is the LVVWD/SNWA/SSEA representative listed above involved in any way with the business inperformance of the contract?

Additional Comments or Notes:

By signing below, I confirm that I have reviewed this disclosure form and that it is complete and correct to the best of my knowledge.

	Gunson, Brent	
Gunson, Brent	Senior Attorney	4/29/2026
Signature	Print Name/Title	Date

Titanium Metals Corporation

Addresses listed below are Business addresses.

Directors:	**Address**
Jeff Kijak, Chairman	244 Worcester Street, North Grafton, MA 01536
Shawn R. Hagel	5885 Meadows Road, Ste. 620, Lake Oswego, OR 97035
Ruth A. Beyer	5885 Meadows Road, Ste. 620, Lake Oswego, OR 97035
Officers:	
Jeff Kijak Chief Executive Officer	244 Worcester Street, North Grafton, MA 01536
Steve Wright President	4832 Richmond Road, Suite 100, Warrensville Heights, OH 44128
Shawn R. Hagel Executive Vice President, CFO and Assistant Secretary	5885 Meadows Road, Ste. 620, Lake Oswego, OR 97035
Ruth A. Beyer Senior Vice President, General Counsel and Secretary	5885 Meadows Road, Ste. 620, Lake Oswego, OR 97035
Anna M. Armagno Senior Vice President, Chief Accounting Officer and Asst. Secretary	5885 Meadows Road, Ste. 620, Lake Oswego, OR 97035
Jason A. Dalton Vice President, Deputy General Counsel & Asst. Secretary	5885 Meadows Road, Ste. 620, Lake Oswego, OR 97035
Jim Puetz Vice President – Taxes and Asst. Secretary	5885 Meadows Road, Ste. 620, Lake Oswego, OR 97035
Stephen Tachouet Vice President and Treasurer	5885 Meadows Road, Ste. 620, Lake Oswego, OR 97035
Tom McDonnell Senior Vice President – Finance	301 Highland Avenue, Jenkintown, PA 19046
Matt Domenico Senior Vice President – Human Resources	244 Worcester Street, North Grafton, MA 01536

AGREEMENT RELATING TO COLORADO RIVER CONTRACT RIGHTS OWNED BY TITANIUM METALS CORPORATION

This Agreement Relating to Colorado River Contract Rights Owned by Titanium Metals Corporation ("Agreement"), is made and entered into as of the Effective Date (as such term is defined below) by Titanium Metals Corporation, a Delaware corporation, (successor-in-interest to Titanium Metals Corporation of America) ("TIMET"), the Las Vegas Valley Water District, a political subdivision of the State of Nevada ("LVVWD"), and the Southern Nevada Water Authority, a political subdivision of the State of Nevada ("SNWA"), and together with TIMET and LVVWD, the "Parties").

RECITALS

A. LVVWD is statutorily authorized to distribute potable water within a service area that includes the City of Las Vegas, Nevada and portions of unincorporated Clark County, Nevada.

B. SNWA is engaged in the acquisition, treatment, and wholesale distribution of water to water utilities in Clark County, Nevada, including, without limitation, LVVWD and the City of Henderson, Nevada ("City").

C. TIMET operates a titanium metal melting and processing facility within the Black Mountain Industrial Complex ("BMI Complex").

D. City, a municipal corporation in Clark County, operates a public water system serving properties within its incorporated city boundaries as well as certain properties in unincorporated Clark County.

E. The BMI Complex is an island of unincorporated Clark County, Nevada, completely enclosed within the contiguous boundary of City. As of the Effective Date, the industrial entities located within the BMI Complex (the "Producing Companies") are (1) TIMET, (2) EMD Acquisition LLC, a Nevada limited liability company, d/b/a Borman Specialty Materials (successor-in-interest to American Potash & Chemical Corporation), (3) Lhoist North America of Arizona Inc., an Arizona corporation, (successor-in-interest to The Flintkote Company), and (4) Pioneer Americas LLC, a Delaware limited liability company, d/b/a Olin Chlor Alkali Products (successor-in-interest to Stauffer Chemical Company).

F. Since the 1950s and until approximately July 1, 2022, Basic Water Company ("BWC") along with Basic Water Company SPE 1, LLC ("SPE") and their predecessors (collectively "Basic"), were engaged in the delivery of Colorado River water under the United States Department of Interior and Bureau of Reclamation Contract No. 14-06-300-2083, dated September 18, 1969, as amended ("1969 Water Rights Agreement"). BWC, The Producing Companies (or their predecessors in interest), the Colorado River Commission of Nevada ("CRC"), and the United States Bureau of Reclamation ("BOR") are all signatories to the 1969 Water Rights Agreement.

G. The 1969 Water Rights Agreement authorized Basic to divert Colorado River water through Basic's intake facility at Saddle Island on Lake Mead, which was then conveyed through approximately 16.6 miles of pipelines and associated water infrastructure ("Basic Water Infrastructure") and redelivered to the Producing Companies, including TIMET.

H. In June 2022, in response to decreasing water levels at Lake Mead and Basic's failure to modify the Basic Water Infrastructure prior to that time to enable its continued operation, LVVWD and City executed an Interlocal Agreement (LVVWD Agreement No. 010231.0, dated June 23, 2022, "2022 ILA") authorizing City to temporarily supply potable water to Basic, with Basic then distributing this water to the BMI Complex service area for the Producing Companies, while Basic, the Producing Companies, SNWA, LVVWD, and City evaluated long-term solutions.

I. Concurrent with the signing of the 2022 ILA, City and Basic executed the 2022 Water Service Contract (City contract number #26526, dated June 13, 2022, and subsequently amended on December 5, 2022) ("Water Service Agreement"). The Water Service Agreement authorized Basic to receive temporary potable water service from City. Basic would then redeliver the water to the Producing Companies, Nevada Environmental Response Trust ("NERT"), and Saguaro Power Company, A Limited Partnership whose assets were thereafter acquired by Nightpeak Energy and branded Saguaro Power ("Saguaro"), for use in the BMI Complex service area. Water supplied under the Water Service Agreement is used for the Producing Companies' industrial needs, Saguaro's industrial operations, NERT's remediation activities, and to meet fire protection and sprinkler system needs.

J. On or about July 1, 2022, the surface elevation of Lake Mead fell below the operational level of Basic's intake. The Basic Water Infrastructure failed, and Basic terminated delivery of raw water to the Producing Companies. Subsequently, after the Producing Companies paid SNWA's standard connection fees, City began providing temporary potable water service to Basic under the 2022 Water Service Agreement for redelivery to the Producing Companies.

K. On September 10, 2022, BWC and SPE, citing lost revenue from raw water sales impacting their ability to meet debt obligations, each filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the District of Nevada (Case Nos. BK-22-13252-MKN and BK-22-13253-MKN, respectively). These cases were later administratively consolidated by the court. Both companies sought to sell their assets, including the Basic Water Infrastructure, through their Chapter 11 plan.

L. Basic's confirmed Chapter 11 plan calls for Basic to sell all its assets, including but not limited to the Basic Water Infrastructure, real property, right-of-way grants, easements, and assignment of certain state of Nevada and federal contracts (including the 1969 Water Rights Agreement), to Precision Castparts Corp. ("Precision"), the parent company of TIMET, or Precision's assignee, Henderson Water Company, LLC ("HWC"). The bankruptcy court entered an order approving that plan on October 20, 2023, and the sale to Precision occurred in November 2023.

M. Subject to the terms of this Agreement and in accordance with the terms of a Permanent ILA (as defined in Section 1, below), LVVWD is willing to authorize City to provide water to TIMET, either directly or through HWC's Water Delivery System, to be used within the TIMET Service Area (as defined in Section 1, below).

NOW, THEREFORE, in exchange for the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1 DEFINITIONS

The following initially capitalized terms are in addition to the terms defined elsewhere in this Agreement and shall have the meanings specified below unless the context otherwise requires:

1.1 "1969 Water Rights" means Colorado River water contract rights granted to the Producing Companies by BOR pursuant to Section 5 of the Boulder Canyon Project Act through the 1969 Water Rights Agreement.

1.2 "Assigned Water Rights" means Assigned Water Rights Type 1 and Assigned Water Rights Type 2.

1.3 "Assigned Water Rights Type 1" means 900 acre-feet of TIMET's 1969 Water Rights that TIMET will convey to SNWA pursuant to this Agreement, which is the amount of TIMET's expected annual water use within the TIMET Service Area plus an amount of annual water use TIMET reasonably believes sufficient for potential expansion of its existing or future operations within the TIMET Service Area, including those of TIMET's subsidiaries, joint ventures, partnerships or tenants within the TIMET Service Area.

1.4 "Assigned Water Rights Type 2" means 10 acre-feet of TIMET's 1969 Water Rights that TIMET will convey to SNWA to hold for the benefit of TIMET pursuant to this Agreement, which is the amount of annual water use that TIMET reasonably believes sufficient for any real property that is located within the TIMET Service Area and that, after the Effective Date, the fee title to which is conveyed by TIMET to a third party.

1.5 "Effective Date" shall have the meaning ascribed to such term in Section 6.1, below.

1.6 "NRS" means Nevada Revised Statutes, as amended.

1.7 "Permanent ILA" means an interlocal agreement between LVVWD and City authorizing City to deliver water to TIMET within the TIMET Service Area for industrial and domestic purposes within LVVWD's service territory.

1.8 "Retained Water Rights" means (1) the balance of TIMET's 1969 Water Rights retained by TIMET after assignment of the Assigned Water Rights to SNWA, and (2) any Assigned Water Rights that are reconveyed from SNWA back to TIMET as provided herein.

1.9 "SNWA Boundary" shall include the contiguous boundary of Clark County, Nevada and any other county in Nevada in which SNWA owns water rights.

1.10 "TIMET Service Area" means the parcel(s) within the BMI Complex owned by TIMET as set forth in Exhibit A.

1.11 "Transfer" or "Transferred" means TIMET's disposition of any portion of the Retained Water Rights by any means including, without limitation, sale, lease, license, gift, foreclosure, or pledge, to any person, and also means any use of Retained Water Rights by TIMET or TIMET's subsidiaries, joint ventures, affiliates, partnerships or tenants.

2 OBLIGATIONS OF TIMET

2.1 Assignment. Prior to the effective date of a Permanent ILA, and as a condition precedent therefore, TIMET shall assign the Assigned Water Rights to SNWA through an instrument the substance and form of which is acceptable to SNWA, CRC, and BOR, SNWA shall accept such assignment, and CRC and BOR shall approve and document the assignment.

2.2 Cooperation on Access Rights. TIMET shall cooperate in good faith with SNWA and other necessary government agencies to provide such agencies with access rights as reasonably necessary for the continuing provision of water services and deliveries.

2.3 Restrictions on the Use and Transfer of Retained Water Rights. Any Transfer shall be performed in compliance with then-existing laws, regulations, orders, determinations or the like applicable to TIMET's 1969 Water Rights. And use of any water rights Transferred within the SNWA Boundary or the service territories of its member agencies, is subject to all generally applicable SNWA or member-agency conservation-based Colorado River use restrictions (such as, for example, restrictions on use of Colorado River water for evaporative cooling, turfgrass, decorative fountains, and large swimming pools) existing as of the time of the Transfer and applicable within the place of use upon Transfer. To memorialize and give effect to the restrictions set forth herein, and as a condition precedent to the Permanent ILA and obtaining permanent water service from City, (i) TIMET agrees to bind any transferee of the Retained Water Rights to the restrictions contained herein, and (ii) the Parties shall file a memorandum or copy of this Agreement containing the foregoing restrictions with the CRC and the BOR to be maintained in files pertinent to the Retained Water Rights such that any transferee or user, or prospective transferee or user, of all or any portion of the Retained Water Rights will have constructive notice of the foregoing restrictions. Notwithstanding anything to the contrary herein, the Parties agree that any such restrictions will not apply to the use by TIMET or TIMET's subsidiaries, joint venturers, affiliates, partnerships, or tenants of any Assigned Water Rights within the TIMET Service Area, including any Assigned Water Rights that revert to TIMET pursuant to Section 3.3, nor to Retained Water Rights used to increase the capacity of existing or historical operations within the TIMET Service Area. Provided TIMET complies with the restrictions on the Transfer described herein, SNWA and LVVWD shall not object to any such Transfer.

3 OBLIGATIONS OF SNWA AND LVVWD

3.1 Permanent ILA and Nature of Relationship between Parties. In exchange for TIMET's performance of obligations under this Agreement, SNWA and LVVWD shall make water available to TIMET by SNWA providing wholesale water service to City in accordance with this agreement, and further, LVVWD shall enter into the Permanent ILA with City for City's retail redelivery to TIMET. The Permanent ILA will provide that City has authority to serve TIMET and TIMET's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the TIMET Service Area water as a customer(s) of City in an area of unincorporated Clark County, Nevada, that would otherwise be served by LVVWD. LVVWD agrees that if City ever ceases to provide retail water service to TIMET for any reason, LVVWD will cooperate with TIMET and work to provide such retail water service within the TIMET Service Area directly to TIMET and TIMET's subsidiaries, joint, ventures, partnerships, tenants, transferees and assignees. Subject to the foregoing, TIMET acknowledges and agrees that (a) neither SNWA nor LVVWD will have any contractual or utility/customer relationship with TIMET for delivery of water to TIMET or TIMET's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the TIMET Service Area, (b) SNWA shall under no circumstances be responsible for delivering water to TIMET or TIMET's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the TIMET Service Area, and (c) neither SNWA nor LVVWD shall be liable to TIMET for any damages or losses incurred by TIMET or others occasioned by any failure of City to provide water to TIMET in a quantity or of a quality necessary for TIMET's operations or those of TIMET's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the TIMET Service Area.

3.2 License for TIMET and/or HWC Diversion and Use of Assigned Water Rights. SNWA hereby grants an irrevocable license to TIMET and HWC, as applicable, to divert from Lake Mead any portion of the Assigned Water Rights as may be authorized by BOR and to convey and use of any portion of the Assigned Water Rights for TIMET's own operations in the TIMET Service Area or those of TIMET's subsidiaries, joint ventures, partnerships or tenants within the TIMET Service Area; provided, however, that as conditions precedent for the exercise of any license rights hereunder, (i) TIMET, HWC and BOR must be able to accurately account for TIMET's and HWC's diversions and return flows, if any, through reliable metering or gauging devices, and TIMET and HWC, as applicable, must provide monthly reports of the foregoing to LVVWD and the City, (ii) TIMET shall provide not less than thirty (30) days written notice to SNWA, LVVWD, and City before undertaking any such diversions; (iii) TIMET and HWC shall comply with all federal, state and local laws and regulations regarding the diversion, use and conveyance of the Assigned Water Rights, including water quality, treatment, and cross-connection of City's municipal supply and that provided by TIMET or HWC; (iv) the amount of Assigned Water Rights to be delivered by the City or LVVWD in connection with retail water service will automatically be reduced by the amount of the diversion; and (v) TIMET shall indemnify, defend (with counsel reasonably acceptable to LVVWD, SNWA and City), and hold harmless LVVWD, SNWA and City, and their respective agents, employees, representatives, contractors, officers, and board members (collectively and individually, the "Indemnitees") from and against any and all loss, damage, cause of action, claim, liability, cost, and expense (including without limitation reasonable attorneys' fees, expert witness fees and costs of litigation or

arbitration) suffered or incurred by or asserted against Indemnitees arising from or relating to TIMET's or HWC's exercise of license rights hereunder.

3.3 TIMET's Reversionary Interest. Should SNWA fail to provide wholesale water service to City despite the State of Nevada having access to not less than 270,000 acre feet of its basic apportionment of Colorado River water in a given year, and should SNWA's failure to provide wholesale water service to City result in City being unable to deliver some portion of the Assigned Water Rights to TIMET or to TIMET's subsidiaries, joint ventures, partnerships, or tenants, transferees or assignees, then upon TIMET's written notice of default, and provided SNWA does not restore such service within thirty (30) days of TIMET's written notice of default, TIMET may require that SNWA reconvey to TIMET, through an instrument the substance and form of which is acceptable to TIMET, CRC, and BOR, the portion of the Assigned Water Rights impacted by the failure of wholesale water service to City for retail delivery to TIMET, or to TIMET's subsidiaries, joint ventures, partnerships, or tenants, transferees or assignees. The amount of Assigned Water Rights to be delivered by the City or LVVWD in connection with retail water service will automatically be reduced accordingly.

4 MUTUAL OBLIGATIONS OF THE PARTIES

4.1 Sale of TIMET Service Area; Notice of Assigned Water Rights Type 2, and Additional Assigned Water Rights Type 2. In the event TIMET conveys its fee ownership interest in all or any portion of the TIMET Service Area to a third party that will require water service from the City, TIMET shall provide notice to City and LVVWD of the volume of water that may be used such third party, which volume shall then be committed from the Assigned Water Rights Type 2 held by SNWA for the benefit of TIMET. LVVWD shall enter into a permanent ILA authorizing City to serve any third parties receiving a commitment of Assigned Water Rights Type 2 as provided in this Agreement. In the event there are insufficient uncommitted Assigned Water Rights Type 2 to satisfy a given third-party's use, TIMET agrees to convey to SNWA, and SNWA shall accept, Retained Water Rights in an amount sufficient to satisfy such third-party's use. The form and substance of such conveyance(s) shall be in a form agreed upon by the Parties and approved by CRC and BOR. The Parties acknowledge and agree that TIMET shall have the right to negotiate and receive for itself the value of any commitment of Assigned Water Rights Type 2 with third parties and contract for their use of the same.

4.2 Sale of Retained Water Rights. If TIMET considers a sale of any portion of the Retained Water Rights, TIMET agrees to promptly notify and consult with SNWA regarding such sale.

4.3 Regional Connection Fee Refund; Future Regional Connection Fees. The Parties acknowledge and agree that TIMET has undertaken certain measures to reduce its demand for water both prior to and after TIMET paid SNWA's Regional Connection Charge ("RCC") that was assessed under the Water Service Agreement and necessary for TIMET (through the Basic Water Infrastructure) to connect temporarily to City's water system. The Parties further agree that TIMET will be refunded that portion of the RCC attributable to the volume of water TIMET will ultimately not be using as a result of its permanently reduced demand for its operations at the TIMET Service Area, as those operations exist as of the Effective Date, and that TIMET will not

be required to pay an additional RCC to convert the temporary water service to permanent water service. To calculate the RCC for an existing unmetered user within a master metered system, it is first necessary to calculate the meter size or sizes required to serve such user. At the time of the RCC calculation for Basic Water, it was clear that certain Producing Companies, including TIMET, were implementing changes that would reduce their water demand significantly and would effectively result in smaller or fewer required meters. Due to the urgency of the Producing Companies' water needs, the RCC was calculated based on historical data and it was agreed that a true-up calculation would be performed based upon post-improvement water demand when there was sufficient water use data. SNWA has now performed the true-up calculation, which reflects that TIMET has substantially reduced its water demands and will refund to TIMET the portion of the deposited RCC represented by the reduction in use within thirty (30) days of the Effective Date. Notwithstanding the foregoing, TIMET acknowledges that TIMET and/or TIMET's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the TIMET Service Area, as applicable, will be required to pay any SNWA, City, and LVVWD connection fees and other charges, as applicable, in connection with any new service(s) or increased water use(s) above those for which RCC's within the TIMET Service Area have already been paid.

4.4 WET Program Award. If expenses are not funded through any other third-party funding program, TIMET may submit information in support of a potential award from SNWA's WET program for expenses related to reducing water use. SNWA will evaluate such requests in accordance with applicable program rules.

4.5 Agreement to Work Expeditiously to Acquire Required Consents and Agreements from Third Parties. The Parties acknowledge and agree that, to fulfill the terms of this Agreement and to memorialize the obligations herein, including, without limitation, the obligations found in Sections 2.1 and 2.3, the Parties, as appropriate, shall execute any associated assignments. The Parties further acknowledge that executing any associated assignments will require the consent and cooperation of multiple third parties, including, without limitation, CRC and BOR. The Parties may also be required to execute additional agreements or obtain other approvals from third parties. The Parties covenant to work expeditiously and in good faith to obtain agreements and consents with appropriate third parties.

4.6 Notice of Expansion of Operations. TIMET shall provide SNWA, LVVWD and City written notice not less than 90 days prior to undertaking any expansion of operations or new uses in the TIMET Service Area that will foreseeably lead to an increase in TIMET's water use (or that of TIMET's subsidiaries, joint ventures, partnerships or tenants operating within the TIMET Service Area) to the extent such expansion of operations or new uses exceed those for which an RCC has been paid. In addition to payment of SNWA, City, and LVVWD connection fees and other charges, as applicable, relating to such new or expanded service(s) or water use(s) by TIMET and/or TIMET's subsidiaries, joint ventures, partnerships or tenants within the TIMET Service Area), TIMET shall, to the extent the Assigned Water Right Type I or II are insufficient to cover the new or expended uses, assign to SNWA Retained Water Rights in an amount sufficient to satisfy the new or expanded uses.

4.7 Costs and Damages Generally. The Parties agree that neither LVVWD nor SNWA shall have any obligation whatsoever to pay for TIMET to (a) construct improvements that enable

TIMET to connect to the water facilities of City or HWC, or (b) operate, maintain, add to, survey, construct, reconstruct, modify, maintain, remove, repair and/or replace its own water delivery system, the water delivery system of HWC, or the water delivery system of City, to obtain or retain access to water service. If City determines that it will not provide water service to TIMET, or if City decides to cease such service after water service has commenced, neither LVVWD nor SNWA shall be responsible or liable for any costs or damages associated with TIMET's ability or that of TIMET's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the TIMET Service Area to obtain continued access to water service.

4.8 Agreement with City. Contemporaneously with the execution of this Agreement, TIMET agrees to enter into an agreement with City related to City's provision of water to TIMET, either directly or through HWC's Water Delivery System, for use within the TIMET Service Area.

5 INDEMNITY

5.1 TIMET Indemnity. TIMET shall indemnify, defend (with counsel reasonably acceptable to LVVWD and SNWA), and hold harmless LVVWD and SNWA and their agents, employees, representatives, contractors, officers, and board members (collectively and individually, the "Indemnitees") from and against any and all loss, damage, cause of action, claim, liability, cost, and expense (including without limitation reasonable attorneys' fees, expert witness fees and costs of litigation or arbitration) suffered or incurred by or asserted against Indemnitees arising from or relating to actions or inaction of City in providing City's water service to TIMET, a TIMET subsidiary, joint venture, partnership or tenant, or the use or distribution of such water by TIMET or a TIMET subsidiary, joint venture, partnership or tenant ("TIMET's Indemnity"). TIMET's Indemnity shall survive the expiration or earlier termination of this Agreement.

6 MISCELLANEOUS

6.1 Agreement Effectiveness, Term, and Termination. This Agreement shall become effective, and shall remain in effect until terminated by written agreement of the Parties, on the date the last of the following occurs (the "Effective Date"): (a) Board approval of this Agreement by both SNWA and LVVWD; (b) execution of this Agreement by the undersigned; and (c) Board approval and execution of the Permanent ILA by both LVVWD and City. Satisfaction of the foregoing conditions precedent (a) through (c), above, is required on or before December 31, 2026, to give effect to this Agreement, and the Parties shall have no rights or obligations whatsoever under this Agreement in the event the conditions precedent are not fully satisfied on or prior to December 31, 2026. Any Party may either send a notice to the other Parties that confirms the Effective Date or provide written confirmation that the conditions precedent were not satisfied (timely or otherwise) and therefore the Agreement never took effect and therefore the Parties have no rights or obligations whatsoever under this Agreement.

6.2 No Third-Party Beneficiaries. Except as expressly set forth herein (such as where City is indemnified), this Agreement is intended only to benefit the Parties and their successors-in-interest, shall not be deemed to be for the benefit of any other entity or person other than a Party or that Party's successor-in-interest and does not create any rights, benefits or causes of action for any other person, entity, governmental agency, or member of the general public, including, without limitation, one of the other Producing Companies, City, CRC or BOR.

6.3 Independent Contractors. No Party is, nor will any Party be deemed to be, for any purpose, the agent, representative, contractor, subcontractor, or employee of the other by reason of this Agreement. Furthermore, the Parties do not intend to, and nothing contained in this Agreement shall, create any partnership, joint venture, agency, or other similar arrangement between the Parties.

6.4 Assignment. TIMET shall not assign, transfer, convey or otherwise dispose of this Agreement or its right, title, or interest in or to the same, or any part thereof, without prior written consent of LVVWD and SNWA, which either LVVWD or SNWA may withhold in its sole discretion, provided such consent is not unreasonably withheld, conditioned, or delayed. Any attempted assignment in violation hereof shall be void and not merely voidable. No assignment is effective until after the assignee agrees in writing to assume all obligations and liabilities of the assignor under this Agreement and the other Parties consent in writing to such assignment. The terms, provisions, covenants, and conditions of this Agreement shall apply to, bind, and inure to the benefit of the Parties hereto, their successors and any permitted assigns.

6.5 Governing Law; Venue. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the substantive and procedural laws of the State of Nevada, without giving effect to its choice or conflicts of law provisions. All actions shall be initiated in a state or federal court located in Clark County, Nevada. Each Party agrees that it shall not initiate an action against any other Party in any other jurisdiction in connection with this Agreement. Each Party irrevocably agrees to submit and consents to the exclusive jurisdiction of the courts located in Clark County, Nevada over any dispute or matter arising under or in connection with this Agreement. The terms of this Section 6.5 shall survive termination of this Agreement.

6.6 No Waiver. No waiver by either Party of any right or obligation hereunder shall be effective unless in writing, provided by the Party's authorized representative, and delivered by the Party to be charged in accordance with Section 6.10 (Notices). The waiver of any right under this Agreement as to a particular transaction or occurrence shall not be deemed a waiver as to any future transaction or occurrence.

6.7 Amendment. This Agreement may be modified or amended only by a written instrument signed by the Parties with the same formality as this Agreement.

6.8 Other Agreements. Nothing contained herein shall be construed as affecting the Parties' respective duties to perform their respective obligations under other agreements, which obligations are and shall remain independent of the rights and obligations of the Parties under this Agreement.

6.9 Counterparts. The Parties may execute this Agreement in electronic form by DocuSign and/or in one or more counterparts, each of which when so signed and delivered shall be deemed an original, and all of which, when taken together, shall constitute one and the same Agreement. A facsimile, email or other electronic copy of a signature has the same legal effect as an originally drawn signature.

6.10 Notices. Each notice, invoice and other communication required under this Agreement must (a) be in writing, (b) be delivered personally, sent by certified mail (postage prepaid, return receipt requested), sent by electronic mail, or sent by a nationally recognized courier and (c) be addressed to a Party as set forth below:

If to LVVWD or SNWA:

Attention: Deputy General Manager, Engineering and Operations
1001 S. Valley View Boulevard
Las Vegas, NV 89153
Email: doa.ross@lvvwd.com

With a copy to:

Attention: General Counsel
1001 S. Valley View Boulevard
Las Vegas, NV 89153
Email: Greg.walch@lvvwd.com

If To TIMET:
Titanium Metals Corporation
Attn: General Manager
181 N. Water St
Henderson, NV 89015

With a copy to:

Attention: PCC Legal, General Counsel's Office
Precision Castparts Corp.
5885 Meadows Road, Suite 620,
Lake Oswego, OR 97035
Email: cseber@precastcorp.com

Each notice, invoice and other communication required under this Agreement shall be deemed to have been delivered (i) when delivered if delivered personally; (ii) on the date officially recorded as delivered (or delivery refused) according to the record of delivery if mailed by certified mail; (iii) upon transmittal to the email addresses set forth above; or (iv) on the date officially recorded as delivered (or delivery refused) according to the record of delivery if delivered by courier. Each Party may change its contact information for purposes of the Agreement by giving written notice to the other Party in the manner set forth above. The terms of this Section 6.10 shall survive termination of this Agreement.

6.11 Headings; Cross References; Usage of Words. The section titles contained in this Agreement are used solely for convenience and do not constitute a part of this Agreement, nor should they be used to aid in any manner in the construction of this Agreement. All references in this Agreement to Sections and Subsections are to Sections and Subsections in this Agreement,

unless otherwise specified. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural and the masculine gender includes the feminine gender. Unless otherwise expressly stated, words not defined herein shall be given their common and ordinary meaning.

6.12 Interpretation. Each Party to this Agreement acknowledges that it has carefully reviewed this Agreement and that each fully understands and has participated in drafting its provisions, and, accordingly, the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party are not to be employed or used in any interpretation of this Agreement.

6.13 Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain valid and binding on the Parties. Any invalid or unenforceable provision will be deemed severed from this Agreement, and the balance of this Agreement will be construed and enforced as if it did not contain the specifically invalid or unenforceable provision. The Parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision.

6.14 Authority. Each Party represents that it has taken all actions necessary or advisable and proper to authorize this Agreement, the execution and delivery of it, and the performance contemplated in it. The individual(s) executing this Agreement on behalf of a Party state and acknowledge that she/he/they are authorized and empowered to do so on behalf of that Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

SNWA:
Southern Nevada Water Authority,
a political subdivision of the State of Nevada

By: _____
John J. Entsminger
General Manager

APPROVED AS TO FORM:

Brent Gunson
Gregory J. Walch
General Counsel

LVVWD:
Las Vegas Valley Water District,
a political subdivision of the State of Nevada

By: _____
John J. Entsminger
General Manager

APPROVED AS TO FORM:

Brent Gunson
Gregory J. Walch
General Counsel

TIMET:
Titanium Metals Corporation,
A Delaware Corporation

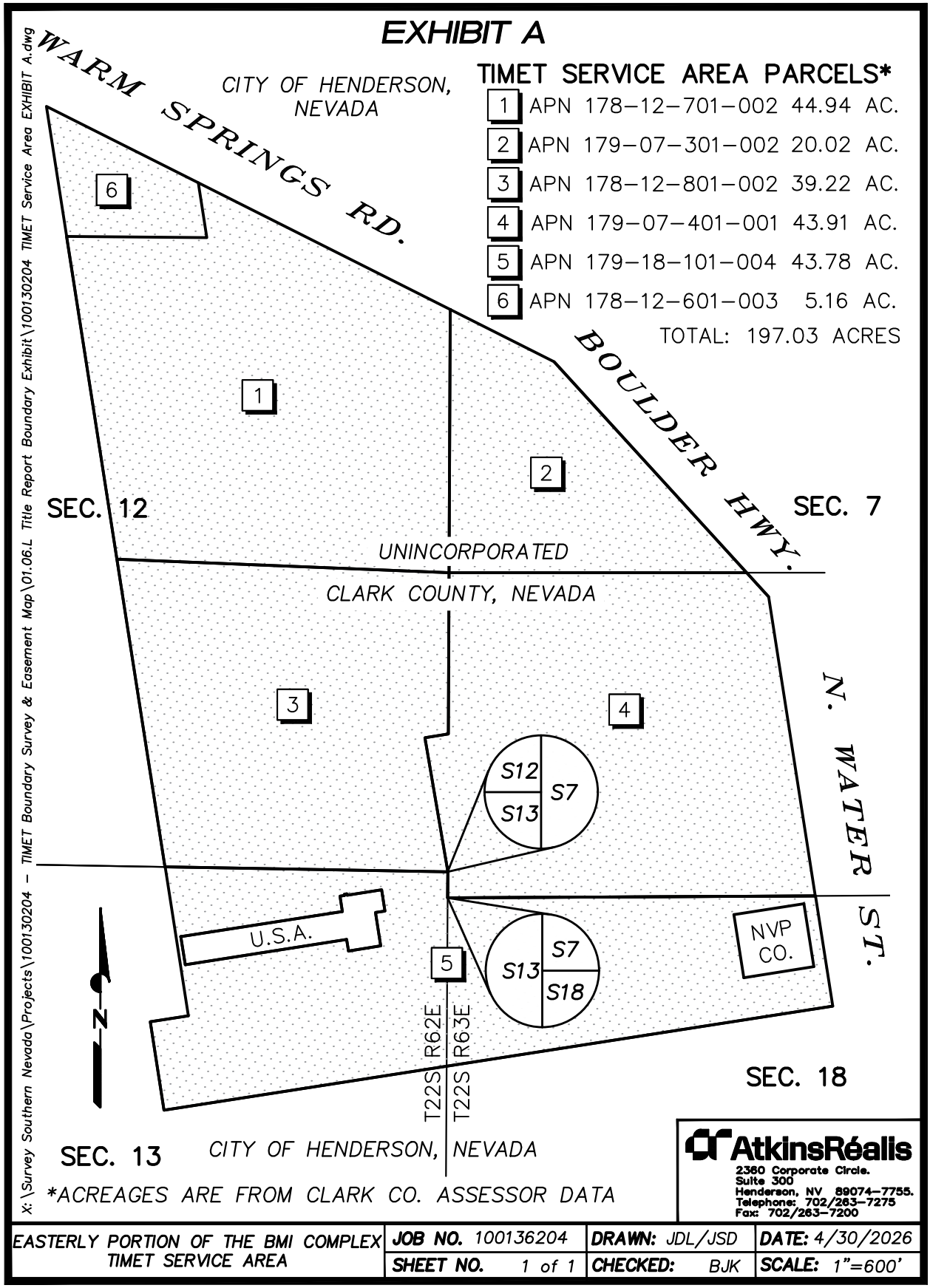
By: _____
Steve Wright
President

Exhibit A

TIMET Service Area

[Attached]

EXHIBIT A



TIMET SERVICE AREA PARCELS*

1	APN 178-12-701-002	44.94 AC.
2	APN 179-07-301-002	20.02 AC.
3	APN 178-12-801-002	39.22 AC.
4	APN 179-07-401-001	43.91 AC.
5	APN 179-18-101-004	43.78 AC.
6	APN 178-12-601-003	5.16 AC.

TOTAL: 197.03 ACRES

*ACREAGES ARE FROM CLARK CO. ASSESSOR DATA

AtkinsRéalis
2360 Corporate Circle.
Suite 300
Henderson, NV 89074-7755.
Telephone: 702/263-7275
Fax: 702/263-7200

EASTERLY PORTION OF THE BMI COMPLEX TIMET SERVICE AREA	**JOB NO.** 100136204	**DRAWN:** JDL/JSD	**DATE:** 4/30/2026
	SHEET NO. 1 of 1	**CHECKED:** BJK	**SCALE:** 1"=600'

X:\Survey Southern Nevada\Projects\100130204 - TIMET Boundary Survey & Easement Map\01.06.L Title Report Boundary Exhibit\100130204 TIMET Service Area EXHIBIT A.dwg

LAS VEGAS VALLEY WATER DISTRICT
BOARD OF DIRECTORS
AGENDA ITEM

May 18, 2026

Subject:
Leak Repair Program Funding Agreement

Petitioner:
Colby N. Pellegrino, Deputy General Manager, Resources

Recommendations:
That the Board of Directors approve and authorize the General Manager to sign a Leak Repair Program Funding Agreement that will increase customer support payments to eligible homeowners for the detection and repair of purveyor-identified excessive and/or ongoing leaks, in an amount not to exceed $500,000 annually.

Fiscal Impact:
Funds requested for current-year expenditures are available in the District's Operating Budget. Funds for future-year expenditures will be budgeted accordingly.

Background:
On June 18, 2024, the Board of Directors approved an agreement for leak repair program funding in the amount of $500,000 per year to the City of Las Vegas (City) to provide financial assistance to eligible homeowners for the detection and repair of purveyor-identified excessive and/or ongoing leaks. Customer leaks have led to water losses and often frustration, as customers face above-average water bills and the responsibility to locate and repair the leak. The District's Advanced Metering Infrastructure data revealed that the average time-to-repair single-family residential leaks is slightly more than three months, which caused significant, cumulative volumes of lost water. To address this need, the District entered into partner agreements, one of which is the City's Drip Repair and Intervention Program (DRIP) grants, effective over a 12-month period. To date, a total of 158 customers have benefited from the District's contributions.

If approved, this Leak Repair Program Funding Agreement (Agreement) provides for DRIP grant increases by the City from $7,500 to $10,000 per leak event. The District's contribution will continue in the amount of $500,000 per year. Households with a maximum gross income at, or below, 80 percent of Clark County's median household income are eligible for DRIP funds. These funds will be paid directly to approved contractors or plumbers that are properly licensed by the Nevada State Contractors Board, and no money will be required from, or passed through, the eligible homeowner. If a property has a subsequent leak, the property owner may apply separately for that event. A property owner may apply for DRIP assistance no more than three times in any 12-month period.

This Agreement is being entered into pursuant to NRS 227.180 and Sections 1(5) and 1(13) of the Las Vegas Valley Water District Act, Chapter 167, Statues of Nevada 1947. The office of the General Counsel has reviewed and approved this Agreement.

JJE:CNP:JCD:em
Attachment: Agreement

AGENDA ITEM # 8

LEAK REPAIR PROGRAM FUNDING AGREEMENT

This Leak Repair Program Funding Agreement ("Agreement") between the City of Las Vegas, a political subdivision of the State of Nevada ("Recipient") and the Las Vegas Valley Water District, a political subdivision of the State of Nevada ("District"). The Recipient and the District are sometimes referred to individually as "Party" and collectively as the "Parties." The "Effective Date" of this Agreement is the date of last signature below.

RECITALS

1. The District established a Leak Repair Assistance Program to provide funds to partner agencies that will assist District customers who have significant plumbing leaks but lack the financial means to effectuate repairs.

2. The Parties previously entered an Amended and Restated Leak Repair Program Funding Agreement ("Restated Agreement") in which Recipient would offer financial and technical assistance to eligible households through its Drip Repair and Intervention Program (DRIP) and assist homeowners repair plumbing leaks and reduce water waste in the Las Vegas Valley.

3. The Parties intend the Agreement as a novation of the Restated Agreement. In other words, the Agreement is a substitution of obligations for the obligations in the Restated Agreement.

AGREEMENT

1. **Recitals.** The Recitals are contractual, incorporated by this reference, and form the basis for this Agreement.

2. **Purpose.** This Agreement, including the Program Parameters described in Exhibit A, replaces the Restated Agreement and sets forth the terms and conditions and establishes the responsibilities of the Parties, whereby the District will provide funding, in an amount not to exceed $500,000 in a 1year period, to the Recipient for the purpose of Recipient funding Recipient's own leak repair assistance program that will help qualifying District customers locate and repair leaks, as more fully described in Exhibit A.

3. **Cost Sharing.** Recipient is not required to provide a matching contribution or cost-share component.

4. **Pre-Execution Costs.** The District-provided funds are not to be used by Recipient to pay for or to reimburse Recipient or any third party for any costs, fees or expenses incurred prior to the date of the mutual execution of this Agreement. Such costs are not allowable. District provided funds may not be used for any purpose other than leak repair.

5. **Performance Period.** This Agreement becomes effective as of the Effective Date and shall remain in effect for 1 year, with the option to renew for 6, 1-year periods. It will remain in effect for the earlier of 1 year from the mutual execution of this Agreement, the termination of this Agreement, or when the exhaustion of the funds provided by District to Recipient.

6. **Reporting Requirements.** The Recipient bears the full responsibility for administering District-provided funds. The responsibility includes complete and accurate accounting for funds; ensuring expenditures and procurement activities follow generally accepted accounting principles and all other applicable laws and regulations and District requirements. This requirement also applies to the Recipient's contractors and their subcontractors. The Recipient must exercise prudent management oversight. Prevention of budget overruns or shortfalls is the responsibility of the Recipient. The Recipient will provide the District with monthly reports on the form prescribed by the District. Monthly reports must detail all costs, fees, and expenditures (including service receipts) and the remaining available fund balance. The Recipient shall maintain accounting records identifiable and trackable to the Agreement. Such records shall be maintained in accordance with the following:

6.1 Records may be destroyed not less than 6 years (unless otherwise stipulated) after the Recipient submits to the District the final financial and narrative reports, and

6.2 In all cases, an overriding requirement exists to retain records until resolution of any audit questions relating to this Agreement.

6.3. The Recipient must respond to all auditor inquiries. The Recipient is subject to inspection and audit by representatives of the District or other appropriate entity as required by law to audit the Recipient to: verify financial transactions and determine whether funds were used in accordance with applicable laws, regulations and procedures; ascertain whether policies, plans and procedures are being followed; provide management with objective and systematic appraisals of financial and administrative controls, including information as to whether operations are carried out effectively, efficiently and economically; and determine reliability of financial aspects of the conduct of the program.

7. Indirect Costs. Indirect or overhead costs include, but are not limited to: a) secretarial or word processing services (normal, temporary, or overtime); b) any other staff charges for similar activities as filing or proofreading, regardless of when incurred; c) indirect and administrative overhead costs such as salaries and benefits; d) photocopy expenses; e) operational costs; f) travel costs; g) marketing expenses, and h) any other cost not directly attributable to the actual physical repair of a District-customer's leak. It is understood that the Recipient will incur some indirect or overhead expenses that are not directly attributable to or readily identified with the Leak Repair Assistance Program but are necessary to the performance of the program (i.e., administrative, and operational costs). However, the Recipient will use its best faith efforts to limit the expense of District funds on such costs and Recipient will ensure that in no event may more than 10 percent of the total funds be utilized by Recipient to cover these costs. The Recipient's monthly reports to the District will break out such costs and ensure they do not exceed 10 percent.

8. Mutual Benefit. The Parties mutually agree that the subject of this Agreement is for the mutual benefit of the Parties and no further consideration is contemplated, other than that stated under this Agreement.

9. No Third-Party Beneficiaries. This Agreement shall not be deemed to be for the benefit of any entity or person who is not a Party to this Agreement, and this Agreement does not create any rights, benefits, or causes of action for any other person, entity, or member of the general public.

10. Recipient Liability and Indemnification of the District. Recipient shall be responsible for all liability, claims, actions, damages, losses, and expenses caused by the negligence, errors, omissions, recklessness or intentional misconduct of it, its own officers, employees, and agents, including contractors and plumbers arising out of, resulting from, or incidental to the obligations set forth in this Agreement.

The Recipient and the District do not waive and intend to assert all available defenses, including, but not limited to those provided in NRS Chapter 41.

11. Notices. All notices, demands or requests required or appropriate under this Agreement (including invoices) shall be given in writing and signed by a person with authorization to bind the Recipient or District, either by personal delivery, via a scanned document sent via email, or by registered or certified mail, return receipt requested, addressed to the following addresses:

To the Recipient:
City of Las Vegas
Department of Neighborhood Services
495 S. Main Street
Las Vegas, Nevada 89101
ppetrie@lasvegasnevada.gov

To the District:
Las Vegas Valley Water District
Customer Care & Field Services – JC Davis
1001 S. Valley View Blvd. MS 680
Las Vegas, NV 89153
JC.Davis@lvvwd.com

With copy to: Las Vegas Valley Water District
Attn: General Counsel
1001 South Valley View Boulevard, MS 480
Las Vegas, Nevada 89153
generalcounsel@lvvwd.com

A Party may designate a new contact person under this provision for notices or change the address indicated above by notifying the other Party in writing.

12. Successors. This Agreement shall inure to the benefit of and bind the successors of the respective Parties hereto.

13. Assignment. The Parties shall not assign any of the rights nor delegate any of the duties under this Agreement without the express written consent of the other Party.

14. Non-liability of Officials and Employees. No official or employee of a Party hereto shall be personally liable for any default or breach by any Party hereto, for any amount, which may become due hereunder, or for any obligation under the terms of the Agreement.

15. Amendments. This Agreement may not be amended or modified except by written instrument, duly authorized by the authorized representatives of each Party hereto. Any other attempt at modification, amendment or extension of this Agreement shall have no force or effect and shall not be relied upon by any of the Parties.

16. Termination.

16.1. This Agreement may be TERMINATED by either party prior to the end of the term, provided the termination shall not be effective until 30 days after a Party has served written notice upon the other Party. This Agreement may be terminated by mutual consent of both Parties or unilaterally by either Party without cause. The Parties expressly agree that this Agreement shall be terminated immediately if for any reason the District, state, and/or federal funding ability to satisfy this Agreement is withdrawn, limited, or impaired. Should the District terminate this Agreement, the Recipient will be released from its remaining unpaid obligations.

16.2. This Agreement may also be terminated by the District at any time during the term for the following reasons: (1) conduct that interferes with the administration of the funds; (2) illegal activity of any kind; (3) insolvency; (4) failure to disclose a conflict of interest; (5) influence by a gratuity; (6) any other violations of the terms of the Agreement; and (7) substantiated fraud, abuse, or misappropriation of funds.

16.3. The Recipient will determine prior to engaging in any repair project using the funds that the Recipient has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project. Any funds not obligated or expended for eligible uses by the end of the term of this Agreement must be returned to the District, including any unobligated or unexpended funds that have been provided to the Recipient's contractors or District customers, as part of the closeout process.

17. Further Assurances. Each undersigned Party will, except as otherwise provided herein, whenever it shall be necessary to do so by the other, promptly execute, acknowledge, and deliver, or cause to be executed, acknowledged, or delivered, documents as may be necessary or proper to effectuate the covenants, conditions and agreements herein provided.

18. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, waiver of any other provision, whether similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver except as otherwise provided in this Agreement.

19. Execution in Counterparts; Electronic Signature. This Agreement may be executed in electronic form and/or in one or more counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute but one and the same instrument.

20. Governing Law and Venue. This Agreement shall be exclusively governed by and construed in accordance with the laws of the State of Nevada, without giving effect to its principles regarding conflicts of law. The courts of Clark County, situated in Las Vegas, Nevada, shall have sole and exclusive jurisdiction over any action or proceeding brought under or pursuant to this Agreement.

21. No Joint Venture. No joint venture is contemplated or established by this Agreement, and neither of the Parties shall be deemed to be the agent or representative of the other for any purpose by virtue of this Agreement.

22. Conflicts of Interest. The Recipient agrees to disclose any existing or potential conflicts of interest relative to the performance of services resulting from this Agreement. The District reserves the right to disqualify any grantee on the grounds of actual or apparent conflict of interest. The Recipient is responsible for notifying the District in writing of any actual or potential conflicts of interest that may arise during the term of this Agreement. Conflicts of interest include any relationship or matter which might place the Recipient, the Recipient's employees, or the Recipient's contractors or plumbers in a position of conflict, real or apparent, between their responsibilities under this Agreement and any other outside interests. Conflicts of interest may also include, but are not limited to, direct or indirect financial interests, close personal relationships, positions of trust in outside organizations, consideration of future employment arrangements with a different organization, or decision-making affecting the Agreement or funds that would cause a reasonable person with knowledge of the relevant facts to question the impartiality of the Recipient, the Recipient's employees, or the Recipient's contractors in the matter. Upon receipt of such a notice, the District will consult to determine if a conflict of interest exists and, if so, if there are any possible actions to be taken by the Recipient, the Recipient's employee(s), or the Recipient's contractor(s) that could reduce or resolve the conflict. Failure to resolve conflicts of interest in a manner that satisfies the District may result in any of the remedies available to the District, Remedies for Noncompliance, including termination of this Agreement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of funding.

Recipient affirms that: No individuals holding more than five percent ownership or financial interest in the Recipient and none of the Recipient's principals have a relationship with any employee or official of the District by first or second blood relatives or by marriage. First or second blood relative or marriage relationships include spouse, registered domestic partners, children, parents, in-laws (first degree), brothers/sisters, half-brothers/half-sisters, grandchildren, and grandparents (second degree).

No employee or official of the District has any ownership or financial interest in the Recipient exceeding five percent. No employee or official of the District has any involvement with the negotiation of this Agreement on behalf of the Recipient or involvement in the day-to-day activities of the Recipient.

