NEW ISSUE | **RATINGS: S&P: "AAA"**
BOOK-ENTRY ONLY | **Moody's: "Aa1"**
See: "RATINGS"

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2015 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2015 Bonds (the "Tax Code"), and interest on the 2015 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS."

$103,625,000
CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX) WATER RECLAMATION REFUNDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2015

Dated: Date of Delivery | **Due: July 1, as shown herein**

The 2015 Bonds are issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The 2015 Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the 2015 Bonds. Purchases of the 2015 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2015 Bonds. See "THE 2015 Bonds--Book-Entry Only System." The 2015 Bonds bear interest at the rates set forth herein, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2016, to and including the maturity dates shown herein (unless the 2015 Bonds are redeemed earlier), to the registered owners of the 2015 Bonds (initially Cede & Co.). The principal of the 2015 Bonds will be payable upon presentation and surrender at the operations offices of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor as the paying agent for the 2015 Bonds. See "THE 2015 Bonds."

The maturity schedule for the 2015 Bonds appears on the inside cover page of this Official Statement.

The 2015 Bonds are subject to optional redemption prior to maturity as described in "THE 2015 Bonds--Prior Redemption."

Proceeds of the 2015 Bonds will be used to: (i) advance refund a portion of the District's General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2008; and (ii) pay the costs of issuing the 2015 Bonds. See "SOURCES AND USES OF FUNDS."

The 2015 Bonds constitute direct and general obligations of the District. The full faith and credit of the District is pledged for the payment of principal and interest, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See "SECURITY FOR THE BONDS--General Obligations." The 2015 Bonds are additionally secured by a pledge of certain Net Pledged Revenues described herein. See "SECURITY FOR THE BONDS--Net Pledged Revenues."

This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The 2015 Bonds are offered when, as, and if issued by the District, subject to the approval of legality of the 2015 Bonds by Sherman & Howard L.L.C., Las Vegas, Nevada, and the satisfaction of certain other conditions. Sherman & Howard L.L.C. also has acted as special counsel to the District in connection with the Official Statement. Certain legal matters will be passed upon for the District by the Clark County District Attorney, Las Vegas, Nevada. It is expected that the 2015 Bonds will be available for delivery through the facilities of DTC, on or about August 4, 2015.

This Official Statement is dated July 8, 2015.

$103,625,000
CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX) WATER RECLAMATION REFUNDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2015

MATURITY SCHEDULE
(CUSIP© 6-digit issuer number: 181070)

Maturing (July 1)	Principal Amount	Interest Rate	Yield	CUSIP© Issue Number	Maturing (July 1)	Principal Amount	Interest Rate	Yield	CUSIP© Issue Number
2019	$3,530,000	5.000%	1.210%	DH3	2029	$5,660,000	3.375%	3.450%	DT7
2020	3,695,000	5.000	1.430	DJ9	2030	5,855,000	3.500	3.550	DU4
2021	3,880,000	5.000	1.720	DK6	2031	6,065,000	5.000	3.030[C]	DV2
2022	4,075,000	5.000	1.990	DL4	2032	6,365,000	5.000	3.080[C]	DW0
2023	4,285,000	5.000	2.160	DM2	2033	5,370,000	4.000	3.520[C]	DX8
2024	4,500,000	5.000	2.320	DN0	2034	5,570,000	4.000	3.560[C]	DY6
2025	4,730,000	5.000	2.470	DP5	2035	5,770,000	4.000	3.600[C]	DZ3
2026	4,970,000	5.000	2.600[C]	DQ3	2036	5,980,000	4.000	3.690[C]	EA7
2027	5,220,000	5.000	2.720[C]	DR1	2037	6,200,000	4.000	3.730[C]	EB5
2028	5,480,000	3.250	3.300	DS9	2038	6,425,000	4.000	3.770[C]	EC3

[C] Yield to earliest optional redemption date of July 1, 2025.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the 2015 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2015 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Clark County Water Reclamation District (the "District"). The District maintains an internet website for various purposes; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2015 Bonds.

The information set forth in this Official Statement has been obtained from the District and from the sources referenced throughout this Official Statement, which the District believes to be reliable. No representation is made by the District, however, as to the accuracy or completeness of information provided from sources other than the District, and nothing contained herein is or shall be relied upon as a guarantee of the District. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2015 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the 2015 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 2015 Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The 2015 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE 2015 BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2015 BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA

FINANCIAL ADVISORS
Hobbs, Ong & Associates, Inc.
Las Vegas, Nevada

Public Financial Management, Inc.
Los Angeles, California

BOND AND SPECIAL COUNSEL
Sherman & Howard L.L.C.
Las Vegas, Nevada

REGISTRAR. PAYING AGENT, AND ESCROW BANK
The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

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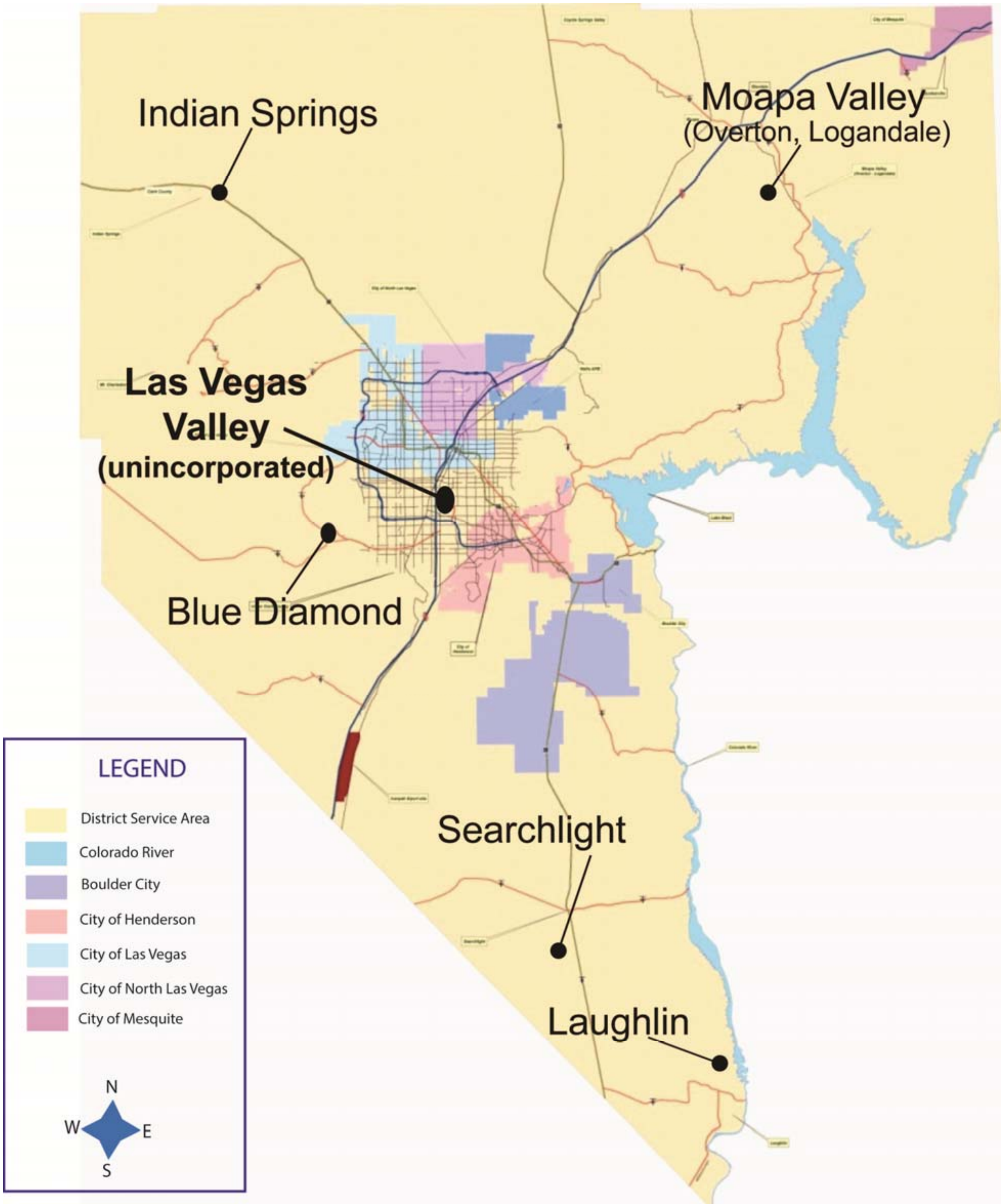
NOTE: Tables marked with an (*) indicate Annual Financial Information to be updated pursuant to SEC Rule 15c2-12, as amended. See "INTRODUCTION--Continuing Disclosure Undertaking" and Appendix D - Form of Continuing Disclosure Certificate.

(1) Only historical information and not budgeted information is required to be updated.

SERVICE AREA MAP



OFFICIAL STATEMENT

$103,625,000
CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
WATER RECLAMATION REFUNDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2015

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and the appendices, is furnished by the Clark County Water Reclamation District, Nevada (the "District"), a political subdivision of the State of Nevada (the "State"), to provide information about the District and its $103,625,000 General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015 (the "2015 Bonds"). The 2015 Bonds will be issued pursuant to a bond resolution (the "2015 Bond Resolution") adopted by the Board of County Commissioners, as ex officio Board of Trustees of the District (the "Board"), on May 19, 2015.

The offering of the 2015 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2015 Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein. Detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page, inside cover page and appendices, is unauthorized. Unless otherwise provided, capitalized terms used herein are defined in Appendix B hereto.

The Issuer

General. The District, originally named the Clark County Sanitation District No. 1, was created in 1954 to provide sanitary sewer facilities to certain unincorporated areas of Clark County, Nevada (the "County"). The District owns and operates a system of sanitary sewer facilities (the "System") that provide for the collection, treatment and disposal of wastewater within its service area. See "THE DISTRICT" and "THE SYSTEM."

The District is a political subdivision of the State organized and operating as a general improvement district under Chapter 318, Nevada Revised Statutes ("NRS"), as amended (the "Project Act"). In January 2003, the District changed its name to "Clark County Water Reclamation District" to better reflect its mission of reclaiming water within its service area. The District's service area generally includes all of the unincorporated portions of the County, including the communities of Blue Diamond, Indian Springs, Laughlin, Overton and Searchlight; except that the land within the Coyote Springs Water Resources General Improvement District (the "CSGID," described below) is excluded. All of the incorporated cities in the County (Boulder City, Henderson, Las Vegas, Mesquite and North Las Vegas (collectively, the "Cities")) are excluded from the District's service area. The Cities may continue to annex land from the District's service area in the future; should that occur, the District's service area will be reduced.

Further, pursuant to State law, additional land may be included or excluded from the District in the future, but the law provides that a change of boundaries of the District shall not impair nor affect its organization, nor shall it affect, impair or discharge any contract, obligation, lien or charge on which it or the property therein might be liable or chargeable had such change of boundaries not been made. Pursuant to State law, real property excluded from the District shall thereafter be subject to the levy of taxes for the payment of its proportionate share of any indebtedness of the District outstanding at the time of such exclusion.

Coyote Springs Water Resources General Improvement District (CSGID). The CSGID was created by the County in 2006 to provide wastewater services within its boundaries; the property in the CSGID has been excluded from the District's service area. As a result, the District is no longer able to levy ad valorem property taxes on the property within the CSGID. According to the CSGID Service Plan, the property within the boundaries of the CSGID (approximately 6,881 acres) includes property in the unincorporated County.

The 2015 Bonds; Prior Redemption

The 2015 Bonds are issued solely as fully registered certificates in the denomination of $5,000, or any integral multiple thereof. The 2015 Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), the securities depository for the 2015 Bonds. Purchases of the 2015 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2015 Bonds. See "THE 2015 Bonds--Book-Entry Only System." The 2015 Bonds are dated as of their date of delivery and mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal and interest on the 2015 Bonds is described in "THE 2015 Bonds--Payment Provisions."

Certain 2015 Bonds are subject to redemption prior to maturity at the option of the District as described in "THE 2015 Bonds--Prior Redemption."

Purpose

The 2015 Bonds are being issued to: (i) advance refund $99,635,000 of the District's General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2008, maturing July 1, 2019 through July 1, 2038, inclusive (the "Refunded Bonds"); and (iii) pay the costs of issuing the 2015 Bonds. See "SOURCES AND USES OF FUNDS." The refunding of the Refunded Bonds is referred to herein as the "Refunding Project."

Security

General Obligations. The 2015 Bonds are direct and general obligations of the District, payable as to principal and interest from annual general (ad valorem) taxes (sometimes referred to herein as "General Taxes") levied against all taxable property within the District (except to the extent any other monies are made available therefor), subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See

"SECURITY FOR THE BONDS--General Obligations" and "PROPERTY TAX INFORMATION--Property Tax Limitations."

Additional Pledged Revenues. The 2015 Bonds are additionally secured by a pledge of the Net Pledged Revenues of the District. Net Pledged Revenues consist of the District's Gross Revenues (defined below) remaining after the deduction of Operation and Maintenance Expenses (defined below).

The 2015 Bond Resolution defines "Gross Revenues" to mean all income and revenues derived directly or indirectly by the District from the operation and use and otherwise pertaining to the System or any part thereof. "Operation and Maintenance Expenses" are generally defined as all reasonable and necessary current expenses of the District, paid or accrued, of operating, maintaining and repairing the System. A more detailed definition of "Operation and Maintenance Expenses" can be found in Appendix B - Summary of Certain Provisions of the 2015 Bond Resolution--Certain Definitions.

Lien Priority. The 2015 Bonds constitute a lien (but not necessarily an exclusive lien) on the Net Pledged Revenues on a parity with the lien thereon of $314,300,000 of outstanding District bonds, consisting of (i) the District's General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured By Pledged Revenues), Series 2007 (the "2007 Bonds"), currently outstanding in the aggregate principal amount of $52,395,000; (ii) the District's General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2008 (the "2008 Bonds"), which will be outstanding in the aggregate principal amount of $11,240,000 upon the issuance of the 2015 Bonds and the completion of the Refunding Project; (iii) the District's General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2009A (the "2009A Bonds"), currently outstanding in the aggregate principal amount of $130,410,000; and (iv) the District's General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2009B (the "2009B Bonds"), currently outstanding in the aggregate principal amount of $120,255,000. The 2007 Bonds, the 2008 Bonds, the 2009A Bonds, and the 2009B Bonds are collectively referred to herein as the "Prior Bonds." The 2015 Bonds are subject to the lien of any superior lien securities hereafter issued by the District in accordance with the terms of the 2015 Bond Resolution ("Superior Securities"); no Superior Securities currently are outstanding.

The District also has outstanding certain bonds with a lien on the Net Pledged Revenues that is subordinate to the lien thereon of the 2015 Bonds and the Prior Bonds. See "DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations."

Additional Bonds. The District may issue bonds or other obligations with a lien on the Net Pledged Revenues which is on a parity with the lien of the 2015 Bonds ("Additional Parity Securities") in accordance with the terms of the 2015 Bond Resolution. See "SECURITY FOR THE BONDS--Additional Bonds." The 2007 Bonds, the 2008 Bonds, the 2009A Bonds, the 2009B Bonds, the 2015 Bonds and any Additional Parity Securities are referred to herein as "Parity Securities." The issuance of Additional Parity Securities or Superior Securities in the future would have the effect of diluting the security for the 2015 Bonds.

The 2015 Bond Resolution also allows the issuance of Superior Securities upon the satisfaction of certain conditions (see "SECURITY FOR THE BONDS--Additional Bonds"). Such Superior Securities, if issued, would not constitute general obligations of the District but would be secured solely by a lien on the Net Pledged Revenues superior to the lien thereon of the 2015 Bonds. The District currently has no plans to issue Superior Securities but reserves the right to do so at any time.

Authority for Issuance

The 2015 Bonds are being issued pursuant to the Project Act, NRS 350.500 through 350.720, as amended (the "Bond Act"), Chapter 348 of NRS (the "Supplemental Bond Act"), and the 2015 Bond Resolution.

Professionals

Sherman & Howard L.L.C., Las Vegas, Nevada, has acted as Bond Counsel in connection with the 2015 Bonds. Sherman & Howard L.L.C. also has acted as special counsel to the District in connection with this Official Statement. Certain legal matters will be passed on by the Clark County District Attorney, Las Vegas, Nevada, ex officio general counsel to the District. The financial advisors to the District in connection with the issuance of the 2015 Bonds are Hobbs, Ong & Associates, Inc., Las Vegas, Nevada and Public Financial Management, Inc., Los Angeles, California (the "Financial Advisors"). See "FINANCIAL ADVISORS." The audited basic financial statements of the District (contained in Appendix A to this Official Statement) include the report of Piercy Bowler Taylor & Kern, certified public accountants, Las Vegas, Nevada. See "INDEPENDENT AUDITORS." The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will act as Registrar and Paying Agent for the 2015 Bonds (the "Registrar," "Paying Agent," and "Escrow Bank").

Tax Status

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2015 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2015 Bonds (the "Tax Code"), and interest on the 2015 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS--Federal Tax Matters."

In the opinion of Bond Counsel, the 2015 Bonds are free and exempt from taxation by the State or any subdivision thereof except for the taxes imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See "TAX MATTERS--State Tax Exemption."

Continuing Disclosure Undertaking

The District will execute a continuing disclosure certificate (the "Disclosure Certificate") at the time of the closing for the 2015 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the 2015 Bonds and the District will covenant in the 2015 Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the 2015 Bonds remain outstanding, the District will annually provide the following information to the Municipal Securities Rulemaking Board: (i) certain financial information and operating data; and (ii) notice of certain material events. The form of the Disclosure Certificate is attached hereto as Appendix D. In the last five years, the District has not failed to materially comply with any prior continuing disclosure undertakings entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule").

Forward-Looking Statements

This Official Statement, particularly (but not limited to) any statements referring to budgeted, unaudited or estimated information for fiscal year 2015 or future years, contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not occur as assumed or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results. Those differences could be material and could impact the availability of funds to pay debt service on the 2015 Bonds.

Secondary Market

No guarantee can be made that a secondary market for the 2015 Bonds will develop or be maintained by the initial purchaser of the 2015 Bonds (the "Initial Purchaser") or others. Thus, prospective investors should be prepared to hold their 2015 Bonds to maturity.

Additional Information

<u>This introduction is only a brief summary of the provisions of the 2015 Bonds and the 2015 Bond Resolution; a full review of the entire Official Statement should be made by potential investors</u>. Brief descriptions of the 2015 Bonds, the 2015 Bond Resolution, the Refunding Project and the District are included in this Official Statement. All references herein to the 2015 Bonds, the 2015 Bond Resolution and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change.*

Additional information and copies of the documents referred to herein are available from the District and the Financial Advisors:

Clark County Water Reclamation District
Attn: General Manager
5857 East Flamingo Road
Las Vegas, Nevada 89122
Telephone: (702) 668-8101

Hobbs, Ong & Associates, Inc.
3900 Paradise Road, Suite 152
Las Vegas, Nevada 89169
Telephone: (702) 733-7223

Public Financial Management, Inc.
601 S. Figueroa Street, Suite 4500
Los Angeles, California 90017
Telephone: (213) 489-4075.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds of the 2015 Bonds are expected to be applied in the manner set forth in the following table.

Sources and Uses of Funds

	Amount
SOURCES:	
Principal amount of 2015 Bonds	$103,625,000.00
Plus net original issue premium	10,548,647.05
Other available funds[(1)]	468,277.61
Total	$114,641,924.66
USES:	
Refunding Project	$113,622,683.98
Costs of issuance (including underwriting discount)	1,019,240.68
Total	$114,641,924.66

(1) Consists of amounts on deposit in the Bond Fund allocable to the Refunded Bonds.

Source: The Financial Advisors.

The Refunding Project

General. The net proceeds of the 2015 Bonds will be used to refund the Refunded Bonds for net present value savings. In order to accomplish the Refunding Project, the District will deposit a portion of the 2015 Bond proceeds, together with other available moneys, with the Escrow Bank pursuant to an Escrow Agreement between the District and the Escrow Bank. The amounts deposited with the Escrow Bank will be deposited into the Escrow Account created under the 2015 Bond Resolution and invested in federal securities maturing at such times and in such amounts as required to provide funds sufficient to pay: (i) the interest on the Refunded Bonds as it becomes due through July 1, 2018; and (ii) the principal of the Refunded Bonds as it becomes due upon prior redemption on July 1, 2018.

Verification of Mathematical Computations. The accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on the federal securities and cash deposited in the Escrow Account to provide for the payment of the principal and interest with respect to the Refunded Bonds when due or upon prior redemption, which computations support the conclusion of Bond Counsel that the 2015 Bonds are not “arbitrage bonds” under Section 148 of the Tax Code, will be verified by Grant Thornton LLP, certified public accountants, Minneapolis, Minnesota.

THE 2015 BONDS

General

The 2015 Bonds will be issued as fully registered bonds in denominations of $5,000 and any integral multiple thereof. The 2015 Bonds will be dated as of their date of delivery and will mature as set forth on the inside cover page of this Official Statement. The 2015 Bonds initially will be registered in the name of "Cede & Co.," as nominee for DTC, the securities depository for the 2015 Bonds. Purchases of the 2015 Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the 2015 Bonds. See "Book-Entry Only System" below.

Payment Provisions

Interest on the 2015 Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2016, by check or draft mailed by the Paying Agent on or before the interest payment date (or if such day is not a business day, on or before the next succeeding business day) to the person in whose name each 2015 Bond is registered (i.e., Cede & Co.) on the 15th day of the calendar month preceding the interest payment date (the "Regular Record Date"), at the address shown on the registration records maintained by the Paying Agent as of the close of business on the Regular Record Date. However, if there is a default in payment or provision of interest due with respect to a 2015 Bond on any interest payment date, such interest thereafter will be paid to the registered owner of such 2015 Bond as of a special record date (the "Special Record Date") to be established by the Registrar whenever moneys become available for payment of the defaulted interest. The Special Record Date will be fixed by the Paying Agent whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date will be given to the registered owners of the 2015 Bonds not less than 10 days prior thereto by first-class mail to each registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date selected for the payment of the defaulted interest. Principal of the 2015 Bonds will be payable at maturity at the principal operations office of the Paying Agent (or at such other office designated by the Paying Agent) upon presentation and surrender thereof. Any 2015 Bond not paid upon presentation and surrender at or after maturity shall continue to draw interest at the rate stated in the 2015 Bond until the principal is paid in full. All such payments of principal and interest shall be made in lawful money of the United States of America. Payments to beneficial owners are to be made as described below in "Book-Entry Only System."

Notwithstanding the foregoing, payments of the principal of and interest on the 2015 Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the registered owner of the 2015 Bonds. Disbursement of such payments to DTC's Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and the Indirect Participants, as more fully described herein. See "Book-Entry Only System" below.

Prior Redemption

<u>Optional Prior Redemption</u>. The 2015 Bonds, or portions thereof, maturing on and after July 1, 2026, are subject to redemption prior to their respective maturities at the option of the District, on and after July 1, 2025, in whole or in part at any time, from such maturities as

are selected by the District, and if less than all the 2015 Bonds of a maturity are to be redeemed, the 2015 Bonds of such maturity to be redeemed are to be selected by lot within a maturity (or in such other manner as the Registrar deems fair), at a price equal to the principal amount of each 2015 Bond or portion thereof so redeemed plus accrued interest to the redemption date.

Notice of Redemption. Unless waived by any registered owner of a 2015 Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by certified or registered mail as long as Cede & Co. is registered owner of the 2015 Bonds and otherwise by first-class mail, at least 30 days but not more than 60 days prior to the Redemption Date to the Municipal Securities Rulemaking Board ("MSRB") and to the registered owner of any 2015 Bond (initially Cede & Co.) all or a part of which is called for prior redemption at his or her address as it last appears on the registration records kept by the Registrar.

The notice shall identify the 2015 Bonds and state that on such date the principal amount thereof, and premium, if any, thereon will become due and payable at the Paying Agent (accrued interest to the Redemption Date being payable by mail or as otherwise provided in the 2015 Bond Resolution), and that after such Redemption Date interest will cease to accrue. Actual receipt of mailed notice by the MSRB or any registered owner of 2015 Bonds shall not be a condition precedent to redemption of such 2015 Bonds. Failure to give such notice by mailing to the registered owner of any 2015 Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other 2015 Bond.

Notwithstanding the foregoing, any notice of redemption may contain a statement that the redemption is conditional upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the 2015 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the 2015 Bonds called for redemption in the same manner as the original redemption notice was mailed.

Tax Covenant

Federal Tax Matters. In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2015 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2015 Bonds (the "Tax Code") and interest on the 2015 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS--Federal Tax Matters."

State Tax Matters. In the opinion of Bond Counsel, the 2015 Bonds are free and exempt from taxation by the State or any subdivision thereof except for the taxes imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See "TAX MATTERS--State Tax Exemption."

Defeasance

When all Bond Requirements (defined in Appendix B) of any 2015 Bond have been duly paid, the pledge, the lien, and all obligations under the 2015 Bond Resolution shall thereby be discharged and the 2015 Bond shall no longer be deemed to be outstanding within the meaning of the 2015 Bond Resolution. Due payment shall be deemed to be made when the District has placed in escrow or in trust with a Trust Bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities (defined in Appendix B) in which such amount may be initially invested wholly or in part) to meet all Bond Requirements of the 2015 Bond, as the same become due to the final maturities of the 2015 Bond, or upon any redemption date as of which the District shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the 2015 Bond for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For purposes of this paragraph, "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof.

Book-Entry Only System

The 2015 Bonds will be available only in book-entry form in the principal amount of $5,000 or any integral multiples thereof. DTC will act as the initial securities depository for the 2015 Bonds. The ownership of one fully registered 2015 Bond for each maturity set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C - Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2015 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE 2015 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

None of the District, the Registrar or the Paying Agent will have any responsibility or obligation to DTC's Participants or Indirect Participants (defined in Appendix C), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the 2015 Bonds as further described in Appendix C to this Official Statement.

DEBT SERVICE REQUIREMENTS

The following table sets forth: (i) the debt service requirements for the 2015 Bonds; (ii) the debt service requirements for the District's other outstanding general obligations (collectively, the "Other Outstanding GO Obligations"), all of which are revenue supported, after taking the Refunding Project into account; and (iii) the combined debt service requirements for the 2015 Bonds and the Other Outstanding GO Obligations. See "DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations."

Debt Service Requirements

Bond Year Ending	2015 Bonds			Other Outstanding GO Obligations(1)			
July 1(2)	Principal	Interest	Total	Principal(3)	Interest	Total	Grand Total
2016	--	$1,858,897	$1,858,897	$9,197,689	$17,780,320	$26,978,009	$28,836,906
2017	--	4,552,400	4,552,400	13,101,915	17,546,167	30,648,081	35,200,481
2018	--	4,552,400	4,552,400	13,673,509	16,975,410	30,648,919	35,201,319
2019	--	4,552,400	4,552,400	14,277,901	16,370,443	30,648,344	35,200,744
2020	$3,530,000	4,464,150	7,994,150	11,760,176	15,823,281	27,583,456	35,577,606
2021	3,695,000	4,283,525	7,978,525	12,270,417	15,327,552	27,597,969	35,576,494
2022	3,880,000	4,094,150	7,974,150	12,803,713	14,798,000	27,601,713	35,575,863
2023	4,075,000	3,895,275	7,970,275	13,365,153	14,241,612	27,606,765	35,577,040
2024	4,285,000	3,686,275	7,971,275	13,954,832	13,652,823	27,607,655	35,578,930
2025	4,500,000	3,466,650	7,966,650	14,577,845	13,029,765	27,607,610	35,574,260
2026	4,730,000	3,235,900	7,965,900	15,234,290	12,375,187	27,609,478	35,575,378
2027	4,970,000	2,993,400	7,963,400	15,924,271	11,687,868	27,612,139	35,575,539
2028	5,220,000	2,738,650	7,958,650	16,652,890	10,965,929	27,618,819	35,577,469
2029	5,480,000	2,519,100	7,999,100	17,420,257	10,207,399	27,627,656	35,626,756
2030	5,660,000	2,334,538	7,994,538	18,076,219	9,410,773	27,486,992	35,481,530
2031	5,855,000	2,136,562	7,991,562	18,766,154	8,567,137	27,333,290	35,324,853
2032	6,065,000	1,882,475	7,947,475	16,641,656	7,697,732	24,339,389	32,286,864
2033	6,365,000	1,571,725	7,936,725	15,275,000	6,868,831	22,143,831	30,080,556
2034	5,370,000	1,305,200	6,675,200	17,440,000	5,999,738	23,439,738	30,114,938
2035	5,570,000	1,086,400	6,656,400	18,420,000	5,047,306	23,467,306	30,123,706
2036	5,770,000	859,600	6,629,600	19,455,000	4,036,969	23,491,969	30,121,569
2037	5,980,000	624,600	6,604,600	20,565,000	2,965,044	23,530,044	30,134,644
2038	6,200,000	381,000	6,581,000	21,720,000	1,832,275	23,552,275	30,133,275
2039	6,425,000	128,500	6,553,500	22,970,000	625,188	23,595,188	30,148,688
TOTAL	$103,625,000	$63,203,772	$166,828,772	$383,543,887	$253,832,748	$637,376,635	$804,205,407

(1) Totals may not add due to rounding.

(2) The District's fiscal year runs from July 1 through June 30. The figures in this table represent interest payments on January 1 in the calendar year shown and principal and interest payments on the prior July 1.

(3) Assumes that no optional redemptions are made prior to maturity but that any mandatory sinking fund redemptions are made as scheduled. Includes estimated debt service for the Water Reclamation Bond, Series 2012A in the par amount of $30,000,000. See "DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations."

Source: The Financial Advisors.

SECURITY FOR THE BONDS

General Obligations

General. The 2015 Bonds are direct and general obligations of the District, and the full faith and credit of the District is pledged for the payment of principal and interest due thereon, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See "PROPERTY TAX INFORMATION--Property Tax Limitations." The 2015 Bonds are payable by the District from any source legally available at the times such payments are due, including the General Fund of the District. In the event, however, that such legally available sources of funds are insufficient, the District is obligated to levy a general (ad valorem) tax on all taxable property within the District for payment of the 2015 Bonds, subject to the limitations provided in the constitution and statutes of the State.

The District historically has not levied an ad valorem tax because District revenues have always been sufficient to pay debt service on all of the District's bonds and obligations; however, in any year in which those revenues are insufficient to pay debt service, the District is obligated to levy ad valorem taxes to pay debt service. Due to the statutory process required for the levy of taxes, in any year in which the District is required to levy property taxes, there may be a delay in the availability of revenues to pay debt service on the 2015 Bonds. See "PROPERTY TAX INFORMATION--Property Tax Collections."

The constitution and laws of the State limit the total ad valorem property taxes that may be levied by all overlapping taxing units within each county (e.g. the State, the County, the Clark County School District, any city, or any special district, including the District) in each year. Those limitations are described in "PROPERTY TAX INFORMATION--Property Tax Limitations." In any year in which the total property taxes levied within the District by all applicable taxing units 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. In addition, State law requires the abatement of property taxes in certain circumstances. See "PROPERTY TAX INFORMATION--Required Property Tax Abatements."

Net Pledged Revenues

General. The 2015 Bonds are additionally secured by a lien (but not necessarily an exclusive lien) on the Net Pledged Revenues on a parity with the lien thereon of the Prior Bonds and any Additional Parity Securities issued in the future, and subject to the lien of any Superior Securities issued in the future. The 2015 Bond Resolution defines Net Pledged Revenues to mean the Gross Revenues remaining after the deduction of Operation and Maintenance Expenses. For precise definitions of "Net Pledged Revenues," "Gross Revenues" and "Operation and Maintenance Expenses," see Appendix B - Summary of Certain Provisions of the 2015 Bond Resolution--Certain Definitions.

Sewer Service Charges. The Net Pledged Revenues are derived primarily from the District's sewer service charges. The Board is authorized to establish, from time to time, fees, rates and other charges for the services furnished by the District's works and properties.

It is the general intent of the District that rates and charges be adequate to provide for all costs (including debt service) and that the levy of ad valorem property taxes be avoided. There has historically been no reliance on ad valorem taxes to support the District's operations and there is no current plan or intention to levy ad valorem property taxes to support the District's financial requirements. See "Rate Maintenance Covenant" below.

Net Pledged Revenues and Debt Service Coverage

General. The following table sets forth historical Net Pledged Revenues for fiscal years 2011 through 2014, estimated Net Pledged Revenues for fiscal year 2015, and budgeted Net Pledged Revenues for fiscal year 2016, compared to actual debt service paid on the District's then-outstanding Prior Bonds in fiscal years 2011 through 2015, and budgeted debt service in fiscal year 2016. *There is no assurance that the Net Pledged Revenues will continue to be realized in the historical amounts illustrated below, or that Net Pledged Revenues will continue to grow on a year-to-year basis.*

Net Pledged Revenues and Debt Service Coverage

Fiscal Year Ended June 30th	2011[6]	2012 (Restated)[7]	2013 (Restated)[8]	2014 (Actual)[8]	2015 (Estimated)[9]	2016 (Budgeted)
REVENUES:						
Sewer Service Charges[1]	$132,127,719	$133,786,521	$143,955,260	$140,493,039	$142,572,875	$146,067,777
System Development Approval Fees	9,218,329	10,549,916	18,972,735	31,461,511	19,850,000	11,000,000
Effluent Sales	2,086,213	2,274,004	2,195,074	2,357,845	2,369,845	2,380,866
Investment Earnings[2]	6,440,537	5,708,943	(1,232,445)	8,110,767	8,393,010	8,500,000
Other[3]	540,610	290,893	1,470,241	658,759	598,905	600,000
Total Revenues	$150,413,408	$152,610,277	$165,360,865	$183,081,921	$173,784,635	$168,548,643
OPERATING EXPENSES[4]	$64,846,147	$60,847,355	$62,938,368	$70,282,924	$64,917,112	$75,118,334
Net Pledged Revenues	$85,567,261	$91,762,922	$102,422,497	$112,798,997	$108,867,523	$93,430,309
Actual Debt Service Paid[5]	$29,967,644	$29,953,768	$30,031,893	$30,753,894	$30,754,938	$30,750,081
Parity Lien Coverage	2.86 x	3.06 x	3.41 x	3.67 x	3.54 x	3.04 x

(1) Includes revenues collected from sewer service charges, pretreatment fees and septage fees.
(2) Includes both restricted and unrestricted investment earnings.
(3) Does not include "other non-operating revenue".
(4) Does not include depreciation and amortization expenses. Also does not include interest expense on bonds and "other non-operating expenses".

(5) Represents actual debt service paid (or expected to be paid with respect to FY2016) in each fiscal year on the Prior Bonds. Excludes debt service on all obligations with a subordinate lien on the Net Pledged Revenues.
(6) Figures for System Development Approval Fees and Bad Debt Expense (Operating Expense) have been revised from the original audited financial statements. The revisions were made due to recommendations made by the Government Finance Officers Association (GFOA) regarding consistency in financial tables which compare financial results in multiple years.
(7) See footnote No. 6 on page 52.
(8) See footnote No. 7 on page 52.
(9) Estimated 2015 fiscal year end results included in the District's adopted fiscal year 2016 budget.
(10) Budgeted amounts included in the District's adopted fiscal year 2016 budget See "INTRODUCTION – Forward-Looking Statements."

Source: Derived from the District's comprehensive annual financial report ("CAFR") for the years ended June 30, 2011 through 2014, unaudited estimates for the fiscal year ended June 30, 2015 included in the District's 2016 budget, and the District's 2016 budget.

Rate Maintenance Covenant

In the 2015 Bond Resolution, the District covenants that it will charge against users or against purchasers of services or commodities pertaining to the System such fees, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other available funds, will be in each Fiscal Year of the District at least equal to the sum of:

(a) An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;

(b) An amount equal to the sum of the debt service due in such Fiscal Year on the then Outstanding Superior Securities (if any), the then Outstanding 2015 Bonds and any then Outstanding Parity Securities (including the Prior Bonds); and

(c) Any other amounts payable from the Net Pledged Revenues and pertaining to the System, including, without limitation, debt service on any Subordinate Securities and any other securities pertaining to the System, operation and maintenance reserves, additional capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

The foregoing rate covenant is subject to compliance by the District with any legislation of the United States of America, the State or other governmental body, or any regulation or other action taken by the United States, the State or any agency or political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges collectible by the District for the use of or otherwise pertaining to, and all services rendered by, the System.

Subject to the provisions described in the foregoing paragraph, the District shall cause all fees, rates and other charges pertaining to the System to be collected as soon as reasonable and shall provide methods of collection and penalties to produce Gross Revenues that will be adequate to meet the requirements of the 2015 Bond Resolution.

Additional Bonds

Superior Securities. The 2015 Bond Resolution authorizes the issuance of Superior Securities on the condition that the tests described in "Issuance of Additional Parity

Securities" below are met. Notwithstanding the foregoing sentence, the District may issue Superior Securities only as special obligations (i.e., payable only from Net Pledged Revenues) and not as general obligations of the District.

Issuance of Additional Parity Securities. A. The 2015 Bond Resolution permits the issuance of Additional Parity Securities (other than refunding bonds, which must meet different requirements as discussed in Appendix B - Summary of Certain Provisions of the 2015 Bond Resolution--Issuance of Refunding Bonds); provided, however, that the following express conditions must be met prior to the authorization and issuance of any such Additional Parity Securities:

(1) At the time of adoption of the instrument authorizing the issuance of the Superior Securities or Additional Parity Securities, the District shall not be in default in the payment of principal of or interest on the 2015 Bonds.

(2) The Net Pledged Revenues (subject to adjustments as discussed below) projected by the General Manager of the District, the Chief Financial Officer, or an independent accountant or consulting engineer to be derived in the later of (i) the Fiscal Year immediately following the Fiscal Year in which the facilities to be financed with the proceeds of the Superior Securities or Additional Parity Securities are projected to be completed or (ii) the first Fiscal Year for which no interest has been capitalized for the payment of any Superior Securities or Parity Securities (which include the 2007 Bonds, the 2008 Bonds, the 2009A Bonds, the 2009B Bonds, and the 2015 Bonds), including the Superior Securities or Additional Parity Securities proposed to be issued, will be sufficient to pay at least an amount equal to the principal and interest requirements (to be paid during that Fiscal Year) of all Outstanding Superior Securities, Outstanding Parity Securities, the Outstanding 2015 Bonds, and the Superior Securities or Additional Parity Securities proposed to be issued (excluding any reserves therefor).

B. In any determination of whether or not Superior Securities or Additional Parity Securities may be issued in accordance with the foregoing earnings test, consideration shall be given to any probable estimated increase or reduction in Operation and Maintenance Expenses that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the Superior Securities or Additional Parity Securities.

C. In any determination of whether or not Superior Securities or Additional Parity Securities may be issued in accordance with the foregoing earnings test: (i) the respective annual principal (or Redemption Price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any Trust Bank within or without the State, including the known minimum yield from any investment in Federal Securities; and (ii) the respective annual principal and interest requirements shall be reduced to the extent of the amount of principal and interest of any outstanding securities with a term of one year or less which the General Manager or Chief Financial Officer certifies are expected to be refunded. The certificate shall also provide an estimate of the debt service for the long-term refunding obligations that will refund the securities with the term of one year or less, calculated based on an interest rate equal to the "25 Bond Revenue Index" most recently published in The Bond Buyer prior to the date of certification.

For the purposes of paragraph A above, if any Superior Security or Parity Security bears interest at a variable interest rate and is not covered by a Qualified Swap, the rate of interest used in the foregoing test shall be the lesser of the maximum permitted rate of interest on those Superior Securities or Parity Securities or a rate equal to the "25 Bond Revenue Index" as most recently published in The Bond Buyer prior to the date a firm offer to purchase the then proposed Superior Securities or Parity Securities is accepted by the District or if such index is no longer published such other similar long-term bond index as the District reasonably selects. In addition, any such variable interest rate securities must meet the requirements of the insurer of the 2015 Bonds, if any.

For purposes of computing the Bond Requirements of variable interest rate Superior Securities or Parity Securities with respect to which a Qualified Swap is in effect, the interest payable on such variable interest rate securities (a) except as provided in clause (b) of this sentence, shall be deemed to be the interest payable on such variable interest rate securities in accordance with the terms thereof plus any amount required to be paid by the District to the Qualified Swap Provider pursuant to the Qualified Swap or minus any amount required to be paid by the Qualified Swap Provider to the District pursuant to the Qualified Swap; or (b) for purposes of computing combined average annual principal and interest requirements, for purposes of computing the maximum annual principal and interest requirements, and for purposes of any other computation for the issuance of additional superior or parity securities (including refunding securities) shall be deemed to be the amount accruing at the fixed rate as provided in the Qualified Swap. No computation of Bond Requirements under the 2015 Bond Resolution shall take into account payments due the Qualified Swap Provider on the termination of the Qualified Swap unless such payments on termination are then unconditionally due and payable in accordance with the terms of the related Qualified Swap.

Termination payments due under a Qualified Swap Agreement must be subordinate to the payments of the Bond Requirements of any 2015 Bonds, unless all of the Outstanding 2015 Bonds are insured by a bond insurer whose rating issued by Standard and Poor's Rating Services or Moody's Investors Service or both (whichever has a rating in effect for the Outstanding 2015 Bonds) is equal to or better than the rating the 2015 Bonds would have without such insurance, and the insurer of the Outstanding 2015 Bonds consents to the lien position of such termination payment prior to the execution of such Qualified Swap Agreement.

Subordinate Securities. The 2015 Bond Resolution authorizes the District to issue additional securities payable from Net Pledged Revenues and constituting a lien thereon subordinate to the lien thereon of the 2015 Bonds and any Outstanding Parity Securities; provided, however, that the proceeds of any such Subordinate Securities shall be used only to pay the cost (including, without limitation, incidental expenses) of a project for the betterment, enlargement, extension, other improvement or equipment of the System, or any combination thereof.

Other Security Matters

No Repealer. State statutes provide that no act concerning the 2015 Bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the 2015 Bonds or their security until all of the 2015 Bonds have been discharged in full or provision for their payment and redemption has been fully made.

No Pledge of Property. The payment of the 2015 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District, except the proceeds of general (ad valorem) taxes, the Net Pledged Revenues and any other monies pledged under the 2015 Bond Resolution for the payment of the 2015 Bonds. Other than the items specifically pledged under the 2015 Bond Resolution, no property of the District shall be liable to be forfeited or taken in payment of the 2015 Bonds.

No Recourse. No recourse shall be had for the payment of the Bond Requirements of the 2015 Bonds or for any claim based thereon or otherwise upon the 2015 Bond Resolution authorizing their issuance or any other instrument relating thereto, against any individual member of the Board or any officer or other agent of the Board or District, past, present or future, either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise.

CERTAIN RISK FACTORS

General

The purchase of the 2015 Bonds involves certain investment risks that are discussed throughout this Official Statement. Such risks include, but are not limited to, the factors described below. Accordingly, each prospective purchaser of the 2015 Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision.

Certain Risks Associated With Property Taxes

Delays in Property Tax Collections Could Occur. Although the 2015 Bonds are general obligations of the District, the District may only levy property taxes to pay debt service on the 2015 Bonds in accordance with State law. For a description of the State laws regulating the collection of property taxes, see "PROPERTY TAX INFORMATION – Property Tax Collections." Due to the statutory process required for the levy of taxes, in any year in which the District is required to levy property taxes, there may be a delay in the availability of property tax revenues to pay debt service on the 2015 Bonds. Accordingly, although other District revenues or other funds of the District may be available to pay debt service on the 2015 Bonds if Net Pledged Revenues are insufficient, time may elapse before the District receives property taxes levied to cover any insufficiency of Net Pledged Revenues.

Certain Risks Related to Property Taxes. Numerous other factors over which the District has no control may impact the timely receipt of ad valorem property tax revenues in the future. These include property tax limits described under the captions "SECURITY FOR THE BONDS – General Obligation" and "PROPERTY TAX INFORMATION – Property Tax Base and Tax Roll" and "-Property Tax Limitations" and "-Required Property Tax Abatements," the valuation of property within the District, the number of homes which are in foreclosure, bankruptcy proceedings of property taxpayers or their lenders, and the ability or willingness of property owners to pay taxes in a timely manner.