23. Notice of Fraud. The Recipient must disclose, in a timely manner, in writing to the District all violations of criminal law involving fraud, bribery, or gratuity violations potentially affecting this Agreement. Failure to make required disclosures can result in any of the remedies available to the District, including termination.

24. Insurance: The Recipient is self-insured. This self-insured liability program is established through a funded reserve system appropriately known as the "Self-Insurance Liability Trust Fund" and is supported by an annual budgetary allocation. Recipient shall provide District insurance at least equal to the insurance to which District would be entitled as an additional insured had City purchased General Liability and Automobile Liability Insurance each in an amount of not less than Two Million Dollars ($2,000,000) combined single limit bodily injury and broad form property damage coverage, including broad form contractual liability. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. Nothing herein shall be deemed to insure District against its sole negligence or willful misconduct.

25. DATA PRIVACY AND SECURITY:

25.1. Data security laws may require businesses to implement and maintain reasonable security measures and to encrypt Personal Information before electronically transmitting it outside of an internal secured network. "Personal Information" is a natural person's first name or first initial and last name in combination with any one or more of the following data elements: 1) social security number; 2) driver's license number or identification card number; or 3) account number, credit card number or debit card number, in combination with any required security code, access code or password that would permit access to the person's financial account; 4) medical or health insurance identification number; and 5) a user name, unique identifier or email address in combination with a password or other information that would permit access to an account. Civil penalties, including money damages, may be awarded to an aggrieved party for violation of this law.

25.2. Recipient does not intend to use or disclose any personally identifiable information to DISTRICT. However, in the event that such information is required to be disclosed, RECIPIENT shall comply with applicable data security laws and with the terms and conditions set forth in this Agreement in its collection, receipt, transmission, storage, disposal, use and disclosure of Personal Information transmitted to it by DISTRICT.

25.3. The Parties shall implement and maintain a written information security program including appropriate policies and procedures that are reviewed for new risk assessments at least annually.

25.4. The Parties shall implement administrative, physical and technical safeguards to protect Personal Information from unauthorized access, acquisition or disclosure, destruction, alteration, accidental loss, misuse or damage that are no less rigorous than accepted industry practices, and shall ensure that all such safeguards, including the manner in which Personal Information is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws, as well as the terms and conditions of this Agreement.

25.5. Each Party agrees to notify the other Party without unreasonable delay and in the most expedient time possible of a security breach where unencrypted Personal Information transferred to a Party by the other Party was or is reasonably believed to have been acquired by an unauthorized person.

26. SEVERABILITY: If any term of this Agreement is to any extent illegal, invalid, or unenforceable, such term shall be excluded to the extent of such invalidity or unenforceability; all other terms of this Agreement shall remain in full force and effect; and, to the extent permitted and possible, the invalid or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term. If application of this Paragraph should materially and adversely affect the economic substance of the transactions contemplated in this Agreement, the Party adversely impacted shall be entitled to compensation for such adverse impact.

27. NON-DISCRIMINATORY EMPLOYEE PRACTICES:

27.1. Recipient and any subcontractor working under the District of Recipient, who is responsible for the selection, referral, hiring, or assignment of workers for the Services provided pursuant to this Agreement, is required to comply with all applicable provisions of Title VII of the Civil Rights Act of 1964, Age Discrimination in Employment Act, the Civil Rights Act of 1991, the Equal Pay Act, Title I of the Americans with Disabilities Act and all associated rules and regulations.

27.2. Recipient recognizes that if they or their subcontractors are found guilty by an appropriate District of refusing to hire or do business with an individual or company due to reasons of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, national origin, or any other protected status, the AUTHORITY may declare RECIPIENT in breach of the Agreement, terminate the Agreement, and designate RECIPIENT as non-responsible.

28. EQUAL EMPLOYMENT OPPORTUNITY:

28.1. RECIPIENT is responsible for the selection, referral, hiring, or assignment of workers for the Services provided pursuant to this Agreement, is required to comply with all applicable provisions of Title VII of the Civil Rights Act of 1964. This requirement includes compliance with Equal Employment Opportunity Commission regulations that prohibit discrimination based upon race, color, religion, sex, or national origin. Furthermore, RECIPIENT shall in all relevant manners comply with the Age Discrimination in Employment Act, the Civil Rights Act of 1991, the Equal Pay Act, and Title I of the Americans with Disabilities Act.

28.2. RECIPIENT shall make all necessary documentation as required to comply with the Acts referred to above and shall make such documentation immediately available to DISTRICT upon DISTRICT's request. RECIPIENT is solely liable for failure to comply with this provision.

29. NO THIRD-PARTY RIGHTS: This Agreement is not intended by the Parties to create any right in or benefit to parties other than DISTRICT and RECIPIENT. This Agreement does not create any third-party beneficiary rights or causes of action.

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

31. INTEGRATION: This Agreement contains the entire, integrated understanding between the Parties relating to the transactions contemplated by this Agreement, notwithstanding any previous negotiations or agreements, oral or written, between the Parties with respect to all or any part of the subject matter hereof. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, regarding the subject matter of this Agreement are merged in this Agreement and shall be of no further force or effect.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year last entered below.

CITY OF LAS VEGAS

By: _____
SHELLEY BERKLEY, Mayor

_____
Date

ATTEST:

_____
DR. LUANN D. HOLMES, MMC

Approved as to Form:

By: _____ 2/25/26
Deputy City Attorney Date

LAS VEGAS VALLEY WATER DISTRICT

By: _____
JOHN J. ENTSMINGER, General Manager

_____
Date

Approved as to Form:

By: _____ 4/15/2026
Senior Attorney Date

EXHIBIT A
Program Parameters

- The maximum total funding will be $500,000 per 12-month period, effective on the execution date of the Agreement. Funds will be disbursed in $50,000 increments, with additional funds provided as the Recipient provides documentation that it has expended more than 75 percent of the $50,000 increment. For example, District will provide $50,000 to Recipient. Once Recipient has expended all but $12,500, District will fund an additional $50,000. The Recipient must submit monthly reports on or before the fifteenth (15) of the following month on a form provided by or approved by the District. The monthly reports will include a narrative project status update of specific District customers and the status of their leak repairs, amounts paid to contractors for such repairs, scheduled milestones completed and in progress problems encountered and any significant budget risks.

- The Recipient will establish the eligibility requirements for District Customer applicants seeking leak repair assistance, with those terms subject to advance approval by the District. Eligibility requirements must include a maximum household income at, or below, 80 percent of Clark County's median household income , subject to verification by the Recipient in advance of repair authorization.

- District customers will apply directly to the Recipient for financial assistance.

- The Recipient is subject to all applicable laws and regulations associated with discriminatory practices.

- The Recipient shall ensure that any contractors or plumbers performing repairs are properly licensed by the Nevada State Contractors Board.

- Upon receipt of an application, the Recipient will submit a request for verification to the District (Customer Care & Field Services Department) to establish that there is currently a continuous flow of water associated with that District Customer account. The District will respond to such requests within five (5) business days of receipt.

- Through this information request, the Recipient will also verify with the District that the applicant is the property owner and District Customer.

- Provided the applicant meets the Recipient's approved eligibility requirements, funds may be used to repair any type of leak (indoor or outdoor), including but not limited to service lines, pools, irrigation systems, water softeners, and plumbing fixtures.

- The maximum payment of expenses by Recipient for any single leak event may not exceed $10,000 and will be limited to actions directly associated with repairing the leak. This limitation may be exceeded on a case-by-case basis with express written permission of the District's authorized representative.

- The District will not be party to any disputes or legal actions that may arise associated with authorized repairs, nor will it serve as a mediator in such proceedings. Any such dispute shall be Recipient's sole responsibility.

- Repairs must be completed within 90 days of the application approval date by Recipient to be eligible for funding; repair documentation must be provided to the District with the monthly report.

- Before Recipient pays the company responsible for making the repair, the Recipient must verify through an information request to the District that the continuous flow of water has stopped. The District will respond to such requests within five (5) business days of receipt.

- If the property has a subsequent leak event, the property owner may apply separately to Recipient for that issue. A property owner may apply for leak repair assistance through Recipient's program no more than three times in a 12-month period.

- Upon the Recipient's request and subject to verification through monthly reports, the District will replenish funds in $50,000 increments to a maximum annual value of $500,000. Such transfers will require signatures from authorized parties from both the District and Recipient.

- Recipient may withdraw from the program at any time with written 30-day termination notice but will not officially be terminated until all pending repair projects are verified as completed and reimbursements provided. In such event, Recipient will return all unused funds to District.

- From the effective date of termination of the Agreement or completion of the 1-year term, the Recipient has 30 days to return any unused funds to the District.

- Improperly completed forms will be processed and will be returned for correction.

LAS VEGAS VALLEY WATER DISTRICT
BOARD OF DIRECTORS
COYOTE SPRINGS WATER RESOURCES DISTRICT
BIG BEND WATER DISTRICT
BOARDS OF TRUSTEES
AGENDA ITEM

May 18, 2026

Subject:
Conduct Public Hearing and Adopt Budgets

Petitioner:
John J. Entsminger, General Manager

Recommendations:
That the Board of Directors of the Las Vegas Valley Water District, the Boards of Trustees of the Coyote Springs Water Resources District, and the Big Bend Water District conduct a joint Public Hearing on the Tentative Budgets for fiscal year 2026/2027, and by a single combined motion constituting a separate action of each Board, adopt final budgets for each respective District for Fiscal Year 2026/27.

Fiscal Impact:
The approval of final budgets will establish revenue and expenditure levels for the Las Vegas Valley Water District, the Coyote Springs Water Resources District, and the Big Bend Water District for Fiscal Year 2026/27.

Background:
Pursuant to NRS 354.596, the Las Vegas Valley Water District (LVVWD), Coyote Springs Water Resources District (CSWRD), and Big Bend Water District (BBWD) filed their respective Tentative Budgets, as defined in NRS 354.578, with the State of Nevada Department of Taxation (State) on or before April 15, 2026. The Tentative Budgets have been reviewed by the State for compliance with state statutes, regulations, and guidelines. A delineation of budget components was provided to the Board in General Manager's Information Report Numbers 181, 20, and 18, respectively. Each Board conducted a public workshop on the Tentative Budgets at a joint meeting on April 27, 2026.

NRS 354.596(4) requires a public hearing on the Tentative Budgets not sooner than the third Monday in May and not later than the last day in May. The public hearing is therefore scheduled for May 18, 2026, the third Monday in May. Notice of the public hearing has been published in the *Las Vegas Review-Journal* in accordance with NRS 354.596(3).

NRS 354.598 requires that, upon completion of the public hearing, final budgets for the LVVWD, CSWRD, and BBWD shall be adopted not later than June 1, 2026, and transmitted to the State.

The board members, in their role as governing body for LVVWD, CSWRD, and BBWD, are being asked to conduct a public hearing on the Tentative Budgets for LVVWD, CSWRD, and BBWD, and adopt the final budgets for Fiscal Year 2026/27. All persons are invited to be heard at the public hearing. Pursuant to NRS 354.598(2), adoption of the final budgets by a favorable vote of a majority of all board members comprises adoption of final budgets for LVVWD, CSWRD, and BBWD.

This action is authorized pursuant to NRS 354.596, NRS 354.598, NRS 318.080, and the Las Vegas Valley Water District Act, Chapter 167, Statutes of Nevada 1947. The office of the General Counsel has reviewed and approved this agenda item.

JJE:PJ:MSH:LR:kn
Attachments: LVVWD, CSWRD, BBWD Tentative Budgets

AGENDA ITEM # 9

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LAS VEGAS VALLEY WATER DISTRICT

OPERATING & CAPITAL BUDGET 2027

FISCAL YEAR ENDING JUNE 30, 2027

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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.

DRAFT

Las Vegas Valley Water District

Operating & Capital Budget
Fiscal Year Ending June 30, 2027

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

Paul Johnson
Chief Financial Officer

Mariliese S. Horsewood
Director of Finance/Controller

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

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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 2026-27 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, 2025**.

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, 2025

Christopher P. Morrill

Executive Director

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Fiscal Year Ending June 30, 2027

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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

DRAFT

DATE: April 15, 2026 No. 181

SUBJECT: LAS VEGAS VALLEY WATER DISTRICT
PROPOSED OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2026-27

The Tentative Operating and Capital Budget of the Las Vegas Valley Water District (LVVWD) for fiscal year 2026-27 was submitted by April 15, 2026, to the State of Nevada Department of Taxation in accordance with NRS 354.596.

Executive Summary

The LVVWD delivers world-class water service to 1.7 million residents and more than 40 million annual visitors in the Las Vegas Valley. The agency maintains the region's water delivery infrastructure while supporting a growing customer base through sustainable technologies. The LVVWD also manages rural water systems across Clark County, including Kyle Canyon, Blue Diamond, Searchlight, Jean, and Laughlin (Big Bend Water District).

As drought conditions continue to impact the Southwest and reduce flows in the Colorado River Basin, the Southern Nevada Water Authority (SNWA) has implemented policies and initiatives to strengthen water conservation, with a particular focus on reducing consumptive water use. As a member agency, the LVVWD aligns its business operations, communication efforts, and Service Rules to support and advance regional conservation initiatives.

To maintain long-term water service reliability, the LVVWD continues to implement its 10-year Capital Improvement Plan. The plan emphasizes infrastructure renewal through the repair and replacement of aging facilities and pipelines, along with targeted system expansions to increase overall capacity. This plan serves as framework for reliable operation, maintenance and continued 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 2026. The members of the Clark County Commission and the Las Vegas Valley Water District Board of Directors remained unchanged from last year.

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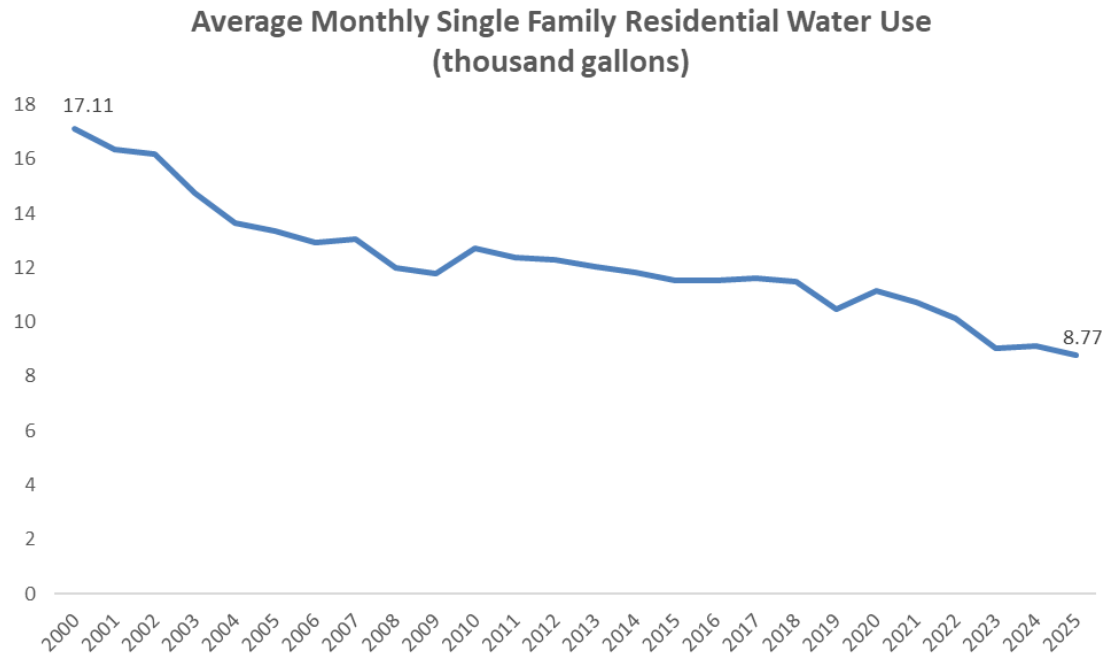
Water Resources and Conservation

Southern Nevada's main water source is the Colorado River, which supplies 90 percent of the region's water needs. The remaining demand is met through local groundwater rights. The LVVWD maintains limited groundwater rights and 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 8,770 gallons in 2025, representing a 48.7 percent decrease from fiscal year 2000 average monthly consumption, while the population within the service area grew by 70.7 percent over the same period.



Drought and Aridification

Prolonged drought and the effects of climate change have reduced flows throughout the Colorado River Basin for more than two decades. In 2026, Lake Mead remains in a federally mandated Tier I shortage, requiring Nevada to reduce its annual Colorado River allocation by 6.8 billion gallons for the third consecutive year. However, Nevada is not using its full Colorado River allocation thanks to regional conservation efforts. At the end of 2025, Nevada's consumptive use of Colorado River water was approximately 198,000 acre-feet. The Colorado River has been operating under federal shortage conditions since 2022, and the water level of Lake Mead has dropped by approximately 160 feet since January 2000.

Under the Interim Guidelines and the Drought Contingency Plan, Nevada's required reductions range from 8,000 to 30,000 acre-feet annually, depending on Lake Mead's elevation. These agreements expire at the end of 2026, and stakeholders are currently negotiating new operating rules for Colorado River operations beyond 2026. Southern Nevada's persistent water conservation efforts over the last two decades have helped the community manage these water reductions.

Conservation

As Nevada's largest water utility, the LVVWD remains committed to working closely with regional water providers to achieve shared conservation goals. Over the past fiscal year, the LVVWD has continued to prioritize programs and initiatives that support customers in reducing water use in both residential and commercial settings.

Water conservation is a central component of Southern Nevada's overall water resource strategy, reducing current and future demand and preserving available supplies to support long-term system sustainability. As drought conditions persist across the Colorado River Basin, reducing consumptive use and identifying additional water resources remain essential to maintaining long-term water reliability.

Given the importance of water conservation, the LVVWD makes strategic investments in programs, infrastructure, and technologies that support long-term water sustainability for the region.

The LVVWD continues to educate its customers on efficient water use through mandatory watering schedules, landscape conversion incentives, leak detection assistance and reporting water waste found in the community.

The LVVWD continues to offer leak-assistance programs to help residents detect, repair, and afford the costs associated with water leaks. To reduce the burden of costly service-line failures, the LVVWD partners with American Water Resources through the Service Line Protection Warranty Program, allowing homeowners to purchase low-cost protection to cover repairs between the home and the water meter. The LVVWD has strengthened financial assistance through its Low-Income Leak Repair Assistance Program. This program helps prevent delayed repairs, supports vulnerable customers, and reduces community-wide water loss. Additionally, the LVVWD operates a Leak Repair Reimbursement Program, covering up to 50 percent of repair costs (up to $2,000) when leaks are fixed and a paid invoice is provided, promoting rapid mitigation and water conservation. Together, these programs demonstrate the LVVWD's commitment to reducing water waste, assisting homeowners with repair costs, and protecting the region's limited water resources through proactive, accessible leak-repair support.

This year, the SNWA Board of Directors increased the cash incentive for the residential Water Smart Landscapes Rebate to $5 per square foot. As part of aligned conservation goals, the LVVWD also offered an additional $2 per square foot incentive for qualifying homeowners who convert grass to water-smart landscaping. As the community remains in a federally declared water shortage, replacing grass with water-smart landscaping is the best way to help meet the community's water demands with these reduced allocations.

In addition, for business customers, the LVVWD provides an additional $0.75 for every $1 contributed by SNWA, covering up to 80 percent of eligible project costs for customers participating in the SNWA's Water Efficient Technologies and Smart Irrigation Rebate Programs. This supplemental funding reduces upfront costs and supports the implementation of water-efficient equipment, irrigation system upgrades, and process improvements that lower consumptive water use. The incentive is available to active, pending, and future projects.

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Water Use Compliance

The LVVWD continues to strengthen public outreach, promote sustainable water practices, and support customer-driven conservation efforts. This includes increased water waste enforcement and expanded resident reporting of water waste. The Water Use Compliance team continued enforcing water theft regulations through daily patrols and investigation of reported theft. In the past years, the team fully transitioned to a new system that streamlined water waste investigation processes for both field and office staff.

Reporting Water Waste. In 2025, more than 11,600 water waste reports were submitted through LVVWD's website and mobile app, providing the LVVWD with immediate details on the date, time, location, and type of water waste. As a result, more than 8,800 reports led to an investigation or customer notification.

Investigations. The LVVWD continues to strengthen water waste enforcement. In 2025, the Water Use Compliance team included 19 full-time and limited-term investigators who responded to reports and completed investigations within the LVVWD Service Area. Through cooperative agreements with regional water purveyors, staff patrolled the entire Las Vegas Valley—including Henderson and North Las Vegas—24 hours a day, seven days a week. The table below highlights water waste investigation activity over a five-year period:

Water Waste Investigation Efforts					
	2021	**2022**	**2023**	2024	**2025**
Water Waste Investigations	23,980	27,976	46,099	38,558	**41,653**
Courtesy Notices	5,397	5,728	4,475	3,904	**2,937**
Formal Notices	6,719	6,124	10,319	12,597	**15,202**
Assessed Fees	1,931	1,966	3,298	3,973	**4,586**
Assessed Fees $	$560,320	$664,800	$1,151,440	$1,569,600	**$1,788,600**

Water Theft Investigation Efforts					
	2021	**2022**	**2023**	2024	**2025**
Water Theft Assessed Fees		43	41	27	**15**
Assessed Fees $		$304,631	$275,073	$192,136	**$93,878**

** Water theft investigations began in 2022.*

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LVVWD Operations

The LVVWD supplies water to residents in the City of Las Vegas, and in designated unincorporated areas of Clark County. In addition, the LVVWD manages public water systems in Blue Diamond, Jean, Kyle Canyon, Laughlin, Searchlight, and the Sloan Army Reserve Center. In 2025, the LVVWD delivered approximately 103 billion gallons of water to customers across its service area.

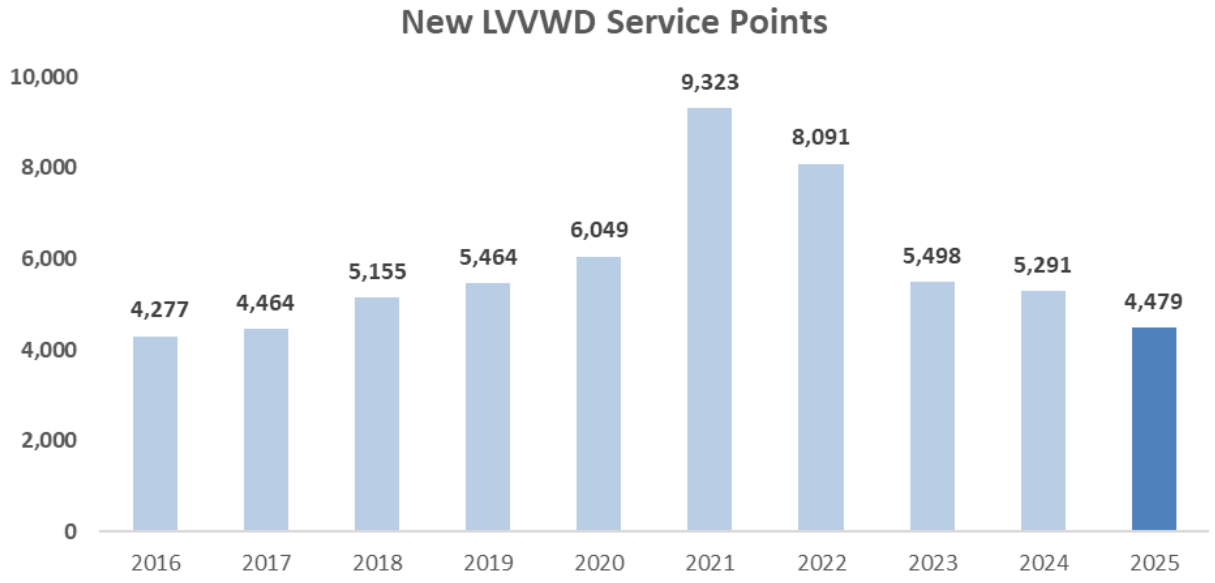
System Profile

The LVVWD manages a vast water distribution network that serves 447,000 homes and businesses. Essential elements of the system include:

- 7,323 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 the LVVWD's customers have consistent and dependable access to water.

New Service Points. With continued growth and construction development in the valley, the LVVWD added 4,479 new service points to its customer base in 2025, down from previous years, but in line with 2016 and 2017 numbers.



Capital Improvements and Asset Management

The 2016 Capital Improvement Plan (CIP) established a 10-year investment program (fiscal years 2017–18 through 2026–27) totaling $616 million. An annual inflation rate of 3.1 percent was applied to the CIP, projecting a cumulative investment of approximately $724 million by the end of the program.

It is anticipated that the projected investment level will be surpassed during this fiscal year, nine years into the 10-year plan. By the close of this fiscal year, total investment in the LVVWD's infrastructure reached $814 million. This figure includes $52 million reimbursed from external sources, such as developer contributions, grants, and interlocal agreements, resulting in a net expenditure of $763 million.

Planning for the next 10-year cycle is underway. To maintain the level of service that the community has grown to expect, increased investment will be required to address aging infrastructure assets.

The following projects are either currently under construction or set to begin in the next fiscal year:

- South Boulevard Reservoir and Pipeline
- Las Vegas Boulevard Improvements (final phase)
- Vegas Heights Subdivision
- 4125 Zone South Reservoir
- 4505 Zone Reservoir
- Cliffs Edge 3355 Zone Pumping Station
- Washburn 3355 Zone Reservoir and Pipeline
- Rehabilitation of steel pipe in Sahara Avenue
- Equipping of three wells

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, $30 million is allocated for pipeline replacements or rehabilitations, pumping station and reservoir improvements, valve replacements, electrical and communications upgrades, and other necessary infrastructure to maintain optimal water facility performance. Nearly $10 million is allocated for continual upgrade of the customer metering infrastructure, $10 million for technology improvements, $6 million for facility improvements at the Valley View Campus, and $6 million for backflow installations.

Water Quality Report

The 2025 Water Quality Report highlights the organization's dedication to ensuring community water quality meets or exceeds Safe Drinking Water Act standards. The primary treatment process is advanced ozonation, a highly effective disinfectant that removes bacteria and other microscopic organisms from source water. Staff performed nearly 301,000 water analyses across more than 62,000 samples taken from Lake Mead, storage reservoirs and 380 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 water quality around the clock, every day of the year.

Customer Focused Initiatives

The LVVWD is committed to providing its customers with a high level of service and support.

Customer Care. In 2025, Customer Care & Field Services (CCFS) upgraded its communication system to boost call-handling capacity during peak periods and deliver a more seamless, efficient experience for customers. The new Talkdesk platform introduced automated capabilities that streamline routine transactions, benefiting both customers and agents. Combined with enhanced agent training, these improvements led to a substantial decrease in customer wait times compared to the previous year. Throughout 2025, Customer Care handled nearly 310,000 customer calls.

Detecting and Repairing Leaks. Using Advanced Metering Infrastructure (AMI)–powered analytics, CCFS alerted more than 30,000 customers to potential on-site leaks, helping conserve community water resources and lowering customers' bills. Notifications were delivered through SMS text messages, recorded voice calls, and mailed letters. Recognizing that identifying a leak is only the first step, CCFS expanded its suite of assistance programs to minimize bill impacts and support customers in completing repairs. The enhanced Leak Adjustment Program provided direct bill credits to over 3,700 customers who repaired leaks promptly, along with reversal of any charges from the Excessive Use Charge Tier related to those leaks. A new paperless application process further reduced processing times and saved hundreds of staff hours. To help customers cover repair costs, CCFS partnered with Risk Management to launch the Leak Repair Reimbursement Program, up to $2,000 in reimbursement for contractor-completed leak repairs. In addition, the new Low-Income Leak Repair Program, delivered through partnerships with three Southern Nevada nonprofit organizations, offered no-cost repair services to eligible households. Finally, the LVVWD collaborated with American Water Resources to offer deeply discounted service line repair protection. With average repair costs exceeding $5,000, nearly 50,000 customers took advantage of this program, gaining financial protection while enabling quicker resolution of significant water leaks.

Small Meter Operations. The Small Meter Operations team oversees all facets of water metering, including monthly meter readings across both urban and rural service areas, uploading consumption data to the billing system, and maintaining and replacing meters. The team also supports the AMR and AMI infrastructure, conducts on-site customer visits, retrieves detailed usage logs for investigations, and completes many customer-requested field activities the same day. In addition, they provide 24/7 emergency field response to ensure service reliability and enhance the customer experience. In 2025, Field Services Technicians completed nearly 85,000 field activities, ranging from service verifications to full meter replacements.

Large Meter Operations. In 2025, Meter Shop staff tested more than 2,600 small domestic meters using a State-certified test bench and performed field accuracy tests on nearly 1,500 commercial meters. The team also monitored the AMI system daily to quickly identify and address any service interruptions. In addition to ongoing monitoring, staff are mapping priority areas for future system expansion and have implemented a preventative maintenance program to support long-term system reliability. Field Services has also expanded the use of AMI technology to many of the District's fire hydrant meters, enabling daily data collection from more than half of the hydrant units deployed across the LVVWD service area.

Advanced Metering Infrastructure (AMI) and Software. The District continued to strengthen its AMI network in 2025, achieving automated daily read transmissions that surpass industry standards. This robust system enabled more than 99.5 percent of all customer bills to be generated using AMI-transmitted data, with the remaining reads collected through drive-by methods. Ongoing efforts include evaluating and implementing mitigation strategies for transmission challenges—such as metal lids and other RF obstructions—that can impede read performance. These enhancements directly support the LVVWD's leak notification program, which issued more than 165,000 alerts to approximately 30,000 customers in 2025. Across Las Vegas, Kyle Canyon, Blue Diamond, Searchlight, and the Big Bend Water District, AMI systems maintained exceptionally high levels of performance throughout the year.

Meter Changeout Program (MCP). This year, Field Services launched a structured program to establish a consistent 15-year replacement cycle for the LVVWD's more than 400,000 small meters. Earlier this year, staff were onboarded and trained to replace approximately 40,000 small meters annually. This

proactive initiative is designed to prevent a future surge in aging meter failures—along with the associated revenue loss, billing complications, and customer service impacts—by distributing replacements more evenly and avoiding a large concentration of meters reaching end of life at the same time.

Springs Preserve

The Springs Preserve team oversees the daily operations of the 180-acre site and a wide 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, staff are responsible for developing and executing educational programs, organizing community events and building strategic partnerships. In fiscal year 2025-2026, the Springs Preserve welcomed more than 270,000 visitors.

Focused on its mission, the Springs Preserve continues to expand conservation-focused educational outreach. Ongoing programs include "Conservation for Kids" classes and the Youth Conservation Council for K-12 students and a variety of adult classes focused on educating the community on how to live sustainably in the Mojave Desert.

The Springs Preserve's annual community outreach events experienced growth in both attendance and sponsorships. These events celebrated cultural heritage and promote environmental stewardship and drew over 45,000 visitors this year. Highlights from the fall season included Haunted Harvest, Día de Muertos celebrations, and Nevada Day, which attracted 4,700 visitors in a single day. The spring events also showed significant attendance growth including the 17th anniversary of the Black History Month Festival and the fifth annual Earth Day celebration.

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 and U.S. Fish & Wildlife Service, both species are thriving. After an explosive 500 percent increase in 2023, the Pahrump poolfish population in the refugium ponds has stabilized at an estimated 649 adult fish. In addition, the adult relict leopard frog population living with the fish increased by 70 percent, while tadpoles were observed in the Cienega for the first time.

During the year, the Springs Preserve Foundation managed active grant-funded projects, including a $10,262 grant from the MGM Resorts Foundation to support the development of new curriculum and teacher training; a $4,500 grant from the Nevada Division of Forestry to fund transportation for the 2026 Youth Conservation Council; and a $30,000 grant from the San Manuel Tribe/Palms to expand native plant production and enhance community knowledge for the Nuwu Pahsats garden.

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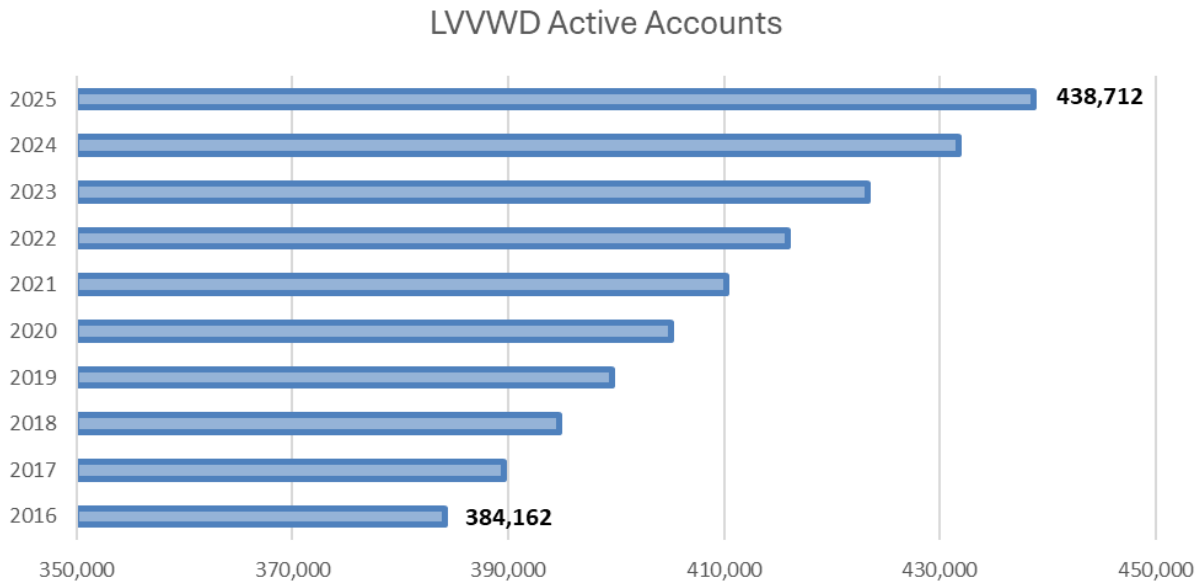
Awards and Accomplishments

The LVVWD was named the recipient of KM World's KM Reality Award, recognizing organizations with knowledge management programs supported by executive leadership and guided by measurable performance outcomes. The Information Governance team led a comprehensive initiative to restructure unstructured content across shared drives and select applications, significantly improving organization, accessibility, and usability. In addition, a formal Knowledge Management Program was established to support long-term governance and operational consistency.

This year, Nuwu Pahsats ("The People's Garden") at the Springs Preserve received the American Association for State and Local History's 2025 Award of Excellence, recognizing its role in preserving Southern Nevada Paiute history, language, and culture. The Springs Preserve partnered with members of Southern Nevada Paiute groups, including the Moapa, Las Vegas, and Pahrump Paiute tribes, to develop the garden and ensure accurate cultural representation. The project includes more than 70 documented Nuwu words and phrases displayed on interpretive panels, along with native plant species of cultural significance.

Finance

The LVVWD remains committed to ensuring a reliable water supply for both residents and businesses for years to come. 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 2016, reflecting consistent economic growth over the past decade. In 2025, the LVVWD reported more than 438,700 active accounts, marking a 14.2 percent increase, or more than 54,000 additional accounts, compared to 2016.



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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 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. Like many water utilities facing drought and water supply uncertainties, the LVVWD maintains a tiered rate system, for both its residential and non-residential customers, to fund the necessary operations of the agency and encourage conservation. In 2023, the LVVWD implemented an Excessive Use Charge Tier, which adds a tier to single-family residential (SFR) customer water bills whose water use exceeds established seasonal levels. The Excessive Use Charge Tier aims to reduce unnecessarily high water use among single-family residential customers, and as a result many users have changed watering practices. The top 10 percent of SFR water users reduced their use by approximately 12,000 acre feet in 2025 compared to what they used pre-implementation in 2022. Cumulatively, since the implementation of the Excessive Use Charge Tier, the LVVWD has saved nearly 32,000 acre feet of water (~10,700 acre feet per year 2023 - 2025) from the top 10 percent of water users.

Grant Funding. To help offset project costs within the LVVWD's service area and the rural water systems, staff monitors grant and low-interest loan opportunities on both state and federal levels. This year, staff received approximately $1.5 million from the Nevada Division of Environmental Protection (NDEP) to design and implement ultraviolet LED well treatment technology, with additional funding anticipated in a subsequent phase.

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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 2024-25, 2025-26 and 2026-27.

Operating Budget Summary

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $	Budget-to-Budget Variance %
SOURCES					
Tiered consumption	$ 320,973,098	$ 318,992,304	$ 320,429,229	$ 1,436,925	— %
Excessive use charge (EUC)	30,285,203	27,594,531	26,894,228	(700,303)	(3)%
Service charge	92,412,325	96,382,525	100,528,366	4,145,841	4 %
Backflow charge	13,148,683	13,156,815	13,888,341	731,526	6 %
Reclaimed water	7,312,707	7,030,637	6,841,803	(188,834)	(3)%
Other water bill charges	11,256,622	11,215,790	10,459,529	(756,261)	(7)%
Connection charge	20,151,624	21,017,843	18,606,468	(2,411,375)	(11)%
Application and inspection fees	2,632,900	2,626,095	2,788,639	162,544	6 %
Investment income	51,442,405	6,893,632	8,317,786	1,424,154	21 %
Springs Preserve	2,289,458	2,227,746	2,275,211	47,465	2 %
Other sources	5,868,916	6,075,554	7,263,258	1,187,704	20 %
LVVWD Sources	557,773,942	513,213,472	518,292,858	5,079,386	1 %
USES					
Purchased water	114,907,729	115,400,686	117,010,001	1,609,315	1 %
Energy	11,951,320	15,025,807	14,924,417	(101,390)	(1)%
Salaries and benefits	134,512,229	173,106,189	181,144,996	8,038,807	5 %
Operating expenses	40,297,549	40,627,577	54,412,756	13,785,179	34 %
EUC Conservation Expenses	2,402,822	27,594,531	27,350,000	(244,531)	(1)%
Lease/SBITAs amortization	10,122,978	15,990,379	18,651,098	2,660,719	17 %
Debt service	87,056,391	88,345,752	69,919,648	(18,426,104)	(21)%
Other Uses	—	850,865	1,376,964	526,099	62 %
Transfers to reserves	156,522,924	36,271,685	33,502,978	(2,768,707)	(8)%
LVVWD Uses	557,773,942	513,213,472	518,292,858	5,079,386	1 %
SNWA CHARGES					
Infrastructure charge	155,482,561	169,097,723	171,540,675	2,442,952	1 %
Commodity charge	61,650,355	61,402,619	66,577,930	5,175,311	8 %
Connection charge	51,529,480	49,679,412	59,607,596	9,928,184	20 %
Reliability surcharge	7,341,962	5,284,129	5,332,661	48,532	1 %
SNWA Charges	276,004,359	285,463,883	303,058,862	17,594,979	6 %
TOTAL SOURCES	833,778,301	798,677,355	821,351,720	22,674,365	3 %
TOTAL USES	$ 833,778,301	$ 798,677,355	$ 821,351,720	$ 22,674,365	3 %

*Totals may not sum due to rounding.

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Operating Sources

The fiscal year 2026-27 tentative budget's operating sources of funds including SNWA pass through charges are projected to be $821.4 million, or an three percent increase as compared to the 2025-26 Adopted Budget Plan.

Tiered consumption charges are projected to largely stay flat compared to the prior fiscal year's budget at an increase $1.4 million. The Excessive Use Charge Tier is estimated to decrease $0.7 million, or three percent. The service charge is anticipated to increase $4.1 million, or four percent, due to a projected growth in accounts. Tiered consumption charges and service charge revenues also factored in a 2.8 percent CPI increase effective on January 1, 2027 and projected growth in the number of active services. Other water bill charges are projected to decrease by $0.8 million, or seven percent, to align to recent historical trends. Connection charge revenue is expected to decrease by $2.4 million, or 11 percent, as compared to the 2025-26 Adopted Budget Plan which reflected a more conservative outlook on economic growth conditions.

Operating Uses

The fiscal year 2026-27 tentative budget projects operating uses of funds, including SNWA pass-through charges, totaling $821.4 million, representing a three percent increase over the 2025-26 Adopted Budget Plan. This growth is driven primarily by higher operating expenses, increased purchased water costs, and elevated SNWA pass-through charge.

Purchased water costs are projected to increase by $1.6 million, or one percent, due to an increase in sales volumes. Energy costs are projected to decrease by $0.1 million or one percent, due to an updated outlook on market pricing. Salaries and benefits are anticipated to increase by $8.0 million, or five percent. The full-time equivalent employee count across the entire organization is expected to remain steady compared to the 2025-26 Adopted Budget Plan.

Non-payroll operating expenses are projected to increase by $13.8 million or 34 percent, due to planned maintenance for engineering, planned maintenance for infrastructures and insurance premiums. Excessive Use Charge Tier revenues are used to fund conservation programs and initiatives. District conservation initiatives include customer programs that incentivize the timely repair of leaks and water system conservation initiatives including AMI enhancement and leak detection efforts. Excessive Use Charge Tier conservation expenses are projected to decrease by $0.2 million. Debt service is anticipated to decrease by $18.4 million or 21 percent compared to the 2025-26 Adopted Budget Plan. Transfers to reserves are expected to total $33.5 million.

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Capital Budget Summary

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $	Budget-to-Budget Variance %
SOURCES					
Developer/grant funds	$ 35,970,280	$ 45,189,000	$ 66,764,415	$ 21,575,415	48 %
Debt issuance proceeds	—	—	91,687,808	91,687,808	**
Other sources	5,681,888	4,060,512	2,348,000	(1,712,512)	(42)%
Transfers from reserves	78,848,029	129,742,570	33,233,248	(96,509,322)	(74)%
LVVWD Sources	120,500,197	178,992,082	194,033,471	15,041,389	8 %
USES					
Capital expenditures	120,500,197	178,992,082	194,033,471	15,041,389	8 %
Transfers to reserves	—	—	—	—	— %
LVVWD Uses	$ 120,500,197	$ 178,992,082	$ 194,033,471	$ 15,041,389	8 %

Capital Sources

The fiscal year 2026-27 tentative budget's capital sources of funds are projected to be $194.0 million or an eight percent increase as compared to the 2025-26 Adopted Budget Plan. The slight growth is due to updated projections for debt issuances, 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 from previous issuances and unrestricted reserves.

Capital Uses

The fiscal year 2026-27 tentative budget's capital uses of funds are projected to be $194.0 million, or a eight percent increase compared to the 2025-26 Adopted Budget Plan. Capital expenditures are projected to increase by $15.0 million reflecting adjustments made to project cash flows for multi-year projects.

Summary

Overall, the LVVWD's fiscal year 2026-27 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.

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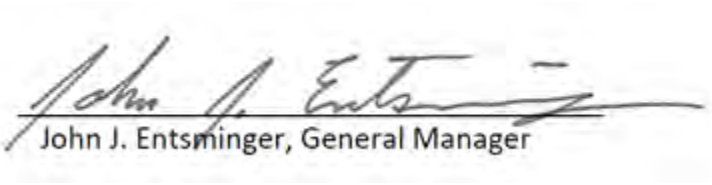
Approval

The public hearing on the LVVWD's 2026-27 Tentative Budget, and adoption of the 2026-27 Final Budget, is scheduled for 10:00 a.m., Monday, May 18, 2026.