Certain Risks Associated With the Net Pledged Revenues

General. The generation of sufficient Net Pledged Revenues is important to the timely payment on the 2015 Bonds. If the System becomes inoperable due to damage, destruction, environmental restriction or for any other reason, or if the District is unable to increase rates and charges for any reason or if the District incurs unanticipated expenses or reduced revenues due to power rate increases or for any other reason, Net Pledged Revenues may not be sufficient to pay debt service on the 2015 Bonds.

Regulatory Risks. The System is subject to numerous federal and State statutory and regulatory requirements. Those laws are subject to change at any time. The District works with all regulatory agencies and personnel to stay abreast of future regulatory requirements as failure to comply with regulatory changes, or the inability to comply with them in a timely manner, could cause portions of the System to be unavailable. Any disruption of service could negatively impact Net Pledged Revenues.

Limitation of Remedies

Judicial Remedies. Upon the occurrence of an Event of Default under the 2015 Bond Resolution, each owner of the 2015 Bonds is entitled to enforce the covenants and agreements of the District by mandamus, suit or other proceeding at law or in equity. Any judgment will, however, only be enforceable against the Net Pledged Revenues and other moneys held under the 2015 Bond Resolution (including General Taxes, if any) and not against any other fund or properties of the District.

The enforceability of the 2015 Bond Resolution is also subject to equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the police powers of the State and the exercise of judicial authority by State or federal courts.

Due to the delays in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in obtaining judicial remedies to enforce the covenants and agreements of the District under the 2015 Bond Resolution, to the extent enforceable, could result in delays in any payment of principal of and interest on the 2015 Bonds.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2015 Bonds and the obligations incurred by the District in issuing the 2015 Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the 2015 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

No Acceleration. There is no provision for acceleration of maturity of the principal of the 2015 Bonds in the event of a default in the payment of principal of or interest on the 2015 Bonds. Consequently, remedies available to the owners of the 2015 Bonds may have to be enforced from year to year.

PROPERTY TAX INFORMATION

Property Tax Base and Tax Roll

The State Department of Taxation ("Taxation") reported the assessed valuation of property within the District for the fiscal year ending June 30, 2015 to be $33,520,479,563 (which excludes the estimated assessed value of the CSGID, as further described below), which represents a 14.36% increase from the assessed valuation reported for the prior fiscal year. Taxation has also reported the preliminary assessed valuation of property within the District for the fiscal year ending June 30, 2016 to be $36,285,104,801 (which excludes the estimated assessed value of the CSGID, as further described below) (subject to change until July 2015), which represents a 8.25% increase from the assessed valuation reported for the prior fiscal year.

State law requires that the County assessor reappraise at least once every five years all real and secured personal property (other than certain utility owned property which is centrally appraised and assessed by the Nevada Tax Commission). While the law provides that in years in which the property is not reappraised, the County assessor is to apply a factor representing typical changes in value in the area since the preceding year, it is the policy of the Clark County Assessor to reappraise all real and secured personal property in the County each year. State law requires that property be assessed at 35% of taxable value; that percentage may be adjusted upward or downward by the Legislature. Based on the assessed valuation of the District for fiscal year 2015, as calculated above, the taxable value of all taxable property within the District is $95,772,798,751. Based on the preliminary assessed valuation of the District for fiscal year 2016, as calculated above, the preliminary taxable value of all taxable property within the District is $103,671,728,002 (subject to change until July 2015).

"Taxable value" is defined in the statutes as the full cash value in the case of land and as the replacement cost less straight-line depreciation in the case of improvements to land and in the case of taxable personal property, less depreciation in accordance with the regulations of the Nevada Tax Commission but in no case an amount in excess of the full cash value. Depreciation of improvements to real property must be calculated at 1.5% of the cost of replacement for each year of adjusted actual age up to a maximum of 50 years. Adjusted actual age is actual age adjusted for any addition or replacement. The maximum depreciation allowed is 75% of the cost of replacement. When a substantial addition or replacement is made to depreciable property, its "actual age" is adjusted, *i.e.*, reduced to reflect the increased useful term of the structure. The adjusted actual age has been used on appraisals for taxes since 1986-87.

In Nevada, county assessors are responsible for assessments in the counties except for certain properties centrally assessed by the State, which include property owned by railroads, airlines and utility companies.

Ad Valorem Property Tax Data

History of Assessed Value. Because the District has never levied an ad valorem property tax, neither the State nor the County Assessor prepares an official assessed valuation for the District. The District's boundaries encompass all of the unincorporated areas of the County (excluding the Cities and the property included in the CSGID). Accordingly, the District has calculated its assessed valuation by deducting the assessed valuation of the five incorporated cities and the estimated assessed value of the CSGID from the County's total assessed valuation.

Pursuant to its Service Plan, the CSGID does not have the power to levy general, ad valorem taxes to finance its activities and as a result, the County Assessor does not maintain an assessed valuation for it. The County Assessor has provided estimated net assessed values for the CSGID based upon the tax roll as of January 28, 2015. The values do not include any centrally assessed values, which would be developed by the State. As development occurs, the assessed valuation within the CSGID likely will increase and the calculated assessed valuation of the District will be affected accordingly.

The following table illustrates a history of the assessed valuation in the District using the calculations described above.

History of Assessed Value

Fiscal Year Ending June 30	Total Assessed Value of Clark County(1)(5)	Total Assessed Value of Incorporated Cities(2)(5)	Estimated Assessed Value of CSGID(3)(5)	Calculated District Assessed Value(4)(5)	Percent Change
2012	$57,878,335,897	$27,420,993,232	$11,698,648	$30,445,644,017	--
2013	54,195,268,097	25,199,711,417	8,053,611	28,987,503,069	(4.79)%
2014	55,220,637,749	25,902,490,516	7,952,691	29,310,194,542	1.11
2015	62,904,942,089	29,376,418,803	8,043,723	33,520,479,563	14.36
2016	69,266,468,466	32,969,709,962	11,653,703	36,285,104,801	8.25

(1) Excludes the assessed values of the Boulder City Redevelopment Agency, the Clark County Redevelopment Agency, the Henderson Redevelopment Agency, the Las Vegas Redevelopment Agency, the Mesquite Redevelopment Agency and the North Las Vegas Redevelopment Agency in the following aggregate amounts: fiscal year 2011/12 - $1,176,499,255; fiscal year 2012/13 - $1,030,444,078; fiscal year 2013/14 - $1,076,210,139; fiscal year 2014/15 - $1,347,691,561; and fiscal year 2015/16 - $1,788,784,767.
(2) The five incorporated cities in Clark County are Boulder City, Henderson, Las Vegas, Mesquite and North Las Vegas.
(3) The CSGID assessed value amounts have been calculated by the Clark County Assessor's office; and do not include the value of any centrally assessed properties that might be calculated by the State of Nevada.
(4) The assessed valuations have been calculated as described in the paragraphs preceding this table.
(5) Fiscal year 2016 valuations are preliminary and remain subject to change until July 2015.

Sources: Nevada Department of Taxation, *Local Government Finance: Property Tax Rates for Nevada Local Governments, Fiscal Years 2010-2011 – 2014-2015* and *Local Government Finance Revenue Projections Fiscal Year 2015-2016, Final March 15, 2015*; and Clark County Assessor's Office.

Property Tax Collections

In Nevada, county treasurers are responsible for collecting property taxes, and forwarding the allocable portions thereof to the overlapping taxing units within the counties.

A history of the County's tax roll collection record appears in the following table. The District does not currently levy an ad valorem property tax. *Therefore, the figures in the following table represent property taxes that are not available to pay debt service on the 2015 Bonds.* The information is included only to provide information with respect to the historic collection rates for the County and may not be relied upon to predict what collection rates would be within the District should it levy an ad valorem property tax in the future.

Property Tax Levies, Collections and Delinquencies – Clark County, Nevada[1]

Fiscal Year Ending June 30	County Tax Levied for the Fiscal Year	Current Tax Collections	Percentage of Levy (Current) Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as % of Current Levy[2]
2009/10	$2,265,434,306	$2,216,527,326	97.84%	$47,884,566	$2,264,411,892	99.95%
2010/11	1,769,811,791	1,736,385,757	98.11	32,799,027	1,769,184,783	99.96
2011/12	1,600,939,176	1,576,935,410	98.50	23,221,931	1,600,157,341	99.95
2012/13	1,460,532,606	1,446,106,236	99.01	13,094,256	1,459,200,492	99.91
2013/14	1,467,969,775	1,453,556,514	99.02	10,387,949	1,463,944,463	99.73
2014/15[3]	1,517,009,387	1,505,197,313	99.22	--[4]	1,505,197,313	99.22

(1) Subject to revision. Represents the real property tax roll levies and collections.
(2) Calculated on collections to net levy (actual levy less stricken taxes).
(3) As of May 31, 2015.
(4) In the process of being collected.

Source: Clark County Treasurer's Office.

Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in installments on or before the third Monday in August and the first Mondays in October, January and March of each fiscal year. Penalties are assessed if any taxes are not paid within 10 days of the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent, and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10% per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property.

Largest Taxpayers

The following table represents the ten largest property-owning taxpayers in the County based on fiscal year 2014-2015 assessed valuations. The assessed valuations in this table represent both the secured tax roll (real property) and the unsecured tax roll (personal property).

No independent investigation has been made of, and consequently there can be no representation as to, the financial conditions of the taxpayers listed, or that any such taxpayer will continue to maintain its status as a major taxpayer based on the assessed valuation of its property in the County. Further, because the assessed values set forth below include all of the property within the County owned by each taxpayer, certain of the property is located within the incorporated cities that are not included within the boundaries of the District. *Accordingly, the assessed values listed for each property likely includes the value of property that is not included within the District.*

Clark County Ten Largest Taxpayers
(Fiscal Year 2014-15)

	Taxpayer	Type of Business	Assessed Value	% of Total Assessed Value[1]
1.	MGM Resorts International	Hotels/Casinos	$3,164,727,682	9.44%
2.	NV Energy	Utility	2,005,977,837	5.98
3.	Caesars Entertainment Corporation[2]	Hotels/Casinos	1,623,779,567	4.84
4.	Las Vegas Sands Corporation	Hotels/Casinos	997,888,951	2.98
5.	Wynn Resorts Limited	Hotels/Casinos	853,434,852	2.55
6.	Station Casinos Inc.	Hotels/Casinos	552,630,398	1.65
7.	Boyd Gaming Corporation	Hotels/Casinos	292,763,981	0.87
8.	Nevada Property 1 LLC	Hotels/Casinos	275,029,024	0.82
9.	Eldorado Energy LLC	Solar Energy	209,865,386	0.63
10.	Hilton Grand Vacations	Hotels/Casinos	190,040,774	0.57
	TOTAL		$10,166,138,452	30.33%

(1) Based on the District's fiscal year 2015 estimated assessed value of $33,520,479,563 which is calculated as described above.

(2) Caesars Entertainment Corporation ("CEC") owns, directly or indirectly, numerous properties in the County, including but not limited to Caesars Palace Hotel and Casino, Bally's Hotel and Casino, the Forum Shops, the Cromwell Hotel, the Flamingo Hotel and Casino, Harrah's Hotel and Casino, Nobu Hotel, Paris Hotel and Casino, Planet Hollywood Hotel and Casino, The Linq Hotel and the Rio Hotel and Casino. The assessed value figure provided in this table represents the combined assessed value of all property owned directly or indirectly by CEC. On January 15, 2015, a bankruptcy petition (the "CEOC Petition") was filed in the U.S. Bankruptcy Court for the Northern District of Illinois by Caesars Entertainment Operating Company, Inc. ("CEOC"). The CEOC Petition states that on the same day, bankruptcy petitions were filed by approximately 172 other entities which are believed to be related to CEOC. The CEOC Petition states that CEC is the owner of 89.3% of CEOC; however, CEC is not one of the debtors named in the CEOC Petition and the other bankruptcy petitions. Therefore, it is unclear how many of the hotels, casinos and other properties listed above are affected by the CEOC Petition and the other bankruptcy petitions. It is also unclear at this time whether, or by how much, the filing of the CEOC Petition and the other bankruptcy petitions will impact the payment of property taxes by CEC or entities directly or indirectly related to it.

Sources: Clark County Assessor's Office website (report dated October 15, 2014); and CEOC Petition (for footnote 2).

Property Tax Limitations

Overlapping Property Tax Caps. Article X, Section 2, of the State constitution limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5 per $100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to $3.64 per $100 of assessed valuation in all counties of the State with certain exceptions that (a) permit a combined overlapping tax rate of up to $4.50 per $100 in assessed valuation in the case of certain entities that are in financial difficulties; and (b) require that $0.02 of the statewide property tax rate of $0.17 per $100 assessed valuation is not included in computing compliance with this $3.64 cap. (This $0.02 is, however, counted against the $5.00 cap). State statutes provide a priority for taxes levied for the payment of general obligation bonded indebtedness in that in any year in which the proposed tax rate to be levied by overlapping units within a county exceeds any rate limitation, a reduction must be made by those units for purposes other than the payment of general obligation bonded indebtedness, including interest thereon.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness which is exempt from such ad valorem revenue limits. These revenue limitations do not apply to ad valorem taxes levied to repay the 2015 Bonds, which are exempt from such ad valorem revenue limits. This rate is generally limited as follows. The assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This cap operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property.

A local government, other than a school district, may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of the Department of Taxation will add, to the allowed revenue from ad valorem taxes, the amount approved by the legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. In the event sales tax estimates from the Nevada Department of Taxation exceed actual revenues available to local governments, Nevada local governments receiving such sales tax may levy a property tax to make up the revenue shortfall.

The County and the Cities are levying various tax overrides as allowed or required by State statutes.

School districts levy a tax of $0.75 per $100 of assessed valuation for operating purposes. School districts are also allowed an additional levy for voter-approved pay-as-you-go tax rates, and voter approved or short-term public safety debt service.

The Nevada Tax Commission monitors the impact of tax legislation on local government services.

Constitutional Amendment - Abatement of Taxes for Severe Economic Hardship. At the November 5, 2002 election, the State's voters approved an amendment to the State constitution authorizing the State Legislature to enact a law providing for an abatement of the tax upon or an exemption of part of the assessed value of an owner-occupied single-family residence to the extent necessary to avoid severe economic hardship to the owner of that residence.

The legislation implementing that amendment provides that the owner of a single-family residence may file a claim with the county treasurer to postpone the payment of all or part of the property tax due against the residence if (among other requirements): the residence has an assessed value of not more than $175,000; the property owner does not own any other real property in the State with an assessed value of more than $30,000; the residence has been occupied by the owner for at least 6 months; the owner is not in bankruptcy; the owner owes no delinquent property taxes on the residence; the owner has suffered severe economic hardship caused by circumstances beyond his control (such as illness or disability expected to last for at least 12 continuous months); and the total annual income of the owner's household is at or below the federally designated poverty level. The amount of tax that may be postponed may not exceed the amount of property tax that will accrue against the residence in the succeeding three fiscal years. Any postponed property tax (and any penalties and the interest that accrue as provided in the statue) constitutes a perpetual lien against the residence until paid. The postponed tax becomes due and payable if: the residence ceases to be occupied by the claimant or is sold; any non-postponed property tax becomes delinquent; if the claimant dies; or on the date upon which the postponement expires, as determined by the county treasurer. To date, the County Treasurer has not received material requests to postpone the payment of the property tax as described above.

Required Property Tax Abatements

General. In 2005, the Legislature approved the Abatement Act (NRS 361.471 to 361.4735), which established formulas to determine whether tax abatements are required for property owners in each year. The general impact of the Abatement Act is to limit increases in ad valorem property tax revenues owed by taxpayers to a maximum of 3% per year for owner-occupied residential properties (and low-income housing properties) and to 8% (or a lesser amount as determined by the formula) per year for all other properties. The Abatement Act formulas are applied on a parcel-by-parcel basis each year.

Generally, reductions in the amount of ad valorem property tax revenues levied in the County are required to be allocated among all of the taxing entities in the County in the same proportion as the rate of ad valorem taxes levied for that taxing entity bears to the total combined rate of all ad valorem taxes levied for that fiscal year. However, abatements caused by tax rate increases are to be allocated against the entity that would benefit from the tax increase rather than among all entities uniformly. Revenues realized from new or increased ad valorem taxes that are required by any legislative act that was effective after April 6, 2005, generally are exempt from the abatement formulas. The Abatement Act provides for the recapture of previously abated property tax revenues in certain limited situations.

Levies for Debt Service. Revenues resulting from increases in the rate of ad valorem taxes for the payment of tax-secured obligations are exempt from the Abatement Act formulas if increased rates are necessary to pay debt service on the related obligation in any fiscal year if (1) the tax-secured obligations were issued before July 1, 2005; or (2) the governing body of the taxing entity and the County Debt Management Commission make findings that no increase in the rate of an ad valorem tax is anticipated to be necessary for payment of the obligations during their term. Ad valorem tax rate increases to pay debt service on the 2015 Bonds may not be exempt from the Abatement Act formulas.

General Effects of Abatement. Limitations on property tax revenues could negatively impact the finances and operations of the taxing entities in the State, including the District, to an extent that cannot be determined at this time.

Additional Abatement of Taxes for Severe Economic Hardship. In 2002, following voter approval of a State constitutional amendment, the Legislature enacted a law implementing an abatement of the tax upon or an exemption of part of the assessed value of an owner-occupied single-family residence to the extent necessary to avoid severe economic hardship to the owner of that residence. Pursuant to that legislation, the low-income owner (defined by law) of a single-family residence with an assessed value of $175,000 or less may file a claim with the county treasurer to postpone the payment of all or part of the property tax due against the residence if certain requirements specified in the legislation are met. The amount of tax that may be postponed may not exceed the amount of property tax that will accrue against the residence in the succeeding three fiscal years. Any postponed property tax (and any penalties and the interest that accrue as provided in the statue) constitutes a perpetual lien against the residence until paid. The postponed tax becomes due and payable if: the residence ceases to be occupied by the claimant or is sold; any non-postponed property tax becomes delinquent; if the claimant dies; or on the date upon which the postponement expires, as determined by the county treasurer.

Overlapping Tax Rates and General Obligation Indebtedness

Overlapping Tax Rates. The following table sets forth a history of statewide average tax rates, as well as the overlapping tax rate for Paradise Town, which is located in the District in unincorporated Clark County. The overlapping taxes rates for areas within the County (including its unincorporated areas) vary depending on the rates imposed by applicable taxing jurisdictions. The highest overlapping tax rate for an entity in the District currently is $3.4030 in Mt. Charleston Town.

History of Statewide and Representative Overlapping Tax Rates[1]

Fiscal Year Ended June 30	2011	2012	2013	2014	2015
Average Statewide Rate	$3.1320	$3.1171	$3.1304	$3.1212	$3.1232
Paradise Town	$ 0.2064	$ 0.2064	$ 0.2064	$ 0.2064	$ 0.2064
Clark County	0.6541	0.6541	0.6541	0.6541	0.6541
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034
Clark County Fire Service Area	0.2197	0.2197	0.2197	0.2197	0.2197
Las Vegas Artesian Basin	0.0015	0.0000	0.0000	0.0000	0.0000
Las Vegas-Clark County Library District	0.1011	0.0942	0.0942	0.0942	0.0942
Las Vegas Metro Police	0.2850	0.2850	0.2850	0.2850	0.2850
State of Nevada [2]	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$2.9412	$2.9328	$2.9328	$2.9328	$2.9328

(1) Per $100 of assessed valuation.
(2) $0.0200 of the State rate is exempt from the $3.64 cap. See "Property Tax Limitations" above.

Source: Nevada Department of Taxation, *Local Government Finance: Property Tax Rates for Nevada Local Governments, Fiscal Years 2010-2011 – 2014-2015*

Estimated Overlapping General Obligation Indebtedness. In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries that overlap or partially overlap the boundaries of the District. In addition to the entities listed below, other governmental entities may overlap the District but have no general obligation debt outstanding. The following chart sets forth the estimated overlapping general obligation debt chargeable to property owners within the District as of June 1, 2015.

Estimated Overlapping Net General Obligation Indebtedness

Entity[1]	Total General Obligation Indebtedness	Presently Self-Supporting General Obligation Indebtedness	Net Direct General Obligation Indebtedness	Percent Applicable[2]	Overlapping Net General Obligation Indebtedness[3]
Clark County	$2,835,706,851	$2,804,600,000	$31,106,851	53.29%	$16,576,841
Clark County School District	2,861,365,000	633,235,000	2,228,130,000	53.29%	1,187,370,477
Las Vegas Valley Water District	2,784,010,000	2,784,010,000	--	53.86%	--
Las Vegas-Clark County Library District	27,055,000	--	27,055,000	70.00%	18,938,500
Big Bend Water District	4,310,076	4,310,076	--	100.00%	--
State of Nevada	1,819,925,000	590,920,000	1,230,005,000	36.82%	452,887,841
TOTAL	$10,291,661,924	$6,816,075,076	$3,516,296,851		$1,675,773,659

(1) Other taxing entities overlap the District and may issue general obligation debt in the future.
(2) Based on fiscal year 2015 assessed valuation in the respective jurisdiction. The percent applicable is derived by dividing the assessed valuation of the District into the assessed valuation of the governmental entity.
(3) Overlapping Net General Obligation Indebtedness equals total existing general obligation indebtedness less presently self-supporting general obligation indebtedness times the percent applicable.

Source: Hobbs, Ong & Associates; Nevada Department of Taxation; and/or the respective jurisdiction/agency.

The following table sets forth the total net direct and overlapping general obligation indebtedness attributable to the District as of June 1, 2015 (after taking the issuance of the 2015 Bonds and the Refunding Project into account).

Net Direct & Overlapping General Obligation Indebtedness

Total General Obligation Indebtedness	$ 466,264,251
Less: Self-supporting General Obligation Indebtedness	466,264,251
Net Direct General Obligation Indebtedness	--
Plus: Overlapping Net General Obligation Indebtedness	1,675,773,659
Net Direct & Overlapping Net General Obligation Indebtedness	$1,675,773,659

Selected Debt Ratios

The following table sets forth selected ratios of the net overlapping debt within the District to assessed valuation, taxable value and population within the District.

<u>Selected Debt Ratios of the District</u>

District Population[(1)]	913,505
Net Direct Debt[(2)]	--
Net Overlapping Debt[(3)]	$1,675,773,659
Total Net Direct Debt and Overlapping Debt	$1,675,773,659
Per Capita Net Direct Debt Plus Overlapping Debt	$1,834.44
2016 Preliminary Assessed Valuation[(4)]	$36,285,104,801
Net Direct Debt plus Overlapping Debt to Assessed Valuation	4.62%
2016 Preliminary Taxable Value[(4)]	$103,671,728,002
Net Direct Debt plus Overlapping Debt to Taxable Value	1.62%

(1) Calculated using population estimates for the County and subtracting the population of its incorporated cities (using State Demographer estimates as of July 1, 2014).
(2) See "DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations." Reflects the fact that all District debt currently is self-supporting.
(3) Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt. See the table entitled "Estimated Overlapping Net General Obligation Indebtedness" above.
(4) See "Property Tax Base and Tax Roll" for an explanation of assessed value and taxable value and how it has been calculated for the District. Subject to change until July 2015.

Sources: Property Tax Rates for Nevada Local Governments - Department of Taxation, information compiled from individual taxing entities and the Nevada State Demographer's population estimates for July 1, 2014.

THE DISTRICT

History and Organization

General. The District was created in 1954 to provide sanitary sewer service to certain unincorporated areas of the County. The District has undergone several name changes, most recently changing its name from Clark County Sanitation District to Clark County Water Reclamation District in January 2003. The District is organized as a general improvement district under the Project Act, and as such is a political subdivision of the State. The District's vision statement is to be recognized as the "Best run 'business' in the community" known for the following: highly skilled and dedicated employees; excellent customer responsiveness; effective financial management; ethical and effective business practices and sound business planning principles. The District's mission statement is to manage reclaimed water as a resource.

Service Area. The District's service area includes generally all of the unincorporated portions of the County, except the land within the boundaries of the CSGID. The incorporated cities in the County which are excluded from the District's service area are the cities of Boulder City, Henderson, Las Vegas, North Las Vegas and Mesquite. Based upon estimates prepared by the State Demographer's office, the District estimates the population in its service area as of July 1, 2014, was approximately 913,505, representing approximately 44.1% of the County's estimated population.

Responsibilities and Facilities Generally. The District is responsible for the collection and treatment of wastewater in the unincorporated areas of the County including the famous Las Vegas "Strip." The District is one of four wastewater treatment agencies in the Las Vegas Valley. The District operates seven wastewater treatment facilities and the largest collection (pipeline) system in the State with over 2,000 miles of pipes.

As further described in "THE SYSTEM," the District receives an average flow of approximately 99.63 million gallons of wastewater per day ("mgd") at the main treatment facility located on East Flamingo Road; an average of 5.32 mgd of that amount is reclaimed for irrigation and industrial uses. The District also operates the Desert Breeze Water Resource Center, a water reclamation facility on West Flamingo Road. Almost all of the wastewater received by Desert Breeze, approximately 2.189 mgd, is reclaimed for irrigation uses. The District produces a high-quality reclaimed water product for reuse and/or return to the environment by way of the Las Vegas Wash. This water is delivered for reuse and/or return to the environment by the District and the Las Vegas Valley Water District ("LVVWD"). The treatment and discharge requirements imposed upon the District by the State require extensive laboratory testing and documentation to ensure that standards are met each day.

The District also operates wastewater facilities servicing other County communities: Blue Diamond, Indian Springs, Laughlin, Overton, and Searchlight. Under an Operations and Maintenance Agreement among the County, the CSGID, the District and the LVVWD, the District agrees to operate and maintain the CSGID wastewater collection and treatment system on behalf of the LVVWD, once those facilities are constructed by the CSGID or the developer. The District does not have any responsibility to provide funding for the construction, operation or maintenance of the CSGID wastewater facilities. The CSGID wastewater facilities have not yet been constructed.

Governing Body

The elected seven-member Board of Clark County Commissioners serves ex officio as the District Board. County Commissioners are elected from County Commission election districts for four-year staggered terms. Each year, the Board selects from among its members a Chair and a Vice Chair. The County Treasurer acts as the ex officio Treasurer of the District and the County Clerk acts as the ex officio Secretary of the District.

The present members of the Board and their terms of office are as follows:

Name and Position	Term Expires
Lawrence L. Brown, III, Chair	January 2017
Steve Sisolak, Vice Chair	January 2017
Susan Brager, Member	January 2019
Tom Collins, Member	January 2017
Chris Guinchigliani, Member	January 2019
Mary Beth Scow, Member	January 2019
Lawrence Weekly, Member	January 2017

Administration

The General Manager of the District is appointed by the Board. The District's Senior Management Team consists of: the General Manager; the Deputy General Manager of Plant Operations and Laboratory Services; the Assistant General Manager of Finance and Technology Services; the Assistant General Manager of Engineering and Construction Services; the Water Quality Advisor; the Assistant to the General Manager of Customer Care Services; and the Assistant General Manager of Collection Systems and Maintenance Services.

The following are brief biographies for the General Manager, the Deputy General Manager of Plant Operations and Laboratory Services, and the Assistant General Manager of Finance and Technology Solutions, each of whom is directly involved in the issuance of the 2015 Bonds.

Thomas A. Minwegen, General Manager. Mr. Minwegen holds a Bachelor of Science degree in civil engineering from Bradley University in Peoria, Ill., and is a registered professional engineer in Nevada. Prior to this appointment, Mr. Minwegen served 30 years with the LVVWD. He was the deputy general manager of engineering and operations, wherein he lead the local water infrastructure efforts during the most ambitious period of growth within Southern Nevada. His responsibilities included the oversight of the utility's facilities planning, the major engineering and construction programs, the development expansion program, and the water system production, operations and maintenance activities. He also oversaw the automated mapping, facilities management, geographic information system, global positioning survey, supervisory control and data acquisition system, the asset management program and the Homeland Security program for the company. Mr. Minwegen serves on the International Board of Directors of the WateReuse Research Foundation, the joint WateReuse Association/Foundation Executive Team, the WateReuse National Legislative Team, and is the past president of the WateReuse Nevada Section.

As General Manager, Mr. Minwegen reports to the County Manager and is responsible for planning, organizing and administering the District's comprehensive regional wastewater collection, treatment and disposal system. He works with elected and appointed officials to develop and implement responsible policies to benefit the citizens served by the District. He is also responsible for accomplishing agency goals and objectives, and to coordinate those goals and objectives within general County policy guidelines

Daniel Fischer, Deputy General Manager – Plant Operations and Laboratory Services. Mr. Fischer has been with the District in that position since November 25, 2013. Mr. Fischer earned a Bachelor of Arts degree in Chemistry in 1979 and a Master of Science degree in Environmental Analytical Chemistry in 1990, both at the University of Nevada Las Vegas. He is responsible for all of the District's plant operations, treatment processes, laboratory, and water quality functions. Prior to joining the District, Mr. Fischer managed various portions of the City of Las Vegas, Nevada wastewater treatment division for fourteen years. Before that, he managed laboratories engaged in environmental analytical services for twelve years.

Mark Binney, Assistant General Manager-Finance and Technology Solutions. Mr. Binney started his career with the District 39 years ago. During his tenure with the District, he has acquired vast industry knowledge and experience and was involved in the development and evolution of the wastewater and maintenance processes for the District. Mr. Binney also developed the treatment plant operator's certification program, and has formerly held the position of Assistant General Manager, Operations.

Mr. Binney oversees the Service Sections of Accounting, Finance and Purchasing as well as Technology Solutions. Mr. Binney provides exceptional customer service and diligently safeguards the fiscal resources of the District. He is responsible for all the District's financial functions including accounting, debt management, cash management, capital assets, grants administration, contracts fiscal compliance, financial reporting and adherence to all applicable federal, state and local regulations, requirements and guidelines. He works closely with the County Treasurer's office, Finance, and Accounting departments in order to coordinate goals and objectives.

Employees and Benefits

<u>General</u>. The District has 364 budgeted full time equivalent positions for fiscal year 2015. As of April 2015, there were 348 full-time regular employees, and 16 part-time employees. All supervisory and non-supervisory employees of the District (excluding management and confidential employees) are eligible for collective bargaining representation by the Service Employees International Union (the "SEIU"). The District and certain County departments negotiate with their employees as a team. The current bargaining agreement expired on June 30, 2013. The parties are maintaining the status quo of the expired agreement until a new agreement is reached. NRS 288.230 prohibits strikes against local government employers so no work stoppages are expected to occur.

The County team and the SEIU agreed to enter binding arbitration to determine the terms of a new bargaining agreement. The arbitration is not expected to affect salaries for the District's 2014 fiscal year because the District previously agreed to a two percent salary increase for SEIU-affiliated employees for that fiscal year. The arbitrator is expected to determine salary increases for SEIU-affiliated employees for the 2015 and possibly 2016 fiscal years. The arbitration is scheduled for July 1, 2015 through July 2, 2015; however, a decision is not expected to be reached by the arbitrator for up to two months.

Benefits. The District provides group insurance (life, dental, vision and general health) at a minimal cost to permanent employees and also provides disability insurance, sick leave, vacation leave and holiday leave/pay to permanent employees. District policy allows employees to accumulate earned vacation and sick leave benefits to be paid upon separation from District service. As required, the District accrues benefits in the period they were earned. As of June 30, 2014, the District had recorded a liability of approximately $1,000,000 for accumulated compensated absences. The District estimates recording a liability of approximately $505,000 for accumulated compensated absences in its fiscal year ending June 30, 2015. See "INTRODUCTION – Forward Looking Statements." The District also provides workers compensation coverage in accordance with State law.

Pension Matters. The District's employees are covered by the Public Employees' Retirement System ("PERS"), which is administered by the State. PERS covers substantially all public employees of the State, its agencies and its political subdivisions, including the District. PERS, established by the Nevada legislature effective July 1, 1948, is governed by the Public Employees' Retirement Board whose seven members are appointed by the Governor. Retirement Board members serve for a term of four years. Except for certain District specific information set forth below, the information in this section has been obtained from publicly-available documents provided by PERS. The District has not independently verified the information obtained from the publicly available documents provided by PERS and is not responsible for its accuracy.

All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit plan. Benefits, as established by statute, are determined by the number of years of accredited service at the time of retirement. For a member who has an effective date of membership before January 1, 2010, a monthly service retirement allowance must be determined by multiplying a member's average compensation by 2.5 percent for each year of service earned before July 1, 2001, and 2.67 percent for each year of service earned on or after July 1, 2001. For a member who is not a police officer or firefighter and who has an effective date of membership on or after January 1, 2010, and before July 1, 2015, a monthly service retirement allowance must be determined by multiplying the member's average compensation by 2.5 percent for each year of service earned. For a member who is not a police officer or firefighter and who has an effective date of membership on or after July 1, 2015, a monthly service retirement allowance must be determined by multiplying the member's average compensation by 2.25 percent for each year of service earned. For purposes of the foregoing, and with certain limits described in NRS 286.551(4) and (5) for members with an effective date on or after January 1, 2010, "average compensation" means the average of a member's 36 consecutive months of highest compensation as certified by the public employer.

Regular members of PERS enrolled prior to January 1, 2010 are eligible for retirement benefits at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the PERS system on or after January 1, 2010 but before July 1, 2015, are eligible for retirement at age 65 if the member has at least 5 years of service, at age 62 if the member has at least 10 years of service and at any age if the member has at least 30 years of service. Regular members entering the PERS system on or after

July 1, 2015, are eligible for retirement at age 65 if the member has at least 5 years of service, at age 62 if the member has at least 10 years of service, at age 55 if the member has at least 30 years of service and at any age if the member has at least 33 1/3 years of service.

PERS has an annual actuarial valuation showing unfunded liability and the contribution rates required to fund PERS on an actuarial reserve basis; however, actual contribution rates are established by the Legislature. The most recent independent actuarial valuation report of PERS was completed as of June 30, 2014. As of June 30, 2010, PERS reported an unfunded actuarial accrued liability ("UAAL") of approximately $10.35 billion, the funded ratio for all members was 70.5% (actuarial value basis), and the market value of total net assets was approximately $20.91 billion (resulting in a 59.6% funded ratio). As of June 30, 2011, PERS reported a UAAL of approximately $11.01 billion, the funded ratio for all members was 70.2% (actuarial value basis), and the market value of total net assets was approximately $25.26 billion (resulting in a 68.5% funded ratio). As of June 30, 2012, PERS reported a UAAL of approximately $11.21 billion, the funded ratio for all members was 71.0% (actuarial value basis), and the market value of total net assets was approximately $25.90 billion (resulting in a 67.1% funded ratio). As of June 30, 2013, PERS reported a UAAL of approximately $12.88 billion, the funded ratio for all members was 69.3% (actuarial value basis) and the market value of total assets was approximately $28.83 billion (resulting in a 68.7% funded ratio). As of June 30, 2014, PERS reported a UAAL of approximately $12.53 billion, the funded ratio for all members was 71.3% (actuarial value basis) and the market value of total assets was approximately $33.57 billion (resulting in a 76.3% funded ratio).

For the purpose of calculating the actuarially determined contribution rate, the UAAL is amortized as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 30 years. The calculation method for the UAAL existing as of June 30, 2011, is amortized using the closed method over 30 years. Effective for fiscal year 2012, the PERS Board adopted changes to the amortization method to be used to amortize new UAAL resulting from actuarial gains or losses and changes in actuarial assumptions. Any new UAAL will be amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers, until the average remaining amortization period is less than 20 years; after that time, 20-year amortization periods will be used. The PERS Board also adopted a four-year asset smoothing policy for net deferred losses of approximately $616 million from the 2011 valuation and approximately $1,499 million in unrecognized investment losses. Unless offset by future investment gains, the recognition of the $1,499 million market loss is expected to decrease the future funded ratio and increase the future contribution rate.

Effective with fiscal year 2015, the District will be required to apply the GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* ("GASB 68"), to its audited financial statements. Among other requirements, the District will be required to report its proportionate share of the total PERS net pension liability in its financial statements. PERS has not yet established the District's proportionate share. The District has not yet begun to implement GASB 68, and information as to its estimated share of the PERS net pension liability has not been determined. The District has no legal obligation to fund any of PERS's unfunded pension liability nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERS or the Legislature. However, GASB 68 will be applicable to the District in fiscal year 2015 and could have a material impact on the District's financial statements.

Contribution rates to PERS are established in accordance with State statute. The statute allows for biennial increases or decreases of the actuarially determined rate. The Legislature can increase the contribution rate for members by any amount it determines necessary. Pursuant to statute, there is no obligation on the part of the employers to pay for their proportionate share of the unfunded liability. The District is obligated to contribute all amounts due under PERS; however, in accordance with State law, non-police/fire employees share the annual increases equally with the employer (unless otherwise prohibited by contract). As a result, salaries for regular employees were reduced by 1% in fiscal year 2014 in order to cover half of the increase in statutory contribution rates. A history of contribution rates is shown below.

Fiscal Years 2010 and 2011	Fiscal Years 2012 and 2013	Fiscal Years 2014 and 2015	Fiscal Years 2016 and 2017
21.50%	23.75%	25.75%	28.00%

The District's contributions for the years ended June 30, 2014 and 2013 were $6,039,644 and $5,396,479, respectively. The District estimates it contribution for the year ended June 30, 2015 will be approximately $5,606,747. See "INTRODUCTION – Forward Looking Statements."

Other Post-Employment Benefits. The District participates in a County plan that makes certain post-retirement benefits ("OPEB") available to employees, if enrolled in PERS and an active employee at the time of retirement, under two different programs: (i) the Clark County Retiree Health Program (the "County Plan"); and (ii) the Public Employee Benefit Program ("PEBP"). Each plan provides medical, dental, and vision benefits to eligible active and retired employees and beneficiaries. Except for PEBP, benefit provisions are established and amended through negotiations between the respective unions and the employers. PEBP benefit provisions are established by the Legislature. For a discussion of the plans' benefits and costs, valuation of the OPEB program, its UAAL, annual required contributions ("ARC") and funding status as of June 30, 2014, see Note G and the "Required Supplementary Information – Schedule of Funding Progress for Other Postemployment Benefits" in the audited financial statements attached hereto as Appendix A. The District historically has funded its OPEB liability on a pay-as-you-go basis; the amounts funded historically have been less than the ARC. For its fiscal years ending June 30, 2014, and June 30, 2015, the District made OPEB contributions of $703,884 and $699,884 (estimated; subject to change), respectively.

Risk Management

General. The District is exposed to various risks of loss related to torts; theft of, damage to and/or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains a risk management program to assess coverage of potential risks of loss. Under this program, the District believes it is more economical to manage risks internally with regard to its workers' compensation coverage for compensation claims under $750,000. For workers' compensation claims above $750,000, as well as all other risks, the District purchases insurance coverage subject to deductibles. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. See Note I in the audited financial statements attached hereto as Appendix A.

The District completed an annual appraisal of District structures in March 2015. The valuation conducted by Hirons & Associates of Bradenton, Florida, provided a thorough inventory of above-ground structures and replacement costs (which does not include below-ground structures). The District's property insurance policy was revised to reflect these valuations, establishing a blanket valuation of $1,090,456,302. A complete schedule of values is updated annually to reflect newly completed construction and is available for inspection in the District's offices. See "INTRODUCTION--Additional Information."

Workers' Compensation - Self-Funded Program. Effective in 1992, the District discontinued its coverage with the State Industrial Insurance System and became self-insured for workers' compensation claims. Currently, the claims administrator is Nelson-Davis Administrators. The self-insurance coverage includes the purchase of an insurance policy to cover worker's compensation claims for the District that exceed $750,000 per person.

As of June 30, 2014, a liability of $703,014 was accrued to provide for unpaid claims. The accrued liability represents the approximate maximum number of claims expected for the year. For the last four fiscal years, no settlement amount has exceeded the insurance coverage. The District has designated and set aside an amount for future workers' compensation losses in its investment balances. At June 30, 2014 and 2013, the designated amount was $634,000 and $700,000, respectively. See Note I in the audited financial statements attached hereto as Appendix A.

THE SYSTEM

General

The District's facilities provide sanitary sewer service to the urban areas of the unincorporated portion of Clark County, including the resort destinations on the Las Vegas Strip. The District also operates sewer service facilities physically independent of the principal facilities in certain service areas of the County, including the towns of Overton (in Moapa Valley), Laughlin, Searchlight, Blue Diamond and Indian Springs.

The District's facilities in the Las Vegas Valley area consist of a network of pipelines and lift stations for the collection of wastewater and facilities for the treatment of wastewater. Once wastewater is conveyed to the treatment facilities, it undergoes a series of physical, biological and chemical processes to meet state and federal environmental discharge standards. The District's Flamingo Water Resource Center (the "FWRC") polishes wastewater through filtration and disinfection processes that reduce phosphorus and inactivate microscopic pathogens. Effluent water is then discharged to the Las Vegas Wash, which flows into Lake Mead. Effluent water also is sold for reuse in electrical generating plants and irrigation of area golf courses and parks.

A brief description of the principal components of the System (the District's principal wastewater collection conveyance, treatment and disposal system) follows.

Collection and Conveyance System

The principal District collection system currently conveys wastewater from the unincorporated portions of the Las Vegas Valley, a small portion of the cities of Las Vegas and North Las Vegas, and Nellis Air Force Base. The system covers approximately 100 square miles and consists of over 2,078 miles of pipeline ranging from 6 inches to 84 inches in diameter. The general flow pattern in the service area is by gravity in a southerly and easterly direction. In the Las Vegas Valley, the District operates 26 lift stations for service areas that require pumping. All major sewers within the system were constructed after 1954. Approximately 55 percent of the sewers have been installed since 1987. The system consists of two basic segments, a corridor running north to south along the eastern side of the Las Vegas Valley and a second segment that runs west to east along the southern side of the Las Vegas Valley. The two segments intersect each other near the southeastern corner of the service area where the District's facilities are located.

Treatment Facilities

<u>Flamingo Water Resource Center</u>. The FWRC is located east of Boulder Highway on Flamingo Road and is the District's main treatment facility. The facility includes a combination of treatment processes that have been brought on line over the years as the District has grown. The original facility was completed in 1955 with a design capacity of 12 mgd. In 1973, the District increased the total secondary treatment capacity to 32 mgd. The facility used primary sedimentation and trickling filters to provide secondary treatment. In 1982, the District completed its 90 mgd East Campus (formerly Advanced Wastewater Treatment facility) to provide tertiary treatment of effluent through filtration and subsequent disinfection before it is discharged to the Las Vegas Wash. The construction of an 18.5 mgd primary treatment facility,

which operated parallel with existing secondary treatment facilities, was completed in 1987. In 1996, the District completed construction of an activated sludge system at the West Campus (formerly Central Plant facility) to increase the District's secondary treatment capacity to 88 mgd. The facility provides for the biological removal of ammonia, nitrogen, and phosphorus and replaces the secondary processes described above. In 2009, the activated sludge system was expanded again and a new solids dewatering facility using centrifuge technology was constructed. In late 2014, the 30 mgd Membrane and Ozone Facility was commissioned to replace aging tertiary processes at the East Campus.

Approximately 95 percent of the District's tertiary treated effluent is returned to Lake Mead via the Las Vegas Wash and is used as return flow credit against Nevada's Colorado River water allocation. The remaining 5 percent of the effluent is pumped from the East Campus facility to a nearby power generation station for industrial uses and to nearby golf courses and to the County's Silver Bowl park for irrigation uses.

The Desert Breeze Water Resource Center (the "DBWRC"), for the western portion of the District's service area, is a facility built in partnership with the Las Vegas Valley Water District. The Water Reclamation District operates the center and LVVWD distributes the reclaimed water to golf courses in local residential developments.

A table showing a five-year history of the average daily flows by month at the FWRC is set forth below.

Average Daily Flows
Flamingo Water Resource Center
(in Millions of Gallons)

Fiscal Year	2009-10	2010-11	2011-12	2012-13	2013-2014
July	99.82	93.53	98.81	96.50	99.99
August	99.25	94.71	98.53	98.06	98.44
September	96.90	93.87	97.79	96.75	98.93
October	93.52	94.02	99.58	95.50	97.47
November	91.34	91.90	96.06	93.21	97.28
December	89.71	91.68	94.95	93.45	96.56
January	90.69	91.91	95.78	92.58	96.51
February	92.07	91.06	96.42	92.44	95.97
March	93.25	91.49	94.93	93.65	97.59
April	93.59	91.11	94.24	95.26	97.99
May	94.27	90.37	95.06	90.18	97.89
June	95.44	92.19	96.20	94.85	99.90
Annual Average	94.15	92.32	96.53	94.37	97.88

Source: The District.

Service Areas Outside of the Las Vegas Valley: The District is responsible for maintaining facilities and collection systems within other service areas outside of the Las Vegas Valley. Normal maintenance consists of adjusting manholes to grade, clearing easements of trash and vegetation, stabilizing embankments, replacing outdated facilities and responding to emergency repair needs. Duties include cleaning the main lines and wet wells, monitoring lagoons and sampling the wastewater to assure compliance with associated wastewater discharge permits. These areas have been divided into two sections; the Southern Service Area which includes Laughlin and Searchlight; and the Northern Service Area which includes Blue Diamond, Indian Springs, and Overton (Moapa Valley).

Southern Service Area. The Laughlin Water Resource Center staff operates and maintains the collection and treatment facilities for Laughlin and Searchlight. Laughlin currently has two sewer lift stations (a project to decommission the third lift stations was completed in 2010), and an eight mgd tertiary treatment plant that discharges directly to the Colorado River. Laughlin staff operates and maintains equipment related to multiple treatment processes including the primary processes of screening, grit removal, and flow equalization. Secondary processes consist of activated sludge with biological nutrient removal of ammonia, nitrogen, and phosphorus. Tertiary treatment includes chemical polishing for additional removal of phosphorus, dual media filtration, disinfection with sodium hypochlorite, and de-chlorination with sodium bisulfite before discharging into the Colorado River.

Northern Service Area: The DBWRC and Moapa Valley Treatment Facility are the only facilities in the Northern service area with full time staff. The Desert Breeze Water Resource Center staff operate and maintain the collection and treatment facilities for Blue Diamond and Indian Springs. The Blue Diamond Treatment Ponds have a rated capacity of 0.044 mgd and consist of an asphalt-lined, aerated primary pond and a Rapid Infiltration Basin (RIB). The District is currently in the final design phase of improvements to the facility which will consist of two lined treatment ponds and two RIB's which will increase capacity to 0.200 mgd. The District expects to complete these improvements in late 2016. The Indian Springs Treatment Facility has a rated capacity of 0.500 mgd and provides service to Creech Air Force Base and the township of Indian Springs. The facility consists of screenings removal and aerated ponds designed for biological nutrient removal of ammonia and nitrogen. Effluent from the facility is discharged to a RIB. The Moapa Valley Treatment Facility has a rated capacity of 0.75 mgd and treatment processes consist of screenings removal and activated sludge for biological nutrient removal of ammonia and nitrogen. Effluent from the facility is discharged to a RIB.

NPDES and Other Permits

NPDES Permits. The District operates seven treatment systems within the County. These systems are regulated by the Nevada Division of Environmental Protection ("NDEP") for compliance with state and federal regulations. A groundwater discharge permit or National Pollutant Discharge Elimination System ("NPDES") permit, issued by NDEP, is required for each facility. Each permit has a term of five years and must be continually renewed unless a facility is closed. If a permit expires and a new permit has not yet been issued, the conditions of the original permit remain in place until a new permit is issued. The following is a description of the status for the NPDES permit of each District treatment facility.

Flamingo Water Resource Center. The discharge permit is current and is valid through March 31, 2020. This permit covers two outfall points into the Las Vegas Wash, one from the West Campus and one from the East Campus.

Desert Breeze Water Resource Center. The discharge permit is current and is valid through January 21, 2018.

Searchlight Treatment Ponds. The existing NDEP groundwater discharge permit expired on May 26, 2014. A new permit application was submitted in December 2013. Issuance of the new permit has been delayed due to the staffing reductions at NDEP but expectations are that the permit will be renewed with no issues and only minor changes.

Laughlin Water Resource Center. The existing NDEP surface discharge permit is current and is valid through April 25, 2018.

Blue Diamond Treatment Ponds. The NDEP groundwater discharge permit is current and is valid through November 30, 2019.

Moapa Valley Treatment Facility. The NDEP groundwater discharge permit expired on March 18, 2015. A new permit application was submitted in September 2014. Issuance of the new permit has been delayed due to the staffing reductions at NDEP but expectations are that the permit will be renewed with no issues and no changes.

Indian Springs Treatment Facility. The NDEP groundwater discharge permit is current is valid through August 30, 2015.

Other Certifications and Programs. The District also has received and maintained certification for its laboratory from the Nevada Division of Environmental Protection. This certification insures quality control and assurance vital to the District's operations. The District also has a Pretreatment Program that is designed to reduce, eliminate or alter the nature of pollutants in wastewater to make certain that commercial discharge is compatible with the collection system and treatment processes in use by the District before such wastewater is discharged to the District collection system.

Permit Compliance. The District holds and operates under dozens of effluent discharge, construction dewatering, industrial stormwater, water appropriation, air quality, and various other environmental permits. The District's compliance with these permits has been and continues to be excellent. There are no known (current or pending) material enforcement actions, compliance plans, or violations related to any of the District's permits. The District has received a "Notice of Alleged Violation" with respect to one of its permits which may result in an immaterial fine being imposed. The District recently received Peak Performance Awards from the National Association of Clean Water Agencies for full compliance with its two National Pollutant Discharge Elimination System permits. Also, the District's recent annual rate of sanitary sewer overflows, 0.3 spills/100 miles of sanitary sewer is well below the Environmental Protection Agency standard for a well-operated system of 2 spills/100 miles.

Other Regulatory Matters

General. The District is subject to certain regulations imposed by the federal government or the State. For example, as described in more detail above, the District's treatment plants are operated under effluent discharge permits issued by NDEP. See "THE SYSTEM--NPDES and Other Permits" above. Those permits generally limit the quantities of certain chemicals and other substances that may be discharged from the System. If more stringent effluent standards or other environmental regulations were established in the future, the District could be required to make substantial capital improvements or could be required to increase operation and maintenance costs. Should that occur, the System's costs would increase; such increased costs could reduce the amount of Net Pledged Revenues available to pay debt service on the 2015 Bonds.

Marking of Laterals and Mains. Pursuant to NRS 455.125, the District is required to provide any person responsible for the excavation or demolition of an area that may contain a sewer service lateral or sewer main with the District's best available information regarding the location of the connection of the sewer service lateral to the sewer main. The District is not permitted to charge the person conducting the excavation or demolition for such services. The District includes amounts to cover such costs in its annual operating budget. For fiscal year 2015 the District budgeted $619,418 for such costs.

Other Services and Contracts

CSGID. Coyote Springs is a self-supporting general improvement district (enterprise fund) created and operated at the direction of the County. Pursuant to cooperative agreements between the County, LVVWD and the District, LVVWD is engaged as the general manager of the CSGID water and wastewater systems and the District will operate and maintain the wastewater system on behalf of LVVWD once it has been constructed by the CSGID or the developer.

Capital Plan

The District develops a five-year CIP in conjunction with its budget process. The CIP is a planning document and does not authorize or fund projects; the District authorizes individual projects on an as-needed basis. The current CIP (covering fiscal years 2015 through 2019) currently totals $743 million (in 2015 dollars, then escalated to reflect inflation). The CIP reflects the various capital projects that are expected to be designed and constructed over the next five years in order to keep pace with growth, rehabilitate existing infrastructure and provide facilities necessary to comply with federal and State water quality standards. The current CIP provides for the following expenditures in each year: FY 2015 - $118.9 million; FY 2016 - $218.5 million; FY 2017 - $172.9 million; FY 2018 - $119.1 million; and FY 2019 - $114.1 million. The District also annually prepares a five-year capital equipment list as a part of the CIP. Capital equipment represents permanent assets with a value in excess of $3,000 (the District is in the process of changing this amount to $5,000) and an expected useful life in excess of five years. This includes equipment and vehicles. The FY 2014-15 budget for capital equipment is $11.2 million. Budgeted capital equipment expenditures total approximately $41 million (in 2015 dollars) for fiscal years 2015 through 2019.

Sewer Service Rates and Charges

General. The Project Act empowers the Board of the District to set rates and charges for use of and connection to its sewer service facilities, and to adjust those rates and charges as it deems appropriate after holding a public hearing. Bills for service are due and payable upon presentation and are conclusively deemed to have been presented five days after mailing. Bills are delinquent on the 31st day after presentation and are subject to lien and possibly to interest and penalties in accordance with Nevada law. The District is empowered to have a lien placed upon property served, subordinate only to the liens of general taxes and special assessments, or to place delinquent charges on the tax rolls for collection in an effort to enforce collection of its billings. Since July 1, 1996, it has been the District's internal policy to place all delinquent accounts on the tax rolls for collection. Pursuant to its current rate resolution, the District shall record a notice of lien at any time after a bill becomes delinquent. The District's current practice is to notify all delinquent property owners in May of each year that sewer service charges will be added to the property tax bill if full payment is not received by the specified due date. The District records notices of liens on a case-by-case basis if delinquent amounts are determined to be large enough.

Sewer Service Charges. Annual sewer service charges generally comprise more than 96% of the District's operating revenues each year. It is the District's practice to utilize operating revenues for the operations, maintenance, repair and rehabilitation of District facilities. The rates and charges of the District are presently based upon a computation of equivalent residential units ("ERUs"). The District has determined that the annual average amount of wastewater generated by a single-family residence, without a swimming pool, is 90,000 gallons and designates this as one ERU.

Commercial customers are billed based on billing units. The District considers a billing unit to be dwelling units, lots or spaces, rooms, fixtures, beds or students. Commercial customers include businesses such as hotels and motels; casinos and resorts; restaurants, bars and taverns; event centers; hospitals; schools; car washes and large laundry services. Commercial billing units vary from 0.10 to 1.5 ERUs. Commercial customers may be subject to sewer service charges based on more than one billing unit. Some large commercial laundry facilities, car washes and special event centers may be billed by water usage.

The District bills for sewer service annually on July 1. Customers are permitted to make payments annually, semi-annually, or quarterly. Customers in the Moapa Valley service area are permitted to make payments monthly. Additionally, the District provides an option for a monthly payment plan to all qualifying low-income families. At this time, none of the District's customers opt for this plan. The annual billing includes a $16 administrative charge per account. Customers who pay annually are eligible for a discount of $12 per account if payment is received prior to the July 31 due date.

The Board has implemented "universal rates" pursuant to which all service areas in the District are charged sewer service fees in the same annual amount per ERU. The following table sets forth the District's current schedule of charges (per ERU) for sewer service. In formulating these rates, the District has taken into consideration the amounts it is required to pay to CWC. In addition to the charges shown below, there is an annual administrative service charge per account.

Schedule of Annual Sewer Service Charges

Effective Date	Sewer Service Charge Per ERU[1]
07/01/10 – 06/30/11	$213.70
07/01/11 – 06/30/12	218.24
07/01/12 – 06/30/13	230.30
07/01/13 – 06/30/14	221.09
07/01/14 – 06/30/15	221.09[2]

(1) Equivalent Residential Units: 1 ERU = 90,000 Gallons.
(2) Sewer service charge per ERU of $221.09 remains in effect after 06/30/15 unless and until changed by the Board.

Source: The District.

A separate charge for pools, including swimming pools, nonresidential spas, decorative fountains, waterscapes, lagoons, spas, hot tubs and jacuzzis may be charged in addition to the annual sewer service charge shown above. Pool charges are based upon total gallons, regardless of the number of pools. For 20,000 gallons or less, the charge is 10% of the annual sewer service charge for the applicable service area. For each additional 20,000 gallons or fraction thereof, an additional 10% of the annual sewer service charge for the applicable service area is assessed.

System Development Approval Charges. System Development Approval ("SDA") charges are one-time connection fees the District charges for each ERU that connects to the System. SDA charges are due and payable in advance of connection to the District's facilities. It is the practice of the District to use SDA revenues to fund the District's Capital Expansion Program and the capital equipment related to expansion.

The Board has implemented universal SDA charges for all areas except the Laughlin service area. There currently are no expansion projects planned for the Laughlin service area; if such projects are planned in the future, the Board will reconsider the amount of the SDA charge applicable in Laughlin.

The following table sets forth the District's SDA fee schedule currently in effect. In lieu of the SDA charges shown below, the District imposes a septic conversion fee of $1,600 per ERU in each service area upon customers converting from private septic systems.

Current System Development Approval Fees (per ERU)[1]

Effective Date	Laughlin Service Area	All Other District Service Areas[2]
07/01/10 – 06/30/11	$1,600	$1,942
07/01/11 – 06/30/12	1,600	2,066
07/01/12 – 06/30/13	1,600	2,195
07/01/13 – 06/30/14	1,600	2,195
07/01/14 – 06/30/15	1,600	2,195[3]

(1) Equivalent Residential Units: 1 ERU = 90,000 Gallons.
(2) Includes Las Vegas Valley, Blue Diamond, Indian Springs, Moapa Valley and Searchlight areas.
(3) System Development Approval Fee (per ERU) of $2,195 remains in effect after 06/30/15 unless and until changed by the Board.

Source: The District.

Other Charges. In addition to the annual sewer charges, users who discharge wastewater having concentrations exceeding Domestic Strength limits are assessed an extra strength surcharge. The surcharge is dependent upon the type and amount of chemical discharged and are outlined in the May 2008 Rate Resolution 08-002, adopted by the Board and effective on May 6, 2008. Commercial customers assessed these charges may include hospitals, car washes and large commercial laundry facilities.

The District operates an industrial pretreatment program under federal guidelines. Pretreatment permit fees are set by the Board for each user class. The District's pretreatment program has issued permits to more than 2,100 users. Pretreatment permit charges by user class are as follows: On-Site Lift Stations - $500 per permit; Significant Industrial and Categorical Users - $1,000 per permit; Grease Interceptors and Sand/Oil Interceptors - $225 per permit; and Industrial Users - $300 per permit.

The Board sets the rates and requirements for the District's Septage Program by resolution. Presently, the Water Reclamation District processes septage received from fourteen customers. Fees are charged to issue truck permits and for estimated gallons received.

Reclaimed Water Sales. The District also sells reclaimed water for beneficial uses, including irrigation and industrial purposes to customers pursuant to terms established by a Board resolution. Reclaimed water is sold pursuant to applications showing a beneficial use and compliance with the NPDES permit. Users of reclaimed water are required to meet State regulatory requirements and provide facilities for delivery and storage of the reclaimed water. The rate charged for reclaimed water in the Las Vegas Valley area generally is $1.05 per 1,000 gallons. The District also sells reclaimed water to the LVVWD; the rate charged for that water varies according to various agreements between the parties. Currently, Laughlin has no reuse customers but the rate is $1.35 per 1,000 gallons. In other areas, the rate will be determined by individual agreement. The District also charges a prorated share of pumping costs from the treatment sites to the customer. The District bills monthly for reclaimed water usage with payment due upon receipt. The District reserves the right to reduce or curtail the use of reclaimed water in order to provide sufficient return flow credits to satisfy demand for water from the Colorado River and any applicable provisions under the Southern Nevada Water Authority Cooperative Agreement. The Board also may take into account the most prudent management of water resources and give priority to uses deemed most critical to general public welfare. The District also reserves the right to review existing and potential water uses at five-year intervals and to reduce the quantity of reclaimed water delivered after notice and hearing.

Customer Information

This following table shows a history of the number of ERUs served within the District, by user type, for the previous five fiscal years.

History of ERUs Served[1]

User Type	2009/10	2010/11	2011/12	2012/13	2013/14
Residential Services					
Single Family	174,246	176,156	177,637	181,122	184,294
Multiple Resident	88,530	89,481	89,829	90,212	92,490
Mobile Homes	16,780	16,612	16,524	16,439	16,381
Recreational Vehicle Parks	1,079	1,088	1,091	1,091	1,091
Senior Apartment Housing	1,080	1,510	1,580	1,711	--
Subtotal	281,715	284,847	286,661	290,575	294,256
Commercial Services:					
Hotels/Resorts/Casinos	196,368	200,891	199,898	200,571	203,516
Casinos	435	393	393	423	423
Restaurants and/or on-premise bars	11,675	11,711	11,704	11,679	12,148
Theme Parks	3,791	3,642	3,635	3,660	3,599
Hospitals: Medical/Surgical	2,191	2,234	2,242	2,242	2,324
Convalescent and Rest Homes	925	1,232	1,232	1,340	1,361
Schools	15,236	15,698	16,760	16,809	16,958
Churches	1,767	1,791	1,849	1,865	1,969
Other Comm. Facility (base rate)	14	-	-	-	-
Other Comm. Facility (per fixture)	103	133	120	-	-
Dump Station	4	4	-	-	-
Large Commercial:					
Car Wash	1,059	895	914	948	1,096
Laundry	638	676	512	1,225	1,259
Large Commercial	94	34	44	51	20
Miscellaneous[2]:					
Type A	7,058	6,897	6,804	6,969	7,483
Type B	37,865	38,609	39,099	39,521	40,136
Type C	29,553	30,041	30,582	30,965	31,402
Type D	5,514	5,680	5,862	5,896	6,099
Subtotal	314,290	320,561	321,650	324,164	329,793
TOTAL[3]	**596,005**	**605,408**	**608,310**	**614,736**	**624,049**

(1) Equivalent Residential Units: 1 ERU = 90,000 gallons. Number of ERUs billed on July 1 of the year shown are for collection in that fiscal year. For example, the ERUs billed on July 1, 2013, are collected in fiscal year 2013/14.

(2) Type A includes businesses such as dry cleaners, bars and taverns that serve food, and motor vehicle sales establishments with automated wash facilities; Type B includes businesses such as bars and taverns without food, retail stores, and service stations; Type C includes businesses such as offices, laundromats, and office/warehouses; and Type D includes businesses such as beauty salons and medical/dental clinics.

(3) Amounts may not total due to rounding.

Source: The District.

The following table sets forth a five-year history of the number of customer accounts (classified according to commercial and residential accounts) and the associated number of Equivalent Residential Units (“ERUs”) used. In fiscal year 2014, commercial customers comprised approximately 3.8% of District customers, and approximately 52.8% of the ERUs.

History of Customer Accounts and ERUs

Fiscal Year Ending June 30	Commercial ERUs	Residential ERUs	Total ERUs	Commercial Accounts	Residential Accounts	Total Accounts
2010	314,290	281,715	596,005	8,410	219,454	227,864
2011	320,561	284,847	605,408	8,833	227,703	236,536
2012	321,650	286,661	608,311	9,046	229,692	238,738
2013	324,164	290,575	614,739	9,135	233,280	242,415
2014	324,161	290,090	614,251	9,210	236,372	245,582

Source: The District.

The following table sets forth the ten largest customers in the District based upon Equivalent Residential Units ("ERUs") billed as of July 1, 2014, for collection in fiscal year 2015.

Ten Largest District Customers

Name	ERUs Billed July 1, 2014	Percent of Total ERUs(1)	Amount Billed as of July 1, 2014
City Center	9,694.165	1.58%	$ 2,145,599
Mandalay Bay Resort and Casino	8,654.085	1.41	1,914,598
MGM Grand Hotel/Casino	8,255.490	1.34	1,828,022
Caesars Palace(2)	7,593.340	1.24	1,683,678
Venetian Casino Resorts, LLC	7,426.920	1.21	1,643,434
Bellagio, LLC	6,893.255	1.12	1,527,596
Nellis Air Force Base	5,581.822	0.91	1,252,967
Wynn Las Vegas, LLC	5,508.555	0.90	1,219,502
Cosmopolitan of Las Vegas	5,187.070	0.84	1,150,375
The Mirage Casino-Hotel	4,988.605	0.81	1,103,597
TOTAL	69,783.307	11.36%	$15,469,368

(1) Based on the ERU total of 614,251 billed on July 1, 2014.
(2) See footnote 2 on page 24 under the table "Clark County Ten Largest Taxpayers."

Source: The District.

DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE

General

The District's operating revenues are derived primarily from annual sewer charges which generally have exceeded 96% of the District's annual operating revenues over the last five years. Other sources of operating revenue include septic waste processing fees, pretreatment permit fees and the sale of reclaimed water. The major sources of nonoperating revenues are the SDAs, interest income and an apportionment from the County sales tax (described below).

In 1998, the County Commission approved a 1/4 cent increase in the sales tax to fund improvements to water and sewer lines and facilities; the District receives a portion of this money. The tax will be collected until 2025 or until $2.3 billion is collected. The District's share of the sales tax increase is expected to be approximately $593.7 million over the life of the tax. Through the end of fiscal year 2014, the District has collected a total of approximately $15.9 million in sales tax revenues. Approximately $15.5 million was budgeted for receipt during fiscal year 2014-15. Through January, 2015, the District had received approximately $9.5 million in sales tax revenues. Use of the sales tax revenue generally is restricted to construction of new treatment facilities or the improvement or expansion of existing treatment facilities. *Proceeds received from the sales tax do not constitute a part of Net Pledged Revenues.*

Budgeting

<u>Budget Process</u>. The budget is developed annually in support of the District's Financial Plan. Budget preparation begins in October. The District's budget analyst prepares and distributes a budget manual to each business center for use in preparing line item budgets for operations and for capital replacement and equipment purchases. Each team leader within a business center is responsible for developing initial information which will be used to generate the operating expense budget, excluding salaries and benefits. The budget analyst prepares estimates for regular salaries, benefits and any additional pay (overtime, etc.) based on information supplied by the team leaders. The District's Senior Management Team approves the tentative budget which is subsequently submitted to Clark County for inclusion in their budget documents. On or before April 15, the County submits the tentative budget to Taxation. Prior to the finalization of the budget, the public has the opportunity to review the tentative budget and to submit any comments, as required by State law. On or before June 1, the finalized budget is approved. Copies of the final budget are available for public inspection at the District.

The final budget is fully integrated on July 1 with the District's accounting system. Budgetary control of supplies and services is maintained at the line item level through the use of a purchase order system. Budgetary performance is measured by budget variance reports, which are distributed on a monthly basis. Additional controls include daily monitoring of proposed expenses. All budgets lapse at the end of the fiscal year.

Formal adjustments to the budget during the year are accomplished through an augmentation process prescribed by State law. The augmentation process requires the Board to approve increases above the levels originally approved. This process is revenue driven; therefore, total expenditures cannot be increased without additional previously unbudgeted resources being clearly identified. Taxation is notified quarterly of all budget augmentations.

Reserve Policies. Pursuant to current policy, the District maintains several designated, unrestricted reserves. Those reserves are available for appropriation but the funds have been earmarked for a particular purpose. Certain of the designated unrestricted reserve funds are described below.

Operations and Maintenance Reserve. The District maintains an operations and maintenance reserve fund that is equal to 90 days of the prior year actual operation and maintenance expenditures. Operating reserves are designed to provide funds to safeguard against variability and timing of expenditures and receipts, unanticipated cash operating expenses, or less than expected revenues. As of July 1, 2014, the balance of this account was $17,570,731.

Budget Stabilization Reserve. State law provides for the creation of a fund to stabilize the operations of local governments, including public utilities. The District maintains a budget stabilization reserve in an amount equal to 5% of current budgeted operation and maintenance expenditures. Monies in this fund may only be used if the total actual revenue of the District falls short of the total anticipated revenue or the expenditures incurred by the District to mitigate the effects of natural disaster. The budget stabilization reserve fund also provides resources that allow for rate stability. As of July 1, 2014, the balance of this account was $3,999,441.

Capital Contingency Reserve. The District maintains a Capital Contingency Reserve with funds set aside for emergent situations arising from equipment failure or the unexpected failure of a portion of the District's infrastructure. The District's Capital Contingency Reserve is set at the lesser of: (i) total asset original cost/asset average useful life; or (ii) $50 million. As of July 1, 2014, the balance of this account was $50,000,000.

Capital Expansion Contingency Reserve. Capital Expansion Contingency Reserve funds are set aside in the event of an unanticipated need for capital expansion to an existing conveyance system or treatment facility or the possible need for an additional system or facility due to unexpected area growth or need. The Capital Expansion Contingency Reserve amount is set at a minimum of 12 months of budgeted capital expansion projects. As of July 1, 2014, the balance of this account was $21,822,786.

Other Post-Employment Benefit Fund. As discussed in "THE DISTRICT--Employees and Benefits - Other Post-Employment Benefits," beginning in fiscal year 2008, the District is required to begin recording a liability for OPEB obligations. As of July 1, 2014, the District has established this fund to comply with GASB 45 requirements and has deposited approximately $23,785,996 million in the fund.

Awards. The Government Finance Officers Association of the United States and Canada ("GFOA") awarded the District the Distinguished Budget Presentation Award for its budget for the fiscal year 2014 budget. This is the 20th year the District has received this award. The District did not submit its fiscal year 2015 budget for consideration.

Annual Fiscal Reports

General. The District prepares a comprehensive annual financial report ("CAFR") setting forth the financial condition of the District as of June 30 of each fiscal year, as recommended by Governmental Accounting Standards Board ("GASB") guidelines. The CAFR generally contains three distinct sections: introductory; financial (approved by the Board); and statistical. The CAFR is the official financial report of the District. The latest completed CAFR is for the year ended June 30, 2014 (see Appendix A). See Note I to the audited financial statements attached hereto as Appendix A for a description of the District's significant accounting policies. Pursuant to GASB Statement No. 14, the District is considered a component unit of the County and the financial statements of the District also are included in the County's CAFR.

Certificate of Achievement. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive financial report for the fiscal year ended June 30, 2013. This was the 30th year the District has received this recognition. The District has submitted its CAFR for the fiscal year ending June 30, 2014 for award consideration. A certificate of achievement is valid for a period of one year only. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

Accounting

The District operates as an enterprise fund. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (expenses, including depreciation) of providing services be financed through user charges. As an enterprise fund, the District is required to use the accrual basis for recording and reporting financial transactions. Therefore, revenues and expenses are recorded in the period in which they are incurred, except long-term debt service which is recorded when due. During the fiscal year, funds will be encumbered upon approval of individual purchase orders. At fiscal year end, encumbrances lapse on unfilled orders. Items or services received after year-end are charged to the next fiscal year.

History of Revenues, Expenses and Changes in Net Position

General. The following table presents a five-year history of the District's revenues, expenditures and changes in net position. The table presents audited results for the fiscal years ended June 30, 2010 through 2014, and estimated amounts for the fiscal year ending June 30, 2015. The information in this table for fiscal years 2010 through 2014 was derived from the District's CAFR for each of those years.

The information in this table should be read together with the District's audited financial statements for the year ended June 30, 2014, and the accompanying notes, which are included as Appendix B hereto. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION--Additional Information."

Summary of Revenues, Expenses and Changes in Net Position

Fiscal Year Ended June 30	2011[6]	Restated 2012	Restated 2013	2014	Estimated 2015[9]	Budgeted 2016
Operating Revenues:						
Sewer service charges	$130,974,469	$135,870,662	$143,275,939	$139,716,364	$141,797,756	$145,286,453
Clean Water Coalition sewer service credit	--	(2,748,402)	--	--	--	--
Water reuse sales	2,086,213	2,274,004	2,195,074	2,357,845	2,369,845	2,380,866
Pretreatment fees	848,294	400,313	409,063	419,998	411,938	431,324
Septage fees	304,956	263,948	270,258	356,677	363,181	350,000
Other[1]	540,610	290,893	1,470,241	658,759	598,905	600,000
Total Operating Revenues	134,754,542	136,351,418	147,620,575	143,509,643	145,541,625	149,048,643
Operating Expenses:						
Salaries	22,490,527	20,967,989	21,730,773	22,280,786	21,990,381	23,904,248
Benefits	7,539,884	7,722,124	7,952,525	8,596,198	8,992,570	10,136,952
Other post-employment benefits[2]	2,505,669	2,859,575	2,613,469	2,613,469	3,599,285	3,000,000
Utilities	12,629,495	10,239,274	9,749,587	10,440,207	9,887,940	11,657,400
Outside services	6,351,481	4,690,745	5,218,462	6,585,336	5,120,290	6,783,035
Chemicals	5,039,405	5,443,455	5,738,662	6,115,822	4,905,818	6,759,360
Maintenance	4,870,339	4,812,371	5,375,121	5,893,990	4,912,191	5,470,134
Other expenses/Bad debt	2,015,994	2,086,233	2,519,370	6,376,168	3,017,655	3,369,145
Supplies	1,403,353	2,025,589	2,040,399	1,380,948	2,490,982	4,038,060
Depreciation	63,893,458	71,292,101	74,793,101	75,643,760	81,245,433	89,931,151
Total Operating Expenses	128,739,605	132,139,456	137,731,469	145,926,684	146,162,545	165,049,485
Income From Operations	6,014,937	4,211,962	9,889,106	(2,417,041)	(620,920)	(16,000,842)
Non-Operating Revenues (Expenses)						
Unrestricted investment earnings[3]	6,351,255	8,715,386	4,504,321	5,848,625	5,714,513	5,468,023
Net increase (decrease) in the fair value of unrestricted investment	--	(3,169,527)	(5,631,409)	2,086,425	2,497,508	2,875,000
Restricted investment earnings[3]	89,282	163,084	(105,357)	175,717	180,989	156,977
SDA revenue	9,218,329	10,549,916	18,972,735	31,461,511	19,850,000	11,000,000
Sales tax apportionment[4]	13,134,404	14,055,242	14,870,001	15,911,706	16,048,872	16,000,000
Interest expense – bonds, net of capitalized	--	--	(15,799,367)	(10,578,550)	(23,534,449)	(23,595,723)
Securities lending expense	(241)	(3,707)	(1,036)	--	--	--
Other non-operating revenue/expenses, net	(24,132,397)	(3,519,218)	(13,478)	1,882,969	64,500	82,800
Total Non-Operating Revenues (Expenses)	4,660,632	26,791,176	16,796,410	46,788,403	20,821,933	11,987,077
Income Before Capital Contributions	10,675,569	31,003,138	26,685,516	44,371,362	20,201,013	(4,013,765)
Capital Contributions[5]	14,831,493	10,074,435	11,961,060	28,130,054	31,818,262	13,180,732
Change in Net Position	25,507,062	41,077,573	38,646,576	72,501,416	52,019,275	9,166,967
Net Position, Beginning of the Year As Previously Reported	--	1,527,702,243	1,565,200,009	1,618,016,848	--	--
Prior Period Adjustment	--	(3,579,807)[7]	(30,637,858)[8]	(44,808,121)[8]	--	--
Total Net Position – July 1	1,502,195,181	1,524,122,436	1,534,562,151	1,573,208,727	1,645,710,143	1,697,729,418
Total Net Position – June 30	$1,527,702,243	$1,565,200,009	$1,573,208,727	$1,645,710,143	$1,697,729,418	$1,706,896,385

** Footnotes on following page.

(1) "Other" revenue consists of labor reimbursement, lien fees, and water quality billing. In fiscal year 2013, includes remaining funds received from the Clean Water Coalition.
(2) See Note L of the District's 2014 financial statement attached hereto as Exhibit A.
(3) In the District's budget, these items are combined in the "Interest Earnings" category.
(4) Represents revenues from a County ¼ cent sales tax increase to fund improvements to water and sewer lines and facilities. See "DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE--General." *The sales taxes collected do not constitute Net Pledged Revenues.*
(5) Represents non-cash capital contributions.
(6) Figures for System Development Approval Fees and Bad Debt Expense (Operating Expense) have been revised from the original audited financial statements. The revisions were made due to recommendations made by the Government Finance Officers Association (GFOA) regarding consistency in financial tables which compare financial results in multiple years.
(7) Prior Period Adjustment - In accordance with an Inter-local Cooperative Agreement in 2000 between the Southern Nevada Water Authority ("SNWA") and the wastewater agencies (City of Henderson, City of Las Vegas, and the District), SNWA began distributing 38% of the ¼ cent sales tax to the wastewater agencies. SNWA's original calculation omitted ERUs within the service area of the City of North Las Vegas which were treated by the City of Las Vegas. A reconciliation of the amounts distributed determined that the District received an overpayment of $3,579,807.
(8) Prior Period Adjustments and Restatements – Note P to the District's audited financial statements for the years ended June 30, 2014 and 2013 states the following regarding prior period adjustments:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Debt issuance costs do not meet the definition of an asset or a deferred outflow of resources because the costs incurred do not result in service capacity that the government presently controls and are not applicable to a future period. GASB Statement No. 65 requires governmental agencies to expense bond costs in the year of occurrence. An adjustment to expense the District's bond issuance costs resulted in a net decrease of $4,091,856 and $4,159,254 to the beginning net position for fiscal year ended June 30, 2013, and June 30, 2014, respectively.

GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November, 1989 FASB and AICPA Pronouncements*, paragraph 14 states that the total amount of interest cost capitalized in an accounting period should not exceed the total amount of interest cost incurred by the government in that period. During fiscal years ended June 30, 2011 through June 30, 2013, the District over capitalized interest on construction work in progress. A review of the capital asset records in fiscal 2014 found adjustments in prior periods which resulted in overstatements of property and equipment, depreciation expense, and an understatement of interest expense. In total, the beginning net position for fiscal year ended June 30, 2013, and June 30, 2014, decreased by $26,546,002 and $40,648,868, respectively.

(9) 2015 fiscal year end estimates included in the District's adopted fiscal year 2016 budget. See "INTRODUCTION – Forward-Looking Statements."

Source: Derived from the District's CAFRs for the years 2010 through 2014; and from the District for the unaudited, estimated fiscal year 2015 results.

Outstanding Indebtedness and Other Obligations

Statutory Debt Limitation. State statutes limit the aggregate principal amount of the District's general obligation debt to 50% of the District's total reported assessed valuation. Based on the District's preliminary assessed valuation for 2015-16 of $36,285,104,801 (subject to change until July 2015), the District is limited to general obligation indebtedness in the aggregate amount of $18,142,552,400.50. As of June 1, 2015, and after taking the issuance of the 2015 Bonds and the Refunding Project into account, the District has $466,264,251 of general obligation debt outstanding, comprised of the 2015 Bonds, the Prior Bonds, the 2009C Bond (described below), the 2011A Bond (described below), and the 2012A Bond (described below).

Outstanding Indebtedness and Other Obligations. The following table sets forth the District's outstanding obligations after taking the issuance of the 2015 Bonds and the Refunding Project into account.

Outstanding General Obligation Debt

	Issue Date	Final Payment Date	Original Amount	Amount Outstanding
General Obligation (Revenue Supported) Bonds (1)				
Parity Obligations				
Water Reclamation Bonds, Series 2007	11/13/2007	07/01/2037	$ 55,000,000	$52,395,000
Water Reclamation Bonds, Series 2008	11/20/2008	07/01/2038	115,825,000	11,240,000(4)
Water Reclamation Bonds, Series 2009A	04/01/2009	07/01/2038	135,000,000	130,410,000
Water Reclamation Bonds, Series 2009B	04/01/2009	01/01/2038	125,000,000	120,255,000
Water Reclamation Refunding Bonds, Series 2015 (This Issue)	08/04/2015	07/01/2038		103,625,000
Total Parity Lien Obligations				417,925,000
Subordinate Obligations(2)				
Water Reclamation Bond, Series 2009C (SRF Loan)	10/16/2009	07/01/2029	5,744,780	4,502,665
Water Reclamation Bond, Series 2011A (SRF Loan)	03/25/2011	01/01/2031	40,000,000	37,371,221
Water Reclamation Bond, Series 2012A (SRF Loan)(3)	07/13/2012	01/01/2032	30,000,000	6,465,365
Total Subordinate Lien Obligations				$48,339,251
Total General Obligation (Revenue Supported) Bonds				$466,264,251

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(1) General obligation bonds additionally secured by pledged revenues. If such revenues are not sufficient, the District may levy an ad valorem tax to pay the difference between such revenues and debt service requirements of the respective bonds. The ad valorem tax rate available to pay these bonds is limited to the statutory and constitutional limits.

(2) Secured by a lien on the Net Pledged Revenues that is subordinate to the lien thereon of the 2015 Bonds and the Prior Bonds.

(3) The 2012A Bond was issued to the State of Nevada as collateral for a low interest loan through the State Revolving Loan Fund. The original issue amount represents the total amount of authorization for the loan. At June 1, 2015, $6,465,365 had been drawn down on the loan.

(4) After taking the effect of the Refunding Project into account.

Source: The District.

Additional Indebtedness

The District may issue general obligation bonds by means of authority granted to it by its electorate or the State Legislature or, under certain circumstances, without an election as provided in existing statutes. General obligation bonds secured by pledged revenues do not require an election if it is determined prior to issuance that the revenues pledged will be sufficient to pay all of the debt service on the proposed bonds. However, the District must satisfy the conditions described in "SECURITY FOR THE BONDS--Additional Bonds" prior to the issuance of any Additional Parity Securities. See "SOURCES AND USES OF FUNDS--The Refunding Project." The District may issue Additional Parity Securities at any time in the future in compliance with State law and the 2015 Bond Resolution.

The District also may issue bonds secured solely by Net Pledged Revenues upon satisfaction of the conditions described in "SECURITY FOR THE BONDS--Additional Bonds." The District currently does not anticipate issuing any such Superior Securities but reserves the right to do so at any time.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning the historic economic and demographic conditions in the County. This portion of the Official Statement is intended only to provide prospective investors with general information regarding the District's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District.

Population and Age Distribution

Population. The table below sets forth the population growth of the County and the State since 1970. Between 2000 and 2010, the County's population increased 41.8% and the State's population increased 35.1%.

Population

Year	Clark County	Percent Change	State of Nevada	Percent Change
1970	273,288	--	488,738	--
1980	463,087	69.5%	800,493	63.8%
1990	741,459	60.1	1,201,833	50.1
2000	1,375,765	85.5	1,998,257	66.3
2010	1,951,269	41.8	2,700,551	35.1
2011	1,967,722	0.8	2,721,794	0.8
2012	1,988,195	1.0	2,750,217	1.0
2013	2,031,723	2.2	2,800,967	1.8
2014	2,069,450	1.9	2,843,301	1.5

Sources: United States Department of Commerce, Bureau of Census (1970-2010 as of April 1st), and Nevada State Demographer's Office (2011-2014 estimates as of July 1st – subject to periodic revision).

Age Distribution. The following table sets forth a projected comparative age distribution profile for the County, the State and the United States as of January 1, 2015.

Age Distribution
Percent of Population

Age	Clark County	State of Nevada	United States
0-17	24.2%	23.7%	23.1%
18-24	9.1	9.1	9.9
25-34	14.2	13.8	13.3
35-44	14.2	13.5	12.7
45-54	13.5	13.5	13.6
55-64	11.5	12.2	12.7
65-74	8.2	8.8	8.5
75 and Older	5.1	5.4	6.2

Source: © 2015 The Nielsen Company, *SiteReports*.

Income

The following two tables reflect Median Household Effective Buying Income ("EBI"), and also the percentage of households by EBI groups. EBI is defined as "money income" (defined below) less personal tax and nontax payments. "Money income" is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as "disposable" or "after-tax" income.

Median Household Effective Buying Income[(1)]

Year	Clark County	State of Nevada	United States
2011	$46,045	$45,706	$41,368
2012	45,810	45,512	41,253
2013	40,897	40,617	41,358
2014	41,576	42,480	43,715
2015	43,603	44,110	45,448

(1) The difference between consecutive years is not an estimate of change from one year to the next; separate combinations of data are used each year to identify the estimated mean of income from which the median is computed.

Source: © The Nielsen Company, *SiteReports*, 2011-2015.

Percent of Households by Effective Buying Income Groups – 2015 Estimates

Effective Buying Income Group	Clark County Households	State of Nevada Households	United States Households
Under $24,999	24.8%	24.9%	25.6%
$25,000 - $49,999	32.9	32.0	29.5
$50,000 - $74,999	20.1	20.1	19.1
$75,000 - $99,999	11.3	11.7	11.9
$100,000 - $124,999	4.6	5.0	5.6
$125,000 - $149,999	2.4	2.4	3.3
$150,000 or more	3.9	3.9	5.0

Source: © 2015 The Nielsen Company, *SiteReports*.

The following table sets forth the annual per capita personal income levels for the residents of the County, the State and the United States.

Per Capita Personal Income[1]

Year	Clark County	State of Nevada	United States
2009	$35,814	$36,840	$39,379
2010	35,497	36,657	40,144
2011	35,927	37,445	42,332
2012	37,487	39,229	44,200
2013	37,457	39,235	44,765
2014	n/a	40,077	46,129

(1) Revised 2009-2012 estimates for the County and a new estimate for 2013 as posted November 2014; and new 2014 estimates for the State and U.S. as posted March 2015. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The average annual labor force summary for the Las Vegas-Henderson-Paradise Metropolitan Statistical Area ("MSA") is set forth in the following table. The boundaries of Las Vegas-Henderson-Paradise MSA match the boundaries of Clark County.

Average Annual Labor Force Summary[1]
Las Vegas-Henderson-Paradise MSA, Nevada
(Estimates in Thousands)

Calendar Year[1]	2010	2011	2012	2013	2014	2015[2]
TOTAL LABOR FORCE	984.0	995.5	1000.9	1006.7	1019.6	1031.1
Unemployment	135.4	132.2	112.7	96.7	79.6	74.7
Unemployment Rate[3]	13.8%	13.3%	11.3%	9.6%	7.8%	7.2%
Total Employment[4]	848.6	863.4	888.2	910.0	940.0	956.4

(1) Numbers for 2010-2014 were revised April 2015.
(2) As of April 30, 2015.
(3) The annual average U.S. unemployment rates for the years 2010 through 2014 are 9.6%, 8.9%, 8.1%, 7.4%, and 6.2%, respectively.
(4) Adjusted by census relationships to reflect number of persons by place of residence.

Sources: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation; and the U.S. Department of Labor, Bureau of Labor Statistics.

The following table sets forth the number of persons employed, by type of employment, in non-agricultural industrial employment in the Las Vegas-Henderson-Paradise MSA.

Establishment Based Industrial Employment[1]
Las Vegas-Henderson-Paradise MSA, Nevada (Clark County)
(Estimates in Thousands)

Calendar Year	2010	2011	2012	2013	2014	2015[2]
Natural Resources and Mining	0.3	0.2	0.3	0.3	0.3	0.4
Construction	44.8	37.6	37.4	40.8	42.7	49.2
Manufacturing	19.5	19.8	20.2	20.7	21.4	20.9
Trade (Wholesale and Retail)	113.0	114.5	117.7	120.5	126.2	124.7
Transportation, Warehousing & Utilities	34.4	35.2	36.2	36.5	37.4	39.0
Information	9.1	9.3	9.7	9.7	9.6	10.1
Financial Activities	40.2	40.0	41.7	43.5	44.0	43.0
Professional and Business Services	99.6	102.1	106.7	111.4	117.4	119.6
Education and Health Services	69.7	72.7	75.6	79.1	83.4	83.2
Leisure and Hospitality (casinos excluded)	96.4	100.4	103.9	109.4	111.0	117.7
Casino Hotels and Gaming	157.0	159.2	157.9	157.8	160.4	164.9
Other Services	23.2	23.3	24.0	24.3	24.7	26.0
Government	96.5	94.0	93.9	94.8	96.1	97.5
TOTAL ALL INDUSTRIES	803.6	808.2	825.1	848.9	874.5	896.2

(1) Totals may not add up due to rounding. Reflects non-ag employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple job holders. All numbers are subject to periodic revision.
(2) As of April 30, 2015.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

The following table is based on unemployment insurance tax account numbers and is an estimate based on reported information. No independent investigation has been made of and consequently no assurances can be given as to the financial condition or stability of the employers listed below or the likelihood that such entities will maintain their status as major employers in the County.

Clark County's Ten Largest Employers
4th Quarter 2014

Employer	Employment Range	Industry
Clark County School District	30,000 - 39,999	Public education
Clark County	8,000 - 8,499	Local government
MGM Grand Hotel/Casino	8,000 - 8,499	Casino hotel
Bellagio LLC	8,000 - 8,499	Casino hotel
Wynn Las Vegas LLC	8,000 - 8,499	Casino hotel
Aria Resort & Casino LLC	7,000 - 7,499	Casino hotel
Mandalay Bay Resort and Casino	7,000 - 7,499	Casino hotel
Caesars Palace	5,500 - 5,999	Casino hotel
University of Nevada - Las Vegas	5,000 - 5,499	University
Las Vegas Metropolitan Police	4,500 - 4,999	Police protection

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

The following table lists the firm employment size breakdown for the County.