John J. Entsminger, General Manager

SECTION 2

INTRODUCTION AND STRATEGIC PLAN

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LAS VEGAS VALLEY WATER DISTRICT™

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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 2026-27 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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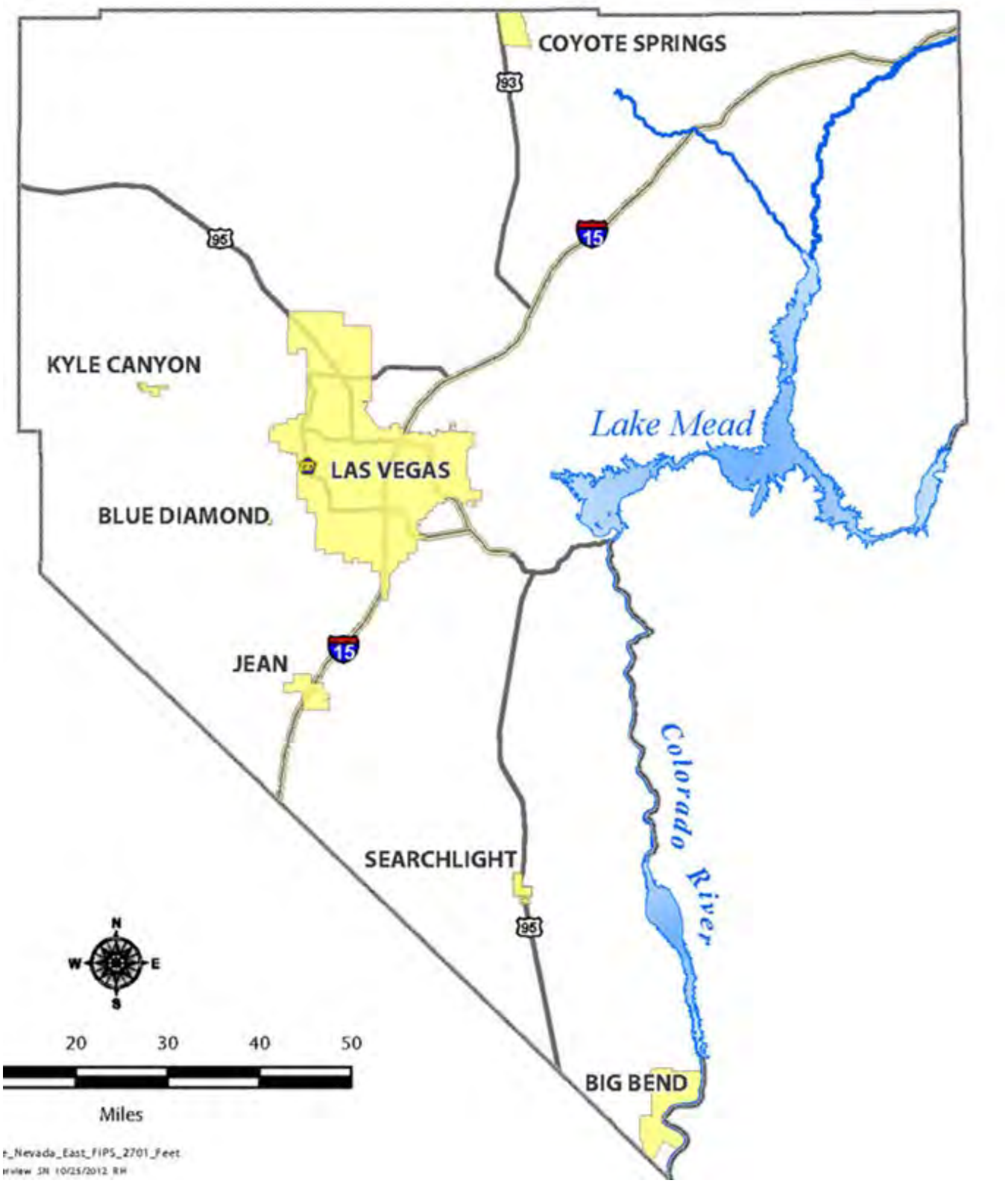
Areas Currently Served



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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, 2025 are as follows: Boulder City (2.1 percent), Henderson (20.6 percent), North Las Vegas (12.6 percent), the LVVWD (64.4 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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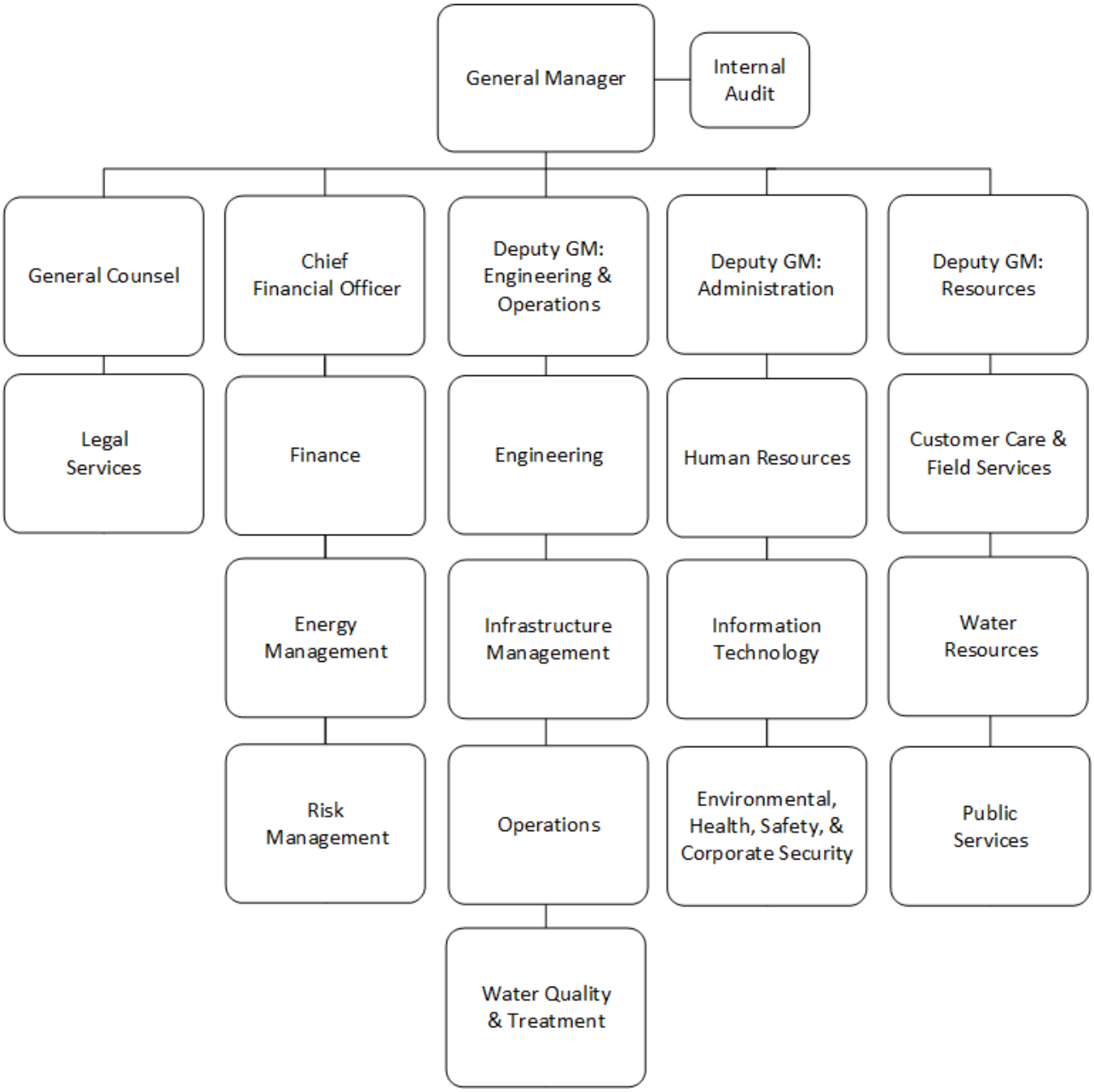
General Manager
Internal Audit
General Counsel
Chief Financial Officer
Deputy GM: Engineering & Operations
Deputy GM: Administration
Deputy GM: Resources
Legal Services
Finance
Engineering
Human Resources
Customer Care & Field Services
Energy Management
Infrastructure Management
Information Technology
Water Resources
Risk Management
Operations
Environmental, Health, Safety, & Corporate Security
Public Services
Water Quality & Treatment

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Las Vegas Valley Water District Strategic Plan

Strategic Plan Background

The LVVWD's Strategic Plan reflects a long-standing, deliberate commitment to self-assessment, continuous improvement, and comprehensive planning.

Grounded in an initial strategic framework developed in 1993, the plan has served as a guiding influence for the LVVWD's vision, priorities, and decision-making over time. That original effort established a thoughtful and disciplined approach to identifying the forces affecting the organization and aligning goals and strategies to address evolving challenges while supporting the SNWA's role as both a regional water purveyor and a provider of operational and management support.

Many of the principles and strategic elements established in the 1993 plan remain relevant today and continue to inform the LVVWD's direction. Management periodically reviews and refines the Strategic Plan to reflect changing conditions, emerging needs, and the LVVWD's evolving responsibilities, while preserving continuity with its foundational objectives. Through these updates, the Strategic Plan remains a dynamic, adaptable tool that provides long-term direction, promotes organizational alignment, and supports informed, effective decision-making.

Strategic Plan and 2026-27 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 the Department Budgets section of the 2026-27 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 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.

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

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

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.

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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 the 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 Statues (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.

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

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

The LVVWD's insurance portfolio consists of insurance for property, terrorism, general liability, automobile liability, drone liability, cyber liability, excess workers compensation liability, employer's liability, employee benefits liability, employment practices liability, public officers' liability, and pollution and legal remediation liability. LVVWD also places other smaller insurance policies, as needed.

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. The policy includes a sublimit of $100M insurance for earthquake coverage and $50M for flood coverage. The deductible for the property policy is $1M. LVVWD also maintains a $250M terrorism policy providing coverage for all terrorist acts, which has a $10,000 deductible.

The LVVWD also purchases $20M of commercial general liability insurance, $5M of pollution and remediation legal liability insurance, $5M of drone liability insurance, and $5 million of cyber liability insurance. The cyber insurance policy provides liability coverage for damages LVVWD may be legally obligated to pay from incidents covered under the policy. The cyber insurance policy also provides for business income and extra expense insurance for covered cyber incidents. Included in its portfolio, LVVWD also has a $3M employee fidelity policy, and other miscellaneous coverages.

LVVWD self-insures the first $1 million for property, automobile, general liability, and employment practices claims, the first $750,000 for workers compensation claims, $250,000 for pollution liability claims, and the first $150,000 for cyber liability claims thru a Captive.

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 that can access the reinsurance markets.

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 (LVVWD), Southern Nevada Water Authority (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 LVVWD 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. The augmentation will be effective upon adoption and execution of the Resolution and will be reported in the next quarterly economic survey.

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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 10** Budget instructions and calendar received	**Mon Nov 10** Budget instructions and calendar sent to departments		
	Mon Nov 17 Budget Kick-off Meeting (Teams)	**Mon Nov 17** Budget Kick-off Meeting (Teams)		
	Mon Nov 17 Budget narrative files available for departments in Wdesk app	**Mon Nov 17** Budget narrative files available for departments in Wdesk app		
	Thu Nov 20 Operating budget template files received by departments	**Thu Nov 20** Operating budget template files sent		
Dec	**Mon Dec 8 – Thu Jan 8** Personnel related requests will be coordinated through each department's Director and Deputy General Manager		**Mon Dec 8 – Thu Jan 8** 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 8, 2026
Jan	**Thu Jan 8** Adjustments to organization charts submitted to Human Resources Information Systems, (HRIS) (HRIS@lvvwd.com)	**Thu Jan 8** Major data processing and equipment requests submitted to Information Technology and Fleet Services for review and coordination		
	Thu Jan 8 Final requests for interns and summer hire positions submitted to HRIS (HRIS@lvvwd.com)			
	Mon Jan 26 Final 2026-27 operating expense budgets submitted to FP&A	**Tue Jan 20** Begin coordination with departments incurring intercompany and overtime payroll costs		**Thu Jan 15** List of existing interns and summer hire position renewals sent to FP&A
	Mon Jan 26 Final 2026-27 capital budget equipment and project requests submitted			

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	All Departments	FP&A	Executive Management	Human Resources
Feb		**Mon Feb 9** Summaries and detail of operating expense & capital expenditure budgets sent to departments		
	Mon Feb 9 Summaries and detail of operating expense & capital expenditure budgets received	**Mon Feb 9** Assisting departments in preparation for the Senior Management Team (SMT) budget meeting presentations begins		
Mar		**Thu Mar 5** Budget overview briefing with Executive Management (E-Team Budget Workshop)	**Thu Mar 5** Budget overview briefing (E-Team Budget Workshop)	
	Thu Mar 12 Budget narratives submitted to FP&A Wdesk App	**Thu Mar 12** Department budget meetings with SMT and overview briefing (SMT Budget Workshop)	**Thu Mar 12** Department budget meetings with SMT and overview briefing (SMT Budget Workshop)	
	Thu Mar 12 Department budget meetings with SMT and overview briefing		**Thu Mar 19** Final budget decisions made by Executive Management (E-Team)	**Thu Mar 26** Preliminary update of positions list based on Executive Management's final budget decisions
Apr		**Thu Apr 2** Proposed draft budgets completed for Budget Workshops with Boards of Directors	**Thu Apr 16** Board of Directors Budget Workshop for SNWA	
		Thu Apr 9 Preliminary Budgets filed with the Nevada State Department of Taxation	**Mon Apr 27** 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 6** LVVWD, BBWD, and Coyote Springs Public hearing notice published in LVRJ	**Mon May 18** LVVWD Board of Directors public hearings conducted on proposed budgets of LVVWD, Big Bend, and Coyote Springs for possible adoption	
		Fri May 8 SNWA Public hearing notice published in LVRJ	**Thu May 21** SNWA Board of Directors public hearing conducted on the proposed budget for possible adoption	**Thu May 21** Organization charts updated after Boards adopt budgets
Jun		**Mon Jun 1** Adopted budgets sent to the Nevada Department of Taxation		
		Mon Jun 15 LVVWD, SNWA, BBWD & Coyote Springs annual summary fiscal reports published in LVRJ		
Jul		**Thu Jul 16** Proof of publication of fiscal reports submitted to the Nevada State Department of Taxation		
Aug		**Thu Aug 13** 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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Operating and Capital Budget

Fiscal Year Ending June 30, 2027

The fiscal year 2026-27 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.

Operating Budget Summary

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $	Budget-to-Budget Variance %
SOURCES					
Tiered consumption	$ 320,973,098	$ 318,992,304	$ 320,429,229	$ 1,436,925	— %
Excessive use charge (EUC)	30,285,203	27,594,531	26,894,228	(700,303)	(3)%
Service charge	92,412,325	96,382,525	100,528,366	4,145,841	4 %
Backflow charge	13,148,683	13,156,815	13,888,341	731,526	6 %
Reclaimed water	7,312,707	7,030,637	6,841,803	(188,834)	(3)%
Other water bill charges	11,256,622	11,215,790	10,459,529	(756,261)	(7)%
Connection charge	20,151,624	21,017,843	18,606,468	(2,411,375)	(11)%
Application and inspection fees	2,632,900	2,626,095	2,788,639	162,544	6 %
Investment income	51,442,405	6,893,632	8,317,786	1,424,154	21 %
Springs Preserve	2,289,458	2,227,746	2,275,211	47,465	2 %
Other sources	5,868,916	6,075,554	7,263,258	1,187,704	20 %
LVVWD Sources	557,773,942	513,213,472	518,292,858	5,079,386	1 %
USES					
Purchased water	114,907,729	115,400,686	117,010,001	1,609,315	1 %
Energy	11,951,320	15,025,807	14,924,417	(101,390)	(1)%
Salaries and benefits	134,512,229	173,106,189	181,144,996	8,038,807	5 %
Operating expenses	40,297,549	40,627,577	54,412,756	13,785,179	34 %
EUC Conservation Expenses	2,402,822	27,594,531	27,350,000	(244,531)	(1)%
Lease/SBITAs amortization	10,122,978	15,990,379	18,651,098	2,660,719	17 %
Debt service	87,056,391	88,345,752	69,919,648	(18,426,104)	(21)%
Other Uses	—	850,865	1,376,964	526,099	62 %
Transfers to reserves	156,522,924	36,271,685	33,502,978	(2,768,707)	(8)%
LVVWD Uses	557,773,942	513,213,472	518,292,858	5,079,386	1 %
SNWA CHARGES					
Infrastructure charge	155,482,561	169,097,723	171,540,675	2,442,952	1 %
Commodity charge	61,650,355	61,402,619	66,577,930	5,175,311	8 %
Connection charge	51,529,480	49,679,412	59,607,596	9,928,184	20 %
Reliability surcharge	7,341,962	5,284,129	5,332,661	48,532	1 %
SNWA Charges	276,004,359	285,463,883	303,058,862	17,594,979	6 %
TOTAL SOURCES	833,778,301	798,677,355	821,351,720	22,674,365	3 %
TOTAL USES	$ 833,778,301	$ 798,677,355	$ 821,351,720	$ 22,674,365	3 %

The fiscal year 2026-27 Operating Budget total sources of funds are projected to be $821.4 million, or a three percent increase compared to the fiscal year 2025-26 Adopted Budget Plan. The fiscal year 2026-27 Budget Plan's total uses of funds are projected to be $821.4 million, or a three percent increase compared to the fiscal year 2025-26 Adopted Budget Plan. The table above shows the Operating Sources and Uses of Funds Summary for the 2024-25, 2025-26, and 2026-27 fiscal years.

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Operating Sources

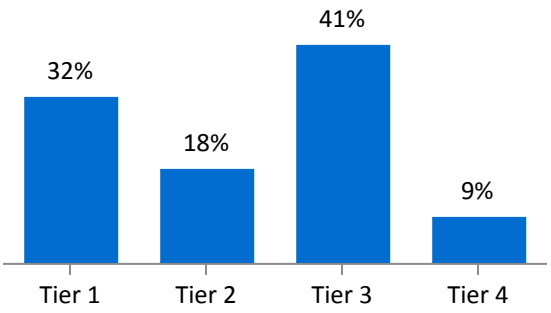
The fiscal year 2026-27 Operating Budget total sources of funds are projected to be $821.4 million, which is a three percent increase compared to the 2025-26 Adopted Budget Plan.

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.

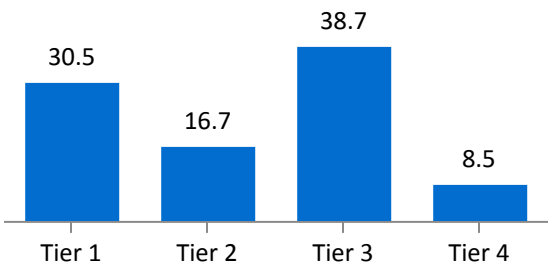
Tiered Consumption

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



2026-27 Budgeted Water Deliveries by Tier (gallons in billions)



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 $1.61 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 $2.87 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 $4.27 per 1,000 gallons.

Tier 4. Tier 4 rates are designed to encourage conservation. The tier 4 consumption rate is currently set at $6.33 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.

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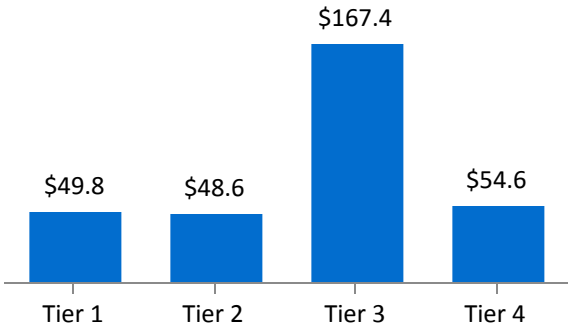
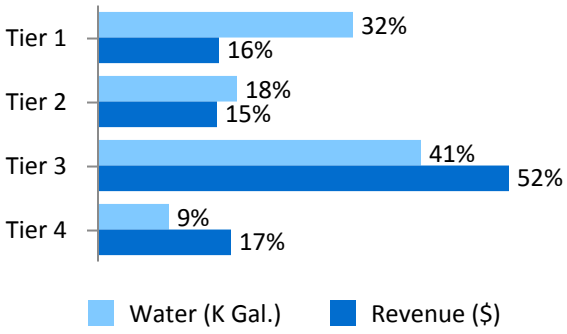
2026-27 Budgeted Revenue by Tier
($ in millions)



The following chart shows the percent of budgeted water deliveries and revenue by tier for the fiscal year 2026-27. 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



Excessive Use Charge

The Excessive Use Charge Tier 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 Tier 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.

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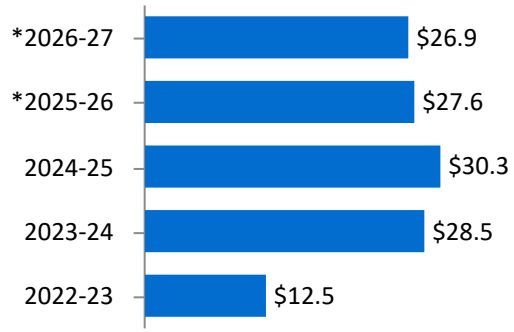
Excessive Use Charge Tier
($ in millions)



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	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

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.

Service Charge
($ in millions)

*= Budgeted

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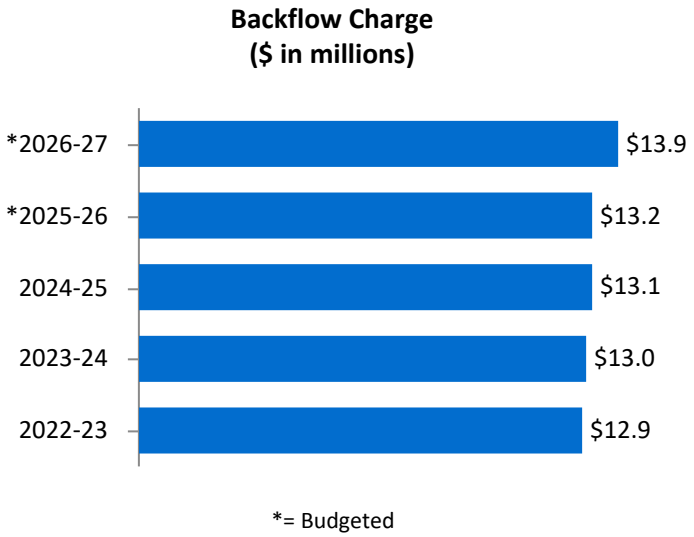
Backflow Charge

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.



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 2026-27 Budget Plan, reclaimed water revenues are estimated to be $6.8 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 2026-27 Budget Plan, other water bill charges are anticipated to total $10.5 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 2026-27 Budget Plan, connection charges are anticipated to be $18.6 million, which represents a $2.4 million decrease compared to the fiscal year 2025-26 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.

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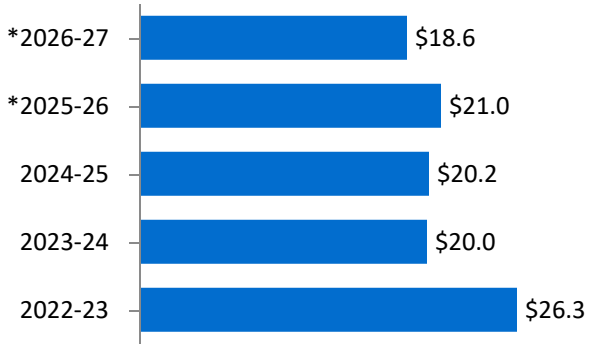
Facilities Connection Charge
($ in millions)



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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 2026-27 Budget Plan, application and inspection fees total $2.8 million, a increase of $0.2 million compared to the fiscal year 2025-26 Adopted Budget Plan.

Investment Income

Investment income represents earnings on accumulated reserve balances. For the fiscal year 2026-27, interest earnings are anticipated to be $8.3 million, a $1.4 million increase compared to the fiscal year 2025-26 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 2026-27 Budget Plan, revenues for the Springs Preserve are anticipated to total $2.3 million, a two percent increase compared to the fiscal year 2025-26 Adopted Budget Plan.

Other Sources

The 2026-27 Operating Budget Plan includes other sources of $7.3 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).

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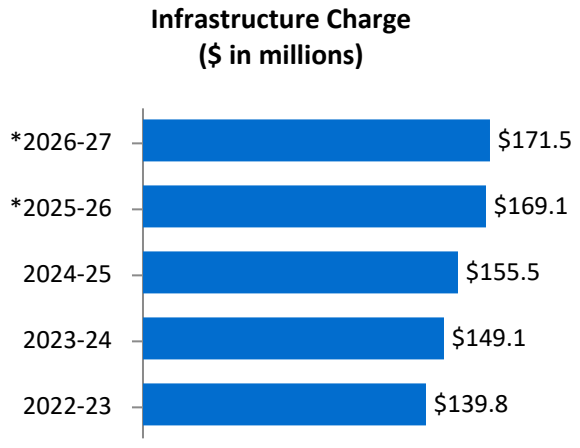
SNWA Infrastructure Charge

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 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 $172 million from the LVVWD customers. This represents an increase of $2.4 million, or one percent, in the fiscal year 2026-27 Operating Budget Plan when compared to the fiscal year 2025-26 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.



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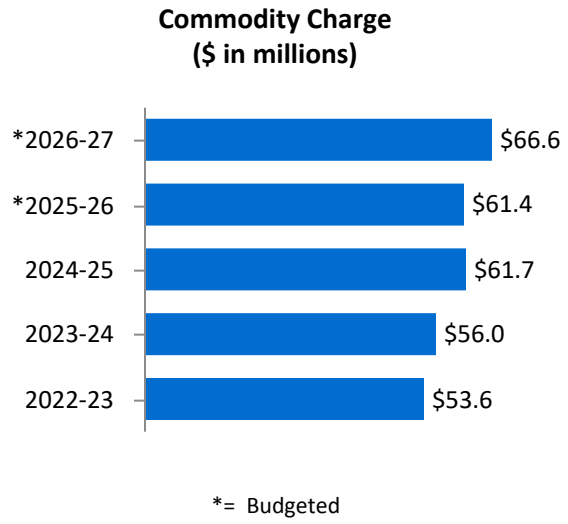
SNWA Commodity Charge

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 2026-27, commodity charge revenues are anticipated to be around $66.6 million, an increase of $5.2 million, or 8 percent, compared to the fiscal year 2025-26 Adopted Operating Budget Plan. The commodity charge receipts have no impact on the LVVWD's net surplus or deficit.



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.

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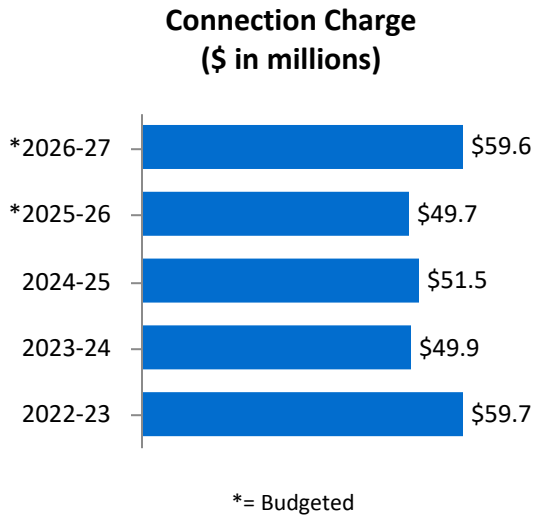
The fiscal year 2026-27 Budget Plan anticipates the SNWA connection charge collections of $59.6 million, an increase of $9.9 million compared to the fiscal year 2025-26 Adopted Budget Plan. As with other sources of development-based revenue, this increase reflects the projected growth and development 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 2026-27 Budget Plan, it is estimated this charge will total $5.3 million, an increase of $0.0 million compared to the fiscal year 2025-26 Adopted Budget Plan. The reliability charge receipts have no impact on the LVVWD's net surplus or deficit.

Operating Uses

The fiscal year 2026-27 Budget Plan's total uses of funds are projected to be $821.4 million, which is an three percent increase compared to the 2025-26 budget.

Purchased Water

The LVVWD purchases approximately 90 percent of its water from the SNWA. For the fiscal year 2026-27 Budget Plan, water costs are projected to be $117.0 million, which is a one percent increase compared to the fiscal year 2025-26 Adopted Budget Plan. The increase is predominantly a result of increase in the volume of purchased water.

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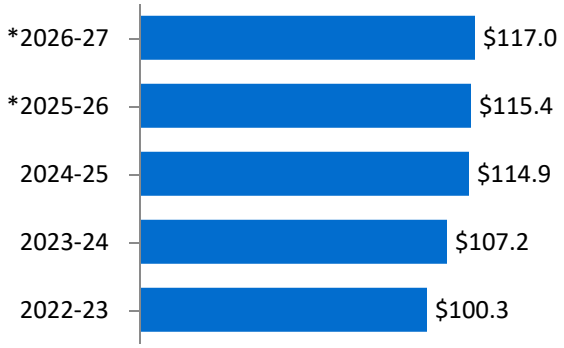
Purchased Water
($ in millions)



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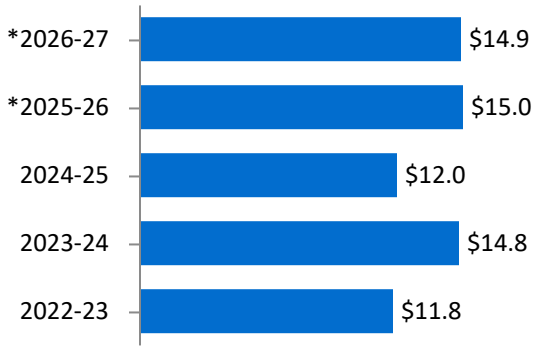
Energy

The cost of energy for fiscal year 2026-27 is projected to be $14.9 million. This is a decrease of $0.1 million over the prior fiscal year 2025-26.

Energy
($ in millions)



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Salaries and Benefits

Salaries and benefits costs include wages, salaries and benefits paid to employees. For the fiscal year 2026-27 Budget Plan, salaries and benefits expenses are anticipated to be $181.1 million. This represents an increase of $8.0 million, or five percent, compared to the fiscal year 2025-26 Adopted Budget Plan.

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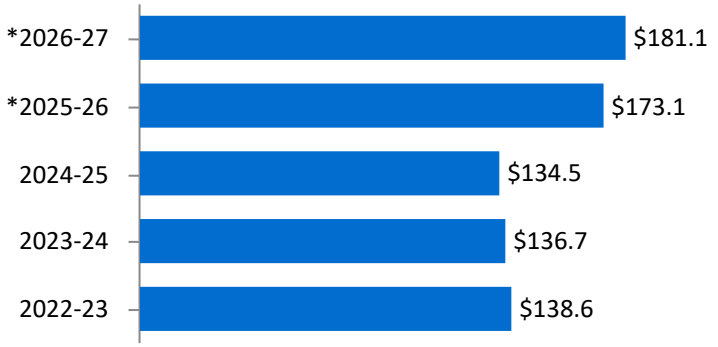
Salaries and Benefits
($ in millions)



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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 two employees compared to the fiscal year 2025-26 Adopted Budget Plan.

FTE Summary

DEPARTMENT	Actual 2024-25	Budget 2025-26	Budget 2026-27
Executive Management	5.5	5.0	5.5
Legal Services	16.5	15.5	15.5
Finance	31.6	30.7	32.6
Risk Management	3.8	4.0	3.5
Customer Care & Field Services	151.0	161.9	166.3
Engineering	84.9	91.7	95.5
Infrastructure Management	114.0	116.6	120.7
Operations	183.4	193.3	193.4
Human Resources	19.6	47.9	32.0
Information Technology	56.3	61.8	61.8
Environmental Health Safety & Corporate Security	61.9	63.8	63.8
Water Quality & Treatment	1.1	0.8	0.0
Water Resources	26.2	27.9	28.2
Public Services	56.5	57.0	57.0
Total	812.3	877.9	875.8

*Totals may vary slightly due to rounding

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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 2024-25	Budget 2025-26	Budget 2026-27
Materials and supplies	$ 19.3	$ 22.0	$ 25.8
Maintenance and repairs	25.9	30.0	44.9
Rental and leases	0.4	0.4	0.4
Other employee expenses	2.0	2.9	3.1
Other operating expenses	(5.0)	13.0	7.6
Total	$ 42.7	$ 68.3	$ 81.8

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 2026-27 Budget Plan anticipates total expenditures of $25.8 million for this expense category. This represents an increase of $3.8 million, or 17 percent, compared to the fiscal year 2025-26 Adopted Budget Plan.

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 2026-27 Budget Plan anticipates this expense will total $44.9 million, an increase of $14.9 million, or 50 percent, compared to the fiscal year 2025-26 Adopted Budget Plan.

Rental and Leases. The fiscal year 2026-27 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 $0.0 million when compared to the fiscal year 2025-26 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 $3.1 million spent within this category. This amount represents an increase of $0.2 million when compared to the fiscal year 2025-26 Adopted Budget Plan.

Other Operating Expense. This classification includes, but is not limited to postage, legal fees and professional services. For the fiscal year 2026-27 Budget Plan, other operating expenses are anticipated to total $7.6 million, an decrease of $5.3 million compared to the fiscal year 2025-26 Adopted Budget Plan.

EUC Conservation Expenses

This classification includes the planned expenses of Excessive Use Charge Tier revenues collected to fund conservation programs and initiatives. For the fiscal year 2026-27 Budget Plan, total expense is expected to total $27.4 million, a slight decrease of $0.2 million compared to the fiscal year 2025-26 Adopted Budget Plan.

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Lease and SBITA Amortization

The fiscal year 2026-27 Budget Plan anticipates expenses of $18.7 million for long term rent/lease agreements and long term subscription-based information technology arrangements. This expense increased by $2.7 million when compared to the fiscal year 2025-26 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 2026-27 Budget Plan, total debt service payments are expected to total $69.9 million, which is flat compared to the fiscal year 2025-26 Adopted Budget Plan.

Transfers To Reserves

The fiscal year 2026-272022-23 Operating Budget Plan's transfers to reserves are projected to be $33.5 million, an decrease of $2.8 million compared to the 2025-26 Adopted Budget Plan.

SNWA Charges

As described in the Sources section previously, the overall SNWA Charges for the fiscal year 2026-27 Budget Plan are expected to be $303.1 million. This amount represents an increase of $17.6 million, or 6.2 percent, when compared to the fiscal year 2025-26 Adopted Budget Plan.

Capital Budget Summary

The fiscal year 2026-27 Capital Budget projects total sources of funds and total uses of funds to be $194.0 million, or an increase of 8.4 percent compared to the fiscal year 2025-26 Adopted Capital Budget Plan. The following table shows the Capital Sources and Uses of Funds Summary for the 2024-25, 2025-26, and 2026-27 fiscal years.

Capital Budget Summary

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $	Budget-to-Budget Variance %
SOURCES					
Developer/grant funds	$ 35,970,280	$ 45,189,000	$ 66,764,415	$ 21,575,415	48 %
Debt issuance proceeds	—	—	91,687,808	91,687,808	**
Other sources	5,681,888	4,060,512	2,348,000	(1,712,512)	(42)%
Transfers from reserves	78,848,029	129,742,570	33,233,248	(96,509,322)	(74)%
LVVWD Sources	120,500,197	178,992,082	194,033,471	15,041,389	8 %
USES					
Capital expenditures	120,500,197	178,992,082	194,033,471	15,041,389	8 %
Transfers to reserves	—	—	—	—	**
LVVWD Uses	$ 120,500,197	$ 178,992,082	$ 194,033,471	$ 15,041,389	8 %

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Capital Sources

The fiscal year 2026-27 Capital Budget total sources of funds project to be $194.0 million, which is an increase of 8.4 percent compared to the 2025-26 Adopted Budget Plan. This increase is due to more developer/grant funds and planned debt issuances.

Developer/Grant Funds

The 2026-27 Capital Budget includes developer and grant funds of $66.8 million, which substantially provides for three developer-requested reservoirs ($35.2m) and a grant sponsored science and sustainability center at the Springs Preserve Origen museum ($6.5m). The reservoirs are 4125 zone south reservoir ($21.3m), 4532 zone reservoir ($7.1m), and Washburn 3355 zone reservoir ($6.8m).

Debt Issuance Proceeds

Bonds are issued to fund capital expenditures. LVVWD anticipates issuing $91.7 million in bonds during fiscal year 2026-27.

Other Sources

The 2026-27 Capital Budget includes other sources of $2.3 million, which reflects the SNWA reimbursement of capital projects.

Transfer from Reserves

The 2026-27 Capital Budget Plan includes transfers from reserves of $33.2 million, which funds the current fiscal year's capital budget.

Capital Uses

The fiscal year 2026-27 Capital Budget's total uses of funds are projected to be $194.0 million, which is an increase of 8.4 percent compared to the 2025-26 budget.

Capital Expenditures

Capital expenditures provide for the necessary expansion and maintenance of the LVVWD's water storage, pumping, distribution system, facilities and equipment. As mentioned previously, in January 2017, the Board adopted the $616 million (in 2016 dollars) 10-year CIP with the major components shown in the following chart.

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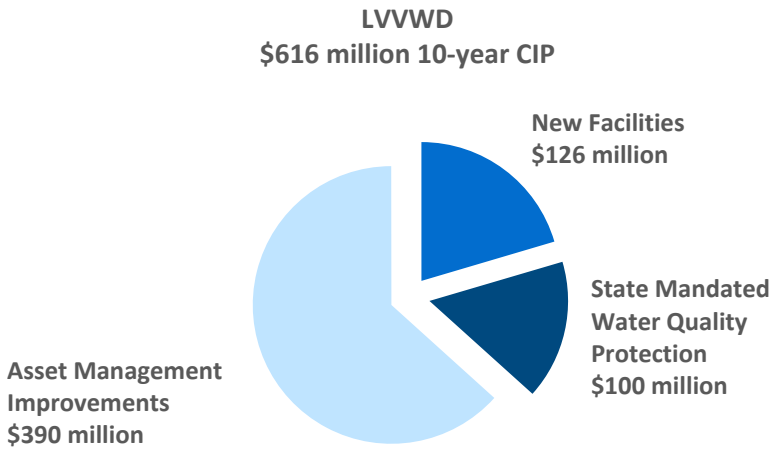
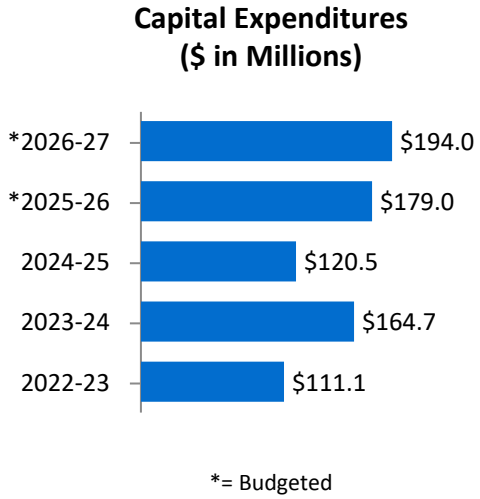


The adopted CIP emphasizes the type of capital projects, asset management, maintenance, and improvement of the LVVWD's water distribution system. Projects considered crucial for the continued operation of the water distribution system include reservoir, well, pump, vault, pipe, motor and valve renovation and replacement projects.



For the fiscal year 2026-27 Capital Budget, the CIP and continued focus on asset management efforts to replace and maintain LVVWD's essential equipment and water distribution facilities resulted in an increased budget of $194.0 million, or an increase of 8.4 percent, compared to the fiscal year 2025-26 Adopted Budget Plan.

Transfers To Reserves

This classification includes transfers of capital funds in excess of the capital budget. For the fiscal year 2026-27 Budget Plan, LVVWD does not anticipate any transfers to reserves.

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Long-Range Financial Plan

The LVVWD long-range operating financial plan is essential for translating its strategic goals into funded, executable actions over a multi-year horizon. It ensures that strategic priorities, such as infrastructure reliability to assure water quality, technology innovation to develop advanced and sustainable solutions, and financial resource management to provide maximum customer value, are proactively resourced rather than reactively funded. Ultimately, it serves as the accountability framework that ensures financial decisions are made balancing rate stability and delivering maximum long-term value to the community.

The LVVWD maintains a financial forecast in conjunction with other long-range financial plans in consideration of existing and probable future economic environments, capital projects, asset management, and various other factors. Some notable assumptions for the five-year forecast are annual population growth that varies between 1.3 - 1.8 percent, annual water rate and operating expense increases in alignment with estimated inflation, and capital expenditures consistent with the organization's plans for capital project and equipment costs. Debt service over the forecast largely reflects the trend of increasing investment in system infrastructure and assumes future issuances consistent with the organization's capital improvement plan.

The following table is the current view of the next five years within the financial forecast:

5-Year Forecast

	2026-27	2027-28	2028-29	2029-30	2030-31
LVVWD OPERATING					
SOURCES					
Water revenue	$ 479,041,496	$ 503,268,507	$ 519,724,715	$ 535,156,792	$ 551,016,934
Other sources	39,251,362	30,729,904	28,549,241	26,817,393	28,032,276
Total Operating Sources	518,292,858	533,998,411	548,273,956	561,974,185	579,049,210
USES					
Operations & maintenance	414,870,233	388,050,036	401,465,859	414,489,438	428,334,937
Debt service	69,919,648	85,684,930	92,246,917	99,448,020	107,246,305
Transfers to reserves	33,502,977	60,263,445	54,561,180	48,036,727	43,467,968
Total Operating Uses	$ 518,292,858	$ 533,998,411	$ 548,273,956	$ 561,974,185	$ 579,049,210
Surplus/(Deficit)	$ —	$ —	$ —	$ —	$ —
LVVWD CAPITAL					
SOURCES					
Debt issuance proceeds	$ 91,687,808	$ 154,186,322	$ 100,417,913	$ 110,900,264	$ 73,491,890
Other sources	69,112,415	115,172,048	58,870,152	40,025,285	25,823,001
Transfers from reserves	33,233,248	45,416,808	48,161,578	77,707,052	54,726,421
Total Capital Sources	194,033,471	314,775,178	207,449,643	228,632,601	154,041,312
USES					
Capital expenditures	$ 194,033,471	$ 314,775,178	$ 207,449,643	$ 228,632,601	$ 154,041,312
Other uses	—	—	—	—	—
Total Capital Uses	194,033,471	314,775,178	207,449,643	228,632,601	154,041,312
Surplus/(Deficit)	$ —	$ —	$ —	$ —	$ —

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

An enterprise fund's year-end balance differs from other government agencies' fund balances in that 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 2026-27 Budget Plan.

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

	Invested in Capital Assets Net of Related Debt	Restricted	Unrestricted	Total Fund Net	Pension Trust Fund	OPEB Trust Fund	Total Net Assets
Estimated net position on June 30, 2025	$1,071,096,506	$ 37,984,967	$ 677,593,285	$1,786,674,758	$1,085,017,506	$ 43,659,665	$2,915,351,929
Operating revenue	—	—	484,280,865	484,280,865	55,000,000	3,000,000	542,280,865
Capital contributions	—		—	—	—	—	—
Interest earned	—	679,874	7,637,912	8,317,786	—	—	8,317,786
Salaries and benefits	—	—	(181,144,996)	(181,144,996)	—	—	(181,144,996)
Energy	—	—	(14,924,417)	(14,924,417)	—	—	(14,924,417)
Operating expenses	—	—	(81,762,756)	(81,762,756)	(43,866,198)	(1,000)	(125,629,954)
Depreciation expense	(114,550,854)	—	—	(114,550,854)	—	—	(114,550,854)
Non operating revenues	—	—	14,087,720	14,087,720	137,918,251	3,005,693	155,011,664
Non operating expenses	—	—	(829,681)	(829,681)	—	—	(829,681)
Interest expense (debt service)	33,541,390		(69,919,738)	(36,378,348)	—	—	(36,378,348)
Subtotal from RENI	(81,009,464)	679,874	157,424,909	77,095,319	149,052,053	6,004,693	232,152,065
Items not on RENI							
Capitalized expenditures	194,033,471	(92,367,682)	(101,665,789)	—	—	—	—
Debt issuance proceeds	(91,687,808)	91,687,808	—	—	—	—	—
Subtotal Items not on RENI	102,345,663	(679,874)	(101,665,789)	—	—	—	—
Estimated net position on June 30, 2026	$1,092,432,705	$ 37,984,967	$ 733,352,405	$1,863,770,077	$1,234,069,559	$ 49,664,358	$3,147,503,994

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 $69.9 million are used to pay current portions of general obligation bonds.

Unrestricted Net Assets. Below reflects the items that form this fund classification:

- **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 2026-27, these revenues are anticipated to total approximately $484.3 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 2026-27, these expenses are anticipated to total approximately $392.4 million.
- **Pension Expense -** 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 –** 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 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 bond issuance fees.

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. The 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™

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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 tentative budget for the fiscal year ending 06/30/27

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

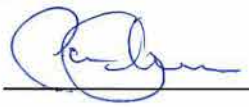
The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed 0 If the final computation requires, the tax rate will be lowered.