Size Class of Industries[1]
Clark County, Nevada (Non-Government Worksites)

CALENDAR YEAR	4th Qtr 2014	4th Qtr 2013	Percent Change 2013/2014	Employment 4th Qtr 2014
TOTAL NUMBER OF WORKSITES	52,144	49,841	4.6%	799,130
Less Than 10 Employees	39,281	37,727	4.1%	98,739
10-19 Employees	6,155	5,951	3.4	83,573
20-49 Employees	4,182	3,802	10.0	124,233
50-99 Employees	1,403	1,363	2.9	95,830
100-249 Employees	795	694	14.6	115,875
250-499 Employees	175	162	8.0	60,395
500-999 Employees	90	83	8.4	61,818
1000+ Employees	63	59	6.8	158,667

(1) Subject to revision.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

Retail Sales

The following table sets forth a record of taxable sales in the County and the State.

Taxable Sales[1]

Fiscal Year[2]	County Total	Percent Change	State Total	Percent Change
2010	$27,969,288,365	--	$37,772,066,777	--
2011	29,046,721,805	3.9%	39,935,016,227	5.7%
2012	31,080,880,557	7.0	42,954,750,131	7.6
2013	32,566,664,630	4.8	45,203,408,413	5.2
2014	35,040,891,695	7.6	47,440,345,167	4.9
July 2013-Mar 2014	$25,846,866,846	--	$35,133,581,826	--
July 2014-Mar 2015	27,849,264,761	7.7%	37,440,473,608	6.6%

(1) Subject to revision.
(2) Fiscal year runs from July 1 to the following June 30.

Source: State of Nevada - Department of Taxation.

Construction

Construction valuation is a value placed on a project in order to determine permit and plans check fees. Construction valuation has no relationship to assessed valuation. Set forth in the following table is a summary of the number and valuation of new residential building permits within the County and its incorporated areas.

Residential Building Permits
Clark County, Nevada
(Values in Thousands)

Calendar Year	2011		2012		2013		2014		2015[2]	
	Permits	Value	Permits	Value	Permits	Value	Permits	Value	Permits	Value
Las Vegas	816	$106,483	1,235	$154,145	1,538	$202,412	1,453	$202,296	739	$104,369
North Las Vegas	529	78,973	636	98,280	506	70,222	491	66,508	290	39,930
Henderson	819	109,646	1,133	145,144	1,352	185,094	1,318	196,285	759	132,355
Mesquite	134	21,268	169	26,341	202	33,066	196	34,323	75	13,815
Unincorporated Clark County	1,612	191,359	2,984	415,477	3,593	449,225	3,428	452,740	1,568	200,048
Boulder City[1]	3	1,059	9	3,201	10	3,401	16	5,199	6	2,286
TOTAL	3,913	$508,788	6,166	$842,588	7,201	$943,420	6,902	$957,351	3,437	$492,803

(1) Boulder City imposed a strict growth control ordinance effective July 1, 1979.
(2) As of May 31, 2015.

Sources: Building Departments/Divisions – Cities of Las Vegas, North Las Vegas, Henderson, Mesquite, Boulder City; and Clark County.

The following table is a summary of the total valuation of all building permits within the County and its incorporated areas.

Total Valuation of All Permits

Calendar Year	2010	2011	2012	2013	2014	2015[1]
Las Vegas	$ 332,301,114	$ 378,230,284	$ 411,022,949	$ 497,750,543	$596,103,559	$224,701,320
North Las Vegas	196,186,152	187,964,611	158,651,851	203,590,405	263,192,557	111,217,543
Henderson	160,585,104	194,361,740	243,753,376	359,371,027	385,009,871	179,115,923
Mesquite	36,811,200	26,761,655	28,789,392	38,879,662	38,059,247	13,814,529
Unincorporated Clark County	909,677,836	811,065,954	1,661,632,803	1,631,904,822	1,987,655,692	845,416,285
Boulder City	51,087,391	20,853,975	96,450,660	333,212,307	29,391,159	5,594,524
TOTAL	$1,686,648,797	$1,619,238,219	$2,600,301,031	$3,064,708,766	$3,299,412,085	$1,379,860,124
Percent Change	--	(4.00)%	60.59%	17.86%	7.66%	--

(1) As of May 31, 2015.

Sources: Building Departments/Divisions – Cities of Las Vegas, North Las Vegas, Henderson, Mesquite, Boulder City; and Clark County.

Gaming

General. The economy of the County (and the State) is substantially dependent upon a tourist industry based on legalized casino gambling and related forms of entertainment. The following table sets forth a history of the gross taxable gaming revenue and total gaming taxes collected in the County and the State. Over the past five years, an average of 85.2% of the State's total gross taxable gaming revenue has been generated in Clark County.

Gross Taxable Gaming Revenue And Total Gaming Taxes[1]

Fiscal Year Ended June 30	Gross Taxable Gaming Revenue (2) State Total	Clark County	% Change Clark County	State Gaming Collection (3) State Total	Clark County	% Change Clark County
2010	$ 9,667,833,487	$8,152,976,909	--	$829,289,514	$697,972,165	--
2011	9,836,451,902	8,366,841,567	2.62%	853,455,347	725,936,954	4.01%
2012	9,770,060,305	8,310,282,237	(0.68)	864,621,791	750,628,068	3.40
2013	10,208,523,998	8,758,830,526	5.40	892,106,457	774,549,912	3.19
2014	10,208,265,415	8,768,043,326	0.11	912,371,316	795,549,687	2.71
Jul 13 – Apr 14	$8,588,548,163	7,389,844,894	--	$723,166,532	635,736,465	--
Jul 14 – Apr 15	8,755,175,816	7,523,741,928	1.81%	709,779,376	620,728,291	(2.36)%

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.
(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).
(3) Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

Source: State of Nevada - Gaming Control Board.

Gaming Competition. Different forms of legalized gaming have been authorized by many states across the United States, including tribal gaming. The different forms of gaming include casino gaming, riverboat gambling, internet gaming and lotteries. Other states may authorize gaming in the future in one form or another. Historically, the availability of these forms of gaming in other states has not had any significant impact on gaming in the County. Nonetheless, neither the County nor the District can predict the future impact of legalization of legalized gaming in other states on the economy of the County.

Tourism

Tourism is an important industry in the County. Hoover Dam, Lake Mead, Mt. Charleston and other tourist attractions are in Clark County. Attractions such as the Great Basin, Grand Canyon, Yosemite, Bryce Canyon, Zion, and Death Valley National Parks are each within a short flight or day's drive of southern Nevada.

One reflection of the growth of tourism in southern Nevada is the increase in the number of hotel and motel rooms available for occupancy as shown in the following table. The area's hotels and motels have historically experienced higher occupancy rates than those on a national level. Set forth in the table below is the Las Vegas Convention and Visitors Authority ("LVCVA") Marketing Department's estimate of the number of visitors to the Las Vegas Metropolitan Area since 2010.

Visitor Volume and Room Occupancy Rate
Las Vegas Metropolitan Area, Nevada

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate[1]	National Occupancy Rate[2]
2010	37,335,436	148,935	80.4%	57.6%
2011	38,928,708	150,161	83.8	60.1
2012	39,727,022	150,481	84.4	61.4
2013	39,668,221	150,593	84.3	62.3
2014	41,126,512	150,544	86.8	64.4
2015[3]	13,717,098	151,236	86.0	62.5

(1) The sample size for this survey represents approximately 75% of the hotel/motel rooms available.
(2) Smith Travel Research.
(3) As of April 30, 2015. Represents a 0.4% increase in visitor volume from the same period in the previous year.

Source: Las Vegas Convention and Visitors Authority, and Smith Travel Research, Inc.

The LVCVA is financed with the proceeds of hotel and motel room taxes in the County and its incorporated cities. A history of the room tax revenue collected is set forth in the following table.

Room Tax Revenue[1]
Las Vegas Convention & Visitors Authority, Nevada

Calendar Year	Revenue	Percent Change
2010	$163,809,985	--
2011	194,329,584	18.6%
2012	200,384,250	3.1
2013	210,138,974	4.9
2014	232,443,537	10.6
2015[2]	63,205,376	--

(1) Subject to revision. Room tax revenue represents a 5% tax allocated to the Las Vegas Convention & Visitors Authority; a total 9-11% room tax is assessed on all Clark County hotel/motel properties.
(2) As of March 31, 2015. Represents a 4.4% increase from the same period in the previous year.

Source: Las Vegas Convention and Visitors Authority.

Transportation

The County, through its Department of Aviation, operates an airport system comprised of McCarran International Airport ("McCarran"); North Las Vegas Airport which caters to general aviation activity; Henderson Executive Airport, a corporate aviation facility; and Jean Sports Aviation Center and Overton-Perkins Field, which are primarily used for recreational purposes. Boulder City Municipal Airport, which is not owned by the County, is located in the southeastern part of the County.

Nearly half of all Las Vegas visitors arrive by air via McCarran, making it a major driving force in the southern Nevada economy. McCarran's long range plan focuses on building and maintaining state-of-the-art facilities, maximizing existing resources, and capitalizing on new and innovative technology. McCarran opened Terminal 3 in 2012, a new 1.9 million-square-foot facility, which eases congestion within garages, ticketing lobbies and security checkpoints. Passenger traffic began to rise in 2014 after two years of flat growth, reflecting a 2.4% increase at the end of the year. A history of passenger statistics is presented in the following table.

McCarran International Airport Enplaned & Deplaned Passenger Statistics

Calendar Year	Scheduled Carriers	Charter, Commuter & Other Aviation	Total	Percent Change
2010	37,729,684	2,027,675	39,757,359	--
2011	39,506,442	1,974,762	41,481,204	4.3%
2012	39,807,361	1,860,235	41,667,596	0.4
2013	40,334,735	1,522,324	41,857,059	0.5
2014	41,327,024	1,542,493	42,869,517	2.4
2015(1)	13,692,807	384,587	14,077,394(2)	--

(1) As of April 30, 2015.
(2) Reflects a 2.4% increase over the same time period in the previous year.

Source: McCarran International Airport.

A major railroad crosses Clark County. There are nine federal highways in Nevada, two of which are part of the interstate system. Interstate 15, connecting Salt Lake City and San Diego, passes through Las Vegas and provides convenient access to the Los Angeles area. Interstate 80 connects Salt Lake City with the San Francisco Bay area and passes through the Reno-Sparks area. Several national bus lines and trucking lines serve the State.

U.S. Highways 95 and 93 are major routes north from Las Vegas, through Reno and Ely, Nevada, respectively. South of Las Vegas, U.S. 95 extends to the Mexican border, generally following the Colorado River, and U.S. 93 crosses Hoover Dam into Arizona.

Federal Activities

Operations and facilities of the Federal Government in the State have been significant, beginning with Hoover Dam in the 1930’s, an Army Air Force gunnery school (later Nellis AFB) during World War II, and the subsequent creation of the Nevada Test Site, now known as the Nevada National Security Site. The Federal Government currently owns or manages approximately 81% of the land in the State.

Hoover Dam. Hoover Dam, operated by the U. S. Bureau of Reclamation, is a multiple-purpose development. The dam controls floods and stores water for irrigation, municipal and industrial uses, hydroelectric power generation, and recreation. Hoover Dam is still one of the world’s largest hydroelectric installations with a capacity of more than 2,000,000 kilowatts. Hoover Dam also is a major tourist attraction in the County – the facility is visited by more than a million guests a year.

Nellis Air Force Base. Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of Las Vegas. The base itself covers more than 14,000 acres of land, while the total land area occupied by Nellis Air Force Base and its ranges is about 5,000 square miles. The base hosts numerous military programs as well as civilian workers. It is the home base of the "Thunderbirds," the world famous air demonstration squadron.

Nevada National Security Site. The Nevada National Security Site ("NNSS"), previously the Nevada Test Site, was established in 1950 as the nation's proving ground for nuclear weapons testing. Since the end of underground nuclear testing in 1992, the NNSS has assisted the National Nuclear Security Administration in the maintenance of the nation's nuclear weapons stockpile while also enhancing the nation's ability to detect and mitigate nuclear and radiological threats around the world. In recent years under the direction of the Department of Energy's (DOE) Nevada Operations Office, NNSS operations have diversified into additional areas such as hazardous chemical spill testing, emergency response training, conventional weapons testing, and waste management projects that can best be conducted in the remote desert area. Located 65 miles northeast of Las Vegas, the NNSS is a massive outdoor laboratory and national experimental center. The NNSS comprises 1,360 square miles, surrounded by thousands of additional acres of land withdrawn from the public domain, creating an unpopulated area of some 5,470 square miles. Independent contractors as well as federal employees are employed at NNSS.

Others. Other federal government agencies adding to the State economy are the National Park Service (Lake Mead National Recreation Area and the Great Basin National Park in Ely), a Naval Air Station (which includes the Navy Fighter Weapons School ("TOPGUN")) located in Fallon, Nevada, and an ammunition manufacturing and storage plant in Hawthorne, Nevada.

Development Activity

The Nevada Development Authority ("NDA") is a nonprofit organization dedicated to the expansion and diversification of the entire southern Nevada community. Now in its fifth decade of service, NDA's membership is comprised of hundreds of business-oriented individuals. NDA's primary function is to provide information to companies considering relocation as well as to firms already doing business in southern Nevada. Nevada does not have corporate or personal income tax; inheritance or gift tax; unitary franchise on income; admission's tax; inventory tax; chain-store tax; special intangible tax; or franchise tax, which attracts many businesses to the area.

Complementing the area's emphasis on economic diversification are the numerous business incentives unique to the State of Nevada. Competitive wage rates, an expanding labor force, low out-bound freight transportation costs to other prominent southwestern markets and a graduated schedule for payment of sales and use tax on new capital equipment combine to give business and industry an attractive advantage. The State also abates sales and use taxes on capital equipment for qualified relocating or expanding companies. An additional incentive is a customized job training program (Train Employees Now).

Utilities

Electric utility services are provided to the vast majority of southern Nevada residents by NV Energy (formerly Nevada Power Company, a stand-alone subsidiary of Sierra Pacific Resources) with headquarters in Las Vegas, Nevada, and natural gas is provided by

Southwest Gas Corporation. CenturyLink is the largest provider of local telephone service to the greater Las Vegas area.

Water

General. The major water purveyors in Clark County are: the Big Bend Water District, Boulder City, Henderson, the Las Vegas Valley Water District (the "LVVWD"), Nellis Air Force Base, and North Las Vegas. The LVVWD provides water service to the City of Las Vegas, the unincorporated urban areas of Clark County, Jean, Mt. Charleston, Blue Diamond, and Searchlight. The Big Bend Water District serves the Town of Laughlin. In addition, the Virgin Valley Water District serves the City of Mesquite and surrounding area, and the Moapa Valley Water District serves Logandale, Overton, Moapa and Glendale.

Southern Nevada Water Authority ("SNWA"). In July 1991, a regional water agency was created for southern Nevada. This new entity, the Southern Nevada Water Authority (the "SNWA"), was established in recognition of the need to address water on a regional basis rather than an individual purveyor basis. The SNWA was created by seven governmental agencies in the County (the "Members," described below) to address water issues, develop additional water supplies, and build and operate water treatment and transmission facilities on a regional basis. The Members are the Big Bend Water District, Boulder City, the District, the City of Henderson, the City of Las Vegas, the LVVWD, and City of North Las Vegas.

The SNWA operates pursuant to a 1995 Amended Cooperative Agreement among the Members, originally effective as of July 25, 1991, and subsequently amended (the "1995 SNWA Agreement"). After its formation, the SNWA assumed all assets and liabilities of the Southern Nevada Water System ("SNWS") from the Colorado River Commission of Nevada (the "CRC") and purchased all SNWS assets formerly owned by the federal government. Colorado River water is delivered primarily through the SNWS. The 1995 SNWA Agreement provides that the SNWA has the power to periodically assess the Members for budgets and for the satisfaction of any liabilities imposed against the SNWA.

The LVVWD operates and maintains the SNWS, as agent for the SNWA, pursuant to an Amended Facilities and Operations Agreement, originally effective June 20, 2002 (as amended from time to time, the "2002 SNWA Agreement"), between the SNWA and four of the Members (Boulder City, North Las Vegas, the City and the LVVWD and collectively, the "Municipal Water Users"). The 2002 SNWA Agreement has been amended several times. Pursuant to the 2002 SNWA Agreement, the Municipal Water Users (and certain other users as described herein) have contracted with the SNWA for the provision of potable water. The 2002 SNWA Agreement also provides that the SNWA may equitably make assessments to the City, North Las Vegas, and the LVVWD for payment of certain capital costs when certain identified revenue sources are insufficient for such purpose.

The State's annual consumptive use right to Colorado River water is 300,000 acre-feet. This right was established pursuant to the Colorado River Compact, various federal laws and contracts and various court decrees. Consumptive use is the amount of water withdrawn, less water that is returned to the river. The SNWA and its purveyor members' share of the State's annual Colorado River consumptive use right is about 272,000 acre-feet annually. In the twelve months ending in December 2014, the SNWA diverted approximately 406,000 acre-feet. The diversion figure takes into account the fact that the SNWA's members return water to the Colorado River system, thereby increasing the total amount of water available for delivery. The SNWA also has a contract right to unused and surplus Colorado River water when available as determined by the Secretary of the Interior. See "Seven Basin States Record of Decision" below.

In January 2001, the Secretary of the Interior (the "Secretary") approved the Colorado River Interim Surplus Guidelines (the "Guidelines"); the Guidelines were amended effective December 2007. The Guidelines are designed to reduce California's overuse of its 4.4 million acre-feet allocation of Colorado River water and will be used to determine the availability of "surplus" Colorado River water for use within the states of Arizona, California and Nevada. See "Seven Basin States Record of Decision" below.

<u>Water Resource Plan, Drought Planning and Integrated Water Resource Planning</u>. As part of its mission, the SNWA maintains several key planning documents, including a Water Resource Plan, which also incorporates a drought plan. The SNWA Water Resource Plan is reviewed annually and updated as needed. The document summarizes existing resources and options that reflect current conditions. The most current Water Resource Plan, which is discussed below, can be viewed on the SNWA's website at http://www.snwa.com/ws/resource_plan.html.

Water Resource Plan. The first SNWA Water Resource Plan, which provides a comprehensive overview of water resources and demands in southern Nevada, was adopted in 1996. The plan is reviewed annually and updated as needed, most recently in May 2009. The 2009 Water Resource Plan represents the eighth revision. The SNWA Water Resource Plan provides a demand projection for southern Nevada for a 50-year period and outlines a portfolio of resource options to meet the projected demand. This resource portfolio includes local groundwater, as well as Nevada's 300,000 acre-feet basic Colorado River apportionment, surplus Colorado River water when available, wastewater reuse and other current and potential supplies.

The SNWA has an agreement with the Arizona Water Banking Authority, the Central Arizona Water Conservation District and the Colorado River Commission. As amended in 2004, that agreement guarantees the availability of 1.25 million acre-feet of Colorado River water storage credits for Nevada's future use. The agreement was amended in March 2010 to provide Arizona and the SNWA greater flexibility in determining when withdrawals can be made from the water bank and to provide the SNWA with greater flexibility in paying outstanding amounts due. Under the amended storage agreement, the parties now anticipate that SNWA will be required to begin consumptive use in 2018. The amended agreement will remain in force until the SNWA uses all its storage credits or June 1, 2060, whichever comes first. The SNWA and Arizona have agreed to meet in 2015 (or in the year in which the elevation of Lake Mead is projected to be at or below 1,075 feet) to discuss, among other items, the timing and magnitude of the SNWA's withdrawal requests and estimates of the conservation district's recovery capital and operation costs to be paid by the SNWA to recover water.

In 2004, the SNWA also entered into agreements with the Metropolitan Water District of Southern California ("MWD") and the federal Bureau of Reclamation to store a portion of the State's unused Colorado River water in southern California until it is needed; under those agreements, the State can recover up to 30,000 acre-feet per year from the storage account, with six months advance notice provided to MWD. The acquisition and use of

Colorado River water remains one of the best and most cost-effective options to meet future demands in southern Nevada, surpassed only by conservation.

Included in the Water Resource Plan is the SNWA's response to drought conditions. Over the last eleven years, the Colorado River Basin is experiencing one of the worst droughts on record, which has impacted Lake Mead reservoir levels. The drought is ongoing. Should the drought worsen and reservoir levels along the Colorado River decline low enough, the Lower Basin States (including Nevada) could see their basic apportionment of Colorado River water curtailed in some years. This shortage condition is the worst-case scenario on the river. As part of its response to these drought conditions, the SNWA and its member agencies have prepared the regional drought plan as a chapter in the SNWA Water Resource Plan. The drought plan is amended concurrently with the SNWA Water Resource Plan.

The drought chapter of the Water Resource Plan clarifies the overall process for determining the various levels of drought and the corresponding shortage declaration. In determining whether the levels exist, the SNWA Board will consider the Lake Mead water level projections from the Bureau of Reclamation in conjunction with the community's conservation achievements, projected water demands and other related factors. To date, measures restricting water demands have been developed for the first two levels of shortage declaration. Local purveyors in the Las Vegas Valley (including the City) have enacted ordinances to support enforcement of the restrictions and also have implemented rate increases to promote additional conservation and greater awareness of drought conditions.

Integrated Water Planning Process. The SNWA is engaged in the development of additional in-state water resources. The development of these in-state resources will be a significant focus of the SNWA over the next decade. Currently, the SNWA is in the preliminary stages of planning and environmental compliance for the construction of necessary infrastructure to transport unused groundwater in Clark, Lincoln and White Pine counties to the Las Vegas Valley. Applications for various rights-of-way have been submitted to the appropriate Bureau of Land Management offices and technical analyses are underway. In September 2006, the SNWA participated in its first hearings before the State Engineer to consider the SNWA's applications for unappropriated groundwater in Spring Valley, Nevada. During those hearings, the SNWA presented its plan to convey groundwater from Lincoln and White Pine Counties to the County. In April 2007, the State Engineer approved a portion of the groundwater rights applications, enabling SNWA to develop a maximum of 60,000 acre-feet annually from the basin. To aid in the management of the Spring Valley, the SNWA has begun to acquire a number of ranch properties, and the water rights associated with them; the ranches will be an essential tool in managing the overall groundwater system in Spring Valley. In the spring of 2008, the SNWA amended prior agreements with the Virgin Valley Water District and the Moapa Valley Water District ("MVWD") to implement the acquisition and development of Virgin Valley River water rights and Muddy River water rights and to provide for the development, treatment and transport of Coyote Spring Valley groundwater through the MVWD system.

Various parties protested the SNWA's acquisition of the groundwater rights described above and the State Supreme Court issued an opinion that brought into question, in some measure, any water rights applications filed prior to July 2003 that were not acted upon by the State Engineer within one year of the end of the applicable protest period, including the applications described in prior paragraph. The SNWA re-filed all applications that were possibly affected by the Supreme Court decision. In March 2012, the State Engineer issued a ruling granting nearly 84,000 acre feet of water annually under the SNWA applications for groundwater rights in four east-central Nevada valleys. The decision represents an increase of 5,233 acre-feet over a previous ruling, reaffirming the SNWA's assertion that significant available water resources exist in those groundwater basins. The SNWA must still secure environmental permits from the Bureau of Land Management and major construction activities will commence only when conditions warrant; however, the ruling represents a critical safety net for Southern Nevada against continued drought on the Colorado River.

Based upon current usage patterns and stretched through reuse, the water rights would be enough to meet the annual water needs of nearly 325,000 single-family Southern Nevada households. Studies have indicated that the typical household uses an average of approximately 12,000 gallons per month.

Seven Basin States Record of Decision. On December 13, 2007, the Secretary of the Interior ("Secretary") signed a Record of Decision ("ROD") approving adoption of "Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead." The ROD is the result of a lengthy public process that began in 2005 when the Secretary requested input from the seven states of the Colorado River Basin ("Seven Basin States") and other stakeholders regarding development of additional operational guidelines and tools to meet the challenges of the ongoing drought in the Colorado River Basin. During this process, the Bureau of Reclamation issued a Draft Environmental Impact Statement and a Final EIS that reflected comments from the Seven Basin States, general public and other interested parties.

The ROD approves and outlines specific interim Lower Basin shortage guidelines and coordinated management strategies for Lakes Powell and Mead under low reservoir conditions. Except for several operational refinements as a result of the public input, the approved guidelines and strategies substantially reflect a conceptual plan and subsequent comments developed by the Seven Basin States and submitted to the Secretary on February 3, 2006 and April 30, 2007, respectively. These guidelines and strategies, which are intended to remain in effect through 2036 regarding water supply and through 2026 regarding reservoir operating decisions, include:

- Establishment of discrete levels of shortage volumes associated with Lake Mead elevations to conserve reservoir storage and provide water users and managers in the Lower Basin with greater certainty to know when, and by how much, water deliveries will be reduced in drought and other low reservoir conditions;

- Coordinated operation of Lake Powell and Lake Mead determined by specified reservoir conditions that would minimize shortages in the Lower Basin and avoid the risk of curtailments in the Upper Basin;

- A mechanism to encourage and account for augmentation and conservation of water supplies, referred to as Intentionally Created Surplus ("ICS"), that would minimize the likelihood and severity of potential future shortages; and

- The modification and extension of the Guidelines through 2025.

Other elements of the agreement relating to tributary and imported water will be in effect past the expiration of reservoir operating and water supply guidelines and strategies.

As approved and adopted, the new guidelines implement interim reservoir operations that are designed to minimize shortages in the Lower Basin and avoid the risk of curtailments in the Upper Basin through an operating strategy for Lakes Powell and Mead that strives to balance the water supply between these reservoirs, while maximizing their use. The guidelines replace the then-existing Guidelines by extending the Guidelines through 2025, with amendments that (a) remove the partial domestic surplus category (which was implemented in 2001), (b) limit domestic surpluses for the Metropolitan Water District, Arizona and the SNWA to 250,000 acre-feet, 100,000 acre-feet, and 100,000 acre-feet per year, respectively, during the years 2016 through 2025, and (c) implement shortage conditions when Lake Mead's elevation is at 1,075 feet or lower. The guidelines also provide an opportunity for Lower Basin States to develop, store and access ICS water through extraordinary conservation efforts, tributary conservation, system efficiency projects or importation of non-Colorado River water into the mainstream of the Colorado River. In any one year, the creation of extraordinary conservation ICS for California, Nevada and Arizona will be limited to 400,000 acre-feet, 125,000 acre-feet, and 100,000 acre-feet, respectively, while the maximum amount of extraordinary conservation ICS water that California, Nevada and Arizona can accumulate at any one time is limited to 1.5 million acre-feet, 300,000 acre-feet, and 300,000 acre-feet, respectively. These limits do not apply to other categories of ICS water available to Nevada.

With regard to shortage conditions, Arizona and Nevada have executed a Shortage Sharing Agreement with the United States premised upon the Secretary's reductions in deliveries of 333,000, 417,000 and 500,000 acre-feet per year based upon specific Lake Mead elevations. The Shortage Sharing Agreement between Arizona and Nevada is based on the assumption that the United States would also determine how it will reduce the quantity of water to Mexico during declared shortages.

The ROD also activates an existing agreement between the Seven Basin States ("Seven States Agreement") to diligently pursue interim water supplies, system augmentation, system efficiency and water enhancement projects within the Colorado River system, including the addition of new sources of supply to the Colorado River Basin (including but not limited to importation from outside the Colorado River Basin or desalination of ocean water or brackish water).

The SNWA has stated its belief that the ROD and associated guidelines are a major advancement in the management of Colorado River water resources with significant benefits to southern Nevada. The guidelines provide for the development of procedures that will allow Nevada's pre-compact tributary and imported groundwater water resources to be introduced, conveyed through and diverted from the Colorado River system. Ninety-five percent of this water would be recoverable and available during any shortage and could contribute to return flow credits. As the SNWA pursues development of available groundwater supplies within Nevada, these procedures would provide opportunity for the southern Nevada area to significantly extend the use of these resources. The guidelines also allow Nevada to participate in the implementation of system efficiency projects such as the Drop 2 Reservoir along the All American Canal in California and the Yuma Desalting Plant in Arizona, as well as future augmentation projects. Participation in the Drop 2 project will give Nevada access to a one-time supply of water (at least 400,000 acre-feet) that can be accessed in future years on an as-needed basis.

SNWS Facilities. The SNWS has two major components: Transmission Facilities and Treatment Facilities. The Transmission Facilities are composed primarily of pumping and transmission facilities and include source-of-supply intake tunnels at Saddle Island on Lake Mead; a 3.78 mile long, 10-foot diameter tunnel through the River Mountains; approximately 163 miles of water transmission pipelines of various sizes; 31 pumping stations; 36 rate-of-flow control stations; and other appurtenant facilities.

The Treatment Facilities include the Alfred Merritt Smith Water Treatment Facility and the River Mountains Water Treatment Facility, which are used to treat Lake Mead water. Today, the SNWS has a delivery capacity of over 1,015 mg per day. Raw water is drawn from the Transmission Facilities through two source-of-supply intake tunnels at Saddle Island on Lake Mead and is transported to the treatment plant via the Low Lift Pumping Plants. The Treatment Facilities utilize such processes as ozonation, disinfection, aeration, coagulation, flocculation, filtration and post treatment. Chemicals are added to the raw water for taste and odor control, and to the filtered water for corrosion control and disinfection. All filter backwash water is reclaimed and recycled to the influent of the treatment plant. Sludge from the backwash process is collected, spread on drying beds and then hauled from the plant site. Water is disinfected with chlorine prior to leaving the plant. If necessary, portable chlorination equipment can be connected to the injection points at the terminal delivery sites. As an alternative to chlorination, a chlorine dioxide system at the plant could be utilized, if necessary, in order to reduce the formation of trihalomethanes during the more troublesome winter months.

Treated water exits the plant to a High Lift Pumping Plant where it is then either routed to a pipeline providing water to Boulder City or to two tunnels through the River Mountains to the Las Vegas Valley. From the western tunnel portal, water is delivered to the Municipal Water Users by way of lateral pipelines.

Intake No. 3. The SNWA is in the process of constructing Lake Mead’s Intake No.3, which is critical to help protect the community from the effects of prolonged drought in the Colorado River Basin. Intake No. 3 is planned to protect municipal water customers from water quality issues and reduced system capacity associated with declining lake levels. Intake No. 3 is expected to maintain the SNWA’s ability to draw upon Colorado River water at lake elevations as low as 1,000 feet above sea level, assuring system capacity if lake levels fall low enough to put Intake No. 1 out of service. Components of the Intake No. 3 project include an intake tunnel, underground pumping forebay, pumping station, electrical power connections and a discharge pipeline to the Alfred Merritt Smith Water Treatment Facility. The tunnel is expected to become operational in late 2015.

Education

Clark County School District provides public education services to the residents of the County and enrolls approximately 70% of all school children in the State; it is the fifth largest school district in the United States. Higher education is provided by the College of Southern Nevada (a two-year institution), by Nevada State College in Henderson (a four-year institution) and by the University of Nevada, Las Vegas (a four-year university). All of these institutions are part of the Nevada System of Higher Education.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2015 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2015 Bonds (the "Tax Code"), and interest on the 2015 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of the 2015 Bonds only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the 2015 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the 2015 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2015 Bonds; (b) limitations on the extent to which proceeds of the 2015 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2015 Bonds above the yield on the 2015 Bonds to be paid to the United States Treasury. The District has covenanted and represented in the 2015 Bond Resolution that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the 2015 Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under such federal income tax laws in effect when the 2015 Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the 2015 Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the 2015 Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the District and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the 2015 Bonds.

With respect to 2015 Bonds that were sold in the initial offering at a discount (the "Discount Bonds"), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the 2015 Bonds. Owners of the 2015 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the 2015 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the 2015 Bonds were sold at a premium, representing a difference between the original offering price of those 2015 Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such 2015 Bonds (if any) may realize a taxable gain upon their disposition, even though such 2015 Bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the 2015 Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the 2015 Bonds. Owners of the 2015 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2015 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2015 Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the 2015 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2015 Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2015 Bonds. Owners of the 2015 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2015 Bonds. If an audit is commenced, the market value of the 2015 Bonds may be adversely affected. Under current audit procedures the Service will treat the District as the taxpayer and the Bond owners may have no right to participate in such procedures. The District has covenanted in the 2015 Bond Resolution not to take any action that would cause the interest on the 2015 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the District, the Financial Advisors, the Initial Purchaser, Bond Counsel or Special Counsel is responsible for paying or reimbursing any 2015 Bond holder with respect to any audit or litigation costs relating to the 2015 Bonds.

State Tax Exemption

The 2015 Bonds, their transfer, and the income therefrom, are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS, and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

LEGAL MATTERS

Litigation

Based on its review and search of the court dockets for the Eighth Judicial District Court for the State of Nevada, Clark County, and the United States District Court of Nevada in Clark County, and based on due investigation, the office of the District Attorney, acting as general counsel to the District, states that, as of the date of this Official Statement, there is no litigation or controversy of any nature now pending or threatened, (i) restraining or enjoining the issuance, sale, execution or delivery of the 2015 Bonds or (ii) in any way contesting or affecting the validity of the 2015 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the 2015 Bonds. The District is, however, subject to certain pending and threatened litigation regarding various other matters arising in the ordinary course of operation of the District. See "THE SYSTEM--Other Regulatory Matters." Based on its review and search of the court dockets referenced above, and based on due investigation, it is the opinion of the office of the District Attorney that the pending or threatened litigation will not result in final judgments against the District which would, individually or in the aggregate, materially adversely affect the District's financial position, its ability to pay debt service on the 2015 Bonds or its ability to perform its obligations to the owners of the 2015 Bonds.

Approval of Certain Legal Proceedings

The approving opinion of Sherman & Howard L.L.C., as Bond Counsel, will be delivered with the 2015 Bonds. A form of the bond counsel opinion is attached to this Official Statement as Appendix E. The opinion will include a statement that the obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the federal constitution, including bankruptcy. Sherman & Howard L.L.C. has also acted as Special Counsel to the District in connection with this Official Statement. Certain matters will be passed upon for the District by the District Attorney.

Police Power

The obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power and powers of taxation inherent in the sovereignty of the State, and to the exercise by the United States of the powers delegated to it by the federal constitution (including bankruptcy).

Sovereign Immunity

Pursuant to State statute (NRS 41.035), an award for damages in an action sounding in tort against the District may not include any amount as exemplary or punitive damages and is limited to $100,000 per cause of action. The limitation does not apply to federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under The Americans with Disabilities Act of 1990, or to actions in other states.

FINANCIAL ADVISORS

Hobbs, Ong & Associates, Inc. and Public Financial Management, Inc. are serving as Financial Advisors to the District in connection with the 2015 Bonds. See "INTRODUCTION--Additional Information" for contact information for the Financial Advisors. The Financial Advisors have not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the District, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Financial Advisors respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

INDEPENDENT AUDITORS

The audited basic financial statements of the Clark County Water Reclamation District as of and for the year ended June 30, 2014, included herein as Appendix A, have been audited by Piercy Bowler Taylor & Kern, certified public accountants, Las Vegas, Nevada, as stated in their report appearing herein.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies ("S&P") have assigned the 2015 Bonds the Ratings shown on the cover page of this Official Statement. Any ratings reflect only the views of such organizations. An explanation of the significance of any ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of any ratings given by Moody's may be obtained from Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, NY 10007.

There is no assurance that such ratings will continue for any given period of time or that they will not be revised upward or downward or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Other than the District's obligations under the Disclosure Certificate, neither the District nor the Financial Advisors has undertaken any responsibility either to bring to the attention of the owners of the 2015 Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such change in or withdrawal of the ratings could have an adverse effect on the market price of the 2015 Bonds.

UNDERWRITING

The District sold the Bonds at public sale to Barclays Capital Inc. (the "Initial Purchaser") at a purchase price equal to $113,478,323.30 (equal to the par amount of the Bonds, plus net original issue premium of $10,548,647.05, and less underwriting discount of $695,323.75).

OFFICIAL STATEMENT CERTIFICATION

The undersigned official of the District hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the 2015 Bonds have been duly authorized by the Board.

CLARK COUNTY WATER RECLAMATION DISTRICT

By: /s/ Thomas A. Minwegen
General Manager

APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF THE DISTRICT AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Clark County
Water Reclamation District

A Component Unit of Clark County, Nevada

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2014

Our Mission: *To manage reclaimed water as a resource*

Clark County Water Reclamation District
A Component Unit of Clark County, Nevada

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CLARK COUNTY WATER RECLAMATION DISTRICT
5857 East Flamingo Road
Las Vegas, Nevada 89122
(702) 434-6600
www.cleanwaterteam.com

FOR THE FISCAL YEAR ENDING

JUNE 30, 2014

Prepared by the Finance Service Section
Under the Supervision of Bridgette McInally
Utility Finance Manager

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2014

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Clark County Water Reclamation District
Flamingo Water Resource Center

CLARK COUNTY WATER RECLAMATION DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2014

Clark County Water Reclamation District Officials

A Board of Trustees, consisting of seven members, governs the Clark County Water Reclamation District (the District). Each member also sits on the seven-member Clark County Commission. Current Trustees of the District Board are as follows:

Lawrence Brown III
Chairman

Steve Sisolak
Vice-Chairman

Susan Brager
Trustee

Tom Collins
Trustee

Chris Giunchigliani
Trustee

Mary Beth Scow
Trustee

Lawrence Weekly
Trustee

Other Elected Officials

Laura B. Fitzpatrick	**Treasurer**
Diana Alba	**District Secretary**

District Administrative Officials

Thomas A. Minwegen	**General Manager**
Dan Fischer	**Deputy General Manager, Plant Operations and Laboratory**
Mark Binney	**Assistant General Manager, Finance and Technology Solutions**
Richard Donahue	**Assistant General Manager, Collection System and Maintenance**
Sam Scire	**Assistant General Manager, Engineering and Construction**
Marty Flynn	**Assistant to the General Manager, Customer Care**
Bridgette McInally	**Utility Finance Manager**

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Clark County Water Reclamation District

Mission Statement: To manage reclaimed water as a resource.

The "Clean Water Team"

December 4, 2014

Ex Officio Board of Trustees
Board of County Commissioners
Clark County Water Reclamation District
500 South Grand Central Parkway
Las Vegas, Nevada 89155-1601

Honorable Trustees and Rate Payers of the Clark County Water Reclamation District:

We wish to express our appreciation to the Board for their leadership and support in planning and coordinating the operations of the Clark County Water Reclamation District (the District). We are pleased to present the Districts' Comprehensive Annual Financial Report (CAFR) for the fiscal year (FY) ended June 30, 2014.

This report was prepared by the Districts' Finance Service Group following guidelines set forth by the Governmental Accounting Standards Board (GASB) with financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Piercy Bowler Taylor and Kern, Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's basic financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) and the financial notes immediately follow the independent auditor's report and provide a narrative introduction, overview, and analysis of the basic financial statements. The MD&A and financial notes complement this letter of transmittal and should be read in conjunction with it.

<u>District Information</u>

The purpose of the District is to ensure the collection, treatment, and reclamation of wastewater so it can be safely returned to the environment. The District's vision is to be known for the following: excellent customer responsiveness; ethical and effective practices; effective financial management; sound planning principles, and skilled and dedicated employees.

The District was established as a General Improvement District under Nevada Revised Statute (NRS 318) in 1954 and, as such, is a political subdivision of the State. The District has been granted the authority to levy taxes, sell bonds, create assessment districts, and the right of eminent domain. The District's bond covenants provide that rates and charges be sufficient to cover operation and maintenance costs and general expenses, including principal and interest payments on outstanding bonds.

The District is governed by a seven-member ex-officio Board of Trustees (the Board), which is comprised of members of the Clark County Commission. The Commissioners are elected from geographical districts on a partisan basis for staggered four-year terms. The Board elects a chairperson and a vice-chairperson who serve as the Board's presiding officers. The Board of Trustees has the power to set the District's rates and charges. Currently, the District's Chairperson is Commissioner Lawrence Brown III, and the Vice-Chairperson is Commissioner Steve Sisolak.

As a General Improvement District, the District was established in a manner similar to private business enterprises; whereas the intent is that the cost of providing goods and services on a continuing basis be financed primarily through user charges. To that end, rates and charges should be sufficient to recover all revenue requirements (both operating and capital) of the District. The District follows the customer User Charge System guidelines which are required as an Environmental Protection Agency grant-assisted wastewater facility in accordance with the Code of Federal Regulations Section 40 Part 35. The District employs the accrual basis for recording and reporting financial transactions. Therefore, revenues and expenses are recorded in the period in which they are incurred; except long-term debt service, which is recorded when due. During the fiscal year, funds will be encumbered upon approval of individual purchase orders. At fiscal year-end, encumbrances lapse on unfilled orders for operations and maintenance items. Items or services received after year end are charged to the next fiscal year. The acquisition, repairs and improvement of the wastewater facilities required to provide services may be financed from existing cash resources, the issuance of bonds, state revolving loans, the receipt of grants and other financing mechanisms.

The District's facilities in all service areas consist of a network of over 2,078 miles of pipelines for the conveyance of wastewater to facilities for treatment in the unincorporated areas of Clark County including the resort destinations on the Las Vegas Strip. The District also operates facilities in service areas outside of the Las Vegas Valley, including Laughlin, Searchlight, Moapa Valley, Blue Diamond, and Indian Springs as shown on the Page VIII Service Area Map. Wastewater is conveyed to the treatment facilities, where it undergoes a series of physical, biological and chemical processes that meet or exceed federal, state and local discharge standards.

All major sewer lines within the system were constructed after 1954. Approximately 55 percent of the District's sewer lines have been installed since 1987. The District's wastewater treatment systems service 245,582 active accounts: 236,372 are residential accounts and 9,210 are commercial accounts. A total of 241,520 accounts are in the Las Vegas Valley, 2,804 are in Laughlin, and 1,258 are accounts in all other service areas.

Local Economy

According to the University of Nevada Las Vegas' Center for Business and Economic Research (CBER):

- The Clark County Construction Index increased 4.66% over 2013
- McCarran International Airport visitors increased 1.77% over 2013
- Seasonally adjusted employment increased 3.1% over 2013 while unemployment decreased 1.7% from 2013

According to CBER, "Southern Nevada's economy will continue to strengthen throughout 2014 as tourism, gaming, construction and the housing industries head toward pre-recession levels as current trends indicate the region is in its fourth year of recovery from the economic downturn".

<u>Long-Term Financial Planning and Major Initiatives</u>

The District maintains both a Five-Year and a Long-Term Comprehensive Financial Plan. Included in both plans are the current and projected capital improvement program (CIP) costs, revenue projections, expenditure projections, and rate modeling. The District's CIP is a plan that includes rehabilitation and replacement of existing infrastructure; new infrastructure; and expansion of existing infrastructure due to service area growth or capacity requirements. These comprehensive plans link the District's physical development planning with the fiscal planning. The Five-Year and Long-Term Financial Plans allow for adjustments to be made based on changes in activity, requirements, and needs, while providing The District with the ability to maintain strong and stable designated unrestricted cash reserves.

The District's annual sewer service charges pay for services, supplies, personnel, annual replacement and rehabilitation debt service, and capital rehabilitation and replacement. The District uses a universal rate system, where all service areas are charged the same annual amount for sewer service fees per Equivalent Residential Unit (ERU). One ERU is equivalent to approximately 90,000 gallons of domestic wastewater. The District's annual sewer service rate on July 1, 2014 was $221.09 per ERU.

System Development Approval (SDA) fees are connection fees the District charges for each ERU that connects to the wastewater facilities. SDA fees are due and payable in advance of connection to the District's facilities and all connections must meet District standards. It is the practice of the District to use SDA revenues to fund the District's capital expansion program, capital equipment related to expansion of existing infrastructure due to service area growth or capacity requirements and expansion related debt. Page VII provides an overview of the District's Sources and uses of Funds.

As of June 30, 2014, the Five-Year Capital Improvement Plan (FY14/15 through FY 18/19) totaled $785 million. This amount reflects the various capital projects that are expected to be designed and/or constructed over the next five years to rehabilitate existing infrastructure, provide necessary facilities to meet federal and state water quality standards, and to meet District expansion needs. The District plans to spend $416 million for replacement or rehabilitation of existing facilities and $243 million on capacity expansion projects in the Las Vegas Valley. For the service areas outside the Las Vegas Valley, the District plans to spend $46 million for capacity expansion and rehabilitation projects. Management of the total capital improvement program is budgeted at $39 million. Capital Equipment is budgeted at $41 Million for various new and replacement equipment.

<u>Relevant Financial Policies</u>

Debt Administration

In accordance with NRS 350.013 Subsection (1)(c), the District annually submits its Debt Management Policy to the State Department of Taxation and the Debt Management Commission. The purpose of the policy is to manage the issuance of the District's debt obligations and to maintain the District's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment. It is the general intent of the District that rates and charges are adequate to provide for all costs and that reliance on ad valorem taxes is avoided. Historically, there has been no reliance on ad valorem taxes to support the District's operations or debt service. There is no plan or intention to call upon ad valorem taxes to support the District's debt or other financial requirements. The District's Debt Management Policy can be viewed on the District's web site at <u>http://www.cleanwaterteam.com</u>.

Credit ratings indicate to potential investors whether an entity is considered a good credit risk. Credit ratings issued by the bond rating agencies are a major factor in determining the cost of borrowed funds in the municipal bond market and other debt financing mechanisms. The District currently holds a natural AAA bond rating with a stable outlook from Standard and Poor's and an Aa1 rating from Moody's Investor Services. These ratings reflect the District's strong financial position, stable revenues, and effective financial planning. Each time the District issues bonds through a competitive sale, a Continuing Disclosure Certificate must be executed. The Continuing Disclosure Certificate outlines the District's responsibilities with regard to complying with Securities and Exchange Commission (SEC) Rule 15c2-12(b)(5). As of July 1, 2009, the Municipal Securities Rulemaking Board (MSRB) requires all municipal issuers to electronically file Annual Reports and Material Event Notices through the Electronic Municipal Market Access (EMMA) System which are available at http://emma.msrb.org. The District continues to be in compliance with this requirement.

Designated Unrestricted Reserves
Pursuant to current policy, the District maintains several designated unrestricted reserves. Designated Unrestricted Reserves are available for appropriation, but the funds have been earmarked for a particular purpose. Designated unrestricted funds can be designated to reflect the District's management priorities, such as completion of capital improvement projects or providing for unknown contingent liabilities.

Restricted Reserves
It is the District's policy to maintain restricted fund balance reserves. These reserves are used to segregate financial resources of a fund reserve that are not available to liquidate liabilities of the current period. The District's current restricted reserves include bond reserves being held by the Clark County Treasurer's office, and workers' compensation insurance fund.

Awards and Acknowledgements
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Clark County Water Reclamation District for its CAFR for the year ended June 30, 2013. The District has received this prestigious award for the last twenty-nine consecutive years. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current report conforms to the Certificate of Achievement program requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort and dedicated service of the accounting and finance service sections. Our appreciation is also extended to all District staff for their assistance and contribution to the preparation of this report.

Respectfully submitted,

Bridgette McInally

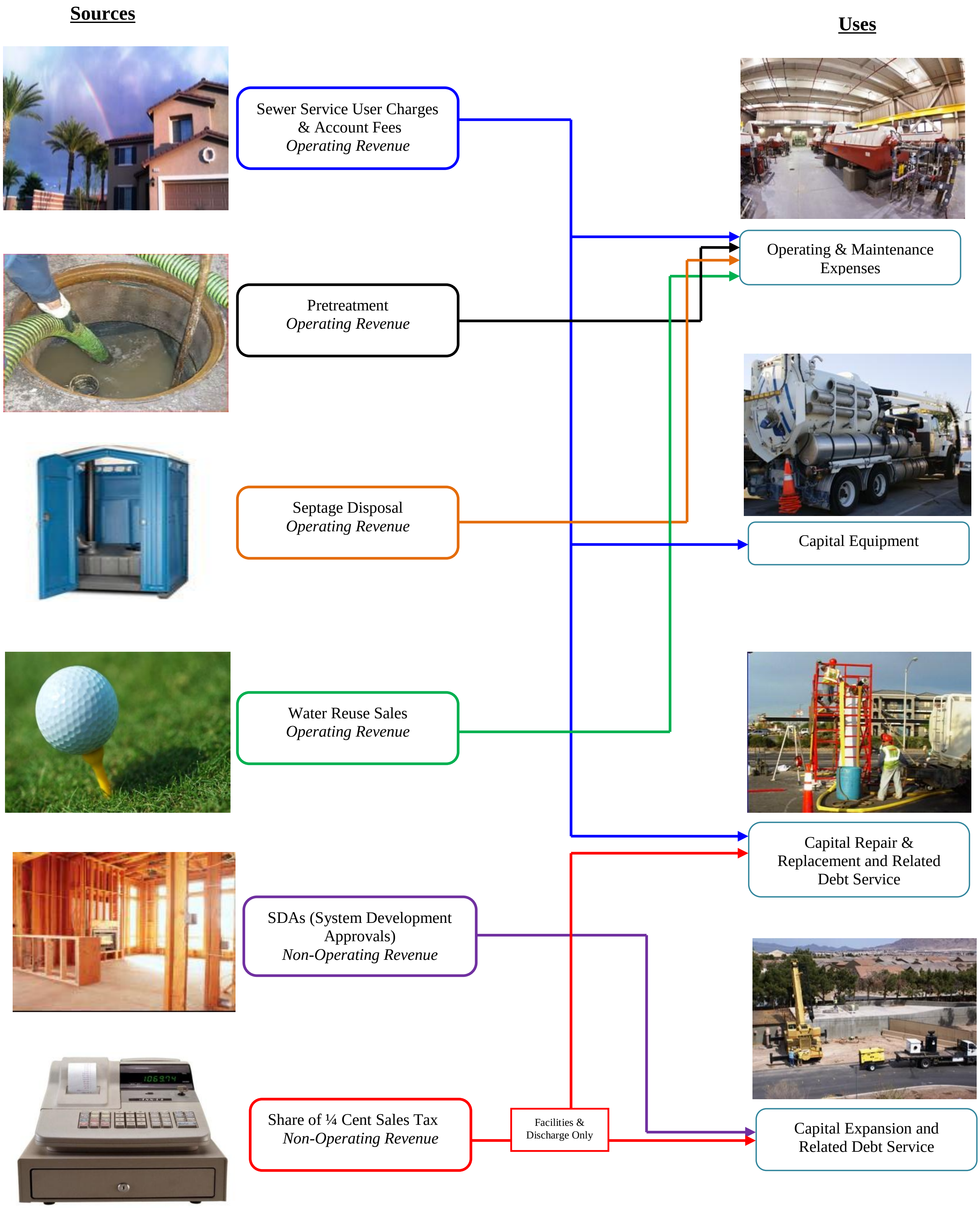
Bridgette McInally
Utility Finance Manager

Clark County Water Reclamation District Organizational Structure


Captain Can It

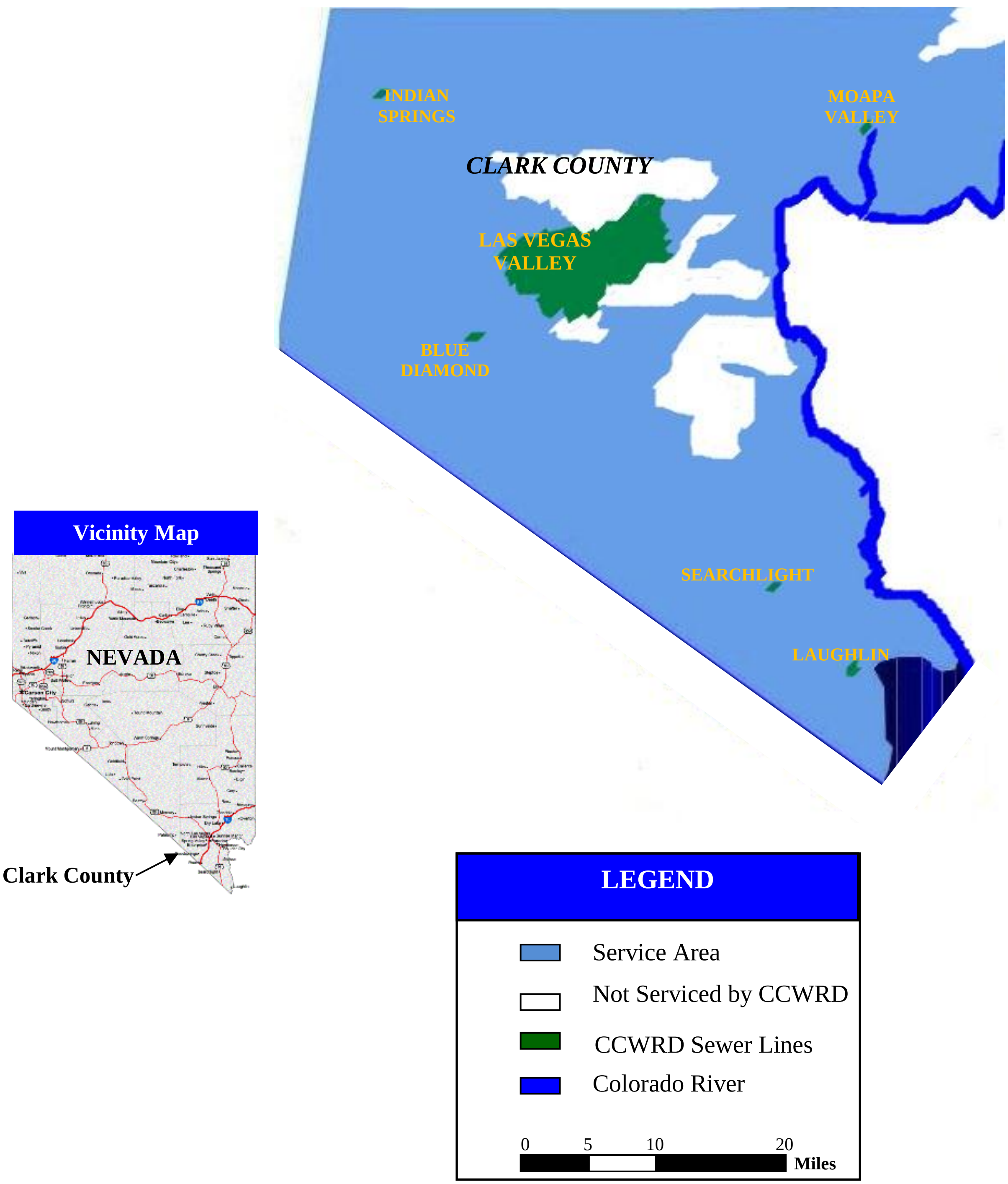
- **District Rate Payers**
  - **Board of Trustees**
    - County Manager / Assistant County Manager
      - General Manager, Water Reclamation District
        - Legal
        - Executive Assistant
        - **Customer Care** – Assistant to the General Manager
          - **Human Resources**
            - **Customer Services**
            - **Human Resources Services**
            - Payroll
            - Recruitments
            - Employee Benefits
            - Labor Management
            - Employee Development
            - Risk Management
          - **Environmental Health, Safety& Security**
          - **Compliance & Regulatory Affairs**
          - **Governmental Affairs**
            - Management Services
            - Public Outreach
        - **Finance & Technology Solutions** – Assistant General Manager
          - **Finance**
            - **Procurement Solutions**
            - **Accounting Services**
            - Accounting
            - Logistics
            - **Financial Services**
            - Debt & Grants Management
            - Budget & Rates
            - Internal Controls/Audit
          - **Technology Solutions**
            - **Database & Network**
            - **Application Development & Support**
            - **Customer Delivery & Implementation**
          - **Energy Management**
          - **Asset Management**
        - **Engineering & Construction** – Assistant General Manager
          - **Planning & Development**
          - **Engineering Design**
            - Project Design Teams
            - Program Management
            - Project Controls
            - Permitting
            - GIS
            - Survey
            - Document Controls
          - **Construction Management**
            - Construction
            - Inspection
          - **Asset Management**
        - **Plant Operations & Laboratory** – Deputy General Manager
          - **Flamingo Water Resource** Center Operations
            - Primary Treatment
            - Secondary Treatment
            - Solids Dewatering
            - Tertiary Treatment
            - Swing Shift
          - **Northern Operations**
            - Desert Breeze WRC
            - Moapa TF
            - Indian Springs TF
            - Northern Maintenance
          - **Southern Operations**
            - Laughlin WRC
            - Searchlight TP
          - **Process Control**
            - Control Systems
            - Process Control Operations
          - **Quality Laboratory**
            - Analytical
          - **Asset Management**
        - **Collection System & Maintenance** – Assistant General Manager
          - **Collection System**
            - Pretreatment
            - Odor Control
            - Sewer Cleaning & Repairs
            - Emergency Response
            - Underground Services
            - Alert
          - **Maintenance**
            - Facilities
            - Maintenance Plant Facilities
            - Maintenance Lift Stations
            - Fleet
          - **Water Quality**
            - Section 208 Clark County Water Quality Planning
          - **Asset Management**

Clark County Water Reclamation District
Sources and Uses of Funds



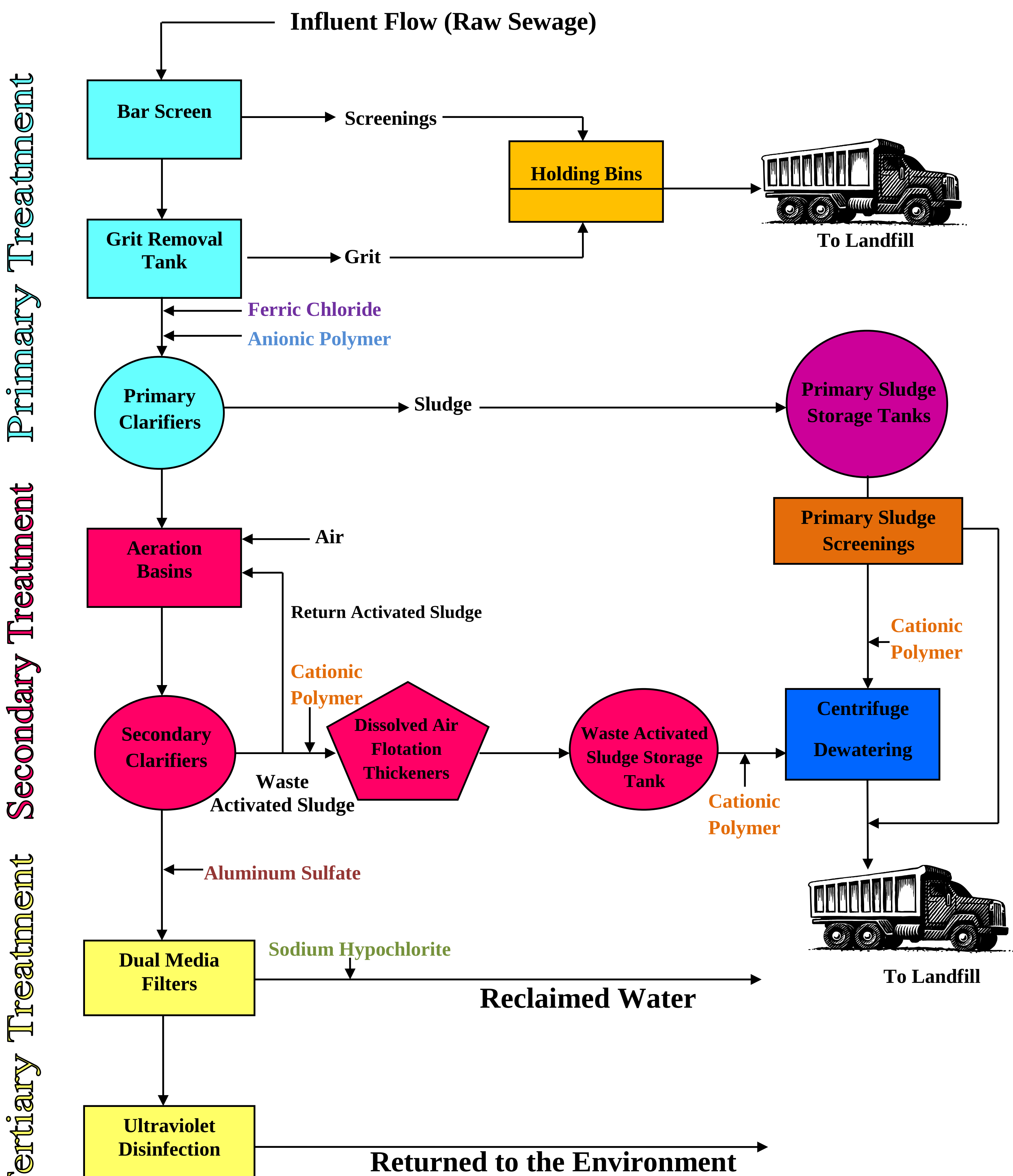
Clark County Water Reclamation District

Service Area Map



Clark County Water Reclamation District

Flamingo Water Resource Center Treatment Process



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Clark County
Water Reclamation District
Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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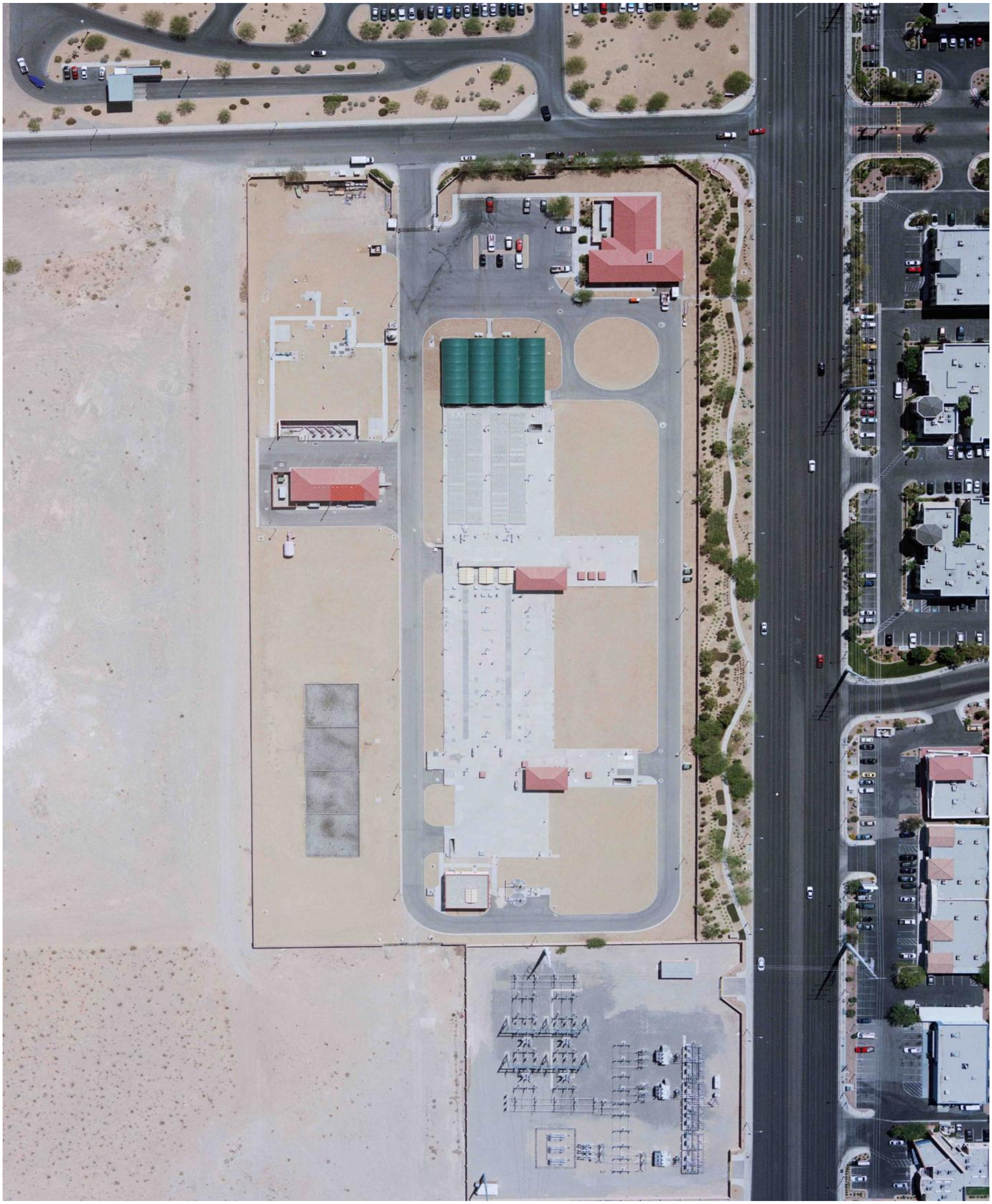
Financial Section (Audited)

The "Clean Water Team"



Clark County Water Reclamation District
Desert Breeze Water Resource Center

P B T K
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Honorable Clark County Water Reclamation District Board of Trustees
Clark County Water Reclamation District
Las Vegas, Nevada

We have audited the accompanying financial statements of the Clark County Water Reclamation District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the District's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the basic financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility. Our responsibility is to express an opinion on the basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of and for the year ended June 30, 2014, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements. The financial statements of the District as of June 30, 2013, were audited by other auditors prior to the adjustments described in Note P that were applied to restate the 2013 financial statements. As part of our audit of the 2014 financial statements, we also audited the adjustments described in Note P that were applied to restate the 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 financial statements of the Distict other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements as a whole.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and postemployment benefits other than pensions, schedule of funding progress on pages 3-8 and 31-35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
December 4, 2014

As management of the Clark County Water Reclamation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements which follow this section.

Financial Highlights 2014, 2013, and 2012

- Total Net Position increased by $72.5 million (4.6%) for a total of $1.646 billion at June 30, 2014. During fiscal year(s) ended 2013 and 2012, total net position increased by $38.6 (2.5%) and $10.4 (0.7%) million respectively for a total of $1.573 billion and $1.535 billion.

- Change in Net Position increased by $33.9 million (87.6%) for a total of $72.5 million for fiscal year 2014. During fiscal year(s) ended 2013 and 2012 change in net position increased by $15.1 million (64.5%) and decreased by $2 million (-7.9%) respectively for a total of $38.6 million and $23.5 million.

- Capital Assets, Net of Accumulated Depreciation increased by $33.4 million (2.2%) for a total of $1.562 billion at June 30, 2014. During fiscal year(s) ended 2013 and 2012 capital assets, net of accumulated depreciation, increased $44 million (3.0%) and $2.3 million (0.2%) respectively for a total of $1.528 billion and $1.484 billion.

Overview of the Financial Statements

The District uses accrual basis accounting, and accounts for all assets used in the production of services offered. The financial statements of the District are self-contained and may be used by its Board of Trustees, rate payers, creditors, investors, legislators or the general public to evaluate the performance of the District in a manner similar to that used to evaluate private sector businesses.

The District is required to present three basic financial statements. The Statement of Net Position, which outlines all of the District's financial and capital resources, and serves as the District's statement of financial position. The Net Position uses the format of: assets, plus deferred outflows of resources, minus liabilities, plus deferred inflows of resources, equal net position, The Statements of Revenue, Expenses, and Changes in Net Position presents basic information regarding the District's financial activities and provides insight to the user regarding the sources of funding for the District's operations. The Statements of Cash Flows reports cash receipts and disbursements during the reporting year for operating activities, capital and related financing activities, and investing activities. All statements are prepared in accordance with accounting principles generally accepted in the United States.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the Districts' financial statements. The notes to the financial statements can be found on pages 12-30 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide Post-Employment Benefits Other Than Pensions (OPEB) to its employees. Required supplementary information can be found on page 31 of this report.

Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $1.646, $1.573, and $1.535 billion in 2014, 2013 and 2012 respectively. See Net Position (Table 1), for a summary of the District's net position over the last three years.

Table 1 - Net Position	Year Ended June 30, 2014	Restated Year Ended June 30, 2013	Increase (Decrease)		Restated Year Ended June 30, 2012	Increase (Decrease)	
Current and other assets	$ 612,828,354	$ 585,653,418	$ 27,174,935	4.6%	$ 572,947,375	$ 12,706,043	2.2%
Capital assets	1,561,946,666	1,528,539,398	33,407,268	2.2%	1,484,489,525	44,049,872	3.0%
Total Assets	2,174,775,020	2,114,192,816	60,582,204	2.9%	2,057,436,900	56,755,915	2.8%
Current and other liabilities	44,530,998	48,097,267	(3,566,270)	-7.4%	53,609,755	(5,512,488)	-10.3%
Long-term liabilities	484,533,879	492,886,823	(8,352,944)	-1.7%	469,264,997	23,621,825	5.0%
Total Liabilities	529,064,877	540,984,090	(11,919,214)	-2.2%	522,874,752	18,109,339	3.5%
Net Position:							
Net investment in capital assets	1,074,334,531	1,026,636,721	47,697,810	4.6%	1,021,883,382	4,753,339	0.5%
Restricted	11,981,142	10,592,125	1,389,017	13.1%	9,104,042	1,488,083	16.3%
Unrestricted	559,394,470	535,979,881	23,414,589	4.4%	503,574,724	32,405,157	6.4%
Total Net Position	$ 1,645,710,143	$ 1,573,208,727	$ 72,501,416	4.6%	$ 1,534,562,148	$ 38,646,579	2.5%

As outlined in the above table, total net position is comprised of three distinct components: net investment in capital assets, restricted and unrestricted. By far, the largest portion of the District's net position $1.074 billion, reflects its investment in capital assets. This portion represents the capital assets net of any outstanding debt that is directly attributable to the acquisition, construction or improvement of those assets. The District uses those capital assets to provide services to rate payers; consequently, those assets are not available for future spending.

An additional portion of the District's net position, approximately $12.3 million, represents resources that are subject to constraints due to legislative restrictions or other external restrictions. The remaining balance of $559 million is unrestricted and may be used when restricted assets are depleted to meet ongoing obligations to rate payers and creditors which are not funded by restricted resources or for use in the event of a facility emergency.

At the end of the current fiscal year, the District was able to report positive balances in all three categories of net position. The same situation held true for the two previous fiscal years.

Fiscal Year Ended 2014 Summary:

- Total assets increased $60.5 million (2.9%) over fiscal year ended 2013 as a result of increases in current assets and total capital assets.
- Total liabilities decreased $11.9 million (-2.2%) over fiscal year ended 2013 primarily due to a decrease in construction contracts payable, bonds payable and other liabilities.

Fiscal Year Ended 2013 Summary:

- Total assets increased $56.8 million (2.8%) over fiscal year ended 2012 as a result of stable revenue and increases in construction in progress related to capital assets.
- Total liabilities increased $18.1 million (3.5%) over fiscal year ended 2012 primarily due to an increase in construction contracts payable, bonds payable and sales tax payable.

Changes in the District's net position can be determined by a review of the following condensed Statements of Revenue, Expenses and Change in Net Position (Table 2).

Table 2 - Change in Net Position	Year Ended June 30, 2014	Restated Year Ended June 30, 2013	Increase (Decrease)		Restated Year Ended June 30, 2012	Increase (Decrease)	
Operating Revenues:							
Sewer service charges	$ 139,716,364	$ 143,275,939	$ (3,559,575)	-2.5%	$ 133,122,260	$ 10,153,679	7.6%
Other	3,793,279	4,344,636	(551,357)	-12.7%	3,229,158	1,115,478	34.5%
Total Operating Revenues	143,509,643	147,620,575	(4,110,932)	-2.8%	136,351,418	11,269,157	8.3%
Non-Operating Revenues:							
SDA revenue	31,461,511	18,972,735	12,488,776	65.8%	10,549,916	8,422,819	79.8%
Sales tax apportionment	15,911,706	14,870,001	1,041,705	7.0%	14,055,242	814,759	5.8%
Investment income	6,024,342	4,398,963	1,625,378	36.9%	8,878,470	(4,479,507)	-50.5%
Net increase (decrease) in the fair value of unrestricted investment	2,086,425	(5,631,409)	(3,544,984)	63.0%	(3,169,527)	(2,461,882)	77.7%
Other	1,882,969	(13,478)	1,896,447	0.0%	(158,322)	144,844	0.0%
Total Non-Operating Revenues	57,366,953	32,596,813	24,770,140	76.0%	30,155,779	2,441,034	8.1%
Total Revenues	200,876,596	180,217,388	20,659,208	11.5%	166,507,197	13,710,190	8.2%
Expenses:							
Salaries	22,280,786	21,730,773	550,013	2.5%	20,967,989	762,785	3.6%
Benefits	8,596,198	7,952,525	643,673	8.1%	7,722,124	230,401	3.0%
Other post employment benefits	2,613,469	2,613,469	-	0.0%	2,859,575	(246,106)	-8.6%
Utilities	10,440,207	9,749,587	690,620	7.1%	10,239,274	(489,687)	-4.8%
Outside services	6,585,336	5,218,462	1,366,875	26.2%	4,690,745	527,717	11.3%
Chemicals	6,115,822	5,738,662	377,160	6.6%	5,443,455	295,207	5.4%
Maintenance	5,893,990	5,375,121	518,870	9.7%	4,812,371	562,750	11.7%
Other expenses	6,376,168	2,519,369	3,856,799	153.1%	2,086,233	433,136	20.8%
Supplies	1,380,948	2,040,399	(659,451)	-32.3%	2,025,589	14,810	0.7%
Depreciation	75,643,760	74,793,101	850,659	1.1%	70,999,964	3,793,137	5.3%
Non-Operating Expenses	10,578,550	15,800,402	(5,221,853)	-33.0%	21,235,841	(5,435,439)	-25.6%
Total Expenses	156,505,234	153,531,870	2,973,364	1.9%	153,083,160	448,710	0.3%
Income Before Capital Contributions	44,371,362	26,685,516	17,685,846	66.3%	13,424,037	13,261,479	98.8%
Capital Contributions:							
Grant revenue	-	413,236	(413,236)	-100.0%	86,448	326,788	378.0%
Contributed assets	28,130,054	11,547,824	16,582,230	143.6%	9,987,987	1,559,837	15.6%
Change in Net Position	72,501,416	38,646,576	33,854,840	87.6%	23,498,472	15,148,104	64.5%
Net Position, Beginning of the Year As Reported	1,618,016,848	1,565,200,009	52,816,839	3.4%	1,524,122,436	41,077,573	2.7%
Prior Period Adjustment	(44,808,121)	(30,637,858)	(14,170,263)	46.3%	(13,058,760)	(17,579,098)	134.6%
Net Position, Beginning of the Year as Restated	1,573,208,727	1,534,562,151	38,646,576	2.5%	1,511,063,676	23,498,475	1.6%
Total Net Position, at End of Year	$ 1,645,710,143	$ 1,573,208,727	$ 72,501,416	4.6%	$ 1,534,562,148	$ 62,145,054	4.0%

The primary source of operating revenues, sewer service charges, totaled $139.7 million (97%). Operating revenues also include water reuse sales, pretreatment inspection fees, septage waste processing fees and miscellaneous fees. Operating revenues fund all operational expenses including repair and maintenance, rehabilitation and replacement of the District's infrastructure and equipment, and associated debt service.

The primary source of non-operating revenues, System Development Approvals (SDA), was $31.5 million (55%). Non-operating revenues are used to fund the expansion of capital infrastructure and equipment related to service area growth and capacity requirements and associated debt service. The other major sources of non-operating revenues are sales tax apportionment $15.9 million (28%) and investment income $6 million (11%). The District had a net unrealized gain of $2.1 million in the fair value of unrestricted investments. An unrealized gain (loss) occurs when the fair market value of an investment changes while it is being held. As required by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the District has recognized the changes in the fair value of the investments as revenue in the Statements of Revenues, Expenses and Change in Net Position. Other non-operating revenue increased $1.9 million due to the receipt of Title XVI funds in connection with the original construction of the Desert Breeze Water Resource Center project.

The most significant dollar decrease in operating expenses was $659 thousand (-32.3%) in supplies expense. The decrease is due to decreases in computer software, inventory adjustments and supplies. The most significant dollar increase excluding depreciation expense was in other expenses. Other expenses increased $3.9 million (153.1%) primarily due to the operations and maintenance reimbursement allowance associated with the Desert Breeze Water Resource Center. There was also a significant dollar increase in outside services $1.4 million (26.2%) mainly due to increases in contracted services, governmental inter-local agreements and professional services.

Due to the number of capital assets placed into service, depreciation expense increased $851 thousand (1.1%). Contributed assets totaled approximately $28.1 million, $11.5 million and $10 million for fiscal years ended 2014, 2013, and 2012 respectively.

Fiscal Year Ended 2014 Summary:

- Total operating revenues decreased $4.1 million (-2.8%) over fiscal year ended 2013 as a result of decreased sewer service revenue in relation to a 4% sewer service rate reduction.
- Total non-operating revenues increased $24.8 million (76.0%) over fiscal year ended 2013 as a result of an increase in SDA revenue, primarily due to major rehabilitation projects on the Las Vegas Strip and the Creech Air Force Base connection to the Indian Springs Treatment Facility.
- Total revenues increased $20.7 million (11.5%) over fiscal year ended 2013.
- Total operating expenses excluding depreciation of $75.6 million, increased $2.1 million (2.7%) primarily due to increases in other expenses, outside services, and utilities.
- Non-operating expenses decreased by $5.2 million (-33.0%) due to a decrease in interest expense net of capitalized interest.
- Total expenses increased $2.9 million (1.9%) over fiscal year ended 2013.

Fiscal Year Ended 2013 Summary:

- Total operating revenues increased $11.3 million (8.3%) over fiscal year ended 2012 due to an increase in sewer service revenue.
- Total non-operating revenues increased $2.4 million (8.1%) over fiscal year ended 2012 due to a 79.8% increase in SDA revenue.
- Total revenues increased $13.7 million (8.2%) over fiscal year ended 2012.
- Total operating expenses excluding depreciation of $74.8 million, increased $2.1 million (3.4%) primarily due to increases in other expenses, maintenance expense and outside services.
- Non-operating expenses decreased $5.4 million (-25.6%) due to the increase in capitalized interest.
- Total expenses increased $449 thousand (0.3%) over fiscal year ended 2012.

Capital Assets and Debt Administration

The following represents the District's investment in capital assets, net of depreciation as of June 30:

Table 3 -Capital Assets, Net of Accumulated Depreciation

	Year Ended June 30, 2014	Restated Year Ended June 30, 2013	Increase (Decrease)		Restated Year Ended June 30, 2012	Increase (Decrease)	
Land and rights of way	$ 7,947,397	$ 7,926,917	$ 20,480	0.3%	$ 7,926,917	$ -	0.0%
Land improvements	4,919,467	1,796,520	3,122,947	173.8%	822,736	973,783	118.4%
Buildings and wastewater treatment facilities	617,626,130	645,524,761	(27,898,631)	-4.3%	677,436,111	(31,911,349)	-4.7%
Wastewater conveyance lines	598,302,399	552,173,159	46,129,241	8.4%	534,797,045	17,376,114	3.2%
Equipment	114,136,962	116,565,156	(2,428,194)	-2.1%	115,143,311	1,421,845	1.2%
Construction in progress	219,014,311	204,552,885	14,461,427	7.1%	148,363,405	56,189,480	37.9%
Total	$ 1,561,946,666	$ 1,528,539,398	$ 33,407,269	2.2%	$ 1,484,489,525	$ 44,049,872	3.0%

The District's investment in capital assets as of June 30, 2014 was $1.562 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings, treatment facilities, wastewater conveyance lines, equipment, and construction in progress. This represents an increase of $33.4 million (2.2%) and is directly attributable to an increase in capital assets being depreciated. See Section II. Detailed Note Disclosures, Note D.

Major capital asset events during fiscal year 2014 included the following:

- Completion of the Flamingo Water Resource Center Perimeter Improvements ($4.8 million)
- Completion of the Upgrade of the Indian Springs Collection & Treatment System Phase 2 ($6 million)
- Completion of the Maryland Lift Station Decommissioning ($6.6 million)

The District's investment in capital assets as of June 30, 2013 was $1.529 billion, net of accumulated depreciation. This investment in capital assets includes land, treatment facilities, wastewater conveyance lines, equipment, intangible assets and construction in progress. This represents an increase of $17.5 million (1.2%).

Major capital asset events during fiscal year 2013 included the following:

- Completion of the Electrical Equipment Replacement at Advanced Wastewater Treatment Building ($12 million)
- Substantial Completion of the Corrosion Management Plan ($12.7 million)
- Completion of the Laughlin Water Resource Center Bleach (Sodium Hypochlorite) Building Relocation ($12.4 million)
- Substantial Completion of the Collection System Capacity Additions ($11 million)

Long Term Debt

The acquisition, construction and rehabilitation of the District's infrastructure and facilities required to provide services are financed from existing cash resources, State Revolving Loans, grants, and the issuance of bonds. The District's General Obligation/Revenue backed bonds constitute direct and general obligations of the District. The full faith and credit of the District is pledged to the payment of principal and interest thereon. Principal and interest are paid from net pledged revenues of the District, and are secured by the District's ability to access ad valorem taxes. Net pledged revenues are defined as gross revenues of the District less operation and maintenance expenses. Historically, there has been no reliance on taxes to support the District's operations or debt service. No change in this practice is contemplated.

The District conducts an assessment of its financial plan on an annual basis. The District's bond covenants provide that rates and charges be sufficient to cover operation and maintenance costs and general expenses, which include debt service (principal and interest) on outstanding bonds and loans secured by bonds. System Development Approval (SDA) fees and sales tax revenues are spent first when funding capital projects along with a percentage of cash as determined by the District's financial plan. The District has issued the following bonds for the purpose of financing capital projects:

Series 2007	Series 2008	Series 2009 A	Series 2009 B
$ 55,000,000	$ 115,825,000	$ 135,000,000	$ 125,000,000

The District also issued a 2009C bond to the State of Nevada as collateral for a 0% interest Federal American Reinvestment and Recovery Act program (ARRA) loan. The ARRA loan from the State of Nevada, in the amount of $5.7 million, partially funded the construction of the Indian Springs Collection and Treatment Facility. The District is currently in the process of repaying the ARRA loan.

In fiscal year 2011, the District issued a $40 million 2011A bond to the State of Nevada as collateral for funding received through the State's Revolving Loan Fund. The original issue amount represents the total amount of authorization. The District had drawn down the entire authorized $40 million at June 30, 2013.

In July 2012, the District issued a $30 million 2012A bond to the State of Nevada as collateral for funding received through the State's Revolving Loan Fund. The original issue amount represents the total amount of authorization. At June 30, 2014 the District had drawn down approximately $4.7 million of the authorized $30 million. See section II. Detailed Note Disclosures, Note K.

Economic Factors and Next Year's Budget and Rates

According to the University of Nevada Las Vegas' (UNLV) Center for Business and Economic Research (CBER), "The Southern Nevada economy is improving at an accelerating rate and the growth is widespread across Southern Nevada's industries".

The primary sources of revenue for the District are sewer service charges and System Development Approval (SDA) connection fees. Sewer service charges represent the largest part of operating revenue. Operating revenue is used to support operating expenses such as supplies, chemicals, utilities, maintenance, equipment, personnel, capital replacement and rehabilitation, and replacement and rehabilitation related debt service. The collection of delinquent sewer service accounts will occur through transferring the delinquent amount to the property tax roll and subsequently collecting upon tax payment collection. Approximately 98% of all delinquent amounts are collected through the tax roll within a one year period. SDA fees represent the largest source of non-operating revenue. Non-operating revenue is used to fund capital expansion, related debt service expansion and capital improvements for plant facilities.

Commercial growth, especially along the Las Vegas Strip, plays a significant role in the District's revenue stream. The District closely monitors the trend of commercial projects and the effect on revenues and adjusts its capital improvement plan accordingly.