This budget contains 0 governmental fund types with estimated expenditures of $ 0 and 1 proprietary funds with estimated expenses of $ 855,907,199

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 Paul Johnson
(Print Name)
Chief Financial Officer
(Title)
certify that all applicable funds and financial operations of this Local Government are listed herein

Signed: 

Dated: 04/07/2026

Phone: 702-822-8337

APPROVED BY THE GOVERNING BOARD
Only necessary for **FINAL** Budget
(Signature by Docusign is acceptable)

Marilyn Kirkpatrick, President

James Gibson, Vice President

April Becker

Justin Jones

William McCurdy II

Michael Naft

Tick Segerblom

SCHEDULED PUBLIC HEARING:
(Must be held from May 18, 2026 to May 31, 2026)

Date and Time: Monday, May 18, 2026 at 10:00 AM

Publication Date: May 6, 2026

Place: Clark County Government Center, 500 S. Grand Central Parkway, Las Vegas, NV

FORM 4404LGF Revised 11/7/25

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LAS VEGAS VALLEY WATER DISTRICT
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FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR YEAR 06/30/25	ESTIMATED CURRENT YEAR YEAR 06/30/26	BUDGET YEAR YEAR 06/30/27
General Government			
Judicial			
Public Safety			
Public Works			
Sanitation			
Health			
Welfare			
Culture and Recreation			
Community Support			
TOTAL GENERAL GOVERNMENT			
Utilities	812.3	877.7	884.2
Hospitals			
Transit Systems			
Airports			
Other			
TOTAL	812.3	877.7	884.2

POPULATION (AS OF JULY 1)	1,642,481	1,659,104	1,694,965
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

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SCHEDULE A-2 PROPRIETARY AND NONEXPENDABLE TRUST FUNDS

Budget For Fiscal Year Ending June 30, 2027

Budget Summary for Las Vegas Valley Water District
(Local Government)

FUND NAME	*	OPERATING REVENUES (1)	OPERATING EXPENSES (2) **	NONOPERATING REVENUES (3)	NONOPERATING EXPENSES (4)	OPERATING TRANSFERS IN (5)	OPERATING TRANSFERS OUT(6)	NET INCOME (7)
Las Vegas Valley Water District	E	$ 787,339,727	$ 812,451,887	$ 107,776,389	$ 43,455,312	$ -	$ -	$ 39,208,917
TOTAL		$ 787,339,727	$ 812,451,887	$ 107,776,389	$ 43,455,312	$ -	$ -	$ 39,208,917

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

** Include Depreciation

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PROPRIETARY FUND	(1) ACTUAL PRIOR YEAR ENDING 6/30/2025	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2026	(3) BUDGET YEAR ENDING 06/30/27 TENTATIVE APPROVED	(4) BUDGET YEAR ENDING 06/30/27 FINAL APPROVED
OPERATING REVENUE				
Water Sales	$ 475,388,639	$ 469,547,698	$ 479,041,496	
Application & Inspection Fees	2,632,900	2,626,095	2,788,639	
Springs Preserve	2,289,458	2,227,746	2,275,211	
Other Operating Revenue	2,961,001	181,730	175,519	
SNWA Infrastructure Charge	155,482,561	169,097,723	171,540,675	
SNWA Commodity Charge	61,650,355	61,402,619	66,577,930	
SNWA Connection Charge	51,529,480	44,971,699	59,607,596	
SNWA Reliability Charge	7,341,962	5,284,129	5,332,661	
Total Operating Revenue	759,276,356	755,339,439	787,339,727	
OPERATING EXPENSE				
Purchased Water	114,907,729	112,609,574	117,010,001	
Energy	11,951,320	12,771,936	14,924,417	
Payroll & Related	134,512,229	154,187,460	181,144,996	
Operations & Maintenance	44,326,036	65,422,145	81,762,756	
SNWA Infrastructure Charge	155,482,561	169,097,723	171,540,675	
SNWA Commodity Charge	61,650,355	61,402,619	66,577,930	
SNWA Connection Charge	51,529,480	44,971,699	59,607,596	
SNWA Reliability Charge	7,341,962	5,284,129	5,332,661	
Depreciation/Amortization	98,379,010	107,323,480	114,550,854	
Total Operating Expense	680,080,682	733,070,765	812,451,887	
Operating Income or (Loss)	79,195,674	22,268,674	(25,112,160)	
NONOPERATING REVENUES				
Capital Contributions	61,803,792	60,366,462	85,370,883	
Amortization of Refunding Costs	750,223	685,734	580,168	
Amortization of Bond Premiums & Discounts	8,866,858	7,199,609	6,244,294	
Investment Income - Unrestricted Funds	45,655,121	6,392,986	7,637,912	
Investment Income - Restricted Funds	6,015,750	1,341,278	679,874	
Other Nonoperating Revenue	4,815,359	10,136,066	7,263,258	
Total Nonoperating Revenues	127,907,103	86,122,135	107,776,389	
NONOPERATING EXPENSES				
Interest Expense	40,396,964	37,566,003	36,925,631	
Other Nonoperating Expenses	-	22,062,152	6,529,681	
Total Nonoperating Expenses	40,396,964	59,628,155	43,455,312	
Net Income before Operating Transfers	166,705,813	48,762,654	39,208,917	
Transfers (Schedule T)				
In				
Out				
Net Operating Transfers				
CHANGE IN NET POSITION	**$ 166,705,813**	**$ 48,762,654**	**$ 39,208,917**	

Las Vegas Valley Water District
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

FUND ENTERPRISE

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PROPRIETARY FUND	(1) ACTUAL PRIOR YEAR ENDING 6/30/2025	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2026	(3) BUDGET YEAR ENDING 06/30/27 TENTATIVE APPROVED	(4) BUDGET YEAR ENDING 06/30/27 FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	$ 484,723,275	$ 474,401,539	$ 484,105,346	
Cash Payments to Suppliers for Goods and Services	(163,843,255)	(190,803,655)	(237,391,706)	
Cash Payments to Employees for services	(146,207,572)	(154,187,460)	(181,144,996)	
Other Cash Receipts	6,487,785	10,136,066	7,263,258	
Other Cash Payments	(20,695)	10,000,000	10,000,000	
a. Net cash provided by (or used for) operating activities	181,139,538	149,546,490	82,831,902	
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	(120,500,197)	(155,464,327)	(194,033,471)	
Capital Contributed for Construction	27,320,236	60,366,462	85,370,883	
Proceeds from Sale of Property and Equipment	496,850	-	-	
Right-of-use Leases	(2,525,407)	(3,347,554)	(2,601,161)	
Subscription asset	(7,597,571)	(13,115,476)	(16,597,220)	
Proceeds from Sale of Bonds	-	-	91,687,808	
Bond Issue Costs	-	(383,683)	(829,674)	
Principal Paid on Debt	(48,134,729)	(29,382,325)	(33,541,390)	
Interest Paid on Debt	(40,344,639)	(37,093,352)	(36,378,348)	
BAB interest rebate	1,422,977	1,422,977	1,422,977	
Construction Deposits	4,449,539	-	-	
c. Net cash provided by (or used for) capital and related financing activities	(185,412,941)	(176,997,279)	(105,499,597)	
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investment Securities	(688,833,817)	(416,503,746)	(493,730,657)	
Proceeds from Maturities of Investment Securities	669,697,750	358,377,050	508,351,906	
Investment Income	24,930,258	31,087,720	8,317,786	
d. Net cash provided by (or used in) investing activities	5,794,191	(27,038,976)	22,939,035	
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	1,520,788	(54,489,764)	271,340	
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	54,908,958	56,429,746	1,939,982	
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	$ 56,429,746	$ 1,939,982	$ 2,211,321	

Las Vegas Valley Water District
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

FUND ENTERPRISE

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FIDUCIARY FUND	(1) ACTUAL PRIOR YEAR ENDING 6/30/2025	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2026	(3) BUDGET YEAR ENDING 06/30/27 TENTATIVE APPROVED	(4) BUDGET YEAR ENDING 06/30/27 FINAL APPROVED
ADDITIONS				
Contributions - Employer	$ 58,128,216	$ 55,000,000	$ 55,000,000	
Contributions - Employee	907,657	61,530	-	
Total Contributions	59,035,873	55,061,530	55,000,000	
Net Investment Earnings	119,846,265	137,918,251	79,511,169	
Total Addtions	178,882,138	192,979,781	134,511,169	
DEDUCTIONS				
Administrative & General Expenses	445,451	228,106	400,000	
Benefits Paid	46,697,644	43,638,092	45,383,616	
Net Investment Losses	-	-	-	
Total Deductions	47,143,095	43,866,198	45,783,616	
Net Increase / (Decrease) in Net Position before Operating Transfers	131,739,043	149,113,583	88,727,553	
Transfers (Schedule T)				
In				
Out				
Net Operating Transfers				
CHANGE IN NET POSITION	$ 131,739,043	$ 149,113,583	$ 88,727,553	

Las Vegas Valley Water District
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

FUND PENSION TRUST

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FIDUCIARY FUND	(1) ACTUAL PRIOR YEAR ENDING 6/30/2025	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2026	(3) BUDGET YEAR ENDING 06/30/27 TENTATIVE APPROVED	(4) BUDGET YEAR ENDING 06/30/27 FINAL APPROVED
ADDITIONS				
Contributions - Employer	$ 5,628,216	$ 3,000,000	$ 3,000,000	
Net Investment Earnings	3,888,676	5,690,219	3,005,693	
Total Addtions	9,516,892	8,690,219	6,005,693	
DEDUCTIONS				
Administrative & General Expenses	1,000	1,000	1,000	
Benefits Paid	2,627,216	-	-	
Net Investment Losses	-	-	-	
Total Deductions	2,628,216	1,000	1,000	
Net Increase in Net Position before Operating Transfers	6,888,676	8,689,219	6,004,693	
Transfers (Schedule T)				
In				
Out				
Net Operating Transfers				
CHANGE IN NET POSITION	$ 6,888,676	$ 8,689,219	$ 6,004,693	

Las Vegas Valley Water District
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

FUND OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST

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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) NAME OF BOND OR LOAN List and Subtotal By Fund	(2) TYPE *	(3) TERM	(4) ORIGINAL AMOUNT OF ISSUE	(5) ISSUE DATE	(6) FINAL PAYMENT DATE	(7) INTEREST RATE	(8) BEGINNING OUTSTANDING BALANCE 7/1/2026	(9) REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/27 INTEREST PAYABLE	(10) PRINCIPAL PAYABLE	(11) (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%	11,038,428	276,169	1,177,767	1,453,936
2016 SRF	10	20 Years	15,000,000	09/15/16	01/01/37	1.78%	9,828,072	171,133	859,214	1,030,347
2017A	2	21 Years	130,105,000	03/14/17	02/01/38	4.0% - 5.0%	91,730,000	4,066,900	5,850,000	9,916,900
2017 SRF	10	20 Years	15,000,000	05/03/17	01/01/37	2.4%	10,127,460	239,194	814,409	1,053,604
2018A	2	30 Years	100,000,000	06/26/18	06/01/48	3.0% - 5.0%	72,835,000	2,686,113	-	2,686,113
2020B	2	18 Years	22,240,000	03/03/20	03/01/38	2.0% - 5.0%	16,730,000	591,375	1,085,000	1,676,375
2020D	2	16 Years	98,080,000	04/01/20	06/01/36	2.0% - 5.0%	69,630,000	2,393,019	5,725,000	8,118,019
2020C	2	30 Years	100,000,000	07/16/20	06/01/50	2.0% - 5.0%	87,800,000	2,388,163	2,445,000	4,833,163
2021B	2	6 Years	32,795,000	03/03/21	06/01/27	5.00%	6,150,000	307,500	6,150,000	6,457,500
2022B	2	10 Years	31,495,000	03/03/22	06/01/32	5.00%	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%	65,560,000	2,836,350	1,345,000	4,181,350
2023A	2	30 Years	185,860,000	10/04/23	06/01/53	5.0%	185,860,000	9,293,000	3,400,000	12,693,000
2026B	2	30 Years	59,020,000	03/04/26	06/01/36	5.00%	59,020,000	2,951,000	4,690,000	7,641,000
2026-27 Proposed Bonds	11	30 Years	92,000,000	2026-27	2056-57		-	2,292,195	-	2,292,195
TOTAL ALL DEBT SERVICE							$ 793,798,960	$ 36,378,258	$ 33,541,390	$ 69,919,648

SCHEDULE C-1 - INDEBTEDNESS
Las Vegas Valley Water District Budget Year 2026-2027
(Local Government)

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LOBBYING EXPENSE ESTIMATE

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

Nevada Legislature: 84th Session; February 1, 2027 to June 3rd, 2027

1. Activity: Legislature 2027 - Las Vegas Valley Water District

2. Funding Source: Operating Revenues

3. Transportation	$	49,972
4. Lodging and meals	$	37,998
5. Salaries and Wages	$	97,992
6. Compensation to lobbyists	$	-
7. Entertainment	$	-
8. Supplies, equipment & facilities; other personnel and services spent in Carson City	$	866
Total	$	186,829

Entity: Las Vegas Valley Water District

Budget Year 2026-2027

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SCHEDULE OF EXISTING CONTRACTS
Budget Year 2026-2027

Local Government: Las Vegas Valley Water District
Contact: Paul Johnson
E-mail Address: paul.johnson@lvvwd.com
Daytime Telephone: 702-822-8337

Total Number of Existing Contracts: ____57_____

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	Affordable Tree Service	03/21/23	03/20/28	100,000	100,000	On-call Tree Pruning, Removal and Related Services
2	Altour	07/01/20	06/30/27	22,000	-	Travel Services
3	Baker Tilly US, LLP	03/10/22	12/31/27	100,000	-	Professional Auditing Services LVVWD
4	BrightView Landscape Services Inc.	07/18/24	07/17/30	25,000	25,000	On Call Landscape Services
5	Cal Pac Painting of Nevada Inc.	9/5/2024	06/04/30	25,000	25,000	Springs Preserve On-Call Painting Services
6	Capitol North American	6/27/2024	06/26/30	50,000	50,000	Supplementary Systems Furniture Installation Services
7	Converse Consultants	11/13/23	11/12/29	100,000	100,000	Legal Services Consultant
8	Darrel W. Cook & Associates	10/30/19	10/29/26	30,000	7,500	Legal Services
9	DC Plumbing & Heating LLC Dba Purified Plumbing	11/08/20	11/06/26	20,000	5,000	Plumbing On-Call Services for Field Services
10	DJA Inspection Services	09/06/18	09/05/27	50,000	5,000	Storage Tank Inspection Services For Condition Assessment For Asset Management
11	DR Backflow Services LLC	05/06/20	08/08/27	50,000	5,000	Testing Of Below Ground And Rural Area Backflow Assemblies
12	Dr Backflow Services LLC	03/22/23	03/21/30	528,000	528,000	Annual Backflow Assembly Testing
13	Dr Backflow Services LLC	09/01/23	08/31/30	50,000	50,000	Below Ground and Rural Areas Backflow Testing
14	Echologics LLC	10/18/23	10/17/30	100,000	100,000	Pipeline Leak Detection and Condition Assessment Services
15	Filta Environmental Kitchen Solutions dba Kismet Enterprise LLC	12/01/22	11/30/28	50,000	50,000	Fleet On Site Vehicle Washing
16	Glide Installations LLC	09/07/22	09/06/27	150,000	15,000	Installation and Maintenance of System Furniture
17	Henriksen Butler Nevada	01/20/22	01/05/27	200,000	100,000	Furniture, Installation, and Related Products and Services
18	Holland And Hart	09/23/08	upon notice	100,000	100,000	Environmental Legal Services
19	Hunton Andrew Kurth	01/15/20	01/14/27	30,000	-	Cybersecurity And Data Privacy Legal Advice
20	Hydromax USA LLC	10/01/21	09/30/27	100,000	10,000	Pipeline Inspection Services for Asset Management
21	Joshua Tree Productions	07/06/23	07/05/28	80,000	80,000	Video Production Services
22	McDermott, Will & Emery, LLP	04/02/20	04/01/27	25,000	20,000	Legal Consulting Services
23	Nevada Furniture Installation	05/01/23	04/30/30	150,000	150,000	Installation and Maintenance of Systems Furniture
24	Nevada Tap Master	12/31/19	12/30/26	18,000	-	Large Diameter Pipeline Hot Tap Services For Asset Management
25	Ogletree Deakins	07/20/16	Upon notice	100,000	100,000	Counsel on ADA Issues
26	Par 3 Landscape & Maintenance Inc	11/5/2024	11/04/30	25,000	25,000	Springs Preserve On-Call Landscaping Services
27	Parson Water & Infrastructure	06/23/20	06/22/27	98,000	-	Construction Inspections Support Services
28	Precision Plumbing Inc (AAA Precision Plumbing)	10/28/20	10/27/26	5,000	-	Miscellaneous Plumbing Services for Field Services
29	Precision Plumbing Inc (AAA Precision Plumbing)	10/29/20	10/28/26	5,000	-	Miscellaneous Plumbing Services for Distribution
30	Premier Property Preservation	06/01/23	05/31/30	125,000	125,000	Springs Preserve Janitorial Services
31	Premier Property Preservation	5/1/2024	04/30/30	23,000	23,000	Janitorial Services for the Springs Preserve
32	Preventive Pest Control Las Vegas	03/29/23	03/28/29	200,000	200,000	Pest Control Services
33	R&R Partners	04/01/22	03/31/27	1,000,000	800,000	Integrating Advertising/Marketing Services
34	Red Rock Window Cleaning Inc	10/20/21	10/19/27	25,000	8,000	Window Cleaning Services
35	West Charleston Upholstery	05/01/20	04/30/27	30,000	-	Vehicle Upholstery Services
36	Whitmire Law PLLC	02/17/23	02/16/30	300,000	300,000	Outside Litigation Services
37	Work Zone Traffic Services Inc	02/16/23	02/15/29	500,000	500,000	Traffic Control and Barricade Services
38	Kenneth Albright	06/23/25	11/30/25	300,000	-	Professional Management Services
39	Kevin Bethel	09/30/25	12/31/25	150,000	-	Professional Management Services
40	American Rescue Concepts LLC	7/1/2025	06/30/32	25,000	25,000	Pipeline Inspections and Provide Access to Non-Traversable Locations
41	AMKA Services LLC	5/28/2025	05/27/31	20,000	20,000	Specialty Pipeline Rehabilitation and Assessment Services
42	DoxAdvisors LLC	4/2/2025	04/01/32	200,000	200,000	Consulting and Training Services for NetDocuments for Legal Services.
43	Earthwise Design	5/14/2025	12/31/27	260,600	130,000	Architectural and Engineering Design Services
44	Fisher & Phillips LLP	4/15/2025	04/14/32	200,000	200,000	Professional Legal Services for Labor and Employment Law
45	Gutke Law Group	4/2/2025	04/01/32	100,000	100,000	Independent Hearing Officer Services
46	Holland & Hart LLP	10/14/2025	10/13/32	1,000,000	1,000,000	Legal Consulting Services
47	I L C LLC dba Construction by Mirage	3/4/2025	03/03/32	100,000	100,000	LVVWD Facilities On Call Remediation Services
48	JH Engineering LLC	4/7/2025	04/06/32	250,000	250,000	Startup and Commissioning Services and Technical Writing Service
49	Knight & Leavitt Associates Inc	4/1/2025	6/31/2032	100,000	100,000	Cultural Resource & Other Services
50	Meeder Public Funds Inc	1/2/2025	01/01/31	400,000	400,000	Institutional Fixed Cash and Investment Manager Services
51	Nevada Tap Master	5/13/2025	05/12/31	50,000	50,000	Large Diameter Pipeline Hot Tap Services for Leak Detection
52	Opportunity Village	7/8/2025	07/16/32	500,000	500,000	Document Digitization and Related Services
53	Qualitas Consulting Group	5/1/2025	04/30/32	122,369	122,369	District Contracting Software Project
54	Spencer Fane LLP	10/21/2025	10/20/32	1,000,000	1,000,000	Legal Consulting Services
55	Topnotch Services Inc	4/3/2025	04/03/30	69,980	69,980	Cleaning Debris and Dust Control at LVVWD Facilities
56	Wolfenzon Rolle Attorneys	11/13/2025	11/12/32	200,000	200,000	Outside Counsel Services for Litigation Matters
57	TransPerfect International LLC	5/19/2025	05/15/32	256,650	256,650	Web Language Translation Service
58						
59						
60	Total Proposed Expenditures			9,893,599	8,330,499	

Additional Explanations (Reference Line Number and Vendor):

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SCHEDULE OF PRIVATIZATION CONTRACTS

Budget Year 2026-2027

Local Government: Las Vegas Valley Water District

Contact: Paul Johnson

E-mail Address: paul.johnson@lvvwd.com

Daytime Telephone: 702-822-8337

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	None									
2										
3										
4										
5										
6										
7										
8										
9	Total									

Attach additional sheets if necessary.

Schedule 32

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Placeholder for Affidavit of Publication

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Placeholder for Affidavit of Publication

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Placeholder for Letter of Compliance

SECTION 5

DEPARTMENT BUDGETS

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LAS VEGAS VALLEY WATER DISTRICT™

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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 2026-27 Budget Plan. The following table presents the 2024-25 Actual, 2025-26 Adopted Budget and 2026-27 Budget Plan for each of the departments.

LVVWD
Summary of Department Expenditures

DEPARTMENTS	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance
Executive Management	$ 2,385,777	$ 1,988,005	$ 2,753,331	$ 765,326
Legal Services	6,378,467	8,848,695	9,279,601	430,906
Finance	365,773,452	421,693,033	419,650,405	(2,042,628)
Risk Management	3,328,009	5,272,243	5,694,597	422,354
Customer Care & Field Services	44,106,897	55,734,572	60,719,324	4,984,752
Engineering	93,032,077	128,166,703	153,355,369	25,188,666
Infrastructure Management	48,405,891	57,997,311	62,067,438	4,070,127
Operations	56,333,754	69,037,121	68,505,485	(531,636)
Human Resources	5,272,022	10,054,118	8,671,989	(1,382,129)
Information Technology	30,872,543	42,857,904	37,949,956	(4,907,948)
Environmental Health Safety & Corporate Security	23,491,430	28,007,828	27,971,706	(36,122)
Water Quality & Treatment	832,166	376,479	60,000	(316,479)
Water Resources	5,251,681	13,549,304	19,372,142	5,822,838
Public Services	15,575,537	17,178,304	23,169,118	5,990,814
Total Department Expenditures	**$ 701,039,702**	**$ 860,761,620**	**$ 899,220,461**	**$ 38,458,841**
Debt Service	87,056,391	88,345,752	69,919,648	(18,426,104)
TOTAL USES OF FUNDS	$ 788,096,093	$ 949,107,372	$ 969,140,109	$ 20,032,737

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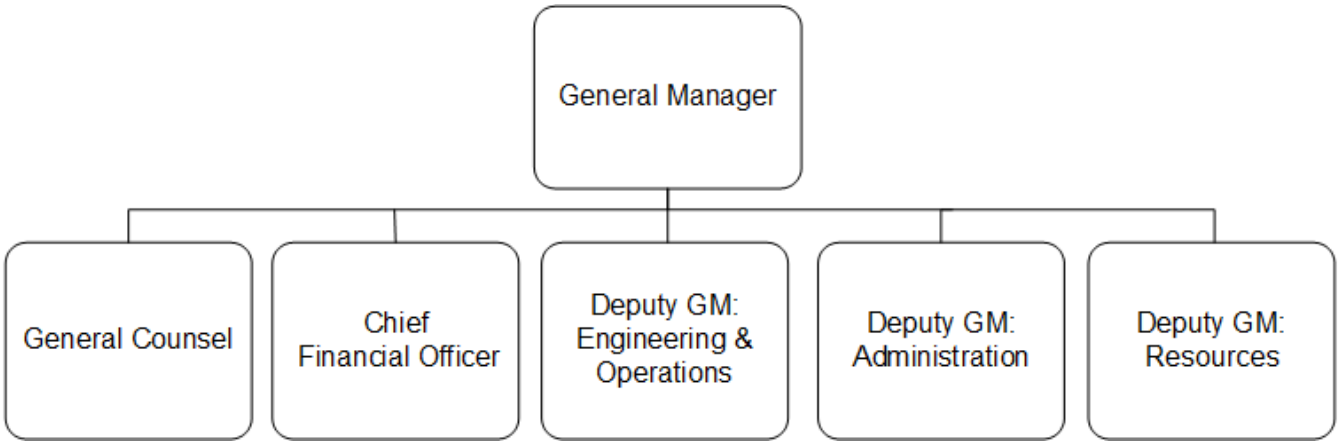
EXECUTIVE MANAGEMENT



Mission

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

Department Responsibilities

The Executive Management Team (E-Team) is responsible for strategic planning, general administration, and operational oversight of the LVVWD. 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 E-Team implements policy as established by the LVVWD Board of Directors. The team is responsible for anticipating organizational needs and implementing appropriate strategies to ensure these needs are met. To fulfill the mission, the Executive Management Team petitions the Board 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.

Department Division Descriptions

The LVVWD's E-Team provides agency-wide leadership and oversight, and guides the strategic, financial, legal, administrative, water resource, and infrastructure functions that span the entire organization. Because this group is responsible for directing all the LVVWD's departments, this narrative describes these executive roles in place of traditional divisional summaries to clarify the role of executive leadership in carrying out organization-wide priorities.

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General Manager. The General Manager (GM) is the chief executive responsible for overseeing all the LVVWD's operations, including the acquisition, treatment, and delivery of water to more than 1.7 million residents and millions of annual visitors. The role also encompasses regional, interstate, and international water negotiations, particularly regarding Lake Mead and the Colorado River, ensuring long-term supply stability and regulatory coordination.

General Counsel. The General Counsel provides executive-level legal oversight for the LVVWD, ensuring all organizational actions comply with federal, state, and interstate water laws. While each legal function is carried out by attorneys and legal staff within the department, the General Counsel guides overall legal strategy, oversees contract and regulatory review, and supports intergovernmental and interstate agreements central to the LVVWD's operations. This role ensures that the LVVWD's programs, projects, and negotiations remain legally sound and aligned with statutory requirements.

Chief Financial Officer. The Chief Financial Officer (CFO) oversees the LVVWD's financial strategy, ensuring long-term fiscal stability and responsible stewardship of public funds. While day-to-day financial operations are handled by the LVVWD's Finance Department, the CFO guides budget development, financial planning, and investment strategy at the executive level. The CFO also oversees the strategic direction of the LVVWD's Risk Management Department, which identifies, assesses and controls various issues that are critical to the organization's capital, earnings and operations. This role ensures that the LVVWD's financial operations remain transparent, accountable, and aligned with both regulatory requirements and the LVVWD's strategic priorities.

Deputy General Manager of Engineering and Operations. The Deputy General Manager (DGM) of Engineering and Operations provides executive-level guidance for the LVVWD's major infrastructure and operational functions. In this capacity, they oversee the strategic direction of the Engineering, Operations, Infrastructure Management, and Water Quality & Treatment departments. This oversight ensures that the LVVWD's capital projects, system operations, infrastructure reliability efforts, and water treatment programs remain coordinated, efficient, and aligned with long-term regional needs.

Deputy General Manager of Administration. The Deputy General Manager (DGM) of Administration provides executive oversight for core organizational support functions that keep the organization operating effectively. This includes guiding the strategic direction of the Information Technology, Human Resources, and Environmental Health, Safety and Corporate Security departments, all of which are led by their respective directors. Through this oversight, the DGM of Administration ensures that the organization's internal systems, workforce support, and safety and security programs align with organizational priorities and operational needs.

Deputy General Manager of Resources. The Deputy General Manager (DGM) of Resources provides executive-level oversight for LVVWD's long-range water supply planning, conservation initiatives, and Colorado River program management. In this role, the DGM guides the strategic direction of the Public Services, Water Resources, and Customer Care & Field Services departments—each led by its own director—to ensure their programs and operations support the LVVWD's broader resource management objectives.

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Budget Objectives and Initiatives

As the LVVWD continues to experience sustained growth within an increasingly arid climate, the fiscal year 2026-27 budget prioritizes maintaining a reliable, resilient water delivery system while ensuring long-term financial sustainability and responsible resource management. The LVVWD remains focused on balancing infrastructure investment, operational performance, and conservation to meet evolving community needs.

Total expenditures are shown in the table below.

	Expenditures		
LVVWD USES	**Actual 2024-25**	**Budget 2025-26**	**Budget 2026-27**
Materials and supplies	$ 3,651	$ 4,050	$ 4,000
Maintenance and repairs	—	400	400
Rental and leases	—	—	
Other employee expenses	72,249	64,650	119,775
Other operating expenses	60,620	61,320	61,250
Total Operating Expenses	136,521	130,420	185,425
Capital expenditures	—	—	—
Salaries and benefits	2,249,256	1,857,585	2,567,906
TOTAL DEPARTMENT EXPENDITURES	$ 2,385,777	$ 1,988,005	$ 2,753,331
FTE POSITIONS	5.5	5.0	5.5

A primary priority is continued investment in the LVVWD's Capital Improvement Plan (CIP), supporting the maintenance, rehabilitation, and expansion of critical system infrastructure. These investments ensure that facilities remain safe, up-to-date, and capable of meeting valley-wide demands. At the same time, ongoing operating investments—including energy, staffing, compliance, and customer support—ensure the LVVWD's daily operations remain efficient, responsive, and well-equipped to navigate evolving regulatory and hydrologic conditions.

Customer-focused conservation initiatives and resource stewardship remain central to the LVVWD's long-term strategy. As drought conditions and climate variability persist, the LVVWD continues to support regional conservation programs through customer incentives, leak-repair assistance programs, enhanced water waste enforcement, and expanded outreach efforts. These efforts reduce systemwide demand, extend available resources and support sustainable growth.

Collectively, these priorities position the LVVWD to maintain operational excellence, strengthen financial stability, and ensure the long-term sustainability of water resources while continuing to deliver high-quality service to more than 1.7 million residents and millions of annual visitors.

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System Reliability. Ensuring consistent and dependable water service remains the LVVWD's highest operational priority. The LVVWD maintains an extensive system that includes more than 7,300 miles of pipelines, 82 reservoir basins, 54 pumping stations, and 62 production wells. Maintaining and modernizing these assets is critical to preserving system reliability and meeting future demand.

Conservation and Customer Support. Water conservation remains a cornerstone of the LVVWD's long-term water resource strategy. The LVVWD continues to implement and expand programs that support customers in reducing water use, including rebates for water-efficient landscapes, leak-repair assistance, and additional incentives for commercial water-efficient technologies.

The LVVWD is also strengthening water-waste enforcement and customer outreach to improve compliance and awareness. Through coordination with regional partners and the use of advanced technologies, including AMI-enabled leak notifications, the LVVWD continues to reduce consumptive use and support long-term sustainability.

Capital Improvements. Sustained capital investment remains essential to supporting the region's long-term water needs. Through the LVVWD's multi-year CIP, significant investments in infrastructure planning and construction are underway to ensure system resilience and operational efficiency.

Upcoming projects include the development of new reservoirs and pumping stations in key pressure zones, rehabilitation and replacement of aging pipelines, and continued expansion of advanced metering infrastructure. These investments improve system performance, enhance customer service through more accurate usage data, and position the LVVWD to effectively meet both current and future demand.

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Strategic Plan

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

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

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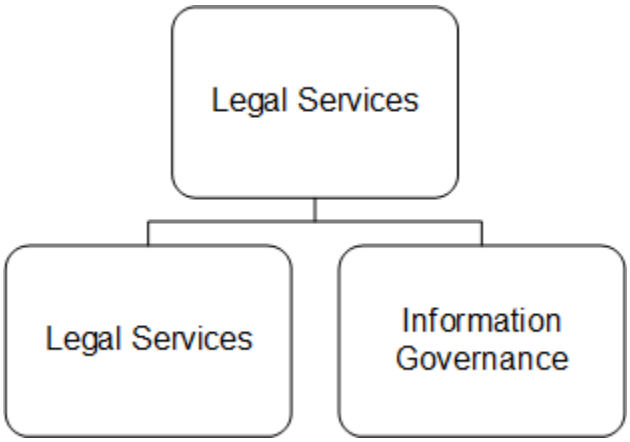
LEGAL SERVICES



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 responsible for the organization's Information Governance (IG) initiatives.

The department works closely with the General Manager, the Chief Financial Officer 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.

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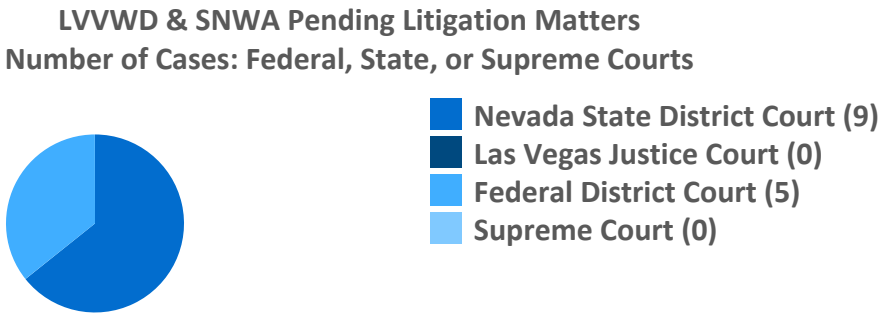
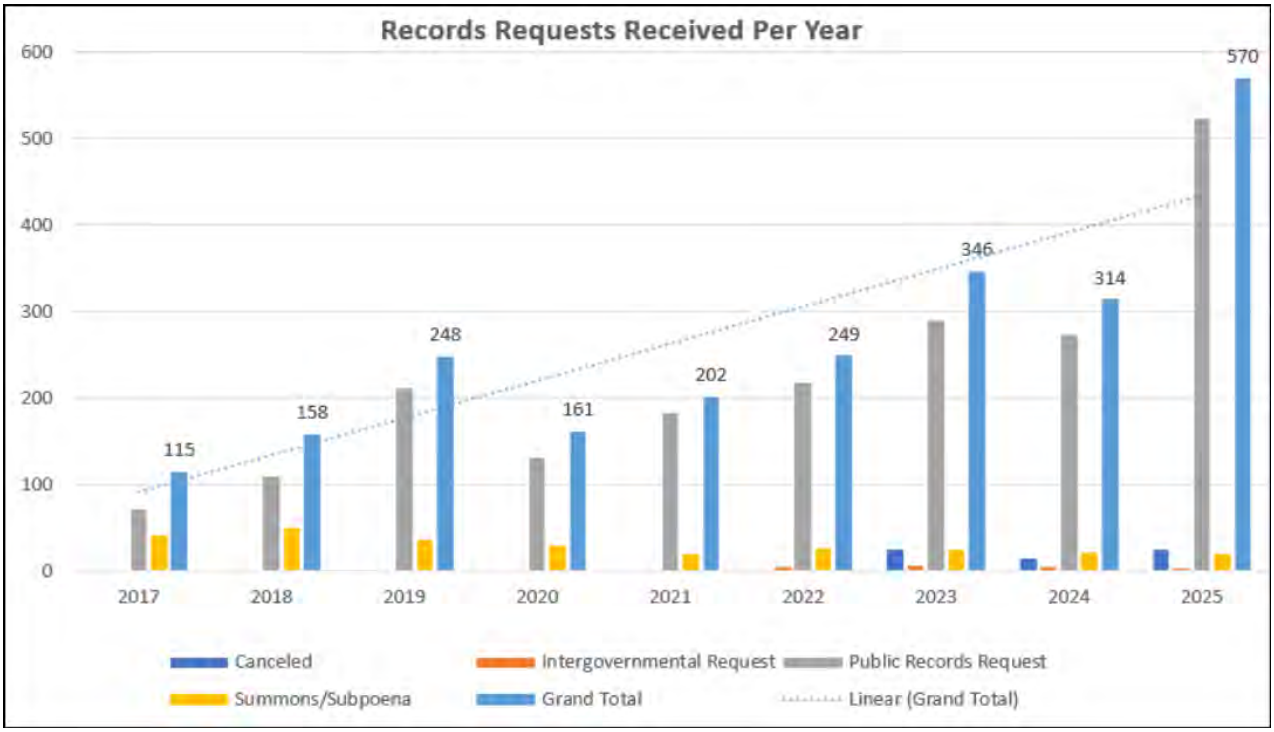
Department Division Descriptions

Legal Services. In addition to litigation, department attorneys support the organization by giving advice and counsel on transactional matters and on sensitive personnel issues.



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 standard business practices. In addition, IG is responsible for administering the Agenda Item System for Board meetings.

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 process.



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Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Legal Services supports the department's role as corporate counsel by maintaining core legal functions, ensuring compliance with applicable laws and regulations, and supporting litigation, contractual, and advisory services across the organization.

Attorneys in the department are performing a steadily increasing practice before Nevada courts, federal courts, and state and federal administrative agencies.

Total expenditures are shown in the table below.

Expenditures

LVVWD USES	Actual 2024-25	Budget 2025-26	Budget 2026-27
Materials and supplies	$ 7,935	$ 13,081	$ 13,081
Maintenance and repairs	76,097	132,000	27,500
Other employee expenses	110,173	174,600	176,600
Other operating expenses	954,420	2,914,684	3,016,984
Total Operating Expenses	1,148,624	3,234,365	3,234,165
Capital expenditures	1,535,716	1,900,000	2,181,000
Salaries and benefits	3,694,127	3,714,330	3,864,437
TOTAL DEPARTMENT EXPENDITURES	**$ 6,378,467**	**$ 8,848,695**	**$ 9,279,601**
FTE POSITIONS	16.5	15.5	15.5

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Strategic Objectives and Accomplishments

The department continues 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.

2026-27	Department Goals & Objectives	SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Public Records Request (PRRs) Data Gathering and Production Size Capture; 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	Explore Litigation Software Options with possible Upgrades and Add-ons to existing software as applicable; 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.						X
V	Assessment of organizational contract management processes, workflows, and technologies.					X	

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Department Performance Measure	Dept Goal	Target	2024-25 Actuals	2025-26 Estimate	2026-27 Budget
Begin to track the size of data that are initially gathered to process public records requests and the size of the production files in order to understand storage costs for this work stream.	I	Q4 2025	Ongoing	Q4 2025	Ongoing
Classification and Governance Project 2 engagements will continue to occur to organize and classify content by aligning it with the records retention schedule for the Human Resources Department, Public Services Department, Operations Department, Information Technology, and Infrastructure Management Department by Q4 2026.	II	Q4 2025	Ongoing	Q4 2025	Q4 2026
Continue to successfully roll out the Knowledge Management Program with departments that have gone live with ATLAS Project 2 in order to ensure that the newly updated LVVWD's Records Retention Policy that will have several changes from the state archivist is aligned. This will ensure that staff across the organization continue to process new content and content that are eligible for disposition.	II	Q3 2025	Ongoing	Q3 2025	Ongoing
Successfully upgrade the Epiq storage capacity to allow for more efficient processing of legal matters, PRRs, Subpoenas, and Summons and assess the storage costs allocated to successfully process, store and share information to the correct parties.	III	Q4 2025	Ongoing	Q4 2025	Q3 2026
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 form the contract management assessment and contract workflow audit.	V	Q2 2026	N/A	N/A	Q2 2026

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2025-26 Department Accomplishments

Completed a total of 570 PRRs, Subpoenas and Summons Responses.
Completed Classification and Governance Project 2 engagements by organizing and classifying content by aligning it with the records retention schedule for Finance, Environmental Health and Corporate Security, Engineering, The General Manager's Office, Energy Department and Risk Departments and successfully implemented the Knowledge Management Program to continue to be in compliance.
Upgrade the Exterro System to allow for more efficient processing of PRRs, Subpoenas, and Summons and performed enhanced user training.
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 16 cases that were in the District, Justice, Federal and Supreme Courts.

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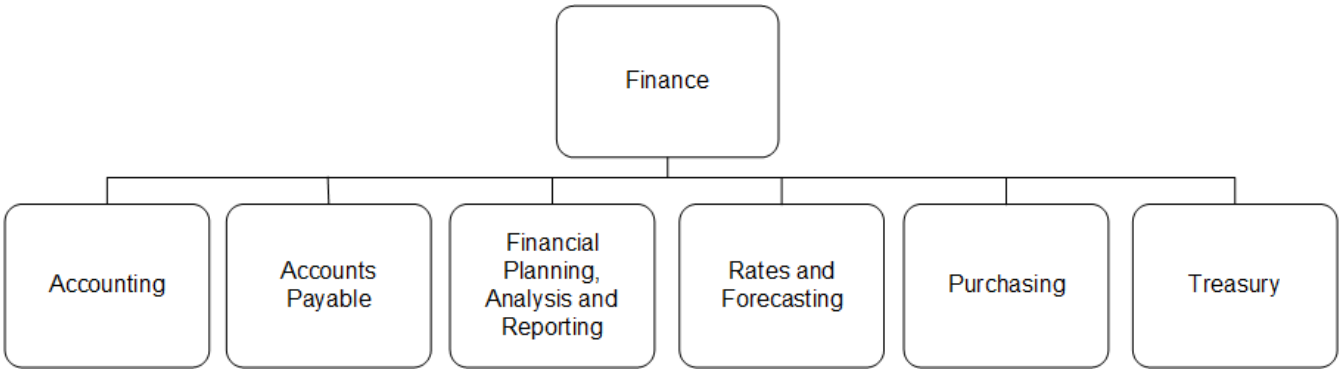
FINANCE



Mission

Empowering organizational decision-making and adaptive solutions by providing accurate and timely financial insights.

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 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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Department Division Descriptions

Accounting. The Accounting Division provides and supports accounting services for the following entities: LVVWD, SNWA, BBWD, Kyle Canyon Water District (KCWD), Coyote Springs Water Resources District (CSWRD), and three additional rural systems that are a part of the LVVWD, and the Springs Preserve. The financial reporting includes monthly 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.

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.

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 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

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reserves, as well as investments related to post-employment benefits. Treasury serves as a point of contact for banking issues.

Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Finance supports the delivery of comprehensive financial services, including accounting, financial planning, debt and treasury management, and budgeting, while ensuring fiscal stability, transparency, and compliance with applicable standards.

Total expenditures are shown in the table below.

	Expenditures		
	Actual 2024-25	Budget 2025-26	Budget 2026-27
LVVWD USES			
Purchased water	$ 114,888,775	$ 115,380,686	$ 116,990,001
Energy	—	—	—
Materials and supplies	1,522,009	1,419,869	1,432,369
Maintenance and repairs	(140,740)	120,579	34,585
Rental and leases	15,153	—	—
Other employee expenses	54,824	74,555	73,615
Other operating expenses	257,213,306	273,853,440	287,195,765
Total operating expenses	373,553,327	390,849,128	405,726,334
Nonoperating expenses	463,497	24,550,865	7,076,964
Capital expenditures	—	—	—
Salaries and benefits	(8,243,410)	6,293,039	6,847,107
TOTAL DEPARTMENT EXPENDITURES	$ 365,773,414	$ 421,693,033	$ 419,650,405
FTE POSITIONS	31.6	30.7	32.6

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Strategic 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.

2026-27	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
VI	Commence detailed system planning and design for the implementation of the cloud-based Oracle financial system solution	X	X		X	X	X

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Department Performance Measure	Dept Goal	Target	2024-25 Actuals	2025-26 Estimate	2026-27 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 or better	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 the LVVWD and SNWA Annual Comprehensive Financial Reports.	V	Yes	Yes	Yes	Yes
% Completion of System Planning & Design	VI	100%	N/A	20%	40%

2025-26 Department Accomplishments

Received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA of the United States and Canada for the 47th consecutive year for the LVVWD Annual Comprehensive Financial Report for the year ended June 30, 2025.

Received an unmodified opinion from external auditors for the LVVWD, SNWA, and BBWD fiscal year ended June 30, 2025 audits.

Completed a pre-implementation effort to refine system requirements and establish project governance for the upcoming implementation of the cloud-based Oracle ERP financial solution

Successfully published an RFP seeking a system implementation partner to migrate the on-premise Oracle EBS financial system to the cloud-based Oracle ERP financial solution.

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RISK MANAGEMENT

Mission

Provide innovative risk management strategies that will safeguard people, assets and objectives.

Department Responsibilities

Oversees risk management processes; maintains a healthy enterprise risk management program; oversees the risk information management software; administers leak repair reimbursement program; coordinates insurance coverages; mitigates risk through captive financing; manages claims; coordinates with legal counsel; and analyzes risk metrics.

Department Division 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.

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

Current projects: update mobile application for data entry of additional safety permits, like field discharge reporting and asbestos competent person, update certificate of insurance performance in extended module, and add disposition to record retention to match information governance requirements.

Leak Repair Reimbursement Program. Risk Management is administrating a program to provide reimbursement of leaks repaired on customer properties. The Leak Repair Reimbursement Program

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(LKRP) pilot went live as of April 1, 2024, and full implementation started on July 1, 2024. Since inception, the LVVWD has paid 1,256 applicants a total of $1,164,295.

Insurance. Below is the cost comparison for insurance premiums over the last 5 years.

Renewal Comparison

Line of Coverage	2021-2022 Premiums	2022-2023 Premiums	2023-2024 Premiums	2024-2025 Premiums	2025-2026 Premiums
Operational Property	$ 713,000	$ 815,213	$ 1,029,518	$ 1,250,000	$ 1,800,000
Terrorism	46,755	49,670	46,755	51,431	60,262
Excess Liability	340,848	496,921	514,298	579,789	746,232
Excess Workers' Compensation	129,444	121,909	127,681	119,763	155,935
Employee Fidelity	22,583	18,488	12,831	12,831	12,831
Employment Practices Liability*	71,740	75,290	75,290	-	-
Cyber (Digital Technology Liability)	107,485	148,960	68,972	95,349	70,281
Ocean Marine	10,300	11,375	12,228	13,140	15,336
sUAS (Drone) Liability	-	-	-	6,897	10,607
Pollution Liability**	132,338	-	-	142,496	-
Total	**$ 1,574,493**	**$ 1,737,827**	**$ 1,887,573**	**$ 2,271,695**	**$ 2,871,484**
Change from Previous Premium	8.6%	10.4%	8.6%	20.4%	26.4%

*coverage included in Excess Liability policy

**3 year policy, not paid annually

Captive. In 2021, the Las Vegas Valley Water District formed LVVWD CI (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.

Captive Line of Coverage	FY 22*	FY 23	FY 24	FY25	FY26
Employment Practices Liability	$ 15,255	$ 57,120	$ 60,500	$ 99,000	$ 81,000
Excess Liability	304,500	883,680	737,000	731,500	779,000
Excess Workers Compensation	399,000	680,960	649,000	715,000	809,000
Operational Property & Builders Risk	261,975	642,880	759,000	1,232,000	1,741,000
Cyber Liability	36,750	244,160	297,000	275,000	141,000
Pollution Liability	24,675	35,840	38,500	44,000	36,000
Total	**$ 1,042,155**	**$ 2,544,640**	**$ 2,541,000**	**$ 3,096,500**	**$ 3,587,000**
Change from Previous Premium	*initital period 1/1/22-6/30/22	144.2%	-0.1%	21.9%	15.8%

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

- Reduce cost of medical records review by utilizing a nurse case manager versus physician.
- Index all bodily injury claims.
- Monthly meeting with Senior Attorney to strategize.
- Monthly meeting with Risk/Legal/EHS to review all open litigated claims.

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Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Risk Management supports enterprise-wide risk mitigation efforts by maintaining core risk management functions, strengthening risk awareness, and advancing initiatives that protect the organization's people, assets, and operations.

Total expenditures are shown in the table below.

Expenditures

LVVWD USES	Actual 2024-25	Budget 2025-26	Budget 2026-27
Materials and supplies	$ 1,977	$ 1,500	$ 1,500
Maintenance and repairs	564,601	1,000,000	1,750,000
Other employee expenses	23,483	37,470	44,420
Other operating expenses	1,960,806	3,399,180	3,059,376
Total Operating Expenses	2,550,867	4,438,150	4,855,296
Capital expenditures	—	—	—
Salaries and benefits	777,141	834,093	839,301
TOTAL DEPARTMENT EXPENDITURES	**$ 3,328,009**	**$ 5,272,243**	**$ 5,694,597**
FTE POSITIONS	3.8	4.0	3.5

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Strategic Objectives and Accomplishments

2026-27	Department Goals & Objectives	SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Reduce average per claim costs year-over-year.					X	X
II	Improve subrogation collection percentage.					X	X
III	Maintain Certificates of Insurance (COIs) vendor compliance.					X	X
IV	Process Leak Repair Reimbursement Program applications.			X			X

Department Performance Measure	Dept Goal	Target	2024-25 Actuals	2025-26 Estimate	2026-27 Budget
Enterprise Risk Management– Conduct Risk Survey every 3 years on Active and Emerging Risks.	V & VI	2026	—	—	—
Origami – Increase company-wide users to create efficiencies in record keeping.	IV	700	425	635	700
Leak Repair Reimbursement Program - Process 120 applications per month.	III & VI	120	38	117	120
Insurance - Maintain Certificates of Insurance (COIs) vendor compliance at a rate of 75% or higher.	V & VI	75%	60%	81%	75%
Captive - Improve subrogation collection percentage from 60% (average $250,000 per year to $300,000 per year).	V & VI	65%	60%	57%	65%
Liability Claims - Reduce average per liability claim costs year-over-year.	V & VI	$1,550	$1,645	$1,569	$1,550

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2025-26	Department Accomplishments
Launched the Origami mobile application for confined space permits and hot work permits; implemented a new visitor badging system for Security, and updated the vendor module to improve the certificate of insurance workflow.	
Leak Repair Reimbursement Program (LKRP) processed 1,743 customer applications and disbursed over $1 million in reimbursements to eligible customers.	
Aligned all insurance policy renewals with the fiscal year.	
Recovered $880,665 in subrogation funds in 2025 with a total of over $5,009,271 since 2022	

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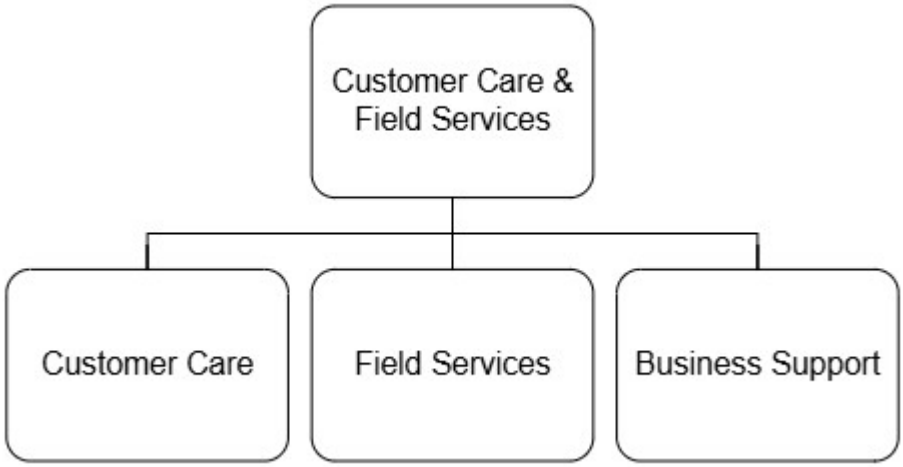
CUSTOMER CARE AND FIELD SERVICES



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' (CCFS) 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 more than 440,000 accounts; operating a call center that receives more than 300,000 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.

Department Division Descriptions

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

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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 2025, the LVVWD's Meter Services division supported the completion of approximately 5.5 million billing reads.

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.

Budget Objectives and Initiatives

Customer Care Operations – Maintain target Average Speed of Answer levels by aligning agent schedules with projected call volumes, streamlining 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.

Field Services – Proactively replace aging meters to avert billing-related issues, maintain and build upon the high percentage of meter billing reads accurately collected through the Advanced Metering Infrastructure (AMI) network, meet or surpass internal service level targets for the completion of Field Activities, manage the inventory of meters and AMI endpoints 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 high-volume 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.

During calendar year 2025, Customer Care and Field Services focused on four critical business needs: achieving and maintaining acceptable call center customer wait times; creating, enhancing, and streamlining 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, minimize the duration of rebills, and enhance customer visibility to usage patterns.