Contacting the District's Financial Management

This financial report is designed to provide users, including our rate payers and creditors, with a general overview of the District's finances and to demonstrate the District's financial accountability for the money it receives from its rate payers. If you have any questions about this report or need additional financial information, contact the Clark County Water Reclamation District, Attention: Bridgette McInally, Utility Finance Manager, 5857 E. Flamingo Road, Las Vegas, NV 89122. E-mail: bmcinally@cleanwaterteam.com Telephone: (702)668-8101

Clark County Water Reclamation District
Statements of Net Position
June 30, 2014 and 2013

Assets	2014	Restated 2013
Current Assets:		
Cash and cash equivalents	$ 47,617,049	$ 39,648,353
Accounts receivable, net of allowance for doubtful accounts $160,267 and $338,937	8,279,374	8,531,016
Supply inventories	2,364,294	2,227,690
Interest receivable	1,433,702	1,033,389
Investments	508,082,858	500,804,320
Prepaid expenses	444,635	658,845
Total Unrestricted Current Assets	568,221,912	552,903,613
Restricted Assets:		
Cash and cash equivalents, restricted	23,842,577	22,463,592
Sales tax receivable	2,752,002	2,604,093
Worker's compensation certificate of deposit	116,331	104,119
Total Restricted Current Assets	26,710,910	25,171,804
Total Current Assets	594,932,822	578,075,417
Noncurrent Assets		
Capital Assets:		
Property, plant and equipment	2,109,516,027	2,016,076,590
Less accumulated depreciation	774,531,070	700,016,994
	1,334,984,957	1,316,059,596
Land and rights of way	7,947,397	7,926,917
Construction in progress	219,014,312	204,552,885
Total Capital Assets, Net	1,561,946,666	1,528,539,398
Other non-current assets	83,628	87,264
Other long-term receivables, net of reserve for water reuse sales $3,699,531 and $0	17,811,904	7,490,738
Total NonCurrent Assets	1,579,842,198	1,536,117,400
Total Assets	2,174,775,020	2,114,192,817

Liabilities	2014	Restated 2013
Current Liabilities:		
Payable From Unrestricted Assets		
Accounts payable	2,965,725	3,060,016
Funds due to customer accounts	85,121	85,121
Construction contracts payable	13,818,295	18,604,475
Accrued expenses	1,218,321	981,899
Accumulated compensated absences	1,058,531	485,716
Other liabilities	2,338,681	3,063,394
Total Payable From Unrestricted Assets	21,484,674	26,280,621
Payable From Restricted Assets		
Accrued bond interest payable	11,861,435	11,871,467
Current maturities of bonds payable	10,641,866	9,397,970
Short-term portion of sales tax payable	447,476	447,476
Clean Water Coalition Trustee Funds	95,547	99,733
Total Payable From Restricted Assets	23,046,324	21,816,646
Total Current Liabilities	44,530,998	48,097,267
Noncurrent Liabilities:		
Long-term portion of accumulated compensated absences	4,091,679	3,858,724
Accrued other post employment benefits	14,521,742	11,908,273
Bonds payable, net of current maturities	463,235,602	473,987,496
Long-term portion of sales tax payable	2,684,856	3,132,330
Total Noncurrent Liabilities	484,533,879	492,886,823
Total Liabilties	529,064,877	540,984,090
Net Position:		
Net investment in capital assets	1,074,334,531	1,026,636,721
Restricted:		
Debt service	11,981,142	10,592,125
Unrestricted	559,394,470	535,979,881
Total Net Position	$ 1,645,710,143	$ 1,573,208,727

See Notes to Financial Statements

Clark County Water Reclamation District
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2014 and 2013

	2014	**Restated 2013**
Operating Revenues		
Sewer service charges	**$ 139,716,364**	$ 143,275,939
Water reuse sales	**2,357,845**	2,195,074
Pretreatment fees	**419,998**	409,063
Septage fees	**356,677**	270,258
Other	**658,759**	1,470,241
Total Operating Revenues	**143,509,643**	147,620,575
Operating Expenses		
Salaries	**22,280,786**	21,730,773
Benefits	**8,596,198**	7,952,525
Post employment benefits other than pensions	**2,613,469**	2,613,469
Utilities	**10,440,207**	9,749,587
Outside services	**6,585,336**	5,218,462
Chemicals	**6,115,822**	5,738,662
Maintenance	**5,893,990**	5,375,121
Other expenses	**6,376,168**	2,519,370
Supplies	**1,380,948**	2,040,399
Depreciation	**75,643,760**	74,793,101
Total Operating Expenses	**145,926,684**	137,731,469
Income (Loss) From Operations	**(2,417,041)**	9,889,106
Non-Operating Revenues (Expenses):		
Unrestricted investment earnings	**5,848,625**	4,504,321
Net increase (decrease) in the fair value of unrestricted investment	**2,086,425**	(5,631,409)
Restricted investment earnings	**175,717**	(105,357)
SDA revenue	**31,461,511**	18,972,735
Sales tax apportionment	**15,911,706**	14,870,001
Interest expense- bonds, net of capitalized	**(10,578,550)**	(15,799,367)
Securities lending expense	**-**	(1,036)
Other non-operating revenue/expenses, net	**1,882,969**	(13,478)
Total Non-Operating Revenues (Expenses)	**46,788,403**	16,796,410
Income Before Capital Contributions	**44,371,362**	26,685,516
Capital Contributions		
Grant revenue	**-**	413,236
Contributed assets	**28,130,054**	11,547,824
Total Capital Contributions	**28,130,054**	11,961,060
Change in Net Position	**72,501,416**	38,646,576
Net Position, Beginning of the Year As Previously Reported	**1,618,016,848**	1,565,200,009
Prior Period Adjustment	**(44,808,121)**	(30,637,858)
Net Position, Beginning of the Year As Restated	**1,573,208,727**	**1,534,562,151**
Total Net Position at End of Year	**$ 1,645,710,143**	$ 1,573,208,727

See Notes to Financial Statements

Clark County Water Reclamation District
Statements of Cash Flows
Years Ended June 30, 2014 and 2013

	2014	Restated 2013
Cash Flows From Operating Activities:		
Cash flows from customers	**$ 127,922,636**	$ 132,957,369
Cash flows from governmental organizations	**4,992,844**	5,525,773
Payments by other sources	**138,418**	118,965
Payments to employees for services and benefits	**(29,834,791)**	(29,801,571)
Payments from (to) governmental organizations for services	**(6,278,941)**	(3,117,378)
Services and supplies	**(31,259,115)**	(26,080,365)
Net Cash Provided by Operating Activities	**65,681,051**	79,602,793
Cash Flows from Capital and Related Financing Activities:		
Grant revenue	**-**	413,236
Sales tax apportionment - restricted to capital expenditure by statute	**15,316,323**	15,908,557
System development approvals received	**31,986,150**	19,294,096
Proceeds from capital debt	**1,639,160**	31,023,475
Transfer from restricted fund	**-**	12,367,946
Acquisition, construction or improvement of capital assets	**(83,120,689)**	(96,190,965)
Principal payments on loans for capital assets	**(9,397,970)**	(7,470,528)
Interest payments on loans for capital assets	**(13,175,047)**	(23,312,885)
Net Cash Used in Capital and Related Financing Activities	**(56,752,073)**	(47,967,068)
Cash Flows from Investing Activities:		
Proceeds from sale of investments	**282,282,383**	204,419,321
Interest on investments	**9,796,878**	4,048,147
Securities lending expense	**-**	(1,036)
Purchases of investments	**(291,647,346)**	(242,117,480)
Paying Agent Fee	**(1,000)**	(1,200)
Workers comp certificate of deposit	**(12,212)**	37,675
Net Cash (Used In) Provided by Investing Activities	**418,703**	(33,614,573)
Net increase (decrease) in cash and cash equivalents	**9,347,681**	(1,978,848)
Cash and cash equivalents, beginning of year	**62,111,945**	64,090,793
Cash and cash equivalents, end of year	**$ 71,459,626**	$ 62,111,945
Cash and Cash Equivalent Balances:		
Unrestricted cash and cash equivalents	**$ 47,617,049**	$ 39,648,353
Restricted cash and cash equivalents	**23,842,577**	22,463,592
Cash and Cash Equivalents, End of Year	**$ 71,459,626**	$ 62,111,945
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:		
Income from operations	**$ (2,417,041)**	$ 9,889,106
Adjustments:		
Depreciation	**75,643,760**	74,793,101
Miscellaneous nonoperating expenses	**138,418**	118,965
(Increase) decrease in accounts receivable	**(10,594,165)**	(9,137,434)
(Increase) decrease in supply inventories	**(136,604)**	291,731
Decrease in prepaid expenses	**214,209**	71,838
Increase (decrease) in other liabilities	**(728,897)**	965,604
Increase in accounts payable and accrued expenses	**3,561,371**	2,609,882
Net Cash Provided by Operating Activities	**$ 65,681,051**	$ 79,602,793
Noncash Investing and Capital and Related Financing Activities:		
Contributed assets	**$ 28,130,054**	$ 11,547,824
Property, plant and equipment purchased on account	**13,818,295**	18,604,475
Adjustment of investments to carrying value	**(1,159,216)**	(3,245,641)

See Notes to Financial Statements

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I. Summary of Significant Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles (GAAP) in the United States of America as applicable to governments and as defined by the Governmental Accounting Standards Board (GASB), the independent and ultimate authoritative accounting and financial reporting standard setting body for state and local governments. The significant accounting and reporting policies for the District are discussed below.

A. Reporting Entity

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14, The Financial Reporting Entity* and *No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, defines the reporting entity as the primary government and organizations for which the primary government is financially accountable. Financial accountability is defined as: the appointment of a voting majority of the component units governing body by the primary government; the primary government has the ability to impose its will; the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. Since the Board of County Commissioners is the ex-officio Board of Trustees of the District, they have the ability to influence and control operations. The County considers the District as a component unit and the financial statements of the District have been included in the County's Comprehensive Annual Financial Report (CAFR). However, because the District provides sewer services to the public for a fee and is fiscally independent of the County; it is a self-supporting entity. The District also receives separate Board approval for these financial statements and files them separately with the State of Nevada Department of Taxation; therefore the District is the reporting entity. No entities were determined to be component units of the District.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The economic resource measurement focus and the accrual basis of accounting are used by the District. Under this basis of accounting, all assets and all liabilities associated with the operation of the District are included on the Statements of Net Position. Revenues are recognized as soon as they are both measurable and available and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Earned but unbilled receivables are recorded as revenue.

The District considers revenues earned through user charges to be operating revenues. Revenues earned from SDA fees, sales taxes, capital and investing activities are considered non-operating revenue. Expenses associated with operating the physical facilities are considered operating expenses. When both restricted and unrestricted resources are available for a particular use, it is the District's practice to use restricted resources first, and then unrestricted resources as they are needed.

C. Budgetary Information

1. Budgetary Basis of Accounting

Prior to April 15, the County Manager submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget, as submitted, contains the proposed expenses and means of financing them. The Nevada State Department of Taxation notifies the County of its acceptance of the budget. A special public hearing is set, per Nevada Revised Statute (NRS), for the third Monday in May. After all changes have been noted and hearings closed, the Board of County Commissioners, ex-officio Board of Trustees, adopts the budget on or before June 1. The County considers the District to be a component unit of the County and the District's annual budget is included with the County's annual budget.

Increases to the budget (augmentations) are accomplished through a letter of adjustment submitted to the County Finance Director, to be included in the next quarterly economic condition survey. This process is revenue driven; therefore, total expenditures cannot be increased without additional previously unbudgeted resources being clearly identified. The letter must be filed prior to fiscal year end. The NRS requires budget controls to be exercised at the function level. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. All operating appropriations lapse at the end of the fiscal year. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

D. Assets, Liabilities, Deferred Outflows/Inflows of resources, and Net Position

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

The District's formal investment policy is designed to ensure conformity with NRS 355 and to limit exposure to investment risks. When investing monies, the Clark County Treasurer, ex-officio Treasurer of the District, is required to be in conformity with NRS 355 and written policies adopted by the Board of County Commissioners dictating allowable investments and the safeguarding of those investments. The District's investments are held in the District's name. Investments in securities not classified as cash equivalents with maturity dates that do not extend more than 12 months from the date of purchase are stated at cost, and investments with maturity dates that extend beyond 12 months from the date of purchase are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

3. Inventories and Prepaid Items

Inventories (supplies, parts, and equipment) are recorded using the purchasing method, which charges the related pre-defined budgetary account upon acquisition. Supply inventories consist primarily of materials and supplies and are valued at average cost. Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

System Development Approval (SDA) revenues are used to fund capital expansion and expansion related debt service. The Capital Improvement and Capital Expansion plans are projected for a minimum of a five-year period. The District's five-year Capital Improvement Plan and Debt Management Policy along with a statement of current and contemplated debt (Indebtedness Report) are submitted to the Nevada State Department of Taxation and the Clark County Debt Management Commission annually in accordance with NRS 350.013(1)(c).

Capital assets are recorded at historical cost. Donated property (capital contribution) is valued at its estimated fair value on the date donated. Bond interest costs are capitalized as part of the cost of construction when appropriate. Labor and supporting benefit costs expended to support capital projects may be capitalized as part of the project cost. Inexhaustible capital assets, such as land, are not depreciated. Equipment items with a historical cost of less than $5,000 are not capitalized. The cost of normal maintenance and repairs of District assets that do not add to the value of the asset or materially extend the asset's life are not capitalized. Betterments that extend the useful life of assets are capitalized and depreciated over the remaining useful lives of the related assets, as applicable. District assets including infrastructure and wastewater conveyance lines are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classifications	Lives
Buildings	10-50
Machinery and Equipment	1-10
Vehicles	5-10
Wastewater Conveyance Lines	50

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For this reporting period, the District has no items that qualify for reporting in this category.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. This unavailable revenue is reported only in the governmental funds balance sheet. For this reporting period, The District has no items that qualify for reporting in this category.

6. Net Position Flow Assumption

In the current year, net position represents the difference between assets and liabilities in the following categories: net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Resources are reported

6. Net Position Flow Assumption (continued)

as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Board of Trustees on behalf of the District or through external restrictions imposed by creditors, grantors or laws and regulations of the State or Federal governments. In order to calculate the amounts to report as restricted-net position and unrestricted-net position a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's practice to consider restricted-net position to have been depleted before unrestricted-net position is applied. Funds set aside for payment of bond principal and interest were classified as restricted, due to debt service needs. The unspent portion of bond proceeds are classified as restricted to payment of capital expenditures per bond resolutions. Amounts accrued for sales tax receipts not received at year end are classified as restricted in accordance with current District policy. Funds received during the year are used for capital expenditures. Loaned Securities are restricted based upon certain agreements.

E. Revenues and Expenditures/Expenses

1. Revenues/Tax Roll

Sewer services are billed in advance on July 1 for the fiscal year ending June 30. In accordance with NRS 318.201, *Procedure for Collection of Service Charges on Tax Roll*, the District elects to have accounts receivable that are delinquent collected on the Clark County tax roll. For fiscal year ended 2014 and 2013, $5,656,945 and $5,728,186 of the delinquent accounts receivable were placed on the tax roll. As of June 30, 2014, the outstanding tax rolled balances, which includes all previous years' balances, totaled $6,423,933.

2. Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from the District. Such benefits are accrued when incurred.

3. Pensions

The District participates in the Public Employees' Retirement System (PERS) which provides that the District pay the employee's portion of the retirement contribution in accordance with NRS Chapter 286. The District has implemented the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and the amended GASB Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contributions (ARC) of the District, calculated by using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The OPEB obligation is determined by adding the annual OPEB cost to the OPEB obligation at the beginning of the year and deducting any contributions to the plan during the year.

II. Detailed Note Disclosures

A. Cash Held With Financial Institutions

The bank balance at June 30, 2014 was $17,071,573 and the book balance was $16,047,086. At June 30, 2013, the bank balance was $10,061,723 and the book balance was $8,435,656. The bank balance is fully insured or collateralized by the Office of the State Treasurer's Nevada Collateral Pool. The underlying securities are held by the investment's counterparty, not in the name of the District. Biannually, the District transfers funds to the Clark County Treasurer for principal and interest payments on the District's debt service. At June 30, 2014, there was $23,842,576 held on our behalf. At June 30, 2013, the balance was $22,463,592.

B. Cash Held in Investments

The Clark County Treasurer, as ex-officio Treasurer for the District, performs the District's investment function as outlined in an inter-local agreement. The types of investments utilized for the District's portfolio are various federal agency securities, commercial paper, certificates of deposit, and money market funds. Nevada Revised Statute 682A-Investments, authorizes the County Treasurer to invest in obligations of the U.S. Treasury and U.S. agencies having maturity dates that do not extend more than 10 years from the date of purchase, negotiable notes or short term negotiable bonds issued by other local governments of the State of Nevada and bankers acceptances not exceeding 180 days maturity and eligible by law for rediscount with the Federal Reserve Banks (purchases are subject to 10% of the funds available for local government investment). All District investments have maturity dates that do not extend more than 10 years from the date of purchase. Certain bond covenants require the County and its component units to invest with security dealers who are primary dealers when investing in repurchase agreements. Primary dealers are dealers that submit daily reports of market and positions and monthly financial statements to the Federal Reserve of New York and are subject to its formal oversight. Securities purchased by the County and its component units are delivered against payment and held in a custodial safekeeping account with the trust department of a bank designated by the County.

At June 30, 2014 the District had the following investments (rating is based on Moody's index):

Investments:	Reported Amount/ Fair Value	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	P-1
U.S. Treasuries	$ 139,319,400	$ 139,319,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Agencies	278,439,000	278,439,000	-	-	-	-	-	-	-
Commercial Paper	24,996,450	-	-	-	-	-	-	-	24,996,450
Corporate Notes	90,324,458	-	5,974,870	4,151,789	12,136,070	39,985,079	23,055,850	5,020,800	-
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Repurchase Agreements	-	-	-	-	-	-	-	-	-
Money Market Funds	6,573,513	6,573,513	-	-	-	-	-	-	-
Local Government Investment Pool	-	-	-	-	-	-	-	-	-
Totals	$ 539,652,821	$ 424,331,913	$ 5,974,870	$ 4,151,789	$12,136,070	$39,985,079	$23,055,850	$5,020,800	$24,996,450

The Local Government Investment Pool is an unrated external investment pool.

At June 30, 2013 the District had the following investments (rating is based on Moody's index):

Investments:	Reported Amount/ Fair Value	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	P-1
U.S. Treasuries	$ 60,083,400	$ 60,083,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Agencies	376,999,200	376,999,200	-	-	-	-	-	-	-
Commercial Paper	25,497,802	-	-	-	-	-	-	-	25,497,802
Corporate Notes	63,721,720	-	5,874,810	2,437,620	10,011,740	19,744,820	23,648,170	2,004,560	-
Money Market Funds	695,373	695,373	-	-	-	-	-	-	-
Local Government Investment Pool	5,019,523	-	-	-	-	-	-	-	-
Totals	$ 532,017,018	$ 437,777,973	$ 5,874,810	$ 2,437,620	$10,011,740	$19,744,820	$23,648,170	$2,004,560	$25,497,802

The Local Government Investment Pool is an unrated external investment pool.

B. Cash Held in Investments (continued)

At June 30, 2014, the fair value of the District's investments were categorized by maturity as follows:

		Investment Maturities in Years			
Investment Type	Fair Value	Less than 1	1 to 3	3 to 5	Greater than 5
U.S. Treasuries	$ 60,083,400	$ -	$ 60,083,400	$ -	$ -
U.S. Agency Obligations	376,999,200	80,299,000	160,047,400	78,834,400	57,818,400
Commercial Paper	25,497,802	25,497,802	-	-	-
Money Market Funds	695,373	695,373	-	-	-
Local Government Investment Pool	5,019,523	5,019,523	-	-	-
Corporate Notes	63,721,720	-	29,030,230	34,691,490	-
Total Investments	$ 532,017,018	$ 111,511,698	$ 249,161,030	$ 113,525,890	$ 57,818,400

At June 30, 2013, the fair value of the District's investments were categorized by maturity as follows:

		Investment Maturities in Years			
Investment Type	Fair Value	Less than 1	1 to 3	3 to 5	Greater than 5
U.S. Treasuries	$ 139,319,400	59,902,200	$ 79,417,200	$ -	$ -
U.S. Agency Obligations	278,439,000	-	20,130,000	139,776,800	118,532,200
Commercial Paper	24,996,450	24,996,450	-	-	-
Certificates of Deposit	-	-	-	-	-
Money Market Funds	6,573,513	6,573,513	-	-	-
Local Government Investment Pool	-	-	-	-	-
Corporate Notes	90,324,458	-	42,138,101	45,698,682	2,487,675
Repurchase Agreements	-	-	-	-	-
Total Investments	$ 539,652,821	$ 91,472,163	$ 141,685,301	$ 185,475,482	$ 121,019,875

Interest Rate Risk

Interest rate risk is defined as the risk that the fair value of an investment will be adversely affected by changes in market interest rates. Through its investment policy, the County Treasurer's office manages its exposure to fair value losses arising from increasing rates by limiting the average weighted duration of its investment pool portfolio to less than 2.5 years. This strategy works to provide the cash flow and liquidity needed for operations.

Credit Risk

Credit risk is defined as the risk that another party to a deposit or investment transaction (counterparty) will fail to fulfill its obligation. Credit risk can be associated with the issuer of a security, with a financial institution holding deposits or with a party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments into a single investment type or with any single counterparty.

Concentration of Credit Risk

The District places no limits on the amount that can be invested in any one issuer beyond that stipulated by the NRS. Investments in any one issuer that represent 5% or more of the District's total investments at June 30, 2014 were as follows:

Issuer	Investment Type	Reported Amount/ Fair Value June 30, 2014	% of Total June 30, 2014	Reported Amount/ Fair Value June 30, 2013	% of Total June 30, 2013
Us Treasury Notes	Treasure Note	$ 139,319,400	25.8%	$ 60,083,400	11.3%
Federal Farm Credit Bank	U.S. Agencies	19,974,200	3.7%	100,018,800	18.8%
Federal Home Loan Bank	U.S. Agencies	40,027,200	7.4%	40,049,000	7.5%
Federal Home Loan Mortgage Corp.	U.S. Agencies	79,527,600	14.7%	98,629,800	18.5%
Federal National Mortgage Assoc.	U.S. Agencies	138,910,000	25.7%	138,301,600	26.0%
Totals		$ 417,758,400		$ 437,082,600	

B. Cash Held in Investments (continued)

Custodial Credit Risk
Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the County's securities lending policy, $540,812,037 was held on behalf of the District in 2014 and $530,243,136 in 2013, by the counterparty that was acting as the District's agent in securities lending transactions.

Securities Lending
NRS 355.178 authorizes the County to participate in securities lending transactions, where the County's securities are pooled and loaned to broker/dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The County's securities lending agent administers the securities lending program and receives cash or other securities equal to at least 102 percent of the fair value of the loaned securities plus accrued interest as collateral for securities of the type on loan at year end. The collateral for the loans is maintained at 102 percent, and the value of the securities borrowed is determined on a daily basis. As of June 30, 2013, the County has suspended its securities lending activities. Therefore, the District had no pooled securities on loan as of June 30, 2014 or June 30, 2013.

GASB 31
In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*, investments with maturity dates that extend beyond 12 months from the date of purchase are to be recognized at fair value. Interest revenue is increased or decreased in relation to this adjustment for unrealized gain or loss.

C. Restricted Assets

The District's bond fund maintains periodic deposits sufficient to provide for payments of principal and interest on debt; as such obligations mature, per NRS 350.660. The bond fund is required by the various bond covenants. Any unspent bond proceeds are restricted to payment of capital expenditures per bond resolutions; at this time there are no unspent bond proceeds. Sales tax revenue, ¼ of 1% sales tax allocation, is restricted by statute to capital expenditures for the expansion of existing plant infrastructure. The District received $15.9 million in sales tax revenue during fiscal year 2014 and $14.9 million during fiscal year 2013. In lieu of providing a security bond to the Nevada Department of Insurance, the District purchased a certificate of deposit for $116,000 pledged to the Nevada Department of Insurance.

The following assets were designated as restricted at June 30, 2014:

	2014	2013
Bond fund (debt service)	$ 23,842,576	$ 22,463,592
Sales tax receivable (capital assets)	2,752,002	2,604,093
Workers compensation certificate of deposit	116,331	104,119
Total Restricted Assets	$ 26,710,909	$ 25,171,804

D. Capital Assets

Capital Assets are summarized as follows at June 30, 2014:

	Restated Beginning Balance 06/30/13	Increases	Decreases	Ending Balance 06/30/14	Estimated Life in Years
Capital Assets, Being Depreciated:					
Buildings and Wastewater treatment facilities	$ 1,073,246,114	$ 13,424,676	$ -	$ 1,086,670,790	10-50
Land improvements	1,950,944	3,347,064	-	5,298,008	10-20
Wastewater conveyance lines	754,034,823	62,123,847	(16,269)	816,142,401	50
Equipment	186,844,709	15,691,250	(1,131,133)	201,404,825	1-10
Total Capital Assets Being Depreciated	2,016,076,589	94,586,837	(1,147,402)	2,109,516,027	
Less Accumulated Depreciation for:					
Buildings and Wastewater treatment facilities	(427,721,353)	(41,323,308)	-	(469,044,661)	
Land improvements	(154,424)	(224,117)	-	(378,541)	
Wastewater conveyance lines	(201,861,664)	(15,979,749)	1,410	(217,840,003)	
Equipment	(70,279,553)	(18,116,586)	1,128,274	(87,267,864)	
Total Accumulated Depreciation	(700,016,994)	(75,643,760)	1,129,684	(774,531,070)	
Net Capital Assets Being Depreciated	1,316,059,596	18,943,077	(17,718)	1,334,984,957	
Capital Assets Not Being Depreciated:					
Land and rights of way	7,926,917	20,480	-	7,947,397	
Construction in progress	204,552,885	78,423,556	(63,962,129)	219,014,311	
Total Capital Assets, Not Being Depreciated	212,479,802	78,444,036	(63,962,129)	226,961,708	
Total Capital Assets, Net	$ 1,528,539,398	$ 97,387,113	$ (63,979,847)	$ 1,561,946,666	

Capital Assets are summarized as follows at June 30, 2013:

	Restated Beginning Balance 06/30/12	Increases	Decreases	Restated Ending Balance 06/30/13	Estimated Life in Years
Capital Assets, Being Depreciated:					
Buildings and Wastewater treatment facilities	$ 1,065,940,418	$ 10,178,914	$ (2,873,218)	$ 1,073,246,114	10-50
Land improvements	869,880	1,081,064	-	1,950,944	10-20
Wastewater conveyance lines	721,547,235	32,788,994	(301,405)	754,034,823	50
Equipment	169,315,705	18,604,523	(1,075,519)	186,844,709	1-10
Total Capital Assets Being Depreciated	1,957,673,238	62,653,495	(4,250,142)	2,016,076,589	
Less Accumulated Depreciation for:					
Buildings and Wastewater treatment facilities	(388,504,308)	(42,090,263)	2,873,218	(427,721,353)	
Land improvements	(47,144)	(107,281)	-	(154,424)	
Wastewater conveyance lines	(186,750,190)	(15,412,880)	301,405	(201,861,664)	
Equipment	(54,172,394)	(17,182,678)	1,075,519	(70,279,553)	
Total Accumulated Depreciation	(629,474,035)	(74,793,101)	4,250,142	(700,016,994)	
Net Capital Assets Being Depreciated	1,328,199,203	(12,139,606)	-	1,316,059,596	
Capital Assets Not Being Depreciated:					
Land and rights of way	7,926,917	-	-	7,926,917	
Construction in progress	148,363,405	113,602,700	(57,413,220)	204,552,885	
Total Capital Assets, Not Being Depreciated	156,290,322	113,602,700	(57,413,220)	212,479,802	
Total Capital Assets, Net	$ 1,484,489,525	$ 101,463,093	$ (57,413,220)	$ 1,528,539,398	

E. Long-Term Receivables

On January 19, 2010, the District entered into an agreement with the United States Air Force (USAF) for the purpose of connecting the Creech Air Force Base (CAFB) sewer system to the District's collection and treatment system. The District is responsible for sewage collection and treatment for the community

E. Long-Term Receivables (continued)

of Indian Springs. Compensation due to the District consists of two components: a sewer service charge and an initial service charge. On September 1, 2013 the District began receiving sewage flows from the CAFB sewer system. The initial service charge will recover the capital costs associated with the design and construction of the CAFB facilities as well as the capital recovery for 0.25 million gallons per day of capacity. The initial service charge is to be repaid on a monthly basis over a twenty year term at an annual interest rate of 5.42% beginning September 1, 2013 as a note receivable (the Note). The USAF is currently reviewing the detail of the initial service charge. While $9.4 million of the initial service charge has been confirmed, the remaining $4.1 million is under further review. At this time, the District has no evidence to support establishing an allowance for these costs as collection on this receivable is expected. Once the review is complete; the initial service charge repayment will begin. The amount is classified as long-term since payment is not expected to be made within a year during the normal operating cycle of the District. As of June 30, 2014, the estimated balance receivable on the Note was $13,537,911 and the estimated interest receivable on the Note was $354,253.

Additionally, the District has long-term receivables that are due upon receipt from the Las Vegas Valley Water District (LVVWD) in accordance with a cooperative agreement (the Agreement) for the reimbursement of operation, maintenance, and capital costs of the Desert Breeze Water Resource Center. The receivables are carried net of an allowance for uncollectable receivables maintained for estimated losses. Management determines the adequacy of this allowance by continually evaluating the receivables considering the District's policy regarding receivables and uncollectable amounts. This obligation has been classified as noncurrent because it is not reasonably expected to be paid within a year during the normal operating cycle of the District.

As of June 30, 2014, the balance is summarized as follows:

Long-term receivable	$7,399,062
Less allowance	(3,699,531)
Net Receivable	$3,699,531

As of June 30, 2014, there was no accrued interest on the receivable.

F. Pension Obligations

State of Nevada Public Employees' Retirements System

The District's employees are covered by the State of Nevada Public Employees' Retirement System (the System). The System was established on July 1, 1947, by the Nevada Legislature and is governed by the Public Employees Retirement Board whose seven members are appointed by the Governor. All public employees who meet certain eligibility requirements participate in the System, which is a cost sharing multiple-employer defined benefit retirement plan.

The District does not exercise any control over the System. NRS 286.110 states that: "Respective participating public employers are not liable for any obligation of the system." Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the participant's highest average compensation in any 36 consecutive months. Benefit payments to which participants in the System may be entitled include pension benefits, disability benefits, and death benefits.

F. Pension Obligations (continued)

Contribution rates and benefits are established by the NRS and may only be changed through legislation. This statute, which is tied to the increase in taxable sales within the State each year, provides for yearly increases of up to 1% until such time as the actuarial determined unfunded liability of the System is reduced to zero. The District is obligated to contribute all amounts due under the System. The contribution rate for fiscal year ended June 30, 2014 was 25.75% and 23.75% for fiscal year(s) ended June 30, 2013 and 2012.

The District's contributions to the System for the years ended June 30, 2014, 2013 and 2012 were $6,039,644, $5,396,479, and $5,609,999, respectively, equal to the required contributions for each year. The System issues a publicly available financial report that includes financial statements and required supplemental information for the System. This report may be obtained by writing to 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling (775) 687-4200.

G. Postemployment Benefits Other than Pensions (OPEB)

Plan Information

In accordance with NRS, retirees of the District may continue insurance through the Clark County Retiree Health Program (County Plan), if enrolled in PERS and an active employee at the time of retirement. Within the County Plan retirees may choose between the Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan), and Health Plan of Nevada (HPN), a fully insured health maintenance organization (HMO) plan. This plan is an agent multiple-employer defined benefit OPEB plan. Enrollment in the state program of insurance for active employees was closed as of September 1, 2008. This program, the Public Employee Benefit Program (PEBP), is an agent multiple-employer defined benefit OPEB plan.

Each plan provides medical, dental and vision benefits to eligible active and retired employees and beneficiaries. Except for the PEBP, benefit provisions are established and amended through negotiations between the District and the employee union. PEBP benefit provisions are established and may be amended by the Nevada State Legislature.

The Self-Funded plan is administered as a qualifying trust or equivalent arrangement, and is included in the Clark County CAFR as an internal service fund (the Self-Funded Group Insurance Fund), as required by the NRS.

The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. The Self-Funded and PEBP reports may be obtained by writing or calling the plans at the following addresses or numbers:

Clark County, Nevada
PO Box 551210
500 S. Grand Central Parkway
Las Vegas, NV 89155-1210
(702) 455-0000

Public Employee Benefit Plan
901 South Stewart Street, Suite 101
Carson City, Nevada 89701
(800) 326-5496

G. Postemployment Benefits Other Than Pensions (OPEB) (continued)

Funding Policy and Annual OPEB Cost
For the Self-funded and HPN programs, contribution requirements of plan members and the District are established and may be amended through negotiations between the District Board of Trustees and the Service Employees International Union.

The District pays approximately 91% of monthly premiums for active employee coverage, an average of $797 and $743 per active employee for the year(s) ended June 30, 2014 and 2013, respectively. Retirees in the Self-Funded and HPN programs receive no direct subsidy from the District. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the District.

The District is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who have enrolled in this plan. In 2014, retirees were eligible for a $114 per month subsidy after five years of service with a Nevada state or local government entity. The maximum subsidy of $627 per month is earned after 20 years of combined service with any eligible entity. In 2013, retirees were eligible for subsidies ranging from $118 to $650 over the same years of service requirement. The subsidy is set by the State Legislature.

The annual OPEB cost for each plan is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The District's annual OPEB cost for the current year and the related information for each plan are as follows:

	Self Funded/HPN	PEBP
Annual required contribution (ARC)	$ 3,325,835	$ 157,205
Interest on net OPEB obligation	388,573	(16,781)
Adjustment to annual required contribution	(561,780)	24,261
Annual OPEB cost	3,152,628	164,685
Contributions made	(599,885)	(103,959)
Increase/decrease in net PEBP obligation	2,552,743	60,726
Net OPEB obligation, beginning of year	11,887,789	20,484
Net OPEB obligation/(asset), end of year	$14,440,532	$ 81,210

G. Postemployment Benefits Other Than Pensions (OPEB) (continued)

The District's OPEB expense as of June 30, 2014 is calculated as follows:

	Self Funded/HPN	PEBP	Total
Annual OPEB cost	$ 3,152,628	$ 164,685	$ 3,317,313
Contributions made	(599,885)	(103,959)	(703,844)
	$ 2,552,743	$ 60,726	$ 2,613,469

The District's annual OPEB cost, the percentage of annual cost contributed to the plan and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Self-Funded/HPN			
06/30/12	$ 2,999,506	6.0%	$ 9,335,046
06/30/13	$ 3,152,628	19.0%	$ 11,887,789
06/30/14	$ 3,152,628	19.0%	$ 14,440,532
PEBP			
06/30/12	$ 136,022	72.0%	$ (40,242)
06/30/13	$ 164,685	63.1%	$ 20,484
06/30/14	$ 164,685	63.1%	$ 81,210

Funded status and funding progress

The funded status of the plans as of the most recent actuarial valuation date, July 1, 2012 is as follows:

	Self-Funded/HPN	PEBP
Actuarial accrued liability (AAL)	$ 35,480,603	$ 2,827,135
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability (UAAL)	$ 35,480,603	$ 2,827,135
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (active plan members)	$ 23,141,075	$ 0
UAAL as a percentage of covered payroll	153.3%	N/A

PEBP closed to new District participants as of September 1, 2008; therefore covered payroll is zero. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

G. Postemployment Benefits Other Than Pensions (OPEB) (continued)

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and the plan members at that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions used are as follows:

	Self-Funded/HPN	PEBP
Actuarial valuation date	07/01/12	07/01/12
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar
Remaining amortization period	30 years, open	30 years, open
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions:		
Investment rate of return	4.0%	4.0%
Projected salary increases	N/A	N/A
Healthcare inflation rate	8.5% initial 5% ultimate	8.5% initial 5% ultimate

H. Construction Commitments

As of June 30, 2014, the remaining obligated balance of construction contracts in progress was $176,955,216.

Construction contracts payable are as follows at June 30:

	2014	2013
Construction contracts retention	$ 4,422,078	$ 6,023,952
Construction contracts payable	9,396,217	12,580,523
Total Construction Payables	$ 13,818,295	$ 18,604,475

I. Risk Management and Worker's Compensation Coverage - Self-Funded Program

The District is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains a risk management program to assess coverage of potential risks of loss. Under this program, the District believes it is more economical to manage risks internally with regard to its workers' compensation coverage. For all other risks, such as general, automobile and excess liabilities the District purchases insurance coverage subject to self-insured retentions.

I. Risk Management and Worker's Compensation Coverage - Self-Funded Program (continued)

The District completed an update of the annual appraisal of District structures in April 2014. The valuation provided a thorough inventory of above-ground structures and replacement costs. The District's property insurance policy was revised to reflect these valuations, establishing a blanket valuation of $1,009,773,916. The District hires a third party to act as claims administrator of the worker's compensation program. The self-insurance coverage includes the purchase of an insurance policy to cover workers' compensation claims for the District that exceed $750,000 per person. As of June 30, 2014, a liability of $703,014 was accrued to provide for unpaid claims. The accrued liability represents the approximate maximum number of claims expected for the year. For the last four fiscal years, no settlement amounts have exceeded insurance coverage.

Changes in the District's claims liability amount in fiscal 2014 and 2013 are as follows:

	Beginning of Fiscal Year Liability	Claims Incurred During Period	Prior Period Changes in Estimates	Current Year Payments on Claims	Other	End of Fiscal Year Liability
2014	$ 497,000	$ 83,718	$ 235,022	$ (112,726)	$ -	$ 703,014
2013	$ 426,000	$ 75,728	$ 120,735	$ (125,463)	$ -	$ 497,000

The District has designated and set aside $634,000 and $700,000 in its investment balances at June 30, 2014 and 2013 respectively for future workers' compensation losses. In lieu of providing a security bond to the Nevada Department of Insurance (NDI), the District purchased a certificate of deposit for $116,331 pledged to the NDI.

J. Net Bond Interest Expense

The District utilized debt proceeds, in addition to excess revenues, in constructing, improving and expanding its wastewater treatment facilities. The interest cost related to this debt is capitalized as part of the historical cost of constructing the applicable assets.

Net bond interest expense is as follows for the years ended June 30:

	2014	2013
Bond interest expense	$ 23,743,564	$ 23,505,861
Less Capitalized interest	(13,165,014)	(7,706,495)
Total Net Bond Interest Expense	$10,578,550	$15,799,367

K. Long-Term Liabilities

General Obligation Bonds
Outstanding District general obligation bonds (additionally secured by pledged revenue) are rated a natural "AAA" by Standard & Poor's Corporation and "Aa1" by Moody's. The net proceeds of all bond issuances have been used to finance portions of one or more capital improvement projects.

K. Long-Term Liabilities (continued)

At June 30, 2014, outstanding bonds payable of the District were as follows:

	2013	Payments	2014		Due Within One Year
2007 Series 4.00% - 4.75% general obligation bonds, due in annual installments from 2012 through 2037 Original issue amount $55,000,000 on 11/13/2007	$ 54,900,000	$1,225,000	$ 53,675,000		$ 1,280,000
2008 Series 4.00% - 6.00% general obligation bonds, due in annual installments from 2013 through 2038 Original issue amount $115,825,000 on 11/20/2008	115,825,000	2,425,000	113,400,000		2,525,000
2009A Series 4.00% - 5.25% general obligation bonds, due in annual installments from 2013 through 2038 Original issue amount $135,000,000 on 04/01/2009	135,000,000	2,250,000	132,750,000		2,340,000
2009B Series 4.00% - 5.75% general obligation bonds, due in annual installments from 2013 through 2038 Original issue amount $125,000,000 on 04/01/2009	125,000,000	2,325,000	122,675,000		2,420,000
State Revolving Loan Bond - ARRA (2009C) 0.00% , due in semi-annual installments from 2012 through 2029 Original issue amount $5,744,780 on 10/16/2009	5,123,724	310,529	4,813,195		310,529
State Revolving Loan Bond (2011A) 3.1875% , due in semi-annual installments from 2014 through 2030 Original issue amount $40,000,000 on 03/25/2011	40,000,000	862,441	39,137,559	(1)	1,766,337
State Revolving Loan Bond (2012A) 2.3562% , due in semi-annual installments from 2015 through 2032 Original issue amount $30,000,000 on 07/13/2012	4,709,530	-	4,709,530	(2)	-
Total	$ 480,558,254	$9,397,970	$ 471,160,284		$ 10,641,866

(1) The 2011A bond was issued to the State of Nevada as collateral for a low interest loan through the State Revolving Loan Fund.

(2) The 2012A bond was issued to the State of Nevada as collateral for a low interest loan through the State Revolving Loan Fund. The original issue amount represents the total amount of authorization for the loan. At June 30, 2014, $4,709,530 had been drawn down on the loan.

Pledged Revenues

The District's General Obligation/Revenue Supported Bonds constitute direct and general obligations of the District, and the full faith and credit of the District is pledged to the payment of principal and interest thereon, subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes. The bonds are backed by the District's ability to levy general ad valorem taxes on all taxable property serviced by the District. The bonds are additionally secured by certain pledged revenues derived by the District after operation and maintenance expenses are deducted (Net Pledged Revenues).

Historically, the District has not levied an ad valorem tax because the District's revenues have always been sufficient to pay debt service on all of the District's bonds and obligations; however, in any year in which those revenues are insufficient to pay debt service, the District is obligated to levy ad valorem taxes to pay debt service. The total remaining principal and interest payments for the District's bonds was $829,697,973 as of June 30, 2014. In fiscal year 2014, Net Pledged Revenues received totaled $112,798,994 and the required debt service totaled $33,151,597.

K. Long-Term Liabilities (continued)

The following table outlines the total amount of annual debt service for years 2015 through 2019 and provides total debt service in five year increments for year 2020 through final maturity.

Year Ending June 30	General Obligation Principal	Interest	Total Requirements
2015	$ 10,641,866	$ 23,534,451	$ 34,176,317
2016	11,827,689	23,092,844	34,920,534
2017	13,101,915	22,569,591	35,671,506
2018	13,673,509	21,998,835	35,672,344
2019	13,554,918	21,393,867	34,948,785
2020-2024	73,033,666	97,292,668	170,326,334
2025-2029	92,808,332	77,504,228	170,312,561
2030-2034	108,158,389	51,754,422	159,912,811
2035-2039	134,360,000	19,396,781	153,756,781
Total Annual Bond Requirements	$ 471,160,284	$ 358,537,689	$ 829,697,973

Changes in Long-Term Liabilities

Long term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance 06/30/13	Additions	Reductions	Ending Balance 06/30/14	Due Within One Year
Bonds Payable:					
General obligation bonds	$ 480,558,254	$ -	$ (9,397,970)	$ 471,160,284	$ 10,641,866
Plus Deferred Amounts:					
For Issuance premiums	3,838,404	-	(195,873)	3,642,531	-
Less Deferred Amounts:					
For Issuance discounts	(1,011,192)	-	85,845	(925,347)	-
Total Bonds Payable	483,385,466	-	(9,507,998)	473,877,468	10,641,866
Compensated absences	4,344,439	1,126,124	(328,582)	5,141,981	1,058,531
Catastrophic Leave Balance	-	11,327	(3,098)	8,229	
Long-Term liabilities	$ 487,729,905	$ 1,137,451	$ (9,839,678)	$ 479,027,678	$ 11,700,397

Long term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance 06/30/12	Additions	Reductions	Ending Balance 06/30/13	Due Within One Year
Bonds Payable:					
General obligation bonds	$ 456,767,671	$ 31,261,111	$ (7,470,529)	$ 480,558,254	$ 9,397,970
Plus Deferred Amounts:					
For Issuance premiums	3,987,324	-	(148,920)	3,838,404	-
Less Deferred Amounts:					
For Issuance discounts	(1,050,084)	-	38,892	(1,011,192)	-
Total Bonds Payable	459,704,911	31,261,111	(7,580,557)	483,385,466	9,397,970
Compensated absences	4,356,501	332,989	(345,050)	4,344,439	485,716
Long-Term liabilities	$ 464,061,412	$ 31,594,100	$ (7,925,607)	$ 487,729,905	$ 9,883,686

L. Reserve Policies

Designated Unrestricted Reserves

The District currently maintains a single fund for all sewer revenues, expenditures, and cash balances. However, financial obligations are separated into operating and capital cost centers. This segregation reflects the differing activities of the cost centers and allows for a clear picture of the District's operating and capital requirements and the funding sources available for each. Further, separately identifying operating and capital needs assists in establishing appropriate levels of operating and capital reserves which are a necessary and appropriate part of fiscal prudent management for the District. Operating reserves are designed to provide a liquidity cushion against variability and timing of expenditures and receipts, unanticipated cash operating expenses, or less than expected revenues. The District's Operating and Maintenance Reserve will be equal to 90 days prior year actual O&M expenditures.

The repair and replacement of the District's conveyance and treatment facilities is critical to the ongoing operation of the District and the safety of the community and environment. A capital contingency reserve is a fund set aside in case of emergency, should a piece of equipment or a portion of the District's infrastructure fail unexpectedly. This reserve fund amount is set at the lesser of: (1) the value of total asset original cost/asset average useful life; or (2) $50 million.

Nevada Revised Statue (NRS) 354.6115 provides for the creation of a fund to stabilize the operations of local governments, including public utilities. Monies the District transfers to this fund may only be used if the total actual revenue of the District falls short of the total anticipated revenue or expenditures incurred by the District to mitigate the effects of natural disaster. The District's budget stabilization reserve will also provide resources that will allow for rate stability. The District's Budget Stabilization Reserve will be equal to 5% of our current budgeted operations and maintenance expenditures.

As required by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the District began to record a liability for Other Post-Employment Benefits (OPEB) obligations in fiscal year 2008. GASB standards do not require employers to advance fund OPEB. However, the District initiated this reserve fund allowing for the opportunity to begin advance funding in the future. This reserve fund amount will be equal to the Net OPEB Obligation (NOO). The NOO is determined by the annual OPEB cost less the actual contribution amount added to the previous year's NOO. Funds are set aside in the worker's compensation insurance reserve for potential losses. The fund is classified as designated unrestricted funds since their use is limited (but not mandated) to the payment of any claims. Annual worker's compensation insurance reserves will be equal to the amount of the annual maximum out of pocket expense, per event in any given year, less the amount of the workers' compensation insurance security deposit.

Restricted Reserves

Funds set aside for payment of general obligation debt and revenue bonds will be classified as restricted assets since their use is limited by applicable bond covenants. A bond reserve account is established in compliance with the District's bond resolutions to meet possible deficiencies in the bond fund (debt service). The annual bond debt service reserve fund will be equal to the annual amount due for principal and interest. Pursuant to NRS 616B.330(2), each self-insured employer must deposit with the Commissioner of the State of Nevada, Division of Insurance, a bond, or other security, executed by the employer as principal, and by a corporation qualified under the laws of this State, payable to the State of

L. Reserve Policies (continued)

Nevada, and conditioned upon the payment of compensation for injuries and occupational diseases to employees. The security amount, and therefore the reserve fund, may change as directed by the Commissioner. In accordance with the cooperative agreement between the District and the Clean Water Coalition (CWC) dated October 1, 2011, the CWC paid the District $100,000 to be held in trust and used to pay any direct expenses which may be incurred by the Trustee Agency upon termination of the CWC agency. The District has been designated as the Trustee Agency. The amount of this reserve will be all unspent CWC funds at the beginning of any fiscal year.

M. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

N. Contingencies

In the ordinary course of its operations, claims may be filed against the District. Although unable to estimate the amount of likely losses, if any, it is the opinion of management that because of its insurance and other risk management practices these claims will not result in any material adverse effect on the District's financial position or operations. Historically, no provision has been made for any such losses in these matters. The District does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

O. New Pronouncements

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations.* This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The requirements of the Statement are effective for financial statements for fiscal years beginning after December 15, 2013. Management has completed its' assessment of this pronouncement and determined that it will not have a material effect on the overall financial statement presentation for the District.

GASB Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. This Statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The requirements of the Statement are effective for financial statements for fiscal years beginning after June 15, 2013. Management has completed its' assessment of this pronouncement and determined that it will not have a material effect on the overall financial statement presentation for the District.

GASB Statement No. *71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial

O. New Pronouncements (continued)

Reporting for Pensions. The requirements of the Statement are effective for financial statements for fiscal years beginning after June 15, 2014. Management will complete its' assessment of this pronouncement and its' potentially material effect on the overall financial statement presentation for the District prior to implementation in future financial statements.

P. Prior Period Adjustments and Restatements

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Debt issuance costs do not meet the definition of an asset or a deferred outflow of resources because the costs incurred do not result in service capacity that the government presently controls and are not applicable to a future period. GASB Statement No. 65 requires governmental agencies to expense bond costs in the year of occurrence. An adjustment to expense the District's bond issuance costs resulted in a net decrease of $4,159,254 to beginning net position for fiscal year ended June 30, 2014.

GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, paragraph 14 states that the total amount of interest cost capitalized in an accounting period should not exceed the total amount of interest cost incurred by the government in that period. During fiscal years ended June 30, 2011 through June 30, 2013, the District over capitalized interest on construction work in progress. A review of the capital asset records in fiscal 2014 found adjustments in prior periods which resulted in overstatements of property and equipment, depreciation expense, and an understatement of interest expense. In total, the beginning net position for fiscal year ended June 30, 2014 decreased by $40,648,868.

The effects of the two prior period adjustments on the 2013 financial statements are:

Statement of Net Position	**As Previously Reported**	**Adjustment**	**Adjusted**
Property, Plant and Equipment	$ 2,045,064,370	$ (28,987,780)	$ 2,016,076,590
Accumulated Depreciation	701,960,178	(1,943,184)	700,016,994
Construction in Progress	218,157,157	(13,604,272)	204,552,885
Other Non-Current Assets	4,246,518	(4,159,254)	87,264
Invested in Capital Assets, Net of Related Debt	1,071,444,843	(44,808,122)	1,026,636,721
Unrestricted Net Position	536,851,475	(871,594)	535,979,881
Statements of Revenues, Expenses and Changes in Net Position			
Depreciation	76,489,604	1,696,503	74,793,101
Interest Expense	-	(15,799,367)	(15,799,367)
Amortization of Bond Issue Costs, Premiums and Discounts	(63,845)	(67,398)	(131,243)
Net Position, Beginning of Year	1,565,200,009	(30,637,858)	1,534,562,151
Net Position, End of Year	1,618,016,848	(44,808,121)	1,573,208,727

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Required Supplementary Information

(Audited)

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Clark County Water Reclamation District
Required Supplementary Information

Schedule of OPEB Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) Entry Age (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	UAAL as Percentage of Covered Payroll [(b-a)/c]
Self-Funded/HPN									
07/01/08	-	$	21,409,421	$	21,409,421	0%	$	22,795,400	93.92%
07/01/10	-	$	27,989,590	$	27,989,590	0%	$	24,886,480	112.47%
07/01/12		$	35,480,603	$	35,480,603	0%	$	23,141,075	153.32%
PEBP									
07/01/08	-	$	355,311	$	355,311	0%		(a)	n/a
07/01/10	-	$	2,204,784	$	2,204,784	0%		(a)	n/a
07/01/12	-	$	2,827,135	$	2,827,135	0%		(a)	n/a

Note: (a) Effective 09/01/2008 no additional active employees can be added to the PEBP program, therefore, there are no covered payrolls associated with this program after that date.

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Supplementary Information

(Audited)

The "Clean Water Team"

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Clark County Water Reclamation District
Schedule of Capital Assets
Year Ended June 30, 2014 and 2013

	Restated Capital Assets June 30, 2013	Current Year Cost Increases	Current Year Cost Decreases	Capital Assets June 30, 2014	Restated Accumulated Depreciation June 30, 2013	Depreciation Increases	Depreciation Decreases	Accumulated Depreciation June 30, 2014	Restated Net Capital Assets June 30, 2014
Land and Rights of Way	$ 7,926,917	$ 20,480	$ -	$ 7,947,397	$ -	$ -	$ -	$ -	$ 7,947,397
Land Improvements	1,950,944	3,347,064	-	5,298,008	154,424	224,117	-	378,541	4,919,467
Total Land and Improvements	9,877,861	3,367,544	-	13,245,405	154,424	224,117	-	378,541	12,866,864
Buildings and Wastewater Treatment Facilities:									
Flamingo Water Resource Center	961,676,146	9,381,473	-	971,057,619	373,197,831	37,452,449	-	410,650,280	560,407,340
Laughlin Water Resource Center	76,366,647	186,727	-	76,553,374	48,030,338	2,746,983	-	50,777,321	25,776,053
Blue Diamond Treatment Ponds	717,821	-	-	717,821	715,954	154	-	716,108	1,713
Indian Springs Treatment Facility	11,473,415	1,076,669		12,550,084	763,143	352,907	-	1,116,050	11,434,034
Moapa Valley Treatment Facility	22,499,690	-	-	22,499,690	4,481,694	726,610	-	5,208,305	17,291,385
Searchlight Treatment Ponds	512,395	2,779,807	-	3,292,203	532,393	44,205	-	576,598	2,715,605
Total Buildings and Wastewater Treatment Facilities:	1,073,246,114	13,424,676	-	1,086,670,791	427,721,353	41,323,308	-	469,044,661	617,626,130
Wastewater Conveyance Lines:									
Flamingo Water Resource Center	410,742,865	31,305,626	(16,269)	442,032,222	112,224,154	8,802,096	(1,410)	121,024,840	321,007,382
Laughlin Water Resource Center	14,729,839	115,975	-	14,845,814	2,035,858	300,977		2,336,835	12,508,979
Wastewater Lines	291,897,807	26,373,516	-	318,271,323	84,692,604	6,054,582	-	90,747,186	227,524,137
Indian Springs Treatment Facility	2,113,155	1,273,900	-	3,387,055	578,510	53,380	-	631,890	2,755,165
Moapa Valley Treatment Facility	34,416,272	5,120	-	34,421,392	1,499,309	688,581	-	2,187,890	32,233,502
Searchlight Treatment Ponds	134,885	3,049,711	-	3,184,596	831,229	80,133	-	911,362	2,273,234
Total Wastewater Conveyance Lines:	754,034,823	62,123,847	(16,269)	816,142,402	201,861,664	15,979,749	(1,410)	217,840,004	598,302,399
Equipment	186,844,709	15,691,250	(1,131,133)	201,404,825	70,279,553	18,116,586	(1,128,274)	87,267,864	114,136,962
Construction in Progress	204,552,885	78,423,556	(63,962,129)	219,014,311	-	-	-	-	219,014,311
Total	$ 2,228,556,392	$ 173,030,874	$ (65,109,530)	$ 2,336,477,736	$ 700,016,994	$ 75,643,760	$ (1,129,684)	$ 774,531,070	$ 1,561,946,666

Clark County Water Reclamation District
Schedule of Revenues and Expenses Compared to Budget
Year Ended June 30, 2014
(with Comparative Actual Amounts for Year Ended June 30, 2013)

	2014 Budget	2014 Actual	Variance to Budget	Restated 2013 Actual
Operating Revenues:				
Sewer service charges	$ 140,327,700	$ 139,716,364	$ (611,336)	$ 143,275,939
Water reuse sales	2,322,750	2,357,845	35,095	2,195,074
Pretreatment fees	403,000	419,998	16,998	409,063
Septage fees	265,200	356,677	91,477	270,258
Other	293,000	658,759	365,759	1,470,241
Total Operating Revenues	143,611,650	143,509,643	(102,007)	147,620,575
Operating Expenses:				
Salaries	23,225,607	22,280,786	(944,821)	21,730,773
Benefits	9,143,652	8,596,198	(547,454)	7,952,525
Post employment benefits other than pension	3,000,000	2,613,469	(386,531)	2,613,469
Utilities	12,102,600	10,440,207	(1,662,393)	9,749,587
Outside services	10,737,397	6,585,336	(4,152,061)	5,218,462
Chemicals	6,639,075	6,115,822	(523,253)	5,738,662
Maintenance	7,293,584	5,893,990	(1,399,594)	5,375,121
Other expenses	3,038,479	6,376,168	3,337,689	2,519,370
Supplies	2,069,965	1,380,948	(689,017)	2,040,399
Depreciation	81,150,000	75,643,760	(5,506,240)	74,793,101
Total Operating Expenses	158,400,359	145,926,684	(12,473,676)	137,731,469
Income (Loss) from Operations	(14,788,709)	(2,417,041)	12,371,670	9,889,106
Non-Operating Revenue (Expense):				
Unrestricted investment earnings	6,250,400	5,848,625	(401,775)	4,504,321
Net increase (decrease) in the fair value of unrestricted investment	-	2,086,425	2,086,425	(5,631,409)
Restricted investment earnings	-	175,717	175,717	(105,357)
SDA revenue	16,060,000	31,461,511	15,401,511	18,972,735
Sales tax apportionment	15,050,100	15,911,706	861,606	14,870,001
Interest expense-bonds, net of capitalized	(24,082,497)	(10,578,550)	13,503,947	(15,799,367)
Securities lending expense	-	-	-	(1,036)
Capital contribution intergovernmental	10,750,000	-	(10,750,000)	-
Other non-operating revenue/expenses, net	-	1,882,969	1,882,969	(13,478)
Total Non-Operating Revenue (Expense)	24,028,003	46,788,403	22,760,400	16,796,410
Income Before Capital Contributions	9,239,294	44,371,362	35,132,067	26,685,516
Capital Contributions				
Grant revenue	65,063	-	(65,063)	413,236
Contributed assets	-	28,130,054	28,130,054	11,547,824
Change in Net Position	9,304,357	72,501,416	63,197,059	38,646,576
Net Position, Beginning of the Year As Previously Reported	1,537,261,777	1,618,016,848	80,755,071	1,565,200,009
Prior Period Adjustment	-	(44,808,121)	(44,808,121)	(30,637,858)
Net Position, Beginning of the Year As Restated	1,537,261,777	1,573,208,727	35,946,950	1,534,562,151
Total Net Position, at End of Year	$1,546,566,134	$1,645,710,143	$ 99,144,009	$1,573,208,727

Clark County Water Reclamation District
Schedule of Cash Flows Compared to Budget
Years Ended June 30, 2014 and 2013

	2014 Budget	2014 Actual	Variance to Budget	Restated 2013 Actual
Cash Flows from Operating Activities:				
Cash flows from customers	$ 143,611,650	$ 127,922,636	$ (15,689,014)	$ 132,957,369
Cash flows from governmental organizations		4,992,844	4,992,844	5,525,773
Payments by other sources		138,418	138,418	118,965
Payments to employees for services and benefits	(35,369,259)	(29,834,791)	5,534,468	(29,801,571)
Payments from (to) governmental organizations for services		(6,278,941)	(6,278,941)	(3,117,378)
Services and supplies	(41,881,100)	(31,259,115)	10,621,985	(26,080,365)
Net Cash Provided by Operating Activities	66,361,291	65,681,051	(680,240)	79,602,793
Cash Flows from Capital and Related Financing Activities:				
Grant Revenue	65,063	-	(65,063)	413,236
Sales tax apportionment	15,050,100	15,316,323	266,223	15,908,557
System development approvals received	16,060,000	31,986,150	15,926,150	19,294,096
Proceeds from capital debt		1,639,160	1,639,160	31,023,475
Transfer (to)/from restricted fund		-	-	12,367,946
Acquisition, construction or improvement of capital assets	(97,175,855)	(83,120,689)	14,055,166	(96,190,965)
Principal payment on loans for capital assets	(8,535,529)	(9,397,970)	(862,441)	(7,470,528)
Interest payment on loans for capital assets	(24,082,497)	(13,175,047)	10,907,450	(23,312,885)
Loan to Clark County	(7,000,000)		7,000,000	-
Net Cash Used in Capital and Related Financing Activities	(105,618,718)	(56,752,073)	48,866,645	(47,967,068)
Cash Flows from Investing Activities:				
Proceeds from sale of investments	276,860,457	282,319,383	5,458,926	204,419,321
Interest on investments	6,250,400	9,796,878	3,546,478	4,048,147
Securities lending expense		-	-	(1,036)
Purchases of investments	(221,675,825)	(291,647,346)	(69,971,521)	(242,117,480)
BNY paying agent fee		(1,000)	(1,000)	(1,200)
Workers compensation certificate of deposit		(49,212)	(49,212)	37,675
Net Cash Provided (Used) in Investing Activities	61,435,032	418,703	(61,016,329)	(33,614,573)
Net Increase (Decrease) in Cash and Cash Equivalents	22,177,605	9,347,681	(12,829,924)	(1,978,848)
Cash and Cash Equivalents, Beginning of Year	21,350,816	62,111,945	40,761,129	64,090,793
Cash and Cash Equivalents, End of Year	$ 43,528,421	$ 71,459,626	$ 27,931,205	$ 62,111,945
Cash and Cash Equivalents Balances:				
Unrestricted cash and cash equivalents	$ 43,528,421	$ 47,617,048	$ 4,088,627	$ 39,648,353
Restricted cash and cash equivalents	-	23,842,577	23,842,577	22,463,592
Cash and Cash Equivalents, End of Year	$ 43,528,421	$ 71,459,626	$ 27,931,205	$ 62,111,945

Classification of Users and Revenues
Year Ended June 30, 2014

	Number of ERU's* billed		
	July 1, 2014	July 1, 2013	July 1, 2013
Residential Services			
Single family	180,637	181,122	$ 40,044,263
Multiple resident	90,212	90,212	19,944,971
Mobile homes	16,439	16,439	3,634,499
Recreational vehicle parks	1,091	1,091	241,209
Senior apartment housing	1,711	1,711	378,285
Commercial Services			-
Hotels/Resorts/Casinos	200,571	200,571	44,344,242
Casinos	423	423	93,521
Restaurants and/or on-premise bars	11,679	11,679	2,582,110
Theme parks	3,660	3,660	809,189
Hospitals: medical and surgical	2,242	2,242	495,684
Convalescent and rest homes	1,340	1,340	296,261
Schools	16,809	16,809	3,716,302
Churches	1,865	1,865	412,333
Other commercial facility (per fixture)	-	-	-
Large Commercial			-
Car wash	948	948	209,593
Laundry	1,225	1,225	270,835
Large commercial	51	51	11,276
Miscellaneous			-
Type A	6,969	6,969	1,540,776
Type B	39,521	39,521	8,737,698
Type C	30,965	30,965	6,846,052
Type D	5,896	5,896	1,303,547
Total billed at July 1, 2013 for the year ended June 30, 2014	614,251	614,736	135,912,646
Billings for service added during the year ended June 30, 2014			1,135,457
Service charges for the year ended June 30, 2014			2,303,116
Total revenues for sewer services excluding fees not based on ERU's			139,351,218
Reduction in sewer service revenue			(8,884)
Other fees not based on ERU's			374,030
Total Sewer Service Charges for the Year Ended June 30, 2014			$ 139,716,364

* Equivalent Residential Units: 1 ERU = 90,000 Gallons

Area rates per ERU	July 1, 2014	July 1, 2013
Las Vegas Valley	$ 221.09	$ 221.09
Blue Diamond	221.09	221.09
Indian Springs	221.09	221.09
Laughlin	221.09	221.09
Overton	221.09	221.09
Searchlight	221.09	221.09

Statistical Section

(Unaudited)

The "Clean Water Team"

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STATISTICAL SECTION

This part of the Clark County Water Reclamation District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents **Page**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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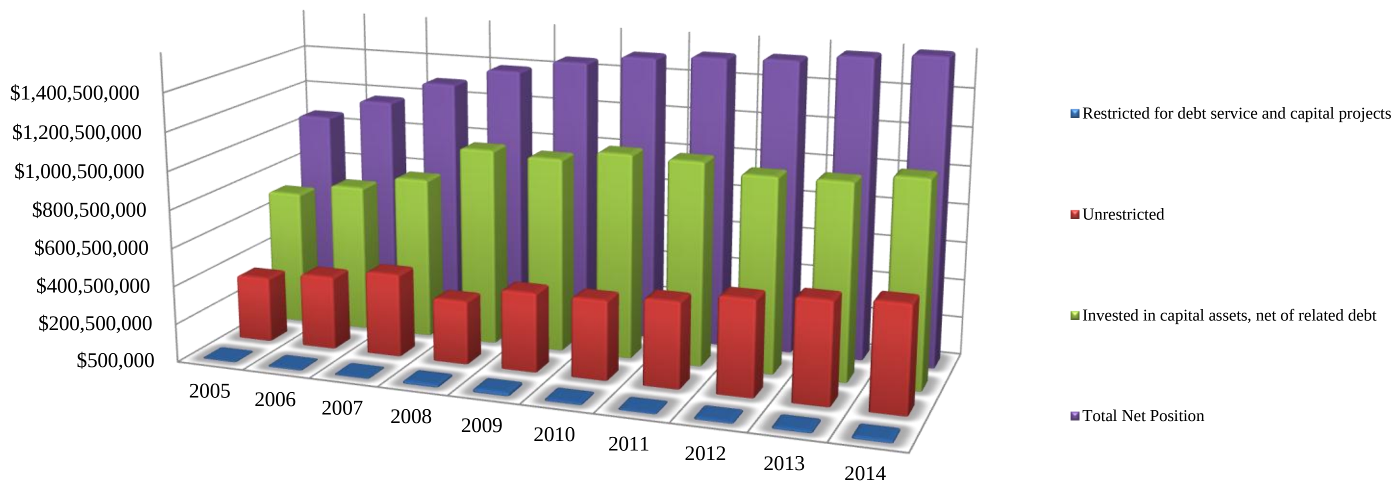
Clark County Water Reclamation District
Summary of Net Position
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012 Restated	2013 Restated	**2014**
Invested in capital assets, net of related debt	$ 712,967,200	$ 778,175,934	$ 850,666,393	$ 1,038,477,851	$ 1,021,788,757	$ 1,075,343,625	$ 1,066,697,040	$ 1,021,883,382	$ 1,026,636,721	**$ 1,074,334,530**
Restricted for debt service and capital projects	4,034,480	4,964,654	4,194,603	12,948,688	16,290,910	9,075,922	6,280,245	9,104,043	10,592,125	**11,981,142**
Unrestricted	344,121,275	386,321,081	437,579,067	334,661,557	416,624,489	417,775,634	451,145,151	503,574,724	535,979,881	**559,394,472**
Total Net Position	$ 1,061,122,955	$ 1,169,461,669	$ 1,292,440,063	$ 1,386,088,096	$ 1,454,704,156	$ 1,502,195,181	$ 1,524,122,436	$ 1,534,562,149	$ 1,573,208,727	**$ 1,645,710,143**

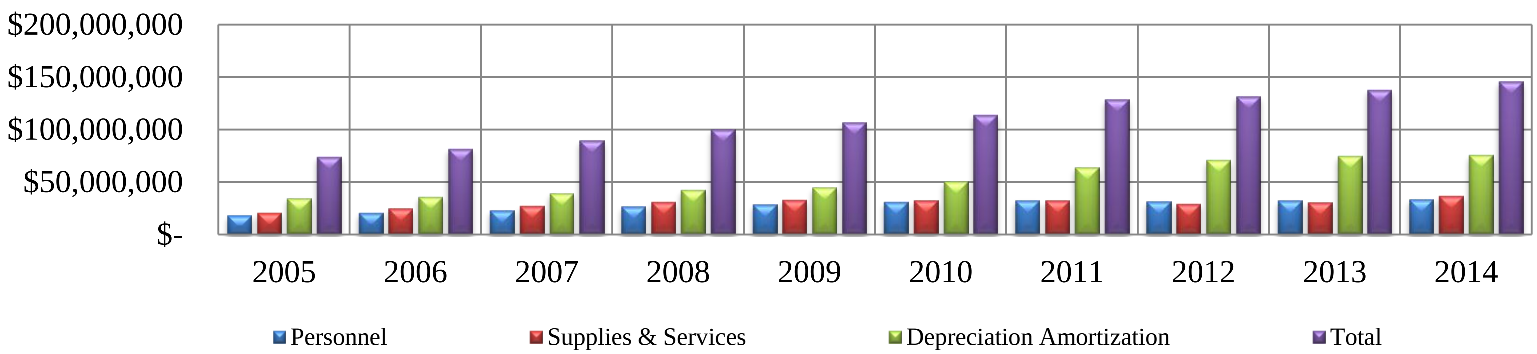


Clark County Water Reclamation District
Changes in Net Position
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Operating Revenues:								Restated	Restated	
Service Fees	$ 84,283,146	$ 89,661,254	$ 94,134,198	$ 97,153,925	$ 106,046,049	$ 119,932,937	$ 130,974,469	$ 133,122,260	$ 143,275,939	**$ 139,716,364**
Other	3,287,779	6,795,255	5,592,183	5,984,633	5,780,669	4,855,669	3,780,073	3,229,158	4,344,636	**3,793,279**
Total Operating Revenues	87,570,925	96,456,509	99,726,381	103,138,558	111,826,718	124,788,606	134,754,542	136,351,418	147,620,575	**143,509,643**
Non-Operating Revenues:										
SDA revenue	48,149,858	53,694,207	59,633,785	37,611,376	16,353,536	9,150,261	9,218,329	10,549,916	18,972,735	**31,461,511**
Sales tax apportionment	14,630,284	15,887,079	16,116,023	15,595,269	13,482,807	12,242,174	13,134,404	14,055,242	14,870,001	**15,911,706**
Investment income	6,702,917	12,036,965	23,216,190	33,367,205	21,842,465	13,767,249	8,468,947	8,878,470	4,398,965	**6,024,342**
Net increase (decrease) in the fair value of unrestricted investment	-	-	-	-	-	-	(2,028,410)	(3,169,527)	(5,631,409)	**2,086,425**
Other	421,317	-	571,185	611,644	272,900	215,942	451	(158,322)	(13,478)	**1,882,969**
Total Non-Operating Revenues	69,904,376	81,618,251	99,537,183	87,185,494	51,951,708	35,375,626	28,793,721	30,155,779	32,596,813	**57,366,953**
Total Revenues	157,475,301	178,074,760	199,263,564	190,324,052	163,778,426	160,164,232	163,548,263	166,507,197	180,217,388	**200,876,596**
Operating Expenses:										
Salaries	13,980,237	15,843,093	16,963,262	19,925,077	21,052,947	22,468,145	22,490,527	20,967,989	21,730,773	**22,280,786**
Benefits	4,548,689	4,962,913	6,022,814	5,796,778	6,695,433	6,955,613	7,539,884	7,722,124	7,952,525	**8,596,198**
Other post employment benefits	-	-	-	1,349,373	1,044,482	1,535,705	2,505,669	2,859,575	2,613,469	**2,613,469**
Utilities	9,134,056	10,022,411	11,634,100	12,034,580	11,634,902	12,270,437	12,629,495	10,239,274	9,749,587	**10,440,207**
Outside services	3,410,148	4,334,668	4,425,025	6,640,975	6,306,470	7,433,909	6,351,481	4,690,745	5,218,462	**6,585,336**
Chemicals	3,081,964	3,515,579	4,062,598	4,684,631	6,658,655	5,277,019	5,039,405	5,443,455	5,738,662	**6,115,822**
Maintenance	3,419,979	4,364,140	3,581,393	4,053,703	4,908,706	4,358,995	4,870,339	4,812,371	5,375,121	**5,893,990**
Other expenses	979,990	1,116,230	1,319,895	1,979,360	1,967,831	1,886,372	2,015,994	2,086,233	2,519,370	**6,376,168**
Supplies	942,000	1,397,543	2,185,888	1,381,396	1,676,175	1,539,659	1,403,353	2,025,589	2,040,399	**1,380,948**
Bad debt expense	-	-	-	-	689,358	779,566	-	-	-	**-**
Depreciation	34,553,020	36,086,997	39,407,516	42,402,545	44,849,343	50,285,130	63,893,458	70,999,964	74,793,101	**75,643,760**
Total Operating Expenses	74,050,083	81,643,574	89,602,491	100,248,418	107,484,302	114,790,550	128,739,605	131,847,319	137,731,468	**145,926,685**
Total Non-Operating Expenses	1,331,682	2,603,689	1,945,328	8,890,231	1,876,337	1,358,845	24,133,089	21,235,841	15,800,402	**10,578,550**
Total Expenses	75,381,765	84,247,263	91,547,819	109,138,649	109,360,639	116,149,395	152,872,694	153,083,160	153,531,870	**156,505,234**
Income Before Capital Contributions	82,093,536	93,827,497	107,715,745	81,185,403	54,417,787	44,014,837	10,675,569	13,424,037	26,685,516	**44,371,362**
Capital Contributions:										
Grant revenue	-	-	86,436	18,453	60,771	267,180	235,872	86,448	413,236	**-**
Contributed assets	16,224,940	14,511,217	15,176,213	12,457,110	14,137,502	3,209,008	14,595,621	9,987,987	11,547,824	**28,130,054**
Total Change in Net Position	$ 98,318,475	$ 108,338,714	$ 122,978,394	$ 93,660,966	$ 68,616,060	$ 47,491,025	$ 25,507,062	$ 23,498,472	$ 38,646,576	**$ 72,501,416**

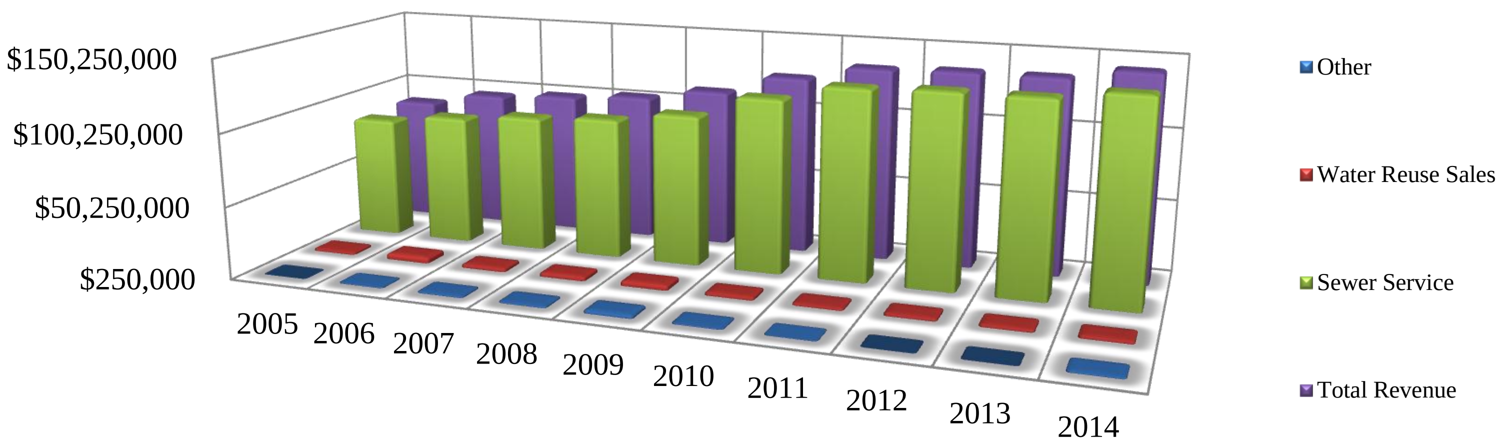
Clark County Water Reclamation District
Operating Expense by Function
Last Ten Fiscal Years

Fiscal Year	Personnel	% of Annual	Supplies and Services	% of Annual	Depreciation Amortization	% of Annual	Total
2005	$ 18,528,928	25.02%	$ 20,968,137	28.32%	$ 34,553,020	46.66%	$ 74,050,085
2006	$ 20,806,006	25.48%	$ 24,750,571	30.32%	$ 36,086,997	44.20%	$ 81,643,574
2007	$ 22,986,076	25.65%	$ 27,208,899	30.37%	$ 39,407,516	43.98%	$ 89,602,491
2008	$ 27,071,228	27.00%	$ 30,774,645	30.70%	$ 42,402,545	42.30%	$ 100,248,419
2009	$ 28,792,862	26.79%	$ 33,842,097	31.49%	$ 44,849,343	41.73%	$ 107,484,302
2010	$ 30,959,463	26.97%	$ 33,545,958	29.22%	$ 50,285,130	43.81%	$ 114,790,550
2011	$ 32,536,080	25.27%	$ 32,310,067	25.10%	$ 63,893,458	49.63%	$ 128,739,605
2012	$ 31,549,688	23.93%	$ 29,297,667	22.22%	$ 70,999,964	53.85%	$ 131,847,319
2013	$ 32,296,767	23.45%	$ 30,641,600	22.25%	$ 74,793,101	54.30%	$ 137,731,467
2014	**$ 33,490,453**	22.95%	**$ 36,792,471**	25.21%	**$ 75,643,760**	51.84%	**$ 145,926,685**



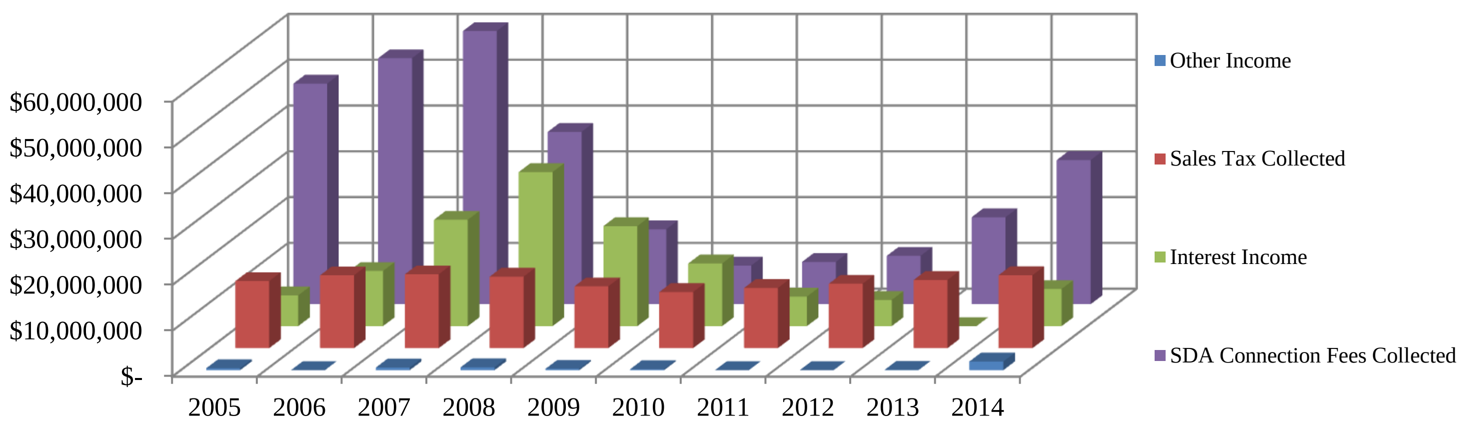
Clark County Water Reclamation District
Operating Revenue by Source
Last Ten Fiscal Years

Fiscal Year	Sewer Service	% of Annual	Water Reuse Sales	% of Annual	Other	% of Other	Total Revenue
2005	$ 85,243,529	97.34%	$ 2,147,770	2.45%	$ 179,626	0.21%	$ 87,570,925
2006	$ 90,969,947	94.31%	$ 4,463,004	4.63%	$1,023,558	1.06%	$ 96,456,509
2007	$ 95,373,330	95.64%	$ 2,923,078	2.93%	$1,429,973	1.43%	$ 99,726,381
2008	$ 98,360,197	95.37%	$ 3,272,165	3.17%	$1,506,196	1.46%	$ 103,138,558
2009	$ 107,315,344	95.97%	$ 3,272,151	2.93%	$1,239,223	1.11%	$ 111,826,718
2010	$ 121,097,362	97.04%	$ 2,620,050	2.10%	$1,071,194	0.86%	$ 124,788,606
2011	$ 132,127,719	98.05%	$ 2,086,213	1.55%	$ 540,610	0.40%	$ 134,754,542
2012	$ 133,786,521	98.12%	$ 2,274,004	1.67%	$ 290,893	0.21%	$ 136,351,418
2013	$ 143,275,939	97.06%	$ 2,195,074	1.49%	$2,149,562	1.46%	$ 147,620,575
2014	**$ 139,716,364**	**97.36%**	**$ 2,357,845**	**1.64%**	**$1,435,434**	**1.00%**	**$ 143,509,643**



Clark County Water Reclamatin District
Non-Operating Revenue by Source
Last Ten Fiscal Years

Fiscal Year	SDA Connection Fees Collected	Interest Income	Sales Tax Collected	Other Income
2005	$ 48,149,859	$ 6,702,917	$ 14,630,284	$ 421,317
2006	$ 53,694,207	$ 12,036,965	$ 15,887,079	$ -
2007	$ 59,633,785	$ 23,216,190	$ 16,116,023	$ 571,185
2008	$ 37,611,376	$ 33,367,205	$ 15,595,269	$ 611,644
2009	$ 16,353,536	$ 21,842,465	$ 13,482,807	$ 272,900
2010	$ 9,150,261	$ 13,767,249	$ 12,242,174	$ 215,942
2011	$ 9,218,329	$ 6,440,537	$ 13,134,404	$ (24,133,089)
2012	$ 10,549,916	$ 5,708,943	$ 14,055,242	$ (158,322)
2013	$ 18,972,735	$ (1,232,445)	$ 14,870,001	$ (13,478)
2014	**$ 31,461,511**	**$ 8,110,767**	**$ 15,911,706**	**$ 1,882,969**



Clark County Water Reclamation District
Ten Largest Customers
Current Year and Ten Years Ago

	2014				2004			
Customer	**Rank**	**ERU's Billed 7/1/2014**	**Percentage of Total ERU's**	**Dollar Amount Billed 7/1/2014**	**Rank**	**ERU's Billed 7/1/2004**	**Percentage of Total ERU's**	**Dollar Amount Billed 7/1/2004**
City Center	1	9,694.165	13.89%	$ 2,145,599		-	-	$ -
Mandalay Bay Resort and Casino	2	8,654.085	12.40%	$ 1,914,598	1	8,451.555	15.82%	$ 1,451,992
MGM Grand Hotel/Casino	3	8,255.490	11.83%	$ 1,828,022	2	7,129.050	13.34%	$ 1,231,166
Caesars Palace	4	7,593.340	10.88%	$ 1,683,678	9	4,036.850	7.55%	$ 700,573
Venetian Casino Resorts, LLC	5	7,426.920	10.64%	$ 1,643,434	3	6,148.800	11.51%	$ 1,057,217
Bellagio, LLC	6	6,893.255	9.88%	$ 1,527,596	4	5,575.295	10.43%	$ 963,830
Nellis Air Force Base	7	5,581.822	8.00%	$ 1,252,967	5	4,882.897	9.14%	$ 831,719
Wynn Las Vegas, LLC	8	5,508.555	7.89%	$ 1,219,502		-	-	$ -
Cosmpolitan of Las Vegas	9	5,187.070	7.43%	$ 1,150,375		-	-	$ -
The Mirage Casino-Hotel	10	4,988.605	7.15%	$ 1,103,597	8	4,206.225	7.87%	$ 722,296
Luxor		-	-	$ -	6	4,655.635	8.71%	$ 799,481
Rio Suite Hotel and Casino		-	-	$ -	7	4,330.720	8.10%	$ 745,937
Las Vegas Hilton		-	-	$ -	10	4,020.190	7.52%	$ 692,213

Source: District Finance Service Group

Clark County Water Reclamation District
Ratios of Outstanding Debt
Last Ten Fiscal Years

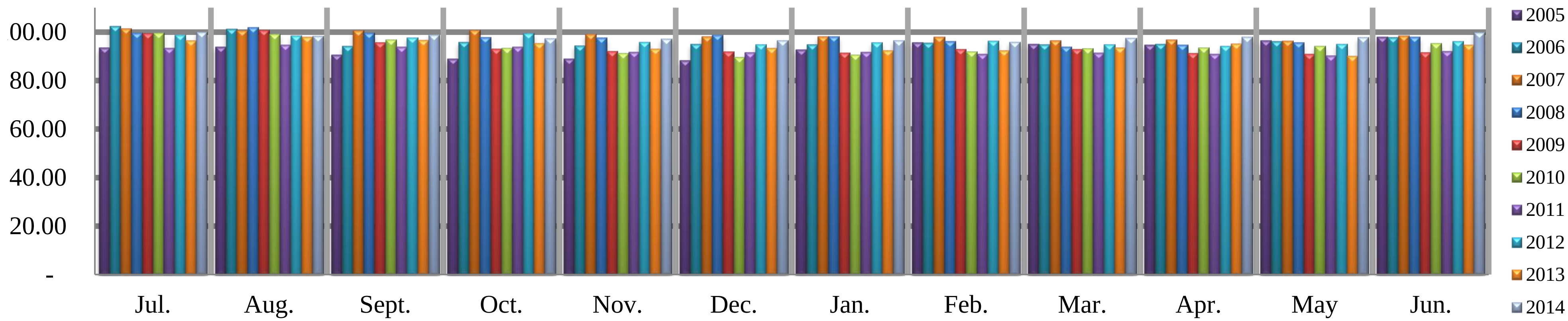
Fiscal Year	General Obligation Bonds	Issuance Premiums / Discounts	Revenue Bonds	Total Debt	Percentage of Personal Income *	Per Capita
2005	$ 46,020,000	$ 2,926,902	$ -	$ 48,946,902	0.08	26.96
2006	$ 39,435,000	$ 2,227,971	$ -	$ 41,662,971	0.06	21.78
2007	$ 37,700,000	$ 1,615,373	$ -	$ 39,315,373	0.06	19.69
2008	$ 87,150,000	$ 1,093,262	$ -	$ 88,243,262	0.11	44.43
2009	$ 457,150,000	$ 3,933,317	$ -	$ 461,083,317	0.63	212.87
2010	$ 456,784,780	$ 3,495,428	$ -	$ 460,280,208	0.64	216.91
2011	$ 452,008,449	$ 3,161,731	$ -	$ 455,170,180	0.65	231.05
2012	$ 456,767,672	$ 2,937,240	$ -	$ 459,704,912	0.63	228.86
2013*	$ 480,558,254	$ 2,827,212	$ -	$ 483,385,466	0.66	237.92
2014*	$ 471,160,284	$ 2,717,184	$ -	$ 473,877,468	0.65	233.24

* The Percentage of Personal Income is not available; therefore, Percentage of Personal income from 2012 is used as an estimate
Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Source: District Finance Service Group

Clark County Water Reclamation District
Flamingo Water Resource Center Average Daily Flows
(Per Million Gallons)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
July	93.67	102.53	101.45	99.83	99.52	99.82	93.53	98.81	96.50	**99.99**
August	94.01	101.34	100.70	102.05	100.92	99.25	94.71	98.53	98.06	**98.44**
September	90.80	94.29	100.74	99.80	95.76	96.90	93.87	97.79	96.75	**98.93**
October	89.09	95.92	100.89	97.86	93.15	93.52	94.02	99.58	95.50	**97.47**
November	89.05	94.56	99.19	97.72	92.11	91.34	91.90	96.06	93.21	**97.28**
December	88.34	95.10	98.24	98.93	92.07	89.71	91.68	94.95	93.45	**96.56**
January	92.71	94.94	98.31	98.23	91.52	90.69	91.91	95.78	92.58	**96.51**
February	95.84	95.55	98.08	96.35	93.00	92.07	91.06	96.42	92.44	**95.97**
March	95.17	95.00	96.55	93.96	93.07	93.25	91.49	94.93	93.65	**97.59**
April	94.90	95.15	96.93	94.74	91.25	93.59	91.11	94.24	95.26	**97.99**
May	96.50	96.26	96.43	95.76	91.05	94.27	90.37	95.06	90.18	**97.89**
June	98.05	97.91	98.61	97.99	91.58	95.44	92.19	96.20	94.85	**99.90**
Annual Average	93.18	96.55	98.84	97.77	93.75	94.15	92.32	96.53	94.37	**97.88**



Source: District Plant Operations Service Group

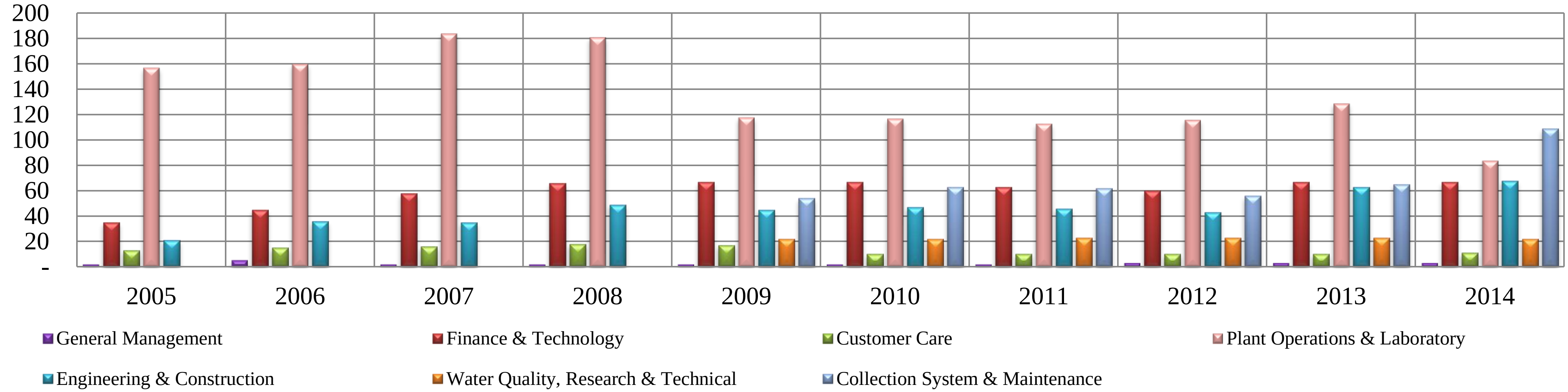
Clark County Water Reclamation District
Schedule of Insurance Policies in Force
Year Ended June 30, 2014

Amount of Policy	Description of Risk Covered	Insurer	Expiration Date
Statutory Limit	Excess Workmen's Compensation ($750,000 SIR)	Safety National Casualty	September 1, 2014
$1,000,000	Employer's Liability		
$75,000,000 any one site	Course of Construction ($10,000 deductible)	Continental Casualty Co. Insurance	September 1, 2014
$1,000,000 Each Event $2,000,000 General Total $2,000,000 Products & Completed work $1,000,000 Personal Injury $1,000,000 Adv Injury Med Exp Excluded $1,000,000 Sewer Backup	Comphrehensive General Liability ($50,000 SIR)	Argonaut Insurance Co.	September 1, 2014
$1,000,000 CSL	Comprehensive Business Automobile ($50,000 SIR)	Argonaut Insurance Co.	September 1, 2014
$100,000	Comprehensive Crime ($50,000 Deductible)	Argonaut Insurance Co.	September 1, 2014
$800,000,000 Loss Limit $1,000,000	Property Damage (Fire) Blanket Earnings & Exp ($50,000 deductible)	Argonaut Insurance Co.	September 1, 2014
$10,000,000	Commercial Umbrella Coverage	Argonaut Insurance Co.	September 1, 2014
$2,892,400	Scheduled Equipment ($2,500 deductible)	Argonaut Insurance Co.	September 1, 2014
$1,000,000 Each wrongful act	Employee Benefits Liability ($50,000 SIR)	Argonaut Insurance Co.	September 1, 2014
$250,000	Accounts Receivable ($50,000 Deductible)	Argonaut Insurance Co.	September 1, 2014
$1,500,000	EDP - Computure System ($50,000 Deductible)	Argonaut Insurance Co.	September 1, 2014
$6,000,000	Utility Deposit Bond Southern Nevada Water Authority	Great American Insurance Co.	September 1, 2014

Source: District Customer Care Service Group

Clark County Water Reclamation District
Full -Time Equivalent Employees by Service Center
Last Ten Fiscal Years