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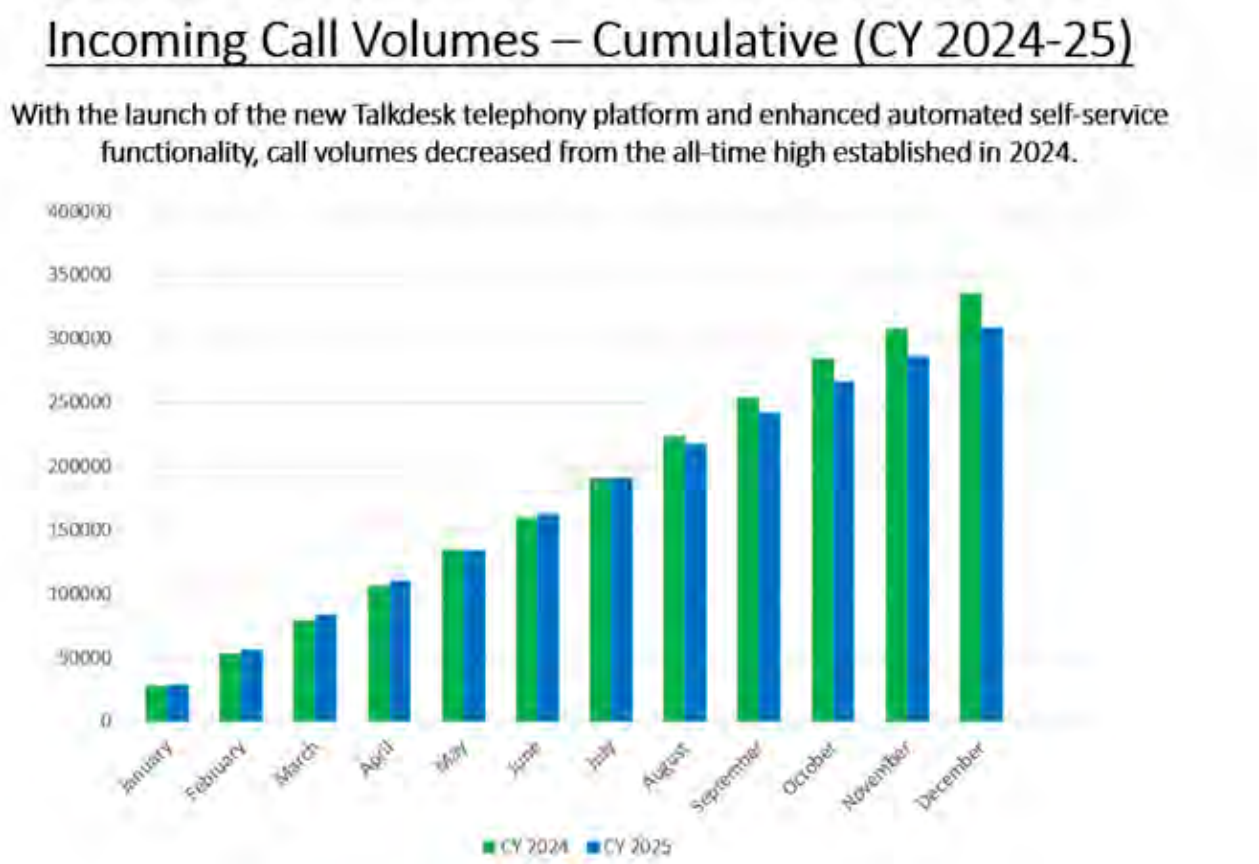
After a significant increase in call volumes that began in 2023 and continued into 2024, incoming customer call volumes stabilized during the first half of the year and actually decreased during the second half of 2025 as new technology tools such as self-service transaction options were activated. The ability to "deflect" these routine transactions from agents to automated features had a favorable impact on incoming call volumes, call abandonment rates, and customer wait times. Additionally, the higher maximum call load capacity of the new telephony system reduced the need for customers to phone the call center multiple times, as did the newly activated callback system that allows customers to save their place in the queue without remaining on a live hold.



Customer Care Operations continues to employ strategies to build upon previously achieved reductions to customer wait times. Enhanced training focused on reducing average call durations and refined peak-management scheduling strategies, combined with enhanced technological capabilities and other process refinements, significantly improved customer hold times in calendar year 2025.

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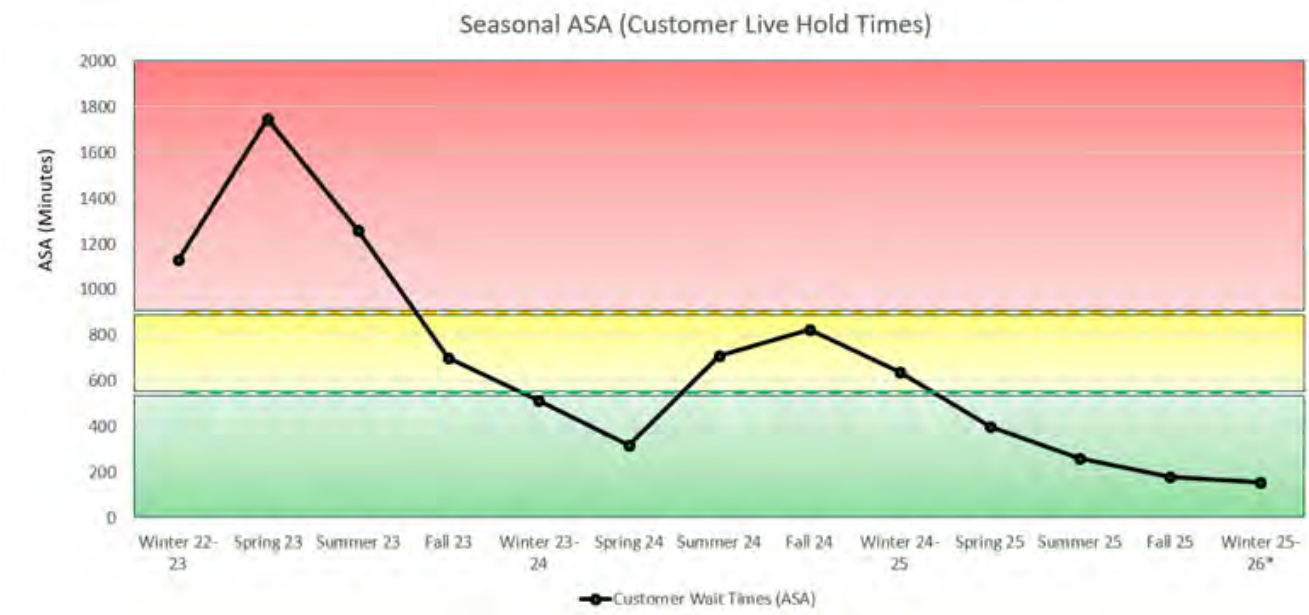
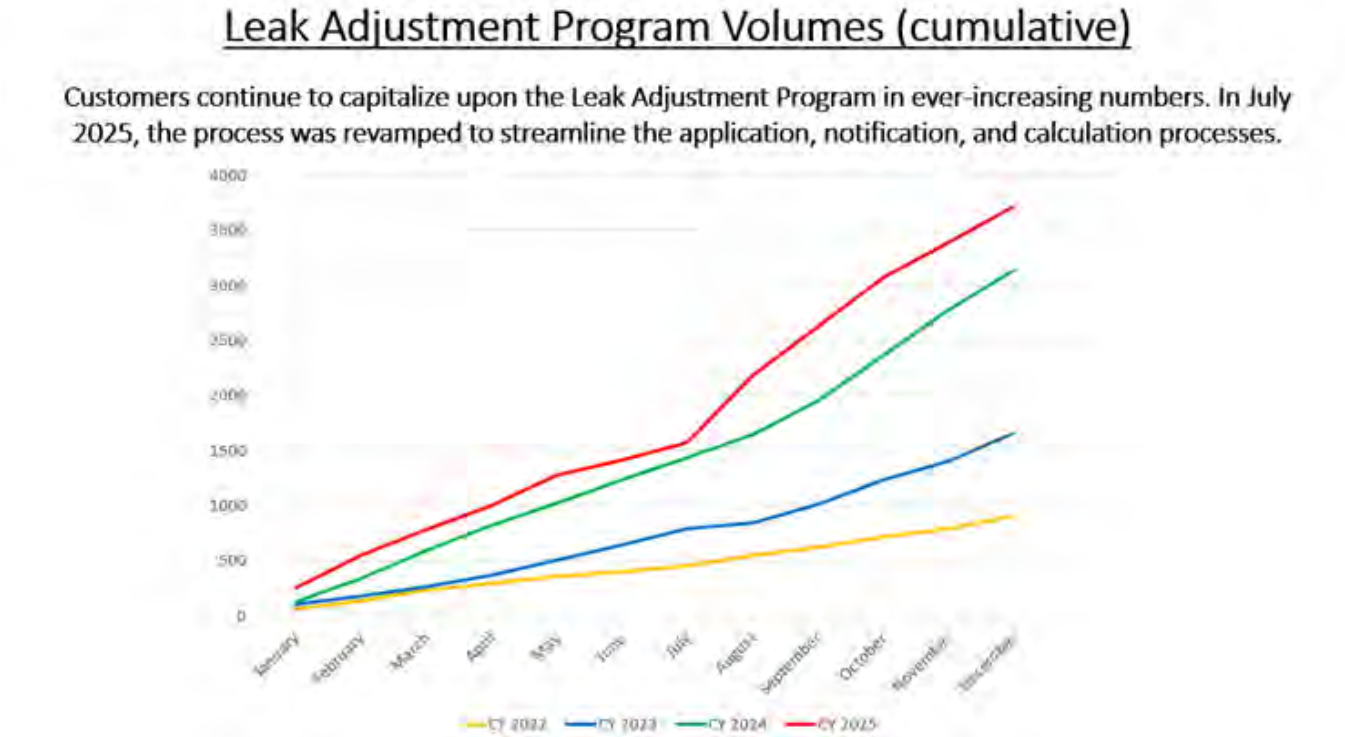


The LVVWD enacted several new customer assistance programs in 2025 to both improve the customer experience and achieve significant water savings. Additionally, the existing Leak Adjustment Program was modernized, replacing outdated and cumbersome printed application and calculation processes with a streamlined online approach. In addition to expediting customer applications, based upon current volumes this new process is projected to save more than 100,000 minutes of processing time annually and reduce to nearly zero the number of "status" calls placed by applicants. This level of efficiency is critical given that program participation has quadrupled since 2022.



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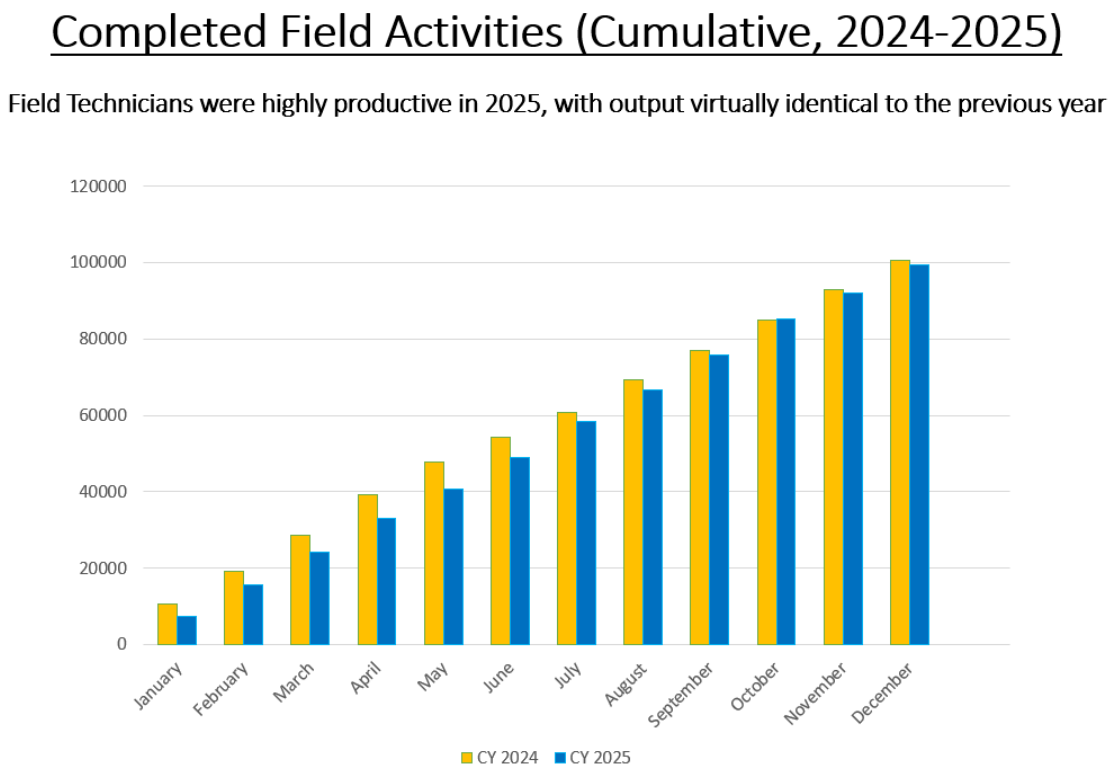
Customer Care also built upon the highly successful Leak Repair Reimbursement Program, which was launched in mid-2024. Last year, approximately 1,300 customers received direct assistance paying for on-site leak repairs, expediting resolution. Vulnerable low-income customers also received support through the Low-Income Leak Repair Assistance Program, administered through three community partners. Finally, 2025 ushered in the low-cost Service Line Protection Program in partnership with the American Water Resources; nearly 50,000 LVVWD customers signed up for this cost-saving program in its first year.

Based upon an extensive analysis of meter performance based upon age and throughput, Field Services developed a proactive Meter Replacement Program to avert a project surge in meter failures during the latter part of this decade resulting from a compressed meter changeout program executed approximately 15 years ago. Throughout 2025, Field Services management acquired the necessary vehicles and equipment and arranged for the limited term employee staffing necessary to execute this ambitious decade-plus plan. Implementation is scheduled to begin in the second quarter of calendar 2026.

Field Services technicians completed more than 100,000 Field Activities in 2025, including tens of thousands of meter replacements. Minimizing the number of estimated bills and rebills due to incomplete or inaccurate meter reads remains a priority for Field Services. During the first half of fiscal year 2025-26, only 0.36 percent of customer reads were estimated, an exceptionally low rate relative to the national average for water utilities. By quickly identifying and replacing meters that were under-recording due to age or had stopped recording usage entirely, Field Services was also able to help significantly reduce the duration of customer rebills, shaving it to less than half of the duration permitted under the LVVWD Service Rules.



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To ensure the accuracy of high-volume commercial meters, the Meter Shop devised and executed a programmatic testing program for these units. Only a handful of large meters were not tested during calendar year 2025 due to access issues; Field Services is collaborating with Infrastructure Management and other work groups to gain access to the vaults housing these meters so they can be tested and, if necessary, replaced.

The Business Support division—which creates and manages automated customer notifications—alerted more than 30,000 customers to continuous flow through their meter (indicative of an on-site leak) via text, robocall, and printed letters during 2025. A new High Use Alert, which compares the most recent seven-day period to the previous baseline, was also developed and is slated for implementation in 2026.

Business Support also oversaw the highly successful launch of the Talkdesk telephony system, which both supports phone operations and empowers automated functionality for routine transactions such as starting and stopping water service.

The fiscal year 2026-27 budget for Customer Care and Field Services supports the delivery of a high-quality customer experience and operational efficiency by maintaining billing, customer support, and field operations while enhancing service responsiveness through process improvements and technology.

Total expenditures are shown in the table below.

Expenditures

LVVWD USES	Actual 2024-25	Budget 2025-26	Budget 2026-27
Materials and supplies	$ 2,586,701	$ 3,595,685	$ 3,084,585
Maintenance and repairs	6,733,283	9,498,700	10,953,000
Rental and leases	235	—	—
Other employee expenses	138,450	167,388	185,197
Other operating expenses	3,139,703	5,509,600	3,446,600
Total Operating Expenses	12,598,372	18,771,373	17,669,382
Capital expenditures	4,812,957	7,154,000	9,751,000
Salaries and benefits	26,695,569	29,809,199	33,298,942
TOTAL DEPARTMENT EXPENDITURES	**$ 44,106,897**	**$ 55,734,572**	**$ 60,719,324**
FTE POSITIONS	151.0	161.9	166.3

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Strategic Objectives and Accomplishments

2026-27	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			2024-25	2025-26	2026-27
	Dept Goal	Target	Actuals	Estimate	Budget
Overall satisfaction ratings in quantitative surveys.	I	8	7.66	7.45	7.7
Achieve agent attribute satisfaction ratings of in quantitative surveys.	I	9	8.7	8.73	8.8
Percentage of estimated billing reads.	II	0.3%	0.4%	0.4%	0.3%
Percentage of start/stop/transfer transactions conducted via the automated system.	III	30%	0.24	28%	32%
Percentage of meter reads executed via AMI versus manually or via drive-by.	IV	99%	95%	97%	98%
Customer participation in leak-related assistance programs *(not including service line protection program).	V	7,500	4,198	5,725	6,200

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2025-26	Department Accomplishments
Expanded the Leak Repair Reimbursement Program, modernized the Leak Adjustment Program, launched the Low Income Leak Repair Assistance Program, and launched the Service Line Protection program	
Achieved sub-nine-minute (green zone) average customer wait times in 78.9% of weeks during calendar year 2025	
Saved more than 120,000 agent minutes per month through the utilization of automated account start functionality, with additional expansion projected for 2026	
Saved more than 50,000 processing minutes through automation of Leak Adjustment Program (partial year)	
Completed the conversion of the District's call center solution to an advanced platform (Talkdesk) with increased functionality	
Completed more than 100,000 Field Activities in support of accurate, timely billing and data visibility	
Collected more than $8 million in delinquent debt through liens	

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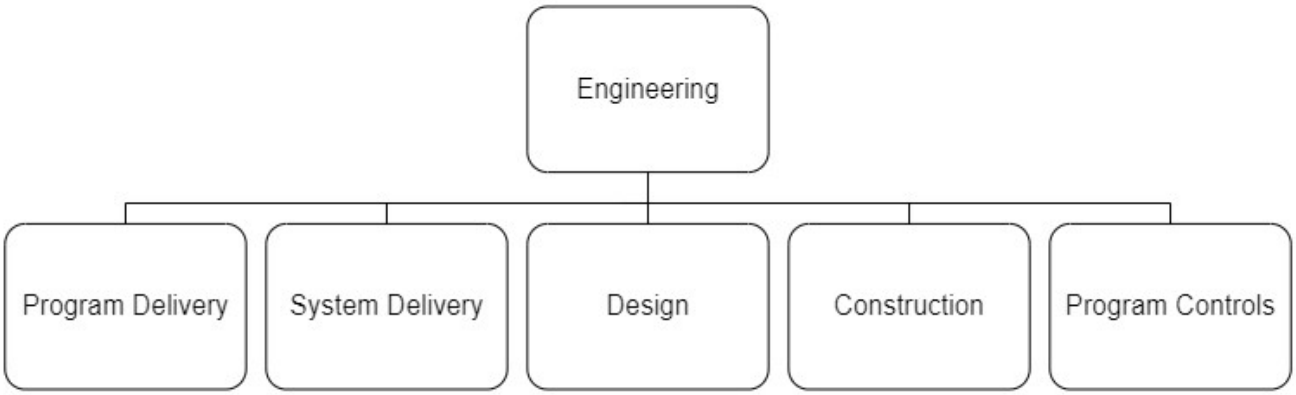
ENGINEERING



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.

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.

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Department Division 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 program projects are focused on SNWA capital projects, being the Horizon Lateral, Stage II Reliability Upgrades, Ozone Equipment Upgrades, the Garnet Valley Water System, Garnet Valley Wastewater Systems, Flocculation Upgrades and Sodium Generation Replacements at Alfred Merritt Smith WTF. 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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Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Engineering supports the department's role in planning, designing, and delivering capital infrastructure projects by maintaining technical expertise, advancing project execution, and supporting long-term system capacity and reliability.

Engineering advances a wide range of capital projects across the LVVWD's service area, including the design and construction of new facilities, replacement of aging water mains, rehabilitation of valve and meter vaults, installation of backflow prevention devices, and other system improvements that enhance reliability and operational performance.

Total expenditures are shown in the table below.

Expenditures

LVVWD USES	Actual 2024-25	Budget 2025-26	Budget 2026-27
Materials and supplies	$ 139,175	$ 372,400	$ 387,100
Maintenance and repairs	4,340,567	3,666,000	8,131,000
Rental and leases	—	—	—
Other employee expenses	72,573	142,781	135,820
Other operating expenses	26,476	881,900	361,150
Total operating expenses	4,578,791	5,063,081	9,015,070
Capital expenditures	76,633,019	104,531,000	124,246,000
Salaries and benefits	11,820,267	18,572,622	20,094,299
TOTAL DEPARTMENT EXPENDITURES	**$ 93,032,077**	**$ 128,166,703**	**$ 153,355,369**
FTE POSITIONS	84.9	91.7	95.5

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Strategic Objectives and Accomplishments

2026-27	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, cost estimates and schedules identified in the capital plans.	X	X			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				X
III	Continue to optimize program management applications and processes to improve consistency, accountability, and reporting.		X		X		X
IV	Maintain statutory compliance in paying consultant and contractor invoices through the Project Management Information System.		X		X		X

Department Performance Measure	Dept Goal	Target	2024-25 Actuals	2025-26 Estimate	2026-27 Budget
Spend at least 80% of the capital forecast.	I	80%	72%	60%	80%
Utilize project/program management tools to improve project reporting and to improve consistency of documents. Standardize schedule templates to improve reporting tools. Hold milestone design review meetings and establish level of effort review expectations of subject matter experts to optimize their time. Follow best management practices in producing scope of work documents, design reviews, and cost estimates on all capital projects.	II	100%	100%	100%	100%
Develop, implement, and maintain a PMIS(Trimble UC) to Oracle Financials data accuracy of 95% by resolving data issues and improving dashboard monitoring.	III	95%	N/A	95%	95%
Pay consultant and contractor invoices for construction work executed by the Engineering Department within 30-days of submittal through the Project Management Information System.	IV	99%	99%	99%	99%

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2025-26	Department Accomplishments
Completed construction and placed into service the Rome 2745 Zone Reservoir and 2975 Zone Pumping Station. Completed construction on THM Mitigation systems for Cactus 2538 Zone Reservoir, Elkhorn 2975 Zone Reservoir, and Beltway 3090 Zone Reservoir.	
Started construction of the 4125 Zone Reservoir with a completion date scheduled for July 2027.	
Published 54 revised and/or new master specifications standards to continue to ensure projects reflect current Organizational design requirements and promote consistency across projects.	
Recertified 80% of project cost data in Trimble UC, enhancing financial accuracy. Launched updated schedule and cashflow processes, saving over 100 hours monthly of project manager time. Produced monthly cashflow analysis reports to improve communication with Finance and improve cashflow management of Organization.	

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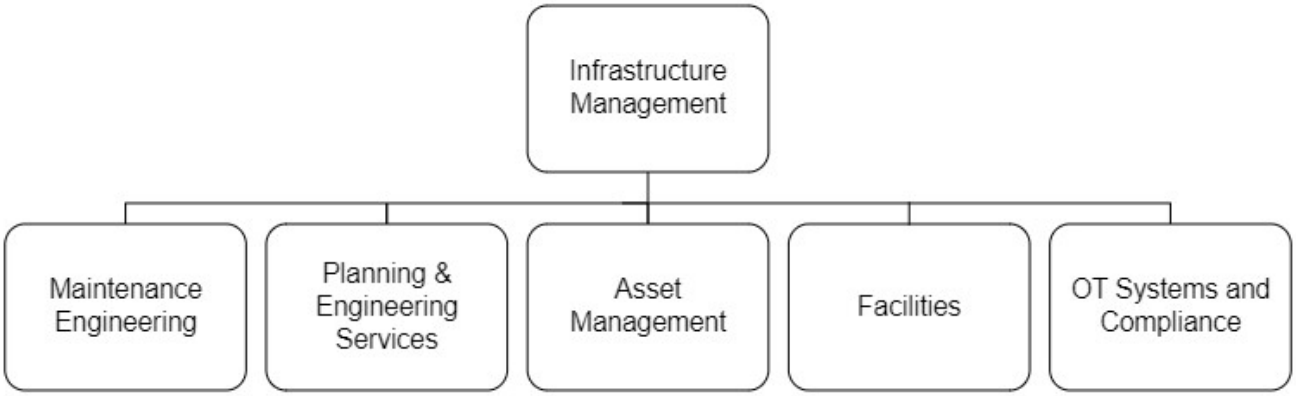
INFRASTRUCTURE MANAGEMENT



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) 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 department. The Operational Technology Systems and Compliance division (OT) supports the OT systems for the Operations department, 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.

Department Division Descriptions

Planning and Engineering Services. The Planning and Engineering Services division provides research, analytics, modeling, and projections to support several activities for the LVVWD 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

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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 the LVVWD 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 systems; and plans for capital improvements and required monitoring for regulatory compliance.

The Planning and Engineering Services division is also responsible for reviewing and approving plans for the LVVWD's system additions and modifications initiated by developers, utilities, and public entities, ensuring they meet the LVVWD 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 the 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 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 has been deployed throughout the organization to improve operation and maintenance efficiencies, and also provides 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

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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. 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 corrosion protection test stations and 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 operating systems.

Maintenance Engineering. The Maintenance Engineering division is responsible for the engineering design enhancements and modifications needed to operate and maintain pumping stations, reservoirs, and wells 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 department 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).

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. 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 the LVVWD 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 grounds keeping 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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Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Infrastructure Management supports the stewardship of LVVWD system assets by maintaining infrastructure performance, enhancing maintenance programs, and extending the useful life of critical facilities.

Total expenditures are shown in the table below.

	Expenditures		
LVVWD USES	**Actual 2024-25**	**Budget 2025-26**	**Budget 2026-27**
Materials and supplies	$ 1,676,711	$ 1,319,049	$ 1,263,700
Maintenance and repairs	4,176,346	4,555,010	4,030,500
Rental and leases	1,165	—	—
Other employee expenses	124,590	273,747	276,073
Other operating expenses	1,025,667	1,063,202	915,547
Total Operating Expenses	7,004,480	7,211,008	6,485,820
Capital expenditures	18,085,877	26,234,000	29,783,000
Salaries and benefits	23,315,535	24,552,302	25,798,618
TOTAL DEPARTMENT EXPENDITURES	**$ 48,405,891**	**$ 57,997,311**	**$ 62,067,438**
FTE POSITIONS	114.0	116.6	120.7

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Strategic Objectives and Accomplishments

2026-27	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	2024-25 Actuals	2025-26 Estimate	2026-27 Budget
Percentage spend of capital budget.	I	70%	91%	90%	70%
Less than 3 psi difference 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	20	25
Achieve 99.9% system availability of the wide area communications network supporting OT and IT.	IV	99.99%	100.0%	100.0%	99.99%
Infrastructure Leakage Index.	V	<2.5	1.8	2.0	2.0

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2025-26	Department Accomplishments
Maintenance Engineering completed 22 projects that extended the useful life of facilities. Capital expenditures plan to total $7.5 Million.	
Asset Management performed condition assessment on a total of 20 miles of pipelines and identified 153 individual leaks that were repaired by District crews. Condition assessment and leak detection saved an estimated 1.9 million gallons of water per day.	
Completed the Asset Class Plan for Pipeline Assets which outlines levels of service, KPI targets, defines asset classes, and discusses in detail the strategies used by the District to manage its linear assets.	
Successfully implemented a new Enterprise Asset Management System, Maximo, which supports over 500 users across the organization.	
The Corrosion Control program retrofitted 32 cathodic protection test stations with new galvanic anodes and installed a new impressed current system to protect an additional 5 miles of critical large diameter steel pipeline.	
Replaced all end-of-life SCADA WAN switches, OT firewalls, completed CISA validated Architecture Design Review, developed multiple cyber policies and procedures, and improved physical security on OT network equipment.	

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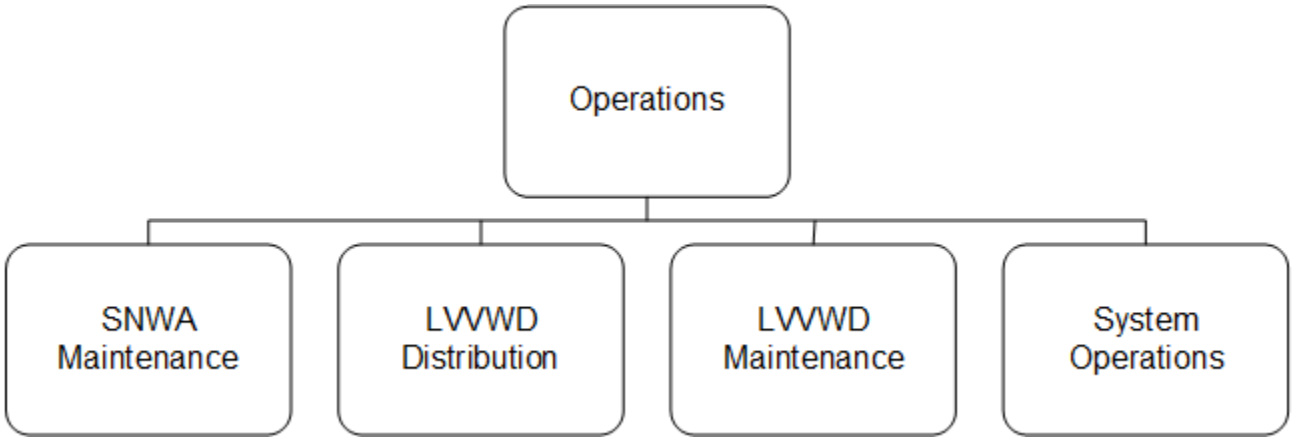
OPERATIONS



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 40 pumping sites (55 Individual pumping stations), housing a total of 270 pumps. These pumps exhibit a diverse range of capabilities, with sizes varying from 5 horsepower (HP) and 120 gallons per minute (GPM) to 2000 HP and 15,700 GPM. Furthermore, the system incorporates 44 reservoir sites, offering a combined storage capacity of 976 million gallons. The overall system pumping capacity is a simultaneous 1,341,000 GPM. The LVVWD well system has 63 potable and 4 Water Resource Center non-potable wells capable of producing 183 MGD when fully equipped and functional. The LVVWD 2026 operational capacity is 173 MGD with 55 available potable wells (164 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.

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, the Sloan Army Reserve Center, and Laughlin.

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Department Division Descriptions

LVVWD Distribution. The Distribution division (Distribution) is responsible for maintaining 7,329 miles of pipeline and laterals, 156,520 valves, 447,335 service laterals, 44,321 fire hydrants, and all related appurtenances comprising the LVVWD's distribution system. In fiscal year 2024-2025, Distribution crews completed 9,806 work orders consisting of repairs to pipelines and the repair and replacement of valves and fire hydrants. Additionally, 1,552 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 73,792 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 2,409 valves in fiscal year 2024-2025, 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. Distribution has completed several main replacement projects, in several different areas of the distribution system. Many locations of the system are older, making main replacements an essential measure for preventing main breaks, which can cause costly property damage and require the District to spend additional money on labor and materials.

The Backflow Prevention section administers the LVVWD's Backflow Prevention Program. This is a service protection program involving annual testing and repair of all backflow assemblies in the LVVWD distribution system. An active backflow program ensures contaminated water cannot enter the potable water system if a backflow, backpressure or back siphonage condition exists. The backflow technicians are certified by the California/Nevada section of the American Water Works Association (AWWA). They are currently managing approximately 37,043 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, the 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 remains dedicated to preparing daily pumping plans to fine tune pumping decisions which improve the distribution system water quality and save electricity costs.

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 the Sloan Army Reserve Center. 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.

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Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Operations supports the delivery of safe, reliable water service by maintaining system performance, enhancing maintenance practices, and advancing initiatives that ensure long-term operational efficiency across the LVVWD's water delivery system.

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 prioritizes investments that improve maintenance capabilities, replace aging or unsupported equipment, and support division-led capital projects. These investments reflect a proactive approach to sustaining system reliability and addressing evolving operational needs.

Operating Expense Budget. The department's Operating Expense budget remains focused on Reliability Centered Maintenance (RCM) principles to ensure the system continues to operate efficiently and reliably. The Operating Expenses for fiscal year 2026-27 Budget Plan are shown on the following table. Operations' overall budget totals $68.5 million for fiscal year 2026-27.

Total expenditures are shown in the table below.

	Expenditures		
	Actual	Budget	Budget
LVVWD USES	**2024-25**	**2025-26**	**2026-27**
Purchased water	$ 18,953	$ 20,000	$ 20,000
Energy	11,951,320	15,025,807	14,924,417
Materials and supplies	8,983,498	9,512,900	9,396,107
Maintenance and repairs	1,029,943	1,042,039	1,054,039
Rental and leases	10,022	16,000	10,500
Other employee expenses	215,309	272,500	278,149
Other operating expenses	(813,329)	253,550	277,800
Total Operating Expenses	21,395,716	26,142,796	25,961,012
Capital expenditures	3,807,537	7,034,690	5,553,000
Salaries and benefits	31,130,501	35,859,635	36,991,473
TOTAL DEPARTMENT EXPENDITURES	**$ 56,333,754**	**$ 69,037,121**	**$ 68,505,485**
FTE POSITIONS	183.4	193.3	193.4

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Strategic Objectives and Accomplishments

2026-27	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

Department Performance Measure	Dept Goal	Target	2024-25 Actuals	2025-26 Estimate	2026-27 Budget
Pumping Plans-Average annual energy costs.	I	14,929,071	14,400,000	14,862,813	14,924,417
Service Line Annual Replacements.	II	2,500	2,024	2,000	2,500
Pump Annual Availability Percentage.	III	90%	94%	89%	90%

2025-26 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 7,329 miles of pipeline and laterals, 16,520 valves, 447,335 service laterals, 44,321 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.

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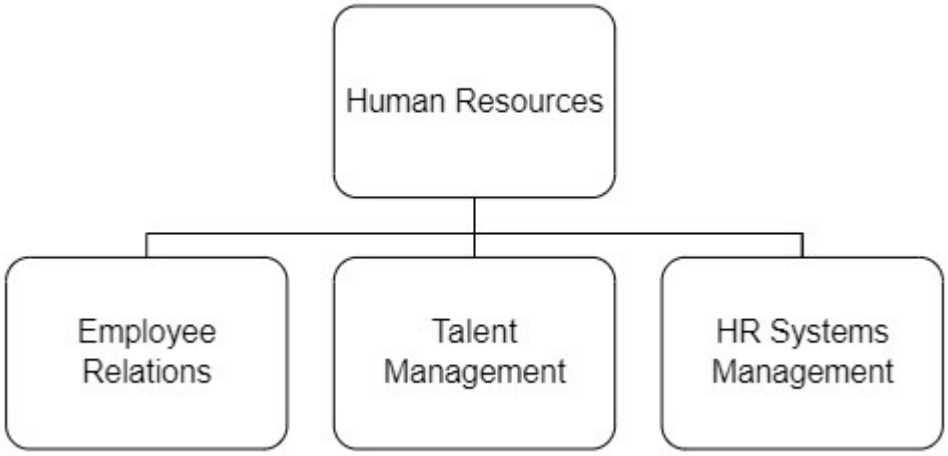
HUMAN RESOURCES



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.

Department Division Descriptions

Talent Management. The Talent Management Team has continued to recruit and attract highly qualified talent, enhance learning programs that develop and retain employees, and foster meaningful engagement.

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. Employee Services reviews voluntary benefits ensuring the District's benefit offerings are competitive to attract and retain employees.

HR Systems Management. The HR Systems Management (HRIS) continues to identify and create departmental and organizational efficiencies in the Human Capital Management System and provides

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cross-department support for new technological implementations. HRIS also provides payroll processing for the organization.

Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Human Resources supports 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.

Total expenditures are shown in the table below.

	Expenditures		
LVVWD USES	**Actual 2024-25**	**Budget 2025-26**	**Budget 2026-27**
Materials and supplies	$ 6,077	$ 10,300	$ 10,300
Maintenance and repairs	9,327	13,000	13,000
Other employee expenses	498,916	690,643	726,450
Other operating expenses	777,416	953,250	950,250
Total Operating Expenses	1,291,736	1,667,193	1,700,000
Capital expenditures	—	—	—
Salaries and benefits	3,980,286	8,386,925	6,971,989
TOTAL DEPARTMENT EXPENDITURES	**$ 5,272,022**	**$ 10,054,118**	**$ 8,671,989**
FTE POSITIONS	19.6	47.9	32.0

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Strategic 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.

2026-27	Department Goals & Objectives	SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Develop a reliable, redundant, fully versed bench of talent, confident in core HR competencies.		X			X	
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	2024-25 Actuals	2025-26 Estimate	2026-27 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	50%	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.	III	Increased Employee awareness of self-service options in Workday	20%	40%	80%

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2025-26	Department Accomplishments
Implemented the mid-year employee performance and development template (EPDS) in Workday.	
Transitioned compensation and payroll settlement tasks and responsibilities to Human Resource team members to comply with separation of duties.	
Streamlined work processes and training administration, reduced overdue notifications, and strengthened compliance by significantly lowering the number of overdue trainings organization wide.	
Successfully strengthened the District's talent pipeline by streamlining hiring processes, minimizing time-to-fill, enhancing candidate experience, and filing critical roles.	
Achieved record participation in engagement initiatives including Celebrating You, and expanded employee connections through engagement events, programs, and the launch of new employee clubs.	
Successfully, bargained successor agreements with three bargaining units and transitioned former Teamsters unit employees to non-represented plan.	
Reviewed and updated District policies	
Updated District Pension plan document with administrative and regulatory updates.	
Continue classification and compensation review to ensure job descriptions are current and consistent with current work.	
Implemented Workday case management for Learning to streamline requests and allow for better tracking and reporting.	
Completed full cycle of Strategic Talent Development Plans for all managers and supervisors.	
Reviewed voluntary benefits to provide competitive offerings to District employees.	

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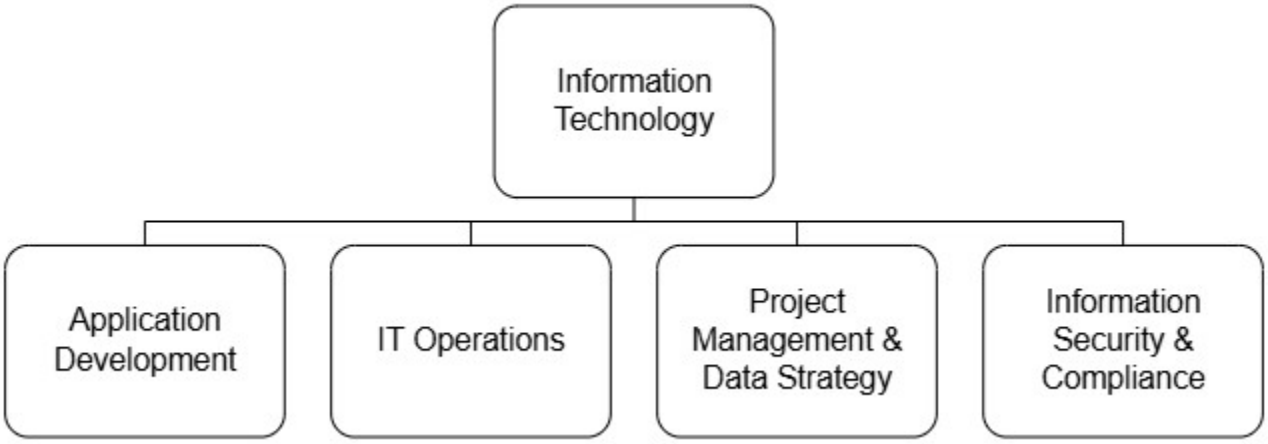
INFORMATION TECHNOLOGY



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.

Department Division 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 enterprise asset management system, significant upgrade to the fleet management system, network reliability upgrades, server upgrades/refreshes, database platform modernization, continuation of the endpoint equipment (PCs, monitors, iOS devices, and laptops) refresh programs, and major enhancements to cybersecurity programs.

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Applications Development. This multi-team division is responsible for software development, system upgrades, version testing, and the validation of essential operational systems used throughout the organization. The division also oversees the administration of the nonproduction environment, ensuring stability and support for ongoing development activities.

The multi-year project to implement a new Enterprise Asset Management System kicked off in 2022 and replaced 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 was fully implemented as of March of 2026.

The division will maintain support for customer-facing systems, including modernizing the organization's customer management system. The modernization will likely be completed in 2027-2028.

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 2026-2027 with completion of the project in 2029-2030. 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, provides comprehensive end-user technology services, including first- and second-level ticket triage, desktop hardware support/ procurement/refresh, printer and MFP support, space-planning technology coordination, LVVWD/ SNWA conference support, and software renewals and maintenance. Hardware supported by the ITCS team includes 2,000+ 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 production enterprise and business applications, enterprise database platforms, and the IT service management platform. Additionally, this team is responsible for the deployment and support of 1,300+ mobile devices, endpoint management/administration, 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.

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Enterprise operational support offered by the division focuses on providing world-class customer experience and reliable applications and infrastructure. Operational support efforts encompass hardware and 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 the long-term infrastructure strategy. Other IT modernization and improvement projects include virtualization infrastructure, data backup infrastructure, endpoint management & strategy, and IT service management strategy.

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 the planning of a Data Loss Prevention (DLP) strategy focusing on protecting critical infrastructure data, developing AI security assessments and controls, defending against cybersecurity threats and vulnerabilities in a heightened state of vigilance due to world events, 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 and evolving industry regulations from cyber insurance underwriters and bond rating entities.

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.

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

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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 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.

Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Information Technology supports 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.

Total expenditures are shown in the table below.

	Expenditures		
LVVWD USES	**Actual 2024-25**	**Budget 2025-26**	**Budget 2026-27**
Materials and supplies	$ 1,282,810	$ 1,884,100	$ 2,142,400
Maintenance and repairs	7,255,324	8,449,292	9,510,550
Rental and leases	199,200	169,080	126,000
Other employee expenses	87,967	259,393	326,667
Other expenses	1,772,168	3,445,144	3,672,972
Total Operating Expenses	10,597,469	14,207,009	15,778,589
Capital expenditures	7,755,832	14,064,050	7,053,471
Salaries and benefits	12,519,243	14,586,845	15,117,896
TOTAL DEPARTMENT EXPENDITURES	**$ 30,872,543**	**$ 42,857,904**	**$ 37,949,956**
FTE POSITIONS	56.3	61.8	61.8

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Strategic 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.

2026-27	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	2024-25 Actuals	2025-26 Estimate	2026-27 Budget
System Availability: % uptime based on unplanned internal IT outages (excluding vendor/cloud services).	I	99.9%	99.5%	99.0%	99.6%
Number of Software titles from the IT Software Catalog that are reviewed and approved through the Technology Purchase Review (TPR) process.	II	100%	59%	70%	86%
Application Deployments.	III	300/ month	2,053	3,793	4,000
On-Time Delivery (OTD): % of Projects Delivered on Time.	IV	80%	60%	65%	70%

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2025-26	Department Accomplishments
Averaging well over target of 50 application deployments per month with a focus on security remediation.	
Averaged 168 due diligence reviews per month on vendors, products, and services as part of the Technology Purchase Review process.	
Approximately 1% 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: enterprise asset management system implementation, fleet management system upgrade, enterprise Copilot Chat implementation, browser management tool implementation, Southern Nevada Water Authority board room modernization, and Water Quality lab hardware upgrade.	
Completed several investments, implementations, and deployments to improve IT infrastructure reliability, availability, and security, including: client/server/network hardware refreshes, end-of-life firewall replacements, disaster recovery platform implementation, server and network monitoring upgrades, data center audits, SSL certificate lifecycle automation, and virtualization infrastructure upgrades.	

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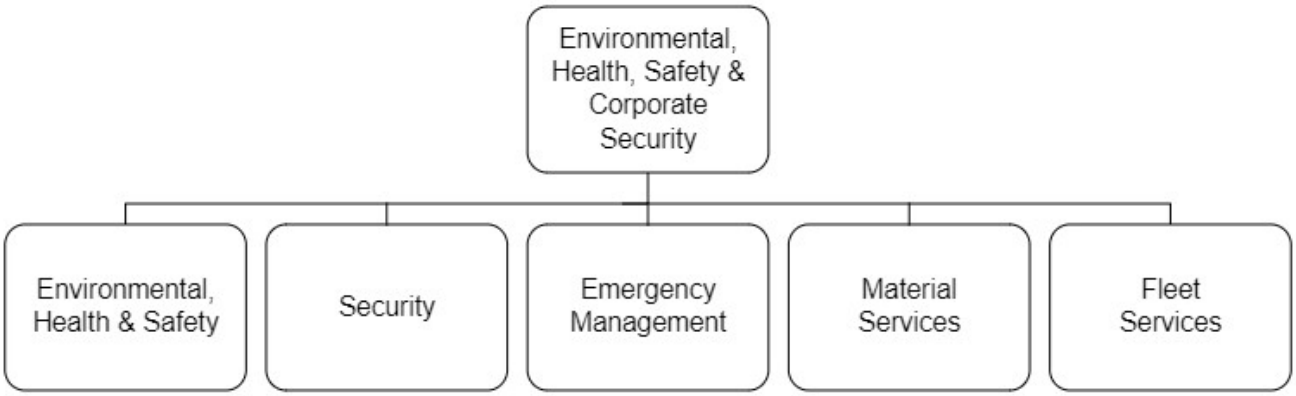
ENVIRONMENTAL, HEALTH, SAFETY & CORPORATE SECURITY



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 through 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 (MRO) supplies 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.

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Department Division Descriptions

Environmental, Health, and Safety. EHS promotes employee well-being through proactive oversight of the LVVWD'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 build proficiency and help prevent incidents. The division also ensures regulatory compliance through targeted audits, OSHA- and state-aligned procedures, permit 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. Corporate Security's mission is to protect people, property, facilities, and water treatment and delivery systems by providing 24-hour security 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.

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 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 2025, the division managed 12,802 inventory assets valued at over $27.6 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

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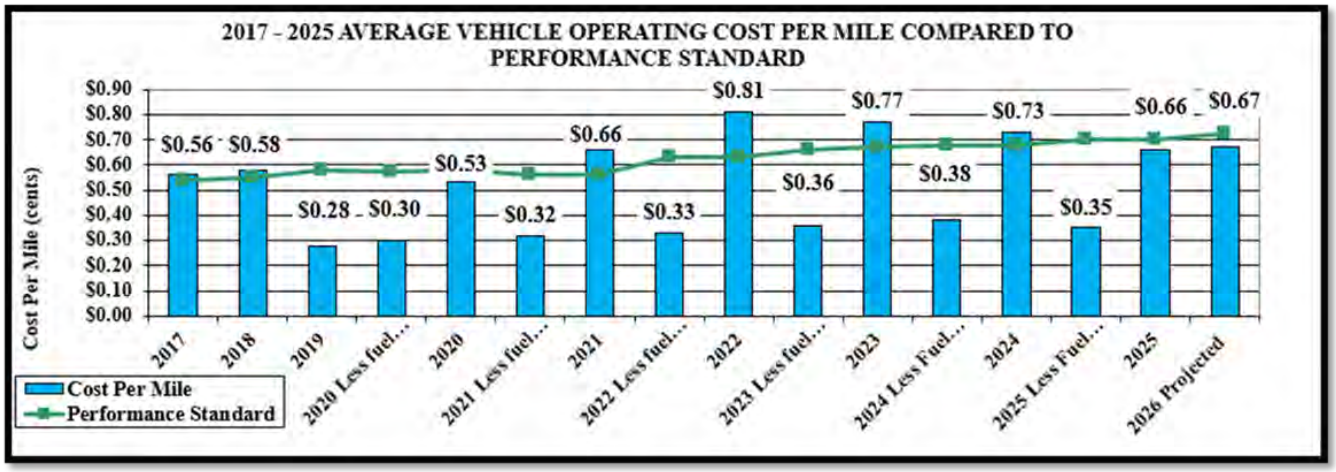
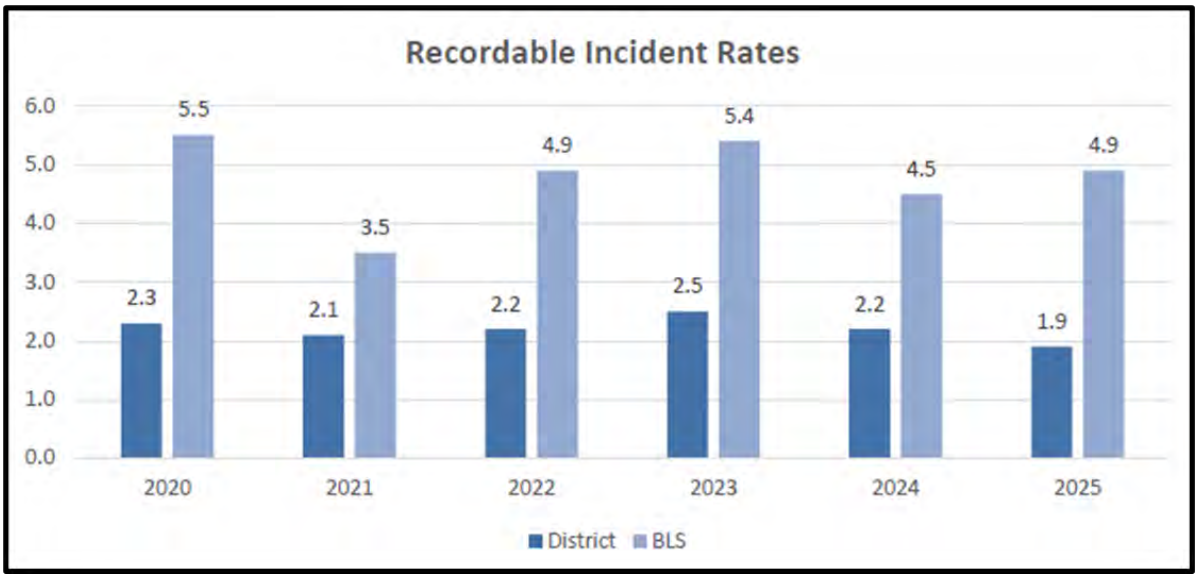
equipment units, along with 1,000 pieces of communication equipment. Key responsibilities include preventive maintenance, repairs, and full lifecycle management—acquisition, disposition, and replacement planning—for all vehicles, communication equipment, and loanable tools. Fleet Services operates seven 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.