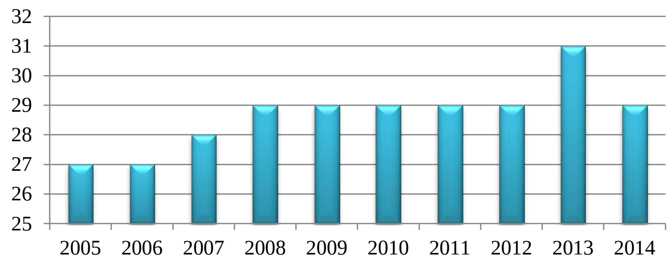
Service Centers	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
General Management	2	5	2	2	2	2	2	3	3	**3**
Finance & Technology Solutions	35	45	58	66	67	67	63	60	67	**67**
Customer Care	13	15	16	18	17	10	10	10	10	**11**
Plant Operations & Laboratory	157	160	184	181	118	117	113	116	129	**84**
Engineering & Construction	21	36	35	49	45	47	46	43	63	**68**
Water Quality, Research & Technical	0	0	0	0	22	22	23	23	23	**22**
Collection System & Maintenance	0	0	0	0	54	63	62	56	65	**109**
Total	228	261	295	316	325	328	319	311	360	**364**



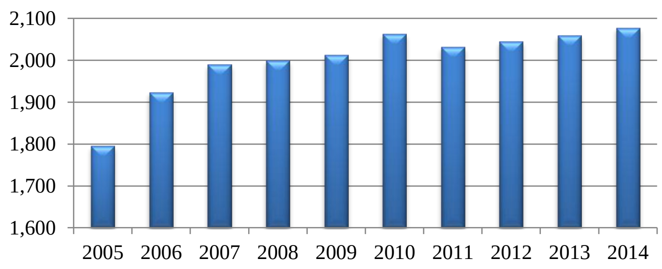
Clark County Water Reclamation District
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Sewer Lift/Pump Station Total	27	27	28	29	29	29	29	29	31	**29**
Miles of Sewer Pipelines	1,795	1,924	1,990	2,000	2,013	2,063	2,032	2,045	2,059	**2,078**
Sewer Manhole Total	34,898	38,198	41,071	41,537	41,828	42,666	43,031	43,531	42,424	**42,294**

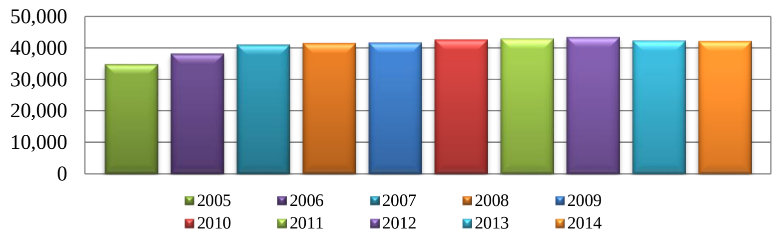
Sewer Lift/Pump Station Total



Miles of Sewer Pipelines



Sewer Manhole Total



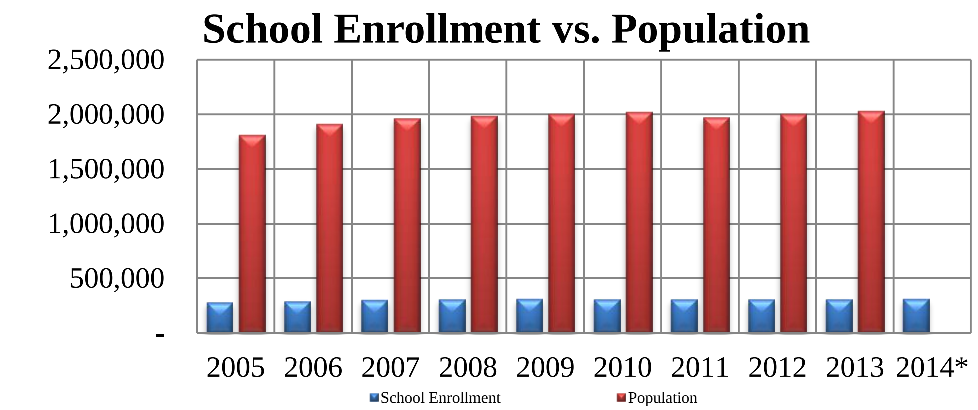
Source: District Engineering & Construction Service Group

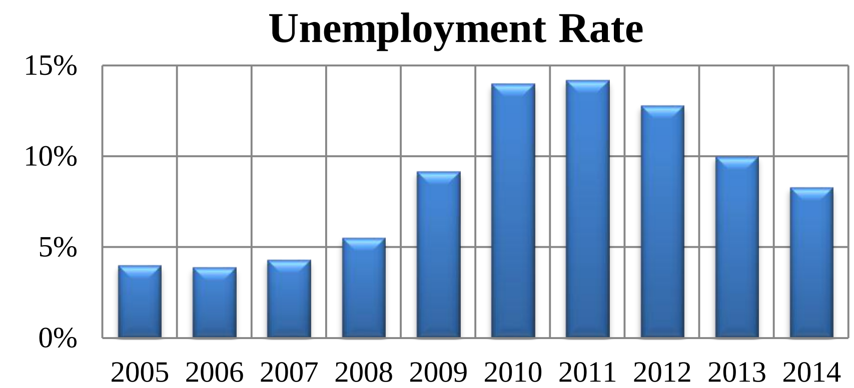
Clark County Water Reclamation District
Clark County Demographic Statistics
Last Ten Fiscal Years

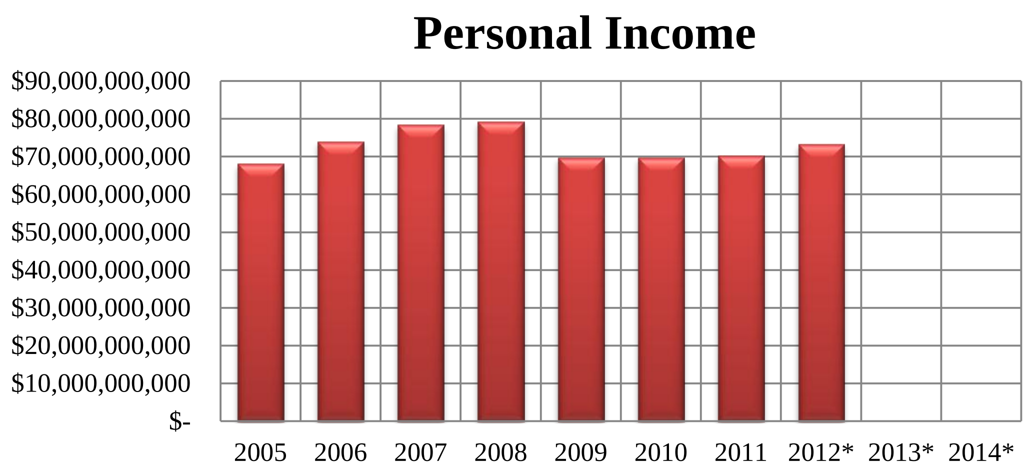
Year	Population [1]	Personal Income [2]	Per Capita Income [2]	School Enrollment [3]	Unemployment Rate [4]
2005	1,815,730	$ 68,189,740,150	$ 37,555	280,834	4.0%
2006	1,912,654	$ 74,077,089,420	$ 38,734	291,510	3.9%
2007	1,963,687	$ 78,439,477,215	$ 39,725	302,763	4.3%
2008	1,986,146	$ 79,286,948,320	$ 39,249	308,783	5.5%
2009	2,006,347	$ 69,854,528,000	$ 36,711	311,240	9.2%
2010	2,023,102	$ 69,800,237,000	$ 35,723	309,476	14.0%
2011	1,972,514	$ 70,289,097,000	$ 35,680	309,893	14.2%
2012	2,008,654	$ 73,379,049,000	$ 36,676	308,377	12.8%
2013	2,031,723	not available	not available	307,574	10.0%
2014	**not available**	**not available**	**not available**	**311,029**	**8.3%**

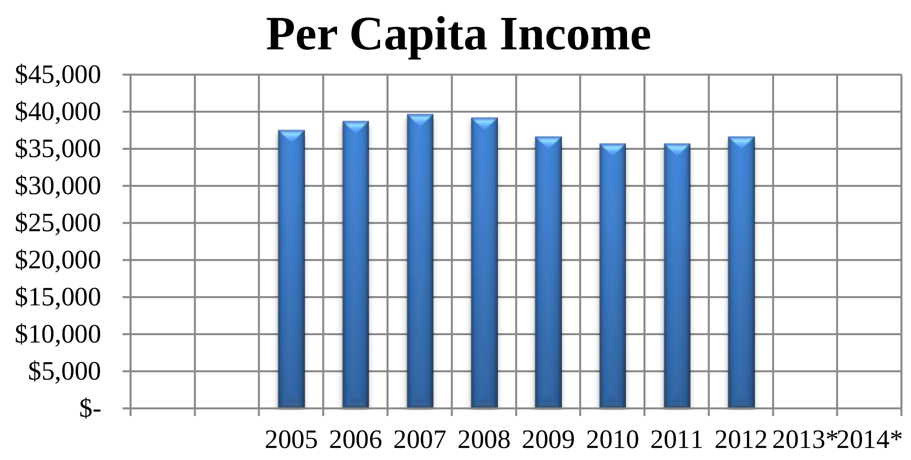
Source:
(1) Clark County Department of Comprehensive Planning
(2) University of Nevada, Las Vegas Center For Business & Economic Research (Las Vegas/Clark County Economic Data)
(3) Clark County School District
(4) Nevada Department of Employment Security

Clark County Demographic Statistics Charts









Source: Population-Clark County Department of Comprehensive Planning
Personal Income-University of Nevada, Las Vegas (data revisions per Bureau of Economic Analysis)
Per Capita Income-University of Nevada, Las Vegas (data revisions per Bureau of Economic Analysis)
School Enrollment-Clark County School District
Unemployment Rate-Nevada Department of Employment Security
*2014 Population information is not yet available
*2014 and 2013 Personal Income and Per Capita information is not yet available

Clark County Water Reclamation District
Clark County Principal Employers
Current Year and Ten Years Ago

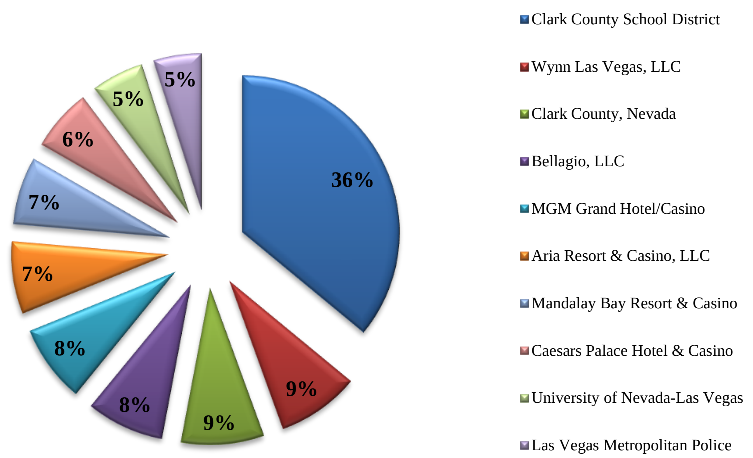
Employer	2014 Employees	2014 Rank	2014 Percentage of Total County Employment	2004 Employees	2004 Rank	2004 Percentage of Total County Employment
Clark County School District	35,000	1	4.17%	28,500	1	3.52%
Wynn Las Vegas, LLC	8,250	3	0.98%	-		-
Clark County, Nevada	8,250	2	0.98%	9,750	2	1.21%
Bellagio, LLC	7,750	4	0.92%	-		-
MGM Grand Hotel & Casino	7,750	5	0.92%	-		-
Aria Resort & Casino, LLC	7,250	6	0.86%	-		-
Mandalay Bay Resort and Casino	6,750	7	0.81%	6,750	3	0.83%
Caesars Palace Hotel & Casino	6,250	8	0.75%	4,750	8	0.59%
University of Nevada-Las Vegas	5,250	9	0.63%	5,250	6	0.65%
Las Vegas Metropolitan Police	4,750	10	0.57%	4,750	7	0.59%
The Mirage Hotel & Casino	-		-	5,750	4	0.71%
State of Nevada	-		-	5,250	5	0.65%
Rio All Suite Hotel & Casino	-		-	4,250	9	0.53%
Luxor Hotel & Casino	-		-	3,750	10	0.46%
Total for Principal Employers	97,250		11.60%	78,750		9.74%
Total Employment in Clark County as of June 30:	838,406			808,550		

Number of employees estimated using midpoint range.

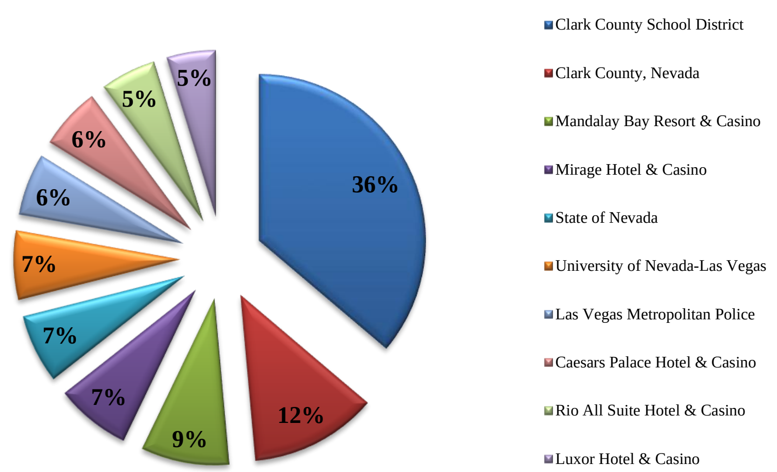
Source: State of Nevada - Department of Employment, Training and Rehabilitation

Principal Employers Charts

2014 Clark County Principal Employers



2004 Clark County Principal Employers



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Technical Terms

AAL	Actuarial Accrued Liability
ARRA	American Reinvestment and Recovery Act
ARC	Annual Required Contribution
CAFR	Comprehensive Annual Financial Report
CBER	Center for Business and Economic Research
COUNTY PLAN	Clark County Retiree Health Program
CAFB	Creech Air Force Base
CWC	Clean Water Coalition
DBWRC	Desert Breeze Water Resource Center
EMMA	Electronic Municipal Market Access
ERU	Equivalent Residential Unit
FASB	Financial Accounting Standards Board
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
HMO	Health Maintenance Organization
HPN	Health Plan of Nevada
LVVWD	Las Vegas Valley Water District
MD&A	Management Discussion and Analysis
MGD	Million Gallons per Day
MSRB	Municipal Securities Rulemaking Board
NDI	Nevada Department of Insurance
NRS	Nevada Revised Statute

Technical Terms (continued)

OPEB	Other Post-Employment Benefits
PEBP	Public Employee Benefit Program
PERS	Public Employees Retirement System
SEC	Securities and Exchange Commission
SCOP	Systems Conveyance and Operations Program
SDA	System Development Approval
Self-Funded Plan	Clark County Self-Funded Group Medical and Dental Benefits Plan
SNWA	Southern Nevada Water Authority
The Board	Board of Trustees
The County	Clark County, Nevada
The District	Clark County Water Reclamation District
The System	State of Nevada Public Employees' Retirement System
UAAL	Unfunded Actuarial Accrued Liability
UNLV	University of Nevada Las Vegas

Comments of Independent Auditors

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PBTK
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Clark County Water Reclamation District Board of Trustees
Clark County Water Reclamation District
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Clark County Water Reclamation District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 4, 2014.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2014 - 001 and 2014 - 002, to be material weaknesses.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the District, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Responses to Findings. The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of the District in a separate letter dated December 4, 2014.

Purpose of this Report. The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
December 4, 2014

Clark County Water Reclamation District

Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2014

2014-001

Criteria:	Capitalized interest should be recorded and presented in the financial statements in accordance with accounting principles generally accepted in the United States.
Condition:	A proper evaluation was not performed to determine that capitalized interest was complete and accurate.
Effect:	Property and equipment and depreciation were materially overstated while interest expense was materially understated in the current and prior years.
Cause:	Controls have not been designed or complied with to provide reasonable assurance that interest is properly capitalized.
Recommendation:	We recommend that management adopt and monitor compliance with policies and procedures designed to address these issues.
Management's response:	Management of the Clark County Water Reclamation District (the District) informed us that it has developed, documented, and implemented policies and procedures designed to address the issue; will monitor to ensure compliance with the policies and procedures; and will complete additional staff training on this subject.

2014-002

Criteria:	Accrued liabilities including those of for longevity pay due to district employees should be presented in the financial statement in accordance with accounting principles generally accepted in the United States.
Condition:	A proper evaluation was not performed to determine that accrued longevity pay due to employees was complete and accurate.
Effect:	The accrual of longevity pay in the current and prior years was understated.
Cause:	Adequate controls have not been designed or complied with to provide reasonable assurance that the accrual for longevity pay due to District employees was complete at year end.
Recommendation:	We recommend that management adopt and monitor compliance with policies and procedures designed to address these issues.
Management's response:	Management of the District informed us that it has developed, documented, and implemented policies and procedures designed to address the issue; will monitor to ensure compliance with the policies and procedures; and will complete additional staff training on this subject.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE 2015 BOND RESOLUTION

The following statements are summaries of certain provisions of the 2015 Bond Resolution. Such statements do not purport to be complete and reference is made to the 2015 Bond Resolution, copies of which are on file and available for examination at the principal office of the District.

Certain Definitions

Certain terms used in the 2015 Bond Resolution are defined substantially as follows:

"2015 Bond Fund" means, collectively, the "Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2015, Principal Account" and the "Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2015, Interest Account" created by the 2015 Bond Resolution.

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

For purposes of computing the Bond Requirements of variable interest rate Superior Securities or Parity Securities with respect to which a Qualified Swap is in effect, the interest payable on such variable interest rate securities (a) except as provided in clause (b) of this sentence, shall be deemed to be the interest payable on such variable interest rate securities in accordance with the terms thereof plus any amount required to be paid by the District to the Qualified Swap Provider pursuant to the Qualified Swap or minus any amount required to be paid by the Qualified Swap Provider to the District pursuant to the Qualified Swap; or (b) for purposes of computing combined average annual principal and interest requirements, for purposes of computing the maximum annual principal and interest requirements, and for purposes of any other computation for the issuance of additional superior or parity securities (including refunding securities) shall be deemed to be the amount accruing at the fixed rate as provided in the Qualified Swap. No computation of Bond Requirements under the 2015 Bond Resolution shall take into account payments due the Qualified Swap Provider on the termination of the Qualified Swap unless such payments on termination are then unconditionally due and payable in accordance with the terms of the related Qualified Swap.

For purposes of computing the Bond Requirements of a Qualified Swap with respect to which no Superior Securities or Parity Securities remain outstanding or of that portion of a Qualified Swap with respect to which the notional amount is greater than the principal amount of outstanding Superior Securities or Parity Securities to which such Qualified Swap relates, (a) for purposes of Sections 39 through 45 of the 2015 Bond Resolution, the interest payable thereon shall be deemed to be the net amount positive or negative, if any, required to be paid by the District to the Qualified Swap Provider pursuant to the Qualified Swap, and (b) for purposes of any computation of Bond Requirements for a period after the date of computation, the interest payable thereon shall be deemed to be the net amount most recently paid, as of the date of computation, by the District to the Qualified Swap Provider thereunder or (expressed as a negative number) by the Qualified Swap Provider to the District thereunder.

"Bond Year" means the 12 month period commencing on July 1 of a calendar year and ending on June 30 of the following calendar year.

"2012 Bond" means the Clark County Water Reclamation District, Nevada of its General Obligation (Limited Tax) Water Reclamation Bond (Additionally Secured by Pledged Revenues), Series 2012A.

"2011 Bond" means the Clark County Water Reclamation District, Nevada General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2011A.

"2009 Bonds" means the Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2009A and the Clark County Water Reclamation District, Nevada General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2009B.

"2009C Bond" means the Clark County Water Reclamation District, Nevada General Obligation (Limited Tax) Water Reclamation Bond (Additionally Secured by Pledged Revenues), Series 2009C.

"2008 Bonds" means the Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2008.

"2007 Bonds" means the Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2007.

"combined average annual principal and interest requirements" means (i) the sum of the Bond Requirements of the Bonds and any other Superior Securities and Parity Securities payable from the Net Pledged Revenues, which Bond Requirements come due during any Fiscal Year from the date of calculation to the last day on which any of the Bonds are due and payable, but not including any securities which are no longer outstanding under the defeasance provisions of Section 54 of the 2015 Bond Resolution, (ii) divided by the number of years (including any fraction thereof) from the date of the calculation of the combined average annual principal and interest requirements to the last day on which any of the Bonds are due and payable. If any Superior Security or Parity Security bears interest at a variable interest rate and is not covered by a Qualified Swap, the rate of interest used in the foregoing test shall be the lesser of the maximum permitted rate of interest on those Superior Securities and Parity Securities or a rate equal to the "25 Bond Revenue Index" as most recently published in The Bond Buyer prior to the date a firm offer to purchase the then proposed Superior Securities or Parity Securities is accepted by the District or if such index is no longer published, such other similar long-term bond index as the District reasonably selects.

"combined maximum annual principal and interest requirements" means the maximum sum of the principal of and the interest (including any payments to be made (positive or negative) on any Qualified Swap as provided in the definition of "Bond Requirements") on the Bonds and any other Superior Securities or Parity Securities, falling due during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any Bonds last become due and payable but not including any securities which are no longer outstanding under the defeasance provisions in Section 57 of the 2015 Bond Resolution. If any Superior Security or Parity Security bears interest at a variable interest rate and is not covered by a Qualified Swap, the rate of interest used in the foregoing test shall be the lesser of the maximum permitted rate of interest on those Superior Securities or Parity Securities or a rate equal to the "25 Bond Revenue Index" as most recently published in The Bond Buyer prior to the date an firm offer to purchase the then proposed Superior Securities or Parity Securities is accepted by the District or if such index is no longer published, such other securities index as the District reasonably selects.

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

"General Taxes" means general (ad valorem) taxes levied by the Board in conjunction with the County against all taxable property within the boundaries of the District (unless otherwise qualified).

"Gross Revenues" or "Gross Pledged Revenues" means all income and revenues derived directly or indirectly by the District from the operation and use and otherwise pertaining to the System or any part thereof.

"Net Pledged Revenues" or "Net Revenues" or "Pledged Revenues" means the Gross Revenues remaining after the deduction of Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the District, paid or accrued, of operating, maintaining and repairing the System, including, without limitation:

> (a) engineering, auditing, reporting, legal and other overhead expenses relating to the administration, operation and maintenance of the System;
>
> (b) fidelity bond and property and liability insurance premiums pertaining to the System or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the System;
>
> (c) payments to pension, retirement, health and hospitalization funds, and other insurance and to any self-insurance

fund as insurance premiums not in excess of such premiums which would otherwise be required for such insurance;

(d) any general taxes, assessments, excise taxes or other charges which may be lawfully imposed upon the District, the System, revenues therefrom or the District's income from or operations of any properties under its control and pertaining to the System, or any privilege in connection with the System or its operations;

(e) the reasonable charges of any Paying Agent or Registrar and any other depository bank pertaining to the Bonds or any other securities payable from Gross Revenues or otherwise pertaining to the System;

(f) contractual services, professional services, salaries, other administrative expenses and costs of materials, supplies, repairs and labor pertaining to the System or to the issuance of the Bonds as herein defined, or any other securities relating to the System, including, without limitation, the expenses and compensation of any receiver or other fiduciary under the Bond Act (as defined in the 2015 Bond Resolution);

(g) the costs incurred by the Board in the collection and any refunds of all or any part of Gross Revenues;

(h) any costs of utility services furnished to the System;

(i) any lawful refunds of any Gross Revenues; and

(j) all other administrative, general and commercial expenses pertaining to the System;

but excluding:

(i) any allowance for depreciation;

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

(iii) any accumulation of reserves for major capital replacements, other than normal repairs;

(iv) any reserves for operation, maintenance or repair of the System;

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

(vi) any liabilities incurred in the acquisition or improvement of any properties comprising any project or of any existing facilities, or any combination thereof, pertaining to the System, or otherwise; and

(vii) any liabilities imposed on the District for any grounds of legal liability not based on contract, including, without limitation, negligence in the operation of the System.

"Parity Securities" or "Parity Bonds" means the 2009 Bonds, the 2008 Bonds, the 2007 Bonds and any other securities of the District pertaining to the System and payable from and secured by Net Revenues on a parity with the Bonds, to the extent issued in accordance with the terms, conditions and limitations of the 2015 Bond Resolution.

"Qualified Swap" means any financial arrangement (i) that is entered into by the District with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) that provides that the District shall pay to such entity an amount based on the interest accruing at a fixed rate on an amount equal to a designated principal amount of variable interest rate Superior Securities or Parity Securities Outstanding as described therein, and that such entity shall pay to the District an amount based on the interest accruing on such principal amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such Superior Securities or Parity Securities) or that one shall pay to the other any net amount due under such arrangement; and (iii) which has been designated in writing by the District as a Qualified Swap with respect to such obligations.

"Qualified Swap Provider" means a financial institution whose senior long-term debt obligations, or whose obligations under a Qualified Swap are guaranteed by a financial institution whose senior long term debt obligations, are rated by whichever of Standard and Poor's Ratings Service or Moody's Investors Service as then has a rating in effect for the Bonds or both such agencies if both then have a rating in effect for the Bonds, at the time the subject Qualified Swap is entered into at least "Aa" in the case of Moody's and "AA" in the case of Standard & Poor's, or the equivalent thereof.

"Subordinate Securities" means the 2012 Bond, the 2011 Bond, the 2009C Bond and any other securities of the District pertaining to the System and payable from and secured by Net Revenues subordinate and junior to the pledge thereof to the Bonds, the Parity Securities and the Superior Securities, to the extent issued in accordance with the terms, conditions and limitations of the 2015 Bond Resolution.

"Superior Securities" means securities of the District pertaining to the System and payable from and secured by Net Revenues superior and senior to the pledge thereof to the Bonds, the Parity Securities and the Subordinate Securities, to the extent issued in accordance with the terms, conditions and limitations of the 2015 Bond Resolution.

"System" means the District's public sanitary sewer and water reclamation system.

"Tax Code" means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds.

"Trust Bank" means a "commercial bank", as defined herein, which bank is authorized to exercise and is exercising powers, and also means any branch of the Federal Reserve Bank.

Security for the Bonds

The Bonds are general obligation bonds of the District and are additionally payable from and secured by the Net Pledged Revenues. To the extent other moneys are not available to pay the principal of, premium, if any and interest on the Bonds, the District has covenanted to levy and collect ad valorem taxes sufficient to make such payments.

The Bonds, together with the Parity Securities, constitute an irrevocable lien (but not necessarily an exclusive lien) on the Net Pledged Revenues subject to the prior lien thereon for payment of the Superior Securities, if any and prior and superior to the lien thereon for the payment of Subordinate Securities.

Flow of Funds

All Gross Revenues, upon their receipt from time to time by the District, shall be deposited into the "Clark County Water Reclamation District, Nevada, Reclamation System Gross Pledged Revenues Fund" (the "Revenue Fund"). After making payments for the Operation and Maintenance Expenses into the "Clark County Water Reclamation District, Nevada, Reclamation System Facilities Operation and Maintenance Fund" and transferring the required sums into the funds for any Superior Securities (i.e., including any superior bond fund, rebate fund, reserve fund and payments due on any Qualified Swap as provided in the 2015 Bond Resolution) monies in the Revenue Fund shall be transferred on the first day of each month in the following order:

> (a) To the 2015 Bond Fund, simultaneously with any required transfers to the bond funds for any other Parity Securities, commencing on the first day of the month succeeding the delivery of the Bonds (after taking into account any accrued interest, if any, paid into the 2015 Bond Fund), a sum at least equal to the amount, if paid monthly, of the next maturing installment of interest on the Bonds, and monthly thereafter, one-sixth of the amount necessary to pay the next maturing installment of interest on the Bonds, and commencing twelve months before the first principal payment on the Bonds, one-twelfth of the amount necessary to pay the next installment of principal of the Bonds;
>
> (b) Subsequent to the payments summarized in (a) above, there must be deposited into the "Clark County Water Reclamation District, Clark County, Nevada, General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2015 Rebate Account (the

"2015 Rebate Account") (and any rebate funds or accounts for the Parity Securities) the amounts required pursuant to Section 148 of the Tax Code and the regulations thereunder;

(c) Subsequent to the payments summarized in (a) and (b) above, the District must make payments required for the payment of additional bonds or other additional securities payable from the Net Revenues and hereafter authorized to be issued in accordance with the 2015 Bond Resolution, including reasonable reserves for such securities and amounts required to be rebated to the United States for such securities, as the same accrue; and

(d) Subsequent to the payments summarized in (a), (b) and (c) above, monies remaining in the Revenue Fund may be used for any lawful purpose of the District.

No payment need be made into the 2015 Bond Fund if the amounts in the 2015 Bond Fund at least equal the entire amount of the outstanding Bonds as to all Bond Requirements to their respective maturities both accrued and not accrued, in which case monies in the 2015 Bond Fund in an amount, except for any interest or other gain to accrue from any investment of monies in Federal Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used together with any such gain from such investments, solely to pay such Bond Requirements as the same become due.

If at any time (including a date on which a payment under a Qualified Swap is due) the District shall for any reason fail to pay into the 2015 Bond Fund or the 2015 Rebate Account the full amount above stipulated from Net Pledged Revenues, then an amount shall be paid first into the 2015 Bond Fund and second into the 2015 Rebate Account at such time as Net Pledged Revenues are available therefor equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. If any securities (other than the Bonds) are outstanding, and if the proceedings authorizing issuance of those securities require the replacement of monies in a bond fund, reserve fund or rebate fund therefor, then the monies replaced in such bond fund, reserve fund or rebate fund shall be replaced on a pro rata basis related to the principal amount of the then outstanding Bonds and the then outstanding other Parity Securities, as moneys become available therefor, first into all of such bond and reserve funds and second into all such rebate funds.

Additional Superior Securities and Parity Securities

Nothing in the 2015 Bond Resolution, except as provided below, prevents the issuance by the District of additional securities payable from Net Revenues and constituting a lien thereon on a parity with, or constituting a lien thereon superior to the lien thereon of the Bonds, provided, however, that the following are express conditions to the authorization and issuance of any such Superior Securities or Parity Securities:

(i) at the time of the adoption of the instrument authorizing the issuance of such additional Superior Securities or Parity Securities, the District is not in default in the payment of principal of or interest on the Bonds; and

(ii) except as provided below, the Net Pledged Revenues (subject to certain adjustments described below) projected by the General Manager of the District, the District's Chief Financial Officer or an independent accountant or consulting engineer to be derived in the later of (i) the Fiscal Year immediately following the Fiscal Year in which the facilities to be financed with the proceeds of the additional Superior Securities or Parity Securities are projected to be completed or (ii) the first Fiscal Year for which no interest has been capitalized for the payment of any Superior Securities or Parity Securities, including the Superior Securities or Parity Securities proposed to be issued, will be sufficient to pay at least an amount equal to the principal and interest requirements (to be paid during that Fiscal Year) of all outstanding Superior Securities, outstanding Parity Securities, outstanding Bonds, and the Superior Securities or Parity Securities proposed to be issued (excluding any reserves therefor).

In any determination of whether or not additional Parity Securities may be issued in accordance with the foregoing earnings test, consideration shall be given to any probable estimated increase or reduction in Operation and Maintenance Expenses that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional Superior Securities or Parity Securities.

In any determination of whether or not additional Superior Securities or Parity Securities may be issued in accordance with the foregoing earnings test: (i) the respective annual principal (or redemption price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any Trust Bank within or without the State, including the known minimum yield from any investment in Federal Securities; and (ii) the respective annual principal and interest requirements shall be reduced to the extent of the amount of principal and interest of any outstanding securities with a term of one year or less which the General Manager or Chief Financial Officer certifies are expected to be refunded. The certificate shall also provide an estimate of the debt service for the long-term refunding obligations that will refund the securities with the term of one year or less, calculated based on an interest rate equal to the "25 Bond Revenue Index" most recently published in The Bond Buyer prior to the date of certification.

For the purposes of (ii) above, if any Superior Security or Parity Security bears interest at a variable interest rate and is not covered by a Qualified Swap, the rate of interest used in the foregoing test shall be the lesser of the maximum permitted rate of interest on those Superior Securities or Parity Securities or a rate equal to the "25 Bond Revenue Index" as most recently published in The Bond Buyer prior to the date a firm offer to purchase the then proposed Superior Securities or Parity Securities is accepted by the District or if such index is no longer published such other similar long-term bond index as the District reasonably selects. In addition, any such variable interest rate securities must meet the requirements of the insurer of the Bonds, if any.

Termination payments due under a Qualified Swap Agreement must be subordinate to the payments of the Bond Requirements of any Bonds, unless all of the outstanding Bonds are insured by a bond insurer whose rating issued by Standard and Poor's'

Rating Services or Moody's Investors Service or both (whichever has a rating in effect for the outstanding Bonds) is equal to or better than the rating the Bonds would have without such insurance, and the insurer of the outstanding Bonds consents to the lien position of such termination payment prior to the execution of such Qualified Swap Agreement.

A written certificate or written opinion by the General Manager of the District, the Chief Financial Officer or an independent accountant or consulting engineer that the foregoing earnings test is met, shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell and deliver additional Superior Securities or Parity Securities.

In connection with the authorization of any such additional securities the Board may on behalf of the District adopt any additional covenants or agreements with the holders of such additional securities; provided, however, that no such covenant or agreement may be in conflict with the covenants and agreements of the District contained in the 2015 Bond Resolution and no such covenant or agreement may be materially adverse to the interests of the holders of the Bonds. Any finding of the District to the effect that the foregoing requirements are met shall, if made in good faith, conclusively establish that the foregoing requirements have been met for purposes of the 2015 Bond Resolution.

Equality of Lien

The Bonds and any Parity Securities will not be entitled to any priority one over the other in the application of the Net Pledged Revenues, regardless of the time or times of the issuance of the Bonds and any other such securities.

Subordinate Securities

The 2015 Bond Resolution provides that the District may issue Subordinate Securities so long as the proceeds of the Subordinate Securities are used to pay costs (including, without limitation, incidental expenses) of a project for the betterment, enlargement, extension, other improvement or equipment of the System or any combination thereof.

Issuance of Refunding Bonds

At any time after the Bonds, or any part thereof, are issued and remain Outstanding, if the District shall find it desirable to refund any Outstanding Bonds or other Outstanding Parity or Subordinate Securities, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the District's option upon proper call, unless the owner or owners of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Pledged Revenues is changed (except as provided herein).

The refunding bonds or other refunding securities so issued shall enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any; and the owner or owners of the refunding securities shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

Any refunding bonds or other refunding securities payable from any Gross Revenues shall be issued with such details as the Board may by resolution provide, subject to the provisions of this section but without any impairment of any contractual obligation imposed upon the District by any proceedings authorizing the issuance of any unrefunded portion of the Outstanding securities of any one or more issues (including, without limitation, the Bonds).

If only a part of the Outstanding Bonds and other Outstanding securities of any issue or issues payable from the Gross Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

(i) Unless the refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last redemption date, if any, whichever is later, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Net Revenues is not raised to a higher priority than the lien thereon of the Bonds or other securities thereby refunded; or

(ii) Unless the lien on any Gross Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

(iii) Unless the refunding bonds or other refunding securities are issued in compliance with the earnings test contained under the heading AAdditional Superior Securities and Parity Securities" above.

Tax Covenant

The District covenants, in the 2015 Bond Resolution, for the benefit of the registered owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code have been met.

Rate Covenant

The District covenants in the 2015 Bond Resolution to charge against users or against purchasers of services or commodities pertaining to the System such fees, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other funds available therefor, will be in each Fiscal Year of the District at least equal to the sum of:

(i) An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;

(ii) An amount equal to the sum of the debt service due in such Fiscal Year on any then outstanding Superior Securities, then outstanding Bonds and any then outstanding Parity Securities; and

(iii) Any other amounts payable from the Net Revenues and pertaining to the System, including, without limitation, debt service on any Subordinate Securities and any other securities pertaining to the System, operation and maintenance reserves, additional capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

The foregoing rate covenant is subject to compliance by the District with any legislation of the United States of America, the State or other governmental body, or any regulation or other action taken by the United States, the State or any agency or political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges collectible by the District for the use of or otherwise pertaining to, and all services rendered by, the System.

Other Protective Covenants

The District also covenants with the registered owners of the Bonds that (a) it will at all times operate the System in a sound and economical manner and will maintain, preserve and keep the same properly or cause the same to be so maintained, preserved and kept, in good repair, working order and condition, (b) except for the use of the System or services pertaining thereto in the normal course of business, it will not sell, lease, mortgage or otherwise dispose of as a whole, or substantially as a whole, the System (unless provision is made for the payments into the 2015 Bond Fund required by the 2015 Bond Resolution), and (c) it will maintain with responsible insurers all such insurance as is customarily maintained with respect to works and properties of like character against loss of or damage to such works or properties of like character and against public or other liability to the extent reasonably necessary to protect the interest of the District and the registered owners of the Bonds.

Defeasance

When all the Bond Requirements of any Bond have been duly paid, the pledge, the lien and all obligations under the 2015 Bond Resolution will thereby be discharged as to that Bond, and the Bond will no longer be deemed to be outstanding within the meaning of the 2015 Bond Resolution. There shall be deemed to be such due payment if the District has placed in escrow or in trust with a Trust Bank an amount sufficient, together with the known minimum yield available therefor from any initial investments in Federal Securities, to meet all Bond Requirements of the Bond as the same become due to the final maturity of the Bond or to any redemption date as of which the District shall have exercised or shall have obligated itself to exercise its prior redemption option. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For the purpose of this section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof. When such defeasance is accomplished, the Paying Agent shall mail written notice of the defeasance to the registered owners of the Bonds at the addresses last shown on the registration records for the Bonds.

Events of Default and Remedies

Each of the following events is an "event of default" under the 2015 Bond Resolution:

A. Payment of the principal of any of the Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

B. Payment of any installment of interest on the Bonds is not made when the same becomes due and payable;

C. The District for any reason is rendered incapable of fulfilling its obligations under the 2015 Bond Resolution;

D. The District fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Net Revenues or to the System, or otherwise, including, without limitation, the 2015 Bond Resolution, and such failure continues for 60 days after receipt of notice from the owners of at least 10% in aggregate principal amount of the Bonds then Outstanding;

E. The District discontinues or unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the System which is necessary to the adequate operation of the System and which is destroyed or damaged and is not promptly repaired or replaced (whether the failure promptly to repair the same is due to impracticality of the repair or replacement or is due to a lack of moneys therefor or for any other reason);

F. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the District appointing a receiver or receivers for the System or for the Net Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or both the System and such moneys, or if an order or decree having been entered without the consent or acquiescence of the District is not vacated or discharged or stayed on appeal within 60 days after entry; and

G. The District makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in the 2015 Bond Resolution on its part to be performed and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the District by the owners of at least 10% in aggregate principal amount of the Bonds then Outstanding.

Upon the happening and continuance of any of the events of default, then and in every case the owner or owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the District and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under the 2015 Bond Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the District to act as if it were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds, and any Parity Securities then Outstanding.

Amendment of the 2015 Bond Resolution

The 2015 Bond Resolution may be amended or supplemented with the written consent of the insurer of the Bonds, if any, or of the registered owners of at least 66% in aggregate principal amount of Bonds outstanding, excluding Bonds which may then be held or owned for the account of the District, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the District. However, no amendment may permit the following without the consent of the insurer of the bonds, if any, and the registered owners of Bonds adversely affected thereby: (i) a change in the maturity or in the terms of redemption of the principal or any installment thereof of any outstanding Bond or any installment of interest thereon; (ii) a reduction of the principal amount of any outstanding Bond or interest rate payable in connection with any Bond; (iii) a reduction of the principal amount or percentages or otherwise affecting the description of Bonds, the consent of the registered owners of which is required for any such amendment or modification; (iv) the establishment of priorities between Bonds issued and outstanding under the provisions of the 2015 Bond Resolution; or (v) any modification of or otherwise materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bonds then outstanding.

Replacement of Paying Agent or Registrar

If the Registrar or Paying Agent initially appointed resigns, or if the General Manager or Chief Financial Officer of the District reasonably determines that the Registrar or Paying Agent has become incapable of performing its duties, or if the General Manager or the

Chief Financial Officer of the District shall determine that it is in the best interests of the District to replace the Registrar or Paying Agent, the Board may, upon notice mailed to the insurer of the Bonds, if any, and each registered owner of the Bonds at his or her address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. The 2015 Bond Resolution does not require that the same institution serves as both Registrar and Paying Agent, but the District shall have the right to have the same institution serve as both Registrar and Paying Agent.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2015 Bonds. The 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2015 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2015 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2015 Bonds, except in the event that use of the book-entry system for the 2015 Bonds is discontinued.

To facilitate subsequent transfers, all 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015 Bond documents. For example, Beneficial Owners of 2015 Bonds may wish to ascertain that the nominee holding the 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2015 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2015 Bonds at any time by giving reasonable notice to the District or the Registrar and Paying

Agent. Under such circumstances, in the event that a successor depository is not obtained, 2015 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2015 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Clark County Water Reclamation District, Nevada (the "Issuer") in connection with the issuance of the Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015, in the aggregate principal amount of $103,625,000 (the "Bonds"). The Bonds are being issued pursuant to the bond resolution of the Issuer adopted May 19, 2015 (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC").

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinances or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Material Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board. The MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing March 31 following the end of the Issuer's fiscal year ending June 30, 2015, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send or cause to be sent a notice in substantially the form attached as Exhibit A to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit B hereto which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall provide or cause to be provided to the MSRB, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

(a) Principal and interest payment delinquencies;
(b) Non-payment related defaults, *if material*;
(c) Unscheduled draws on debt service reserves reflecting financial difficulties;
(d) Unscheduled draws on credit enhancements reflecting financial difficulties;
(e) Substitution of credit or liquidity providers or their failure to perform;
(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(g) Modifications to rights of bondholders, if material;
(h) Bond calls, if material, and tender offers;
(i) Defeasances;
(j) Release, substitution or sale of property securing repayment of the Bonds, if material;
(k) Rating changes;
(l) Bankruptcy, insolvency, receivership or similar event of the obligated person;*
(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

SECTION 6. Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

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* *For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.*

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinances, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: August 4, 2015.

CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA

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EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Clark County Water Reclamation District, Nevada
Name of Bond Issue:	General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015
Date of Issuance:	August 4, 2015
CUSIP No.:	181070

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution adopted on May 19, 2015 and the Continuing Disclosure Certificate executed on August 4, 2015 by the Issuer. The Issuer anticipates that the Annual Report will be filed by ______________________.

Dated: ______________________

CLARK COUNTY WATER
RECLAMATION DISTRICT, NEVADA

By:_________________________________
Its:_________________________________

EXHIBIT B

[See page -iv- of this Official Statement.]

APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

Clark County Water Reclamation District, Nevada
5857 E. Flamingo Road
Las Vegas, Nevada 89122

$103,625,000
Clark County Water Reclamation District, Nevada
General Obligation (Limited Tax)
Water Reclamation Refunding Bonds
(Additionally Secured by Pledged Revenues)
Series 2015

Ladies and Gentlemen:

We have acted as bond counsel to the Clark County Water Reclamation District (the “District”), Nevada (the “State”), in connection with the issuance of its “General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015” (the “Bonds”) in the aggregate principal amount of $103,625,000, pursuant to an authorizing resolution adopted and approved by the District’s Board of Trustees on May 19, 2015 (the “Bond Resolution”). In such capacity, we have examined the District’s certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the District’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the District.

2. All of the taxable property in the District is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the Constitution and laws of the State.

3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the District (i.e., the State, District, and any other political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State and the District) for all other purposes (subject to any exception implied by law for the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.

4. The Bonds are additionally secured by and payable from the Pledged Revenues. The Bond Resolution creates a valid lien on the Pledged Revenues pledged therein for the security of the Bonds on a parity with any Parity Securities outstanding or hereafter issued, subordinate to any Superior Securities outstanding or hereafter issued and superior to any Subordinate Securities outstanding or hereafter issued. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Pledged Revenues or on the funds and accounts created by the Bond Resolution.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

6. Under laws of the State in effect on the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District pursuant to the Bonds and the Bond Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State, and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including, without limitation, bankruptcy powers.

In expressing the opinions above, we are relying, in part, on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein. We are not passing upon the accuracy, adequacy or completeness of the Official Statement relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in laws that may hereafter occur.

Respectfully submitted,