Recordable Injury Rates

To support continuous improvement and strong safety outcomes, EHS tracks recordable injuries and illnesses, benchmarking the LVVWD's performance against Bureau of Labor Statistics (BLS) data for comparable public drinking water utilities. The LVVWD's incident rate declined from 2.2 in 2024 to 1.9 in 2025, demonstrating a sustained commitment to employee well-being. This rate remains well below the BLS average, underscoring the effectiveness of the LVVWD's safety programs.



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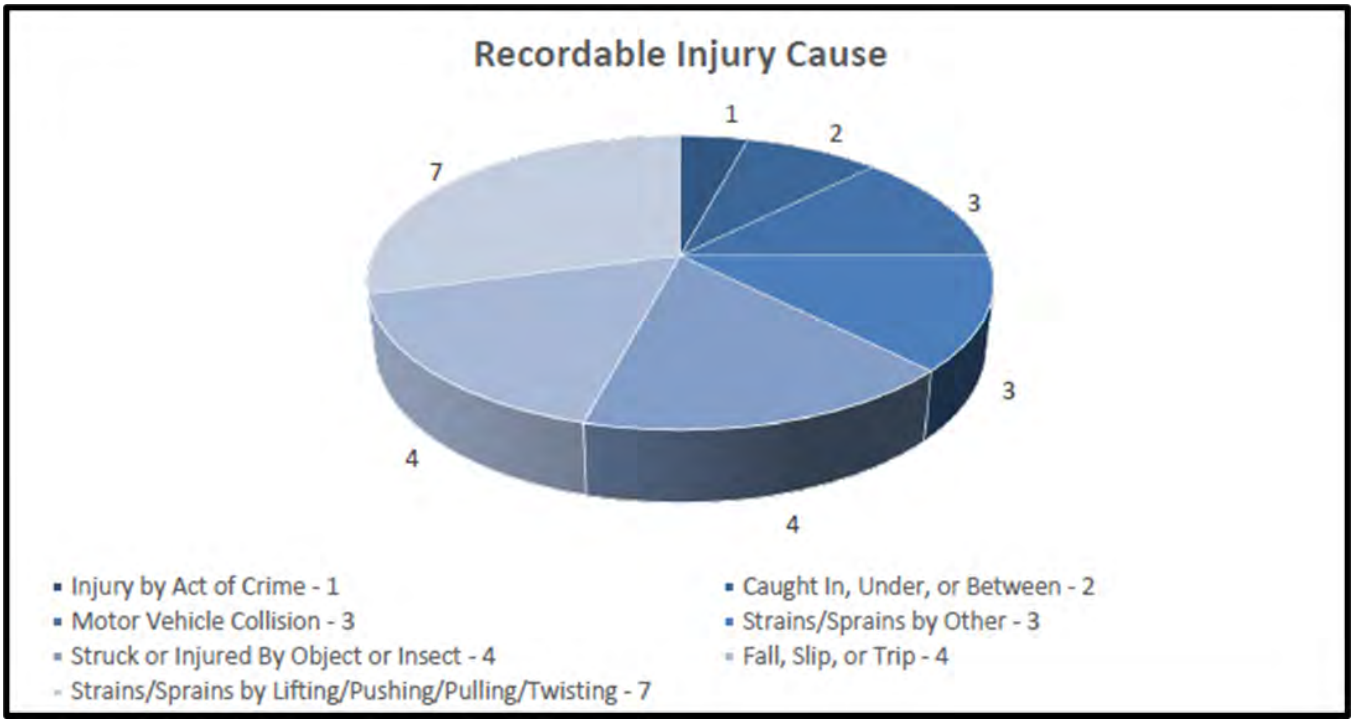
Recordable Injuries by Category

In 2025, the LVVWD's recordable injuries decreased to 24, from 27 in 2024, and total claims costs and time away from work decreased.

Strains and sprains by all causes (10 incidents), along with *falls, slips, or trips* (4 incidents) were the leading contributors to the 2025 recordable injury rate, together accounting for 58 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.



Vehicle Accidents

In 2025, the LVVWD experienced a 1.9 percent decrease in preventable vehicle accidents, declining from 53 to 52 incidents. As a result, the vehicle accident rate decreased from 12.6 to 11.6.

Most 2025 vehicle accidents fell into two categories: *hit stationary object* and *backing*. These accidents accounted for 73.1 percent of all incidents, making them the leading causes of preventable accidents. Most accidents result from drivers not conducting a safety circle check before moving a parked vehicle and ensuring adequate clearance for maneuvers, both front and rear. Employees must verify that the path of travel is clear by conducting a safety circle check and, when possible, using a spotter. EHS will explore opportunities to develop a positive-reinforcement program that encourages the consistent use of spotters during vehicle movement. Hitting

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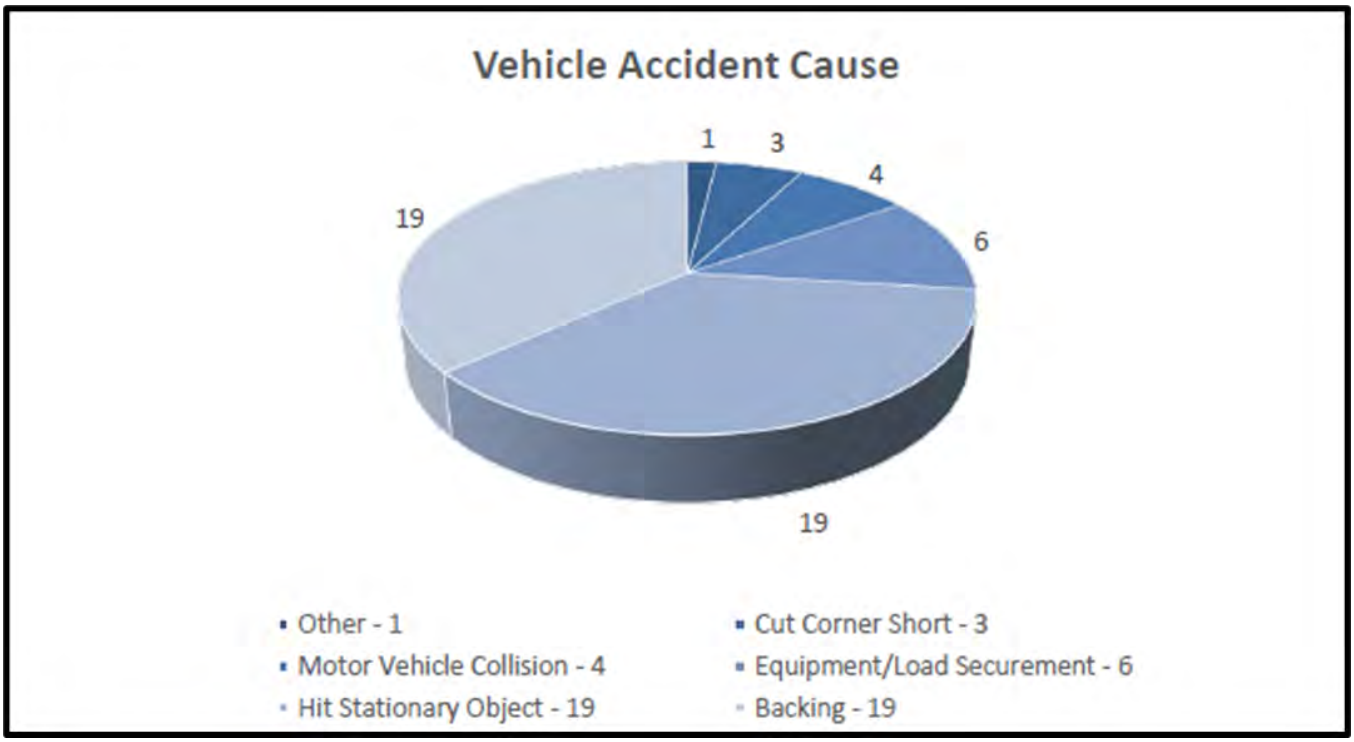
stationary objects and vehicle backing will continue to be a focus of the EHS Steering Committee and Safety Action Teams.



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 2025, none of the 206 participants sustained a recordable hearing loss, and no workers' compensation claims were filed for hearing-related issues.

All 341 participants in the Respiratory Protection Program were trained and fit tested. Health sampling assessments increased from 14 in 2024 to 19 in 2025, with samples collected and analyzed for lead, asbestos, and mold exposure.

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Budget Objectives and Initiatives

The fiscal year 2026-27 budget for EHSCS supports the safety and security of our organization's workforce, customers, and facilities. Through departmental strategic planning, EHSCS has streamlined processes, lowered costs, improved sustainability practices, and ensured proper maintenance of assets such as goods, vehicles, and equipment.

Total expenditures are shown in the table below.

	Expenditures		
LVVWD USES	**Actual 2024-25**	**Budget 2025-26**	**Budget 2026-27**
Materials and supplies	$ 2,425,168	$ 3,123,467	$ 2,832,714
Maintenance and repairs	440,730	587,000	465,311
Rental and leases	221,243	256,000	264,000
Other employee expenses	415,899	493,066	479,463
Other operating expenses	2,638,357	3,109,270	4,853,172
Total Operating Expenses	6,141,397	7,568,803	8,894,660
Capital expenditures	6,375,023	9,321,342	7,585,000
Salaries and benefits	10,975,010	11,117,683	11,492,046
TOTAL DEPARTMENT EXPENDITURES	**$ 23,491,430**	**$ 28,007,828**	**$ 27,971,706**
FTE POSITIONS	61.9	63.8	63.8

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Strategic Objectives and Accomplishments

2026-27	Department Goals & Objectives	SPG-1	SPG-2	SPG-3	SPG-4	SPG-5	SPG-6
I	Maintain strong relations with local, state, and federal law enforcement agencies to ensure immediate notifications and response to human-caused threats to the water sector involving a physical attack or cyber incident.	X			X	X	
II	Increase security readiness at all campuses by partnering with Diversified Protection Corporation for a dynamic security presence at the treatment plants and Foothills complex.	X					
III	Promote a culture that is innovative, creative and makes effective use of technology.				X		
IV	Expand current Vendor Management Inventory at District warehouses.				X		
V	Provide staff with more classes in Association for Supply Chain Management (ASCM) and Warehousing Education and Research Council (WERC).				X		
VI	Decrease Backflow thefts by 50 percent.	X	X			X	X
VII	Improve weapons detection capability at large public events at LVSP and open meetings by utilizing advanced, non-intrusive screening methods currently employed at sporting and entertainment venues throughout the US.				X		
VIII	Continue to modernize the Security Operations Center to ensure maximum efficiency through the use of advanced camera, drone, and alarm technology.	X	X		X	X	X
VIX	Increase Security Officer training for protest response, terrorism indicators, and de-escalation techniques.	X	X		X	X	X
X	Provide staff with Incident Command System (ICS) training, and document.	X	X				X
XI	Provide Training to key personnel and establish an Emergency Operations Team (EOT) to operate in the Department Operations Center (DOC) during a crisis.		X				X
XII	Conduct a minimum of three EOT exercises throughout the year.	X	X	X	X	X	X
XIII	Continue Continuity Exercises for internal Departments.					X	X
XIV	Explore new technologies to improve communications and notifications during emergencies.					X	X
XV	Formalize and expand the Small Unmanned Aerial Vehicle Program.					X	X
XVI	Increase operational efficiencies and reduce costs incurred due to recordable injuries.		X		X	X	X
XVII	Increase operational efficiencies and reduce costs incurred due to preventable vehicle incidents.				X	X	

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XVIII	Maintain a culture of excellence and costs avoidance with continued performance and focus during the summer.			X	X	X	X
XVIX	Ensure safe and reliable Fleet operations.		X		X		X
XIX	Optimize fleet lifecycle and cost efficiency.						
XXI	Support sustainability efforts and integrate EV vehicles into the Fleet.		X	X	X	X	X
XX	Provide staff with more training and development opportunities to earn certificates, invest in growth, and improve employee retention.			X			X
XXI	Improve operational efficiency through technology.			X			
XXII	Implement a badge reader pilot program at RMWTF to incorporate the latest technology to harden against cyber intrusions.			X			X

Department Performance Measure	Dept Goal	Target	2024-25 Actuals	2025-26 Estimate	2026-27 Budget
Reduce recordable injuries by 5 percent year-over-year.	I	24	27	26	24
Reduce at-fault vehicle accidents by 5 percent year-over-year.	I	48	52	49	48
Maintain zero heat-related illnesses during the 101 Critical Days of Summer campaign.	I	0	0	0	0
Identify and prevent 100% of weapons and contraband from entering public events at LVSP and SNWA Board Meetings.	III	1	0.2	0.05	0.8
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	0.92	0.86	0.9	0.92
Cost per mile of operation for the road fleet to be within the IRS tax reimbursement.	XVII	0.7/mile	0.73/mile	0.71/mile	0.67/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.	XXI	0.9	0.89	0.89	0.9

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2025-26	Department Accomplishments
The Fleet traveled 200,000 more miles year over year but reduced the overall engine hours by 50,000 hours. The reduction in engine hours was accomplished through an organizational initiative to reduce non-productive idle time. This improvement lowered fuel consumption, reduced vehicle wear, and maintenance costs, and improved overall operational efficiency. As a result, the operational budget request for Fleet Services for fiscal year 26/27 has been reduced by $420,000 when compared to the previous fiscal year. These efforts also contributed to a decrease in our carbon footprint.	
Identified a top security provider for critical infrastructure protection and awarded a 5-year contract to Diversified Protection Corporation that begins on July 1, 2026.	
Security Supervisor responsible for access control for Medeco and badge readers preforms in-house troubleshooting to resolve access issues that were normally outsourced – saving thousands of dollars of reducing system downtime.	
A small team of LVVWD Security Officers completed the Defensive Tactics Instructor certification course and are now certified to teach defensive tactics and de-escalation training to LVVWD Officers eliminating the need to outsource this training and ensuring that all training is standardized. Partnered with LVMPD's Safe Neighborhoods Bureau to provide Human Trafficking Awareness Training for LVVWD employees. Security Officers have increased their professional certifications by attending in-person DHS/FEMA Physical and Cybersecurity for Critical Infrastructure courses.	
Conducted multi-agency full-scale exercise at AMS Facility. Over 8 agencies and 100 participants involved, participating organizations included Federal, Clark County, Las Vegas Metro Police, City of Henderson, and Boulder City.	
Completed four internal Continuity of Operations tabletop exercises.	
Assisted in the development of a water contamination exercise with Metro Police Department. Participated as a subject matter expert (SME) and co-facilitator during the exercise. Participants included Health District, Medical co-facilitators, Las Vegas, and Clark County fire departments.	
Expansion of Stop the Bleed program. Additional kits are being distributed and installed in designated safe rooms across the organization.	
Closed the 2025 calendar year with an injury and illness incident rate well below that of comparable industries according to the Bureau of Labor Statistics (1.9 vs. 4.9).	
Recorded a fifth consecutive calendar year (2025) without a heat-related illness.	
Maintained high participation and satisfaction rates for our annual Safety Stand Down Day event.	
Zero 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.	

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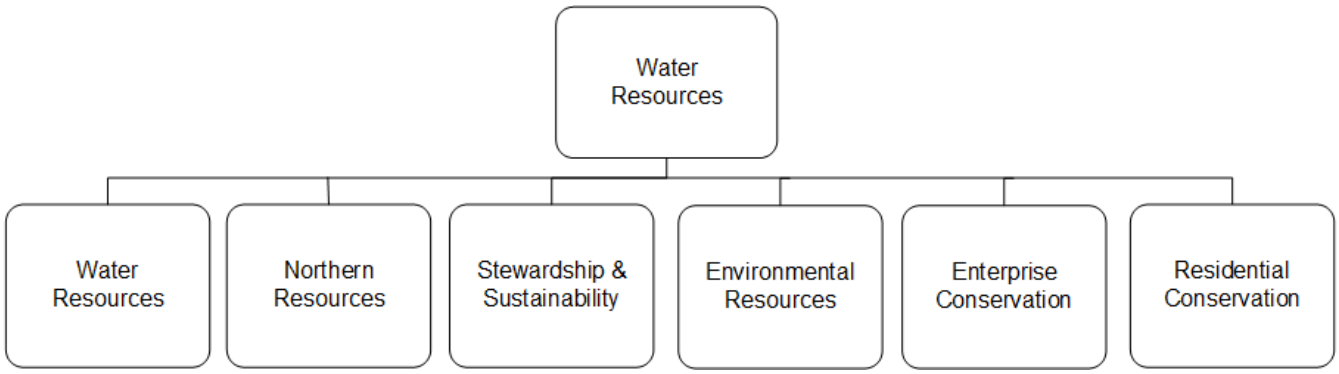
WATER RESOURCES



Mission

Manage regional 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

In addition to supporting water planning and program administration associated with regional water supplies, facilities and land resources, the Water Resources department is responsible for administering water conservation and efficiency programs that support customers within the District's service area. The department also maintains the LVVWD's water rights and associated permits and facilities, and conducts hydrological and water quality monitoring to ensure permits remain in good standing. The department supports the construction and maintenance of the LVVWD facilities, including local groundwater production wells and monitoring facilities, as well as the LVVWD small systems infrastructure. Four of the Department's six divisions support District Initiatives: Water Resources, Residential Conservation, Enterprise Conservation and Environmental Resources.

Department Division 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.

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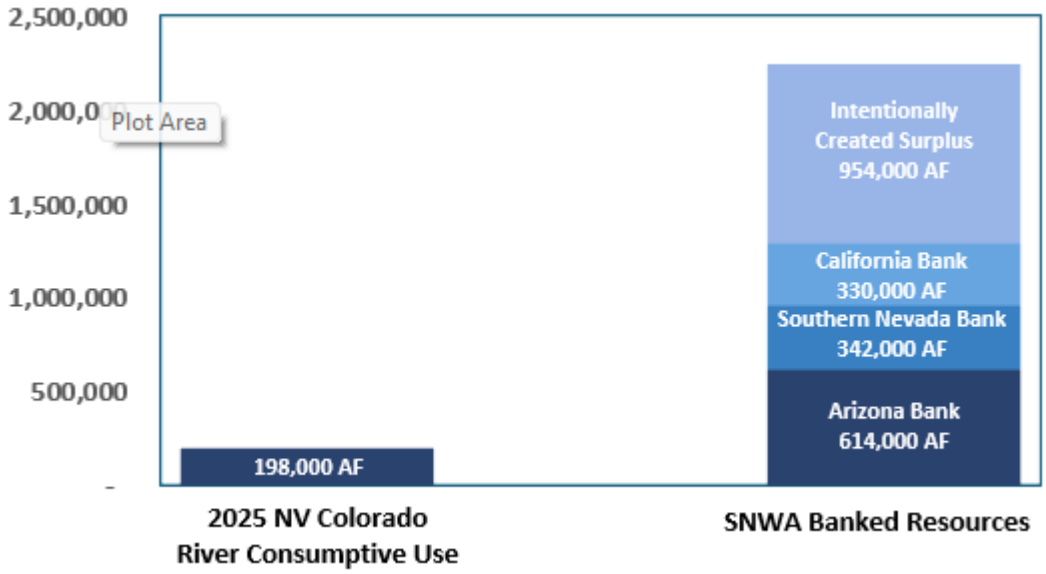
The division works with Colorado River Basin states and the federal government to implement the 2019 Drought Contingency Plan (DCP), create Tributary Conservation Intentionally Created Surplus, and meet commitments associated with various System Conservation Implementation Agreements. These efforts, 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 more than 2.2 million acre-feet, more than 11 times Nevada's 2025 consumptive Colorado River water use.



Residential Conservation. The Residential Conservation division is responsible for developing and implementing demand-management programs and strategies aimed at reducing consumptive water use among single-family residential homeowners. The division administers rebate and incentive programs that support conversions to water efficient landscaping, leak resolution and irrigation efficiency. It also implements water use compliance programs for the LVVWD and SNWA, working closely with Henderson and North Las Vegas to coordinate efforts to reduce water waste.

Enterprise Conservation. The Enterprise Conservation division administers outreach, engagement and incentive programs that support all water use sectors except single-family residential. The division promotes turf conversions among Enterprise customers, including implementation of Assembly Bill 356 (AB356), which prohibits the irrigation of non-functional turf with Colorado River water effective January 1, 2027. The division also administers the Water Efficient Technologies program, which provides incentives for conversion to water saving technologies, focusing on consumptive water use.

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 estimated 2025 per capita water use at 89 GPCD, down from 112 in 2020. While cool and wet weather—such as that experienced in 2019 and 2023—yielded more significant

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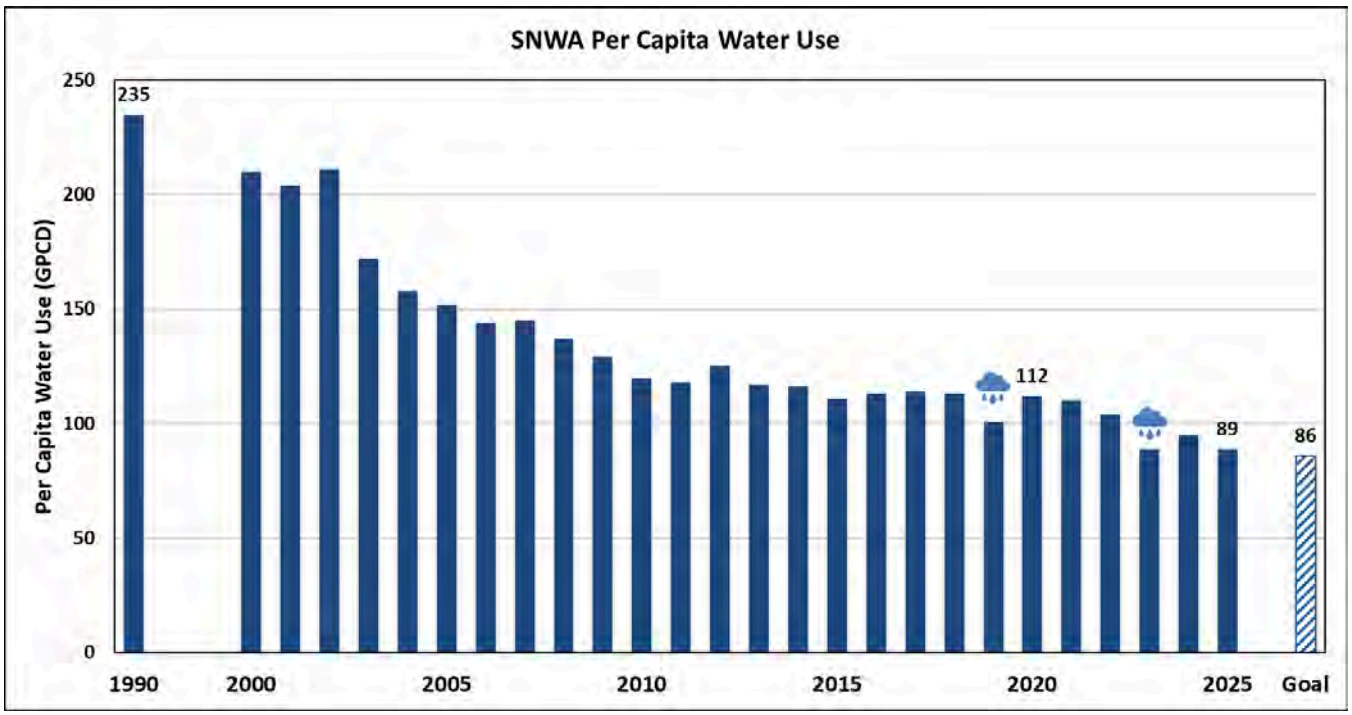
water savings, overall water use is declining. With sustained progress, the community remains on path to meet its conservation goal of 86 GPCD.



Environmental Resources. The Environmental Resources Division leads environmental planning, compliance and natural resource management for the SNWA, LVVWD and small systems, supporting sustainable water service and regulatory success. The team advances policy initiatives, collaborates with federal and state agencies and prepares key environmental compliance documents. It monitors biological and environmental conditions, restores habitats and researches timely water management challenges. The division also supports climate research and delivers advanced GIS and mapping services, including remote sensing, aerial imagery analysis and application development.

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Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Water Resources supports long-term water supply planning and resource management by advancing conservation strategies, supporting regional water initiatives, and ensuring the sustainability of water resources for the community.

Total expenditures are shown in the table below.

	Expenditures		
LVVWD USES	**Actual 2024-25**	**Budget 2025-26**	**Budget 2026-27**
Materials and supplies	$ 16,917	$ 122,200	$ 4,586,400
Maintenance and repairs	499,390	6,500	8,058,000
Rental and leases	—	—	—
Other employee expenses	25,634	51,450	50,500
Other operating expenses	26,122	63,000	54,500
Total operating expenses	568,063	243,150	12,749,400
Capital expenditures	60,093	7,173,000	381,000
Salaries and benefits	4,623,525	6,133,154	6,241,742
TOTAL DEPARTMENT EXPENDITURES	$ 5,251,681	$ 13,549,304	$ 19,372,142
FTE POSITIONS	26.2	27.9	28.2

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Strategic Objectives and Accomplishments

2026-27	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		X			

Department Performance Measure	Dept Goal	Target	2024-25 Actuals	2025-26 Estimate	2026-27 Budget
Regional per capita water use, SNWA service area, including LVVWD (gpcd).	I	86 GPCD by 2035	95 GPCD in CY2024	89 GPCD in CY2025	<89 GPCD in CY2026
Meet water use compliance investigation target (investigations per 100 accounts).	I	7.5 per 100 accounts	Yes	Yes	Yes
Amount of non-functional turf (NFT) converted by Enterprise customers regionally, in square feet (sf.)	I	Remaining NFT by 2027	5.7 million sf.	2.7 million sf.	26 million sf.
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

2025-26	Department Accomplishments
Conducted more than 150 residential site evaluations in CY2025 with a total estimated water savings of more than 5.4 million gallons. These evaluations help customers to identify and resolve irrigation and plumbing factors that contribute to high water use.
Conducted more than 40,000 water use compliance investigations in the LVVWD service area in CY2025.
Continued to patrol for water theft within the LVVWD service area in CY2025; issued 13 water theft fee notices and collected $80,000 in fees.
Drilled and developed two new high-capacity replacement wells to maintain system capacity and support continued use of LVVWD permitted groundwater rights; conducted investigation, preventative maintenance and well system rehab and evaluated recharge wells for possible future use.
Developed and finalized a source water protection plan for the Searchlight small water system; a source water protection plan for Blue Diamond is in development.

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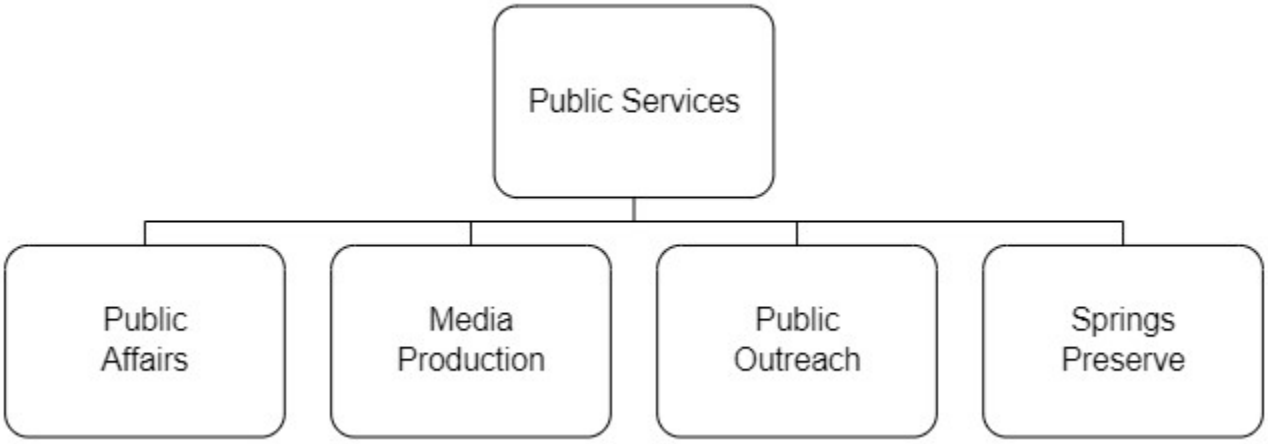
PUBLIC SERVICES



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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Department Division 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.

Staff supported several efforts on behalf of the LVVWD and continue to assist with the organization's smaller water systems in Laughlin (BBWD), Kyle Canyon, Blue Diamond, Jean, and Searchlight, providing status updates and operational reports at each system's town board meetings. In 2025, the BBWD staff identified needed system improvements to ensure the long-term sustainability of Laughlin's water treatment and distribution system. To fund these investments and solidify a sustainable financial model, staff hosted a series of public workshops to share proposed rate options and gather community feedback. The results were presented to the Laughlin Town Advisory Board and ultimately informed the BBWD Board of Trustees' approval of new rates, which took effect on January 1, 2026.

To advance public understanding of water-related issues and strengthen community support, Public Affairs continued to oversee a speakers bureau program, delivering presentations and facilitating discussions with local businesses and organizations. Division staff also supported the organization's funding initiatives through grant development and fundraising efforts 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.

Over the past year, staff expanded website services and supported major conservation initiatives, including the nonfunctional grass deadline, leak reduction programs and increased rebate offerings. To improve accessibility for Southern Nevada's diverse community, staff added Spanish, Tagalog, and Mandarin Chinese across lvvwd.com and springspreserve.org. A comprehensive audit of SpringsPreserve.org assessed content accuracy, usability, and alignment with business goals. Social media and video production efforts advanced organizational communication priorities.

The Design Production team focused on expanding the reach and effectiveness of water-conservation messaging. To improve inclusivity and accessibility, conservation materials were translated into Mandarin, Vietnamese, Korean, and Tagalog. The team led the development and launch of a comprehensive leak-prevention campaign that promoted repair assistance, reimbursement programs, and a new Water Service Line warranty program that experienced strong first-year adoption. The team also produced and distributed the LVVWD Water Quality Report and reinforced organizational employee communication channels.

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

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The Marketing team launched a promotional campaign to increase customer sign-ups for the LVVWD's My Account. The LVVWD Infrastructure campaign was updated and paired with enhanced social and digital strategies, resulting in a notable increase in customer awareness.

Community and business engagement remained a focus throughout the year as the team participated in community outreach events, as well as targeted events specifically designed to help senior residents better manage their water use and account information. Conservation related materials were distributed to businesses, community centers, and other targeted locations throughout the valley. To support awareness and education about the nonfunctional grass law, strategic advertisements were used and direct mail notifications were distributed to property owners.

Staff coordinated notifications to customers related to water system repairs and rehabilitation work. The team also worked closely with local golf courses and parks to coordinate replacements of water service connections and minimize service interruptions. For the LVVWD's major construction program, the team coordinated with customers to replace or rehabilitate pipelines in the medical district and throughout residential areas of the valley.

Springs Preserve. The Springs Preserve team oversaw daily operations of the site, managing museums, exhibits, meeting venues, a botanical garden, nature trails, and animal habitats and ecosystems.

Staff developed educational programming, coordinated community events, and built strategic partnerships. Outreach remained a priority, with ongoing initiatives such as "Conservation for Kids," the Youth Conservation Council, and adult classes promoting sustainable living in the Mojave Desert. Community events such as Haunted Harvest, Día de Muertos, Nevada Day, Black History Month Festival, and the annual Earth Day celebration, continued to grow. The Springs Preserve provided refuge for the federally endangered Pahrump poolfish and the state-protected relict leopard frog. Staff also managed grant-funded projects during the year for curriculum development and teacher training, transportation for youth organizations, and for expansion to the Nuwu Pahsats garden.

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Budget Objectives and Initiatives

The fiscal year 2026-27 budget for Public Services supports community engagement, outreach, and conservation efforts by maintaining public education programs, enhancing customer awareness, and promoting responsible water use across the service area.

Total expenditures are shown in the table below.

	Expenditures		
LVVWD USES	**Actual 2024-25**	**Budget 2025-26**	**Budget 2026-27**
Materials and supplies	$ 654,953	$ 582,450	$ 626,820
Maintenance and repairs	934,851	889,635	841,635
Rental and leases	207	2,500	2,500
Other employee expenses	134,678	136,660	157,810
Other operating expenses	2,259,028	2,914,762	3,021,112
Total Operating Expenses	3,983,716	4,526,007	4,649,877
Capital expenditures	1,434,145	1,580,000	7,500,000
Salaries and benefits	10,157,676	11,072,297	11,019,241
TOTAL DEPARTMENT EXPENDITURES	$ 15,575,537	$ 17,178,304	$ 23,169,118
FTE POSITIONS	56.5	57.0	57.0

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Strategic 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.

2026-27	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	2024-25 Actuals	2025-26 Estimate	2026-27 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	35	32	20
Number of community outreach events.	III	100	110	120	125
Visitor attendance at the Springs Preserve.	IV	200,000	257,400	270,000	250,000

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2025-26	Department Accomplishments
Facilitated public workshops to gather customer feedback and insights on a proposed rate adjustment designed to fund a $9.7 million capital program and establish a long term sustainable financial model for the Big Bend Water District in Laughlin.	
Helped improve accessibility for Southern Nevada’s diverse community by adding Spanish, Tagalog, and Mandarin Chinese language options across lvvwd.com and springspreserve.org.	
Hosted more than 45,000 visitors during the Springs Preserve's community events.	
Led a targeted media and social media campaign promoting LVVWD’s My Account, resulting in nearly 19,000 new or updated customer accounts.	
Launched a comprehensive leak prevention campaign that promoted repair assistance, reimbursement programs, and a new Water Service Line Warranty Program, which saw strong first year participation with nearly 49,000 enrollments.	
Participated in over 170 community outreach events, plus 55 targeted events focused on helping seniors manage their water use and account information.	

SECTION 6

CAPITAL PLANS

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LAS VEGAS VALLEY WATER DISTRICT™

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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 its customers. As water system facilities are defined, they are added to the LVVWD's overall capital. The process is dynamic, with projects added, changed, or deleted as necessary to meet the changing conditions in the LVVWD's service areas. The capital budget, totaling $194.0 million, consists of new pumping stations, reservoirs and wells, land acquisition, new water pipelines, capital equipment and other distribution system facilities. Some capital projects will be operational by the end of fiscal year 2026-27, 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 guides 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 improve key system components, ensuring a reliable water system for the LVVWD's customers.

Impact of Construction Program on Operation and Maintenance Expenses

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

- Added facilities to the LVVWD's system are new and typically require minimal maintenance.
- Designed and constructed facilities have the latest available technology and are not accepted by the LVVWD until they are fully inspected and tested and ready for operation.
- The LVVWD has conducted process improvement investigations and adopted recommendations that have resulted in significant on-going operational and maintenance efficiencies and savings.

The LVVWD anticipates, over the long term, to incur 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 offset the added long-term maintenance expenses.

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 consideration to the respective department Director with documented scopes of work, project schedules, estimated project budgets and project criticalities. New projects are also reviewed against existing projects to mitigate any project scope overlap and when approved, forwarded to the Deputy General Manager for concurrence.

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During the annual capital budget process, project participants update data in the project management system to reflect changes in project schedules and funding requirements with a focus on the three upcoming fiscal years. This may cause a project to fall out of the budget year review, yet still be prioritized and ranked for future fiscal years. In addition, project participants conduct a criticality evaluation to prioritize and rank projects based on the risk of deferring or negatively impacting water quality, operations, and system reliability. The risk categories listed below present a framework for project prioritization with Category 4 having the highest risk. Senior management may modify these guidelines or re-prioritize projects based on current needs at any time.

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

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

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

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

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

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

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

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

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

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The table below lists the capital projects included in the LVVWD's capital expenditures for the fiscal year 2026-27.

LVVWD: CAPITAL BUDGET 2026-27

Customer Care & Field Services	**$**	**9,751,000**
AMI Endpoint Replacement		3,861,000
Large Meter Replacements		797,000
Small Meter Replacements		5,093,000
EHS & Corporate Security		**7,585,000**
Security Center Upgrades		2,500,000
LVVWD - Fleet Management		5,085,000
Engineering		**124,246,000**
2500 West Bonanza Rd. Pipeline Replacement		1,790,000
3355 Zone Discharge and Inlet/Outlet Pipeline Phase I		577,000
3355 Zone Discharge and Inlet/Outlet Pipeline Phase II		1,711,000
4125 Zone South Pipelines Phase 2		25,000
4125 Zone South Pipelines Phase 3		101,000
4125 Zone South Reservoir		21,257,000
4660 Zone Pumping Station		128,000
Add UV Treatment to Existing Wells		408,000
Airport Reservoir Permanent Sodium Hypochlorite System		225,000
Angel Park Site - THM Mitigation System Installation		1,003,000
Backflow Retrofit Survey and ROW Support (G0999)		2,391,000
Blue Diamond 3630 Zone Discharge Pipeline and PRV		158,000
Blue Diamond 3630 Zone Pumping Station		638,000
Blue Diamond Well Discharge Pipeline		7,000
Cliffs Edge 3355 Zone Pumping Station		756,000
EAST ADMIN HUMAN RESOURCES RENOVATION (C1500)		127,000
Evaporative Cooling Replacement at Springs Preserve		1,230,000
Fuel station relocation at Valley View		382,000
Iron Mountain 3205 Zone North Pipeline		1,396,000
LAS VEGAS BOULEVARD IMPROVEMENTS, PHASE III (C1497)		13,624,000
LVVWD - Miscellaneous Small Backflow Installations, Phase XVII		989,000
LVVWD Operations Building Telemetry Radio Room Fire Suppression		271,000
MEDICAL DISTRICT ZONE CONVERSION (C1515)		212,000
Meranto Pumping Station Sewer Lateral Installation		236,000
MISCELLANEOUS LARGE BACKFLOW INSTALLATIONS, PHASE XI (C1556)		2,743,000
Miscellaneous Vaults, Reconstruction and Repair, Phase XXIV		85,000
MISCELLANEOUS VAULTS, RECONSTRUCTION AND REPAIR, PHASE XXV		12,000
New Facilities Fiber Optic Cable Installation		87,000
PARADISE ROAD WATER LINE REPLACEMENT (C1477)		27,000
Pipeline Installation and Zone Conversion near Buffalo Drive and Eldora Avenue		219,000
Pipeline Installation and Zone Conversion near Warm Springs Road and Hinson Street		340,000
Pipeline Replacement in Vegas Valley Drive		85,000

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Pipeline Replacement in Wendell Avenue	127,000
REHAB SCCP IN SAHARA AVENUE (C1509)	2,051,000
Reno THM Mitigation System Installation	1,291,000
South Boulevard 2745 Zone Reservoir	23,000,000
South Boulevard 2745 Zone Reservoir Inlet Outlet Pipeline	17,005,000
Vegas Heights Subdivision	3,956,000
Washburn 3355 Zone Reservoir	6,820,000
LVVWD Campus Site - LVVWD Coating and Blast Booth Installation	68,000
Meranto Site - THM Mitigation System Installation	51,000
CENTENNIAL 2635 ZONE RESERVOIR AND 2745 ZONE PUMPING STATION (C1481)	43,000
Valley View Campus HVAC Upgrades	1,006,000
4532 Zone Reservoir	7,098,000
4532 Zone Pumping Station	268,000
Miscellaneous Valve Vault Rehabilitation, Phase I	1,932,000
Valley View Campus Warehouse	179,000
Pipeline Replacement - Highland Drive	1,767,000
2168 Zone Transmission Main Access Vault Improvements - Phase I	1,760,000
Miscellaneous Valve Vault Rehabilitation, Phase II	297,000
Valley View Campus Building Renovations	510,000
North Administration Building	1,471,000
LVVWD Campus - Gate Improvements	102,000
Decatur Pumping Station Offsite Improvements	104,000
Engineering Capital Equipment	100,000
Information Technology	**7,053,471**
C2M Upgrade	1,000,000
Enterprise Asset Management Software Replacement	200,000
Oracle Financials + Chart of Accounts	3,000,000
Enterprise Data Strategy - LIMS Project	100,000
FMMS to the Cloud	546,000
Avantis Historical Viewer	200,000
Itron Temetra Cellular Upgrade	200,000
IT Capital Equipment	1,807,471
Infrastructure Management	**29,783,000**
2035 Zone Flowmeter Installation at Stewart Washington	165,000
Anasazi PS Electrical Equipment Upgrade	719,000
Annual Transformer Replacements	212,000
Campus/Valley AC units	316,000
Developer Assisted Service Upgrades	43,000
District Service Area - Cathodic Protection Test Station Installation/Repair	187,000
Elkhorn 3205 Zone Pumping Station Generator	1,298,000
Far Hills Reservoir Service Water Conversion	85,000
Future Miscellaneous Vault Rehabilitations	1,275,000
LVVWD Facility Improvements	255,000
Minor Capital Program	3,400,000
Oversizing Project	5,000,000

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Pipeline Participation Projects (City/County)	6,800,000
PRV 146 Modification	111,000
Pump Station Compressed Air System Upgrades	81,000
Reservoir Energy Dissipator Drainage Remediation	85,000
Reservoir Hatch Retrofit	128,000
Reservoir Ventilation Improvements	85,000
SCADA Radio Upgrades	128,000
Searchlight Cl2 analyzer addition	43,000
Stewart 2150 Zone Pump Station Flow Meter Installation	123,000
Well 124 Equipping Construction	1,547,000
Well 125 Equipping	2,235,000
WRC Potable Conversions	213,000
LVVWD OT Network and Systems Upgrades	361,000
Multi Site Disinfection Building Upgrades	255,000
LVVWD Process Control Systems Hardware Upgrades	561,000
Pipeline Rehabilitation	1,688,000
LVVWD Ops Bldg Electrical Shop HVAC Upgrades	231,000
Well 26A Equipping	1,054,000
Alta DDG Gate and Wall	650,000
Searchlight Water Tank Mixer Installations at S-1 & S-2	38,000
Springs Preserve Electrical Vault Improvements	113,000
Main NaOCl Bldg Bulk Tank Replacements	213,000
LVVWD - Grounds Renovation	85,000
Legal Services	**2,181,000**
ATLAS Content Services Platform Classification and Search for M365	1,431,000
Apttus Replacement	750,000
Operations	**5,553,000**
Annual Pump Repair	100,000
Electric Motors Repair or Replace	100,000
LVVWD Distribution Division Pipeline Rehabilitation, Replacement, & Installation	300,000
Motor Control Center, Starters, Transformers, and Other Repairs	399,000
Repair or Replace System Valves	277,000
Replace Large Magnetic Flow Meters	100,000
Service Line Replacement	3,000,000
Switchgear IR windows	100,000
Well and Pump Rehabilitation	997,000
Operations Capital Equipment	180,000
Public Services	**7,500,000**
Springs Preserve Misc. Capital 22-32	1,000,000
Springs Preserve Origen Museum Remodel	6,500,000
Water Resources	**381,000**
Hinson Well-Site Evaluation and Near-Field Monitor Well Construction	381,000
TOTAL CAPITAL	**194,033,471**

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LAS VEGAS VALLEY WATER DISTRICT
CAPITAL IMPROVEMENTS PLAN
2017
LAS VEGAS VALLEY
WATER DISTRICT

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LAS VEGAS VALLEY WATER DISTRICT
Capital Improvement Plan 2017-2027

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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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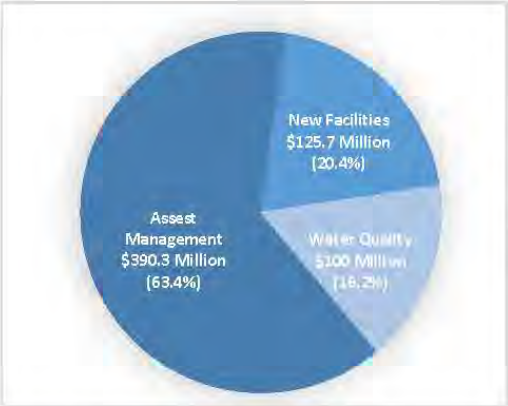

Figure 1.2: Cost Distribution by Improvement Type

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.

Figure1.3: 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.

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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.

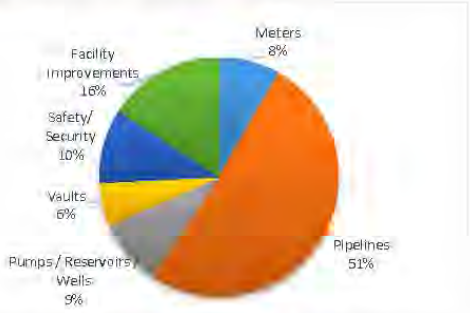
The LVVWD's infrastructure management strategy is based on several foundational principles:

- 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.

Figure1.5: 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 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.

Image: Valve/Vault Repair

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 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.

Image: LVVWD Groundwater Well

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**	

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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

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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)
2025	2,465,431	N/A	N/A	N/A
2024	2,421,685	66,952	160,608	80,047
2023	2,371,586	64,058	150,811	75,103
2022	2,331,934	60,318	140,057	70,838
2021	2,333,092	58,410	134,148	63,735

Calendar Year	LVVWD Service Area Population	School Enrollment (4)	Total Labor Force(5)	Unemployment Rate (6)
2025	1,617,720	288,326	1,246,567	5.6%
2024	1,587,809	296,145	1,218,685	5.8%
2023	1,562,846	299,186	1,188,035	5.4%
2022	1,539,277	304,276	1,145,666	5.6%
2021	1,539,067	310,556	1,092,773	7.8%

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 (Retrieved from FRED, Federal Reserve Bank of St. Louis)

(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. 2025 is for School Year 2025-2026)

(5) Bureau of Labor Statistics (Local Area Unemployment Statistics) annual averages.

(6) Bureau of Labor Statistics (annual averages).

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Top Ten Employers [1]

Clark County, Nevada

Calendar Year 2025

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
MGM Grand	5,000 to 9,999	4
Flamingo Las Vegas Hotel-	5,000 to 9,999	5
Orleans Hotel & Casino	5,000 to 9,999	6
Mandalay Bay	5,000 to 9,999	7
Caesars Palace Las Vegas	5,000 to 9,999	8
Aquarius Casino Resort BW	5,000 to 9,999	9
Planet Hollywood Las Vegas	5,000 to 9,999	10

Total Labor Force [3]	1,246,567

Sources:

'(1) Nevada Department of Employment, Training & Rehabilitation (DETR). The data is a 2nd release of 2025 (as of March 12, 2026). 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.

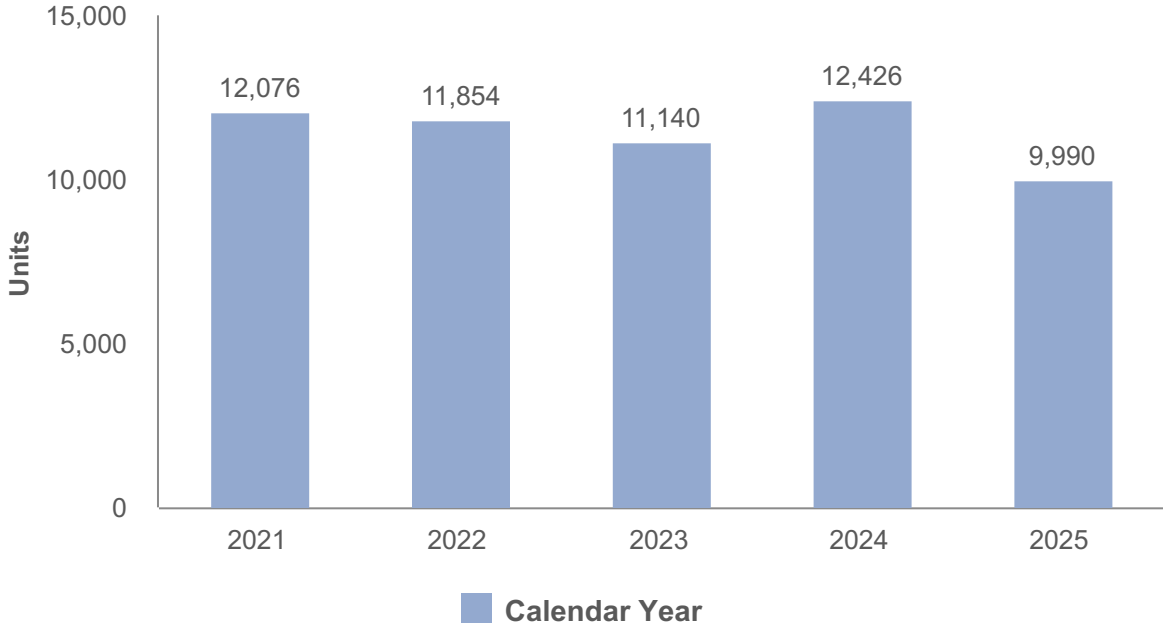
(2) Nevada law prohibits the disclosure of exact employee counts. All employee counts are shown in ranges.

'(3) Total Labor Force is sourced from Bureau of Labor Statistics (Local Area Unemployment Statistics) for calender year 2025 for the Clark County.

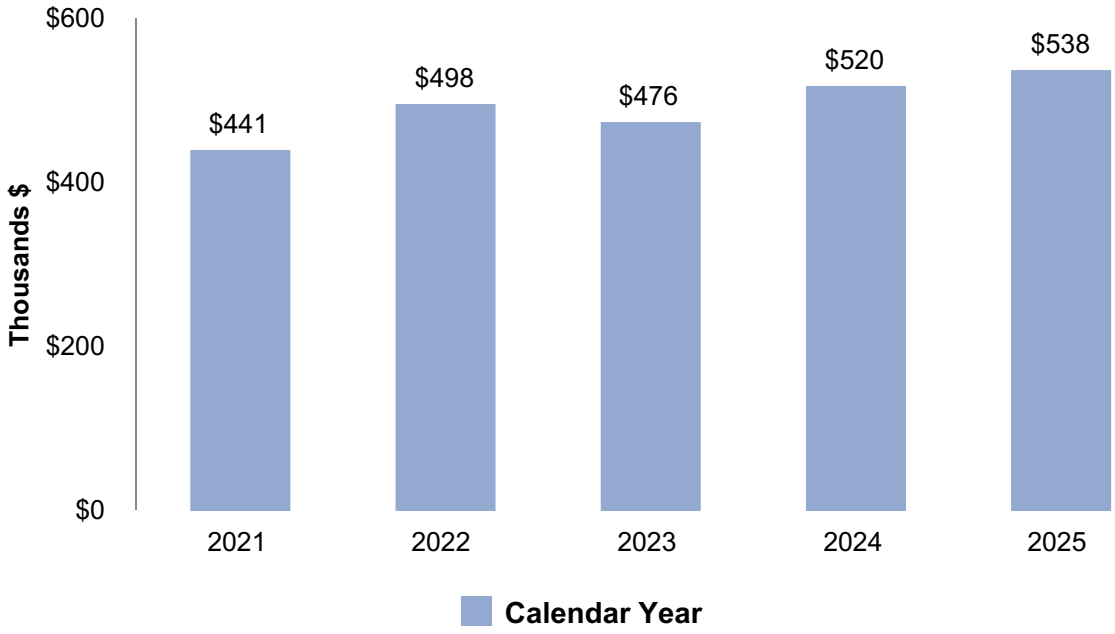
Residential Real Estate

Clark County, Nevada

New Home Sales



New Home Median Price



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Secured Tax Roll

Clark County, Nevada

2026-27

	Taxpayer	Taxable Assessed	Taxable Appraised
1.	VICI PROPERTIES INC	$5,632,351,631	$16,092,433,231
2.	THE BLACKSTONE GROUP	2,502,884,539	7,151,098,682
3.	CAESARS ENTERTAINMENT CORPORATION	1,395,444,434	3,986,984,097
4.	WYNN RESORTS LIMITED	1,208,274,720	3,452,213,485
5.	HOWARD HUGHES CORPORATION	1,170,060,638	3,343,030,394
6.	STATION CASINOS LIMITED LIABILITY COMPANY	901,739,238	2,576,397,824
7.	GENTING GROUP	638,813,630	1,825,181,800
8.	BOYD GAMING CORPORATION	607,800,269	1,736,572,197
9.	WITKOFF	572,158,271	1,634,737,918
10.	PROLOGIS	565,679,920	1,616,228,342
		$ 15,195,207,290	$ 43,414,877,970

'Source: Clark County Assessor's Report Dated April 1, 2026. 2026-2027 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	2020 Temperature Max.	2020 Temperature Min.	2020 Rainfall	2021 Temperature Max.	2021 Temperature Min.	2021 Rainfall	2022 Temperature Max.	2022 Temperature Min.	2022 Rainfall
January	60	41	0.0	59	40	0.2	60	39	0.1
February	64	44	0.3	64	45	0.0	64	42	0.0
March	67	50	1.6	68	47	0.6	73	50	0.1
April	80	59	0.4	83	60	0.0	81	59	0.0
May	92	69	0.0	90	67	0.0	89	66	0.0
June	99	75	0.0	104	81	0.0	101	78	0.0
July	107	83	0.0	106	84	0.5	104	82	0.7
August	107	84	0.0	104	82	0.0	101	82	0.6
September	99	74	0.0	97	75	0.1	97	76	0.5
October	88	62	0.0	78	57	0.1	83	62	0.0
November	69	48	0.0	74	53	0.0	62	43	0.1
December	59	38	0.0	58	41	0.3	58	40	0.1
Average Annual Temperature/ Total Rainfall	**82.5**	**60.5**	**2.4**	**82.1**	**61.0**	**1.9**	**81.1**	**59.8**	**2.1**

Month	2023 Temperature Max.	2023 Temperature Min.	2023 Rainfall	2024 Temperature Max.	2024 Temperature Min.	2024 Rainfall	2025 Temperature Max.	2025 Temperature Min.	2025 Rainfall
January	55	39	0.7	58	42	0.3	57	38	0.0
February	59	40	0.3	61	45	1.0	68	48	0.6
March	63	46	0.5	66	49	0.7	71	51	0.0
April	80	57	0.0	79	56	0.2	80	59	0.0
May	89	67	0.0	91	69	0.0	90	68	1.4
June	93	72	0.2	106	83	0.0	102	78	0.0
July	109	86	0.0	112	88	0.1	104	81	0.0
August	100	79	1.2	105	83	0.0	104	83	0.0
September	92	71	1.5	98	75	0.0	94	73	0.3
October	83	61	0.1	88	65	0.0	81	61	1.0
November	68	49	0.1	64	46	0.0	71	53	1.6
December	63	44	0.1	63	43	0.0	64	46	0.5
Average Annual Temperature/ Total Rainfall	**79.4**	**59.1**	**4.6**	**82.6**	**61.9**	**2.3**	**82.0**	**61.6**	**5.4**

Average Monthly Consumption Per Active Service

Thousands of Gallons

Month	2021	2022	2023	2024	2025	Average
January	13.9	13.5	13.3	13.3	13.3	13.5
February	13.0	13.1	13.0	12.0	12.9	12.8
March	16.6	17.4	15.3	14.3	15.3	15.8
April	20.3	20.4	16.4	17.5	17.7	18.5
May	24.9	23.6	23.0	21.5	20.9	22.8
June	32.1	30.1	27.7	28.5	26.8	29.1
July	30.2	28.7	24.6	26.1	24.6	26.9
August	29.9	29.2	29.7	28.7	26.9	28.9
September	28.1	24.4	21.9	25.1	23.5	24.6
October	22.7	22.7	19.1	20.7	23.5	21.7
November	17.1	17.6	17.3	17.0	10.0	15.8
December	14.4	13.2	13.8	13.0	12.1	13.3
Total for Year	**263.3**	**253.9**	**235.1**	**237.6**	**227.4**	**243.5**
Average Month	**21.9**	**21.2**	**19.6**	**19.8**	**18.9**	**20.3**
Maximum Month	**32.1**	**30.1**	**29.7**	**28.7**	**26.9**	**29.1**
Minimum Month	**13.0**	**13.1**	**13.0**	**12.0**	**10.0**	**12.8**

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

Class of Service	2021	2022	2023	2024	2025
Residential - Single Service	129	123	110	103	104
Residential - Duplex/Triplex/Fourplex	233	226	208	190	194
Apts. Condos, & Townhomes	3,956	3,972	3,731	3,693	3,775
Residential, Other	5,513	5,254	5,240	5,406	5,575
Subtotal (Residential)	9,831	9,575	9,289	9,392	9,648
Hotels	29,816	34,375	33,822	35,091	33,708
Motels	4,583	4,614	4,473	4,697	4,653
Community Facilities	2,006	1,885	1,809	1,923	1,923
Schools	2,159	2,352	2,057	1,966	2,024
Fireline	108	136	140	114	141
Irrigation	2,153	1,960	1,861	1,712	1,804
Commercial/Business	995	1,019	973	953	998
Recreational	2,859	2,840	2,473	2,553	2,686
Industrial	1,032	1,089	1,036	980	1,000
Construction Water	593	579	383	324	286
Other	3,243	148	5,592	3,594	3,881
Subtotal (Non-Residential)	49,547	50,997	54,619	53,907	53,104
TOTAL	**59,376**	**60,573**	**63,910**	**63,299**	**62,752**

Percent of Total Water Billed by Class of Service

Class of Service	2020	2021	2022	2023	2024	2025
Residential - Single Service	43.7%	43.9%	42.4%	41.2%	40.4%	40.3%
Residential - Duplex/Triplex/Fourplex	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Apts. Condos, & Townhomes	16.0%	16.2%	16.4%	16.5%	17.0%	16.8%
Residential, Other	1.1%	1.1%	1.0%	1.1%	1.1%	1.1%
Subtotal (Residential)	61.4%	61.7%	60.4%	59.3%	59.1%	58.7%
Hotels	7.6%	6.8%	8.4%	8.7%	9.4%	8.9%
Motels	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%
Community Facilities	2.0%	2.0%	1.9%	1.9%	2.1%	2.1%
Schools	1.6%	1.5%	1.6%	1.6%	1.6%	1.5%
Fireline	0.6%	0.6%	0.7%	0.8%	0.7%	0.8%
Irrigation	14.1%	14.4%	13.6%	13.9%	13.5%	14.2%
Commercial/Business	8.2%	8.1%	8.4%	8.6%	8.7%	8.9%
Recreational	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Industrial	1.2%	1.2%	1.3%	1.3%	1.3%	1.3%
Construction Water	1.3%	1.8%	1.4%	1.4%	1.5%	1.4%
Other	0.8%	0.8%	1.0%	1.2%	0.8%	0.8%
Subtotal (Non-Residential)	38.6%	38.3%	39.6%	40.7%	40.9%	41.3%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

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

Month	2020 Avg. Use	2020 Avg. Revenue	2021 Avg. Use	2021 Avg. Revenue	2022 Avg. Use	2022 Avg. Revenue
January	12.8	$80.7	13.9	$84.9	13.5	$86.2
February	14.8	86.3	13.0	79.7	13.1	84.4
March	16.3	92.8	16.6	95.1	17.4	103.6
April	15.9	87.7	20.3	108.0	20.4	114.3
May	21.8	111.6	24.9	126.1	23.6	129.5
June	31.0	155.8	32.1	161.3	30.1	163.1
July	30.6	143.5	30.2	149.4	28.7	152.4
August	32.8	159.1	29.9	152.4	29.2	152.0
September	30.0	149.1	28.1	141.2	24.4	134.4
October	23.5	120.3	22.7	118.2	22.7	125.3
November	18.3	99.2	17.1	96.9	17.6	104.6
December	13.2	81.6	14.4	86.7	13.2	87.9
Monthly Average	**21.8**	**$114.0**	**21.9**	**$116.7**	**21.2**	**$119.8**

Month	2023 Avg. Use	2023 Avg. Revenue	2024 Avg. Use	2024 Avg. Revenue	2025 Avg. Use	2025 Avg. Revenue
January	13.3	$94.9	13.3	$101.5	13.3	$103.6
February	13.0	97.6	12.0	94.7	12.9	101.4
March	15.3	107.4	14.3	104.9	15.3	112.5
April	16.4	110.4	17.5	119.0	17.7	123.5
May	23.0	143.7	21.5	137.6	20.9	138.9
June	27.7	161.0	28.5	171.6	26.8	167.6
July	24.6	159.2	26.1	172.1	24.6	167.0
August	29.7	181.1	28.7	184.0	26.9	176.5
September	21.9	140.1	25.1	163.6	23.5	158.1
October	19.1	123.8	20.7	131.6	23.5	153.0
November	17.3	115.3	17.0	116.0	10.0	85.3
December	13.8	99.4	13.0	102.2	12.1	100.2
Monthly Average	**19.6**	**$127.8**	**19.8**	**$133.2**	**18.9**	**$132.3**

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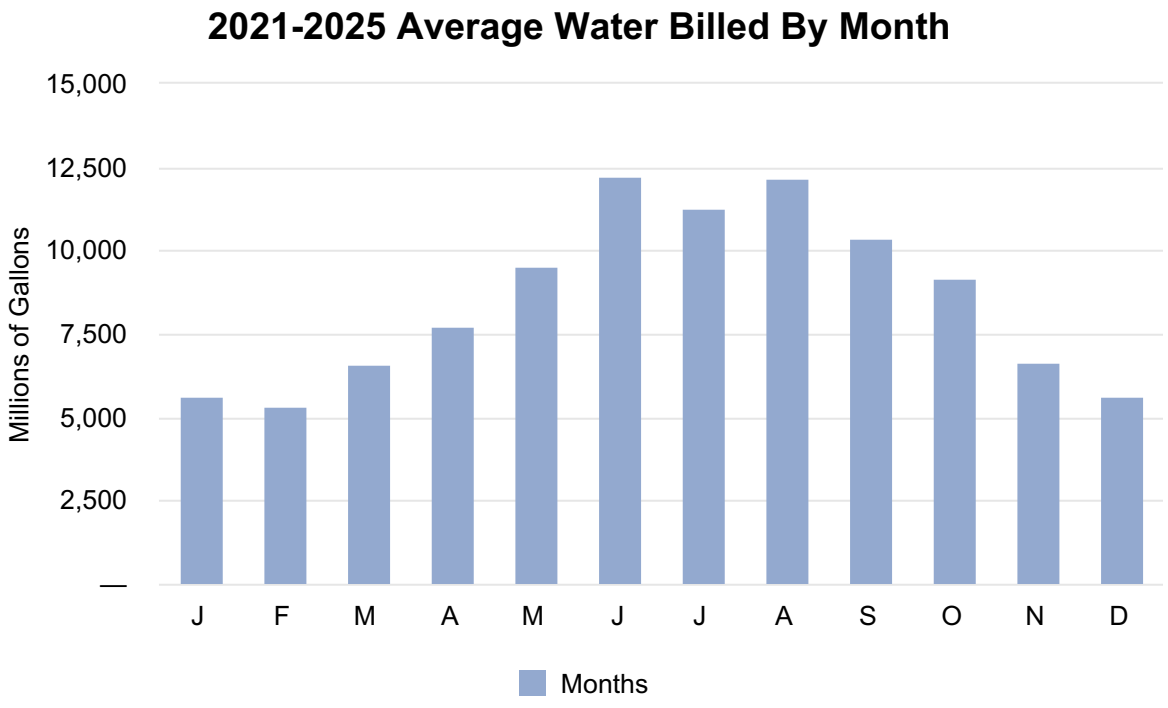
Water Billed by Month
Millions of Gallons

Month	2021	2022	2023	2024	2025
January	5,636	5,569	5,539	5,632	5,773
February	5,297	5,403	5,414	5,120	5,595
March	6,749	7,161	6,392	6,087	6,635
April	8,291	8,397	6,881	7,478	7,707
May	10,168	9,735	9,636	9,169	9,100
June	13,129	12,413	11,631	12,208	11,695
July	12,360	11,864	10,357	11,207	10,727
August	12,236	12,086	12,491	12,340	11,764
September	11,527	10,097	9,226	10,801	10,277
October	9,292	9,392	8,085	8,932	10,292
November	7,028	7,313	7,330	7,324	4,372
December	5,921	5,491	5,830	5,606	5,297
Total	**107,635**	**104,922**	**98,815**	**101,903**	**99,236**



SECTION 8

DEBT MANAGEMENT POLICY

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LAS VEGAS VALLEY WATER DISTRICT™

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Debt Management Policy

In Accordance With
NRS 350.013

LAS VEGAS VALLEY WATER DISTRICT™

June 30, 2026

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Introduction

The Las Vegas Valley Water District (LVVWD) was created under a special act of the Nevada State Legislature in 1947 as a governmental subdivision of the State of Nevada (State) and a quasi-municipal corporation.

The purpose of the LVVWD is to distribute water within its service territory. Its boundaries originally consisted primarily of the Las Vegas Valley. In July 1989, the Nevada Legislature extended the boundaries of the LVVWD to be coterminous with the boundaries of Clark County (County). In July 1993, the Nevada Legislature excluded the Virgin Valley Water District from the LVVWD's boundaries. Nellis Air Force Base and the cities of Boulder City, Henderson, Mesquite, and North Las Vegas have their own municipal water systems.

The County Board of Commissioners also serves as the LVVWD's Board of Directors (Board). The LVVWD is reported as a blended component 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 is presented as the sole reporting entity.

The LVVWD has several mechanisms to finance its capital needs.

- **Bank Loan.** The LVVWD can take a loan from a bank. However, bond issuance is typically preferred over loans because bonds typically provide lower interest rates, longer repayment terms, and access to larger amounts of capital.
- **LVVWD Bonds.** The LVVWD can issue bonds secured with its own credit, including both general obligation and revenue-backed bonds, as authorized under Nevada law.
- **County Bond Bank.** Through the Clark County Nevada Bond Bank (County Bond Bank), the County issues bonds using its stronger credit rating and lends the proceeds to local governments within its boundaries. This structure enables participating local agencies, including the LVVWD, to finance long-term infrastructure at a lower effective cost.
- **State Bond Bank.** The Nevada Municipal Bond Bank (State Bond Bank) is a State created financing program, established by the Nevada Legislature in 1981, that allows the State of Nevada to issue its own general obligation bonds and use the proceeds to purchase local government bonds, thereby enabling cities, counties, water districts, and other political subdivisions to borrow at lower interest rates than they could obtain on their own. The program works by pooling local borrowing needs and leveraging the State's generally stronger credit rating, reducing borrowing costs for local entities and supporting public infrastructure investment across Nevada.
- **SRF Loan.** Nevada's Drinking Water State Revolving Fund (DWSRF) is a federal–state partnership administered by the Nevada Division of Environmental Protection (NDEP) that provides low-interest loans—and in some cases, principal forgiveness—to publicly and privately owned drinking water systems to finance infrastructure projects that protect public health and ensure compliance with the Safe Drinking Water Act. The program funds projects such as drinking water treatment improvements, replacement of aging pipes, development or protection of water sources, and construction or rehabilitation of storage facilities.

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The table below summarizes the current credit ratings for each of the bond issuing options, all of which are considered high investment grade or better.

Issuer	S&P Global Ratings	Moody's Investor Service
LVVWD	AA+	Aa1
County Bond Bank	AAA	Aa1
State Bond Bank	AA+	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.

Nevada Revised Statute (NRS) 350.013 outlines the legal requirements for local governments to adopt and submit a debt management policy:

> "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:
> (c) A written statement of the debt management policy of the municipality, which must include, without limitation:
> (1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;
> (2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;
> (3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this State;
> (4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;

(5) Policy regarding the manner in which the municipality expects to sell its debt;
(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and
(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.

Debt Affordability

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 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 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 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 LVVWD 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 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 the Bonds have been discharged in full or provision for their payment and redemption has been fully made.

The payment of the LVVWD Bonds is not secured by an encumbrance, mortgage, or other pledge of property of the LVVWD, and no property shall be liable to be forfeited or taken in payment of the LVVWD Bonds, provided the payment of the bonds is secured by the proceeds of general (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 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 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 Las Vegas Valley Water District Act, Chapter 167, Statutes of Nevada 1947, as amended (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 approximately $92 million in bonds during fiscal year 2026-27. 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 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.

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Bonded Indebtedness. The following table shows the outstanding LVVWD Bonds as of June 30, 2026.

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	11,038,428
2016 SRF Loan	Sep-16	15,000,000	9,828,072
2017 SRF Loan	May-17	15,000,000	10,127,460
2017A	Mar-17	130,105,000	91,730,000
2018A	Jun-18	100,000,000	72,835,000
2020B	Mar-20	22,240,000	16,730,000
2020C	Jul-20	100,000,000	87,800,000
2020D	Apr-20	98,080,000	69,630,000
2021B	Mar-21	32,795,000	6,150,000
2022B	Mar-22	31,495,000	31,495,000
2022D	Jun-22	70,555,000	65,560,000
2023A	Oct-23	185,860,000	185,860,000
2026B	Mar-26	59,020,000	59,020,000
Total			$ 793,798,960

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 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 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 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 Bonds.

Nevada statutes provide that no act concerning the SNWA 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 the Bonds have been discharged in full or provision for their payment and redemption has been fully made.

The payment of the SNWA 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 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 recourse shall be had

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for the payment of the principal of, interest on, or any prior redemption premiums due in connection with municipal securities such as the SNWA 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 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 $512 million in bonds during fiscal year 2026-27. 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.

Bonded Indebtedness. The following table shows the outstanding SNWA Bonds as of June 30, 2026.

The following table shows the outstanding SNWA Water Bonds as of June 30, 2025.

Bond Series	Issue Date	Original Amount Issued	Outstanding Principal
2017B	Mar-17	22,115,000	$ 9,010,000
2019A	Mar-19	107,975,000	88,325,000
2019B	Oct-19	90,280,000	6,315,000
2020A	Mar-20	123,860,000	80,645,000
2021A	Mar-21	144,685,000	79,445,000
2021C	Mar-21	208,145,000	142,610,000
2022A	Feb-22	292,240,000	270,545,000
2022C	Mar-22	253,820,000	219,780,000
2024A	Sep-24	286,255,000	286,255,000
2025A	Jun-25	415,000,000	394,430,000
2026A	Mar-26	335,060,000	335,060,000
Total			$ 1,912,420,000

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 is not subject to a specific statutory debt limit for its general obligation bonds. The LVVWD's authority to incur additional general obligation debt is governed exclusively by the LVVWD Act. Accordingly, the LVVWD's capacity to incur general obligation debt is limited only by its ability to generate sufficient revenues to support the debt service.

Debt 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 general obligation debt that is paid from property taxes. Instead, the existing LVVWD Bonds and SNWA Bonds are paid from pledged 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*."

Purpose of Issuing Bonds

The LVVWD may issue bonds for the following purposes:

1. **Capital Financing.** Bonds are issued to finance the acquisition, construction, or improvement of long-lived assets such as water systems, treatment facilities, pipelines, and other infrastructure. Financing capital projects with long-term debt allows costs to be allocated over the useful life of the assets so that those who benefit from the infrastructure share in its costs.
2. **Refunding Outstanding Debt.** Bonds may also be issued to refund existing debt. Refunding transactions may be undertaken to achieve interest cost savings, restructure debt service requirements, reduce financial or market risk, or remove restrictive or outdated bond covenants.

Method of Issuing Bonds

Bonds may be sold through either a competitive (public) sale or a negotiated sale. NRS 350.105 through 350.195 prescribe the circumstances under which a local government must use each method, and the LVVWD will comply with all statutory requirements when determining the appropriate

approach for any bond issuance. Consistent with best-practice recommendations of the Government Finance Officers Association, the LVVWD recognizes that competitive sales should be used whenever feasible.

Both competitive and negotiated sales may involve one or more pricings, depending upon market conditions or other relevant factors. Each method can provide flexibility to adjust key transaction components such as sale dates, issue size, maturity structure, term, and other bond features. The timing of any sale will be coordinated to comply with the Nevada Open Meeting Law and to ensure transparency and adequate public notice.

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, the LVVWD enters into an exclusive relationship with an underwriter or underwriting syndicate, and the bonds are awarded following successful negotiation of the terms. A negotiated sale may be used when one or more of the following criteria exist:

1. **Exceptionally large issue size** that may require specialized underwriting capacity.
2. **Complex financing structure**, such as new security features, variable rate instruments, derivatives, or certain revenue issues that provide a distinct benefit to the LVVWD.
3. **Marketing challenges** arising from credit considerations or the likelihood of insufficient competitive bids.
4. **Private placement** or sale to another municipality, the state, or a federal agency.
5. **Other circumstances** in which the LVVWD determines that a competitive sale would not be the most effective method of securing favorable financing.

Equal Opportunity

The LVVWD is committed to equal opportunity. Minority- and women-owned business enterprises will not be disadvantaged on the basis of such status. Underwriters are encouraged to support this commitment throughout their underwriting, sales, and distribution activities.

Underwriter Selection for Negotiated Sale

1. **Pre-qualification.** When a negotiated sale is anticipated, the Chief Financial Officer (CFO) will develop a list of pre-qualified underwriters. This list will consist of firms that have submitted bids for LVVWD competitive bond issues within the past five years.

2. **Request for Proposal.** The CFO will issue a Request for Proposal (RFP) to all underwriters on the pre-qualified list and will determine the RFP format. Each firm will be required to submit detailed spread quotations, including:
   - **Management fee**
   - **Direct expenses**

- **Underwriting fee**
- **Takedown (sale concession)**

3. **Proposal Evaluation.** Proposals will be evaluated based on responsiveness to the RFP, demonstrated experience, and overall cost.

4. **Designation of the Underwriting Syndicate.** The CFO will designate the book-running senior manager and other members of the underwriting syndicate. It is the LVVWD's intent to provide equal opportunity for firms to serve as book-running senior manager. Accordingly, the CFO will rotate the senior manager role on a deal-by-deal basis when multiple issues are sold for the same project with different dates.

5. **Team Composition.** The underwriting team should include firms with a mix of institutional, retail, and regional sales strengths.

6. **Syndicate Size and Structure.** The number of underwriters included in the syndicate, as well as the appropriateness of appointing more than one senior manager, will be determined based on the size and complexity of the bond issue.

Underwriting Spread

Before work begins on any bond issue to be sold through a negotiated sale, the underwriter must provide the CFO with a detailed estimate of all components of their compensation. This information should be included in the firm's response to the RFP or, if not provided at that time, submitted immediately following the firm's designation as underwriter.

The book-running senior manager must also submit an updated estimate of the expense component of gross spread to the CFO with sufficient lead time before pricing to allow for review and approval.

Establishment of a Selling Group

When deemed appropriate by the CFO, a selling group will also be established to support the underwriting team in marketing the bond issue.

Priority of Orders

For negotiated sales, orders will be allocated according to the following priority:

1.Nevada Investors
2. Group Orders
3. Designated Orders
4. Member Orders

For underwriting syndicates consisting of three or more underwriters, a three-firm rule will apply for net designated orders:

1. The takedown on net designated orders must be allocated to benefit at least three firms within the underwriting team.

2. No firm may receive more than 50% of the takedown, and each participating firm must receive no less than 5% of the takedown.

Allocation of Bonds

1. The book-running senior manager will be responsible for ensuring that the allocation of bonds supports the LVVWD's objectives of achieving the most favorable pricing for the issue and maintaining a balanced and appropriate distribution of the bonds.

2. The CFO will review and approve the final bond allocation, taking into consideration the recommendation and rationale provided by the book-running senior manager.

Refundings

A refunding occurs when the LVVWD issues bonds and uses the proceeds to redeem outstanding bonds. Key terms are defined as follows:

- **Current Refunding.** A refunding in which the escrow period is 90 days or less.
- **Gross Savings.** The difference between debt service on refunded bonds and the debt service on refunding bonds, plus any contribution from a reserve or debt service fund.
- **Present Value Savings.** The present value of gross savings, discounted at the yield of the refunding bonds to the closing date, plus accrued interest, and reduced by any contribution from a reserve or debt service fund.

Before initiating a refunding transaction, the LVVWD will review an estimate of the potential savings. The LVVWD may also evaluate future refunding opportunities by reviewing pro forma schedule illustrating savings under various timing scenarios.

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

1. Present value savings are estimated to be at least **3% of the par amount** of the refunding bonds at when initially presented to the Board.
2. The outstanding bonds contain **restrictive or outdated covenants** that the LVVWD seeks to eliminate or modify.
3. A **restructuring of debt** is considered beneficial to the LVVWD's financial position or long-term strategy.

The LVVWD may pursue refundings not meeting these criteria if savings exceed issuance costs and if current savings are reasonable relative to potential future savings.

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Maturity Structures

The term of any LVVWD debt issuance should not exceed the useful life of the project or equipment financed. When appropriate, the LVVWD will structure its debt to provide either level principal or level debt service. Deferral of principal repayment should generally be avoided unless project revenues are not expected to be sufficient to cover debt service in the early years, or if such deferral helps the LVVWD to achieve an overall level debt service profile across all outstanding bonds.

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 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.

Bond Insurance

The LVVWD may consider the purchase of bond insurance as part of the structure of a bond issue. Bond insurance may be obtained by either the LVVWD or the underwriter for the entire issue or selected maturities to guarantee payment of principal and interest. While bond insurance can improve credit ratings and potentially reduce borrowing costs, any expected savings must be evaluated against the cost of the insurance premium.

Decisions regarding whether to purchase insurance directly or allow a bidder's option should consider factors such as:

- Market volatility
- Investor demand for insured bonds
- Prevailing insurance premium levels
- The LVVWD’s ability to fund the premium from bond proceeds

Bond insurance may be purchased directly by the LVVWD prior to the bond sale (direct purchase) or by the underwriter at its own expense (bidder's option). The LVVWD will seek to qualify its bond issues for insurance through bond insurers rated AAA by Moody's Investors Service or Standard & Poor's. When

the LVVWD purchases insurance directly, the present value of the estimated debt service savings must be equal to or exceed the cost of the insurance premium. The insurer will typically be selected based on the projected greatest net present value insurance benefit (present value of savings minus premium).

Financing Sources

Before selecting the financing method, the LVVWD will evaluate available State and County bond financing programs. The LVVWD may elect to use such programs when they can issue bonds in a manner that satisfies the LVVWD's needs, including the lowest cost of capital.

Operation Costs and Revenue Sources for Projects

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.

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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:	Paul Johnson
TITLE:	Chief Financial Officer
ADDRESS:	1001 South Valley View Boulevard Las Vegas, NV 89153
TELEPHONE:	(702) 822-8337

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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. Proposed Debt Service Secured by LVVWD Pledged Revenues

6. Proposed Debt Service Secured by SNWA Pledged Revenues

7. Existing and Proposed Debt Service Secured by LVVWD Pledged Revenues

8. Existing and Proposed Debt Service Secured by SNWA Pledged Revenues

9. Existing and Proposed Debt Service Secured all Revenue Pledges

10. Net Pledged Revenues

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Next Five Years of Existing and Proposed Debt Service
As of June 30, 2026

Fiscal Year	LVVWD Revenue Pledge [1]	SNWA Revenue Pledge [2]	Total
2027	$ 69,919,648	$ 185,194,443	$ 255,115,090
2028	75,672,875	187,562,444	263,235,319
2029	75,691,870	194,759,059	270,450,929
2030	75,667,069	194,751,492	270,418,561
2031	78,676,157	180,050,820	258,726,977
Total [3]	$ 375,627,619	$ 942,318,257	$ 1,317,945,875

[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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Existing Debt Service Additionally Secured by LVVWD Pledged Revenues
As of June 30, 2026

Fiscal Year	Principal	Interest	Total
2027	$ 33,541,390	$ 34,086,063	$ 67,627,453
2028	37,256,961	32,485,992	69,742,952
2029	39,079,073	30,684,600	69,763,672
2030	40,947,763	28,792,920	69,740,682
2031	45,943,069	26,808,603	72,751,672
2032	48,040,030	24,704,872	72,744,903
2033	42,873,685	22,603,447	65,477,133
2034	44,544,076	20,935,854	65,479,930
2035	45,474,275	19,281,120	64,755,395
2036	46,448,149	17,575,178	64,023,327
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
2054	-	-	-
2055	-	-	-
2056	-	-	-
2057	-	-	-
Totals *	$ 793,798,960	$ 382,640,393	$ 1,176,439,353

* Totals may be off slightly due to rounding.

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Existing Debt Service Additionally Secured by SNWA Pledged Revenues
As of June 30, 2026

Fiscal Year	Principal	Interest	Total
2027	$ 82,595,000	$ 89,796,875	$ 172,391,875
2028	68,775,000	85,667,125	154,442,125
2029	79,420,000	82,228,375	161,648,375
2030	83,375,000	78,275,925	161,650,925
2031	72,815,000	74,145,875	146,960,875
2032	92,830,000	70,619,500	163,449,500
2033	109,245,000	66,522,450	175,767,450
2034	114,010,000	61,761,500	175,771,500
2035	85,775,000	57,191,450	142,966,450
2036	89,765,000	53,198,850	142,963,850
2037	93,950,000	49,017,150	142,967,150
2038	122,815,000	44,637,050	167,452,050
2039	153,010,000	38,825,100	191,835,100
2040	59,265,000	31,442,150	90,707,150
2041	61,940,000	28,757,150	90,697,150
2042	64,755,000	25,949,450	90,704,450
2043	63,270,000	23,012,600	86,282,600
2044	66,305,000	19,971,600	86,276,600
2045	69,500,000	16,783,750	86,283,750
2046	47,410,000	13,441,250	60,851,250
2047	22,765,000	11,188,488	33,953,488
2048	23,775,000	10,172,450	33,947,450
2049	24,820,000	9,110,575	33,930,575
2050	25,920,000	8,001,275	33,921,275
2051	37,930,000	6,841,975	44,771,975
2052	22,280,000	5,060,213	27,340,213
2053	23,450,000	3,890,513	27,340,513
2054	24,680,000	2,659,388	27,339,388
2055	25,975,000	1,363,688	27,338,688
2056	-	-	-
2057	-	-	-
Totals *	$ 1,912,420,000	$ 1,069,533,738	$ 2,981,953,738

* Totals may be off slightly due to rounding.

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Existing Debt Service all Pledged Revenues
As of June 30, 2026

Fiscal Year	Principal	Interest	Total
2027	$ 116,136,390	$ 123,882,938	$ 240,019,328
2028	106,031,961	118,153,117	224,185,077
2029	118,499,073	112,912,975	231,412,047
2030	124,322,763	107,068,845	231,391,607
2031	118,758,069	100,954,478	219,712,547
2032	140,870,030	95,324,372	236,194,403
2033	152,118,685	89,125,897	241,244,583
2034	158,554,076	82,697,354	241,251,430
2035	131,249,275	76,472,570	207,721,845
2036	136,213,149	70,774,028	206,987,177
2037	125,900,490	64,817,196	190,717,686
2038	154,460,000	59,168,956	213,628,956
2039	185,490,000	52,050,418	237,540,418
2040	93,310,000	43,103,188	136,413,188
2041	79,315,000	38,773,863	118,088,863
2042	82,820,000	35,281,463	118,101,463
2043	82,050,000	31,625,563	113,675,563
2044	85,830,000	27,834,913	113,664,913
2045	89,815,000	23,860,350	113,675,350
2046	68,550,000	19,697,300	88,247,300
2047	44,755,000	16,588,550	61,343,550
2048	46,655,000	14,679,888	61,334,888
2049	42,955,000	12,687,038	55,642,038
2050	44,790,000	10,833,650	55,623,650
2051	52,760,000	8,885,875	61,645,875
2052	37,815,000	6,401,263	44,216,263
2053	35,540,000	4,495,013	40,035,013
2054	24,680,000	2,659,388	27,339,388
2055	25,975,000	1,363,688	27,338,688
2056	-	-	-
Totals *	$ 2,706,218,960	$ 1,452,174,131	$ 4,158,393,091

* Totals may be off slightly due to rounding.

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Proposed Debt Service Secured by LVVWD Pledged Revenues
As of June 30, 2026

Fiscal Year	Principal	Interest	Total
2027	$ -	$ 2,292,195	$ 2,292,195
2028	1,380,033	4,549,890	5,929,923
2029	1,449,035	4,479,163	5,928,198
2030	1,521,486	4,404,900	5,926,386
2031	1,597,561	4,326,924	5,924,484
2032	1,677,439	4,245,049	5,922,488
2033	1,761,311	4,159,080	5,920,391
2034	1,849,376	4,068,813	5,918,189
2035	1,941,845	3,974,032	5,915,877
2036	2,038,937	3,874,513	5,913,450
2037	2,140,884	3,770,017	5,910,901
2038	2,247,928	3,660,297	5,908,225
2039	2,360,325	3,545,090	5,905,415
2040	2,478,341	3,424,124	5,902,465
2041	2,602,258	3,297,109	5,899,367
2042	2,732,371	3,163,743	5,896,114
2043	2,868,990	3,023,709	5,892,699
2044	3,012,439	2,876,673	5,889,113
2045	3,163,061	2,722,286	5,885,347
2046	3,321,214	2,560,179	5,881,393
2047	3,487,275	2,389,967	5,877,242
2048	3,661,639	2,211,244	5,872,883
2049	3,844,721	2,023,585	5,868,305
2050	4,036,957	1,826,543	5,863,500
2051	4,238,804	1,619,649	5,858,453
2052	4,450,745	1,402,410	5,853,155
2053	4,673,282	1,174,310	5,847,591
2054	4,906,946	934,804	5,841,750
2055	5,152,293	683,323	5,835,616
2056	5,409,908	419,268	5,829,176
2057	5,680,403	142,010	5,822,413
Totals *	$ 91,687,808	$ 87,244,897	$ 178,932,705

* Totals may be off slightly due to rounding.

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Proposed Debt Service Secured by SNWA Pledged Revenues
As of June 30, 2026

Fiscal Year	Principal	Interest	Total
2027	$ -	$ 12,802,568	$ 12,802,568
2028	7,707,881	25,412,438	33,120,319
2029	8,093,275	25,017,409	33,110,684
2030	8,497,938	24,602,629	33,100,567
2031	8,922,835	24,167,109	33,089,945
2032	9,368,977	23,709,814	33,078,791
2033	9,837,426	23,229,654	33,067,080
2034	10,329,297	22,725,486	33,054,783
2035	10,845,762	22,196,110	33,041,872
2036	11,388,050	21,640,264	33,028,314
2037	11,957,453	21,056,627	33,014,079
2038	12,555,325	20,443,807	32,999,132
2039	13,183,091	19,800,347	32,983,438
2040	13,842,246	19,124,713	32,966,959
2041	14,534,358	18,415,298	32,949,657
2042	15,261,076	17,670,412	32,931,489
2043	16,024,130	16,888,282	32,912,412
2044	16,825,337	16,067,046	32,892,382
2045	17,666,603	15,204,747	32,871,351
2046	18,549,934	14,299,334	32,849,267
2047	19,477,430	13,348,650	32,826,080
2048	20,451,302	12,350,431	32,801,733
2049	21,473,867	11,302,302	32,776,169
2050	22,547,560	10,201,766	32,749,327
2051	23,674,938	9,046,204	32,721,142
2052	24,858,685	7,832,863	32,691,548
2053	26,101,619	6,558,856	32,660,475
2054	27,406,700	5,221,148	32,627,848
2055	28,777,035	3,816,554	32,593,590
2056	30,215,887	2,341,731	32,557,618
2057	31,726,682	793,167	32,519,849
Totals *	$ 512,102,701	$ 487,287,767	$ 999,390,468

* Totals may be off slightly due to rounding.

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Existing and Proposed Debt Service Secured by LVVWD Pledged Revenues
As of June 30, 2026

FiscalYear	Principal	Interest	Total
2027	$ 33,541,390	$ 36,378,258	$ 69,919,648
2028	38,636,994	37,035,881	75,672,875
2029	40,528,107	35,163,763	75,691,870
2030	42,469,249	33,197,819	75,667,069
2031	47,540,630	31,135,527	78,676,157
2032	49,717,469	28,949,921	78,667,390
2033	44,634,996	26,762,527	71,397,523
2034	46,393,452	25,004,667	71,398,119
2035	47,416,120	23,255,152	70,671,272
2036	48,487,086	21,449,691	69,936,777
2037	34,091,374	19,570,063	53,661,437
2038	33,892,928	18,192,203	52,085,132
2039	34,840,325	16,770,408	51,610,733
2040	36,523,341	15,085,161	51,608,502
2041	19,977,258	13,313,821	33,291,080
2042	20,797,371	12,495,756	33,293,127
2043	21,648,990	11,636,672	33,285,661
2044	22,537,439	10,739,986	33,277,425
2045	23,478,061	9,798,886	33,276,947
2046	24,461,214	8,816,229	33,277,443
2047	25,477,275	7,790,029	33,267,304
2048	26,541,639	6,718,681	33,260,320
2049	21,979,721	5,600,047	27,579,768
2050	22,906,957	4,658,918	27,565,875
2051	19,068,804	3,663,549	22,732,353
2052	19,985,745	2,743,460	22,729,205
2053	16,763,282	1,778,810	18,542,091
2054	4,906,946	934,804	5,841,750
2055	5,152,293	683,323	5,835,616
2056	5,409,908	419,268	5,829,176
2057	5,680,403	142,010	5,822,413
Totals *	$ 885,486,768	$ 469,885,290	$ 1,355,372,058

* Totals may be off slightly due to rounding

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Existing and Proposed Debt Service Secured by SNWA Pledged Revenues
As of June 30, 2026

FiscalYear	Principal	Interest	Total
2027	$ 82,595,000	$ 102,599,443	$ 185,194,443
2028	76,482,881	111,079,563	187,562,444
2029	87,513,275	107,245,784	194,759,059
2030	91,872,938	102,878,554	194,751,492
2031	81,737,835	98,312,984	180,050,820
2032	102,198,977	94,329,314	196,528,291
2033	119,082,426	89,752,104	208,834,530
2034	124,339,297	84,486,986	208,826,283
2035	96,620,762	79,387,560	176,008,322
2036	101,153,050	74,839,114	175,992,164
2037	105,907,453	70,073,777	175,981,229
2038	135,370,325	65,080,857	200,451,182
2039	166,193,091	58,625,447	224,818,538
2040	73,107,246	50,566,863	123,674,109
2041	76,474,358	47,172,448	123,646,807
2042	80,016,076	43,619,862	123,635,939
2043	79,294,130	39,900,882	119,195,012
2044	83,130,337	36,038,646	119,168,982
2045	87,166,603	31,988,497	119,155,101
2046	65,959,934	27,740,584	93,700,517
2047	42,242,430	24,537,137	66,779,567
2048	44,226,302	22,522,881	66,749,183
2049	46,293,867	20,412,877	66,706,744
2050	48,467,560	18,203,041	66,670,602
2051	61,604,938	15,888,179	77,493,117
2052	47,138,685	12,893,076	60,031,761
2053	49,551,619	10,449,368	60,000,988
2054	52,086,700	7,880,535	59,967,236
2055	54,752,035	5,180,242	59,932,277
2056	30,215,887	2,341,731	32,557,618
2057	31,726,682	793,167	32,519,849
Totals *	$ 2,424,522,701	$ 1,556,821,505	$ 3,981,344,206

* Totals may be off slightly due to rounding.

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Existing and Proposed Debt Service all Revenue Pledges
As of June 30, 2026

FiscalYear	Principal	Interest	Total
2027	$ 116,136,390	$ 138,977,700	$ 255,114,090
2028	115,119,874	148,115,444	263,235,319
2029	128,041,382	142,409,547	270,450,929
2030	134,342,188	136,076,373	270,418,561
2031	129,278,465	129,448,512	258,726,977
2032	151,916,446	123,279,235	275,195,681
2033	163,717,422	116,514,631	280,232,053
2034	170,732,749	109,491,653	280,224,402
2035	144,036,882	102,642,712	246,679,594
2036	149,640,136	96,288,805	245,928,941
2037	139,998,827	89,643,840	229,642,666
2038	169,263,254	83,273,060	252,536,314
2039	201,033,416	75,395,855	276,429,271
2040	109,630,587	65,652,025	175,282,612
2041	96,451,617	60,486,270	156,937,886
2042	100,813,447	56,115,618	156,929,065
2043	100,943,120	51,537,554	152,480,674
2044	105,667,776	46,778,631	152,446,407
2045	110,644,665	41,787,383	152,432,047
2046	90,421,148	36,556,813	126,977,960
2047	67,719,705	32,327,166	100,046,871
2048	70,767,940	29,241,563	100,009,503
2049	68,273,587	26,012,924	94,286,512
2050	71,374,517	22,861,959	94,236,476
2051	80,673,743	19,551,728	100,225,471
2052	67,124,430	15,636,536	82,760,966
2053	66,314,901	12,228,178	78,543,079
2054	56,993,646	8,815,339	65,808,985
2055	59,904,329	5,863,565	65,767,893
2056	35,625,795	2,760,999	38,386,794
2056	37,407,085	935,177	38,342,262
Totals *	$ 3,310,009,469	$ 2,026,706,795	$ 5,336,716,264

* Totals may be off slightly due to rounding.

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Net Pledged Revenues
For Fiscal Years Ended June 30

	2021[5]	2022[6]	2023	2024[7]	2025
Revenues[1]					
Water Sales	$ 393,153,616	$ 400,207,485	$ 414,230,368	$ 443,946,284	$ 475,388,639
Inspection/Application Fees	4,311,045	3,825,425	2,982,630	2,815,294	2,632,900
Springs Preserve	387,554	1,699,744	1,948,609	2,304,132	2,289,458
Facilities Connection Charges	33,131,272	23,578,591	26,310,060	19,954,233	20,151,624
Investment Earnings[2]	(681,187)	(24,163,160)	6,203,836	32,732,484	45,655,121
Other	11,845	753,804	1,451,868	1,600,542	2,961,001
Total Revenues	**$ 430,314,145**	**$ 405,901,889**	**$ 453,127,371**	**$ 503,352,969**	**$ 549,078,743**
Operating Expenses[3]	**$ 248,183,391**	**$ 270,310,741**	**$ 282,164,924**	**$ 306,099,311**	**$ 305,697,314**
Net Revenues	**$ 182,130,754**	**$ 135,591,148**	**$ 170,962,447**	**$ 197,253,658**	**$ 243,381,429**
Add Beginning Unrestricted Fund Balances	$ 421,854,132	$ 501,332,244	$ 547,970,863	$ 524,539,568	$ 584,660,528
Amounts Available for Debt Service	**$ 603,984,886**	**$ 636,923,392**	**$ 718,933,310**	**$ 721,793,226**	**$ 828,041,957**
Parity and Subordinate Lien Obligations Debt Service[4]	**$ 74,228,063**	**$ 73,831,659**	**$ 77,723,105**	**$ 83,844,871**	**$ 87,056,391**
Coverage	**8.14**	**8.63**	**9.25**	**8.61**	**9.51**

[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.

[7] Fiscal year 2024 was restated in fiscal year 2025 to reflect the impact of the implementation of GASB Statement No. 101, (Compensated Absences), which increased salaries and benefit costs.

SECTION 9

FINANCIAL POLICIES

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LAS VEGAS VALLEY WATER DISTRICT™

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.

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

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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.

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LAS VEGAS VALLEY WATER DISTRICT BOARD POLICY	SUBJECT: LAS VEGAS VALLEY WATER DISTRICT INVESTMENT POLICY	NUMBER: 13
		ISSUE: 1
ISSUING DEPARTMENT: FINANCE/TREASURY	APPROVED BY: BOARD OF DIRECTORS November 4, 2025	PAGE: 1 OF 26

AMENDED AND RESTATED LAS VEGAS VALLEY WATER DISTRICT INVESTMENT POLICY

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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 compared to an appropriate benchmark(s) 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, such as 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. This policy supersedes and replaces previous and existing LVVWD investment policies. The pension and other retirement-related investment activities are excluded from this policy and are governed by their own investment policies.

III. Objectives

The primary objectives of the investment activities are in order of importance:

A. **Safety of Principal:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, diversification of security types, sectors, issuers, and maturities is necessary in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. **Liquidity:** The investment portfolios shall be structured to timely meet expected cash outflow needs and associated obligations which might be reasonably anticipated. This objective shall be achieved by matching investment maturities with forecasted cash outflows and maintaining an additional liquidity buffer for unexpected liabilities.

C. **Investment Income:** The investment portfolios shall be designed to earn a market rate of investment return compared to an appropriate benchmark(s) in relation to the prevailing budgetary and economic cycles, while considering investment risk constraints and liquidity needs of the portfolio.

IV. Primary Investment Philosophy

The primary investment philosophy of the LVVWD is to match investment maturities with expected cash outflows. Securities shall generally be held to maturity, with the following exceptions:

- A security with declining credit may be sold prior to maturity to safeguard principal.
- The liquidity needs of the portfolio require that a security be sold prior to maturity.

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- A security rebalance or swap would improve the quality, yield, or target duration in the portfolio.

V. Standard of Prudence

The prudent investor rule, as codified in the Uniform Prudent Investor Act of 1994, states that governing bodies of state and local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds are trustees and therefore are fiduciaries. The Prudent Investor Standard is as follows:

> *When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent investor acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.*

VI. Governing Authority

The LVVWD is governed by a Board of Directors (Board) composed of the Clark County Commissioners. The seven-member County Commission is elected from geographic districts on a partisan basis for staggered four-year terms. The jurisdiction of the Board to participate in investment activities is provided by the LAS VEGAS VALLEY WATER DISTRICT ACT, Chapter 167, Statues of Nevada 1947.

VII. Responsibility

In accordance with NRS 355.175, the 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, investment 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 the CFO with 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.

VIII. Ethics and Conflicts of Interest

Officers, employees, and external investment advisors 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 LVVWD's Professional Code of Ethics as well as LVVWD's Conflict of Interest policies.

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IX. Limits on Receipt of Gifts, Honoraria, and Gratuities

No individual responsible for the management of the LVVWD's investment portfolio shall accept honoraria, gifts, or gratuities from any advisor, broker, dealer, banker, or other person with whom they conduct business that aggregate in value more than $100 in any fiscal year.

X. Authorized Broker-Dealers

Investment transactions shall be executed through either banks or securities broker-dealers, excluding purchases of commercial paper (CP) from a direct issuer. Broker-dealers must either be primary dealers, regional dealers, or regional dealers that clear transactions through a dealer which qualifies under Securities and Exchange Commission (SEC) Rule 15C3-1(Uniform Net Capital Rule) and must have been in operation for at least three years. Investment transactions may be executed by internal staff or by an external investment advisor.

When the internal staff manages the investments, the Treasurer shall approve and maintain a list of broker-dealers and direct issuers authorized to provide investment services. The criteria for approval are described below:

A. 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 United States (U.S.).

B. Banks are eligible if they are chartered to do business within the U.S., including U.S. branches or agencies of foreign banks.

C. Those not considered primary dealers or chartered banks must provide:

   1. Audited financial statements annually

   2. Proof of registration with the Financial Industry Regulatory Authority (FINRA) as a broker or broker-dealer

   3. Proof that they meet the minimum capital requirements of the Uniform Net Capital Rule set forth in 17 CFR s 240.15c3-1

D. All must provide proof that they are registered to conduct business in the State of Nevada

E. All must certify that they:

   1. Are familiar with the precautions and statutes pertaining to public sector investments

   2. Understand the LVVWD's investment policy and will not participate in transactions with the LVVWD that violate this policy

F. Preference will be given to firms whose operations have offices within Nevada

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When an external investment advisor manages the investments, they are allowed to maintain their own list of authorized broker-dealers and financial institutions for investment purposes. The investment advisor shall make the list of authorized broker-dealers available to the Treasurer when requested. The Treasurer reserves the right to disallow any broker-dealers or financial institution.

XI. 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 or other securities backed by the full faith and credited of the U.S.

NRS:	355.170,1(a); 355.170,1(e)
Maximum Term:	10 years
Maximum Type Allocation:	100%
Maximum Issuer Concentration:	Unlimited
Minimum Issuer Rating:	None
Other:	Bonds, bills, notes, or other debentures that are backed by the full faith and credit of the U.S.

Obligations issued by any agency or instrumentality of the U.S. Government (U.S. Government - Sponsored Enterprises or GSE)

NRS:	355.170,1(d); 355.170,1(f); 355.170,1(o)
Maximum Term:	10 years
Maximum Type Allocation:	100%
Maximum Issuer Concentration:	Unlimited
Minimum Issuer Rating:	None
Other:	Examples include Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Federal Agricultural Mortgage Corporation (FAMC), and Tennessee Valley Authority (TVA)

Money Market Mutual Funds

NRS:	355.170,1(n)
Maximum Term:	Not applicable
Maximum Type Allocation:	100%
Maximum Issuer Concentration:	Unlimited
Minimum Fund Rating:	AAA equivalent or better by a Nationally Recognized Statistical Ratings Organization (NRSRO)
Other:	Registered with the Securities and Exchange Commission. Invest only in U.S. treasuries, U.S. federal agencies, or repurchase agreements fully collateralize by U.S. treasury/federal agency securities, and maintain a constant net asset value (NAV)

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Commercial Paper

NRS:	355.170,1(m)
Maximum Term:	270 days
Maximum Type Allocation:	25%
Maximum Issuer Concentration:	5% combined with other security types
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% combined with other security types
Minimum Issuer Rating:	A-1, P-1, F-1 equivalent or better by a NRSRO. If longer than one year, the issuing entity shall have a long-term rating of "A" category, equivalent or better, by a NRSRO. Not applicable if at or below the Federal Deposit Insurance Corporation (FDIC) limit.
Other:	Issued by commercial banks, insured credit unions, savings and loan associations, or savings banks

Non-Negotiable Certificates of Deposit (At or below the FDIC Limit)

NRS:	355.170,1(i)
Maximum Term:	5 years
Maximum Type Allocation:	25%
Maximum Issuer Concentration:	FDIC Limit
Minimum Issuer Rating:	None
Other:	Issued by commercial banks, insured credit unions, savings and loan associations, or savings banks.

Corporate Note, Bonds, and Other Unconditional Obligations

NRS:	355.171,1(a); 355.171,2(a)(b)(c)
Maximum Term:	5 years
Maximum Type Allocation:	25%
Maximum Issuer Concentration:	5% combined with other security types
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 U.S.

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

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Collateralized Mortgage Obligations (Federal Agencies or GSEs)

NRS:	355.171,1(c)
Maximum Term:	Not applicable
Maximum Type Allocation:	20%
Maximum Issuer Concentration:	40% combined with other security types
Minimum Issuer Rating:	AAA equivalent or better by a NRSRO

State and Local Government Obligations

NRS:	355.170,1(j); 355.170,1(l); 355.177
Maximum Term:	10 years
Maximum Type Allocation:	20%
Maximum Issuer Concentration:	5%
Minimum Issuer Rating:	"A" category, equivalent or better by a NRSRO, cannot invest in own securities

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:	100%
Maximum Issuer Concentration:	Not applicable
Minimum Issuer 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.

Obligations issued by Foreign Financial Institutions, Corporations, and Governments

NRS:	355.170,1(c)
Maximum Term:	5 years

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Maximum Type Allocation:	10%
Maximum Issuer Concentration:	5% combined with other security types
Minimum Issuer Rating:	"AA" category, equivalent or better by a NRSRO
Other:	Denominated in U.S. Dollars, senior unsecured unsubordinated obligation, registered with the Securities and Exchange Commission in accordance with the provisions of the Securities Act, purchased from a registered broker-dealer.

Repurchase Agreements

NRS:	355.170,2
Maximum Term:	90 days
Maximum Type Allocation:	20%
Maximum Issuer Concentration:	Unlimited
Minimum Issuer Rating:	Not applicable
Collateral:	102%, by treasury and federal agency securities with a stated final maturity of 10 years or less
Mark-to-Market:	At least weekly
Other:	Executed with a bank organized and operating or licensed to operate in the U.S. 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 U.S. government securities, and in full compliance with all applicable capital requirements. Treasurer maintains a list of approved counterparties following a thorough review, counterparties execute a SIFMA Master Repurchase Agreement, counterparties regularly provide audited financial statements.

XII. Safekeeping and Custody

Security purchases 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 FDIC that qualifies under NRS 355.172(4) (i.e., rated "AA-" or better" by a nationally recognized rating service) and is designated by the CFO. A custody agreement between the bank and the LVVWD is required before execution of any transactions.

XIII. 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 accounts provided by the financial institution more than the amount of federal insurance will be fully collateralized in accordance with the guidelines set forth in NRS 356.

XIV. Recordkeeping

For investment activities conducted internally, the CFO shall maintain records of those transactions. Those records shall include, but are not limited to, a description of the securities,

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disposition of those securities, date and amount of transactions. If an external investment advisor is used, then these records will be maintained by each and any external investment advisor and be made available upon request by the LVVWD. The transactions shall be recorded in the accounting system of the respective entity in accordance with standards established by the Governmental Accounting Standards Board and other Generally Accepted Accounting Principles.

XV. 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 yield, and comparison to appropriate benchmark(s) to determine whether competitive market returns are being achieved.

Investment activities shall be reported in the Annual Comprehensive Financial Report for their respective entity in compliance with the standards established by the Governmental Accounting Standards Board and other Generally Accepted Accounting Principles.

XVI. Measuring Performance

One or more benchmarks shall be designated against which portfolio performance shall be compared on a regular basis. The benchmark may be adjusted periodically as changes take place regarding cash flow needs and market conditions.

XVII. Training

The District strives for professionalism and accountability in the investment of its funds. To assure the highest possible professional standards, District personnel responsible for overseeing the investment activities of an external investment advisor 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.

XVIII. 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 investment advisors.

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APPENDIX A – SUMMARY OF AUTHORIZED INVESTMENTS

AUTHORIZED INVESTMENTS	MAXIMUM % HOLDINGS	PURCHASE RESTRICTIONS	MAXIMUM MATURITY	MINIMUM CREDIT RATING
U.S. Treasury Obligations	100%	N/A	10 years	None
Federal Agency Obligations	100%	N/A	10 years	None
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	An 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	10 years	An 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	100%	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 U.S. dollars. Publicly traded.	5 Years	AA equivalent or better by a NRSRO
Repurchase Agreements	20%	Counter-party restrictions, collateral to be U.S. Government or Federal Agency securities with maximum maturity of 10 years. 102% of funds borrowed and marked-to-market weekly	90 days	N/A

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APPENDIX B – GLOSSARY OF CASH MANAGEMENT AND INVESTMENT TERMS

The following is a glossary of terms which appear in the Government Investment Officer's Model Investment Policy:

144A – A Section of the Securities and Exchange Commission (SEC) which restricts trades of privately placed securities so that these investments can be traded among qualified institutional buyers.

Accretion – The increase in value of a discounted instrument as time passes and as the maturity date gets closer. The value of the instrument will accrete (grow) at the interest rate implied by the discounted issuance price, the value at maturity, and the term to maturity.

Accrued Interest - The interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

Agency - A debt security issued by an agency or instrumentality of the U.S. Agencies are backed by each agency or instrumentality of the U.S. with a market perception that there is an implicit government guarantee.

Amortized Cost – The original cost of the principal adjusted for the periodic reduction of any discount or premium from the purchase date until a specific date (also called "Book Value").

Amortization – The systematic reduction of the amount owed on a debt issue through periodic payments of principal. The decrease in the value of a premium instrument as time passes and as the maturity date gets closer. The value of the instrument will amortize (decrease) at the interest rate implied by the discounted issuance price, the value at maturity, and the term to maturity.

Annual Comprehensive Financial Report (ACFR) – An entity's official annual financial report. It consists of three major sections: introductory, financial, and statistical. The introductory section furnishes general information on the entity's structure, services, and environment. The financial section contains all basic financial statements and required supplementary information, as well as information on all individual funds and discretely presented component units not reported separately in the basic financial statements. The reported information is in conformity with generally accepted accounting principles (GAAP) in the U.S. The financial section may also include supplementary information not required by GAAP. The statistical section provides trend data and nonfinancial data useful in interpreting the basic financial statements and is important for evaluating economic conditions.

Asset-Backed Security – A security backed by notes or receivables against assets other than real estate. Examples are autos, credit cards, and equipment.

Ask/Offer – The price at which securities are offered.

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. As an example, the difference between a security yielding 2.00% and 2.25% is 25 basis points.

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Benchmark – A comparative base for measuring the performance or risk tolerance of an investment portfolio. A benchmark should represent the persistent and prominent characteristics of a portfolio, considering metrics such as duration, investment type, and asset allocation.

Bid – The indicated price at which a buyer is willing to purchase a security or commodity.

Bond – A long-term debt instrument of a government or corporation promising payment of the original Investment, plus interest by a specified future date.

Book or Effective Return – The sum of all investment income plus realized gains and losses.

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.

Broker – A financial services firm that facilitates security trades on behalf of investors (see Dealer).

Bullet – A colloquial term for a bond that cannot be redeemed, or called, prior to maturity.

Callable Bond – A type of bond 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 Sale/Purchase – A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Certificate of Deposit (CD) – A debt instrument issued by financial institutions 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 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 maturities typically ranging from 1 to 270 days, and usually transacts at a discount with no coupon payments.

Convexity – A measure of how much a fixed-income instrument's duration changes when interest rates change. 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 or Coupon Rate – The stated interest rate on a debt security that an issuer promises to pay.

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The origin of the term "coupon" is that bonds were historically issued in the form of bearer certificates. Physical possession of the certificate was proof of ownership. Several coupons, one for each scheduled interest payment, were printed on the certificate.

Credit Quality – The measurement of the financial strength of a bond issuer. This measure 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 Rating – A quantified assessment of the creditworthiness of a borrower in general terms or with respect to a particular debt or financial obligation. A credit rating can be assigned to any entity that seeks to borrow money—an individual, corporation, state or provincial authority, or sovereign government.

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.

CUSIP – A unique identifier for a security developed by the Committee on Uniform Security Identification Procedures (CUSIP). The identifier is a nine-digit alphanumeric character. The first six characters identify the issuer, the following two identify the issue, and the final character is a check digit. CUSIPs are correlated to an alphabetical listing of the issuer's name.

Day Count Convention – A system used to calculate the amount of accrued interest or the present value when the next coupon payment is less than a full coupon period away. Each bond market and financial instrument has its own day-count convention, which varies depending on the type of instrument, whether the interest rate is fixed or floating, and the country of issuance. Among the most common conventions are 30/360 or 365, actual/360 or 365, and actual/actual.

Dealer – A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for their own account. (see Broker).

Debenture – A bond secured only by the general credit of the issuer and not by physical assets or collateral of the company.

Delivery (Settlement) – There are typically four types of delivery or settlement of securities: cash, which is the same day as the transaction occurred; regular, which trade day plus one; corporate, which is trade day plus two; and forward, which typically occurs three to thirty days after the trade date.

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.

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Discount Rate – The interest rate member banks pay the Federal Reserve when the banks use securities as collateral.

Discount Securities - Noninterest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

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. There are three primary types of duration: Macaulay Duration, Modified Duration, and Effective Duration.

> **Macaulay Duration** was developed in 1938 by Frederic Macaulay, this form of duration measures the number of years required to recover the true cost of a bond, considering the present value of all coupon and principal payments received in the future. Thus, it is the only type of duration quoted in "years." Interest rates are assumed to be continuously compounded.
>
> **Modified Duration** expands or modifies Macaulay duration to measure the responsiveness of a bond's price to interest rate changes. It is defined as the percentage change in price for a 100-basis point change in interest rates. The formula assumes that the cash flows of the bond do not change as interest rates change (which is not the case for most callable bonds). Effective Duration (sometimes called option-adjusted duration) further refines the modified duration calculation and is particularly useful when a portfolio contains callable securities.
>
> **Effective duration** requires the use of a complex model for pricing bonds that adjusts the price of the bond to reflect changes in the value of the bond's "embedded options" (e.g., call options or a sinking fund schedule) based on the probability that the option will be exercised. Effective duration incorporates a bond's yield, coupon, final maturity, and call features into one number that indicates how price-sensitive a bond or portfolio is to changes in interest rates.

Earnings Apportionment – The distribution of investment income to investment pool participants.

Environmental, Social, and Governance (ESG) – A set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

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 Agricultural Mortgage Corporation (FAMC/Farmer Mac) – A stockholder-owned, federally chartered corporation with the mission of providing a secondary market for a variety of loans made to borrowers in rural America. Farmer Mac was established under federal legislation in 1988. Farmer Mac is an instrumentality of the United States and government-sponsored enterprise ("GSE") by virtue of the status conferred by its charter. s. Farmer Mac is part of the Farm Credit System but is separate from

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the Federal Farm Credit Banks and Funding Corporation. It is based primarily in Washington, D.C, and has offices in Iowa, Idaho, and California.

Federal Deposit Insurance Corporation (FDIC) – An independent agency of the U.S. government that promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least $250,000; by identifying, monitoring and addressing risks to the deposit insurance funds; and by limiting the effect on the economy and the financial system when a bank or thrift institution fails. An independent agency of the federal government, the FDIC was created in 1933 in response to the thousands of bank failures that occurred in the 1920s and early 1930s. Since the start of FDIC insurance on January 1, 1934, no depositor has lost a single cent of insured funds because of a bank failure. The FDIC receives no Congressional appropriations - it is funded by premiums that banks and thrift institutions pay for deposit insurance coverage and from earnings on investments in U.S. Treasury securities. The FDIC insures trillions of dollars of deposits in U.S. banks and thrifts - deposits in virtually every bank and thrift in the country.

Federal Funds (Fed Funds) – Funds placed in Federal Reserve banks by depository institutions more than 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 Farm Credit Bank (FFCB/Farm Credit) – The funding corporation that is responsible for issuing and marketing debt securities on behalf of the four Banks of the Farm Credit System: AgFirst FCB, Agribank FCB, FCB of Texas. And CoBank, ACB. These four Banks (located in South Carolina, Minnesota, Texas, and Colorado) are a leading provider of loans, leases and services to rural communities and U.S. agriculture. The Farm Credit System is a government-sponsored enterprise, created in 1916 and dedicated to assuring a steady source of financing to qualified borrowers. The Federal Farm Credit Banks Funding Corporation is based in Jersey City, New Jersey.

Federal Home Loan Banks (FHLB/Home Loan) – The system of 11 privately-owned, federally chartered cooperative financial institutions in the U.S. that provide reliable liquidity to member financial institutions to support housing finance and community investment. With their members, the FHLB represents the largest collective source of home mortgage and community credit in the United States. FHLB was created by Congress in 1932 by the Federal Home Loan Bank Act and is located in Reston, Virginia.

Federal Home Loan Mortgage Corporation (FHLMC/Freddie Mac) – A government-sponsored enterprise that was created by Congress in 1970 to expand the secondary market for mortgages in the U.S. Along with the Federal National Mortgage Association, buys mortgages on the secondary market, pools them, and sells them as a mortgage-backed security to investors on the open market. This secondary mortgage market increases the supply of money available for mortgage lending and increases the money available for new home purchases. Freddie Mac is headquartered in McLean, Virginia.

Federal National Mortgage Association (FNMA/Fannie Mae) – A government-sponsored enterprise that was created Congress in 1938 to provide supplemental liquidity to the mortgage market, like the FHLMC. Fannie Mae is headquartered in Washington, D.C.

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Federal Open Market Committee (FOMC) – The primary monetary policymaking body of the Federal Reserve System, the central bank of the U.S. It meets several times per year to discuss and set monetary policy.

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.

Federal Reserve System – The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 6,000 commercial banks that are members of the system. These member banks hold stock in the Federal Reserve Banks and earn dividends.

Financial Industry Regulatory Authority (FINRA) – A private corporation, authorized by Congress, which acts as a self-regulatory organization. FINRA is the successor to the National Association of Securities Dealers, Inc. and the member regulation, enforcement, and arbitration operations of the New York Stock Exchange. FINRA also provides BrokerCheck, which is a service to obtain information regarding brokers, brokerage firms, and investment advisors.

Fitch Ratings – A financial services firm that analyzes and provides credit ratings for debt securities and issuers of debt securities. Fitch is one of the "Big Three" credit rating agencies, along with Moody's and Standard and Poor's (S&P).

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.

Futures – A derivative financial contracts that obligate the parties to transact an asset at a predetermined future date and price. Here, the buyer must purchase, or the seller must sell the underlying asset at the set price, regardless of the current market price at the expiration date.

Generally Accepted Accounting Principles (GAAP) – A common set of accepted accounting principles, standards, and procedures that companies and their accountants must follow when they compile their financial statements. GAAP is a combination of authoritative standards (set by policy boards) and the commonly accepted ways of recording and reporting accounting information. GAAP improves the clarity of the communication of financial information.

Governmental Account Standards Board (GASB) – 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.

Government National Mortgage Association (GNMA/Ginnie Mae) – A U.S. government-owned corporation that guarantees the timely payment of principal and interest on mortgage-backed securities issued by approved GNMA lenders. That assurance allows the mortgage lenders to obtain a better price for these offerings in the capital markets. Those improved proceeds, in turn, allow the lenders to make additional mortgage loans, and at lower costs to finance. It was created by Congress in 1968 and is headquartered in Washington D.C.

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Government Securities – An obligation backed by the full faith and credit of the U.S. government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Government Sponsored Enterprises (GSEs) – Federally-chartered agency or instrumentality of the United States Government

IDC Ranking – IDC Financial Publishing, Inc. compiles financial data on all banks, thrifts, and credit unions reporting to the federal government, and publishes a ranking based on 24 key indicators.

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. Duration is a measure of interest rate risk.

Interest Rate Swap – A forward contract in which one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps usually involve the exchange of a fixed interest rate for a floating rate, or vice versa, to reduce or increase exposure to fluctuations in interest rates or to obtain a marginally lower interest rate than would have been possible without the swap.

Inter-American Development Bank (IADB) – An international financial institution that supports Latin American and Caribbean economic development, social development, and regional integration by lending to governments and government agencies, including State corporations. The IADB is headquartered in Washington, D.C. IADB is a supranational organization and was established in 1959.

International Bank for Reconstruction and Development (IBRD) – An international financial institution that offers loans to middle-income developing countries. The IBRD is the first of five member institutions that compose the World Bank Group and is headquartered in Washington, D.C. IBRD is a supranational organization and was established in 1944.

International Finance Corporation (IFC) – An international financial institution that offers investment, advisory, and asset-management services to encourage private-sector development in less developed countries. The IFC is a member of the World Bank Group and is headquartered in Washington, D.C. IFC is a supranational organization and was established in 1956.

Inverse Floater – A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes.

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

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investor or investment manager for a portfolio of investment securities.

Investment-Grade Obligations – Obligations that are rated BBB or higher by a rating agency.

Leverage – The use of financial leverage to control a greater amount of assets (by borrowing money) will cause the returns on the owner's cash investment to be amplified.

Liquidity – The amount of a portfolio or 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.

Make Whole Call – A make whole call provision is a type of call provision on a bond allowing the issuer to pay off remaining debt early. The issuer typically must make a lump sum payment to the investor derived from a formula based on the net present value (NPV) of future coupon payments that will not be paid incrementally because of the call combined with the principal payment the investor would have received at maturity.

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 because of changes in market conditions.

Market Value – Current market price of a security.

Master Repurchase Agreement (MRA) – A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower. SIFMA's MRA is the industry standard agreement.

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."

Maximum Issuer Concentration – Maximum allowable allocation to any one issuer.

Maximum Term – Maximum allowable maturity of an investment.

Maximum Type Allocation – Maximum allowable allocation to a specific investment type or category, such as treasuries, federal agencies, or corporate bonds.

Medium Term Notes – Debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

Minimum Issuer Rating – Minimum allowable rating by a NRSRO.

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

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requirements, or through changing the Fed Funds Rate or the Discount Rate.

Money Market – Typically refers to short-term debt instruments (bills, commercial paper, discount notes, etc.).

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 financial services firm that analyzes and provides credit ratings for debt securities and issuers of debt securities. Moody's is one of the credit rating agencies, along with Fitch and S&P.

Mortgage-Backed Security – A security that is backed by a pool of mortgages. Generally, the security is issued or guaranteed by the United States or its agencies or instrumentalities but also may be issued by financial institutions such as banks.

Municipal Bond – A debt security issued by a local government, such as county, state, city, special improvement district, to finance its capital expenditures, including the construction of highways, bridges, or schools. Municipal bonds can issue taxable or tax-exempt from federal, state, and local taxes.

Mutual Fund – A professionally managed investment fund that pools money from many investors to purchase securities. These investors may be retail or institutional in nature. Mutual funds have advantages and disadvantages compared to direct investing in individual securities.

Nationally Recognized Statistical Rating Organization (NRSRO) – A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes. The most recognized NRSROs are Fitch, Moody's, and Standard and Poor's.

National Association of Securities Dealers (NASD) – 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.

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."

Open Market Operations – Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Option Adjusted Spread (OAS) – The yield spread added to a benchmark yield curve to discount a security's payments to match its market price, using a dynamic pricing model that accounts for embedded options. OAS is hence model-dependent.

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Overnight Indexed Swap (OIS) – An interest rate swap where the periodic floating payment is generally based on a return calculated from a daily compound interest investment. ... The LIBOR–OIS spread is the difference between LIBOR and the OIS rates.

Par – Face value or principal value of a bond, typically $1,000 per bond.

Pass-Thorough Securities – A debt instrument that reflects an interest in a mortgage pool, consumer receivables pool and equipment lease-backed pool that serves as collateral for a bond.

Portfolio – Collection of securities held by an investor.

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.

Primary Dealer – A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers and banks.

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, it may refer to the amount of capital invested in a given security.

Private Placements – Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors.

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/Investor Standard – An investment standard that outlines the fiduciary responsibilities of public funds investors relating to investment practices.

Range Notes – Notes which pay interest only if the underlying index upon which it is benchmarked, falls within a certain range.

Real Adjustment – When a specific metric or economic indicator is adjusted for inflation.

Regional Dealer – Non-Primary broker-dealers and banks, which transact in the fixed-income markets.

Regular Settlement – Securities settlement that calls for delivery and payment on the next business day following the trade day for government securities and the second business day following the trade date for corporate and municipal securities. Money market funds and money market instruments are settled on a same day basis.

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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 or RP) – 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 – The holding of assets (e.g., securities) by a financial institution.

Secondary Market – A market made for the purchase and sale of outstanding issues following the initial distribution.

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.

SEC RULE I5(C))3-1 – See Uniform Net Capital Rule.

Securities Lending – When entities transfer or "loan" their securities to broker-dealers in return for cash collateral and simultaneously agree to return the collateral in exchange for the same securities in the future. Entities then invest the cash received as collateral in allowable investments, such as commercial paper, at a rate that exceeds the "rebate" or loan rate paid to the broker-dealer for the cash collateral. These transactions are structured to result in earning an incremental income on a portion of the investment portfolio. The amount of securities loaned from the portfolio and the income generated is dependent upon market conditions.

Security Swap – Selling one asset and buying another.

Securities Industry and Financial Markets Association (SIFMA) – The leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. SIFMA was formed in 2006, from the merger of the Bond Market Association and the Securities Industry Association. SIFMA also provides a recommended holiday schedule for the U.S. financial markets.

Standard and Poor's (S&P) – A financial services firm that analyzes and provides credit ratings for debt securities and issuers of debt securities. S&P is one of the "Big Three" credit rating agencies, along with Fitch and Moody's.

Standard of Prudence – An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices. Generally, the Prudent Person and Prudent Investor are

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used, with the Prudent Investor being more relevant to state and local governments.

Stated Final Maturity – The date when the final principal amount of a note, draft, or other debt instrument becomes due and is repaid to the investor.

Straight Line Amortization – A common method of calculating accretion or amortization of a discount or premium security to par or 100 from the purchase date to the maturity date. It is calculated by dividing the discount/premium amount by the number of days to maturity, without regard to a security's day count convention.

Structured Notes – Notes issued by Government Sponsored Enterprises (FHLB, FNMA, etc.) and corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Structured Overnight Financing Rate (SOFR) – A broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The SOFR includes all trades in the Broad General Collateral Rate plus bilateral Treasury repurchase agreement (repo) transactions cleared through the Delivery-versus-Payment (DVP) service offered by the Fixed Income Clearing Corporation (FICC), which is filtered to remove a portion of transactions considered "specials."

The SOFR is calculated as a volume-weighted median of transaction-level tri-party repo data collected from the Bank of New York Mellon as well as GCF Repo transaction data and data on bilateral Treasury repo transactions cleared through FICC's DVP service, which are obtained from DTCC Solutions LLC, an affiliate of the Depository Trust & Clearing Corporation. Each business day, the New York Fed publishes the SOFR on the New York Fed website at approximately 8:00 a.m.

Supranational – An entity formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. The three U.S. based supranational organizations are the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank.

Supranational Obligation – A bond, note, or other obligation that is issued or unconditionally guaranteed by one of the following international institutions: the International Bank for Reconstruction and Development (commonly known as the World Bank), the International Finance Corporation, and the Inter-American Development Bank.

Tennessee Valley Authority (TVA) – A corporate agency of the United States that provides electricity for business customers and local power companies serving 10 million people in parts of seven southeastern states.

Total Return – The sum of all investment income plus realized and unrealized gain and losses.

Trade Reporting and Compliance Engine (TRACE) – The FINRA-developed vehicle that facilitates the mandatory reporting of over-the-counter secondary market transactions ineligible fixed income securities. All broker-dealers who are FINRA member firms have an obligation to report transactions in corporate bonds to TRACE under an SEC-approved set of rules.

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Treasury Bills – Short-term U.S. government noninterest-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 Bonds – Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of $1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Treasury Notes – Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from $1,000 to $1 million or more.

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 to those that are highly sensitive with currently identifiable market volatility risk.

Warrant – A type of security that entitles the holder to buy the underlying stock of the issuing company at a fixed price called exercise price until the expiry date. Warrants and options are similar in that the two contractual financial instruments allow the holder special rights to buy securities.

Weighted Average Life (WAL) – The average number of years that each dollar of unpaid principal due on loan, asset-backed security, or mortgage-backed security remains outstanding. WAL delineates how many years it will take to pay half of the outstanding principal.

Weighted Average Maturity (WAM) – The average maturity of all the securities that comprise a portfolio, weighted by the individual securities.

When Issued – A transaction that is made conditionally because a security has been authorized but not yet issued. Treasury securities, stock splits, and new issues of stocks and bonds are traded on a when issued basis.

World Bank – An international financial institution that provides loans and grants to the governments of poorer countries for the purpose of pursuing capital projects. It comprises two institutions: the International Bank for Reconstruction and Development, and the International Development Association.

Yield – The current rate of return on an investment security generally expressed as a percentage of the security's current price.

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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 (YTM) – 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.

Yield-to-Worst (YTW) – The lowest potential yield that can be received on a bond without the issuer defaulting. The YTW is calculated by making worst-case scenario assumptions on the issue by calculating the return that would be received if the issuer uses provisions, including prepayments or calls.

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 and is payable at par upon maturity.

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AUTHORIZATION

This Investment Policy has been adopted by the undersigned, as of November 4, 2025:

Paul Johnson, Chief Financial Officer

John Entsminger, General Manager

Marilyn Kirkpatrick, President

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LAS VEGAS VALLEY WATER DISTRICT FINANCE POLICY		
SUBJECT:	**CAPITALIZATION POLICY**	**NUMBER:** **2**
APPROVED BY:	**CHIEF FINANCIAL OFFICER**	
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.

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- 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.

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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)

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- 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.

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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.

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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

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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: Cost – Salvage value/Estimated useful life = 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*

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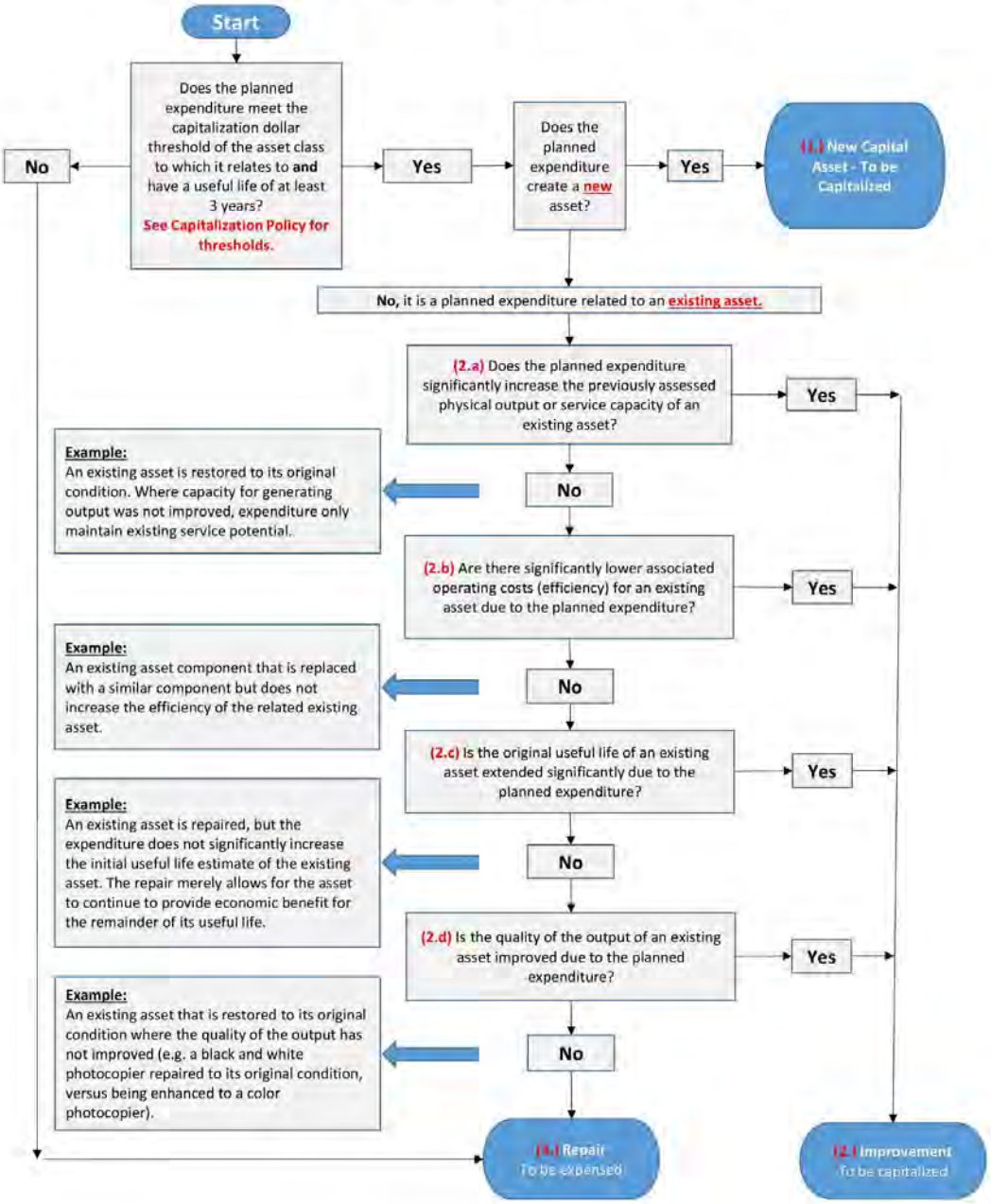
ATTACHMENT A

New Asset vs. Improvement vs. Repair Decision Tree



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ATTACHMENT B

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 Date
(If Transferring)

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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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 Tier. (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 2026-27 ends on June 30, 2027.

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 km^2) 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. (LKRP)

Lease. A contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract. Lease contracts are bound by a period of time.

Light Detection and Ranging. (LiDAR)

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.

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.

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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 SNWA 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.

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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.

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COYOTE SPRINGS WATER RESOURCES
GENERAL IMPROVEMENT DISTRICT
GENERAL MANAGER'S INFORMATION REPORT

DATE: April 15, 2026 NO. 20

SUBJECT: COYOTE SPRINGS WATER RESOURCES GENERAL IMPROVEMENT DISTRICT
PROPOSED OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2026-27

The Tentative Operating and Capital Budget of the Coyote Springs Water Resources General Improvement District (CSWRD) for fiscal year 2026-27 was submitted by April 15, 2026, to the State of Nevada Department of Taxation in accordance with NRS 354.596. Included for your review is the General Manager's Information Report.

Executive Summary

The CSWRD is the local government entity that will provide municipal water and wastewater services for the master planned community of Coyote Springs expected to be built about 60 miles northeast of Las Vegas. The Las Vegas Valley Water District (LVVWD) is the General Manager and Operating Agent of the CSWRD and has entered into an agreement with the Clark County Water Reclamation District (CCWRD) for operation of wastewater facilities.

Coyote Springs Nevada LLC and Coyote Springs Investment LLC are collectively the developers (Developers) and are responsible for financing the design and construction of the water and wastewater treatment, distribution and collection facilities. Neither the LVVWD nor the CCWRD are committing any capital funds to build infrastructure for the CSWRD. However, the LVVWD will operate the water facilities and the CCWRD will operate the wastewater facilities when they are constructed and placed into operation.

As operator, the LVVWD will bill the CSWRD's customers for both water and wastewater services. The water and wastewater fees will be used to support water and wastewater operations.

The Developers are obligated to fund any CSWRD costs in excess of revenues such that neither the LVVWD nor the CCWRD customers will be required to subsidize the CSWRD's operations. In addition, the Developers are responsible to provide any water rights necessary for the development.

Financial Summary

Operating Revenues

The water and wastewater systems were previously projected in the Developers' plans to be operational before the end of fiscal year 2020–21. However, development timelines have been extended due to the need to secure water supplies from outside the Coyote Springs Valley, impacting the anticipated timing of system operations.

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The budget is conservative assuming no sales or water service connections. As a result, the fiscal year 2026-27 Budget Plan projects no operating revenues.

Developer Contributions

By contractual agreement, the Developers are required to reimburse the LVVWD and the CCWRD for net costs related to Coyote Springs, and are reflected as Developer contributions. Those costs are projected to be $50,000 for both the water and wastewater systems.

Coyote Springs Water Resources General Improvement District
Budget Summary
Fiscal Years

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $	Budget-to-Budget Variance %
SOURCES					
Operating revenues	$ —	$ —	$ —	$ —	
Developer contributions[1]	602	50,000	50,000	—	0 %
Total Sources	602	50,000	50,000	—	0 %
USES					
Operating expenses	—	—	—	—	
Invoiced developer costs	602	50,000	50,000	—	0 %
Total Uses	602	50,000	50,000	—	0 %
TOTAL NET SURPLUS/(DEFICIT)	—	—	—	—	

Capital Infrastructure Fund

Because there are no sales of residential or commercial properties anticipated at Coyote Springs in the coming fiscal year, it is projected that no revenues to this fund will be generated in fiscal year 2026-27.

Approval

The public hearing on the CSWRD's 2026-27 Tentative Budget, and adoption of the Final Budget, is scheduled for 10:00 a.m., Monday, May 18, 2026.

John J. Entsminger, General Manager

DRAFT

BIG BEND WATER DISTRICT
GENERAL MANAGER'S INFORMATION REPORT

DATE: April 15, 2026 NO. 18

SUBJECT: BIG BEND WATER DISTRICT
PROPOSED OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2026-27

The Tentative Operating and Capital Budget of the Big Bend Water District (BBWD) for fiscal year 2026-27 was submitted by April 15, 2026, to the State of Nevada Department of Taxation in accordance with NRS 354.596. Included for your review is the General Manager's Information Report.

Executive Summary

The BBWD is a General Improvement District, created in 1983 to provide municipal water service to the town of Laughlin, Nevada, which is located on the Colorado River about 100 miles south of Las Vegas. Through an operating agreement with the BBWD Board of Trustees (Board), the Las Vegas Valley Water District (LVVWD) assumed the BBWD's operations from the Clark County Water Reclamation District in September 2008, and the agreement remains in effect. The agreement is for 20 years with one automatic 10-year renewal period.

The community of Laughlin has approximately 9,000 residents and the BBWD provides municipal water to approximately 2,380 active accounts. In addition to serving residents, the BBWD also provides municipal water to meet the needs of Laughlin's hotels and casinos along the Colorado River.

The BBWD has an advanced water treatment facility with a capacity of 15 million gallons per day and a water storage capacity of six million gallons. The management and operation of this water system is conducted by the LVVWD, including eight full-time, on-site staff.

In 2025, a capital improvement plan (CIP) was developed that identified approximately $9.7 million (in 2025 dollars) in system improvements needed over the next 10 years to protect the long-term sustainability of Laughlin's water treatment and distribution system.

After development of the CIP, and reviewing its potential impacts to water rates, District staff held informational public workshops over several weeks in the summer of 2025 to solicit feedback from the Laughlin community on proposed water rate scenarios.

In September 2025, the Laughlin Town Advisory Board (LTAB) reviewed community feedback and recommended funding system improvements by increasing existing water rates by 7.1 percent annually between years 2026 – 2030, in addition to previously approved CPI indexed increases. In 2031, the water rates will return to only the indexed annual increases. In addition, a recommended increase to the System Development Approval (SDA) Charge was proposed, to bring the fee current with inflation, and then it would be indexed annually thereafter. This SDA charge had not been increased for more than 15 years.

Ultimately, in December 2025, the BBWD's Board of Trustees approved the LTAB's recommendations, and the increases to water rates and the SDA charge were effective January 1, 2026. In conjunction with the rate modifications, staff and the BBWD continue working to secure grants and low-interest loans to help fund necessary capital improvements.

Financial Summary

The following section summarizes the BBWD's sources and uses of funds for fiscal years 2024-25, 2025-26 and 2026-27, highlighting key revenue trends and expenditure priorities supporting ongoing operations and planned capital improvements..

BIG BEND WATER DISTRICT
Budget Summary
Fiscal Years

	Actual 2024-25	Budget 2025-26	Budget 2026-27	Budget-to-Budget Variance $	Budget-to-Budget Variance %
SOURCES					
Water charges	$ 4,316,977	$ 4,215,279	$ 4,848,666	$ 633,387	15 %
System development charges	—	—	—	—	
Sales tax	299,958	328,050	351,680	23,630	7 %
Other sources	1,129,723	399,953	2,450,000	2,050,047	513 %
Subtotal	5,746,657	4,943,282	7,650,346	2,707,064	55 %
Debt issuance proceeds	—	—	—	—	
BBWD Sources	5,746,657	4,943,282	7,650,346	2,707,064	55 %
USES					
Energy	337,618	500,000	405,757	(94,243)	(19)%
Salaries and benefits	1,760,961	1,993,232	2,161,211	167,979	8 %
Operating expenses	3,925,955	1,875,679	2,233,270	357,591	19 %
Capital expenditures	1,082,481	1,448,000	3,185,000	1,737,000	120 %
Debt service	—	—	—	—	
BBWD Uses	7,107,014	5,816,911	7,985,238	2,168,327	37 %
BBWD NET SURPLUS/(DEFICIT)	(1,360,357)	(873,629)	(334,892)	538,737	

Sources

The BBWD service rules provide for a monthly service charge and a two-tiered water consumption rate structure. Water revenues and interest earnings projections for the fiscal year 2026-27 Budget Plan are based on current trends. Water revenues are projected to increase compared to the 2025-26 Adopted Budget Plan due to the water rate adjustments effective January 1, 2026.

The BBWD receives a proportional share of the ¼-cent sales tax assessed by the State of Nevada in Clark County to pay for water and wastewater infrastructure and related debt service. The amount of the sales tax received by the BBWD is the ratio of the assessed value of property in the BBWD service area as compared to the assessed value of property in all of Clark County. Sales tax receipts are expected to increase seven percent in 2026-27 compared to the 2025-26 Adopted Budget plan.

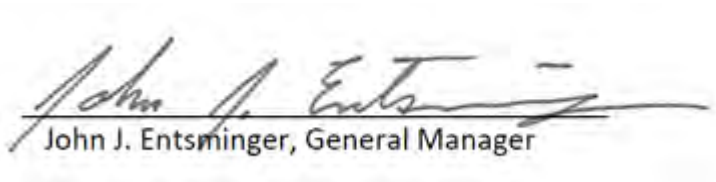
Uses

Energy costs are expected to decrease slightly as compared to the fiscal year 2025-26 Adopted Budget Plan. Salaries and benefits are anticipated to to increase by 0.2 million, or eight percent. Operating expenses primarily consist of materials and supplies, maintenance and repairs, purchased and professional services, and overhead allocations. These expenses are projected to increase compared to the Adopted 2025-26 Budget Plan.

Capital expenditures are projected to be $3.2 million, representing an increase compared to the fiscal year 2025-26 Adopted Budget Plan to support planned system improvements.

Approval

The public hearing on the BBWD's 2026-27 Tentative Budget, and adoption of the Final Budget, is scheduled for 10:00 a.m., Monday, May 18, 2026.



John J. Entsminger, General Manager